

Multiemployer Pension Plans Under Collective Bargaining

Spring 1960

- **Prevalence**
- **Benefit provisions**
- **Administrative procedures**
- **Functions of the administrator**
- **Individual worker's pension rights**
- **Financial management**

Bulletin No. 1326

U.S. DEPARTMENT OF LABOR

Arthur J. Goldberg, Secretary

in cooperation with

BUREAU OF LABOR STANDARDS

Arthur W. Motley, Director

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Preface

The Welfare and Pension Plans Disclosure Act, effective January 1, 1959, which is administered by the U. S. Department of Labor, brought into the custody of the Bureau of Labor Standards a vast collection of basic documents and reports dealing with welfare and pension plans in effect throughout the United States. In cooperation with the Bureau of Labor Standards, the Bureau of Labor Statistics undertook this comprehensive study of the characteristics, types of benefits, and administrative features of multiemployer pension plans under collective bargaining. It is believed that this study accounts for all or virtually all such plans covering more than 25 workers, in effect in the spring of 1960.

The information and documents required to be filed with the Department were stipulated in the Disclosure Act and in the Department's forms, which were made available to plan administrators. This study makes use of these submissions, particularly the documents, but it is not based exclusively on the information submitted to the Department under the Disclosure Act; other resources of the Bureau of Labor Statistics were also used.

Since this is the first study of its type based on the Disclosure Act file, a word on the choice of subject and the scope of the study seems appropriate. There was no intention on the part of either Bureau, of singling out multiemployer pension plans for special treatment, although both Bureaus shared a keen interest in the operation of these jointly administered programs. As originally planned this study was to be followed by a study of the finances of multiemployer pension plans, and by similar analyses of single employer pension plans and of single and multiemployer welfare plans, until eventually the great potential of the entire file would be explored. Although this series of studies is not presently in progress, it is hoped that it can be reinstated at some time in the future.

The Bureau of Labor Statistics, which takes responsibility for the contents of this bulletin, is grateful for the assistance and cooperation tendered by the Bureau of Labor Standards, and, in particular, the staff of its Division of Welfare and Pension Reports.

Summary articles of this study appeared in the October 1961 and the February and April 1962 issues of the Monthly Labor Review. A few minor differences in the data reported, due to later revisions, will be found in this final bulletin.

This study was undertaken in the Bureau of Labor Statistics, Division of Wages and Industrial Relations, under the general direction of Joseph W. Bloch. The bulletin was prepared by Walter W. Kolodrubetz, who also planned and supervised the analysis of the reporting forms and plan documents and the computation of the data. Harry E. Davis, Maurice L. Cunningham, and Stanley S. Sacks were responsible for the plan analysis. The entire project was under the direct supervision of Donald M. Landay.

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Multiemployer Pension Plans Under Collective Bargaining, Spring 1960

Chapter I. Introduction

Private pension plans have been growing at a rapid pace during the past two decades. Their coverage rose from about 4 million workers in 1940 to 11.2 million in 1950, and to 21.8 million workers (including 1.6 million retired workers) in 1959.¹ Collectively bargained plans accounted for about half of 1960 total coverage.²

The development and growth of jointly administered, collectively bargained plans covering workers employed by a number of employers in an industry or area has contributed to this expansion. Since these multiemployer plans are relatively young—only a few existed prior to 1947—their coverage has risen rapidly from about a million workers in 1950 to 3.3 million in 1959, when they covered about a sixth of all workers covered by private pension plans and about a third of those under negotiated programs. These plans now include most workers in several industries characterized by multiemployer collective bargaining. However, since a large fraction of the workers under small agreements (those covering fewer than 1,000 workers each) do not yet have pension plan protection, room for further expansion remains.

The coverage of a multiemployer pension plan under collective bargaining tends to parallel the coverage of the multiemployer collective bargaining agreement. Typically, a plan is established by a union persuading a group of employers with which it has a single agreement, or sometimes a number of employers under separate contracts, to make specified payments to a pooled central fund. From this pooled central fund, benefits are provided for the eligible workers of all contributing employers. These plans most commonly are found in industries such as construction, food, apparel, mining, motor and water transportation, and service and trade, which are characterized by seasonal and irregular employment, small establishments, and such frequent job changes that few workers remain with a single employer long enough to qualify for pensions. Thus, multiemployer plans often provide pension coverage for many workers who would not, and perhaps could not, be covered by a single employer plan.

Although 71 national and international unions participate in multiemployer pension plans, almost 2 out of 3 workers covered by these plans are represented by 1 of 6 unions: Teamsters, Amalgamated Clothing Workers, International Ladies' Garment Workers, Carpenters, Electrical Workers (IBEW), and United Mine Workers. On the other hand, many other large unions, such as the Steelworkers, Auto Workers, and Rubber Workers, rarely participate in multiemployer pension plans, chiefly because they have few multiemployer agreements. All six of the unions with large multiemployer plan coverage have one or more large national or regional plans, such as the United Mine Workers Retirement Fund, which covers numerous employers throughout broad geographic areas, or throughout an industry.

¹ Alfred M. Skolnik, "Trends in Employee-Benefit Plans: Part II" Social Security Bulletin, May 1961, p. 7.

² Dorothy R. Kittner, "Health, Insurance, and Pension Plan Coverage in Union Contracts," Monthly Labor Review, March 1962, pp. 274–277. Data in this article exclude retired workers who are included in all the data in this report.

The benefit provisions and administrative features of multiemployer plans differ sharply, in some respects, from single employer plans. These differences stem, in part, from the characteristics of the industries in which they operate, in part from differences in the collective bargaining relationship between the parties, and in part from the difference between a single employer and a group of employers who may, in themselves, comprise the labor market, or a large part of it. To cite one example of a fundamental difference: The responsibility of the individual employer in a multiemployer plan is usually limited to the contribution of a specified amount of money on behalf of his employees, while in a single employer plan the employer is usually obligated to provide specified types and levels of benefits. No monetary obligations are specified in the agreement; rather they are implied by the benefits. In multiemployer agreements, on the other hand, the monetary obligations are typically specified, and the determination of benefits is usually left to the discretion of a joint employer-union board, and is often subject to change at the discretion of this board.

Although the approaches to devising benefits differ, the basic benefits of multiemployer plans are similar in type to those in single employer plans. However, some types of benefits such as vesting, are found more often in single employer plans than in multiemployer plans, but this difference is offset by the inherent portability of credited service among participating employers in multiemployer plans.

Collectively bargained single employer and multiemployer plans also differ significantly in their administrative features. Multiemployer plans are jointly managed by the union and the employer group while, with some exceptions, single employer plans are managed exclusively by the employer. This difference partly reflects the legal requirement, contained in the Labor Management Relations Act, 1947, that both parties be equally represented in the management of union-sponsored employer-financed welfare and pension funds. The administration of multiemployer plans involves such nonfinancial functions as processing applications, processing claims, and awarding benefits, as well as such financial functions as receiving contributions, making investments, and paying benefits. Although, as in single employer plans, some or all of these functions may be delegated to other parties, generally the nonfinancial functions are handled directly by the joint union-management board. However, in about 1 out of 6 plans, investments are determined and benefits are paid by an insurance company. In another fifth of the plans, investments are made through a corporate trustee. In the remainder, investments are made and benefits are paid directly by the board.

Scope and Method

A multiemployer pension plan under collective bargaining, as the term is used in this study, is a pension plan negotiated by a union covering the employees of two or more financially unrelated employers. Plans established and maintained outside of a collective bargaining relationship (such as union-sponsored plans) which are wholly financed by the members and to which employers are not a party, are excluded.

The chief sources of information for this study were the reports and documents filed with the U.S. Department of Labor's Bureau of Labor Standards pursuant to the Welfare and Pension Plans Disclosure Act (Public Law 85-836) by plans covering over 25 workers. The forms filed by over 25,000 plans showed that they provided pension benefits or a combination of welfare and pension benefits. However, no information was available on the forms directly distinguishing multiemployer plans from single employer plans. It was assumed that few multiemployer pension plans under collective bargaining are administered solely by

employers or an employers' association, and nearly 20,000 such plans were removed from consideration. The descriptions and supporting documents of the remaining 5,600 pension plans administered jointly or by an employee organization were examined to determine whether they were, in fact, multiemployer pension plans under collective bargaining. A comparison of the resulting list of plans with other sources revealed some omissions which were filled in by using the Bureau of Labor Standards' union index reference file. Multiemployer pension plans not under collective bargaining have been excluded from the study because of their unimportance in relation to the whole pension field at the present time. Further details of scope and method of study are found in appendix A.

This bulletin describes the major characteristics of collectively bargained multiemployer pension plans in the spring of 1960, including their size, their prevalence by industry and union, and their financial and general administrative features. Of the 798 plans covering 3.3 million active and retired workers studied, 62 plans (7.8 percent), covering 152,500 workers, were in the process of formulating and establishing their provisions. For these plans, very little information other than the major characteristics were available at the time of the study. Thus, the analysis of pension benefit provisions including normal, early, and disability pensions, vesting, death benefits, and optional benefit provisions was limited to 736 fully developed plans covering 3.2 million workers. The composition, selection, and procedures of the boards of administration of the 736 plans are examined in detail. These details include the number, selection, and tenure of board members and officers; quorum and voting rules; and procedures for the selection of impartial umpires. In addition, plan provisions determining workers' pension rights, such as service crediting provisions, the right of the board to reduce the benefits of retired workers, restrictions on amendments of the plan, and restrictions on reemployment after retirement are analyzed. Some non-financial administrative details (maintaining of records, determining eligibility, and appeals procedures) and certain financial practices (inspection of employer records, collection of employer contributions, and bonding of officers and employees) are examined in the concluding chapters.

It must be emphasized that this study, because it deals with the provisions of plan documents, is a study of formal rules and procedures, not of actual practice.

Chapter II. Prevalence and Major Characteristics

Seven hundred and ninety-eight multiemployer pension plans under collective bargaining, covering 3.3 million workers, active and retired, were in effect in the spring of 1960. These plans accounted for almost a sixth of the estimated number of workers, active and retired, covered by all private pension plans, and about a third of the estimated number of workers under all collectively bargained plans. It is estimated that the 3.3 million workers under all multiemployer pension plans represented roughly three-fifths of the estimated coverage of all multiemployer collective bargaining agreements (excluding railroads).

Multiemployer pension plans are, on the whole, relatively young. Only 8 of the 736 plans in effect in the spring of 1960 for which the date of establishment is known were established prior to January 1, 1946—the effective date of several administrative requirements of the Taft-Hartley Act³ (chart 1 and table 1). Seven percent of the plans, covering over a fourth of the workers, were established before 1950. A spurt in the development of plans occurred after 1954; about 60 percent of the plans were less than 6 years old in the spring of 1960.

Size of Plans

The 798 plans studied ranged in coverage from 26 to approximately 250,000 active and retired workers. Although multiemployer plans are generally thought of as large scale undertakings, 54 plans covered fewer than 100 workers each, and 230 plans had from 100 to 499 workers (table 2). Plans with fewer than 5,000 workers comprised almost nine-tenths of the plans and nearly a fourth of the workers. On the other hand, the 6 largest plans, each with over 100,000 workers, covered almost a third of all workers under multiemployer plans. These six plans were as follows: United Mine Workers of America Welfare and Retirement Fund; Central States, Southeast and Southwest Areas Pension Fund (Teamsters); The Amalgamated Insurance Fund-Pension Fund (Clothing Workers); Amalgamated Cotton Garment and Allied Industries Retirement Fund (Clothing Workers); Western Conference of Teamsters Pension Fund; and International Brotherhood of Electrical Workers Pension Benefit Trust Fund. Slightly more than a third of the workers were attached to 46 plans with coverages ranging from 10,000 to 100,000 workers.

Industry and Union Representation

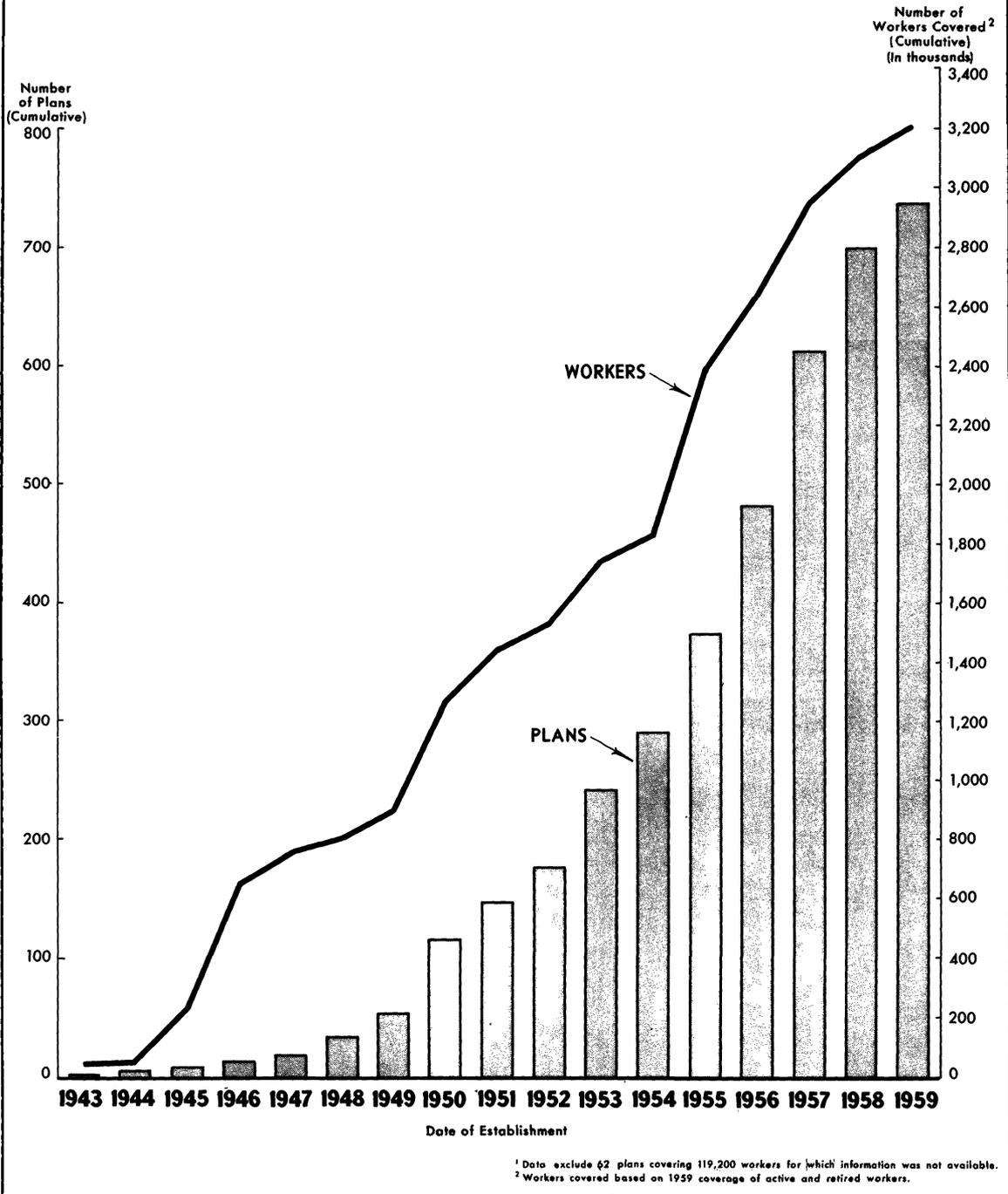
More than three-fifths of the plans (499), with 2 million workers, were in nonmanufacturing industries, and over one-third of the plans (286), with about 1.3 million workers, were in manufacturing (table 3). Thirteen plans involved both manufacturing and nonmanufacturing establishments.

The dispersion of multiemployer plans by industry follows the pattern of multiemployer collective bargaining relationships.⁴ Major groupings of covered workers were found in food and apparel among manufacturing industries, and in mining, construction, motor transportation, and trade among nonmanufacturing industries. Nearly three-fourths of all plans, covering five-sixths of the workers, were in these industries. Although only 1 out of 10 plans was in the apparel industries, these plans included almost 1 out of 4 of the workers covered by all

³ Pension plans established prior to this date are exempt from the requirements of Subsection 302 (c) (5) (B) the Labor Management Relations Act, 1947.

⁴ See "Characteristics of Major Union Contracts," Monthly Labor Review, July 1956, pp. 805-811.

Chart I. Growth in Coverage of Multiemployer Pension Plans Under Collective Bargaining, 1943-59¹



plans. The construction industry, which had 1 out of 3 plans, covered only 1 out of 5 workers. The food and trade industries also had smaller than average plans, so that with 11.0 and 11.9 percent of the plans they only covered 6.9 and 9.3 percent of the workers, respectively. Owing to very large national and regional plans in the coal mining and motor transportation industries, the proportion of workers covered was substantially greater than the proportion of plans in these industries.

The only other industries with a significant number of multiemployer plans and workers covered, relative to total industry employment, were water transportation, printing and publishing, and motion pictures and recreation. No multiemployer plans were found in industries such as petroleum, communications, and public utilities, where multiemployer bargaining is uncommon, but the incidence of single employer pension plans is high. Similarly, among metalworking industries, where at least 3.9 million workers were covered by pension plans under collective bargaining, only 57,000 were covered by multiemployer pension plans.

Members of 71 national and international unions were covered by the 798 multiemployer plans (table 4). The Teamsters had the largest number of individual plans (121), about 15 percent of the total with almost 20 percent of the worker coverage. Their plans were concentrated primarily in motor transportation, food manufacturing, and wholesale and retail trade industries. The International Ladies' Garment Workers and the Amalgamated Clothing Workers, which accounted for virtually all plan coverage in the apparel industries, had 62 plans comprising over 20 percent of the workers. These three unions, plus the Carpenters, Electrical Workers—IBEW (with plans primarily in the construction industry), and United Mine Workers (excluding District 50), had about a third of the plans covering almost two-thirds of all workers. These 6 unions each participated in plans with a coverage of more than 100,000 workers, and with the exception of the Carpenters, each of the unions had at least 1 plan covering more than 50,000 workers.

The unions ordinarily associated with the construction industry had a high degree of participation in multiemployer plans. In addition to the Carpenters, and Electrical Workers (IBEW), they included the Asbestos Workers, Bricklayers, Hod Carriers, Painters, Plasterers, Plumbers and Pipefitters, and Sheet Metal Workers. All or most of the plans in which these unions participated (with the exception of the Carpenters and the Electrical Workers) had fewer than 5,000 workers per plan. In the maritime industry, where a high degree of unionization is also found, the Longshoremen (on both coasts), the Maritime, the Marine Engineers, and the Masters, Mates and Pilots unions also had a high degree of participation in multiemployer pension plans.

Several unions in food manufacturing—the Brewery Workers and the two Bakery Workers unions (both the AFL-CIO affiliate and the independent union)—and in trade—the Retail Clerks, Hotel & Restaurant Employees, the Meat Cutters, and the Retail, Wholesale and Department Store Union—commonly negotiated multiemployer plans.

Twenty unions had only a single plan; in some cases, this plan covered as many workers as the union had members, including the Machine Printers (Ind.), the Newspaper and Mail Deliverers (Ind.), and the American Radio Association. Nearly the entire membership of some unions, such as the International Ladies' Garment Workers, Amalgamated Clothing Workers, and United Mine Workers (Ind.) excluding District 50, Maritime, and Marine Engineers, belonged to multiemployer plans.⁵ Between 20 and 75 percent of the members

⁵ For 1960 membership data, see Directory of National and International Labor Unions in the United States, 1961, BLS Bull. 1320 (1962).

of several large unions—Teamsters (Ind.), both Bakery unions, Longshoremen's Association, Carpenters, Electrical Workers (IBEW), Plumbers and Pipefitters, and Retail Clerks—were covered by such pension plans.

Some of the major unions in the country, particularly the Auto Workers, Steelworkers, Machinists, and Electrical Workers (IUE), had few or no members in multiemployer plans. Most of the members of these unions are covered by single employer collective bargaining agreements and pension plans.⁶

Although usually only 1 union participated in a plan, in 26 plans, covering over 110,000 workers, 2 or more international or national unions were involved. An example of such a plan is the Building Trades Pension Fund of Western Pennsylvania, in which the Bricklayers, Lathers, and Plasterers all participate.

Geographic Area

In almost 90 percent of the plans (699), covering 50 percent of the workers, all participating employers were located within a single State (table 5). These intrastate plans operated in 33 States and the District of Columbia. They were concentrated mainly in the Middle Atlantic and East North Central regions, particularly in New York, New Jersey, Pennsylvania, Illinois, Michigan, and Ohio. States outside these regions with substantial worker coverage included California and Missouri. In most cases, these intrastate plans were restricted to employers in a particular locality.

The 99 interstate plans included 56 plans with members in 2 or more States within a region (intraregional) and 43 with members in more than 1 region (interregional). The 43 interregional plans covered more than 45 percent of all workers in multiemployer plans. Some were national in scope (e.g., IBEW Pension Benefit Trust Fund); others covered large numbers of workers in more limited geographic areas (e.g., Western Conference of Teamsters Pension Fund, and some plans of the International Ladies' Garment Workers and the Amalgamated Clothing Workers).

With the exception of the mining industry, the heaviest concentration of plans in each of the industries studied was in the Middle Atlantic region. The East North Central region had a substantial number of plans and workers covered in the food, printing, metalworking, construction, and motor transportation industries. The New England region had a large number of construction plans, while the Pacific region had a large number of workers in both construction and trade. In the South Atlantic region, a significant number of plans were in water transportation.

Most of the intrastate plans covered from 1,000 to 10,000 workers; in the Southern and Mountain States, few plans had over 5,000 workers. A majority of the interregional plans covered over 5,000 workers.

⁶ See Digest of One-Hundred Selected Pension Plans Under Collective Bargaining, Spring 1961, BLS Bull. 1307(1962). Since the analysis for the multiemployer study was completed, the Boilermakers, Operating Engineers, and Machinists unions have introduced national plans for participating locals. The benefits in these plans depend upon the instituted contribution rates which vary from employer to employer.

Worker Mobility

Transferability of Pension Rights. One of the distinguishing characteristics of multiemployer pension plans is that the worker remains covered and builds up service credits as long as he is employed by any one of the employer members. Single employer plans, on the other hand, do not permit continuance of pension coverage after a worker leaves the company.⁷ The protection afforded by multiemployer plans, however, depends on the scope of plan coverage by occupation, industry, or geographic area. Nearly half of the workers in the spring of 1960 belonged to local plans covering a single craft, occupational group, or industry, about a fourth to regional plans (mostly covering an industry), and about a fourth to industrywide national plans.

The most limited type of multiemployer plan, and also the most prevalent, covered a particular craft or occupational group in a specific industry in a metropolitan area. Typically, multiemployer plans in the construction, dairy, and printing and publishing industries were of this kind. For example, in the construction industry in New York City, separate multiemployer pension plans have been established by the Painters, Carpenters, Sheet Metal Workers, etc.

Occupational mobility is furthered by multiemployer pension plans such as those in the retail, apparel, and service industries, which covered workers with a wide variety of occupations and skills in an industry in a specified metropolitan area. The plan covering drug stores in New York City, for example, included a variety of occupational groups, although limited to workers represented by a single union (Local 1199, Retail Drug Employees Union). Also, a plan may include more than one union within its scope in an industry in a limited geographic area. For example, 10 unions participated in the plan covering hotels in New York City. A few plans included workers in more than one industry and occupation in a labor market area. For instance, the Northwest Ohio Area Industries—UAW Retirement Income Plan negotiated by the United Automobile Workers, covered about 2,000 workers employed by about 40 companies in a number of different industries.

In some occupations and industries, multiemployer pension programs cover an entire region or even the entire country. In the longshore industry on the West Coast, for example, a pension fund was established under a coastwise agreement between the Pacific Maritime Association and the International Longshoremen's and Warehousemen's Union (Ind.). The very nature of the water transportation industry virtually compels development of such plans. Similar regional plans were negotiated in the trucking and construction industries, but an even broader approach was found in the Western Conference of Teamsters Pension Fund. Not only can the worker move from employer to employer in the trucking industry in an 11-State area, but he can also move to contributing employers in other industries in the area.

Nationwide mobility in certain industries was permitted by a few large plans, covering about a million workers. The UMWA Welfare and Retirement Fund covering virtually all workers under agreement in the bituminous coal industry is probably the best known example of this type of plan. Other national plans were formed by the Electrical Workers (IBEW), both Bakery Workers unions, the Amalgamated Clothing Workers, Furniture Workers, and the Upholsterers' union.

⁷ The worker may be protected by a vesting provision and/or transferability to branches, plants, and subsidiaries of multiplant firms. See Pension Plans Under Collective Bargaining: Part I. Vesting Provisions and Requirements for Early Retirement; Part II. Involuntary Retirement Provisions, Late 1958, BLS Bull. 1259 (1959).

Reciprocity. The number and range of jobs to which a worker might transfer without loss of credited service were further broadened by 66 plans with reciprocity agreements with other multiemployer plans. Under these agreements,

Reciprocity provision	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All formulated plans ² -----	736	100.0	3,229.8	100.0
No provision, or information not available -----	633	86.0	2,105.1	65.2
Reciprocity arrangements in effect with:				
Plans in same union -----	61	8.3	763.4	23.6
Plans in other unions -----	5	.7	36.0	1.1
Reciprocity arrangements may be made with:				
Plans in same union -----	26	3.5	95.9	3.0
Plans in other unions -----	11	1.5	229.4	7.1

¹ Worker coverage includes both active and retired workers in 1959.

² Excludes 62 plans in the process of formulating plan provisions. See p. 3.

NOTE: Because of rounding, sums of individual items may not equal totals.

which cover a fourth of the members of formulated multiemployer plans, service under one plan is used to determine, in part, the benefits provided by another plan. All but five plans were limited to transfers among plans of the same union. Over half of the 66 plans were negotiated by the ILGWU, and they allowed virtually unlimited transfers of credits among them.

An additional 37 plans, covering about a tenth of the workers, gave power to the administrator to work out reciprocal arrangements with plans of their own union and, in 11 of these cases, other unions as well.

None of the plans with fewer than 100 members contained reciprocity provisions of any kind, although small plans presumably have the greatest need for such arrangements. While a number of plans in all other size categories

Size of plan	Total		Without reciprocity		With reciprocity	
	Plans	Workers ¹ (thousands)	Plans	Workers ¹ (thousands)	Plans	Workers ¹ (thousands)
All formulated plans -----	736	3,229.8	633	2,105.1	103	1,124.7
26 to 99 workers -----	45	2.7	45	2.7	-	-
100 to 499 workers -----	207	96.4	190	91.6	17	4.9
500 to 4,999 workers -----	387	662.7	331	562.2	56	100.0
5,000 to 24,999 workers ---	75	718.9	52	492.3	23	226.5
25,000 workers and over ---	22	1,749.1	15	955.8	7	793.3

¹ Worker coverage includes both active and retired workers in 1959.

² Excludes 62 plans in the process of establishing plan provisions. See p. 3.

NOTE: Because of rounding, sums of individual items may not equal totals.

had such provisions, the proportion was higher among the larger plans; 7 of the 22 plans covering 25,000 or more workers had reciprocity provisions, as compared with only 56 of the 387 plans with 500 to 5,000 workers.

Financing

Almost all multiemployer plans studied were financed entirely by employer contributions.

Method of financing	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans -----	798	100.0	3,324.8	100.0
Source of contribution				
Employer only -----	764	95.7	3,262.3	98.1
Employer and worker -----	30	3.8	60.9	1.8
Worker only -----	4	.5	1.7	.1

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

In general, participating employers contributed to a central fund to provide benefits for covered workers. The individual employer's obligation⁸ usually was fixed for the term of the collective bargaining agreement. Only rarely were the employers, individually or collectively, obligated to provide, as is customary in single employer plans, specified types and levels of benefits.

Three out of five plans, with almost half of the workers, provided for a contribution rate based on the time worked by each employee covered by the plan. (See below.) About 1 out of 4 plans, covering over a third of the workers, required the employer to contribute a fixed percentage of each employee's earnings or of the payroll as a whole. A few plans established other methods of building up pension fund reserves.

Basis of employer contribution rate	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All formulated plans ² -----	736	100.0	3,229.8	100.0
Specified rate -----	434	59.0	1,535.2	47.5
Per hour worked -----	210	28.5	765.3	23.7
Per week -----	130	17.7	536.0	16.6
Per month -----	39	5.3	83.5	2.6
Per shift -----	28	3.8	31.9	1.0
Per day -----	27	3.7	118.6	3.7
Percent of earnings or payroll -----	169	23.0	1,146.2	35.5
Other -----	8	1.1	303.7	9.4
No contribution -----	4	.5	1.7	.1
Information not available -----	121	16.4	243.0	7.5

¹ Worker coverage includes both active and retired workers in 1959.

² Excludes 62 plans in the process of establishing plan provisions.

See p. 3.

NOTE: Because of rounding, sums of individual items may not equal totals.

⁸ Some plans had different contribution rates for employers covered by the same plan. See p. 127 for method of analysis.

Contributions Based on Time Worked. About half the plans with contributions based on some time unit of work used hours actually worked, almost one-third used the workweek, while the remaining plans used days, shifts, or months worked. Many plans based the employer's obligation on the number of employees actually on the payroll for a specified number of hours, not necessarily the full period. Thus, in some plans, the full employer's contribution would be payable if the worker was employed a minimum number of hours—usually much less than the full-time period. In other plans, especially those on a weekly basis, the employer's contribution was proportionate to the hours worked, usually up to a specified maximum contribution. Clauses illustrating some of these formulas follow:

<u>Per week</u>	. . . the employer shall pay . . . the sum of \$3.50 per week for each of his employees covered by the articles of agreement . . .
<u>Per week</u>	(Per hour rate up to a maximum rate) . . . the employer agrees to contribute 10 cents per hour paid to any and all of his employees covered by this agreement but not to exceed \$4 per week.
<u>Per hour</u>	Each employer shall pay to the trustee for deposit in the trust fund, effective September 1, 1955, the sum of 10 cents per hour for every hour worked for which such employer's employees received compensation.
<u>Per day</u>	Each employer shall pay to the trustees for deposit into the fund, the sum of 25 cents per day per man on company payroll, employed subject to a collective bargaining agreement with the organization.
<u>Per shift</u>	. . . each employer shall pay to the fund at regular intervals 52 ¹ / ₂ cents per shift's pay earned by a participant with such employer . . .
<u>Per month</u>	Each employer agrees to make to the fund . . . a payment of \$17.30 per month for each employee working or paid for 80 or more straight-time hours per month.

Contributions on an hourly basis, specified in 210 plans primarily in the construction industry, ranged from less than 5 cents to more than 16 cents. The most frequent rate was 10 cents per hour.

