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AT LEAST 11,290,000 workers were covered by some type of health and insurance or pension plan under collective bargaining agreements in early 1954 (table 1).<sup>1</sup> The number of workers covered by these programs has increased more than twenty-fold since 1945, when about 0.5 million workers were provided with one or more benefits under such plans. By mid-1948, upwards of 3 million workers were covered. In the following 2 years, reflecting in part the drive of unions in the basic steel and automobile industries in late 1949 and early 1950, coverage increased to more than 7½ million workers.<sup>2</sup> In early 1954, it is estimated, approximately 70 percent of all workers under collective bargaining agreements<sup>3</sup> were provided with at least one type of health, insurance, or pension benefit.

Excluded from these estimates were government and railroad workers for whom benefits are provided under Federal, State, or municipal legislation. Nor is the jointly financed health program negotiated in August 1954 between the nonoperating railroad unions and the carriers included in this survey.<sup>4</sup>

The movement by employers and unions to establish new employee-benefit programs or to bring existing programs within the scope of labor-management contracts represents one of the outstanding postwar developments in labor-management relations. However, the introduction of health, insurance, and pension plans into the collective bargaining agreement raised many new problems for both management and labor. Employers and unions were introduced, all too abruptly in some cases, to subjects quite different from those involved in the usual collective bargaining situ-

ation. Decisions as to types and amounts of benefits, methods of funding, investment policies, reserve policies, and administration had to be made.<sup>5</sup> New areas of labor-management cooperation, frequently in the form of joint committees set up to administer the programs, were established; in many cases this involved the establishment of separate grievance machinery to handle disputes arising under the plans. Many unions and companies established insurance and pension departments or expanded existing operations to cope with the complex technical problems arising from the negotiation and administration of these programs.

## Health and Insurance Plans

In early 1954, approximately 11 million workers, or about two-thirds of the total number of workers covered by union contracts (exclusive of railroad and government unions), were protected by health and insurance plans under collective bargaining. These plans provided one or more of the following benefits: life insurance or death benefits, accidental death and dismemberment benefits, accident and sickness benefits (excluding sick leave and work-

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<sup>1</sup>Data for this study were obtained by questionnaires sent to all national and international unions listed in the Bureau's 1953 Directory of Labor Unions in the United States (Bull. 1127) and to a selected group of single-firm unaffiliated unions. Incomplete data were supplemented by available Bureau records, including the files of collective bargaining agreements and employee-benefit plans, current wage developments reports, and union wage surveys. A preliminary release summarizing the major findings of this survey was issued in December 1954.

<sup>2</sup>For previous studies in this field, see BLS Bulls. 841, 900, 946, and 1017.

<sup>3</sup>On the basis of the responses to the Bureau's questionnaire it was estimated, roughly, that 16 million workers, exclusive of government and railroad employees, were covered by collective bargaining agreements at the time of this survey.

<sup>4</sup>This program, which became effective in early 1955, provides for an insured plan covering approximately 500,000 workers, the cost of which is shared equally by the employer and employee. In addition, almost 250,000 other workers employed on railroads which have hospital associations are to receive benefits through those hospitals, with the employer paying one-half the cost, up to \$3.40 monthly. The insured program includes the following benefits for the employees: hospitalization, surgical, medical (both in and out of hospital); maternity; polio; special laboratory and X-ray allowances; and major or extended illnesses. To round out the program, the participating unions have made arrangements for a group insurance plan to cover dependents and furloughed and retired workers. This coverage is to be paid for by the workers.

<sup>5</sup>Considerable public attention has been focused in the past 2 years on the administration of health, insurance, and pension plans. Disclosures of irregularities and alleged corruption in the operation of certain programs stimulated investigations at both Federal and State levels. While the reports of investigating bodies thus far made public generally have indicated that the great majority of plans are reasonably well managed, they have exposed corruption and inefficient administration in some cases and have stimulated activity pointing toward closer scrutiny of these programs and the possible need for additional legislation in this area.

men's compensation), and cash or services covering hospital, surgical, maternity, and medical care.<sup>6</sup> (See table 2 and chart 1.)