Rate per hour	Plans	Workers ¹ (thousands)
All plans specifying an hourly rate -----	210	765.3
Less than 5 cents -----	10	35.2
5 and under 6 cents -----	17	12.1
6 and under 7 cents -----	9	38.6
7 and under 8 cents -----	25	123.2
8 and under 9 cents -----	7	21.1
9 and under 10 cents -----	3	3.9
10 and under 11 cents -----	77	429.8
11 and under 12 cents -----	3	9.4
12 and under 13 cents -----	7	9.2
13 and under 14 cents -----	1	.2
14 and under 15 cents -----	4	7.7
15 and under 16 cents -----	24	39.8
16 cents and over -----	14	26.6
Information not available -----	9	8.3

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Daily rates specified in 27 plans, mainly in water transportation and wholesale and retail industries, ranged from less than 50 cents to over \$2.

Rate per day	Plans	Workers ¹ (thousands)
All plans specifying a daily rate -----	27	118.6
Less than \$0.50 -----	6	13.8
\$0.50 and under \$0.60 -----	1	4.6
\$0.60 and under \$0.70 -----	1	11.1
\$0.70 and under \$0.80 -----	1	5.8
\$0.80 and under \$0.90 -----	1	2.3
\$0.90 and under \$1.00 -----	1	2.8
\$1.00 and under \$2.00 -----	11	30.5
\$2.00 and over -----	3	13.7
Information not available -----	2	33.9

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

The 28 plans specifying a rate per shift were all found in the printing industry. None of the rates per shift exceeded 90 cents.

Rate per shift	Plans	Workers ¹ (thousands)
All plans specifying a shift rate -----	28	31.9
Less than \$0.50 -----	7	6.9
\$0.50 and under \$0.60 -----	6	4.7
\$0.60 and under \$0.70 -----	10	10.7
\$0.70 and under \$0.80 -----	4	9.1
\$0.80 and under \$0.90 -----	1	.5

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Weekly rates, usually found in the food, printing, motor transportation, and wholesale and retail trade industries, required in 130 plans, ranged from less than \$2 to more than \$6.

Rate per week	Plans	Workers ¹ (thousands)
All plans specifying a weekly rate -----	130	536.0
Less than \$2 -----	9	19.8
\$2 and under \$3 -----	32	74.7
\$3 and under \$4 -----	28	65.7
\$4 and under \$5 -----	25	221.5
\$5 and under \$6 -----	25	41.7
\$6 and over -----	5	20.1
Information not available -----	6	92.4

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Monthly rates in 39 plans, mainly in the wholesale and retail trade industry, ranged from less than \$10 to \$37.

Rate per month	Plans	Workers ¹ (thousands)
All plans specifying a monthly rate -----	39	83.5
Less than \$10 -----	15	35.5
\$10 and under \$20 -----	15	34.2
\$20 and under \$30 -----	6	4.1
\$30 and under \$40 -----	1	.4
Information not available -----	2	9.3

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

A composite distribution of the 434 plans specifying a contribution rate based on time worked is presented below. All rates were converted to an hourly basis, assuming 8 hours per day (except for the printing trades where a 7½-hour day was assumed), 40 hours per week, and 4⅓ weeks (173 hours) per month. Under these assumptions, contribution rates ranged from less than 1 cent to more than 16 cents an hour, and averaged 9.7 cents an hour.⁹ A fourth of the plans, covering 44 percent of the workers, specified contributions between 9.5 and 10.5 cents per hour.

Rate per hour (composite) ¹	Plans		Workers ²	
	Number	Percent	Number (thousands)	Percent
All plans with rates based on time worked -----	434	100.0	1,535.2	100.0
Under 4.5 cents -----	33	7.6	89.2	5.8
4.5 and under 5.5 cents -----	50	11.5	81.6	5.3
5.5 and under 6.5 cents -----	21	4.8	65.2	4.2
6.5 and under 7.5 cents -----	23	5.3	71.9	4.7
7.5 and under 8.5 cents -----	53	12.2	150.9	9.8
8.5 and under 9.5 cents -----	12	2.8	37.5	2.4
9.5 and under 10.5 cents -----	110	25.3	676.0	44.0
10.5 and under 11.5 cents -----	8	1.8	16.1	1.0
11.5 and under 12.5 cents -----	10	2.3	12.8	.8
12.5 and under 13.5 cents -----	30	6.9	49.8	3.2
13.5 and under 14.5 cents -----	7	1.6	12.0	.8
14.5 and under 15.5 cents -----	31	7.1	55.0	3.6
15.5 cents and over -----	27	6.2	73.3	4.8
Information not available -----	19	4.4	143.9	9.4
Average ³ -----		9.7 cents per hour		

¹ See assumptions in text.

² Worker coverage includes both active and retired workers in 1959.

³ Arithmetic mean, weighted by workers covered.

NOTE: Because of rounding, sums of individual items may not equal totals.

⁹ Arithmetic mean weighted by number of workers.

Contributions Based on Earnings or Payroll. A fixed percentage of employee earnings or payroll was contributed by employers under 169 plans, largely in the apparel, construction, and wholesale and retail trade industries. Contribution rates expressed as a percentage of earnings were based on the earnings of each individual worker or of the covered group as a whole (including, in some cases, the earnings of all workers in the group, even those not actually covered by the plan). Examples of clauses expressing contributions as a percentage of earnings or payroll are:

. . . Pursuant to the bargaining agreement . . . each employer . . . shall . . . contribute 3 percent of the payroll for employees covered by this agreement.

* * *

. . . Each employer . . . shall contribute 2 percent of the wages of each member of the union employed by such employer.

Rates of contribution ranged from 1 to more than 6 percent, with the largest cluster at 3 percent. They averaged 2.8 percent.

Percent of earnings or payroll	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans basing contributions on payroll or earnings -----	169	100.0	1,146.2	100.0
1 and under 2 percent -----	19	11.2	212.0	18.5
2 and under 3 percent -----	37	21.9	322.6	28.1
3 and under 4 percent -----	63	37.3	420.1	36.7
4 and under 5 percent -----	18	10.7	119.5	10.4
5 and under 6 percent -----	12	7.1	32.5	2.8
6 percent and over -----	4	2.4	7.2	.6
Information not available -----	16	9.5	32.1	2.8
Average ² -----		2.8 percent		

¹ Worker coverage includes both active and retired workers in 1959.
² Arithmetic mean, weighted by workers covered.

NOTE: Because of rounding, sums of individual items may not equal totals.

Other Contribution Bases. In five plans, employer contributions were based on factors other than employment or earnings. For example, employer contributions to the bituminous and anthracite coal pension and welfare funds were based on production. The bituminous agreement provides that:

. . . There shall be paid into said [welfare and pension] fund by each signatory operator, \$0.40 per ton on each ton of bituminous produced for use or sale.

Instead of using entirely different factors to determine contributions, three plans used a combination of a percentage of earnings and time worked.

Although most plans had a uniform contribution rate for all participating employers, about 15 plans indicated provision for several rates which varied by area or industry or other factors. The provisions were found in plans negotiated in the food and trucking industries. Usually, the contribution rate is taken into account in determining the amount of benefit. For example, one plan in the trucking industry provided that a qualified worker whose employer contributed \$6.50 per week would receive \$125 a month, upon his retirement at age 65, while a retired worker whose employer contributed \$5.40 would receive \$100 per month.

Type of Administration

The administration of a pension plan involves day-to-day functions, such as processing applications, determining eligibility, awarding benefits, and interpreting the plan, as well as financial administration, i. e., selection of medium of funding, adoption of funding methods, receiving contributions, investments, payment of benefits, etc.¹⁰ Some or all of these administrative functions may be delegated to an insurance company, bank, service organization, union, employer, or salaried administrative staff. In this analysis, however, administration was classified on the basis of original responsibility. This responsibility is usually described in the trust indenture, the pension plan, or the union agreement.

Of the 798 multiemployer pension plans, 735 plans covering almost three-fourths of the workers provided for the appointment of a joint union-management board (table 6). An additional 33 plans with one-eighth of the workers provided for a joint board plus one neutral member, usually acting as impartial chairman. Nine plans covering 10 percent of the workers provided for a tripartite board with equal representation of union, management, and neutral or public members. Eleven of the 798 plans, accounting for 6 percent of all workers covered, were administered by the unions alone.¹¹

Provision for the appointment of a neutral impartial chairman or trustee was found almost exclusively in the apparel industry. The two large plans in the coal mining industry were administered by tripartite boards. Sole union or employer administration was found in only 2 plans covering more than 1,000 workers.

Medium of Funding

Although the ultimate responsibility for the administration of the plan rests with the administrator, the function of providing the benefits (medium of funding) may be delegated to another party or organization. In more than half of the plans, covering almost two-thirds of the workers, these functions were not delegated, i. e., the payment of benefits was done directly by the administrator. (See following tabulation.) About 1 out of 7 plans, covering a tenth of the workers, provided benefits through an insurance company. Slightly more than a fifth of the plans, covering about an eighth of the workers, funded benefits through a corporate trustee (a bank or trust company). Five percent of the plans had not determined, at the time of the study, the organization through which benefits would be funded. In the remaining plans (classified as "other" in the tabulation on the following page), benefits were usually provided by a combination of payment by the administrator, a corporate trustee, and an insurance company.

¹⁰ A more detailed analysis of the powers, duties, and obligations of the administrator is included later in this study.

¹¹ Subsection 302(c) (5) (B) of the Labor Management Relations Act of 1947 requires equal representation of employers and employees in the administration of a fund where such fund is maintained by employer payments. However, funds established before 1946 are exempt from this subsection and the act does not apply to employer-only administered funds, or to plans covering only employees not engaged in interstate commerce.

Medium of funding	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans -----	798	100.0	3,324.8	100.0
Insured -----	119	14.9	334.4	10.1
Self-insured:				
Administrator -----	441	55.3	2,097.1	63.1
Corporate trustee -----	170	21.3	460.5	13.9
Other ² -----	27	3.4	359.3	10.8
Information not available -----	41	5.1	73.6	2.2

¹ Worker coverage includes both active and retired workers in 1959.

² 9 plans, covering 736,000 workers, were self-insured before retirement, but a temporary annuity was purchased annually after retirement.

NOTE: Because of rounding, sums of individual items may not equal totals.

Insured plans were concentrated largely in contract construction, motor transportation, and wholesale and retail trade (table 7). Over 40 percent of the workers in motor transportation plans were covered by insured plans. Corporate trustee plans were most common in food and kindred products, printing and publishing, construction, water transportation, and wholesale and retail trade. Self-administered plans, however, were predominant in most industries.

Chapter III. Benefit Provisions

The planning and development of benefits to be provided by multiemployer pension plans under collective bargaining are usually the exclusive responsibilities of joint employer-union boards, as authorized by the trust agreements. In such cases, after the employers' group and the union(s) have negotiated the rate of contribution for financing benefits, the boards determine the benefits to be provided. Major changes in plan provisions are also worked out by the boards. Clauses, similar to the following, giving a board power to formulate plan provisions, appear in most multiemployer pension plans.

To establish a plan . . . which shall define the retirement benefits to be provided by the employer contributions, the conditions of eligibility for such benefits, the terms of payment, and such other items as the trustees shall deem it necessary to include. The aforesaid terms of the plan shall be determined by the trustees in their sole discretion on the basis of actuarial principles, and shall be subject to change by the trustees retroactively or otherwise from time to time.

In contrast, establishment and amendment of the level of benefits and other terms of single employer plans are negotiated directly by the employer and the union, along with wage and other fringe benefit issues, typically under the pressure of contract termination. By shifting the negotiation of benefits from the bargaining table to the calmer, less hurried atmosphere of the board room, multiemployer plan trustees are provided an opportunity to act as trustees rather than as partisan union or management representatives facing the tensions of collective bargaining. In such circumstances, the judgment and cost estimates of actuaries (or insurers) can be more carefully considered.

Although the basic purposes of multiemployer pension plans are similar to those of single employer plans, significant differences exist between them, which reflect, in part, differences in labor markets, industries, and bargaining structures.¹² Vesting and early retirement provisions, for example, are more prevalent in single employer plans; however, the transferability of credited service among participating employers—a built-in feature of multiemployer plans—probably accomplishes as much as vesting for workers remaining within the scope of the plan. Multiemployer plans usually gear benefit amounts solely to credited service; single employer plans more often relate them to both earnings and service. Payment of cash (lump sum or installments) in lieu of periodic pension benefits is more often found in multiemployer than single employer plans.

¹² References to negotiated single employer plans in this chapter are based on a series of studies recently completed by the Bureau of Labor Statistics and published in the following bulletins: BLS Bull. 1259, op. cit.; Pension Plans Under Collective Bargaining: Normal Retirement; Early and Disability Retirement, Fall 1959, BLS Bull. 1284 (1961); and a forthcoming BLS bulletin, Pension Plans Under Collective Bargaining: Benefits for Survivors, December 1960. Summaries of these bulletins have appeared in the Monthly Labor Review, October and November 1960; July and August 1959; and July 1962, respectively.

Although these studies were based on a selection of 300 plans, each covering at least 1,000 workers, it is believed that the coverage adequately represents single employer plans (231 of the 300) under collective bargaining, particularly in terms of workers covered, for the type of comparisons made in this bulletin.

The expectation that the worker will receive social security old-age benefits at age 65 is taken into account in both single and multiemployer plans in setting the normal retirement age and in the retirement income provided. Unlike many single employer pension plans that directly reduce benefits by all or part of a worker's social security benefits, or use a more liberal benefit formula for earnings above than for those below the social security taxable wage base (currently \$4,800 a year), multiemployer plans rarely take social security benefits so explicitly into account.

Participation Requirements

For a worker to participate in or to be covered by the plan, most multi-employer pension plans simply required that he be on the payroll of a contributing employer in a unit covered by the collective bargaining agreement.¹³ For example, one plan stated:

. . . every employee who is included within a unit covered by a collective bargaining agreement (which requires contributions to this plan by the employer) between an employer and union which are or become parties hereto shall automatically be a participant.

If the agreement provides for a union shop,¹⁴ which is typical among multiemployer agreements outside right-to-work States, all participating employees would thus be union members. Only a seventh of the plans, however, covering less than a tenth of the workers, specifically required union membership for participation. One plan, for example, stated that "employee means any dues-paying member of the union."¹⁵ The same plan appended the following explanation which can be generally applied to all plans with such requirements:

So that no misunderstanding may arise with reference to the above definition of the term "employee" in relation to any provisions of the Labor Management Relations Act of 1947, as amended, it is a requirement under the terms of the collective bargaining agreements between participating companies and the union, and it is and always has been the practice of the union, that the union admit into its membership all employees of the participating companies after their 30th day of employment, without any discrimination whatsoever, with the exception of those persons to whom reapplication for membership may be denied under said act. Therefore, since there could not be any person against whom discrimination could be exercised within the provisions of said act, the definition of employee as herein stated is considered to be the best terminology for the intent and purposes of coverage and administration under this pension plan.

¹³ Generally, the individual participating employer cannot voluntarily include additional employees (supervisors, clerical, etc.) outside the bargaining unit. However, many plans do extend plan coverage to officers and employees of the participating local union(s).

¹⁴ See Union Security and Checkoff Provisions in Major Union Contracts, 1958-59, BLS Bull. 1272 (1960). A union shop clause requires all employees in the bargaining unit, as a condition of employment, to be or become union members within a specified time after hiring.

¹⁵ The absence of such clauses from most plans may stem from the prohibition against discrimination in the Labor Management Relations (Taft-Hartley) Act. The National Labor Relations Board has held in several cases involving illegal union security arrangements that pension plan clauses restricting payment of benefits to union members only were illegal.

Age and service participation requirements often found in single employer plans, were included in only 19 plans, covering 66,000 workers, mainly in the metalworking and trade industries.

Participation requirement	Plans	Workers ¹ (thousands)
All plans -----	736	3,229.8
No age or service requirements -----	686	3,133.0
With requirements -----	19	65.9
Age -----	4	52.8
Service -----	10	11.3
Age and service -----	5	1.7
Information not available -----	31	31.0

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Minimum service requirements ranged from 1 through 5 years, with 1 year as the most common requirement (table 8). Age requirements ranged from 22 through 40 years.

Normal Retirement Provisions

Normal retirement provisions, a feature of virtually all pension plans, specify the age at which a qualified worker would normally be expected to retire, the formula to be used to compute retirement income (or the amount if a uniform benefit is paid), and the conditions and duration of benefit payment. The normal retirement age as stipulated in pension plans is not necessarily the age of actual retirement; it is technically, the earliest age at which a worker, having otherwise qualified for benefits, may retire of his own accord and receive immediately the full amount of benefits to which he is entitled. Most plans also require the fulfillment of a specified period of credited service with one or more of the employers participating in the plan, as in the following clause:

An employee shall be eligible for a normal pension if, at retirement

- (a) he has attained age 65; and
- (b) he has credit for 25 years or more of service in the trade; and
- (c) he has actually worked in covered employment for at least four quarters . . .

Normal Retirement Age. The normal retirement age in all but 33 plans was 65, the youngest age at which full social security old-age benefits are payable; 24 had ages below 65 and 9 above (table 9). Although only 20 plans permitted workers to retire on full benefits at age 60, they covered over 15 percent of the workers; in this group were several large plans in the coal mining and motor transportation industries. All but four plans with a normal retirement age other than 65 were wholly self-insured (table 10).

Benefit Formulas. The pension formulas in multiemployer plans do not exhibit the wide diversity found in single employer plans. Most can be classified into two basic types: (1) Flat or uniform benefits for all workers who fulfill specified service requirements, or (2) benefits which varied by length of service alone. Formulas in which benefits varied by both earnings and service, commonly found in single employer plans, were used by few multiemployer plans. Examples of each of these types are:

Uniform benefit for specified service—

. . . members eligible under these rules for retirement benefits shall receive the sum of \$50 per month . . .

* * *

Benefit proportional to length of service—

. . . the monthly amount of . . . benefit shall be equal to \$1.05 a month for each completed year (fractional credit will be given for completed months) of future service.

* * *

Benefit based on earnings and service—

The amount of monthly pension for a covered employee eligible for retirement shall be an amount equal to four-tenths of 1 percent of average monthly earnings of such employee for each year of credited service.

A fourth of the plans, with almost half of the workers under multiemployer plans, stipulated flat or uniform benefit formulas (table 11), as contrasted with a small fraction of negotiated single employer plans. Flat benefits for specified service were found mainly in the apparel, mining, and water transportation industries. The vast majority of plans were self-insured (table 12).

Formulas in which benefits varied by length of service alone were found in over 60 percent of the plans, with 40 percent of the workers, as compared with about a third of single employer plans. This type of formula was most common in the food, printing, metalworking, construction, trade, motor transportation, and service industries. Three-fourths of the insured plans and three-fifths of the self-insured plans had this type of formula.

Only six multiemployer plans had a formula in which a combination of earnings and service was used to determine benefits, by far the most common formula in single employer plans.

In 24 plans, benefits were expressed as a percentage of the employer contributions made for each worker—a formula rarely used in single employer plans. These plans were significant (for wide coverage of workers) in the motor transportation industry. In 13 of these plans, contributions were on a time worked basis, hence benefits were indirectly related to service. Two plans based contributions on individual earnings, thus benefits were indirectly related to both earnings and service. The basis of contributions and the underlying basis of benefits in the remaining plans were not available. Since contributions are often closely related to hours worked, benefits under all 24 plans are more apt to be affected by short breaks in service than are benefits under formulas directly related to service, which usually credit service annually or quarterly.

Twenty-three plans, found mainly in the construction industry, did not contain a specific benefit formula in the pension plan document. Benefits were usually determined by the amount accumulated in a worker's individual account at the time of retirement. One of these plans, for example, read:

Trustees shall pay such benefits as the amount credited to each individual employee's account will purchase for such employee at the time of retirement.

Most of these plans, as shown later (page 26), paid only lump-sum cash benefits. Since contribution rates were based on time worked, benefits were generally proportionate to service. Usually these plans were self-insured.

Although most multiemployer benefit formulas were readily classifiable into the major types discussed above, unusual benefit or coverage problems created a need for significant variations. For example, five plans negotiated by the Teamsters, each with a normal retirement age of 60, had a built-in partial social security adjustment. To even out total retirement income over the entire retirement period, these plans provided for the payment of higher benefits in the first 60 months of retirement, than subsequently. Under one plan, for example, a worker retiring at age 60 receives \$65 a month more between ages 60 and 65 than after age 65, when he presumably would be receiving full social security benefits. While these formulas were apparently designed to encourage retirement before social security benefits are payable, they do not penalize those retiring after age 60 by limiting the ages at which the higher benefits may be received. The following clause is typical of these plans:

. . . The retirement benefit . . . shall consist of a retirement income payable for the remaining life of the pensioner in the amount of:

- (a) For an employee for whom the last employer to make contributions to the trust fund has contributed under a collective bargaining agreement providing for contributions at the rate of \$2 per week—
 1. \$90 payable monthly for a period not to exceed 60 months during the lifetime of the pensioner; and
 2. \$22.50 payable monthly thereafter for as long as the pensioner shall survive.
- (b) For an employee for whom the last employer to make contributions to the trust fund has contributed under a collective bargaining agreement providing for contributions at the rate of \$3 per week for 2 years and \$4 per week thereafter—
 1. \$135 payable monthly for a period not to exceed 60 months during the lifetime of the pensioner; and
 2. \$70 payable monthly thereafter for as long as the pensioner shall survive.

The benefit formula reproduced above is also an illustration of formulas basing benefits on contribution rates. This procedure allows more flexibility in local and individual employer negotiation, although the workers and employers both receive the advantages of a pooled pension arrangement. Although only 13 plans included in this study allowed a choice, within prescribed limits, of rates and benefits, this approach may spread as unions seek a wider geographic or industrial scope in pension planning.

Some uniform benefit plans took occupational earnings differences into account, as in the following illustration:

. . . The retirement fund shall pay to such member, until the time of his or her death, the monthly payments set forth below: . . .

- (a) The sum of \$50 monthly to members who at the time of their retirement are operators, cutters, or blockers . . .
- (b) The sum of \$40 monthly to members who at the time of their retirement are seasonal straw operators, trimmers, slickers, or shipping clerks.

One plan had a cost-of-living adjustment in its benefit formula.

Past Service Benefit Formulas. Multiemployer plans usually credited past service (i. e., employment rendered prior to the effective date of the plan or prior to an increase in plan benefits) at the same level as future service (i. e., subsequent employment). In contrast, negotiated single employer plans, except for those with a flat benefit for specified service, usually provide lesser credits for past service than for future service years.¹⁶

Social Security Integration. Only one multiemployer plan directly integrated plan benefits with social security benefits, as contrasted with about 1 out of 4 negotiated single employer plans.

Minimum Benefit. Few multiemployer pension plans had provisions establishing a minimum benefit amount although they are frequently found in single employer plans. Rather, a minimum benefit was usually established by the minimum requirements for receiving any benefit. Where a flat benefit was provided, for example, the benefit itself was both a minimum and a maximum. Where benefits varied by service (the most prevalent approach in multiemployer plans), the minimum benefit was the product of the minimum years of service required to qualify for benefits and the benefit payable for each year of service. Some plans, however, had specific minimum benefits of a temporary nature for workers who could not meet the minimum service requirements because they were too near the normal retirement age when the plan began.

Form of Payments. Virtually all pension plans promise that the pension will continue for the worker's lifetime. Some plans, in addition, guarantee payments for a stated period of time to the pensioner's beneficiary should the pensioner die during this guarantee period. Many of the 34 contributory plans guarantee to return as benefits at least the amount of money contributed by the worker, usually with interest. These common forms of pension promises are illustrated by the following clauses:

Lifetime (straight-life) only—

The monthly amount of retirement benefit . . . shall be payable in monthly installments commencing on his retirement date and terminating with the monthly payment coinciding with or next preceding the date of his death.

Guarantee period (payment certain)—

If a pensioner shall die within the 36-month period beginning with the effective date of his pension, then the benefit to which

¹⁶ See BLS Bull. 1307, op. cit.

he was entitled shall become payable to the surviving wife. If the surviving wife should die before the remainder of the 36-month period, or if there is no surviving wife at the time of the death of the pensioner, benefits for the remainder of the 36-month period shall become payable and divided equally among the surviving dependent child or dependent children at the time of death of the pensioner or the surviving wife as the case may be. Benefits payable under this provision shall cease on the death of the surviving wife and of the last surviving dependent child or at the end of the 36-month period, whichever shall first occur.

Guaranteed return of employee contribution with interest (modified cash refund)¹⁷—

Upon death of a pensioner, any excess of the amount of his contributions with interest at the time of retirement over the sum of pension payments received shall be paid to his designated beneficiary . . .

Pension payments stop upon the death of the pensioner (payment for life, only) in 80 percent of the multiemployer plans covering almost 90 percent of the workers (table 13). Eleven percent (82) of the plans, with 9 percent of the workers, mainly in the food and construction industries, promised that if the worker died before receiving a guaranteed number of pension payments, the remaining payments would be continued to his beneficiary, usually his widow. Such guarantees were included in a smaller proportion of insured than of the self-insured plans (table 14). Although the length of the guarantee ranged from 1 to 15 years, it was rarely less than 3 years, and usually ran for either 3 (35 plans) or 5 years (30 plans).

Guarantee period	Workers ¹	
	Plans	(thousands)
All plans with payment-certain guarantees -----	82	284.4
12 months -----	1	1.4
24 months -----	3	1.1
30 months -----	1	40.0
36 months -----	35	184.3
40 months -----	1	(²)
48 months -----	1	1.0
60 months -----	30	45.8
120 months -----	7	7.1
180 months -----	1	.6
Other -----	³ 2	3.0

¹ Worker coverage includes both active and retired workers in 1959.

² Fewer than 50 workers.

³ Guarantee period varies by years of service.

NOTE: Because of rounding, sums of individual items may not equal totals.

¹⁷ The word "modified" is used here to distinguish this type of guarantee from one guaranteeing the return of the employer's contributions as well as the employee's contributions.

Fourteen of the 30 jointly financed plans promised a modified cash refund, i. e., to make a sufficient number of payments to the worker and, after his death, to return to his beneficiary at least his contributions, with or, in some plans, without interest. Two plans provided that if total payments were less than the cost of the benefit at retirement the balance would be paid to a beneficiary (i. e., a full cash refund).

Six plans provided a choice of benefits in such a way that it was not possible to determine which was the basic payment method (i. e., the benefit that would be paid if the worker failed to make a choice). For example, one plan stated that:

The participant (i. e., retiree) . . . may exercise, with the approval of the trustees, one of the options hereinafter set forth . . . (a) the trustees can purchase for the participant a paidup annuity contract in such form . . . as the participant may request, or (b) the trustees may pay him a fixed sum of money per month as long as he shall live, and payment of such monthly amounts shall cease upon the exhaustion of such participant's account, or (c) the trustees may, on their own motion, or at the request of the participant involved . . . provide for a lump-sum payment.

Seventeen plans, most of which did not have a specific benefit formula, indicated that payment would be made in a lump sum (5 plans), or in installments of either a specified amount or duration, or both (12 plans), to workers retiring at normal retirement age. These plans were usually small self-insured plans in the apparel and construction industries. This cash benefit was usually limited to the amount of contributions in the individual worker's account, as illustrated by the following clause:

In the event participants retire from the industry, the fund shall pay to such participant the sum of \$50 per month until the moneys of such individual account have been exhausted.

Optional Forms of Benefit Payment. Retirement benefit payments normally cease upon the death of the pensioner, unless, as previously discussed, a minimum number of payments or amount is guaranteed (in some way) or if there is a death benefit provision. (See page 39.) However, about 1 out of 7 multiemployer plans, like many single employer plans, also provide one or more optional forms of benefit payments under which benefits may be paid to a beneficiary after the pensioner's death (table 15). Workers electing an option through which benefits are continued to their beneficiaries must accept a reduced pension during their lifetime. These options, like most early retirement provisions and social security adjustment options, are usually of the same actuarial value as the normal pensions they replace, so as not to increase the cost of the plan; i. e., the worker bears the entire cost of the option. To minimize adverse selection against the plan by workers in poor health at retirement, the optional form must usually be elected well before retirement—most often 5 years in advance—unless the worker can show evidence of good health at retirement.¹⁸

The most common type of option was the joint and survivor option, under which the worker elects to receive a reduced benefit for life with a guarantee that, if he dies while his beneficiary is living, payments at a predetermined ratio will continue to his beneficiary for life. This is illustrated by the following clause:

¹⁸ A more detailed analysis of optional benefits will be presented in a forthcoming BLS bulletin, op. cit.

. . . Instead of receiving the normal retirement benefit, the employee may elect a reduced retirement annuity to be paid as long as he lives, with the future provision that all or part of this reduced retirement annuity will be continued after his death during the remaining lifetime of a beneficiary (known as the joint annuitant) named by him . . .

This option was available in 101 plans, covering about 7 percent of the workers.

The period-certain option, available in 26 plans, usually in combination with a joint and survivor option, allows the pensioner to elect to receive a reduced benefit for life on the condition that, if he dies before receiving a specified number of payments, the balance will be continued to his beneficiary. For example:

A participant may, in lieu of all payments otherwise payable to him on and after his retirement annuity date, elect the life annuity-certain option providing payments as follows:

- (a) To the participant: A reduced retirement annuity, the first monthly payment thereof being payable on the participant's retirement annuity date, if he is then living, subsequent monthly payments being payable on each due date thereafter throughout his remaining lifetime, terminating with the last monthly payment prior to his death.
- (b) To the participant's beneficiary: The continuation of such reduced retirement annuity payments, if the participant dies before receiving a total of 120 monthly payments of such reduced retirement annuity, until a total of 120 monthly retirement annuity payments in all has been made to the participant and to his beneficiary . . .

The cash-refund option offered by four plans provides that if total benefits received by the pensioner are less than the cost of purchasing the benefit at retirement, the balance will be paid to his beneficiary. The modified cash-refund option, on the other hand, provides that if total benefits received by the pensioner are less than the worker's contribution (with or without interest), the balance will be paid to a designated beneficiary. Only 1 plan offered this option because all but 16 of the 34 contributory plans provided a modified cash refund as the standard or normal form of annuity. In addition, four other plans, normally providing some type of guarantee, allowed the worker to elect a straight life annuity paying a larger monthly benefit of equal actuarial value.

Provision for optional forms was most common among plans in food manufacturing, construction, and trade. Possibly a reflection of the greater experience of insurance companies in administering options, 35 percent of the insured plans as compared with only slightly more than 10 percent of self-insured plans offered optional forms of payment (table 16).

Amount of Normal Retirement Benefit. In order to evaluate multi-employer plans in terms of the amount of retirement benefit provided, the monthly amount of normal pension benefits was computed for each plan, where possible, under the following assumed conditions:

1. The worker will retire at age 65 (except for nine plans where a higher minimum age was specified).
2. Annual earnings of \$4,800. This earnings level was assumed to be constant throughout the worker's career, although some plans would pay the same benefit if his average earnings for certain years (e.g., the 10 immediately before retirement) or if his career average earnings were \$4,800.

3. Future service credits of 30 years. Since few of these plans have distinctly different past and future service benefits, the amounts computed, in general, also apply to workers retiring at the present time.