Between mid-1950 and early 1954, the number of workers covered by health and insurance plans under collective bargaining increased by 55 percent, as contrasted with a 40-percent increase in pension coverage (table 2 and chart 2). At the same time, there were a large number of changes in existing plans. For example, of over 1,200 collective bargaining settlements in 1954 known to the Bureau, each covering 1,000 or more workers, 38 percent involved the establishment or liberalization of health and insurance programs.<sup>7</sup> The great majority of these changes were in the form of liberalizing existing programs.

Liberalization of existing programs has taken various forms. Probably the most common have been increases in the amount and duration of benefits, the addition of such benefits as surgical and in-hospital medical care, or the extension of benefits to dependents or retired workers. New features have also been introduced, which, although not yet common, are attracting widespread attention. An example is the private supplementation of workmen's compensation. Historically, weekly accident and sickness benefits, with few exceptions, have been payable only to employees prevented from working by off-the-job injuries or illnesses. Partial wage payment in case of disability incurred on the job is provided by workmen's compensation laws and, in many

cases, the payments made are less than the worker would receive for off-the-job injuries. In recent years an increasing number of health and insurance plans have been amended to guarantee the worker who is injured on the job an income equal to the amount provided for off-the-job disability.

Provisions for added protection against extended or catastrophic illness are also becoming more prevalent. Typically, provision is made for partial reimbursement, generally up to a specified maximum, for medical care expenses above those covered by the basic program. For example: A worker incurs total medical care expenses of \$3,000 during a period of extended illness. The basic plan covers \$900 of this amount. The plan further provides that the worker will bear the next \$200 of charges (commonly referred to as "deductible" under the plan). Of the remaining \$1,900 of expenses (\$3,000 less [\$900 + \$200]), the plan pays 75 percent. Thus under the combined basic and extended medical programs, the worker is reimbursed for \$2,325 out of a total charge of \$3,000.

Among other benefits increasingly being incorporated into health and insurance plans in recent years are: (1) allowances for diagnostic and laboratory fee services performed out of the hospital as well as in the hospital; (2) special allowances for

<sup>6</sup> For details of health and insurance plans, see Digest of 100 Selected Health and Insurance Plans Under Collective Bargaining, 1954, BLS Bull. 1180.

<sup>7</sup> Monthly Report, Current Wage Developments, No. 87 (p. viii), Bureau of Labor Statistics, March 1, 1955.

TABLE 1.—Workers covered by health and insurance and pension plans under collective bargaining,<sup>1</sup> by union affiliation, mid-1950 and early 1954

Type of plan	All unions <sup>1</sup>				Union affiliation											
					AFL				CIO				Unaffiliated			
	1954		1950		1954		1950		1954		1950		1954		1950	
	Workers (thousands)	Per cent	Workers (thousands)	Per cent	Workers (thousands)	Per cent	Workers (thousands)	Per cent	Workers (thousands)	Per cent	Workers (thousands)	Per cent	Workers (thousands)	Per cent	Workers (thousands)	Per cent
Total.....	11,292	100.0	7,652	100.0	5,098	100.0	2,683	100.0	4,813	100.0	3,631	100.0	1,381	100.0	1,338	100.0
Health and insurance <sup>2</sup> and pension.....	6,914	61.2	4,599	60.1	2,106	41.3	884	32.9	3,649	75.8	2,830	78.0	1,160	84.0	885	66.1
Health and insurance only.....	4,176	37.0	2,529	33.1	2,819	55.3	1,364	50.9	1,137	23.6	749	20.6	221	16.0	416	31.1
Pension only.....	202	1.8	524	6.8	173	3.4	435	16.2	28	0.6	52	1.4	( <sup>3</sup> )	( <sup>4</sup> )	37	2.8

<sup>1</sup> Excludes unions of railroad and government employees.