No benefit amount could be computed for 69 plans covering 89,500 workers either because they had no benefit formula or sufficient information was not available.

Monthly benefit amounts thus computed ranged from \$10 to \$230. A fourth of the plans covering about the same proportion of workers provided between \$50 and \$60 a month as shown in chart 2. The average benefit paid by these plans amounted to \$68.34 influenced by a substantial number of workers in plans paying \$100 or more.

Monthly benefit excluding social security	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans for which benefits were computed ² -----	667	100.0	3,140.3	100.0
Under \$30 -----	40	6.0	208.0	6.6
\$30 and under \$40 -----	84	12.6	137.3	4.4
\$40 and under \$50 -----	87	13.0	347.8	11.1
\$50 and under \$60 -----	169	25.3	824.9	26.3
\$60 and under \$70 -----	96	14.4	324.1	10.3
\$70 and under \$80 -----	67	10.0	382.6	12.2
\$80 and under \$90 -----	8	1.2	31.7	1.0
\$90 and under \$100 -----	28	4.2	79.9	2.5
\$100 and under \$110 -----	50	7.5	535.0	17.0
\$110 and under \$120 -----	11	1.6	20.4	.6
\$120 and under \$130 -----	14	2.1	39.2	1.2
\$130 and over -----	13	1.9	209.5	6.7
Average monthly benefit ³ -----			\$68.34	

¹ Worker coverage includes both active and retired workers in 1959.

² In 69 plans, covering 89,500 workers, benefit amounts could not be computed. (See explanation in text.)

³ Arithmetic mean, weighted by workers covered.

NOTE: Because of rounding, sums of individual items may not equal totals.

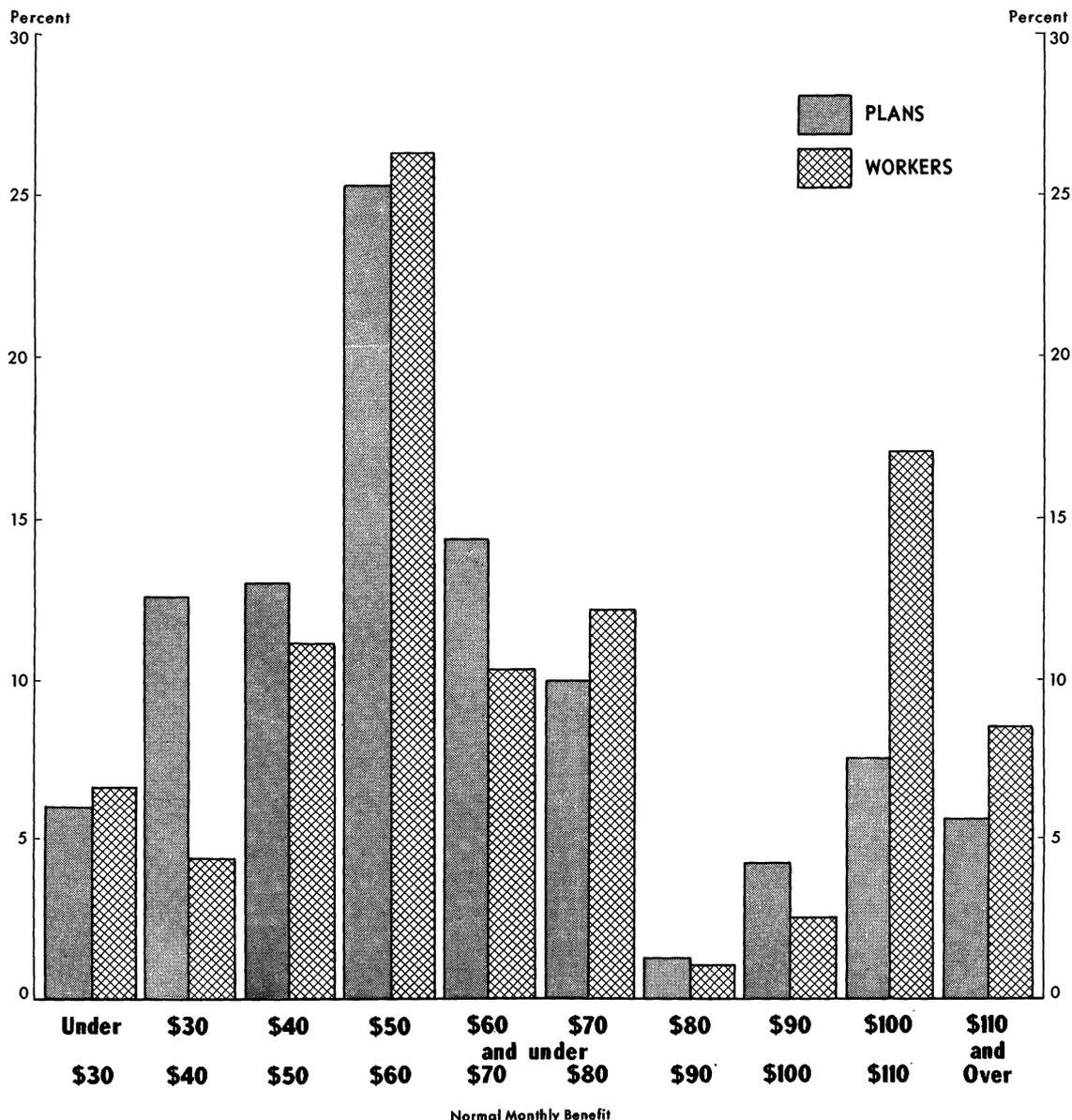
If the maximum primary social security benefit of \$127¹⁹ is added to plan benefits, total monthly retirement income ranges from \$137 to \$357. The average for all workers increases to \$195.34 (\$68.34 plus \$127), representing almost half (48.8 percent) of the assumed preretirement earnings level of \$4,800. Plans providing monthly benefit amounts which, when added to maximum primary social security benefits, would equal \$200, or at least half of the worker's preretirement income, were most common in food, metalworking, construction, motor transportation, trade, and motion pictures and recreation (table 17).

On the average, self-insured plans provided slightly higher monthly benefits than insured plans—\$71.43 and \$67.02, respectively (table 18). More than 1 out of 4 self-insured plans (covering 4 out of 10 workers under such plans), as compared with slightly less than 1 out of 4 insured plans (with more than 7 out of 10 workers), provided benefits which, when supplemented by maximum primary social security benefits, amounted to at least half of preretirement earnings.

¹⁹ Under social security provisions in effect in 1961, the maximum benefit of \$127 for workers at the assumed earnings level of \$4,800 per year will not be payable, with a few exceptions, until after 35 years, although workers may become eligible for slightly less than the maximum much sooner.

Chart 2. Monthly Normal Retirement Benefits (Excluding Social Security) for a Worker Earning \$4,800 a Year With 30 Years of Future Service

In Multiemployer Pension Plans Under Collective Bargaining, Spring 1960¹



¹ Based on a study of 736 multiemployer pension plans under collective bargaining covering 3,229,800¹ workers, active and retired, in 1959. In 69 plans covering 89,500 workers, benefit amounts could not be computed and have been excluded from the chart.

Benefits averaged a little higher in flat benefit formulas than those in which the benefit formulas varied by service—\$68.91 and \$66.97, respectively (table 19). In part, this difference is attributable to (1) payment of maximum benefits under the service plans after 20 and 25 years of service, and (2) inclusion of several large Teamsters' plans providing a flat benefit of \$135²⁰ a month for only the first 5 years of retirement, but a substantially reduced benefit thereafter. (See page 23.)

Early and Disability Retirement, and Vesting

Multiemployer pension plans, as a group, provide all of the subsidiary benefits found in single employer plans, but with a different emphasis reflecting differences in the nature of the bargaining relationship and the labor market. Slightly more than a fourth of multiemployer plans, covering two-fifths of the workers, provided a normal retirement benefit only (table 20). Another fourth of the plans added a disability retirement provision. The remaining half of all multiemployer plans had different combinations of early and disability retirement and vesting. The prevalence of these provisions among the 736 multi-employer plans studied is shown below:

Provision	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans -----	736	100.0	3,229.8	100.0
Early retirement ² -----	262	35.6	754.2	23.4
Disability retirement ³ -----	386	52.4	1,474.5	45.7
Vesting ⁴ -----	168	22.8	595.0	18.4
Information not available -----	31	4.2	31.0	1.0

¹ Worker coverage includes both active and retired workers in 1959.

² Excluded are plans which provided early retirement for women only.

³ Excluded are plans which provided lump sum disability benefits only.

⁴ Excluded are plans which provided lump sum termination benefits only.

As shown below, only 70 plans covering 195,000 workers provided, in addition to normal retirement, all three major benefits—early retirement, disability retirement, and vesting. The construction industry accounted for 31 of these plans (table 21) and 52 were in self-insured plans (table 22).

Major benefits provided in addition to normal retirement	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans -----	736	100.0	3,229.8	100.0
No additional benefits -----	202	27.4	1,285.8	39.8
Disability retirement only -----	183	24.9	883.2	27.3
Disability retirement -----	203	27.6	591.3	18.3
And early retirement and vesting -----	70	9.5	194.7	6.0
And early retirement -----	100	13.6	332.5	10.3
And vesting -----	33	4.5	64.1	2.0
Without disability retirement -----	117	15.9	438.6	13.6
With early retirement and vesting -----	40	5.4	124.7	3.9
With early retirement only -----	52	7.1	102.3	3.2
With vesting only -----	25	3.4	211.6	6.6
Information not available -----	31	4.2	31.0	1.0

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

²⁰ This amount was used in the distributions and in the computation of the foregoing averages.

Early Retirement Provisions. Early retirement, as the term is used in pension plans, means retirement before the normal retirement age specified by the plan. Usually the benefit is reduced below the accrued normal benefit to compensate for the longer period over which benefits are expected to be paid. Although early retirement benefits are always payable immediately on retirement, under some plans the fully qualified worker may choose to defer receiving a benefit until he attains the normal retirement age in the plan when the full, or reduced benefit is payable. Early retirement is almost always at the option of the worker under multiemployer plans.

Age and service requirements are typically stipulated in early retirement provisions, as in the following example:

- . . . Any employee may retire early on a reduced lifetime pension provided he has:
- (i) Attained his 55th birthday;
 - (ii) Completed 15 or more years of service.

Its amount is calculated as follows:

- (i) The employee's normal pension based upon his completed service is determined; and
- (ii) His early pension is then obtained by reducing the amount in (i) by $\frac{7}{10}$ percent for each full month which remains from the date of early retirement until his 65th birthday . . .

Slightly more than a third of the multiemployer plans, covering almost a fourth of the workers, had an early retirement provision applicable to all covered workers, regardless of sex, as contrasted with 90 percent of the single employer plans covering 95 percent of the workers. These provisions were most prevalent in food, printing, metalworking, construction, motor transportation, trade, and service industries (table 23).

An additional 38 plans, covering 677,000 workers, permitted early retirement for women only, usually at age 62. One of the plans stated, for example, that:

If you are a female, you may . . . request to retire and receive a reduced pension before your 65th birthday. If your request is approved, your pension will begin when you retire the 1st day of any month on or after you attain age 62.

Seventeen of these plans, accounting for 614,000 workers, were in the apparel industries, where a large majority of employees are women.

Industry group	Plans	Workers- (thousands)
All plans with early retirement for women only -----	38	676.9
Food and kindred products -----	5	10.7
Apparel and other finished textile products -----	17	613.6
Wholesale and retail trade -----	9	36.8
Services -----	2	5.0
Other -----	25	10.8

¹ Worker coverage includes both active and retired workers in 1959.

² Includes 1 plan with 1,400 workers in printing, 1 plan with 1,900 workers in metalworking, 1 plan with 2,300 workers in miscellaneous manufacturing, 1 plan with 1,600 workers in construction, and 1 plan with 3,600 workers in motion pictures and recreation.

NOTE: Because of rounding, sums of individual items may not equal totals.

The medium of funding (insured or self-insured) appears to have little or no effect on whether early retirement was provided, perhaps because its inclusion is virtually costless to the plan if the benefit reduction is based on actuarial factors. Although over a third of both self-insured and insured plans provided for early retirement, only 10 percent of the workers covered by insured plans were included as compared with nearly 30 percent of those covered by self-insured plans.

Medium of funding	<u>Total</u>		<u>Early retirement</u>	
	Plans	Workers ¹ (thousands)	Plans	Workers ¹ (thousands)
All plans -----	736	3,229.8	262	754.3
Insured -----	116	329.6	44	33.9
Self-insured -----	590	2,539.6	211	713.1
Other -----	30	360.7	7	7.3

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

The early retirement provisions of 39 plans with about 135,000 workers contained a level retirement, or a social security, adjustment option which provides a level income (including both private and primary social security benefits) throughout the entire retirement period, even though full social security benefits do not commence until age 65 (table 24).²¹ Pensioners selecting this option receive a monthly benefit larger than the regular early retirement benefit until full primary social security benefits are payable at age 65. Afterwards they get a smaller plan benefit than normally paid. For example, one plan stated:

An employee entitled to a pension after age 55 and before age 65 may elect a social security level income option in lieu of the pension otherwise payable to him. If he elects this option he will receive a higher monthly amount from the fund for each month before the month in which he attains age 65 and a lower monthly amount from the fund for life thereafter. The general purpose of this option is to provide an early retirement pensioner with a more or less level income for life, taking account of his likely receipt of the primary social security benefit after he attains age 65. The higher amount payable before attainment of age 65 and the lower amount payable on and after attainment of age 65 shall be determined on the basis of actuarial equivalence.

A fourth of the insured plans with early retirement provided this option as against 1 out of 8 self-insured plans with early retirement (table 25). Such provisions were most common in food, construction, trade, and service industries. As discussed previously, five self-insured plans in the trucking industry with a normal retirement age at 60 have a social security adjustment built into the benefit formula (page 23).

²¹ Under current provisions of the Social Security Act, full primary insurance benefits are payable to qualified workers retiring at age 65 or over. Since August 1, 1961, men, and since 1956, women may elect to receive a permanently reduced benefit to begin between ages 62 and 65.

Considering plans with low normal retirement ages or an early retirement provision, more than 40 percent of the multiemployer plans, with 60 percent of the workers, permitted retirement before age 65 (e. g., at age 62—the early retirement age under social security), as shown below:

Provision	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans -----	736	100.0	3,229.8	100.0
No provision for retirement before age 65 -----	412	56.0	1,264.6	39.2
With provision for retirement before age 65 -----	324	44.0	1,965.2	60.8
Low normal retirement age (full benefit) -----	24	3.3	534.0	16.5
Early retirement provision for all workers (reduced benefit) ---	262	35.6	754.3	23.4
Early retirement provision for women only (reduced benefit) ----	38	5.2	676.9	21.0

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Disability Retirement Provisions. Disability retirement benefits, when provided, are payable²² to totally and permanently disabled workers, provided they meet certain age and/or service requirements. In contrast to early retirement, benefits are often the same as or higher than normal retirement benefits. An illustrative provision follows:

An employee shall be entitled to retire on a disability pension if he meets the following two requirements:

- (a) He becomes totally and permanently disabled after he has attained age 55 but before he has attained the age of 65 years.
- (b) He has pension credits for at least 15 years . . . There will be determined the amount of early retirement pension to which the applicant would be entitled based on the years of pension credit which the employee has earned up to the time of his disability. The disability pension shall be \$10 greater than the said early retirement benefits except that in no event shall the disability pension exceed the amount that would be payable if the employee had attained age 65 at the date he became disabled.

Disability benefits were provided by more than half of the multiemployer plans with over 45 percent of the workers, as compared with almost 80 percent of the single employer plans with almost 90 percent of the workers.²³ The provisions were most common in food, apparel, printing, metalworking among the

²² Frequently a 6-month waiting period, during which the severity of the disability may be determined, must elapse before benefits are payable.

²³ Plans which paid disability benefits only at age 65 were not counted as providing disability benefits in both studies. In these plans, service was credited or frozen after total and permanent disability until age 65, and then the normal benefit was payable. They were found in 17 multiemployer pension plans covering 41,800 workers, primarily in the apparel and service industries.

manufacturing industries, and in construction, motor and water transportation, and trade among the nonmanufacturing industries. (See table 23.) Disability pensions were provided by 55 percent of the self-insured plans covering almost half of the workers under self-insured plans, as against 42 percent of the insured plans with about a sixth of the coverage of such plans.²⁴

Medium of funding	Total		Disability retirement	
	Plans	Workers ¹ (thousands)	Plans	Workers ¹ (thousands)
All plans -----	736	3,229.8	386	1,474.5
Insured -----	116	329.6	49	55.2
Self-insured -----	590	2,539.6	327	1,232.4
Other -----	30	360.7	10	186.9

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Twenty-seven plans covering 215,300 workers provided only for a cash payment to workers forced to retire because of total and permanent disability, as in the following example:

. . . The amount of the disability benefit shall be an amount determined by multiplying \$2 by the number of weeks during which employer contributions have been made to the trust fund on behalf of the employee . . . but in no case shall the amount of the disability benefit exceed \$2,000. The disability benefit shall be payable 6 months after commencement of total and permanent disability, or 3 months after receipt of the due proof of such disability by the trustees, whichever is later. Upon payment of the disability benefit such employee shall be deemed to have terminated his membership in the plan and shall not be entitled to participate hereunder to any extent or for any other benefit.

These 27 plans were not considered as containing a regular disability provision. Such provisions were most common in self-insured plans in construction and motor transportation (including the large Central States Teamsters' plan).²⁵

²⁴ The development of the deposit administration group annuity plan has enabled plan trustees to include disability benefits in the larger insured plans, since possible adverse experience is transferred from the insurer to the fund. Under a deposit administration plan, the insurer's obligations and guarantees are limited to the benefits already purchased. To provide disability benefits under such a plan, the fund may purchase temporary annuities until the disabled worker reaches 65 or is no longer disabled. At 65, the fund purchases the regular annuity from the insurer.

²⁵ Six plans covering 4,200 workers with regular disability retirement benefits also gave the worker the option to receive such benefit in a lump sum.

Industry group	Plans	Workers ¹ (thousands)
All plans with cash disability benefits -----	27	215.3
Food and kindred products -----	1	.7
Apparel and other finished textile products -----	4	1.1
Leather and leather products -----	1	.7
Metalworking -----	1	3.0
Miscellaneous manufacturing -----	1	.4
Contract construction -----	10	16.9
Motor transportation -----	5	190.9
Wholesale and retail trade -----	3	1.3
Services -----	1	.3

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Vesting Provisions. Vesting is a guarantee to the worker of a right or equity in a pension plan, based on all or part of the employer's contributions made in his behalf (in terms of accrued pension benefits) should his employment or coverage by the plan be terminated before he attains eligibility for regular (normal or early) retirement benefits. This right is usually payable in the form of a retirement benefit at the normal retirement age designated in the plan, wherever the worker is then employed, as in the following example:

. . . an employee who has accrued 10 years of credited service or more at the time he ceases to be employed by an employer shall be entitled to receive, at age 65, a monthly benefit equal to a normal retirement benefit computed on the basis of his credited service at the time of cessation of employment.

Fewer than 1 out of 4 multiemployer plans, covering nearly 1 out of 5 workers, had a vesting provision, as contrasted with 7 out of 10 single employer plans covering 5 out of 6 workers. Although not a complete substitute for vesting, the portability of pension credits inherent in multiemployer plans, as previously explained, provides the same sort of protection as a vesting provision in a single employer plan.

Vesting provisions were most common in food, printing, metalworking, construction, motor transportation, and trade industries. (See table 23.)

Slightly more than half of the insured plans with almost 3 out of 4 covered workers, as compared with only 1 out of 6 self-insured plans with 1 out of 7 workers, had vesting. The custom of including the vesting of the worker's pension rights in insured plans accounts for this difference, both in multiemployer and single employer plans.

Medium of funding	Total		Vesting	
	Plans	Workers ¹ (thousands)	Plans	Workers ¹ (thousands)
All plans -----	736	3,229.8	168	595.0
Insured -----	116	329.6	60	240.4
Self-insured -----	590	2,539.6	97	337.9
Other -----	30	360.7	11	16.8

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Three-fourths of the 168 plans with vesting provisions provided deferred full vesting under which the worker retains a right to all accrued benefits if his service terminates after he attains a specified age, or completes a designated period of service, or both. One-fifth of the plans had deferred graded vesting, under which the worker acquires a right to a certain percentage of accrued benefits when he meets specified requirements. This percentage increases as additional requirements are fulfilled, until the worker is fully vested. Only six plans provided immediate full vesting under which, in contrast to the methods of deferring an equity in employer contributions until certain age or service requirements have been fulfilled, the worker secures a vested right to his entire accrued benefits immediately upon being covered by the plan. Other types of vesting, such as deferred graded partial, immediate graded partial vesting, are modifications of the more common vesting classes applicable to part of a worker's accrued benefits. Because the 35 plans with deferred graded vesting included 1 large plan (Western Conference of Teamsters), they covered only 18 percent fewer workers than the 127 plans with deferred full vesting, as shown below:

Type of vesting provision	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans with vesting -----	168	100.0	595.0	100.0
Immediate full vesting ² -----	6	3.6	2.6	.4
Deferred graded vesting ³ -----	35	20.8	267.4	44.9
Deferred full vesting ⁴ -----	127	75.6	325.0	54.6

¹ Worker coverage includes both active and retired workers in 1959.

² Includes 1 plan with 700 workers providing immediate graded vesting.

³ Includes 6 plans with 28,300 workers providing deferred graded partial vesting.

⁴ Includes 3 plans with 1,100 workers providing deferred partial vesting.

NOTE: Because of rounding, sums of individual items may not equal totals.

Illustrative provisions of the more common types of vesting are:

Deferred full vesting—

Any employee who has accumulated a total of 15 years of credited service in this plan shall have his rights to participation in this plan fully vested . . .

Deferred graded vesting—

Any employee whose employment is terminated prior to his early retirement date shall be entitled to a deferred retirement benefit payable at age 65 . . . as follows:

Credited service units, for purposes of calculating this deferred allowance shall be only those accumulated since May 1, 1957, when contributions by the employer began. The retirement benefit payable at age 65 shall be based on the following percentages of accumulated credited service units since May 1, 1957, multiplied by the monthly amount provided in paragraph (c) 1.

Credited service units	Percentage of benefit
Less than 5 -----	-
5 but less than 10 -----	10
10 but less than 15 -----	15
15 but less than 20 -----	30
20 but less than 25 -----	50
25 but less than 30 -----	70
30 or more -----	100

Immediate full vesting—

The worker shall be immediately vested in employer contributions.

Instead of providing vested benefits, 29 plans, covering 45,600 workers, provided only for the payment of immediate cash benefits to workers terminated after having met specified requirements. These plans were not considered as having vesting provisions because they did not provide any retirement benefits to terminated workers. These provisions resemble, both in terms of requirements and benefits paid, dismissal or severance allowances.²⁶ The 29 cash termination plans had their greatest coverage, as shown by the following tabulation, in food manufacturing, printing, metalworking, construction, and trade. Most of them were self-insured.

Industry group	Cash termination benefit only		Cash termination benefit for worker's not fulfilling vesting requirements	
	Plans	Workers ¹ (thousands)	Plans	Workers ¹ (thousands)
All plans with cash termination benefits -----	29	45.6	² 12	228.6
Food and kindred products -----	5	8.5	2	7.2
Apparel and other finished textile products -----	2	.5	-	-
Printing, publishing, and allied industries -----	2	3.4	5	4.3
Leather and leather products -----	1	.7	-	-
Metalworking -----	3	9.2	-	-
Miscellaneous manufacturing -----	1	.4	*	-
Contract construction -----	9	19.1	3	4.6
Motor transportation -----	-	-	1	196.1
Wholesale and retail trade -----	5	3.4	1	16.5
Services -----	1	.3	-	-

¹ Worker coverage includes both active and retired workers in 1959.

² 6 plans with 220,800 workers allowed vested workers to elect a cash benefit instead of a vested benefit after completing further age and/or service requirements.

NOTE: Because of rounding, sums of individual items may not equal totals.

²⁶ See Collective Bargaining Clauses: Dismissal Pay, BLS Bull. 1216 (1957).

Another 12 plans included in the 168 plans with vesting provisions provided cash benefits to workers not meeting vesting requirements. Twenty-four plans, covering 253,700 workers, with regular vesting provisions (including 6 of the above 12 plans) gave the worker the option of receiving his retirement benefits in a lump sum. Some examples of cash termination provisions are:

An employee entitled to vested benefits shall make application therefor on form supplied by the board, and such vested benefits shall be paid in a lump sum not later than 60 days after the date paid application is received by the board.

As this plan did not provide regular retirement benefits for the vested workers, it was excluded from the tables showing plans with vesting.

. . . An employee who has accrued less than 10 years of credited service at the time he ceases to be employed by an employer, shall be entitled to receive, upon application to the trustees, a lump-sum payment in accordance with the following schedule, provided he applies for such payment within 1 year after becoming eligible therefor.

Years of future service credit at date of ces- sation of employment	Withdrawal payment
Less than 2 -----	-
2 but less than 3 -----	\$50
3 but less than 4 -----	100
4 but less than 5 -----	150
5 but less than 6 -----	200
6 but less than 7 -----	250
7 but less than 8 -----	300
8 but less than 9 -----	350
9 but less than 10 -----	400

As this plan also provided for a vested pension benefit for workers with 10 or more years of service, it was included with plans providing vesting.

In the event an employee who has 5 or more years of future service credit loses his credited service hereunder, he shall . . . receive a lump sum termination benefit equal to 50 percent of the contributions made to the fund on his behalf.

No vesting was included in this plan.

At the time an employee's service is broken, his rights shall be determined as follows:

- (a) If, at the time of the break in service, he has a total of 15 years of continuous service and has had employer contributions made on his account for a total of at least 3,000 covered hours, he shall be eligible to receive a cash termination benefit at any time thereafter when he is not in covered employment. Except as provided in article VII, payment to an individual of his cash termination benefit shall be in full settlement of all his rights and interests under the plan.

- (b) If he has met the conditions set forth in subsection (a) for a cash termination benefit, has attained his 52d birthday, and he does not elect to receive his cash termination benefit, he shall be designated as a former employee and shall be entitled to a vested retirement benefit as hereinafter described in this article. A former employee may at any time elect to receive his cash termination benefit and upon payment thereof to him he shall cease to be a former employee and shall not be entitled to any benefits under the plan, except as provided in article VII.
- (c) If he has not met the conditions set forth in subsection (a) for a cash termination benefit, his past service credit and future service credit shall be canceled and he shall thereupon cease to be an employee, and shall not be entitled to any benefits under the plan, except as provided in article VII.

This plan provided cash benefits only for workers not qualified for vesting, and an option of cash for the vested worker.

Death Benefits

Most workers covered by multiemployer pension plans are also covered by a separate group life insurance program. Under an increasing number of these programs, retired workers retain part of their life insurance coverage.²⁷ Many pension plans, however, also provide death benefits to protect the worker's equity in the plan as well as that of his dependents.

Death benefit provisions analyzed in this study called for a payment, usually a lump sum, to the worker's beneficiary, in the event of his death either before or after retirement. Provisions for the return of worker contributions (with or without interest) and those guaranteeing the number or duration of payments were excluded.²⁸

Death benefits are illustrated by the following clauses:

Death benefits before retirement—

Conditions for Qualification for Death Benefit. Upon the death of an employee who has not retired and who dies after

- (a) completion of 10 years of continuous service in the industry; and
- (b) completion of 5 years of continuous service under a collective bargaining agreement; and
- (c) payment of 40 weeks contributions to the trust fund by the employer on his behalf

there shall be payable to his designated beneficiary, or if no such beneficiary is designated, to his estate, a death benefit.

²⁷ See Health and Insurance Plans Under Collective Bargaining: Life Insurance, and Accidental Death and Dismemberment Benefits, Early Summer 1960, BLS Bull. 1296 (1961).

²⁸ Guarantees of the number or duration of payments were regarded as death benefits in a forthcoming BLS bulletin, op. cit.

Amount of Death Benefit. The amount of the death benefit shall be an amount determined by multiplying \$2 by the number of weeks during which employer contributions have been made to the trust fund on behalf of the employee since the effective date or the last break in service, whichever is later, but in no case shall the death benefit exceed \$2,000.

Death benefits after retirement—

Upon qualification for a pension and during the period he continues to be entitled to payment of such pension, a pensioner shall be eligible for a death benefit in the amount of \$1,500.

Death benefits before or after retirement—

. . . Death benefits shall be paid to the beneficiary or beneficiaries of a deceased employee on the following basis:

- (a) If the employee dies before retirement his beneficiary or beneficiaries shall receive an amount equal to \$50 for each year of future service credit he has accrued, computed in accordance with article II, section 4, hereof.
- (b) If an employee dies after retirement, his beneficiary or beneficiaries shall receive an amount equal to \$50 for each year of future service credit he has accrued, computed in accordance with article II, section 4, hereof, minus the total retirement benefits which have been paid to such employee up to the time of his death.

Death benefits before and after retirement—

Subject to the provisions of this section, and unless pension payments equalling the lump-sum payment have already been paid, a lump-sum payment shall be made to the beneficiary of an employee or pensioner upon his death after February 1, 1958. The amount of the lump-sum payment shall be in accordance with the following schedule and based on pension credits earned by actual work in covered employment after October 1, 1950, as provided in section IV, article 3. Any pension benefits paid to pensioner shall be deducted from the lump-sum payment which may be due.

Pension credits earned by actual work in covered employment, October 1, 1950	Lump-sum death benefit amount
At least 5 but less than 6 years -----	\$500
At least 6 but less than 7 years -----	600
At least 7 but less than 8 years -----	700
At least 8 but less than 9 years -----	800
At least 9 but less than 10 years -----	900
10 years or more -----	1,000

If an employee incurs a break in service as defined in section 6 of article III, he shall lose all credit for his prior credited service.

Five plans provided special widow's benefits. The following illustration is typical:

. . . In the event a widow survives an employee who has been receiving a pension and who dies after attaining the age of 65 years, and in the event such widow shall have been married to such employee for a period of not less than 10 years and shall have attained the age of 50 years prior to the death of such employee, then such widow shall be eligible for a pension of \$25 monthly, to be paid to her until her death or remarriage, whichever shall first occur.

Provisions for death benefits before retirement were found in about the same proportion of multiemployer plans as provisions for such benefits after retirement—17 and 15 percent, respectively, with each covering over a fourth of the workers (table 26). In contrast, less than 7 percent of the single employer plans, covering less than 10 percent of the workers, had such benefits. Pre-retirement death benefits were more commonly provided workers in nonmanufacturing industries—especially mining, construction, and motor transportation—than in manufacturing industries. Postretirement death benefits, however, were more prevalent in manufacturing industries, mainly because such benefits were included in the apparel industry plans and largely excluded from the motor transportation plans.

Sixty-four plans with 351,100 workers, provided death benefits both before and after retirement. As the following tabulation shows, more workers were covered by plans providing only preretirement (including the large Western Conference of Teamsters plan), or only postretirement benefits (including large plans in the apparel industry) than by those providing both.

Plans	Workers ¹ (thousands)	Death benefits	
		Before retirement	After retirement
736	3,229.8		
64	351.1	x	x
59	479.9	x	
49	497.9		x
533	1,869.9	Not provided	
31	31.1	Information not available	

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

A fifth of the insured plans as compared with a seventh of the self-insured plans had a death benefit before retirement. However, a tenth of the insured plans had postretirement death benefits as against a sixth of the self-insured plans (table 27).

Chapter IV. Administrative Procedures

Joint union-employer administration of employee pension funds is one of the important aspects of multiemployer plans. This development, as previously mentioned, can be directly attributed to the Labor Management Relations (Taft-Hartley) Act, 1947, subsection 302 (c) (5) (B), which requires equal union and employer representation in the management of a pension fund established by a union and partly or wholly financed by the employer. Since, only multiemployer funds established before January 1, 1946, are exempt from this subsection, there was provision for equal representation in the administration of all but 18 of the plans studied.

Generally, the joint board appointed by the union and employers has almost unlimited powers and rights, including the determination of plan benefits, selection of medium of funding, designation of funding methods, day-to-day administration, etc. The major exception, as previously discussed, is the revision of the basis and amount of contribution, which is always reserved for the parties to determine by collective bargaining. Such mutual management is, by contrast, uncommon in single employer plans.²⁹

Formal rules of procedure are required in multiemployer plan administration, particularly since the funds are the responsibility of groups whose interests, in this or other respects, often clash. Thus, for example, procedure for the settlement of disputes by neutrals is necessary because the members of the board have, at least in theory, no recourse to the economic sanctions found in collective bargaining. Since the basic documents (collective bargaining agreement and trust agreement) setting the pattern for the general operation of a multi-employer plan stem from union and employer agreement, they invariably seek to protect the rights of each group.

The composition and procedures of the boards, as provided for in collective bargaining agreements or in trusts agreements, are described in this chapter. First, the composition of the boards—the number of members, their division between the groups represented, and the method of selection and removal—is examined. This is followed by an analysis of the selection of officers and their duties, and the board's quorum, voting, and related rules. While all data, as explained on page 3, relate to the 736 formulated plans, information was not available for all plans for all items selected for analysis. This situation exists not only because of incomplete submissions and inadequate information due to technical distinctions, but also because some plans simply grant the board power to establish its own rules, as in the following example:

The trustees shall establish procedural rules . . . governing among other things, the calling and conduct of meetings, the giving of proxies, the constitution of a quorum, and the existence of a deadlock.

The terms "board of administration," "board," "board members," and "joint board," are used interchangeably throughout this study to refer to the group of persons (often also called "the board of trustees," "pension committee," and "administrative body," in plan documents) with overall responsibility for administration of the plan.

²⁹ Notable exceptions are found in pension plans in the automobile industry, where joint union-management committees administer all except the financial aspects.

Composition of the Board

An equal number of union and employer representatives served on the boards of all but 22 of the jointly administered plans (as listed below). However, even in these 22 plans the voting strength of both groups was equal since the quorum and voting rules (pages 57-60) prevented control by the larger group. For example, one plan with more employer than union members on the board stated:

The operation and administration of the pension and welfare plan shall be the joint responsibility of the six trustees appointed by the employers and the three trustees appointed by the union. The voting power of the three union trustees shall equal the combined voting power of the six employer trustees. That is, each union trustee shall have a voting strength of two as compared to one for each employer trustee.

Another plan which had more union than employer representatives in order to allow representation by all local unions associated with the plan stated that:

The trustees under this trust agreement shall be 14 in number, 8 of whom shall be union trustees, and 6 of whom shall be employer trustees.

The voting for this plan was based on the unit rule (majority vote determines group vote).

Representation on board	Plans	Workers ¹ (thousands)
All plans studied -----	736	3,229.8
Employer appointed boards: All employer representatives -----	5	6.4
Union appointed boards: All union representatives -----	10	189.7
Jointly appointed boards -----	718	3,032.7
Equal representation for union and employers -----	645	2,206.0
More employer than union representation -----	11	16.6
More union than employer representation -----	11	63.2
Equal representation for union, employers, and public -----	9	325.2
Equal representation for union and employers plus a public member ---	33	409.3
Information not available -----	9	12.4
Other -----	3	1.1

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

The members of the boards usually served (and successors were appointed) at the pleasure of the group originally appointing them, i. e., union and employer groups, as illustrated by the following clauses:

Any union trustee may be removed from office at any time by the union, such removal to be evidenced by an instrument in

writing signed by the accredited officers of the union and delivered to all the trustees. Any employer trustee may be removed from office at any time by the association or associations that designated him, such removal to be evidenced by an instrument in writing signed by the accredited officers of such association or associations and delivered to all of the trustees.

* * *

Any trustee may be removed at will by whomever shall have appointed him, and may resign by instrument in writing executed for that purpose and delivered to the remaining trustees.

* * *

Successor employer trustees and successor alternate employer trustees shall be appointed by the various employers who are subscribers to this instrument at the time such appointments are made. Successor union trustees and successor alternate union trustees shall be designated by the national office . . .

Participation of board members in appointment and removal, which was found in only a few plans, is illustrated by a plan in which union members could only be removed by the union but:

Any employer trustee may be removed from office at any time by an instrument in writing duly signed by a majority of the employers or by a majority of the employer trustees then in office.

Another plan in which an employer member could be removed by the other employer members stated that:

A successor employer trustee shall be immediately appointed by the two remaining employer trustees.

Removal and appointment of a successor neutral member of the board by the union and employers, and the board, respectively, are illustrated below:

The employers shall have the right at all times for substantial cause, to remove and replace any trustee or trustees designated by them including the public member designated by them and representing the employers and to fill any vacancy or vacancies caused by the death, resignation, or removal of any trustee or trustees representing such employers.

* * *

The union shall have the right at all times, for substantial cause, to remove or replace any trustee or trustees representing the union, including the public member designated by them and to fill any vacancy or vacancies caused by death, resignation, or removal of any trustee or trustees representing the union.

The impartial trustee shall be subject to removal at any time at a meeting of the trustees . . .

* * *

If there is a vacancy in the office of the neutral trustee, the trustee representing the association and the trustee representing the contributing employers shall select a successor neutral trustee . . .

Although most plan documents did not detail the reasons for which a board member might be removed, some gave the circumstances under which removal action could be instituted. One such provision read:

Trustee may be removed for violation of his fiduciary obligations under this declaration of trust or other good legal grounds by action in a court of appropriate jurisdiction initiated by any two trustees or by the party which appointed said trustee.

Another plan provided for a board of inquiry with power to remove for "malfeasance"—a term which was left undefined.

A trustee can be removed for malfeasance in the execution of his trust. Any employer or union may initiate charges of malfeasance against a trustee by filing such charges with the employers and with the union and with the trustees. Such charges shall be referred by the trustees to a board of inquiry which shall consist of an equal number of members appointed by the employers and the union. The members so appointed shall attempt to agree upon an additional member to act as impartial chairman and, if within a period of 5 days an impartial chairman is not agreed upon, then application by the trustees shall be made to the Judge of the United States District Court for the Southern District of Mississippi for the appointment of an impartial chairman. All records and other information available to the trustees shall be made available to the board of inquiry. If a majority of said board of inquiry finds that a trustee has been guilty of malfeasance, he shall be removed and may not thereafter be eligible to serve as a trustee.

To encourage the prompt appointment of successor trustees and to prevent the possible interruption and curtailment of board action, a few plans provided alternative methods of appointment to be used in delays or neglect in filling vacancies on the board according to the normal procedures just discussed. Some plans, for example, permitted any two trustees to petition the courts to fill offices that have remained vacant for a specified period. Two illustrative clauses read as follows:

. . . In the event of the failure of any party to appoint a successor trustee to fill a vacancy in the office of trustee, which such party has the power to fill, for a period of 30 days, any two trustees may petition a court of appropriate jurisdiction for an order requiring such party to appoint a successor trustee forthwith, and, in the event of a failure of said party to comply with such order, may petition a court of appropriate jurisdiction for the appointment of a successor trustee to fill such vacancy.

* * *

In the event of the removal termination of a trustee, or the resignation, death, disqualification, disability, or refusal to act of any trustee, or a successor to any of them, a successor trustee shall be named and appointed by the party which named his predecessor, within 10 days, after the vacancy occurs. In the event either party fails to appoint a successor trustee within

10 days after a vacancy occurs as provided for in this trust agreement, then any two trustees may petition the United States District Court for the Southern District of Ohio, where the fund has its principal office, for the appointment of such trustee. Immediately upon his acceptance of the trusteeship in writing a successor trustee shall become vested with all the property, rights, powers, and duties of a trustee hereunder with like affect as if originally named as a trustee.

Term of Board Members. The members of 80 percent of the boards were appointed to indefinite terms; i. e., they retained their positions until they were removed, resigned, or died. (See text tabulation.)

Term of board members	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
1 year -----	15	2.0	36.1	1.1
2 years -----	25	3.4	103.9	3.2
3 years -----	15	2.0	77.8	2.4
4 years -----	6	.8	14.9	.5
5 years -----	6	.8	20.0	.6
6 years -----	2	.3	196.8	6.1
Employer members, indefinite; union members, 3 years -----	4	.5	7.7	.2
Union members, indefinite; employer members, 1 year -----	3	.4	2.5	.1
Indefinite -----	588	79.9	2,642.4	81.8
Other -----	8	1.1	48.8	1.5
No provision, or information not available -----	64	8.7	78.9	2.4

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

A typical clause read:

Each trustee shall serve until his death, resignation, or removal.

Specific terms found in 10 percent of the plans ranged from 1 to 6 years; most commonly they were for 1, 2, or 3 years.

The union and association shall each designate the names of three trustees, one of whom shall serve for a term of 6 years, one of whom shall serve for a term of 4 years, and one of whom shall serve for a term of 2 years; thereafter the union and association shall every 2 years during the month of February designate one trustee to serve for a period of 6 years; provided, however, that the foregoing shall not restrict either the right of the initial trustees to succeed themselves or to serve as many terms as either the union or association, respectively, may choose to redesignate them.

* * *

The term of office of the trustees shall be 1 year and until their successors are appointed and qualify.

Size of Boards. The number of members currently serving on the boards ranged from 2 to 31, and was most frequently 6.

Number of members of the board ¹	Plans		Workers ²	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
Under 4 ³ -----	33	4.5	474.1	14.7
4-5 -----	129	17.5	144.9	4.5
6-7 -----	305	41.4	521.8	16.2
8-9 -----	107	14.5	305.8	9.5
10-13 -----	103	14.0	680.4	21.1
14-17 -----	33	4.5	525.8	16.3
18-25 -----	12	1.6	117.0	3.6
28-31 -----	4	.5	447.2	13.8
Number not available -----	10	1.4	12.8	.4

¹ All but 68 plans had an even number of members.

² Worker coverage includes both active and retired workers in 1959.

³ 1 plan had an individual trustee as administrator.

NOTE: Because of rounding, sums of individual items may not equal totals.

An example of the manner of designating the size of the board follows:

The fund shall be administered by a board of eight trustees, four of whom shall be designated as employer trustees and four of whom shall be designated employee trustees . . .

Tripartite boards had three members (1 union, 1 employer, and 1 public or neutral member) in all but one plan, which had six members. Joint boards in which a permanent neutral member was appointed usually had seven or more members (including the neutral). Illustrative clauses are:

Mr. _____ has been selected by the directors of the union, Mr. _____ has been selected by the employers . . . and Rev. _____ has been selected as the neutral trustee by the other two trustees.

* * *

The . . . retirement fund . . . shall . . . be administered by a board of trustees, composed of nine persons, four of whom shall be representatives of the union, four of whom shall be representatives of the employer contributors to the said fund, and one of whom shall be a neutral person, namely the impartial chairman designated in this agreement.

Some trust agreements did not specify the number of members to be appointed to the board, or specified an original number to be appointed but left open the possibility of an increase. The latter is illustrated by the following clause:

. . . The trustees shall initially number four, two trustees being employer trustees and two trustees being union trustees. More trustees may be added from time to time as additional employers or employer groups become party to this agreement as provided herein, except, however, that the number of employer trustees shall not exceed five, nor the number of union trustees exceed five. For each such employer trustee so added, one union trustee shall be added.

Officers of the Board

Like most other organized groups, multiemployer plans usually provide for the appointment of officers of the board, such as chairman, vice chairman, secretary, and treasurer. The effectiveness of the operation of the governing body of a joint labor-management pension fund is often determined by these appointed officers. Although the specific powers and duties assigned to these officers of the board were, in most instances, not stated in plan documents, it is reasonable to assume that the positions would entail responsibilities ordinarily associated with such designations in like organizations, and that boards would adopt rules delegating specific powers to each officer. For example, most plans presumably give the chairman the right to preside over meetings, possibly with little independent power to interpret the rules of procedure of the board. A vice chairman would act as a replacement of the chairman, when needed, and a secretary would have the duties of keeping the records of meetings. A treasurer, if appointed, would probably act as fiscal agent for the board. A few plans described the duties of the officers as follows:

The chairman shall notify the trustees of impending meetings and preside over meetings, and in addition shall perform such other duties as the trustees may provide.

* * *

There shall be a secretary of the board who shall keep minutes and records of all meetings, proceedings, and acts of the board of trustees. Copies of all minutes and proceedings of the board shall be sent by the secretary to all members of the board.

* * *

The secretary-treasurer shall keep minutes and records of all meetings, proceedings, and acts of the trustees. He shall send copies of such minutes and records to all of the trustees.

* * *

The treasurer shall have the care and custody and be responsible for all the funds of this trust and deposit all such funds in the name of this trust in such banks, etc.

The one power clearly delegated to the officers of the board by nearly all plans was to call special meetings of the board. (See page 55.)

Although the need of small plans may not be the same as large plans, about a sixth of those covering fewer than 1,000 workers selected 3 or more officers. This proportion was not much higher in the plans covering over 10,000 workers—about a fourth. These variations probably stem from the more active role which all board members may take in administering some of the smaller funds, while in the larger plans it is more likely that a professional administrator will be employed to run the day-to-day activities. In the smaller plans the member selected as secretary will often personally manage the plan; in many cases he does so in conjunction with his normal duties as secretary of the participating union.

Virtually all plans with officers had a chairman or co-chairmen; nearly 1 out of 4, a vice chairman; and about 4 out of 5, a secretary. Only 14 percent of the plans had an officer designated as treasurer.

Officers	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans with 1 or more officers designated -----	591	100.0	2,917.0	100.0
Chairman or co-chairmen -----	583	98.6	2,894.4	99.2
Vice chairman -----	139	23.5	535.0	18.3
Secretary -----	463	78.3	1,653.3	56.7
Treasurer -----	84	14.2	378.8	13.0
Other -----	21	3.6	120.9	4.1

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because a plan may have several officers, the sums of individual items do not equal totals.

Among 23 different combinations of officers, the largest number of boards—over 50 percent—had a chairman (or co-chairmen) and secretary (table 28). A complete slate of officers—chairman, vice chairman, secretary and/or a treasurer—was selected in nearly a fifth of the plans. The only officers found in some plans were chairman (47 plans), co-chairmen (37 plans), and secretary (7 plans).

Selection of Officers. The selection of officers was, as might be expected, usually left to the board. The choice of particular board officers, however, was often restricted to members of a single group. These restrictions—a complex maze of rules usually detailed in the plan documents—were designed so as to carry out the theory of joint responsibility and distribution of control in the joint board.

In almost 40 percent of the plans with at least one officer, for example, the chairman had to be selected from a group other than that of another officer, usually the vice chairman, secretary, or both. Over a third of these plans required that the jobs be alternated annually between the groups represented.

Selection of chairman ¹	Plans		Workers ²	
	Number	Percent	Number (thousands)	Percent
All plans with chairman -----	583	100.0	2,894.4	100.0
By the board -----	490	84.0	1,898.6	65.6
Any board member -----	153	26.2	736.0	25.4
Position must alternate				
each year -----	25	4.3	241.2	8.3
Position does not alternate ---	128	22.0	494.8	17.1
Must be from different group than				
another officer -----	224	38.4	742.0	25.6
Position must alternate				
each year -----	88	15.1	248.3	8.6
Position does not alternate ---	136	23.3	493.7	17.1
Must be from designated group ----	31	5.3	84.4	2.9
Co-chairmen -----	70	12.0	162.5	5.6
Other -----	12	2.1	173.7	6.0
By employers and union -----	22	3.8	608.7	21.0
Information not available -----	71	12.2	387.3	13.4

¹ See table 29 for added details.

² Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Examples of each of these common approaches are:

Chairman may be any board member

The trustees shall select a chairman from among their number.

* * *

Chairman may be any board member but job alternates

The chairman of the board of trustees shall be changed every 6 months to the end that the chairmanship shall rotate every 6 months.

* * *

Chairman and other officer(s) must be from different group

The board shall select one of its number who shall serve as chairman and one who shall serve as secretary. If the chairman is a union trustee, the secretary shall be an employer trustee.

* * *

At the first meeting of the trustees, they shall elect a chairman and a secretary whose terms shall commence on the date of their election and continue for 1 year or until his other successors have been elected . . . At no time shall both such offices be held by trustees, both of whom have been designated by the employers or by the brotherhood.

* * *

Chairman and other officer(s) must be from different group and jobs alternate

. . . During the month of December in each year, the trustees shall select from among the trustees a chairman and a co-chairman [vice chairman] of the trustees, to serve for a term of 1 year commencing January 1st of the year following and until their successors have been regularly elected. In odd-numbered years, the chairman shall be selected from among the union trustees and the [vice chairman] co-chairman from among the employer trustees, and in the even-numbered years the chairman shall be selected from among the employer trustees and the co-chairman from among the union trustees.

* * *

Chairman and other officer(s) rotate in pairs

The directors shall meet as promptly as possible after the execution of this plan and elect a chairman, a vice chairman, a secretary and a vice secretary from among the directors. The chairman and vice chairman shall be selected from among the employer directors, and the secretary and vice secretary shall be selected from among the union directors in the odd-numbered years. In even-numbered years the chairman and vice chairman shall be selected from among the union directors and the secretary and vice secretary shall be selected from among the employer directors.

On the other hand, any member of the board, regardless of the group he represents, could be selected as chairman in about a fourth of the plans, although, in some cases, the chairmanship had to alternate between the groups each year.

The officers were chosen by each partisan group of trustees or the board as a whole in all plans with co-chairmen. For example:

The trustees shall . . . elect an employer chairman and . . .
a union chairman . . .

In 31 plans the chairman always had to be selected by the board from a specific group as, for example, under the following clause:

The trustees shall select one of their number selected by the contributing employers to serve for a term of 1 year as chairman.

In a few of these plans, however, although the chairman always had to be selected from one group, another officer had to be appointed from the other group. One plan read, for example:

The chairman of the board of trustees shall be selected from the employer-trustees of the board and the secretary-treasurer shall be selected from the union trustees of the board . . .

Twenty plans provided for the selection of an impartial arbitrator as chairman, usually by the employers and union, whose function was to break deadlocks. In a few plans he also had administrative duties.

Linked with the selection of chairman, half of the plans providing for vice chairman required alternating of his position each year with that of another officer, usually the chairman, as illustrated by the clause on page 51.

Selection of vice chairman ¹	Plans		Workers ²	
	Number	Percent	Number (thousands)	Percent
All plans with vice chairman -----	139	100.0	535.0	100.0
By the board -----	132	95.0	520.1	97.2
Any board member -----	30	21.6	79.9	14.9
Must be from different group than another officer -----	84	60.4	267.9	50.1
Position must alternate -----	66	47.5	173.2	32.4
Position does not alternate -----	18	12.9	94.7	17.7
Co-vice chairmen -----	4	2.9	48.0	9.0
Must be from designated group -----	6	4.3	10.9	2.0
Other -----	8	5.8	113.4	21.2
Information not available -----	7	5.0	14.9	2.8

¹ See table 29 for added details.

² Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

In over 40 percent of the plans with a secretary, selection by the board was made regardless of group affiliations of other officers.

Selection of secretary ¹	Plans		Workers ²	
	Number	Percent	Number (thousands)	Percent
All plans with secretary -----	463	100.0	1,653.3	100.0
By the board -----	394	85.1	1,248.5	75.5
Any board member -----	199	43.0	502.9	30.4
Must be from different group than another officer -----	148	32.0	519.3	31.4
Position must alternate -----	24	5.2	109.6	6.6
Position does not alternate ----	124	26.4	409.7	24.8
Must be from designated group -----	32	6.9	97.1	5.9
Co-secretaries -----	5	1.1	3.8	.2
Other -----	10	2.1	125.4	7.6
By union and employers -----	7	1.5	28.9	1.7
Information not available -----	62	13.4	375.9	22.7

¹ See table 29 for added details.

² Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

These clauses usually read:

The board shall appoint a secretary who shall keep minutes or records of all meetings, proceedings, and acts of the board.

A third of the plans with a secretary required that he be from a group other than that of another officer, usually the chairman. Some of these plans also required the alternation of jobs. (See clauses on page 51.)

The treasurer, selected in 84 plans, could be any board member in almost half of the plans.

Selection of treasurer ¹	Plans		Workers ²	
	Number	Percent	Number (thousands)	Percent
All plans with treasurer -----	84	100.0	378.8	100.0
By the board -----	72	85.7	365.6	96.5
Any board member -----	37	44.0	204.6	54.0
Must be from different group than another officer -----	13	15.5	23.1	6.1
Position must alternate -----	3	3.6	4.7	1.2
Position does not alternate ----	10	11.9	18.4	4.9
Must be from designated group ----	11	13.1	22.7	6.0
Co-treasurers -----	2	2.4	1.5	.4
Other -----	9	10.7	113.7	30.0
Information not available -----	12	14.3	13.3	3.5

¹ See table 29 for added details.

² Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Term of Chairman. About the same number of plans provided 1-year terms for their chairman as provided indefinite terms. About half the plans with 1-year terms alternated the chairmanship between the groups. Most plans, where alternating was not required, had indefinite terms. The latter covered about half the workers in plans for which information was available while the former covered only a fourth because the larger plans do not alternate jobs as much as the smaller plans.

Term of chairman	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans with chairman -----	583	100.0	2,894.4	100.0
1 year -----	236	40.5	770.0	26.6
2 years -----	9	1.5	26.6	.9
3 years -----	3	.5	9.0	.3
5 years -----	1	.2	16.5	.6
6 months -----	5	.9	16.3	.6
1 meeting -----	3	.5	178.4	6.2
Indefinite -----	241	41.3	1,427.5	49.3
Information not available -----	85	14.6	450.1	15.6

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Affiliation of Chairman. The chairman currently serving was a union representative in over 30 percent of the plans and an employer member in about the same proportion of plans. Since many of the larger plans have union or public chairmen, plans with an employer chairman only covered a fourth of the workers under multiemployer plans. In 22 plans, a public member acted as chairman, usually, as pointed out previously, as an impartial umpire.

Affiliation of chairman, 1960	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans with chairman -----	583	100.0	2,894.4	100.0
Union member -----	197	33.8	1,214.7	42.0
Employer member -----	180	30.9	748.8	25.9
Co-chairmen -----	70	12.0	162.5	5.6
Public member -----	22	3.8	372.6	12.9
Other -----	2	.3	13.9	.5
Information not available -----	112	19.2	381.9	13.2

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Procedures of the Board

The rules for a quorum (the number of board members necessary to be present in order that action can be taken on matters before the board) and voting

(the number of votes needed to take action) were designed, almost without exception, to ensure either the presence of equal numbers of each group or equal voting strength when unequal numbers are present. Since it is imperative that decisions be reached in every case, virtually all plans either had neutral members on their boards, or, more often, had a procedure for selecting an impartial arbitrator to settle disputes. Although most of the plans did not define the term "deadlock," it may be assumed that the deadlock would exist, as stated in one plan: ". . . upon the failure of the employer and union trustees to agree on a matter relating to the administration or accounting of the pension trust fund."

Regular Meetings. Only 22 percent of the plans had specific provisions for regular meetings, usually scheduled quarterly, annually, or semiannually. Another 10 percent of the plans simply stated that the board would meet periodically.

Regular meetings	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans -----	736	100.0	3,229.8	100.0
Specific provisions -----	163	22.2	865.9	26.7
Annually -----	44	6.0	309.1	9.6
Semiannually -----	38	5.2	133.8	4.1
Quarterly -----	49	6.7	87.7	2.7
Monthly -----	14	1.9	143.5	4.4
Other -----	18	2.4	191.8	5.9
Periodically -----	79	10.7	303.4	9.4
No provision, or information not available -----	494	67.1	2,060.6	63.8

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Such provisions, however, may be contained in other documents, e.g., board minutes, bylaws, etc., as the following clause illustrates:

Meetings of the trustees shall be held at such times as the trustees shall determine.

An example of regularly scheduled meetings is:

Regular meetings shall be held at least semiannually.

Special Meetings. Over 60 percent of the plans had procedures for the calling of special meetings even though less than a fourth had provisions for holding regular meetings. Special meetings might be called by the chairman and/or another officer, or by two, three, or four board members in nearly 40 percent of the plans. (See tabulation on the following page.) Almost 10 percent allowed only one or, sometimes, two designated officers, always including the chairman, to call special meetings; while 15 percent of the plans, permitted a specified number of board members to call special meetings without giving the officers of the board any greater authority than other board members.

Special meetings	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans -----	736	100.0	3,229.8	100.0
Plans with procedure for calling special meetings -----	460	62.5	2,133.6	66.1
Special meetings may be called by: Chairman and other officer(s) or board members ² -----	272	37.0	1,187.7	36.8
Chairman and other officer(s) only -----	62	8.4	230.4	7.1
Any board members ³ -----	111	15.1	630.6	19.5
Other -----	15	2.0	84.9	2.6
No provision, or information not available -----	276	37.5	1,096.4	33.9

¹ Worker coverage includes both active and retired workers in 1959.

² Usually 2 or 3 members. See table 30 for details.

³ Between 1 and 4 members. See table 30 for details.

NOTE: Because of rounding, sums of individual items may not equal totals.

Illustrations of the more common of these provisions are presented below:

. . . Any two members of the board of trustees may call a meeting setting the time and place by giving to the other members of the board at least 5 days' written notice by registered mail . . .

* * *

A meeting may be called at any time by the chairman or by any two of the trustees upon giving 5 days' written notice to all the other trustees . . .

* * *

. . . Either the chairman or the co-chairman, or any two trustees may call a meeting of the trustees at any time by giving at least 5 days' written notice of the time and place thereof to each trustee . . .

* * *

Some illustrations of less common methods are:

. . . The chairman or any four trustees may call a meeting of the trustees at any time by giving at least 1 week's written notice of the time and place thereof to each trustee . . .

* * *

Special meetings of the trustees held on the written request of the majority of the employer trustees or a majority of the union trustees . . .

* * *

Meetings of the trustees may be called by the impartial trustee in his discretion, and shall be called by the impartial trustee at the written request of any two trustees . . .

Quorum. Over a third of the plans simply specified that a quorum existed if a majority of each group was present, as shown by the following rules:

A majority of the employer trustees and a majority of the union trustees must be present in person at any meeting to constitute a quorum for the transaction of business.

Another plan with six trustees, three union and three employer members, stated that:

. . . At any regular or special meeting of the board of trustees, the physical presence of at least two employer trustees and two employee trustees shall constitute a quorum.

Quorum rule	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All jointly administered plans ² -----	718	100.0	3,032.8	100.0
All board members -----	38	5.3	178.8	5.9
Majority of board members -----	83	11.6	242.8	8.0
Majority of members of each group -----	257	35.8	827.7	27.3
Equal proportion of members of each group -----	132	18.4	734.5	24.2
Specified number of all members ³ -----	47	6.5	117.0	3.9
Other -----	13	1.8	30.6	1.0
No provision, or information not available -----	148	20.6	901.3	29.7

¹ Worker coverage includes both active and retired workers in 1959.

² It is assumed that the provisions for quorum, voting, and breaking of deadlocks have no significance in union- or employer-administered plans, hence the exclusion from this analysis.

³ Of these, 22 plans did not specify that a certain number of each group be present; however, the total number specified always equaled, except in a few plans, more than half of the total board members, thus insuring the presence of at least 1 member of each group.

NOTE: Because of rounding, sums of individual items may not equal totals.

A sixth of the plans required the presence of an equal number of members from each group—most often one or two. The number required was exactly half or, where the board was large, less than half of each group. For example, one plan with four members provided:

Two members of the board of trustees shall constitute a quorum, provided that one of such members is a trustee designated by the union and the other is a trustee designated by the association.

In another plan with eight trustees, the quorum rule was:

Four or more trustees present in person at any meeting shall constitute a quorum for the transaction of business, provided that there is present at least two trustees designated by the associations which are a party to this declaration of trust and two trustees designated by the unions which are a party to this declaration of trust.

Thirty-eight plans, including 18 plans with a two-member board, required all trustees to be present. A plan with four trustees, for example, stated:

Four trustees shall constitute a quorum for the purpose of holding a meeting and transacting business.

Although the group affiliation of the board members was not mentioned in the quorum rules of 1 out of 8 plans (simply requiring that a majority of the board be present), they required the presence of at least one member of each group. For example, one plan with six trustees (three from each party) implicitly required the presence of at least one from each group by specifying ". . . four trustees shall constitute a quorum at any meeting." Others required at least one member from each by providing ". . . a majority of the trustees shall constitute a quorum."

The rules of 47 plans described a quorum in terms of a specified number of board members, often without further qualification. They are illustrated by the following clauses:

A quorum shall consist of at least three trustees present or voting, as hereinafter provided. All decisions of the trustees shall be by majority vote of the quorum, which voting shall be on a unit basis of the respective employer and employee trustees.

* * *

Four trustees shall constitute a quorum for a meeting of the trustees, provided that at least one trustee appointed by each association is part of the quorum.

Lack of Quorum. To discourage any group from boycotting a meeting to prevent action because of the lack of a quorum, 1 out of 6 plans said that:

A deadlock shall be deemed to exist whenever the lack of a necessary quorum of trustees . . . continued for \sqrt{a} specified number of successive meetings of the trustees . . .

The following tabulation shows that nearly three-fourths of the plans with such a clause provided that if no quorum was present for two consecutive meetings, the members of the board could insist on bringing the matter up for the review and decision of an impartial arbitrator. (See page 60 for discussion of procedures for breaking deadlocks.)

Deadlock in case of lack of quorum	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All jointly administered plans ² -----	718	100.0	3,032.8	100.0
Deadlock exists if quorum lacks for:				
1 meeting -----	31	4.3	123.6	4.1
2 meetings -----	87	12.1	353.6	11.7
3 meetings -----	1	.1	.5	(³)
No provision, or information not available -----	599	83.4	2,555.0	84.2

¹ Worker coverage includes both active and retired workers in 1959.

² See footnote 2 in tabulation on p. 57.