<sup>2</sup> Includes one or more of the following: life insurance or death benefits; accidental death and dismemberment benefits; accident and sickness benefits (but not sick leave or workmen's compensation); cash or services covering hospital, surgical, maternity, and medical care.

<sup>3</sup> Less than 500.

<sup>4</sup> Less than 0.05 percent.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

TABLE 2.—Workers covered by health and insurance and pension plans under collective bargaining,<sup>1</sup> by method of financing and union affiliation, mid-1950 and early 1954

Method of financing	All unions <sup>1</sup>				Union affiliation											
					AFL				CIO				Unaffiliated			
	1954		1950		1954		1950		1954		1950		1954		1950	
	Workers (thousands)	Per cent	Workers (thousands)	Per cent	Workers (thousands)	Per cent	Workers (thousands)	Per cent	Workers (thousands)	Per cent	Workers (thousands)	Per cent	Workers (thousands)	Per cent	Workers (thousands)	Per cent
<b>Health and insurance plans <sup>2</sup></b>																
Total.....	11,091	100.0	7,128	100.0	4,925	100.0	2,248	100.0	4,785	100.0	3,580	100.0	1,381	100.0	1,300	100.0
Employer only.....	6,887	62.1	3,890	54.6	3,730	75.7	1,509	67.1	2,225	46.5	1,491	41.7	932	67.5	890	68.4
Joint—employer and worker.....	4,204	37.9	2,600	36.5	1,195	24.3	440	19.6	2,560	53.5	1,837	51.3	448	32.5	323	24.9
Information not available.....			638	8.9			299	13.3			252	7.0			87	6.7
<b>Pension plans</b>																
Total.....	7,116	100.0	5,123	100.0	2,279	100.0	1,319	100.0	3,676	100.0	2,883	100.0	1,160	100.0	921	100.0
Employer only.....	6,029	84.7	3,828	74.7	1,793	78.7	771	58.5	3,274	89.1	2,342	81.3	962	82.9	715	77.6
Joint—employer and worker.....	1,087	15.3	993	19.4	487	21.3	495	37.5	402	10.9	338	11.7	199	17.1	160	17.4
Information not available.....			302	5.9			53	4.0			203	7.0			46	5.0

<sup>1</sup> See footnote 1, table 1.<sup>2</sup> See footnote 2, table 1.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

emergency accident care in addition to those normally provided under the program; (3) provision for medical care in the home and the physician's office, heretofore generally limited to in-hospital cases; and (4) inclusion of family polio coverage.

**Financing.** Of the workers covered by health and insurance plans in early 1954, 62 percent made no money contribution toward their cost (table 2). The remainder of the workers contributed to the cost of their benefit coverage. Under many contributory plans the employer has assumed either all or a greater share of the increased cost resulting from the changes made in existing plans in recent years.

**Types of Benefits Provided to Workers.** Life insurance continued to be the most commonly provided benefit in terms of the proportion of workers

<sup>3</sup> For the first time in this type of Bureau survey, an attempt was made to obtain data on the extension of health and insurance benefits to the dependents of employees, retired workers, and to retired workers' dependents under collectively bargained programs. The data obtained, although incomplete, merit publication in view of the increasing importance of this development and the current lack of comprehensive data dealing with these aspects of collectively bargained health and insurance plans. Table 3 provides information on the extent to which data were available on the extension of benefits to the groups affected. No attempt was made to obtain information on the actual number of dependents, retired workers, or dependents of retired workers covered by benefits.