³ Less than 0.05 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Voting. Although voting rules, like quorum rules, exhibited wide variations, all but a few rules were expressed in terms of a majority or unanimity. Three out of 5 jointly administered plans required a majority vote. This was defined as a majority of the entire board by 190 plans; a majority of the number of members actually present in 112 plans; a majority of the votes cast in 121 plans; and a majority of a quorum in 12 plans (table 31). Some of these rules also specified that equal voting power be assigned to each party or that a minimum number of members from each party had to vote favorably.

The variations are illustrated by the following excerpts from plans with majority rules:

Any action taken by the trustees shall be by the concurring vote of a majority of all trustees.

In one six-member board the rule read:

On all matters the concurring vote of four trustees shall be sufficient to carry any motion or resolution.

Any action taken by the trustees shall be by the concurring vote of a majority of the trustees present at a meeting at which a quorum shall be present.

Action taken by the trustees shall generally be by a majority vote, except that . . . each trustee present shall have one vote on all matters, provided, however, that if there are an unequal number of employee trustees or employer trustees present at any meeting, then in that event the group of trustees being the lesser in number shall be entitled to cast an equal number of votes as the group that has the larger number present at any such meeting.

A unanimous vote of the members of the board was needed in 1 out of 4 plans. Since these 178 plans included 18 plans with a two-member board and 136 plans where the unit rule (the vote of a particular group is determined by the majority vote of the group) prevailed, in nearly all of these plans a majority vote was also a unanimous vote. The following quotation illustrates how one plan set forth the unanimous unit rule:

The one vote of the union trustees shall be cast in accordance with the decision of the majority of said union trustees . . .

The one vote of the employer trustees shall be cast in accordance with the decision of the majority of said employer trustees . . .

At least a total of four affirmative votes must be cast by employer trustees to determine the one vote of the entire group of employer trustees . . .

At least a total of four affirmative votes must be cast by union trustees to determine the one vote of the entire group of union trustees . . .

These voting rules would by their very nature necessitate the affirmative vote of at least one member of each party in order to pass a motion—with the possible exception of some of the plans in which the rules were stated in terms of a bare majority of members present, of votes cast, or of a quorum. Of the 49 plans with a "bare majority of the members present" rule, 19 plans appeared to allow, through a literal interpretation of the quorum and voting rules, possible dominance at a valid meeting of the board by a single group. For example, one board with three members from each group had a quorum rule requiring the presence of at least two members of each group. If three members from one group and two from the other were present, the majority of the members present would be three of the members of a single group, and their votes would be sufficient to pass any motion. Seven plans with a "majority of votes cast" rule and six plans with a "quorum majority" rule also could conceivably allow for inequities in administration. It is entirely possible that loose wording of such trust agreements, rather than actual practice, accounts for the existence of such possibilities.

Deadlocks and Arbitration. Almost 90 percent of the jointly administered plans covering almost all of the workers had some provision for the settlement of administration disputes. Under 3 out of 4 plans, an arbitrator was selected when the need arose, while under 1 out of 7 plans a permanent arbitrator was always available, either as a neutral member of the board or through prior selection.

	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
Impartial arbiter				
All jointly administered plans ² -----	718	100.0	3,032.8	100.0
Temporary arbitrator selected -----	534	74.4	1,752.8	57.8
Permanent arbitrator selected -----	104	14.5	1,204.1	39.7
Board member -----	42	5.8	734.6	24.2
Not a board member -----	62	8.6	469.5	15.5
No provision, or information not available -----	80	11.1	75.7	2.4

¹ Worker coverage includes both active and retired workers in 1959.

² See footnote 2 in tabulation on p. 57.

NOTE: Because of rounding, sums of individual items may not equal totals.

Where an impartial umpire was to be selected for a specific dispute, the board was first empowered to appoint him, as in the following clause:

In the event of a deadlock between the trustees, the question shall be decided by an impartial umpire appointed by the vote of the trustees . . .

If the board could not agree on a selection, virtually all plans designated that another person(s) would be asked to select an umpire. Nearly 3 out of 5 plans, as shown by the following tabulation, use the appropriate U. S. District Court—the procedure provided in the Labor Management Relations Act.

If board is unable to agree on arbitrator, he will be appointed by	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans with temporary arbitrator ----	534	100.0	1,752.8	100.0
U.S. District Court -----	309	57.9	1,073.7	61.3
American Arbitration Association -----	82	15.4	186.3	10.6
State authority -----	65	12.2	74.0	4.2
Federal Mediation and Conciliation Service -----	20	3.7	26.9	1.5
Plan documents specify person who names temporary arbitrator -----	20	3.7	134.8	7.7
Other -----	6	1.1	180.1	10.3
No provision -----	32	6.0	76.9	4.4

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

An example of District Court procedure is:

. . . and upon failure of the trustees to agree within a reasonable length of time on the selection of an impartial umpire, either the employer or union trustees may petition the United States District Court for the District of Massachusetts for the appointment of such impartial umpire.

Another plan referred more directly to the procedure set forth in the act:

In the event of failure to appoint such an umpire within a reasonable length of time (not to exceed 30 days, which may be extended by mutual agreement of the two said groups), an impartial umpire to decide such dispute shall, upon petition of either group, be appointed by the United States District Court for the Eastern District of Michigan, Southern Division, in the manner prescribed by Section 302 of the Labor Management Relations Act of 1947, as amended. The decision of such impartial umpire, whether appointed by the two groups, as aforesaid, or by the District Court of the United States, shall be final and binding on all parties to this plan.

The other outside agencies commonly called upon in board disagreements—the American Arbitration Association and the Federal Mediation and Conciliation Service—are referred to in the following clauses:

. . . In the event of failure of the trustees to agree on an impartial umpire within 5 days thereafter, any one of the trustees may petition the Director of the Federal Mediation and Conciliation Service for the appointment of an impartial umpire. The decision of said umpire shall be final, binding, and conclusive upon the trustees and all parties concerned.

. . . In the event that no umpire shall have been selected within 20 days after such deadlock shall arise, the American Arbitration Association shall be requested by such trustees or any of them to appoint an umpire.

In the 32 plans with no provision for an outside party to select an arbitrator in case of the board's deadlock, presumably the members of the board would apply to the U.S. District Court as provided in the Labor Management Relations Act.

Since plans with a tripartite administrative body, or a neutral member, had a "built-in permanent arbitrator," they needed no additional help to settle disputes. If the permanent arbitrator was not a board member, he was ordinarily appointed by the union and employers by designation in the collective bargaining agreement, pension plan, or trust agreement, or they did so pursuant to power granted to them by one of these instruments. For example, one trust agreement stated:

In the event that the assent of the majority of the trustees is not obtained on any issue, the dispute shall be referred to . . . , a neutral person to be called the "umpire."

However, as shown by the following tabulation, he is sometimes appointed by the board.

Permanent arbitrator is appointed by	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans with permanent arbitrator not a board member -----	62	100.0	469.5	100.0
Board -----	15	24.2	100.2	21.3
Union and employers -----	47	75.8	369.3	78.7

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

If the board could not reach agreement, the arbitrator could sometimes be appointed by an outside agency, usually the U.S. District Court.

Chapter V. Functions of the Administrator and Protection of Individual Worker's Pension Rights

Although the benefit provisions of pension plans determine the requirements which the worker must meet to receive benefits, their realization and continuation depend upon administrative decisions as well as other plan provisions and the legal framework in which they operate.³⁰

This chapter examines in detail the administrative procedures and selected plan provisions that may affect a worker's rights to receive benefits, or a pensioner's assurance of continued benefits. First, the administrative details, including recordkeeping activities and application, claims, and appeals procedures are examined, based on an analysis of the administrative arrangements reported by plan administrators in item 9 of the form D-1.³¹ This is followed by an analysis of plan provisions for service crediting, plan amendment and termination, employer withdrawal, and restrictions on employment after retirement. All data in this chapter refer to the 736 formulated plans.

Administrative Procedures

In two-thirds of the plans studied, covering an equal proportion of the workers, the board of administration was authorized to perform, and had responsibility for, all of the six administrative functions listed in items 9 and 12 of the form D-1, namely: Maintaining records, receiving applications, processing claims, determining eligibility, and initially and finally determining appeals (table 32). In many of these plans, the board itself did not perform each function; rather, it delegated one or more to a paid administrator or to an individual board member responsible to the board. One plan, for example, included a clause in the trust agreement providing for the appointment of a paid administrator to perform these functions:

The administrator shall perform the duties delegated to him by the trustees and shall be in charge of the administration of the office and records of the plan and trust, the receipt and deposit of monies and other properties of the trust, of all claims against the trust and such other duties as may be delegated to him by the trustees.

³⁰ Some of the legal problems peculiar to pension plans are examined in: Edwin R. Patterson, Legal Protection of Private Pension Expectations (Homewood, Ill., Richard D. Irwin, 1961), and Benjamin Aaron, Legal Status of Employee Benefit Rights Under Private Pension Plans (Homewood, Ill., Richard D. Irwin, 1961).

³¹ Administrators were required to report the names of the party or parties performing specified administrative functions, including maintaining records, determining eligibility, processing claims, and determining appeals. Each administrator was also to report the procedures followed in presenting claims for benefits and in appealing denial of claims. In order to attain consistency, the respondent's reports were edited by the Bureau of Labor Statistics for purposes of this study. For example, if a paid administrator (other than a service organization) or a member of the board was identified as performing a specified function, this was taken to show that the function was performed by the board as a whole—the manner in which it was reported by most plans, including those known to have a paid administrator, who, in fact, did perform the function.

See appendix B for form D-1.

However, the ultimate responsibility for the performance of the duty was usually vested in the board by the same plan documents.

In the remaining third of the plans some of the functions were delegated by the board to other parties. In these plans, the union, a service organization, a corporate trustee, or an insurance company, was more likely to maintain plan records or to process claims than to perform any of the other administrative functions. For example, in about 1 out of 5 of these plans, the union maintained plan records while the board performed the other functions. A service organization relieved the board of this function in an almost equal number of plans.

Maintaining Records. The board of administration alone or in cooperation with another party, e. g., the insurance carrier, kept plan records in about three-fourths of the plans.

Maintains records	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
Board -----	567	77.0	2,668.8	82.6
Board only -----	521	70.8	2,418.4	74.9
Board and insurer -----	36	4.9	239.8	7.4
Board and corporate trustee -----	2	.3	.8	(²)
Board and union -----	2	.3	3.8	.1
Board and service organization ---	1	.1	1.0	(²)
Board and insurer and corporate trustee -----	1	.1	1.8	.1
Board and employers -----	4	.5	3.2	.1
Service organization -----	50	6.8	117.5	3.6
Union -----	55	7.5	371.7	11.5
Employers -----	12	1.6	10.1	.3
Corporate trustee -----	25	3.4	39.1	1.2
Insurer -----	5	.7	2.2	.1
Employers and union -----	3	.4	5.1	.2
Other ³ -----	9	1.2	2.4	.1
Information not available -----	10	1.4	12.9	.4

¹ Worker coverage includes both active and retired workers in 1959.

² Less than 0.05 percent.

³ 1 plan with 100 workers, an individual trustee; 1 plan with 500 workers, insurance carrier and union; 2 plans with 1,000 workers, service organization and insurance carrier; 2 plans with 500 workers, union and corporate trustee; 1 plan with 100 workers, investment agent; and 2 plans with 200 workers, employers and insurance carrier.

NOTE: Because of rounding, sums of individual items may not equal totals.

Receiving Applications. Applications for benefits were to be submitted directly to the board in all but 19 plans. For example, one typical plan stated that:

All applications for retirement benefits shall be submitted to the board of trustees.

Receives applications	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
Board -----	704	95.7	3,191.9	98.8
Board only -----	700	95.1	3,189.4	98.7
Board and insurer -----	2	.3	.2	(²)
Board and union -----	1	.1	1.3	(²)
Board and service organization ---	1	.1	1.0	(²)
Union -----	8	1.1	7.9	.2
Service organization -----	8	1.1	15.6	.5
Other ³ -----	3	.4	.2	(²)
Information not available -----	13	1.8	14.2	.4

¹ Worker coverage includes both active and retired workers in 1959.

² Less than 0.05 percent.

³ Corporate trustee in 1 plan with 50 workers; individual trustee in 1 plan with 100 workers; employers in 1 plan with 50 workers.

NOTE: Because of rounding, sums of individual items may not equal totals.

Processing Claims. The board of administration processed the claims for benefits in over 80 percent of the plans.

Processes claims	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
Board -----	610	82.9	2,413.5	74.7
Board only -----	570	77.4	2,165.9	67.1
Board and insurer -----	32	4.3	239.0	7.4
Board and union -----	2	.3	4.5	.1
Board and corporate trustee -----	3	.4	.7	(²)
Board and employers -----	1	.1	1.8	.1
Board and service organization ---	2	.3	1.6	(²)
Insurer -----	20	2.7	331.9	10.3
Service organization -----	34	4.6	106.9	3.3
Union -----	36	4.9	335.7	10.4
Corporate trustee -----	7	1.0	12.0	.4
Employer -----	6	.8	6.4	.2
Other ³ -----	5	.7	6.1	.2
Information not available -----	18	2.4	17.3	.5

¹ Worker coverage includes both active and retired workers in 1959.

² Less than 0.05 percent.

³ In 2 plans with 2,100 workers, the insurer and service organization; in 1 plan with 3,400 workers, the employer and union; in 1 plan with 100 workers, an individual trustee; and in 1 plan with 500 workers, the union and insurer.

NOTE: Because of rounding, sums of individual items may not equal totals.

Determining Eligibility. The board made the initial determination of the claimant's application in over 90 percent of the plans.

Determines eligibility	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
Board -----	690	93.8	3,178.5	98.4
Board only -----	671	91.2	3,166.1	98.0
Board and insurer -----	14	1.9	9.2	.3
Board and union -----	2	.3	1.7	.1
Board and other -----	3	.4	1.5	(2)
Service organization -----	13	1.8	18.3	.6
Insurer -----	7	1.0	3.3	.1
Union -----	6	.8	11.1	.3
Other ³ -----	4	.5	2.7	.1
Information not available -----	16	2.2	16.0	.5

¹ Worker coverage includes both active and retired workers in 1959.

² Less than 0.05 percent.

³ In 1 plan with 600 workers, corporate trustee; 1 plan with 1,400 workers, employer and union; 1 plan with 500 workers, insurer and union; and 1 plan with 100 workers, an individual trustee.

NOTE: Because of rounding, sums of individual items may not equal totals.

Appeals. Few plans lacked a specified procedure for appeal of a claim denial. In 95 percent of the plans, the appeal must be directed to the board (or a committee of the board). For example, one plan said:

A person whose application has been rejected on the merits by the pension committee shall have the right to have his application reviewed by the board of trustees and to appear personally before them if request is made therefor in writing within 10 days after notification by the pension committee of the rejection of the application.

Appeals are directed to	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
Board -----	703	95.5	3,207.2	99.3
Board only -----	681	92.5	3,189.0	98.7
Board and employers -----	3	.4	1.1	(2)
Board and insurer -----	16	2.2	14.6	.5
Board and union -----	1	.1	1.3	(2)
Board and corporate trustee -----	1	.1	.2	(2)
Board and service organization -----	1	.1	1.0	(2)
Insurer -----	8	1.1	3.9	.1
Union -----	3	.4	1.2	(2)
Other ³ -----	2	.3	.4	(2)
No provision, or information not available -----	20	2.7	17.1	.5

¹ Worker coverage includes both active and retired workers in 1959.

² Less than 0.05 percent.

³ In 1 plan with 300 workers, a service organization; and 1 plan with 100 workers, an individual trustee.

NOTE: Because of rounding, sums of individual items may not equal totals.

Final Decision on Appeals. The final decision regarding any claim for benefits was made by the board in 95 percent of the plans.

Finally decides appeals	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
Board -----	703	95.5	3,207.4	99.3
Board only -----	669	90.9	3,169.9	98.1
Board and insurer -----	31	4.2	35.0	1.1
Board and union -----	1	.1	1.3	(2)
Board and corporate trustee -----	1	.1	.2	(2)
Board and service organization ----	1	.1	1.0	(2)
Insurer -----	12	1.6	5.5	.2
Employers and union -----	3	.4	1.1	(2)
Union -----	3	.4	1.2	(2)
Other ³ -----	2	.3	.3	(2)
Information not available -----	13	1.8	14.3	.4

¹ Worker coverage includes both active and retired workers in 1959.

² Less than 0.05 percent.

³ In 1 plan with 200 workers, insurer and union; and in 1 plan with 100 workers, an individual trustee.

NOTE: Because of rounding, sums of individual items may not equal totals.

Once this decision is made the worker had exhausted all means at his disposal provided by the plans. Further recourse is available to the worker through the courts, or, if covered by an insured plan, the State insurance department, or in a few States, to a State agency charged with supervising such plans. Regarding the finality of the board's decision, one plan said:

An applicant for retirement benefits whose application has been rejected by the board of trustees, either upon determination of his application in the first instance or upon appeal from the retirement committee as aforesaid, or whose application has been rejected by the retirement committee without appeal to the board of trustees in the manner hereinabove, shall have no further recourse whatever.

Another read:

. . . The decision of the board of trustees sustaining the pension committee in rejecting the application or overruling the pension committee and granting the application and as to all matters relating to the application shall be final and binding.

* * *

A rejected applicant or one whose application is not granted or approved shall have no recourse against the retirement fund, . . . the board of trustees, the pension committee, the union, the employer, or any of the officers, agents, or members of any of them.

In only 31 of the plans, the insurer acted in cooperation with the board to make this final determination.

Service-Crediting Provisions

Intermittent, seasonal, and casual employment is characteristic of many of the industries in which multiemployer plans are found; hence, the plans stress service-crediting provisions more than single employer plans. Generally, to receive benefits, a worker must have fairly regular employment with one or more contributing employers throughout the minimum service period, but only rarely is full-time, year-round employment required to obtain a year's service credit.

Plan rules defining how service credits are accumulated varied considerably among the industries in which multiemployer plans are common. Several examples of different types of service-crediting provisions are presented below:

An employee's service credit shall be computed on the basis of the total number of straight-time shifts for which he has been paid . . . in each of the calendar years since the last calendar year (excluding years during which he was on a properly authorized leave of absence) in which he worked less than 10 straight-time shifts . . . In making this computation: (a) As to any calendar year during which an employee has been paid . . . for 220 or more straight-time shifts he shall have 1 year of service credit and (b) as to any calendar year during which an employee has been paid . . . for less than 220 straight-time shifts he shall have that proportion of 1 year of service credit that the number of straight-time shifts for which he has been paid . . . in that year bears to 220, computed to the nearest one-twelfth of a year . . .

Reported employment or service during a calendar year	Credited service
1,600 or more hours -----	1 year
1,200 to 1,600 hours -----	3/4 year
800 to 1,200 hours -----	1/2 year
400 to 800 hours -----	1/4 year
Less than 400 hours -----	None

* * *

. . . A member of the plan for whom contributions are made by a participating employer shall be entitled to credit for one unit of participation in the plan for each multiple of \$10 contributed on his behalf during a fiscal year, as above defined. If less than \$10 is contributed during any fiscal year, as above defined, no credit shall be allowed. Nor shall credit be allowed for any fractional portions of \$10 contributed during any fiscal year, as above defined. Any fiscal year during which one or more units of participation are earned shall be counted as a year of participation in the plan . . .

* * *

. . . any member of the union in good standing who has been a member of the local . . . continuous good standing for at least 20 years immediately preceding his date of application for pension benefits and has reached the age of 65 or over, may at his request be retired from active service and become eligible for retirement benefits . . .

* * *

To receive your retirement pension . . . you must be 65 years old, and . . . you must have worked in the . . . industry at least 25 consecutive years for an average of at least 700 hours per year for the first 20 years and at least 500 hours per year for the last 5 years . . .

Most service-crediting provisions also defined the circumstances under which service credits are permanently lost or continuous service is broken. They usually provided that a member who did not work for a participating employer during a specified period of time (frequently 1 or 2 years) would be dropped from the plan. If he subsequently worked in a covered job, he would be regarded as a new member without any credits for prior service. If, however, his prior membership, entitled him to a retirement benefit—early, normal, or disability—or to a vested interest, he was usually reinstated with appropriate credits for his previous service, especially if he had not received any benefit. Exceptions were often made if the worker's absence from covered employment was due to illness, disability, or service in the Armed Forces. Some examples of provisions governing the loss of credited service are shown below.

. . . If you worked less than 350 hours per year for any 2 years in a row, you will have lost credit for those years and all earlier years unless your failure to work 350 hours was due to injury, sickness, or military service . . .

* * *

. . . Participation by an employee in this plan and all credited service previously accumulated shall be terminated if the employee has earned no credited service for a period in accordance with the following tabulation:

Credited service previously accumulated	Period during which no service credit earned
Less than 2 years' service credit -----	1 calendar year
2 to 5 years' service credit -----	2 calendar years
5 to 10 years' service credit -----	3 calendar years
10 to 15 years' service credit -----	4 calendar years

Time of service in the Armed Forces of the United States shall be excluded from the period during which no service credit was earned . . .

* * *

An employee's service will be deemed to have terminated upon the occurrence of the earlier of the following two events:

- (a) When the trustees are served with notice by a union of a legally valid termination of employment of an employee due to failure of such employee to tender to the union periodic dues and initiation fees or his share of the cost of negotiating and servicing the collective bargaining agreement between the employer and union, provided that the said collective bargaining agreement requires such payments.
- (b) The failure by an employee to complete 600 or more covered hours of employment in 2 consecutive plan years.

If, however, an employee does not have 600 covered hours of employment in 2 consecutive plan year periods due to an absence caused by military service with the Armed Forces of the United States, or a bona fide disability, he shall be allowed an additional period of time equal to the length of the absence to complete the 600 covered hours of employment.

Amendment of the Pension Plan

A multiemployer pension plan can usually be amended at any time by the board of administration, and in this respect, multiemployer plans are far more flexible than the typical negotiated single employer plan. The board's authority to amend a multiemployer pension plan is usually concisely stated in the formal pension plan document, and is separate and distinct from the power of the parties to affect changes in the trust indenture or in contribution rates. Generally, the changes that can be made are those affecting eligibility for benefits, types of benefits provided, amount of benefits, procedures, etc. However, the board's right to change the amounts of benefits for retired workers is often limited and guided by other plan provisions. (See page 71.)

Eighty percent of the plans with nearly 85 percent of the workers specified that the board of trustees had the power to amend pension plan provisions at any time, subject, in some cases, to the review and approval of the employers, the union, or plan participants.

Provision for amendment of the pension plans	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
Board may amend -----	595	80.8	2,715.4	84.1
Board only -----	563	76.5	2,649.3	82.0
Board with approval of plan participants -----	4	.5	8.9	.3
Board with approval of union and employers -----	24	3.3	50.8	1.6
Board with approval of union -----	3	.4	6.4	.2
Board with approval of employers -----	1	.1	.2	(.2)
Board or union and employers may amend -----	15	2.0	14.0	.4
Union and employers may amend -----	68	9.2	415.2	12.9
Other -----	13	1.8	17.1	.5
No provision, or information not available -----	45	6.1	68.0	2.1

¹ Worker coverage includes both active and retired workers in 1959.

² Less than 0.05 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Examples of typical clauses follow:

Board only may amend

This plan may be amended by the trustees at any time . .

Board may amend with approval of union and employers

These rules and regulations may be added to, amended, or modified from time to time, without notice by the retirement board provided that such amendments or modifications shall first have been approved by the executive or other governing boards of the union and the associations . . .

Board may amend with approval of participants

The provisions of the plan may be modified or amended by the board by vote of a regular or special meeting of the board, subject to referendum of the membership of the plan . . .

On the other hand, 9 percent of the plans could be amended only by joint action of the employer and the union—customarily at the expiration of the collective bargaining agreement. The benefits in many of these plans were originally negotiated by the parties at the bargaining table rather than, as in most plans, by the joint board appointed by them. In these plans, the board usually acted solely on administrative matters. These plans typically said:

This plan is established pursuant to a collective bargaining agreement between the employers and the union and may be amended [only] by collective bargaining agreements.

One of the important prerogatives of boards of administration is to adjust the benefits paid to workers already retired.

. . . The employee shall be paid a retirement benefit of \$100 per month . . . provided sufficient funds are available for payments as aforesaid, but if sufficient funds are not available, the monthly benefit may be determined to be less than \$100, as hereinafter provided in this agreement.

Only 2 out of 7 plans explicitly withheld this right from the board and allowed for no reduction in benefits. In most of the remaining plans, some discretion was given to the boards, implicitly or explicitly.

Restrictions on reduction of benefits for retired workers	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
No restriction on reduction -----	355	48.2	1,873.6	58.0
No reduction -----	209	28.4	578.5	17.9
Insured -----	116	15.8	329.6	10.2
Self-insured -----	93	12.6	248.9	7.7
No reduction if funds available -----	96	13.0	343.2	10.6
No reduction unless fund depleted -----	14	1.9	26.8	.8
Other ² -----	30	4.1	360.7	11.2
No provision, or information not available -----	32	4.3	47.1	1.5

¹ Worker coverage includes both active and retired workers in 1959.

² 9 plans with 336,000 workers were self-insured before retirement, but a temporary annuity was purchased annually after retirement.

NOTE: Because of rounding, sums of individual items may not equal totals.

The 116 wholly insured plans, which covered 10 percent of the workers, could not reduce benefits for workers already retired, owing to the prior purchase of a life annuity for each pensioner; i. e., the benefit paid to the retired worker was the obligation of the insurer, not the fund. A clause from one group annuity contract read:

. . . This contract may also be amended in any respect, retroactively or otherwise, at any time or times by written agreement between the contract holders [joint board] and . . . [the insurer]. However, no such amendment shall adversely affect any rights with respect to an annuity purchased before the effective date of the amendment, unless the consent of any participant in interest is obtained . . .

An additional 9 plans, covering 336,000 workers, primarily in the apparel industry, purchased insured annuities of 1 year's duration for each pensioner. The continuance of these "annuities" depended upon the annual decision of the board of each fund, which was, presumably, influenced chiefly by the availability of funds. In contrast with wholly insured plans, the pensioners did not have the security of an insurance company's obligation to fulfill a lifetime annuity contract.

About 30 percent of the plans (including the 116 insured plans), covering about 18 percent of the workers prohibited the reduction of retired workers' benefits through amendments to the plan. Examples of clauses in self-insured plans are:

The board of trustees may amend or modify this plan at any time in accordance with the agreement and declaration of trust. However, benefits payable to persons retired hereunder, prior to amendments, shall not in any event be reduced.

* * *

. . . In determining the amount of pension to be paid, it is and shall continue to be the policy of the joint committee to make such payments on an actuarially sound basis, as the same may be determined by the joint committee upon the advice of its actuary, pension consultants and legal counsel; keeping a reserve at all times sufficient to meet commitments to members of the union who have retired and to meet payments due in future years to those members of the union who may retire subsequently. In no event, however, shall the amount of pension payable to members of the union who have retired be reduced . . .

Fourteen plans covering 27,000 workers prohibited reductions unless required by the condition of the pension fund itself, as in the following clause:

No amendment shall be valid which would reduce the retirement benefit of any retired employee, unless actuarial soundness of the plan would be jeopardized and a competent actuary so certifies.

Another eighth of the self-insured plans covering a tenth of the workers prohibited reducing benefits for retired workers as long as funds were available. A clause illustrating this approach is:

The trustees may amend or modify this pension plan at any time in accordance with the trust agreements, except that no amendment or modification may reduce any benefits payable to a person who retired hereunder prior to amendment or modification, so long as funds are available for payment of such benefits, nor may any amendment or modification revert any of the assets of the pension fund to any employer . . .

In self-insured funds, however, regardless of the plan provisions, in case of diminution of revenue (contributions and earnings investments) and assets, some point may be reached where an adjustment must be made in order for the plan to fulfill its stated purpose. If no adjustment is made in the retired workers' benefits, the entire burden falls on the workers currently employed. For that reason, among others, both of the coal mining funds have reduced the benefits for retired workers and the promised benefits of future retirees.

It must be emphasized that this study deals with plan provisions, not practice. The reduction of benefits for retired workers covered by multiemployer plans has rarely occurred. On the contrary, the generally favorable state of the economy since these plans were established, combined with conservative funding practices and the renegotiation of employer contributions, have been conducive to the building up of substantial pension reserves in many plans.

Restrictions on Reemployment After Retirement

Except for keeping trade secrets and scarce skills from their competitors, individual employers usually have little desire or interest in compelling the withdrawal of pensioners from all active employment. Single employer pension plans, therefore, are either silent on working for other employers after retirement or bar only "activity detrimental to the interest of the company." On the other hand, the interest of unions and groups of employers in controlling the labor market is reflected by the provisions found in most multiemployer plans restricting reemployment after retirement. In this regard, the group or association of employers involved in the pension plan acts as a single employer under an individual pension plan, with a fairly obvious rule: The worker cannot both retire and continue his employment with the company. In general, restrictive provisions are clearly directed towards deterring retired workers from seeking employment in direct competition with other union members, or from employment with competing nonunion employers, or from entering into business for themselves.

Restricted Employment. Restrictions on reemployment after retirement in multiemployer plans contain two essential elements: (1) The definition of retirement and (2) the penalty to be assessed in case of violation of the retirement rule. In addition, many plans require notification of reemployment, with additional penalties for noncompliance.

The definitions of retirement can be classified in terms of complete or partial withdrawal from employment, i. e., restrictions on the performance of work—

- (1) with any contributing employer,
- (2) under the jurisdiction of the union,
- (3) in the industry or craft, or
- (4) in any employment.

Within these classifications the amount of employment permitted, if any, may be expressed in terms of hours or earnings. Clauses illustrating each of these general restrictions are listed below:

Restriction on reemployment with any contributing employer

Retirement benefits shall be suspended during any period in which the eligible employee returns to active service for a covered employer.

* * *

If any pensioner receiving benefits resumes employment (except casual employment) with any contributing employer, he ceases to be a pensioner and his benefits are suspended after the first day of the month in which such resumption of employment occurs. Casual employment is that which is at a rate not exceeding two shifts worked in any payroll week.

If a retired employee is reemployed by one of the employers, the retirement benefit payments to him shall be discontinued . . . provided, however, that a retired employee who is retired . . . shall not have his retirement benefit payments discontinued if he accepts employment when and if offered by the employers on a casual basis. Casual employment as used herein is defined as employment by any or all of the employers where the total wages earned will not cause said retired employee to lose any of his benefits under Federal old-age and survivors insurance.

* * *

Restriction on reemployment within the jurisdiction of the union

In order to receive a pension, a worker must refrain from any work within the jurisdiction of the local union, or any other local of the international union.

* * *

Restriction on reemployment in the industry

To be considered retired under this pension plan, a worker must refrain from any employment for wages or profit in the industry.

* * *

After retirement you will continue to receive retirement benefits if you work in the industry and earn not more than \$1,200 in a calendar year.