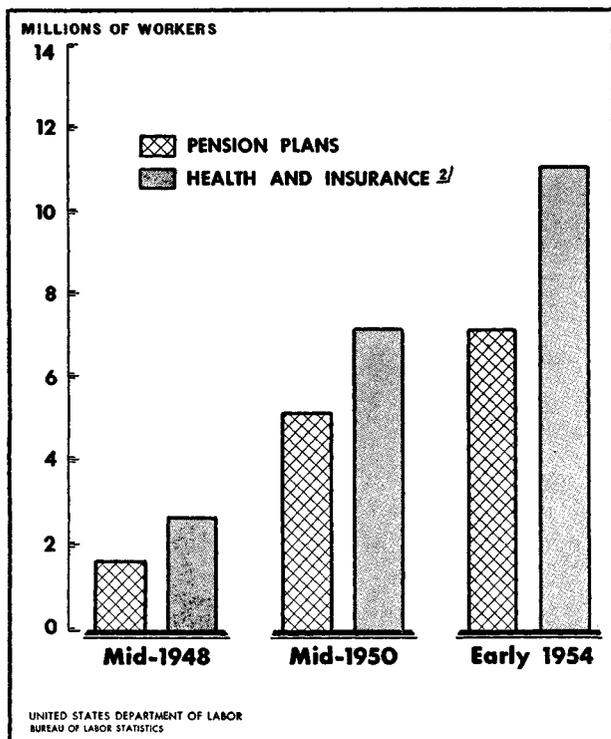
covered (93 percent). Ranked in descending order of importance, the other benefits were hospitalization (88 percent), surgical (83 percent), accident and sickness (73 percent), accidental death and dismemberment (54 percent), and medical benefits (47 percent). These data are based on the reports of 173 unions on plans covering approximately 8.7 million workers for which a breakdown of the individual benefit coverage was available. No change occurred between 1950 and 1954 in the sequence of prevalence of the various types of benefits provided workers under health and insurance plans.

**Benefits for Dependents, Retired Workers, and Dependents of Retired Workers.**<sup>8</sup> One of the major developments in health and insurance programs in recent years has been the increase in the practice of extending benefits to employees' dependents. More than 70 percent of the nearly 7½ million workers for whom information on the extension of benefits to dependents was available were covered by plans under which provision was made for dependents' benefits (table 3). Half of these workers shared the cost of dependents' coverage with the employer; for about 38 percent of the workers, the employer assumed the entire cost;

and the remaining employees paid the entire bill themselves.

Three types of benefits were made available to dependents—hospitalization, surgical, and medical benefits.<sup>9</sup> Accident and sickness benefits are not provided to dependents, for the reason that they are based solely on an employment relationship and represent partial payment in lieu of wages lost because of absence from the job on account of sickness or accident. Virtually all of the workers (99 percent) under plans extending benefits were covered by programs under which hospitalization benefits were made available to dependents, according to reports of 112 unions on individual benefit coverage for about 4.2 million workers. The dependents of nearly 95 percent of these workers were eligible for surgical care, while somewhat less than half had their families protected by some type of medical care program.

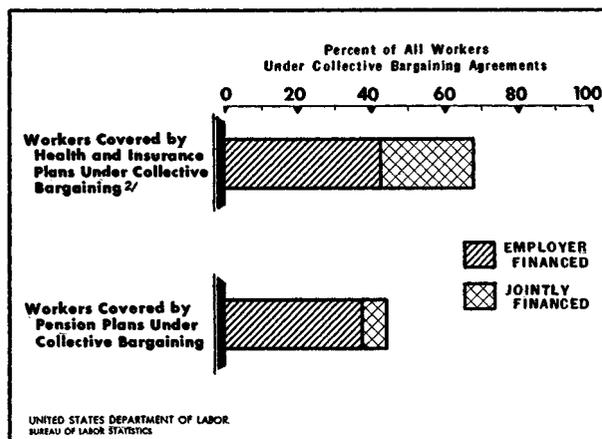
**Chart 1. Workers Covered by Health and Insurance and Pension Plans Under Collective Bargaining,<sup>1</sup> 1948, 1950, and 1954**



<sup>1</sup> Excludes unions of railroad and government employees.

<sup>2</sup> Includes one or more of the following: life insurance or death benefits; accidental death and dismemberment benefits; accident and sickness benefits (but not sick leave or workmen's compensation); cash or services covering hospital, surgical, maternity, and medical care.

**Chart 2. Extent to Which Workers Under Collective Bargaining Agreements<sup>1</sup> Were Covered by Health and Insurance and Pension Plans, by Method of Financing, Early 1954**



<sup>1</sup> See footnote 1, chart 1.

<sup>2</sup> See footnote 2, chart 1.

Information was available on the extension of benefits to retired workers under plans covering about 6½ million workers (table 3). Of these, nearly two-thirds were under plans providing for the extension of benefits. A substantial majority of these workers were covered by plans under which the employer paid the entire cost of the retiree's benefits. However, well over half of the workers under plans extending benefits to retired workers were covered by plans under which the only benefit extended was life insurance, which was generally for a smaller amount than that provided to the active worker.

The benefit most commonly extended to retired workers was life insurance, followed in order by hospitalization, surgical, and medical benefits. A relatively small proportion of workers were under plans which extended accidental death or dismemberment benefits. These data are based on information from 72 unions, covering approximately 4.1 million workers, which provided a breakdown on the extension of these benefits.

Plans providing for the extension of benefits to dependents of retired workers applied to less than 25 percent of the 6.4 million workers for whom information was available (table 3). For about

<sup>9</sup> It is known that a few collectively bargained plans do make life insurance available to dependents, generally in smaller amounts than that provided the worker.

three-fifths of these workers, the burden of financing these benefits fell on the retired workers alone. About 1½ million workers were covered under the health and insurance programs of the 31 unions reporting on the types of benefits provided to dependents of retired workers; virtually all of these were under plans which extended hospital and surgical benefits and about half, under plans extending medical benefits.

### Pension Plans

Pension plans under collective bargaining covered approximately 7 million workers in early 1954, or almost 40 percent more than in mid-1950 (table 2 and chart 1). However, this represented less than half of the estimated number of workers under collective bargaining agreements in early 1954 (chart 2). Pension plans are usually more complex and more expensive than health and insurance plans, which may account, in part, for the difference in prevalence. Pensions, in most cases, involve substantial financial commitments of a long-term nature, while health and insurance benefits are of a relatively short-term nature.

A development in the pension plan field which has received considerable attention since 1950 concerns the integration or coordination of private plans with the Federal social security program. A considerable number of plans negotiated or revised through collective bargaining have provided in their benefit formulas for "offsetting" social security payments. Because total benefit levels were fixed under many of these programs, the statutory increases in social security payments in 1950 and 1954 resulted in decreases in the amounts to be paid from the private plans and thus did not increase the individual's total retirement income. In many such cases, management voluntarily or in agreement with unions amended the programs so as to pass on all or part of the social security increase to the worker. In integrated programs where no changes were made for the duration of the pension agreement, many unions, upon renegotiation, sought to pass on to the worker part or all of the social security increase either by adjusting the formula or by completely divorcing the formula from social

TABLE 3.—Workers covered by health and insurance plans<sup>1</sup> under collective bargaining<sup>2</sup> which extended benefits to employees' dependents, retired workers and their dependents, by methods of financing, early 1954

Groups affected	Workers covered by plans in each category		Percent of workers under plans in which benefits were financed by—		
	Number (thousands)	Percent	Employer only	Joint—employer and worker	Worker only
Employees.....	11,091	100.0	62.1	37.9	-----
Employees' dependents:					
Benefits extended to dependent.....	5,336	48.1	38.3	50.9	9.2
Benefits not extended to dependent.....	2,119	19.1	-----	-----	-----
Information not available.....	3,636	32.8	-----	-----	-----
Retired workers:					
Benefits extended to retired workers.....	4,192	37.8	64.0	31.4	4.6
Benefits not extended to retired workers.....	2,401	21.6	-----	-----	-----
Information not available.....	4,497	40.6	-----	-----	-----
Dependents of retired workers:					
Benefits extended to dependents of retired workers.....	1,554	14.0	34.4	3.9	61.7
Benefits not extended to dependents of retired workers.....	4,816	43.4	-----	-----	-----
Information not available.....	4,721	42.6	-----	-----	-----

<sup>1</sup> See footnote 2, table 1.