* * *

Restriction on any further employment of any kind

No person who has retired pursuant to the rules and regulations shall thereafter engage in work in any capacity whatsoever in any industry which yields him an income in excess of the amount permitted at any time by the Federal Security Act as monthly earnings for any retired employee without depriving such employee of the benefits under that Act.

* * *

An employee who retires shall cease from engaging in any employment or gainful occupation.

At least 80 percent of the plans covering almost 90 percent of the workers restricted reemployment, but the definition of what constituted prohibited employment, as previously illustrated, varied widely.

Benefits are suspended when worker	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
Works in any employment -----	60	8.2	512.3	15.9
Is gainfully employed -----	11	1.5	41.5	1.3
Earns more than a specified amount -----	49	6.7	470.8	14.6
Works for a contributing employer -----	158	21.5	468.4	14.5
Is gainfully employed -----	137	18.6	397.6	12.3
Earns more than a specified amount -----	7	1.0	47.8	1.5
Works more than a specified number of hours -----	14	1.9	23.0	.7
Works in the industry or craft -----	300	40.8	1,397.8	43.3
Is gainfully employed -----	268	36.4	1,161.8	36.0
Earns more than a specified amount -----	7	1.0	19.9	.6
Works more than a specified number of hours -----	25	3.4	216.1	6.7
Works in the industry or earns more than a specified amount in any employment -----	46	6.2	476.6	14.8
Works in a job under collective bargaining agreement with union -----	22	3.0	42.4	1.3
Other -----	2	(2)	2.7	(2)
No provision, or information not available -----	148	20.1	329.8	10.2

¹ Worker coverage includes both active and retired workers in 1959.

² Less than 0.05 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Over half of the plans which restricted reemployment required withdrawal from employment or self-employment within the craft or industry. Some plans, however, allowed pensioners to do a limited amount of work if their hours or earnings did not exceed specified limits.

Retirement was defined as withdrawal from employment with contributing employers by about a fourth of the plans. While nearly all of these required complete withdrawal from employment within the scope of the plan, pensioners could presumably work for other employers in the trade or industry not belonging to the plan.

The scope of prohibited work was defined somewhat more broadly by 22 plans, covering 42,400 workers, which suspended benefits if the pensioner worked at jobs covered by any collective bargaining unit of the entire national union, or, in some cases, any one of the local union(s) participating in the plan. Another 46 plans covering about 15 percent of the workers, mainly in the garment trades, applied 2 retirement restrictions: (1) The worker could not become reemployed in the industry, and (2) he could not earn in excess of a specified sum in any employment. For example, one such plan stated:

No person whose application for retirement has been approved shall thereafter engage in the industry in any capacity whatsoever either as employee or employer, directly or indirectly; nor may such person do any work in any capacity whatsoever

in any other industry which yields him an income in excess of the amount permitted to be earned under the Federal Social Security Act by workers receiving old-age benefits in employment covered by the Act.³²

Sixty plans, covering about 6 percent of the workers, required complete, or almost complete, withdrawal and continued abstention from employment of any kind. These restrictions on employment were applicable in about 1 out of 7 plans if the worker earned more than a specified amount or worked more than a certain number of hours. Most of the plans that suspended benefits if the pensioner worked at any employment waived the suspension if his earnings were below a certain amount; but only rarely did plans with more limited restrictions waive suspension.

Maximum Earnings Tests. About three-fourths of the 100 plans with a maximum earnings test used the earnings test for retirement under the Social Security Act.³³ For example, one plan stated that:

Such retired person shall not engage directly or indirectly in any capacity in any industry which will yield him an income in excess of the amount permitted to be earned under the Federal Social Security Act.

The remaining plans specified monthly or annual dollar limits. Some of these plans were probably written to conform with the social security retirement test, but were outmoded by the 1960 and 1961 amendments to the Social Security Act.

Illustrations of plan provisions similar to the pre-1960 social security amendments are as follows:

A normal pensioner may engage in limited outside employment which . . . means employment or activity except employment in any kind of work regularly performed by members of the union . . . provided earnings from such outside employment shall not exceed \$100 a month.

* * *

. . . to be considered retired under this pension plan, a person must refrain from any employment for wages or profit in which his earnings shall aggregate more than \$1,200 in any 1 calendar year . . .

Geographic Limits. Almost 60 percent of the plans, covering over 75 percent of the workers, in which reemployment was restricted placed no geographic limit on the restriction. One typical plan stated, for example, that:

There shall be no limit to the geographic area covered.

³² This clause became ambiguous when the Act was amended in 1954 to permit earnings in any amount, the reduction of old-age benefits depending on both the amount of earnings in each month and in each year. (See footnote 33.)

³³ The Social Security Act currently (May 1962) provides for withholding \$1 of the family social security benefit for each \$2 of annual earnings between \$1,200 and \$1,700, and dollar-for-dollar above that amount. However, benefits are not withheld for any month that earnings are below \$100 or earned after age 72.

Geographic limits of reemployment after retirement	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans with restrictions -----	588	100.0	2,900.0	100.0
Unlimited geographic application -----	336	57.1	2,266.6	78.2
Limited geographic application -----	252	42.9	633.4	21.8

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

The remaining plans, either explicitly or implicitly, limited the restriction to the geographic area covered by the plan, i. e., State, county, city, or metropolitan area. Except for a few nationwide plans, plans defining retirement as withdrawal from employment with contributing employers implicitly set geographic limits. Enforcement of work restrictions outside the immediate area of the plan is, of course, difficult; apart from voluntary disclosure by the individual pensioner, it usually requires the maintenance of central records—a task which few, if any, national and international unions are able and willing to perform.

Penalties. Over 3 out of 5 plans restricting employment removed the worker from the pension rolls during the period of reemployment. Typical of such clauses is one reading:

If a pensioner becomes an employee as above defined, his pension shall terminate as of the first day of the month in which he becomes such employee, and he shall again become a member of the plan. Upon subsequent retirement under the plan, he shall again be entitled to receive a pension.

Some of these plans removed offending pensioners from the roles for a minimum length of time—usually for 6 months or a year.

Length of suspension for engaging in restricted employment	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans with employment restrictions ---	588	100.0	2,900.0	100.0
Period of reemployment -----	365	62.1	1,866.1	64.3
Without minimum suspension period ----	321	54.6	1,436.9	49.5
With minimum suspension period -----	44	7.5	429.2	14.8
6 months' minimum -----	24	4.1	111.6	3.8
1 year minimum -----	20	3.4	317.6	11.0
Suspension period in addition to reemployment period -----	187	31.8	882.5	30.4
Discretion of board -----	36	6.1	147.6	5.1
1 month -----	9	1.5	28.8	1.0
3 months -----	30	5.1	430.3	14.8
6 months -----	72	12.2	219.6	7.6
12 months -----	11	1.9	29.3	1.0
First time, 6 months; second time, life -----	9	1.5	5.6	.2
First time, 6 months; second time, 6 months; third time, life -----	3	.5	2.1	.1
Other specified periods -----	17	2.9	19.1	.7
Life -----	19	3.2	44.7	1.5
Other penalties -----	17	2.9	106.7	3.7

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

The remaining plans assessed an additional penalty. Most of these plans suspended benefits for an additional specified period—usually for 3 or 6 months. The penalty was left to the discretion of the board by 36 plans, covering 5 percent of the workers. The maximum penalty—the permanent loss of all rights to pension benefits—was automatically imposed by only 19 plans. The following clauses illustrate these types of provisions:

The greater of time or reemployment or fixed period

. . . pension payments shall cease for so long as he shall continue to be employed in the industry or for 1 year, whichever period is greater. Thereafter his right to pension payments shall recommence.

* * *

Specified duration

If a retired member . . . reenters industry and accepts employment . . . with any employer, pension payments shall immediately cease and may be resumed only by reapplication to the joint committee not less than 6 months after he has terminated employment.

Discretion of board

If a pensioner works in violation of this section, he may be disqualified, at the sole discretion of the trustees, for receiving or being entitled to any pension benefits from the pension plan.

* * *

Specified additional suspension period

If a pensioner . . . enters such employment or activity, pension benefits shall not be payable for the months of such activity plus 6 additional months.

A pensioner who becomes reemployed in the industry shall forfeit all right to benefit payments due on or after the first day of such employment. If the employee again retires and reapplies for retirement benefit, and is otherwise qualified, subsequent benefit payments will begin on the first day of the calendar month which is more than 90 days after his subsequent retirement date.

* * *

Loss of all rights to a pension

In the event that such retired member of the union reenters the industry and accepts employment as a member of the union with any employer his pension payments shall immediately cease and he shall not thereafter be covered by any of the provisions of the plan.

Notification. To facilitate policing the reentry of workers into prohibited employment, about 40 percent of the plans with retirement restrictions also required notification of reemployment. Some plans assessed penalties (in addition to those just discussed) in case of nonnotification.

The majority of the plans required that the worker notify the administrator within a given period of time after employment was secured, either within 1 week, 2 weeks, or a month. The remaining plans required either prompt or advance written notification of reemployment by a retired worker.

Period of notification	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans requiring notification -----	228	100.0	953.4	100.0
Advance written notification -----	25	11.0	47.0	4.9
Promptly -----	72	31.6	458.8	48.1
Within a specified time of reemployment -----	131	57.5	447.6	46.9
1 week -----	35	15.4	87.6	9.2
2 weeks -----	72	31.6	263.4	27.6
1 month -----	24	10.5	96.6	10.1

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

One out of four plans requiring notification did not impose an additional penalty for not filing a notice, i. e., the worker was responsible only for the return of benefits received in violation. One plan read, for example:

Any pensioner who accepts such employment within the territorial jurisdiction of the union, but fails to notify the office of the trust fund within 1 week, shall be required to reimburse the trust fund for all such pension payments accepted in violation of the pension plan.

Penalty in case of nonnotification	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans requiring notification -----	228	100.0	953.4	100.0
Reimbursement of benefits received in violation only -----	58	25.4	151.6	15.9
Additional suspension periods -----	139	61.4	689.5	72.4
Fixed penalty -----	37	16.2	109.3	11.5
3 months ¹ benefits omitted -----	4	1.8	26.7	2.8
6 months ¹ benefits omitted -----	12	5.3	37.3	3.9
12 months ¹ benefits omitted -----	11	4.8	19.0	2.0
Double number of months of reemployment -----	10	4.4	26.3	2.8
No fixed penalty -----	103	45.2	580.2	60.9
Discretion of board -----	16	7.0	39.6	4.2
Discretion of board, 6-month maximum -----	4	1.8	28.8	3.0
Discretion of board, 12-month maximum -----	47	20.6	151.6	15.9
Discretion of board, 18-month maximum -----	1	.4	1.4	.1
Discretion of board, disquali- fication authorized -----	35	15.4	358.8	37.7
Forfeiture of all future benefits -----	26	11.4	64.2	6.7
Other penalties -----	4	1.8	48.0	5.0

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

However, 47 plans imposed a fixed penalty by omitting a specified number of monthly benefit payments due the erring pensioner, usually 6, 12, or double the months of reemployment. Forty-five percent of the plans with notification provisions left the penalty to the discretion of the board, usually setting a maximum of 12 months of benefits. In a third of such plans, the board did have discretionary power to suspend benefits permanently—a penalty automatically invoked in 26 other plans. Some examples of notification clauses classified by the penalties for failure to give timely notice are:

12-month disqualification period

A retired employee shall notify the board of trustees in writing within 15 days following his return to employment for wages or profit in the industry. If he fails to give such notice within such 15-day period, he shall be disqualified for an additional period of 12 months over and above the disqualification period of the preceding subsection.

A pensioner shall notify the trustees in writing within 15 days after he returns to employment in the craft. If he fails to give such written notice within 15 days, he may be disqualified for benefits for an additional period of 12 months (over and above the disqualification period of the preceding subsection), as the trustees determine in their sole discretion.

Forfeiture of benefits received during reemployment

A person who has been retired by the retirement fund . . . is required in each case to report to the retirement fund, in writing, any employment which he obtains . . . Any person who breaches this regulation in any respect shall forthwith restore to the retirement fund all benefits received for the period of reemployment or lose all rights to receive retirement benefits again.

Any pensioner who accepts such employment within the jurisdiction of the union, shall within 1 week of commencement of such employment, give notice thereof to the fund office. Any pensioner who . . . fails to notify the office of the trust fund within 1 week shall be required to reimburse the trust fund for all such pension benefits accepted in violation of the pension plan.

Forfeiture of all future pension benefits

Failure to notify the board within 30 days after his return to employment shall be considered a waiver of any rights he may have to future pension benefits, and such waiver shall be final and binding on the employee; the board shall have no discretion whatsoever in the application of this provision.

Failure of a pensioner to notify the trustees of his reemployment in the trade within 3 days after his return to such employment shall be deemed a waiver of any rights he may have to future pension benefits. This provision shall apply each time the pensioner returns to employment in the trade after the date of commencement of retirement.

The severity of these penalties is justified by many trustees as necessary to enforce the reemployment provision. They usually try to mitigate the harshness of the rules by giving each pensioner frequent warnings when he retires and while he is in retirement. The administrators of most multiemployer plans try to prevent misunderstandings and undue hardship on the retired worker by explaining the rules in clear language to each retired worker both in person and in writing. Application forms are often used for this purpose, but many, such as the following, fail to mention the penalties for violating the restrictions on reemployment:

I agree to notify the pension fund in writing of any and all employment in which I shall become engaged while in receipt of pension. It is understood that I may not be reengaged in the industry or any branch thereof . . . while in receipt of a pension, and shall immediately notify the pension fund in writing if I do become so engaged.

The application used by another plan imposing penalties also failed to mention them by the following language:

I understand that I must withdraw completely and refrain from any further employment within the jurisdiction of the local union . . . in the . . . industry.

Precedence to Assets in Case of Termination of the Plan

To qualify for tax exemption under the Internal Revenue Code,³⁴ pension plans are required to have a provision determining the distribution of the funds' assets on a nondiscriminatory basis in case the plan is terminated; i. e., the rights of all participants in the plan are to be fully vested upon termination. During the life of most multiemployer plans, as well as most single employer plans, economic conditions have been extremely favorable for the accumulation of pension reserves; but during a period of prolonged recession, termination clauses may be a valuable protection of the right of plan participants to plan assets. Because of the wide diversity and complexity of these clauses found in multiemployer pension plans, no attempt was made to analyze them in detail.

Some of the clauses found in the plans allowed considerable discretion to the board, as for example:

. . . If . . . either at the expiration of the existing collective bargaining agreements or at some future date, provision shall cease to be made for further contributions to the retirement fund, the board of trustees shall then make such provisions as it may deem appropriate to enable it to continue, out of monies then on hand in the retirement fund, the payment of retirement benefits to workers who have already been granted the same, and shall apply the remainder, if any, of the monies in the retirement fund to provide retirement benefits for additional workers in such form and amounts and on such an equitable and non-discriminatory basis as the board of trustees shall determine. In no event shall any of the monies in the fund revert or be diverted to the participating employers or to the union or to be used for any purpose other than the payment of benefits to the workers or for expenses in connection therewith.

³⁴ Internal Revenue Code, 1954, section 401a.

Most multiemployer pension plans, however, had detailed termination procedures, illustrated by the following examples. The first plan quoted below provided pension benefits in case of plan termination in the following order: (1) Retired workers, (2) workers over the normal retirement age of 65, (3) workers eligible for early retirement, (4) vested workers, including those previously vested, and (5) all others.

- (c) If the board terminates the plan in accordance with section 1 of this article, the realizable value of the trust fund remaining after providing for the expenses of the plan and of the trust fund, shall be allocated by the board, to the extent that they shall be sufficient, for the purpose of paying pensions (based on credited service to the date of discontinuance of the plan) to employees in the following order of precedence:
- (1) To provide pensions to employees who shall have retired under the plan prior to its discontinuance, without reference to the order of retirement; and to former employees then receiving a vested deferred pension under the plan;
 - (2) To provide pensions upon retirement under the terms of the plan, as if it were in effect, to employees age 65 or over on the date of discontinuance, without reference to the order in which they shall have reached age 65;
 - (3) To provide pensions, calculated, based upon retirement at age 65, under the terms of the plan, as if it were in effect, to employees eligible for early retirement on the date of discontinuance, without reference to the order in which they shall reach age 65;
 - (4) To provide pensions, calculated, based upon retirement at age 65, to employees who as of the date of discontinuance had both (i) attained age 55 but not age 60 and (ii) completed at least 25 years of credited service, and former employees then eligible for, but not yet receiving, a vested deferred pension, without reference to the order in which they shall reach age 65; and
 - (5) To provide pensions, calculated, based upon retirement at age 65, under the terms of the plan, as if it were in effect, to all employees not included in (1), (2), (3), or (4), without reference to the order in which they shall reach age 65.
- (d) If the fund is insufficient to provide in full for the pensions under any of the paragraphs in subsection (c) above after provision for all pensions under previous paragraphs, each pension under such paragraph as to which the funds are insufficient shall be reduced pro rata. Provision may be made by the board for the payment of pensions under this article subsequent to the termination of the plan through (i) continuance of the trust fund, (ii) purchase of insurance company annuity contracts, (iii) disbursements in cash of the actuarial equivalent of such pensions, or (iv) any combination of these. Under no circumstances shall any portion of the trust fund be payable to or for the benefit of any participating company, the union, or any successor company or union.

The following example is similar to the previous one except that benefits for disability retirement are included, and benefits for early retirement and vesting are excluded:

Article X—Termination of the Plan

1. For the purpose of this article, the plan shall be considered to be terminated if discontinued by a majority of the member employers with the consent of the union. In the event of such termination the assets then remaining in the trust fund, after providing for the expenses of the plan, shall be allocated, to the extent that they shall be sufficient, for the purpose of paying retirement and disability benefits (based on credited service to the date of discontinuance of the plan) to retired and present member employees in the following order of precedence:
 - (a) To provide retirement benefits to employees who shall have retired under the plan prior to its discontinuance, without reference to the order of retirement;
 - (b) To provide normal retirement benefits upon retirement to employees aged 65 or over on the date of discontinuance, without reference to the order in which they shall have reached the age of 65;
 - (c) To provide disability benefits for all member employees then currently receiving such benefits without reference to the order in which they shall have become eligible for such benefits;
 - (d) To provide retirement benefits, with all remaining funds, upon normal retirement to all remaining member employees on the date of discontinuance, without reference to the order in which they shall reach their normal retirement age; and
 - (e) In the event the assets of the trust fund are insufficient to provide in full for the retirement and disability benefits in the above order of precedence, each benefit payable to the member employees in the class in which there is a deficiency shall be reduced pro rata; subject to the foregoing provisions as to pro rata reduction, all benefits shall be payable in full in the order of their precedence to the exclusion of all classes with lower priority.
2. Such allocation shall be accomplished through either (1) continuance of the trust fund or a new trust fund, or (2) purchase of insurance annuity contracts; provided, however, that the trustees upon finding that it is not practicable or desirable under the circumstances to do either of the foregoing with respect to some or all of the groups listed above, may, with the unanimous consent of all trustees, provide for some allocation of a part or all of the assets of the trust fund other than the continuance of a trust fund or the purchase of insurance annuity contracts with respect to any or all such groups provided, however, that no change shall be effected in the order of precedence and basis for allocation above established.

In the following example, employee contributions were returned after provision had been made for retired workers.

Article VI. Amendment and Termination

Section 2. Discontinuance. If the plan is discontinued, the assets then remaining in the pension fund (after providing the expenses of the plan), shall be allocated to the extent that they shall be sufficient, for the purpose of paying retirement benefits (based on creditable service to the date of discontinuance of the plan) to retirees in the following order of precedence:

- (a) To provide their retirement benefits to pensioners who shall have retired under the plan prior to its discontinuance, without reference to the order of retirement;
- (b) To provide the refund to employees of their own contributions to the pension fund;
- (c) To provide normal or reduced pensions to employees aged 65 or over on the date of discontinuance, without reference to the order in which they shall have reached normal retirement age; and
- (d) To provide normal or reduced pensions upon attainment of age 65 to employees less than 65 years of age on the date of discontinuance, in the order in which they shall attain age 65.

In no event shall any of the assets of the pension fund revert to, or be subject to, any claims of any kind or nature by the employers.

Under the following clause, the funds remaining after provision has been made for retired workers and those over age 65, are to be distributed to the remaining members according to pension credits they have accumulated.

Section 9. Termination. The plan may be terminated by the board only with the consent of the union and the employer associations who are then parties to the trust agreement, and in such event all of the funds of the plan, after necessary and reasonable expenses, shall be used for the exclusive benefit of members and pensioners under the plan and shall be allocated in shares determined by the board on the basis of actuarial valuation, in the following order:

First, each pensioner shall be entitled to a share equal to the reserve computed to be required for his pension; and

Second, each member who has reached his 65th birthday shall be entitled to a share equal to the reserve computed to be required for his pension credits; and

Third, each other member shall be entitled to a share equal to the reserve computed to be required for his pension credits; provided that

If the funds of the plan are insufficient to provide in full for the shares under any of above paragraphs after provision for all shares under previous paragraphs, each share under such paragraphs as to which the funds are insufficient shall be reduced pro rata.

The board may require that all shares be withdrawn in cash or in immediate or deferred annuities or other periodical payments as the board may determine.

Protection of Pension Credits in Case of Withdrawal of an Individual Employer. When an individual employer withdraws from a plan, his employees' relationship with the plan is also usually severed, unless they transfer to other participating employers, usually within the time prescribed by the break-in-service rule. For example, some plans specifically stated that:

. . . When an employer ceases to be a party to this agreement, no additional pension credits will accrue to the employees of such employer until they become employed by a participating employer . . .

* * *

. . . an employer is declared by the trustees to have ceased participation in the fund because of failure of the employer to make contributions to the pension fund, as required by the employer's collective bargaining agreement with the District Council, it shall be deemed a termination of participation by that employer and the following shall apply:

- (a) Employment by that employer after termination shall not be credited as covered employment; and
- (b) Employment by that employer prior to termination shall still be credited under this plan, except if a break in employment as defined in Article III, section 5, is incurred; and
- (c) There shall be no refund of contributions or reversion of assets to a terminated employer, directly or indirectly, or to a pension trust or annuity contract or pension plan of a terminated employer . . .

However, 45 plans with nearly 273,000 workers provided some additional protection to employees of withdrawing employers.

Provision if an employer withdraws from the plan	Plans		Workers ¹	
	Number	Percent	Number (thousands)	Percent
All plans -----	736	100.0	3,229.8	100.0
Plans with withdrawal provisions -----	45	6.0	272.5	8.4
Worker may contribute -----	15	2.0	214.6	6.6
Fund allocated to workers -----	28	3.8	51.7	1.6
Service credits retained -----	2	.2	6.2	.2
Break-in-service provision applies -----	627	85.2	2,867.9	88.8
Other ² -----	5	.6	2.9	.1
Information not available -----	59	8.0	86.5	2.7

¹ Worker coverage includes both active and retired workers in 1959.

² Includes 4 plans covering 1,700 workers to which only workers contribute and 1 plan covering 1,300 workers in the process of being terminated.

NOTE: Because of rounding, sums of individual items may not equal totals.

Nearly two-thirds of these plans allocated part of their assets to the affected members; i. e., they treated an employer withdrawal as if it were a partial termination of the plan, as the following clause illustrates:

In the event any employer disassociates itself from the plan through the nonpayment of contributions or otherwise, the actuary acting on the information and employee data furnished with the mutual consent and agreement of all employers and union, shall determine that portion of the fund in respect of the employees of the disassociating employer then in the possession of the trustee or insurance company. Said portion of the fund shall be allocated, subject to provision for expenses of administration or liquidation, for benefit purposes in respect of the employees of the disassociated employer in the same manner and order, to the extent of the sufficiency of such assets, as prescribed in section 3 above. In all other respects, this plan with the remaining employers and unions shall continue in full force and effect in the same manner as if no employer had withdrawn from the plan.

Another plan referred to the withdrawal of an employer as a "partial termination" in the following words:

Partial Termination. In the event of the termination of the plan and trust with respect to any particular employer for any reason whatsoever, but not with respect to all employers, an actuarial computation shall be made as if the plan were terminating in its entirety as of the terminating employer's computation date so as to segregate from the trust fund within a reasonable time after the computation date the assets thereof which on the basis of such computation are applicable to the employees employed by the terminating employer at the termination date and, at the computation date, are not then in covered employment in the industry with an employer with respect to which the plan is then effective. Following such segregation of assets upon partial discontinuance of the plan and trust, as aforesaid, the amount of assets segregated after the computation date shall be allocated by the joint committee, on the basis of an actuarial valuation, among the persons who were employees on the termination date but are not on the computation date as provided in section 6 of this article.

Any employee who was employed by any terminating employer shall, on becoming an employee of any other employer hereunder between his terminating employer's termination date and computation date, automatically becomes covered hereunder again.

The 15 plans covering over 200,000 workers, which permitted the worker to contribute instead of his employer and to continue accumulating service credits, are illustrated by the following clause:

If any participating employer discontinues business or ceases for any reason to be a participating employer by ceasing to make payments to the fund in behalf of his employees . . . he shall thereupon cease to be deemed a participating employer . . . and the employee for whom payments to the plan by such employer have ceased, shall be deemed to have been laid off by such employer and such employee shall have the privilege of preventing cancellation of his or her qualifications and credited service by . . . paying to the pension fund, each week, such amount as such employer would be required to pay in his or her behalf . . .

Chapter VI. Financial Management

The large number and rapid turnover of employers and workers in most industries with multiemployer pension plans require plan administrators to devote much time and effort to prompt payment and collection of employer contributions. Like other funds, multiemployer plans also have investment problems. These funds, as a whole, presently constitute only a small fraction of total private pension assets, which were estimated to total \$50 billion at the end of 1960.³⁵ However, since multiemployer plans on the whole are relatively recent their assets can be expected to grow rapidly. This will probably spur interest in identifying the parties in charge of investing these funds and in the safeguards of the funds, especially those contained in trust agreements.

The information required by the Welfare and Pension Plans Disclosure Act identifies the parties handling the financial reins in multiemployer pension plans. The analysis of these forms³⁶ shows that, with only a few exceptions, the board performed and had responsibility for financial administration, except that, as previously noted (chapter II), it often delegated the investment of funds and paying of benefits to an insurer or corporate trustee.

Various devices and systems have been devised to control and protect the moneys due the central fund for the benefit of covered workers. The most important of these are the clauses found in many trust agreements which give the board or its representative power to collect contributions, inspect employer records, and compel payment of contributions. The authority to select the organization through which benefits are to be provided, also, was usually reserved for the board.

This chapter identifies the parties performing each of the more significant financial functions in multiemployer pension plans under collective bargaining. These functions include the authorization of benefits and expenses, the payment of benefits, the selection of insurance carrier or corporate trustee, and the determination of investment policy. In addition, certain clauses in plan documents designed to enforce collection and protection of moneys due the fund—inspection of employer records, collection of contributions, selection of funding medium, and bonding of employees and board members—are examined. All data relate, as in the previous three chapters, to the 736 formulated plans.

³⁵ U.S. Securities and Exchange Commission, Corporate Pension Funds, 1960, Statistical Series Release No. 1750, May 3, 1961. (See table 6.)

³⁶ The entries recorded on the form D-1, particularly the item identifying the party with power to determine investment policy, were edited by the Bureau for purposes of this study to remove inconsistencies and to complete the data. In all insured plans, the investment decisions were considered as being made by the insurer, and in corporate trustee plans by the board and corporate trustee. For example, some of the insured plans indicated that the board, or the board and insurer determined investment policy, presumably because the board originally selected the insurer and could change to another insurer or to self-insurance; these were edited to read "insurance company"—the response given by most insured plans.

Selection of Medium of Funding

The significance of the organization through which benefits are provided (the medium of funding) has already been demonstrated. (See pages 71 and 72.) In over 75 percent of the plans, with 70 percent of the workers, the board was given the sole authority to decide whether to use an insurance company, a corporate trustee, or its own organization. The following clause is typical:

The trustees shall without limitation have the power and duty to: . . . enter into appropriate contracts with insurance companies . . . enter into agreements, contracts, and other instruments for the deposit of funds with banks, trust companies, or other institutions which accept and hold moneys on deposit and authorize such depositories to act as custodian of the pension fund, whether in cash or securities or other property and to authorize such depositories to convert, invest, and reinvest the funds in such type of securities as the trustees determine . . . enter into and execute an agreement with one or more banks or trust companies whose principal offices are located . . . to provide for the investment and reinvestment of the trust funds in the discretion of such banks or trust companies.

Responsibility for selecting medium of funding	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
Board -----	569	77.3	2,258.5	69.9
Employers and union -----	131	17.8	926.4	28.7
Union -----	1	.1	(2)	(3)
Employers -----	2	.3	1.1	(3)
Other -----	1	.1	.4	(3)
No provision, or information not available -----	32	4.3	43.4	1.3

¹ Worker coverage includes both active and retired workers in 1959.

² Fewer than 50 workers.

³ Less than 0.05 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

In almost 1 out of 5 plans, the pension plan or trust agreement specified the funding medium to be used, i. e., the union and employers made the decision in drafting the agreement. Examples of such directives to the board follow:

The trustees are hereby empowered, authorized, and directed . . . to enter into a group annuity contract with a reputable insurance company.

* * *

The board shall select a bank to be trustee of the fund and shall enter into a trust agreement with such bank.

Selection of Carrier or Corporate Trustee. Regardless of how the funding medium was to be selected, the board had the sole responsibility and power to select the insurance carrier or corporate trustee in 90 percent of the plans appointing either one or both.

Responsibility for selecting insurance carrier and/or corporate trustee	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans with carrier and/or corporate trustee -----	308	100.0	1,148.2	100.0
Board -----	281	91.2	1,128.4	98.3
Board only -----	279	90.6	1,127.0	98.2
Board and employers -----	1	.3	1.1	.1
Board and union -----	1	.3	.3	(2)
Employers and union -----	10	3.2	5.6	.5
Employers -----	8	2.6	5.5	.5
Union -----	1	.3	5.3	.5
Information not available -----	8	2.6	3.4	.3

¹ Worker coverage includes both active and retired workers in 1959.

² Less than 0.05 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Receipt of Contributions

The board of administration directly received employer and worker contributions (if any) in 7 out of 8 plans.

Party receiving contributions	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
Board -----	635	86.3	3,048.4	94.4
Corporate trustee -----	55	7.5	123.7	3.8
Union -----	5	.7	1.7	.1
Employers -----	3	.4	2.2	.1
Service organization -----	2	.3	13.6	.4
Information not available -----	36	4.9	40.2	1.2

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

For example, one plan stated:

The trustees, in their names as trustees, shall have the power to demand, collect, and receive and hold employer payments.

The moneys went directly from the employer contributors to the corporate trustee in 55 plans. One plan, for example, provided that:

The area employers shall pay all contributions to the corporate trustee.

The corporate trustee, however, was not ordinarily responsible for the accuracy and collection of such payments, as is illustrated by a disclaimer clause in a typical corporate trust agreement or "indenture:"

Notwithstanding any other provisions of this indenture the trustee shall be under no obligation whatever to require with respect to nor to institute any legal action whatever to enforce the obligation of any employer.