<sup>2</sup> See footnote 1, table 1.

<sup>3</sup> Information not available for 1.6 percent of employees covered.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

security benefits. This pressure, stemming originally from the substantial amendments to the Social Security Act in 1950, was reenforced by the additional increases under the Federal program in the autumn of 1954.

*Financing.* The issue of who was to finance pension plans—the employer alone or the employer and worker jointly—played a significant role in the development of these programs. The trend toward employer-financing of pension plans, which was quite evident in 1950, was even more pronounced in early 1954. Nearly 85 percent of the workers covered by pension plans received these benefits on a noncontributory basis in 1954, as compared with approximately 75 percent in 1950 (table 2). The assumption of increased costs resulting from revisions in programs during this period are, of course, not reflected in these data. Benefits under many plans have been increased. The adoption of other features such as vesting, disability retirement, and less restrictive (or more liberal) qualification requirements also added to the cost of a number of plans.<sup>10</sup> Under noncontributory programs, the

<sup>10</sup> For an analysis of these and other features of pension plans, see Pension Plans Under Collective Bargaining, BLS Bull. 1147, 1953.

additional costs resulting from these changes were assumed by the employer. In a number of contributory programs the employer has assumed all or a greater proportion of the added cost.

### Variations in Coverage Among Unions

Approximately 45 percent of the 11.3 million workers under benefit plans were covered by contracts negotiated by unions affiliated with the American Federation of Labor. Slightly fewer, about 43 percent, were represented by unions affiliated with the Congress of Industrial Organizations, and the remainder, by unaffiliated or independent unions. In 1950, the comparable percentages for the 2 major federations were 35 and 47 percent respectively (table 1). Although AFL unions accounted for a larger share of the workers coming under plans since 1950, CIO unions, in both 1950 and 1954, had a substantially higher proportion of their total collective bargaining coverage under such plans.<sup>11</sup>

Of the 168 national and international unions included in the survey,<sup>12</sup> about half had between 60 and 100 percent of the workers which they represented under health and insurance plans

(table 4). Significantly, 69 of these, representing more than 45 percent of all workers under the agreements of the 168 unions, had negotiated some type of health and insurance benefit for more than 80 percent of the workers which they represented. On the other hand, only 40 of the 168 unions had more than 60 percent of the workers whom they represented covered by pension plans. However, these unions represented 41 percent of all workers under the collective bargaining agreements of the 168 unions.

No health and insurance benefits under agreement were reported by 27 unions, while more than twice that number had no pension plans. However, the significant area of potential expansion of coverage does not lie among these unions. The 27 unions with no health and insurance plans represented only about 1 percent of all workers under collective bargaining, but 56 unions accounting for 43 percent of all workers under

<sup>11</sup> As previously noted, coverage of railroad and government employees, many of whom are represented by the AFL, have been excluded from the study. Also excluded are plans administered by unions and financed entirely by membership dues or assessments. Many AFL affiliates, as well as their locals, have for many years maintained such plans. For information on these programs see the Proceedings of the Seventy-third Convention of the American Federation of Labor, September 20, 1954 (pp. 74-78).

<sup>12</sup> See footnote 1, table 4.