Under insured plans, employer contributions were normally first directed to the board and then transmitted to the carrier in the form of premiums. For example, one insured plan stated that:

All employer contributions, after payment of expenses of the trustees in administering the plan, shall be paid to the insurance company under the group annuity contract.

Collection of Employer Contributions. Regardless of the basis of contributions, the employer was usually required to make payment within a short time (5 to 10 days) after the end of each specified payroll period in which work was performed. For example, one plan stated that:

Employer contributions shall become due on the payroll date. The failure of an employer to pay the contributions required hereunder within 10 days after the date due shall be in violation of the collective bargaining agreement.

Since the employer's obligation to contribute specified sums is determined by the terms of a collective bargaining agreement, the failure to make such payment is a violation of the agreement. However, where a joint board was responsible for the receipt of funds, most plans delegated to it part or all of the responsibility for enforcement. The following clause is typical:

The trustees may take whatever steps, including the institution and prosecution of, or intervention, in, any proceedings at law, in equity or in bankruptcy, as they deem desirable to effectuate the collection of employer contributions.

A fourth of the plans specifically gave the board power to assess penalties in case of employer delinquency, usually a penalty to be determined at the discretion of the board, or fixed at 6 percent interest per year.

Penalty for delinquent payment	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
No penalty provided, or information not available -----	557	75.7	2,379.7	73.7
Penalty -----	179	24.3	850.0	26.3
At board's discretion -----	56	7.6	221.9	6.9
6 percent interest per year -----	59	8.0	393.7	12.1
Maximum legal interest -----	18	2.4	14.0	.4
Other -----	46	6.3	220.4	6.8

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

The following clauses illustrate such penalties:

In addition to any other remedies to which the parties may be entitled a contractor in default for 10 working days shall be obligated to pay interest, at the rate of 6 percent per annum, on the money due to the trustees from the date when the payment was due to the date when payment was made, together with all expenses of collection incurred by the trustees.

* * *

In addition to any other remedies to which the parties may be entitled, an employer in default for 10 working days may be required at the discretion of the trustees to pay such reasonable rate of interest.

* * *

The trustees may compel and enforce the payment of contributions in any manner which they may, in their sole and uncontrolled discretion, deem proper.

Inspection of Employer Records. In two-thirds of the plans covering almost four-fifths of the workers, the board was granted power to inspect employer payroll records to ascertain whether proper payment was made. Many industries in which multiemployer plans are found are characterized by numerous small employers and the problem of delinquency makes such provisions as the following necessary:

The trustees shall have the right through an independent certified public accountant of their choice, to examine employment records of employers with respect to whose employees contributions should have been made to the trust fund.

* * *

The trustees shall have the power to require any contributing employer, and a contributing employer, when so required, shall furnish to the trustees such information and reports as they may require in the performance of their duties under this agreement and declaration of trust. The trustees or any authorized agent or representative of the trustees shall have the right at all reasonable hours during business hours to enter upon the premises of the employer and to examine and copy such of the books, records, papers, and reports of said employer as may be necessary to permit the trustees to determine whether said employers are making full payment to the trustees of the amounts required under this trust agreement and the aforementioned collective bargaining agreement.

* * *

Each employer shall promptly furnish to the Board of trustees on demand any and all records of his employees concerning the classifications of such employees, their names, social security numbers, amount of wages paid and hours worked, and any other payroll records and information that the trustees may require in connection with the administration of the trust fund and for no other purpose. Each employer shall also submit in writing to the board of trustees at such regular periodic intervals and in such form as the trustees may establish such of the above data as may be requested by the trustees. The board of trustees or their authorized representatives may examine the payroll books and records of each employer whenever such examination is deemed necessary or advisable by the trustees in connection with the proper administration of the trust.

Investment Policy

The board retained exclusive control over investment policy in more than half of the plans, with almost 2 out of 3 workers. As the following tabulation shows, however, in nearly 1 out of 4 plans, the board shared the investment function with a corporate trustee. Usually the board set broad investment policy with the advice of the corporate trustee, but left the selection of specific securities and other investment media to the latter. Of course, in the wholly

Party determining investment policy	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
Board -----	578	78.5	2,522.0	78.1
Board only -----	401	54.5	2,056.1	63.7
Board and corporate trustee -----	167	22.7	458.9	14.2
Board, corporate trustee, and insurer -----	7	1.0	5.7	.2
Board and union -----	3	.4	1.3	(2)
Insurer -----	130	17.7	681.9	21.1
Union -----	2	.3	.3	(2)
Investment agent -----	14	1.9	12.0	.4
Other ³ -----	3	.4	1.0	(2)
Information not available -----	9	1.2	12.6	.4

¹ Worker coverage includes both active and retired workers in 1959.

² Less than 0.05 percent.

³ Employers and corporate trustee in 1 plan with 700 workers; employers and union in 1 plan with 200 workers; and an individual trustee in 1 plan with 100 workers.

NOTE: Because of rounding, sums of individual items may not equal totals.

insured plans—1 out of 6 plans with more than 1 out of 5 workers—the insurer had complete control over the investment of the funds once they had been deposited as premiums. (See page 87 for basic analytical assumption.) However, these data include 9 plans covering 336,000 workers, primarily in the apparel industry, that purchased annuities of only 1 year's duration, and invested the greater proportion of their funds in securities, etc., usually selected by the board.

The board's discretion may be limited by the trust agreement to certain types of securities or other investments. The following clause is illustrative of such restrictions:

. . . The trustees may invest and reinvest such part of the fund as in their sole judgment is not required for current expenditures in such investments as are legal for investment of trust funds under the laws of the State of New York.

By contrast, another trust agreement gave the board wide latitude:

Such moneys in the fund as the trustees in their sole discretion may determine are not required for current expenditures . . . may be invested and reinvested in any securities or other properties, either real or personal, including part interests therein, regardless of whether the same are now or are hereafter authorized as legal investments for fiduciaries, whether by statutory enactment, judicial decision or otherwise which the trustees may purchase in the exercise of that degree of judgment and care under the circumstances then prevailing, which men of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income to be derived therefrom as well as the probable safety of their capital.

The discretion that could be exercised by corporate trustees is illustrated by the following clauses. Often unlimited investment discretion was given to the corporate trustee as in the following clause:

The trustee shall have the following powers and authority in the administration of the trust fund to be exercised in its uncontrolled discretion:

To purchase or subscribe for any securities or other property and to retain in trust such securities or other property; in the event investments are to be made in securities or other property of any contributing employer, advance notice shall be given to the Commissioner of Internal Revenue of such contemplated investments. In no event shall any investment be made in securities or other property of the trustee.

Another example of granting virtually unlimited investment powers to the corporate trustee is:

. . . the corporate trustee shall, from time to time, subject to the other provisions of this agreement, invest and reinvest principal and income of the trust and keep the same invested in such securities, bonds, debentures, stocks (common or preferred), real estate, mortgages, deeds of trust, shares of investment trusts, common trusts or other property, as the corporate trustee shall believe to be sound and suitable investments for the trust, regardless of whether the same, without this express provision, would be proper investments for funds of a trust estate, provided, however, that in no event shall the principal or income of the trust be invested in the stocks, bonds, notes or other securities or property of any company who shall have adopted the pension plan pursuant to the provisions of the collective bargaining agreement as defined . . . nor shall the

principal or income of the trust be invested in the stocks, bonds, notes or other securities or property of any other . . . company, whether or not it shall have adopted the . . . plan . . .

Another corporate trust agreement required the trustee to apportion the investment of funds between common stocks and other investments. It read, in part:

Invest and reinvest such part of the trust estate as the trustees shall determine is not required for current expenditures, in such securities (of any classification) as it may select; provided, however, that no investment shall be made in any common stock which would cause the total investments in the trust estate in common stocks (at then current values) to exceed 35 percent of the value of all of the assets (at then current values) of the trust estate, but this proviso shall not require the sale of any common stock previously purchased if such purchase was not in contravention hereof; and provided further, that no investment shall be in securities of any corporation which is, at the time such investment is made, an employer which is a party to said declaration of trust.

The corporate trustee was quite limited under the following agreement:

The investment powers of any corporate trustee acting pursuant to the provisions hereof or otherwise with reference to this pension plan shall be limited to those investments which are authorized as reserve investments for life insurance companies organized under the laws of the State of New York or for fiduciaries as may be permitted by the provisions of law of the State of New York.

Authorization of Expenses and Benefits

The board authorized the payment of both expenses and benefits in over 90 percent of the plans with 90 percent of the workers. Benefit payments were authorized by the insurer in one-sixth of the insured plans and jointly by the insurer and the board in one-twelfth of such plans. The board alone, however, authorized the payment of expenses in these plans.

Plans	Workers ¹ (thousands)	Authorizes	
		Payments	Expenses
736	3,229.8		
679	2,866.2	Board	Board
11	5.8	Board and insurer	Board
17	330.4	Insurer	Board
1	.3	Insurer	Board and insurer
5	2.5	Insurer	Not available
2	1.3	Board	Board and insurer
2	1.6	Board	Corporate trustee and board
2	5.8	Union	Board
1	.1	Board	Other ²
5	3.0	Other ³	Board
2	.2	Other ⁴	Other ⁴
9	12.6	Not available	Not available

¹ Worker coverage includes both active and retired workers in 1959.

² A service organization and board, 1 plan covering 100 workers.

³ A service organization and board, 1 plan covering 1,000 workers; a service organization, 1 plan covering 300 workers; employers, 1 plan covering 100 workers; a corporate trustee and board, 1 plan covering 200 workers; employers and union, 1 plan covering 1,400 workers.

⁴ An individual trustee, 1 plan covering 100 workers; union, 1 plan covering 100 workers.

Party Making Payments. The medium of funding largely, though not entirely, determined the party paying benefits. In nearly all the insured plans, for example, the insurance company made payments directly to the beneficiary. But in only three-fifths of the corporate trustee plans was payment made by the trustee. Another party—usually the board—made payment in the remaining corporate trustee plans. As shown in the following tabulation, the board itself paid benefits in 3 out of 5 plans.

Party making payments of benefits	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
Board -----	453	61.5	2,267.2	70.2
Board only -----	447	60.7	2,259.3	70.0
Board and insurer -----	4	.5	5.9	.2
Board and corporate trustee -----	1	.1	.2	(2)
Board, corporate trustee, and insurer -----	1	.1	1.8	.1
Corporate trustee -----	109	14.8	187.5	5.8
Insurer -----	129	17.5	677.3	21.0
Service organization -----	22	3.0	69.4	2.1
Investment agent -----	6	.8	8.7	.3
Other ³ -----	8	1.1	7.1	.2
Information not available -----	9	1.2	12.6	.4

¹ Worker coverage includes both active and retired workers in 1959.

² Less than 0.05 percent.

³ The employers in 1 plan with 800 workers; the union in 2 plans with 200 workers; the employers and union in 1 plan with 3,400 workers; the insurer and corporate trustee in 3 plans with 2,600 workers; and the individual trustee in 1 plan with 100 workers.

NOTE: Because of rounding, sums of individual items may not equal totals.

Bonding Requirements

The Labor Management Reporting and Disclosure Act, which requires, among other things, the bonding of any union representative, including officers and employees who handle the moneys of any union or trust funds³⁷ was passed several months after nearly all of the documents analyzed in this report were submitted to the Department of Labor. Nevertheless, the trust agreements and other documents filed by almost half of the plans studied required the bonding of its members. Many of the other plans presumably bonded board members and employees handling funds as a matter of prudence, although not specifically required to do so by plan documents.

About 1 out of 6 plans specified that all members must be bonded, while nearly 1 out of 3 required that all members handling funds must be bonded.

³⁷ Section 502(a), Labor Management Reporting and Disclosure Act of 1959.

Provision for bonding of board members	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
No provision, or information not available -----	320	43.4	1,670.4	51.7
All must be bonded -----	125	17.0	546.8	16.9
All those handling funds -----	230	31.3	949.9	29.4
Discretion of board -----	35	4.8	47.3	1.5
Specified member of board -----	3	.4	2.3	.1
No bonding required -----	23	3.1	13.3	.4

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

The remaining 35 plans with bonding requirements left the arrangements to the discretion of the board. Illustrative clauses of each of these are:

All members must be bonded

The trustees shall provide for fidelity position bonds with such companies and in such amounts as they may determine . . .

* * *

All members handling funds must be bonded

The trustees who are empowered and authorized to sign checks as aforesaid shall each be bonded . . .

* * *

Discretion of board

The trustees authorized to sign checks or engaged in handling moneys of the trust, may be bonded by duly authorized surety company, and, if so, the premiums on such bonds shall be paid by the trust.

Twenty-three plans, on the other hand, specifically stated that no bond was required for board members. One of these plans stated:

No bond or other security shall be required of any member of the board in such capacity.

In addition to bonding of board members, about a third of the plans specified bonding for certain employees of the fund, i. e., those handling funds. (See the following tabulation.) Almost another 10 percent of the plans required that all employees be bonded, while in 30 plans (4 percent) this was left to the discretion of the board.

Provision for bonding of employees	<u>Plans</u>		<u>Workers</u> ¹	
	Number	Percent	Number (thousands)	Percent
All plans studied -----	736	100.0	3,229.8	100.0
All must be bonded -----	69	9.4	295.0	9.1
All those handling funds -----	230	31.3	1,170.2	36.2
Discretion of board -----	30	4.0	46.1	1.4
No bonding required -----	4	.5	2.0	.1
No provision, or information not available -----	403	54.7	1,716.6	53.2

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Examples of these provisions from plan documents are:

Employees shall be bonded

The trustees shall . . . provide for fidelity bonds for employees of the trustees.

* * *

Employees handling funds shall be bonded

Each employee employed by the trustees who may be engaged in handling of moneys of the pension fund shall be bonded . . . by a duly authorized surety company.

Plans requiring that some or all of the trustees be bonded usually also required that some or all of the employees of the fund be bonded. For example, one plan said:

The trustees and the employees of the trust fund who handle cash or disburse cash, securities, or transfer property of any kind whatsoever shall each be bonded, and any other trustees or employees may be bonded in the discretion of the trustees by a duly authorized surety company qualified under laws of the State of New York in such amounts as may be determined from time to time by the trustees.

Only 12 plans, covering 223,000 workers, required the bonding of employees handling funds even though they had no bonding requirement for the board. On the other hand, 72 plans which required, or left to the discretion of the board, bonding arrangements for itself had no bonding requirement for employees.

Table 1. Multiemployer pension plans under collective bargaining by date of establishment, spring 1960

(Workers in thousands)		
Date of establishment	Plans	Workers ¹
All plans	798	3,324.8
1943	2	44.1
1944	4	8.5
1945	2	173.9
1946	5	420.8
1947	5	109.9
1948	16	48.0
1949	19	95.8
1950	62	363.9
1951	30	179.8
1952	30	87.5
1953	66	207.6
1954	48	86.9
1955	85	564.6
1956	108	243.8
1957	130	310.9
1958	86	159.3
1959	38	100.2
Information not available	62	119.2

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 2. Multiemployer pension plans under collective bargaining by number of workers covered, spring 1960

(Workers in thousands)				
Number of workers covered	Plans	Workers ¹	Percent	
			Plans	Workers
All plans	798	3,324.8	100.0	100.0
Under 100	54	3.3	6.8	0.1
100 and under 500	230	59.2	28.8	1.8
500 and under 1,000	154	108.8	19.3	3.3
1,000 and under 5,000	257	599.8	32.2	18.0
5,000 and under 10,000	51	354.0	6.4	10.6
10,000 and under 25,000	29	407.6	3.6	12.3
25,000 and under 50,000	15	540.5	1.9	16.3
50,000 and under 100,000	2	195.0	.3	5.9
100,000 and over	6	1,056.7	.8	31.8

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 3. Multiemployer pension plans under collective bargaining
by industry group, spring 1960

(Workers in thousands)

Industry	Plans	Workers ¹	Percent	
			Plans	Workers
All industries	798	3,324.8	100.0	100.0
Manufacturing	286	1,261.0	35.8	37.9
Food and kindred products	88	230.5	11.0	6.9
Apparel and other finished textile products	84	778.9	10.5	23.4
Printing, publishing, and allied industries	55	63.8	6.9	1.9
Leather and leather products	6	24.2	.8	.7
Metalworking	28	57.1	3.5	1.7
Other manufacturing	25	106.5	3.1	3.2
Nonmanufacturing	499	2,041.8	62.5	61.4
Mining	4	295.4	0.5	8.9
Contract construction	262	653.8	32.8	19.7
Motor transportation	48	500.1	6.0	15.0
Water transportation	41	147.6	5.1	4.4
Wholesale and retail trade	95	308.7	11.9	9.3
Services	28	79.1	3.5	2.4
Motion pictures and recreation	18	55.0	2.3	1.7
Other nonmanufacturing	3	2.1	.4	.1
Interindustry manufacturing and nonmanufacturing	13	22.0	1.6	0.7

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 4. National and international unions¹ participating in multiemployer pension plans, spring 1960

(Number of plans indicated in parentheses)

<u>100,000 workers and over</u>	<u>5,000 and under 25,000—Continued</u>
Carpenters (18)	Musicians (1)
Clothing (14)	Plasterers (8)
Electrical (IBEW) (32)	Printing Pressmen (14)
Garment, Ladies (48)	Pulp (6)
Mine (excluding District 50) (I) (2)	Shoe Workers, United (1)
Teamsters (I) (121)	Stage (13)
	Toy Workers (1)
<u>50,000 and under 100,000 workers</u>	Textile Workers (TWUA) (1)
Bakery (I) (8)	Typographical (13)
Hod Carriers (23)	
Hotel (13)	<u>1,000 and under 5,000 workers</u>
Longshoremen (21)	Asbestos (17)
Meat Cutters (31)	Boilermakers (2)
Plumbing (63)	Distillery (5)
Retail Clerks (11)	Jewelry (1)
	Leather Workers (1)
<u>25,000 and under 50,000 workers</u>	Lithographers (I) (1)
Bakery, American (5)	Mine District 50 (I) (3)
Building Service (8)	Newspaper Guild (2)
Engineers, Operating (18)	Newspaper and Mail
Iron (20)	Deliverers (I) (1)
Maritime (4)	Pattern Makers (5)
Painters (23)	Photo Engravers (4)
Retail, Wholesale (12)	Roofers (4)
Sheet Metal (24)	Stereotypers (3)
Upholsterers (1)	Watchmen's Ass'n. (I) (3)
<u>5,000 and under 25,000 workers</u>	<u>Fewer than 1,000 workers</u>
Actors (1)	Engineers, Technical (I) (1)
Automobile (6)	Firemen and Oilers (1)
Bookbinders (6)	Garment, United (2)
Brewery (9)	Hosiery (1)
Bricklayers (30)	Machine Printers (I) (1)
Electrical (IUE) (3)	Mailers (I) (2)
Furniture (6)	Marble (1)
Hatters (23)	Metal Polishers (1)
Lathers (5)	Office (2)
Leather goods (5)	Radio (1)
Longshoremen and Warehousemen (I) (5)	Shoe and Boot Workers (1)
Machinists (10)	Telegraphers (1)
Marine Engineers (3)	Textile Workers (UTWA) (1)
Masters, Mates (2)	

¹ All unions are affiliated with AFL-CIO except those followed by (I). For full union identification and addresses, see Directory of National and International Labor Unions in the United States, 1961, BLS Bull. 1320 (1962).

Excluded from this list are 26 plans covering 110,000 workers which included members of 2 or more unions and 12 plans covering 13,000 workers which were negotiated by local Federal labor and industrial unions or unaffiliated local unions.

Table 5. Multiemployer pension plans under collective bargaining by region and State, spring 1960

(Workers in thousands)									
Region and State	Plans	Workers ¹	Percent		Region and State	Plans	Workers ¹	Percent	
			Plans	Workers				Plans	Workers
All plans	798	3,324.8	100.0	100.0	South Atlantic	36	38.8	4.5	1.2
Interregion	43	1,546.9	5.4	46.5	Intraregion	10	12.3	1.3	0.4
New England	58	52.8	7.3	1.6	Delaware	2	1.0	.3	(³)
Intraregion	5	7.7	0.6	0.2	Maryland	9	11.9	1.1	.4
Maine	1	(²)	.1	(³)	District of Columbia	3	2.0	.4	.1
Vermont	1	1.9	.1	.1	Virginia	4	5.7	.5	.2
Massachusetts	24	28.0	3.0	.8	West Virginia	2	2.5	.3	.1
Rhode Island	4	1.5	.5	(³)	North Carolina	2	2.0	.3	.1
Connecticut	23	13.7	2.9	.4	Georgia	2	1.0	.3	(³)
Middle Atlantic	417	1,040.1	52.3	31.3	Florida	2	.5	.3	(³)
Intraregion	37	125.3	4.6	3.8	East South Central	9	5.2	1.1	0.2
New York	265	678.1	33.2	20.4	Kentucky	4	3.0	0.5	0.1
New Jersey	68	73.0	8.5	2.2	Alabama	4	2.1	.5	.1
Pennsylvania	47	163.6	5.9	4.9	Mississippi	1	.1	.1	(³)
East North Central	122	220.6	15.3	6.6	West South Central	9	26.7	1.1	0.8
Intraregion	2	1.1	0.3	(³)	Louisiana	2	7.9	0.3	0.2
Ohio	24	21.0	3.0	0.6	Texas	7	18.8	.9	.6
Indiana	6	5.9	.8	.2	Mountain	3	5.0	.4	0.2
Illinois	51	121.6	6.4	3.7	Colorado	2	0.2	0.3	(³)
Michigan	31	62.5	3.9	1.9	Nevada	1	4.9	.1	0.1
Wisconsin	8	8.5	1.0	.3	Pacific	68	340.4	8.5	10.2
West North Central	33	48.3	4.1	1.5	Intraregion	2	19.8	0.3	0.6
Central	9	3.9	1.1	0.1	Washington	5	2.4	.6	.1
Minnesota	1	.2	.1	(³)	California	59	317.5	7.4	9.6
Iowa	23	44.3	2.9	1.3	Alaska	2	.6	.3	(³)
Missouri									

¹ Worker coverage includes both active and retired workers in 1959.

² Fewer than 50 workers.

³ Less than 0.05 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 6. Type of administrator in multiemployer pension plans under collective bargaining, spring 1960

(Workers in thousands)				
Type of administrator	Plans	Workers ¹	Percent	
			Plans	Workers
All plans	798	3,324.8	100.0	100.0
Bipartite board	735	2,392.6	92.1	72.0
Bipartite board plus 1 neutral member	33	409.3	4.1	12.3
Tripartite board	9	325.2	1.1	9.8
Union appointed board	11	189.7	1.4	5.7
Employer appointed board ²	5	6.4	.6	.2
Other	2	.6	.3	(³)
Information not available	3	1.0	.4	(³)

¹ Worker coverage includes both active and retired workers in 1959.

² Although employer-administered multiemployer pension plans under collective bargaining would presumably be eliminated by method of selection of the plans for study, it was determined during the course of analysis that the administrator (by Bureau definition) was, in fact, an employer appointed board.

³ Less than 0.05 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 7. Multiemployer pension plans under collective bargaining by industry group and medium of funding, spring 1960

Industry	(Workers in thousands)											
	All plans		Medium of funding									
			Insured		Self-insured				Other		Information not available	
	Self-administered				Corporate trustee ^d							
Number	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	
All industries -----	798	3,324.8	119	334.4	441	2,097.1	170	460.5	² 27	359.3	41	73.6
Manufacturing -----	286	1,261.0	23	18.0	159	699.7	85	187.5	11	339.6	8	16.3
Food and kindred products -----	88	230.5	8	8.8	39	155.4	36	56.4	3	8.6	2	1.4
Apparel and other finished textile products -----	84	778.9	3	1.9	70	428.9	3	12.6	5	330.1	3	5.4
Printing, publishing, and allied industries -----	55	63.8	1	.4	21	35.6	32	27.4	1	.5	-	-
Leather and leather products -----	6	24.2	1	.3	4	20.6	1	3.4	-	-	-	-
Metalworking -----	28	57.1	5	2.1	15	34.5	6	20.2	2	.4	-	-
Other manufacturing -----	25	106.5	5	4.5	10	24.9	7	67.6	-	-	3	9.5
Nonmanufacturing -----	499	2,041.8	91	309.1	277	1,386.1	82	269.6	16	19.7	33	57.3
Mining -----	4	295.4	1	0.4	3	295.0	-	-	-	-	-	-
Contract construction -----	262	653.8	63	52.7	136	494.7	36	63.1	8	11.1	19	32.2
Motor transportation -----	48	500.1	9	207.3	33	272.3	4	19.3	-	-	2	1.2
Water transportation -----	41	147.6	1	.1	26	98.7	14	48.8	-	-	-	-
Wholesale and retail trade -----	95	308.7	11	44.9	54	151.4	20	102.5	4	2.5	6	7.5
Services -----	28	79.1	4	2.7	11	53.3	7	6.0	3	5.9	3	11.2
Motion pictures and recreation -----	18	55.0	1	.2	13	19.6	1	30.0	-	-	3	5.3
Other nonmanufacturing -----	3	2.1	1	.8	1	1.1	-	-	1	.2	-	-
Interindustry manufacturing and nonmanufacturing -----	13	22.0	5	7.3	5	11.3	3	3.4	-	-	-	-

¹ Worker coverage includes both active and retired workers in 1959.

² 9 plans covering 336,000 workers were self-insured before retirement, but a temporary annuity was purchased annually after retirement.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 8. Minimum age and service requirements for participation in multiemployer pension plans under collective bargaining, spring 1960¹

Minimum age requirements	Plans		Minimum service requirements									
	Number	Workers	1 year		2 years		3 years		5 years		None	
			Plans	Workers	Plans	Workers	Plans	Workers	Plans	Workers	Plans	Workers
All plans with age and service participation requirements ²	19	65.9	9	8.5	2	1.3	2	2.8	2	0.5	4	52.8
Age 22	1	0.1	(³)	0.1	-	-	-	-	-	-	-	-
Age 25	3	48.6	1	.2	-	-	-	-	-	-	2	48.4
Age 30	1	.9	-	-	-	-	1	0.9	-	-	-	-
Age 35	3	4.5	-	-	-	-	-	-	2	0.5	1	4.0
Age 40	1	.4	-	-	-	-	-	-	-	-	1	.4
None	10	11.3	7	8.1	2	1.3	1	1.9	-	-	-	-

¹ Based on a study of 736 multiemployer pension plans under collective bargaining covering approximately 3,229,800 active and retired workers in 1959.

² An additional 106 plans covering 306,700 workers had a union membership requirement.

³ This plan also required union membership.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 9. Normal retirement age in multiemployer pension plans under collective bargaining by industry group, spring 1960

Industry	All plans		Normal retirement age									
	Number	Workers ¹	Age 55		Age 60		Age 65		Age 68 and 70		Information not available	
			Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹
All industries	736	3,229.8	4	13.0	20	521.0	672	2,651.6	² 9	13.2	31	31.0
Manufacturing	270	1,239.6	-	-	7	16.6	246	1,203.8	6	12.7	11	6.5
Food and kindred products	84	226.8	-	-	1	1.0	82	225.6	-	-	1	0.3
Apparel and other finished textile products	78	772.9	-	-	-	-	70	770.8	1	0.2	7	1.9
Printing, publishing, and allied industries	53	63.0	-	-	-	-	47	50.4	5	12.5	1	(³)
Leather and leather products	6	24.2	-	-	-	-	6	24.2	-	-	-	-
Metalworking	27	55.7	-	-	6	15.7	19	35.8	-	-	2	4.3
Miscellaneous manufacturing	22	97.0	-	-	-	-	22	97.0	-	-	-	-
Nonmanufacturing	454	1,969.1	4	13.0	13	504.5	414	1,426.7	3	0.5	20	24.5
Mining	4	295.4	-	-	2	294.6	2	0.8	-	-	-	-
Contract construction	232	612.0	3	6.8	3	30.6	213	559.1	2	0.3	11	15.1
Motor transportation	46	498.9	-	-	4	175.5	41	322.6	-	-	1	.7
Water transportation	41	147.6	-	-	-	-	40	145.6	-	-	1	2.0
Wholesale and retail trade	89	295.8	-	-	3	1.9	78	287.1	1	.2	7	6.7
Services	25	67.9	-	-	-	-	25	67.9	-	-	-	-
Motion pictures and recreation	14	49.5	1	6.1	1	1.9	12	41.5	-	-	-	-
Miscellaneous nonmanufacturing	3	2.1	-	-	-	-	3	2.1	-	-	-	-
Interindustry manufacturing and nonmanufacturing	12	21.0	-	-	-	-	12	21.0	-	-	-	-

¹ Worker coverage includes both active and retired workers in 1959.

² Includes 2 plans covering 300 workers with a normal retirement age at 68, and 7 plans covering 12,900 workers with a normal retirement age at 70.

³ Fewer than 50 workers.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 10. Normal retirement age in multiemployer pension plans under collective bargaining by medium of funding, spring 1960

Normal retirement age	(Workers in thousands)							
	All plans		Medium of funding					
	Number	Workers ¹	Insured		Self-insured		Other	
Plans			Workers ¹	Plans	Workers ¹	Plans	Workers ¹	
All plans	736	3,229.8	116	329.6	590	2,539.6	30	360.7
Age 55	4	13.0	1	5.4	3	7.6	-	-
Age 60	20	521.0	1	1.0	18	520.0	1	0.1
Age 65	672	2,651.6	107	318.6	539	1,973.4	26	359.5
Age 68 and 70	29	13.2	-	-	8	13.0	1	.2
Information not available	31	31.0	7	4.6	22	25.6	2	.9

¹ Worker coverage includes both active and retired workers in 1959.