TABLE 4.—Distribution of national and international unions<sup>1</sup> by proportion of workers covered by health and insurance and pension plans to all workers covered by agreements, early 1954

Workers covered by plans as percent of all workers covered by agreements negotiated by national and international unions	National and international unions <sup>1</sup>			Number of national and international unions with total agreement coverage of—				
	Number	Percent	Percent of all workers covered by collective bargaining agreements	Under 25,000 workers	25,000-50,000 workers	50,000-100,000 workers	100,000-250,000 workers	250,000 workers and over
<b>Health and insurance plans<sup>2</sup></b>								
Total.....	168	100.0	100.0	91	20	21	21	15
80 to 100 percent.....	69	41.1	45.4	39	9	8	4	9
60 to less than 80 percent.....	16	9.5	10.2	2	1	8	4	1
40 to less than 60 percent.....	31	18.4	27.6	12	6	2	7	4
20 to less than 40 percent.....	15	8.9	12.6	5	2	2	5	1
1 to less than 20 percent.....	10	6.0	3.0	8	1	1	1	1
None.....	27	16.1	1.1	25	1	1	1	1
<b>Pension plans</b>								
Total.....	168	100.0	100.0	91	20	21	21	15
80 to 100 percent.....	26	15.5	18.2	15	2	3	2	6
60 to less than 80 percent.....	14	8.3	22.8	3	2	2	5	2
40 to less than 60 percent.....	16	9.5	5.6	5	3	6	2	1
20 to less than 40 percent.....	24	14.3	10.9	8	6	4	4	2
1 to less than 20 percent.....	32	19.1	31.8	13	3	4	8	4
None.....	56	33.3	10.8	47	4	2	2	1

<sup>1</sup> Excludes unions of railroad and government employees. This tabulation also excludes AFL federal labor unions, CIO local industrial unions, and unaffiliated unions confined to a single plant or establishment.

<sup>2</sup> See footnote 2, table 1.

NOTE.—Because of rounding, sums of individual items do not necessarily equal totals.

agreements had less than 60 percent of the workers whom they represented covered. For pensions, comparable data showed 56 unions, representing about 11 percent of all workers without this benefit, as against 72 unions, representing almost half of the total, with less than 60 percent of their workers covered.

TABLE 5.—*Distribution of unions by proportion of all workers under health and insurance and pension plans who were covered by employer-financed plans,<sup>1</sup> by union affiliation, early 1954*

Percent of workers covered by plans financed entirely by employers <sup>1</sup>	All unions <sup>2</sup>			Number of unions by affiliation		
	Number	Per cent	Percent of all workers under plans	AFL	CIO	Un-affiliated
	<b>Health and insurance plans<sup>3</sup></b>					
All unions with health and insurance plans.....	226	100.0	100.0	79	33	114
80 to 100 percent.....	112	49.6	45.7	48	17	47
60 to less than 80 percent.....	12	5.3	5.6	7	4	1
40 to less than 60 percent.....	12	5.3	12.3	4	3	5
20 to less than 40 percent.....	8	3.5	25.2	4	3	1
0 to less than 20 percent.....	82	36.3	11.2	16	6	60
	<b>Pension plans</b>					
All unions with pension plans.....	189	100.0	100.0	63	29	97
80 to 100 percent.....	118	62.4	75.3	41	18	59
60 to less than 80 percent.....	14	7.4	9.3	8	3	3
40 to less than 60 percent.....	7	3.7	6.9	1	2	4
20 to less than 40 percent.....	12	6.4	4.4	9	2	1
0 to less than 20 percent.....	38	20.1	4.1	4	4	30

<sup>1</sup> The difference between 100 percent and the percent of workers covered by plans financed entirely by employers represents the percent of workers covered by plans financed jointly by employers and employees. Thus, the 112 unions shown as having between 80 and 100 percent of their workers covered by employer-financed health and insurance plans have between 0 and 20 percent of the workers under jointly financed plans.

<sup>2</sup> See footnote 1, table 1.

<sup>3</sup> See footnote 2, table 1.

Considerable variation existed with respect to the extent to which national and international unions of various sizes had negotiated health and insurance and pension plans. A greater proportion of the unions representing upwards of 250,000 workers each had more than 80 percent of their workers covered by health and insurance and pension plans than did unions in any of the smaller size groups (table 4).

In both the AFL and CIO, the number of workers covered by employer-financed health and insurance plans increased since 1950. However, approximately 3 out of every 4 workers covered by health and insurance plans under agreements

TABLE 6.—*Workers covered by health and insurance and pension plans under collective bargaining, by industry division<sup>1</sup> and method of financing, early 1954*

Type of benefit and industry division <sup>1</sup>	All workers covered		Method of financing			
			Employer only		Joint—employer and worker	
	Workers (thousands)	Per cent	Workers (thousands)	Per cent	Workers (thousands)	Per cent
<b>Health and insurance plans<sup>2</sup></b>						
All industries <sup>3</sup> .....	11,091	100.0	6,887	62.1	4,204	37.9
Manufacturing industries.....	6,901	100.0	3,491	50.6	3,410	49.4
Nonmanufacturing industries <sup>3</sup> .....	4,190	100.0	3,396	81.0	794	19.0
<b>Pension plans</b>						
All industries <sup>3</sup> .....	7,116	100.0	6,029	84.7	1,087	15.3
Manufacturing industries.....	4,770	100.0	4,051	84.9	719	15.1
Nonmanufacturing industries <sup>3</sup> .....	2,346	100.0	1,978	84.3	368	15.7

<sup>1</sup> The workers were classified as manufacturing or nonmanufacturing according to where the preponderance of the membership of the union reporting the plan was employed.

<sup>2</sup> See footnote 2, table 1.

<sup>3</sup> See footnote 1, table 1.

of AFL affiliates in early 1954 were covered on a noncontributory basis; under CIO agreements, less than half received benefits without contributing.

About half of the 226 unions having health and insurance plans under agreements had between 80 and 100 percent of their workers under plans covered on a noncontributory basis (table 5). These 112 unions accounted for about 46 percent of the more than 11.1 million workers under collectively bargained plans. On the other hand, 90 unions, accounting for over 36 percent of the 11.1 million workers, had less than 40 percent of the workers whom they represented under employer-financed programs.

Pension plans were provided on a noncontributory basis for between 80 and 100 percent of all workers under pension agreements of 118 unions (table 5). These unions represented more than 75 percent of all workers under pension plans. Although 38 of the 189 unions having pension agreements had less than 20 percent of their covered workers under noncontributory plans, these unions accounted for less than 5 percent of all workers covered by pensions.

The continuing trend toward employer-financed pensions was further emphasized by the fact that,

in early 1954, approximately 8 out of every 10 workers who were eligible for pension protection under agreements of AFL affiliates were covered on a noncontributory basis as compared with about 6 out of 10 workers so covered in 1950 (table 2). Similarly, employer-financed pension plans of CIO affiliates covered a higher proportion of workers under pension agreements in 1954 than in 1950.

### Coverage in Major Industry Divisions

More workers were covered by health and insurance and pension plans under agreements in manufacturing industries than in nonmanufacturing industries (excluding railroad and government unions).<sup>13</sup> This was due, in part, to the heavier concentration of union organization in manufacturing and the large numbers of workers covered by union agreements in mass-production industries. Of the 11.1 million workers under

health and insurance plans, about 62 percent were in manufacturing (table 6). For pensions, this proportion was slightly greater—approximately 67 percent of the 7.1 million so covered.

Although there was no significant difference between manufacturing and nonmanufacturing in the proportion of pension plans which were employer-financed, about half of the workers covered by health and insurance plans in manufacturing contributed toward the cost of the benefits, as against 1 out of 5 in nonmanufacturing industries. This difference is accounted for, in part, by the prevalence of jointly financed health and insurance programs in the metal products, petroleum refining, chemicals, paper and allied products, and stone, clay, and glass industries and by the importance of employer-financed plans in mining, construction, transportation, communications, and the service industries.

<sup>13</sup> Unions were classified as manufacturing or nonmanufacturing according to where the preponderance of membership was employed.