² Includes 2 plans covering 300 workers with a normal retirement age at 68, and 7 plans covering 12,900 workers with a normal retirement at age 70.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 11. Types of benefit formulas in multiemployer pension plans under collective bargaining by industry group, spring 1960

Industry	(Workers in thousands)															
	All plans		Flat benefit for specified service		Benefits vary by service alone		Benefits vary by earnings and service		Benefits are a percent of employer contribution		Other		No specific formula		Information not available	
	Number	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹
All industries	736	3,229.8	188	1,563.9	455	1,267.6	6	58.4	24	270.8	9	14.2	23	23.9	31	31.0
Manufacturing	270	1,239.6	92	817.9	146	352.2	3	42.9	4	3.3	6	11.7	8	5.0	11	6.5
Food and kindred products	84	226.8	2	0.8	74	214.5	-	-	2	1.1	4	10.0	1	0.1	1	0.3
Apparel and other finished textile products	78	772.9	60	745.8	7	24.1	-	-	-	-	1	.3	3	.7	7	1.9
Printing, publishing, and allied industries	53	63.0	13	17.7	36	41.6	1	0.3	1	2.0	1	1.4	-	-	1	(²)
Leather and leather products	6	24.2	1	1.8	4	21.7	-	-	-	-	-	-	1	.7	-	-
Metalworking	27	55.7	6	13.6	16	34.5	-	-	1	.3	-	-	2	3.1	2	4.3
Miscellaneous manufacturing	22	97.0	10	38.2	9	15.8	2	42.6	-	-	-	-	1	.4	-	-
Nonmanufacturing	454	1,969.1	96	746.0	298	895.1	3	15.5	19	266.7	3	2.6	15	18.8	20	24.5
Mining	4	295.4	2	294.6	2	0.8	-	-	-	-	-	-	-	-	-	-
Contract construction	232	612.0	16	28.6	183	519.2	1	2.2	8	28.0	2	1.7	11	17.2	11	15.1
Motor transportation	46	498.9	11	192.2	30	91.0	-	-	4	215.0	-	-	-	-	1	.7
Water transportation	41	147.6	26	92.0	14	53.6	-	-	-	-	-	-	-	-	1	2.0
Wholesale and retail trade	89	295.8	28	93.2	44	170.9	1	7.2	5	15.6	1	.9	3	1.3	7	6.7
Services	25	67.9	7	11.6	15	47.9	-	-	2	8.1	-	-	1	.3	-	-
Motion pictures and recreation	14	49.5	4	32.5	9	10.9	1	6.1	-	-	-	-	-	-	-	-
Miscellaneous nonmanufacturing	3	2.1	2	1.3	1	.8	-	-	-	-	-	-	-	-	-	-
Interindustry manufacturing and nonmanufacturing	12	21.0	-	-	11	20.2	-	-	1	.8	-	-	-	-	-	-

¹ Worker coverage includes both active and retired workers in 1959.

² Fewer than 50 workers.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 12. Types of benefit formulas in multiemployer pension plans under collective bargaining by medium of funding, spring 1960

Type of benefit formula	(Workers in thousands)							
	Plans		Medium of funding					
	Number	Workers ¹	Insured		Self-insured		Other	
Plans			Workers ¹	Plans	Workers ¹	Plans	Workers ¹	
All plans	736	3,229.8	116	329.6	590	2,539.6	30	360.7
Flat benefit for specified service	188	1,563.9	9	20.9	168	1,206.1	11	336.9
Benefits vary by service alone	455	1,267.6	89	101.7	353	1,148.3	13	17.6
Benefits vary by earnings and service	6	58.4	1	.9	5	57.5	-	-
Benefits are a percent of employer contributions	24	270.8	8	200.2	15	67.4	1	3.3
No specific formula	23	23.9	1	.2	21	23.5	1	.1
Other	9	14.2	1	1.0	6	11.3	2	2.0
Information not available	31	31.0	7	4.6	22	25.6	2	.9

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 13. Form of payment of retirement benefit in multiemployer pension plans under collective bargaining by industry group, spring 1960

Industry	(Workers in thousands)															
	All plans		Payment for life only		Payment for life plus—								Cash benefit		Information not available	
	Number	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹
All industries	736	3,229.8	584	2,837.2	82	284.4	14	52.3	6	2.0	2	0.8	17	22.1	31	31.0
Manufacturing	270	1,239.6	211	1,066.5	33	145.0	6	16.3	2	0.2	-	-	7	5.1	11	6.5
Food and kindred products	84	226.8	52	80.7	24	129.5	6	16.3	1	0.1	-	-	-	-	1	0.3
Apparel and other finished textile products	78	772.9	66	769.0	1	1.0	-	-	-	-	-	-	4	1.1	7	1.9
Printing, publishing, and allied industries	53	63.0	47	54.3	5	8.6	-	-	-	-	-	-	-	-	1	(²)
Leather and leather products	6	24.2	5	23.5	-	-	-	-	-	-	-	-	1	.7	-	-
Metalworking	27	55.7	20	42.4	3	6.0	-	-	1	.1	-	-	1	3.0	2	4.3
Miscellaneous manufacturing	22	97.0	21	96.6	-	-	-	-	-	-	-	-	1	.4	-	-
Nonmanufacturing	454	1,969.1	364	1,759.0	46	130.0	8	36.0	4	1.8	2	0.8	10	17.0	20	24.5
Mining	4	295.4	4	295.4	-	-	-	-	-	-	-	-	-	-	-	-
Contract construction	232	612.0	166	463.3	39	113.0	4	2.6	3	1.7	2	0.8	7	15.4	11	15.1
Motor transportation	46	498.9	42	488.9	3	9.3	-	-	-	-	-	-	-	-	1	.7
Water transportation	41	147.6	39	142.4	-	-	1	3.2	-	-	-	-	-	-	1	2.0
Wholesale and retail trade	89	295.8	77	284.8	1	3.0	1	(²)	1	.1	-	-	2	1.3	7	6.7
Services	25	67.9	24	67.6	-	-	-	-	-	-	-	-	1	.3	-	-
Motion pictures and recreation	14	49.5	9	14.5	3	4.8	2	30.2	-	-	-	-	-	-	-	-
Miscellaneous nonmanufacturing	3	2.1	3	2.1	-	-	-	-	-	-	-	-	-	-	-	-
Interindustry manufacturing and nonmanufacturing	12	21.0	9	11.7	3	9.4	-	-	-	-	-	-	-	-	-	-

¹ Worker coverage includes both active and retired workers in 1959.

² Fewer than 50 workers.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 14. Form of payment of retirement benefits in multiemployer pension plans
under collective bargaining by medium of funding, spring 1960

(Workers in thousands)

Form of payment	Plans		Medium of funding					
			Insured		Self-insured		Other	
	Number	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹
All plans	736	3,229.8	116	329.6	590	2,539.6	30	360.7
Payment for life only	584	2,837.2	97	313.8	468	2,169.8	19	353.6
Payment for life plus—								
Payment certain guarantee	82	284.4	9	9.1	67	270.4	6	4.8
Modified cash refund	14	52.3	2	1.8	11	49.5	1	1.1
Optional methods	6	2.0	-	-	5	1.9	1	.1
Cash refund	2	.8	-	-	1	.6	1	.2
Cash benefit	17	22.1	1	.2	16	21.8	-	-
Information not available	31	31.0	7	4.6	22	25.6	2	.9

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 15. Optional annuity forms in multiemployer pension plans under collective bargaining by industry group, spring 1960

(Workers in thousands)

Industry	Plans		No option provided		Total offering options		Option provided										Information not available	
							Joint and survivor option		Joint and survivor or period certain option		Joint and survivor or other option		Period certain option		Other option			
	Number	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹
All industries	736	3,229.8	594	2,928.9	111	270.0	75	192.2	21	27.2	5	11.0	5	4.9	5	34.7	31	31.0
Manufacturing	270	1,239.6	224	1,164.4	35	68.8	23	52.5	6	5.2	1	2.1	3	3.6	2	5.3	11	6.5
Food and kindred products	84	226.8	60	190.9	23	35.6	15	22.6	2 ⁴	3.9	3 ¹	2.1	2	2.2	4 ¹	4.9	1	0.3
Apparel and other finished textile products	78	772.9	71	771.0	-	-	-	-	-	-	-	-	-	-	-	-	7	1.9
Printing, publishing, and allied industries	53	63.0	48	53.7	4	9.3	2	7.5	-	-	-	-	1	1.4	5 ¹	.4	1	(⁶)
Leather and leather products	6	24.2	6	24.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Metalworking	27	55.7	20	35.5	5	16.0	4	15.5	1	.5	-	-	-	-	-	-	2	4.3
Miscellaneous manufacturing	22	97.0	19	89.2	3	7.8	2	6.9	1	.9	-	-	-	-	-	-	-	-
Nonmanufacturing	454	1,969.1	360	1,748.9	74	195.8	50	134.2	15	21.9	4	8.9	2	1.3	3	29.4	20	24.5
Mining	4	295.4	4	295.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract construction	232	612.0	177	522.7	44	74.1	30	39.1	8	4.4	7 ²	1.7	2	1.3	8 ²	27.6	11	15.1
Motor transportation	46	498.9	40	487.0	5	11.2	2	8.1	1	.2	9 ¹	1.1	-	-	4 ¹	1.8	1	.7
Water transportation	41	147.6	39	145.2	1	.4	1	.4	-	-	-	-	-	-	-	-	1	2.0
Wholesale and retail trade	89	295.8	66	189.3	16	99.8	14	84.0	10 ²	15.9	-	-	-	-	-	-	7	6.7
Services	25	67.9	18	63.9	7	4.0	3	2.5	4	1.5	-	-	-	-	-	-	-	-
Motion pictures and recreation	14	49.5	13	43.3	1	6.1	-	-	-	-	11 ¹	6.1	-	-	-	-	-	-
Miscellaneous manufacturing	3	2.1	3	2.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interindustry manufacturing and nonmanufacturing	12	21.0	10	15.6	2	5.5	2	5.5	-	-	-	-	-	-	-	-	-	-

¹ Worker coverage includes both active and retired workers in 1959.

² 1 plan covering 200 workers also provided a straight life annuity option.

³ This plan also provided a modified cash refund annuity option.

⁴ This plan provided for any option.

⁵ This plan provided a straight life annuity option.

⁶ Fewer than 50 workers.

⁷ 1 plan covering 1,000 workers also provided a straight life annuity option, and 1 plan with 700 workers also provided a cash refund annuity option.

⁸ 1 plan with 27,400 workers provided for a cash refund option, and the other plan with 200 workers had any option.

⁹ This plan also provided a cash refund annuity option.

¹⁰ 1 plan covering 900 workers also provided a cash refund annuity option.

¹¹ This plan also provided a straight life annuity option.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 16. Optional annuity forms in multiemployer pension plans under collective bargaining by medium of funding, spring 1960

(Workers in thousands)

Provisions for options	Plans		Medium of funding					
			Insured		Self-insured		Other	
	Number	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹
All plans -----	736	3,229.8	116	329.6	590	2,539.6	30	360.7
No option provided -----	594	2,928.9	68	281.0	506	2,296.1	20	351.8
Options provided -----	111	270.0	41	44.0	62	217.8	8	8.1
Joint and survivor option -----	75	192.2	27	19.4	46	170.3	2	2.4
Joint and survivor or period certain option -----	21	27.2	8	18.1	² 9	4.3	³ 4	4.8
Joint and survivor or other option -----	5	11.0	⁴ 3	4.2	⁵ 1	6.1	⁶ 1	.7
Period certain option -----	5	4.9	1	.1	4	4.8	-	-
Other option -----	5	34.7	⁷ 2	2.2	⁸ 2	32.3	⁹ 1	.2
Not available -----	31	31.0	7	4.6	22	25.6	2	.9

¹ Worker coverage includes both active and retired workers in 1959.

² 1 plan covering 200 workers also provided a straight life annuity.

³ 1 plan covering 900 workers also provided for a cash refund annuity option.

⁴ 1 plan covering 2,100 workers also provided a modified cash refund annuity option; 1 with 1,000 workers provided a straight life annuity option; and 1 with 1,100 workers provided for a cash refund annuity option.

⁵ This plan also provided a straight life annuity option.

⁶ This plan also provided a cash refund annuity option.

⁷ 1 plan covering 400 workers provided for a straight life annuity option; and the other plan with 1,800 workers provided for any option.

⁸ 1 plan covering 27,000 workers provided for a cash refund annuity option; and 1 plan with 4,900 workers provided for any option.

⁹ This plan provided for any option.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 17. Normal retirement monthly benefits, excluding social security benefits, for workers earning \$4,800 per year for 30 years of future credited service by industry group, in multiemployer pension plans under collective bargaining, spring 1960

Industry	(Workers in thousands)													
	All plans		Under \$30 ¹		\$30 and under \$40		\$40 and under \$50		\$50 and under \$60		\$60 and under \$70		\$70 and under \$80	
	Number	Workers ²	Plans	Workers ²	Plans	Workers ²	Plans	Workers ²	Plans	Workers ²	Plans	Workers ²	Plans	Workers ²
All industries -----	736	3,229.8	40	208.0	84	137.3	87	347.8	169	824.9	96	324.1	67	382.6
Manufacturing -----	270	1,239.6	12	32.1	29	41.9	37	256.4	73	589.2	40	99.1	19	36.1
Food and kindred products -----	84	226.8	2	1.0	4	3.3	8	12.8	10	9.9	21	32.6	7	8.9
Apparel and other finished textile products -----	78	772.9	5	12.2	11	9.9	12	169.2	35	533.7	2	44.1	1	.4
Printing, publishing, and allied industries -----	53	63.0	3	4.4	8	12.2	8	6.9	11	12.8	11	14.7	5	8.2
Leather and leather products -----	6	24.2	-	-	3	13.1	1	8.6	1	1.8	-	-	-	-
Metalworking -----	27	55.7	-	-	-	-	3	2.4	8	16.8	5	6.7	5	17.7
Miscellaneous manufacturing -----	22	97.0	2	14.5	3	3.4	5	56.6	8	14.3	1	.9	1	.9
Nonmanufacturing -----	454	1,969.1	27	175.5	54	94.4	49	90.6	94	229.6	54	222.6	44	338.0
Mining -----	4	295.4	-	-	-	-	-	-	2	43.4	1	0.3	-	-
Contract construction -----	232	612.0	7	126.9	27	20.7	31	31.3	48	83.7	37	151.9	22	87.9
Motor transportation -----	46	498.9	3	6.2	3	2.5	2	2.6	8	20.1	2	1.2	5	199.3
Water transportation -----	41	147.6	7	5.4	6	3.6	4	2.1	4	23.4	5	36.9	1	.3
Wholesale and retail trade -----	89	295.8	3	2.5	11	46.8	8	15.8	23	52.4	6	29.1	12	44.9
Services -----	25	67.9	5	4.3	4	15.8	2	35.1	6	5.8	2	1.1	2	4.3
Motion pictures and recreation -----	14	49.5	1	30.0	2	4.3	2	3.7	3	.7	1	2.0	1	.2
Miscellaneous nonmanufacturing -----	3	2.1	1	.2	1	.8	-	-	-	-	-	-	1	1.1
Interindustry manufacturing and nonmanufacturing -----	12	21.0	1	0.4	1	1.0	1	0.8	2	6.0	2	2.4	4	8.6

See footnotes at end of table.

Table 17. Normal retirement monthly benefits, excluding social security benefits, for workers earning \$4,800 per year for 30 years of future credited service by industry group, in multiemployer pension plans under collective bargaining, spring 1960—Continued

Industry	(Workers in thousands)													
	\$80 and under \$90		\$90 and under \$100		\$100 and under \$110		\$110 and under \$120		\$120 and under \$130		\$130 and over ³		Benefits were not computed	
	Plans	Workers ²	Plans	Workers ²	Plans	Workers ²	Plans	Workers ²	Plans	Workers ²	Plans	Workers ²	Plans	Workers ²
All industries -----	8	31.7	28	79.9	50	535.0	11	20.4	14	39.2	³ 13	209.5	⁴ 69	89.5
Manufacturing -----	2	6.2	5	11.4	18	116.2	8	14.8	3	20.8	-	-	24	15.4
Food and kindred products -----	1	6.1	2	6.0	15	109.2	8	14.8	3	20.8	-	-	3	1.5
Apparel and other finished textile products -----	-	-	-	-	1	.5	-	-	-	-	-	-	11	3.0
Printing, publishing, and allied industries -----	1	(⁵)	1	.7	1	.5	-	-	-	-	-	-	4	2.5
Leather and leather products -----	-	-	-	-	-	-	-	-	-	-	-	-	1	.7
Metalworking -----	-	-	2	4.6	-	-	-	-	-	-	-	-	4	7.4
Miscellaneous manufacturing -----	-	-	-	-	1	6.0	-	-	-	-	-	-	1	.4
Nonmanufacturing -----	6	25.5	23	68.6	32	418.8	3	5.6	10	16.6	13	209.5	45	74.0
Mining -----	-	-	-	-	1	251.6	-	-	-	-	-	-	-	-
Contract construction -----	2	2.5	14	26.9	9	15.9	1	1.3	6	6.6	1	1.7	27	54.9
Motor transportation -----	2	7.9	⁶ 4	30.0	5	21.5	2	4.3	3	9.6	⁷ 6	193.0	1	.7
Water transportation -----	-	-	-	-	6	57.4	-	-	1	.4	5	12.9	2	5.2
Wholesale and retail trade -----	1	9.0	4	11.5	7	70.9	-	-	-	-	-	-	14	13.0
Services -----	-	-	1	.2	2	.9	-	-	-	-	-	-	1	.3
Motion pictures and recreation -----	1	6.1	-	-	2	.6	-	-	-	-	1	1.9	-	-
Miscellaneous nonmanufacturing -----	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interindustry manufacturing and nonmanufacturing -----	-	-	-	-	-	-	-	-	1	1.8	-	-	-	-

¹ The smallest benefit was \$10 a month.

² Worker coverage includes both active and retired workers in 1959.

³ The largest benefit was \$230 a month.

⁴ Includes 23 plans with 23,900 workers which had no specific benefit and formula; 40 plans with 60,300 workers for which information was not available; and 6 plans with 5,300 workers for which computation of benefit was impossible.

⁵ Fewer than 50 workers.

⁶ Includes 1 plan with 1,000 workers which provided \$90 a month for the first 5 years of retirement, and \$25 thereafter.

⁷ Includes 3 plans with 174,500 workers which provided \$135 a month for the first 5 years of retirement, and \$70 thereafter; and 1 plan with 3,000 workers which provided \$175 a month for the first 5 years of retirement and \$85 thereafter.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 18. Normal retirement benefits, excluding social security benefits, for workers earning \$4,800 (\$400 per month) per year for 30 years of future credited service by medium of funding, in multiemployer pension plans under collective bargaining, spring 1960

(Workers in thousands)

Amount of monthly benefit	Plans		Medium of funding					
	Number	Workers ¹	Insured		Self-insured		Other	
			Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹
All plans	736	3,229.8	116	329.6	590	2,539.3	30	360.7
Under \$30	40	208.0	4	7.3	32	198.4	4	2.3
\$30 and under \$40	84	137.3	13	21.4	68	109.8	3	6.2
\$40 and under \$50	87	347.8	21	10.7	61	179.8	5	157.4
\$50 and under \$60	169	824.9	26	17.6	139	630.5	4	176.8
\$60 and under \$70	96	324.1	14	27.0	78	294.0	4	3.1
\$70 and under \$80	67	382.6	14	215.2	53	167.4	-	-
\$80 and under \$90	8	31.7	-	-	7	25.6	1	6.1
\$90 and under \$100	28	79.9	4	18.3	² 22	60.3	2	1.3
\$100 and under \$110	50	535.0	4	2.7	44	529.9	2	2.4
\$110 and under \$120	11	20.4	-	-	11	20.4	-	-
\$120 and under \$130	14	39.2	5	2.5	9	36.7	-	-
\$130 and over	13	209.5	-	-	³ 13	209.5	-	-
Plans for which benefits were not computed	⁴ 69	89.5	11	6.9	53	77.4	5	5.1
Average ⁵		\$68.34		\$67.02		\$71.43		-

¹ Worker coverage includes both active and retired workers in 1959.

² See footnote 2, table 17.

³ See footnote 3, table 17.

⁴ See footnote 4, table 17.

⁵ Arithmetic mean weighted by number of workers.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 19. Normal retirement benefits, excluding social security benefits, for workers earning \$4,800 per year for 30 years of future credited service by type of benefit formula, in multiemployer pension plans under collective bargaining, spring 1960

(Workers in thousands)

Amount of monthly benefit	Plans		Flat benefit for specified service		Benefits vary by service alone		Benefits vary by earnings and service		Benefits are a percent of employer contribution		Benefits are a percent of employee contribution		Other	
	Number	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹	Plans	Workers ¹
All plans	736	3,229.8	188	1,563.9	455	1,267.6	6	58.4	24	270.8	3	8.9	60	60.2
Under \$30	40	208.0	23	57.1	17	150.9	-	-	-	-	-	-	-	-
\$30 and under \$40	84	137.3	28	66.6	55	62.8	-	-	1	8.0	-	-	-	-
\$40 and under \$50	87	347.8	23	192.6	60	112.1	1	41.7	3	1.4	-	-	-	-
\$50 and under \$60	169	824.9	72	660.7	95	163.8	1	.3	1	.1	-	-	-	-
\$60 and under \$70	96	324.1	9	85.5	78	218.3	3	10.3	5	8.9	1	1.1	-	-
\$70 and under \$80	67	382.6	10	31.8	53	142.9	-	-	4	207.8	-	-	-	-
\$80 and under \$90	8	31.7	2	7.7	4	17.1	1	6.1	1	.8	-	-	-	-
\$90 and under \$100	28	79.9	² 1	1.0	26	77.9	-	-	-	-	1	1.1	-	-
\$100 and under \$110	50	535.0	9	275.1	40	255.3	-	-	1	4.6	-	-	-	-
\$110 and under \$120	11	20.4	-	-	11	20.4	-	-	-	-	-	-	-	-
\$120 and under \$130	14	39.2	2	1.7	10	29.9	-	-	1	.9	1	6.8	-	-
\$130 and over	13	209.5	³ 6	179.8	6	16.3	-	-	1	13.3	-	-	-	-
Plans for which benefits were not computed	69	89.5	3	4.3	-	-	-	-	6	25.0	-	-	⁴ 60	60.2
Average ⁵		\$68.34		\$68.91		\$66.97		-		-		-		-

¹ Worker coverage includes both active and retired workers in 1959.
² Includes 1 plan with 1,000 workers which provided \$90 a month for the first 5 years of retirement, and \$25 thereafter.
³ Includes 3 plans with 174,500 workers which provided \$135 a month for the first 5 years of retirement, and \$70 thereafter; and 1 plan with 3,000 workers which provided \$175 a month for the first 5 years of retirement, and \$85 thereafter.
⁴ Includes 23 plans with 23,900 workers which had no specific benefit formula; 31 plans with 31,000 workers for which information was not available; and 6 plans with 5,300 workers for which the computation of benefits was not possible.
⁵ Arithmetic mean weighted by number of workers.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 20. Provisions for normal, early, disability retirement, and vesting in multiemployer pension plans under collective bargaining by plans and workers covered, spring 1960

(Workers in thousands)											
All plans		Percent		Normal retirement		Early retirement ¹		Disability retirement		Vesting	
Number	Workers ²	Plans	Workers ²	Plans	Workers ²	Plans	Workers ²	Plans	Workers ²	Plans	Workers ²
736	3,229.8	100.0	100.0	736	3,229.8	262	754.3	386	1,474.5	168	595.0
70	194.7	9.5	6.0	x		x		x		x	
100	332.5	13.6	10.3	x		x		x		-	
40	124.7	5.4	3.9	x		x		-		x	
52	102.3	7.1	3.2	x		x		-		-	
202	1,285.8	27.3	39.8	x		-		-		-	
33	64.1	4.5	2.0	x		-		x		x	
183	883.2	24.9	27.3	x		-		x		-	
25	211.6	3.4	6.6	x		-		-		x	
31	31.0	4.2	1.0				(Not available)				

¹ Excludes 38 plans covering 677,000 workers which provided early retirement for women only.

² Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 21. Type of benefit provisions in multiemployer pension plans by industry group, spring 1960

Industry	(Workers in thousands)		Normal retirement	Early retirement ¹	Disability retirement	Vesting
	Number	Workers ²				
All industries -----	736	3,229.8				
Manufacturing industries -----	270	1,239.6				
Food and kindred products -----	84	226.8				
10	17.5	x	x	x	x	x
31	139.7	x	x	x	-	-
5	9.2	x	x	-	-	-
6	4.9	x	x	-	-	-
4	7.6	x	-	x	-	x
18	36.6	x	-	x	-	-
3	3.3	x	-	-	-	x
6	7.8	x	-	-	-	-
1	.3			(Not available)		-
Apparel and other finished textile products ----	78	772.9				
1	11.6	x	x	x	-	x
1	1.0	x	x	-	-	x
28	438.4	x	-	x	-	-
41	320.1	x	-	-	-	-
7	1.9			(Not available)		-
Printing, publishing, and allied industries ----	53	63.0				
8	5.9	x	x	x	-	x
13	20.3	x	x	x	-	-
1	2.0	x	x	-	-	x
9	3.0	x	x	-	-	-
2	3.8	x	-	x	-	x
13	23.0	x	-	x	-	-
1	(³)	x	-	-	-	x
5	5.0	x	-	-	-	-
1	(³)			(Not available)		-
Leather and leather products -----	6	24.2				
1	.3	x	-	x	-	x
1	1.8	x	-	x	-	-
4	22.1	x	-	-	-	-
Metalworking -----	27	55.7				
3	13.5	x	x	x	-	x
5	5.4	x	x	x	-	-
1	.1	x	x	-	-	x
3	7.3	x	x	-	-	-
4	1.1	x	-	x	-	x
5	17.3	x	-	x	-	-
4	6.7	x	-	-	-	-
2	4.3			(Not available)		-
Miscellaneous manufacturing -----	22	97.0				
1	1.4	x	x	x	-	x
2	16.0	x	x	x	-	-
3	6.8	x	x	-	-	-
1	.9	x	-	x	-	x
4	45.7	x	-	x	-	-
2	1.7	x	-	-	-	-
9	24.4	x	-	-	-	-
Nonmanufacturing industries -----	454	1,969.1				
Mining -----	4	295.4				
1	.4	x	-	x	-	-
3	295.0	x	-	-	-	-
Contract construction -----	232	612.0				
31	73.2	x	x	x	-	x
26	75.2	x	x	x	-	-
14	40.8	x	x	-	-	x
10	8.4	x	x	-	-	-
17	42.2	x	-	x	-	x
45	82.1	x	-	x	-	-
14	9.8	x	-	-	-	x
64	265.1	x	-	-	-	-
11	15.1			(Not available)		-

See footnotes at end of table.

Table 21. Type of benefit provisions in multiemployer pension plans by industry group, spring 1960—Continued

Industry	(Workers in thousands)		Normal retirement	Early retirement ¹	Disability retirement	Vesting
	Number	Workers ²				
Nonmanufacturing industries—Continued						
Motor transportation -----	46	498.9				
	5	23.3	x	x	x	x
	5	11.9	x	x	x	-
	3	1.3	x	x	-	x
	9	39.2	x	x	-	-
	1	1.1	x	-	x	x
	10	39.3	x	-	x	-
	1	196.0	x	-	-	x
	11	186.0	x	-	-	-
	1	.7		(Not available)		
Water transportation -----	41	147.6				
	9	52.0	x	x	x	-
	2	.6	x	x	-	x
	1	.5	x	x	-	-
	26	86.9	x	-	x	-
	2	5.7	x	-	-	-
	1	2.0		(Not available)		
Wholesale and retail trade -----	89	295.8				
	3	35.9	x	x	x	x
	4	4.8	x	x	x	-
	6	62.7	x	x	-	x
	6	19.1	x	x	-	-
	3	7.0	x	-	x	x
	22	63.3	x	-	x	-
	1	(³)	x	-	-	x
	37	96.4	x	-	-	-
	7	6.7		(Not available)		
Services -----	25	67.9				
	3	2.9	x	x	x	x
	2	3.9	x	x	x	-
	5	.8	x	x	-	x
	3	10.9	x	x	-	-
	2	36.1	x	-	x	-
	10	13.4	x	-	-	-
Motion pictures and recreation -----	14	49.5				
	1	4.2	x	x	x	x
	1	2.0	x	x	-	-
	7	6.7	x	-	x	-
	1	.2	x	-	-	x
	4	36.4	x	-	-	-
Miscellaneous nonmanufacturing -----	3	2.1				
	1	1.1	x	-	x	-
	2	1.0	x	-	-	-
Interindustry manufacturing and nonmanufacturing -----	12	21.0				
	4	5.4	x	x	x	x
	1	1.8	x	x	x	-
	2	6.3	x	x	-	x
	1	.4	x	x	-	-
	2	6.2	x	-	x	-
	2	1.1	x	-	-	x

¹ Excluded are 38 plans with 677,000 workers which provided early retirement for women only, however, these plans were found mainly with apparel industry where a large majority of the employees are women.

² Worker coverage includes both active and retired workers in 1959.

³ Fewer than 50 workers.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 22. Type of benefit provisions in multiemployer pension plans
by medium of funding, spring 1960

(Workers in thousands)						
Medium of funding	Plans		Normal	Early ¹	Disability	Vesting
	Number	Workers ²				
All plans	736	3,229.8				
Insured	116	329.6				
	15	8.3	x	x	x	x
	8	5.9	x	x	x	-
	17	12.7	x	x	-	x
	4	7.1	x	x	-	-
	12	14.2	x	-	x	x
	14	26.8	x	-	x	-
	16	205.2	x	-	-	x
	23	44.9	x	-	-	-
	7	4.6		(Not available)		
Self-insured	590	2,539.6				
	52	182.8	x	x	x	x
	91	326.2	x	x	x	-
	20	108.8	x	x	-	x
	48	95.3	x	x	-	-
	17	40.1	x	-	x	x
	167	683.3	x	-	x	-
	8	6.2	x	-	-	x
	165	1,071.4	x	-	-	-
	22	25.6		(Not available)		
Other	30	360.7				
	3	3.6	x	x	x	x
	1	.5	x	x	x	-
	3	3.2	x	x	-	x
	4	9.8	x	-	x	x
	1	.2	x	-	-	x
	14	169.5	x	-	-	-
	2	173.1	x	-	x	-
	2	.9		(Not available)		

¹ Excludes 38 plans covering 677,000 workers, mainly self-insured plans, which provided early retirement for women only.

² Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 23. Provisions for early and disability retirement, and vesting in multiemployer pension plans under collective bargaining by industry group, spring 1960

Industry	(Workers in thousands)									
	All plans		Plans with early retirement ¹		Plans with disability retirement ²		Plans with vesting ³		Information not available for early and disability retirement and vesting	
	Number	Workers ⁴	Number	Workers ⁴	Number	Workers ⁴	Number	Workers ⁴	Plans	Workers ⁴
All industries	736	3,229.8	262	754.3	386	1,474.5	168	595.0	31	31.0
Manufacturing	270	1,239.6	103	265.4	155	807.6	49	81.0	11	6.5
Food and kindred products	84	226.8	52	171.2	63	201.4	22	37.6	1	0.3
Apparel and other finished textile products	78	772.9	2	12.6	29	449.9	2	12.6	7	1.9
Printing, publishing, and allied industries	53	63.0	31	31.1	36	52.9	12	11.7	1	(⁵)
Leather and leather products	6	24.2	-	-	2	2.1	1	.3	-	-
Metalworking	27	55.7	12	26.3	17	37.2	8	14.8	2	4.3
Miscellaneous manufacturing	22	97.0	6	24.2	8	64.0	4	4.0	-	-
Nonmanufacturing	454	1,969.1	151	475.1	224	653.5	111	501.4	20	24.5
Mining	4	295.4	1	0.4	1	0.4	-	-	-	-
Contract construction	232	612.0	81	197.7	119	272.8	76	165.3	11	15.1
Motor transportation	46	498.9	22	75.7	21	75.6	10	221.7	1	.7
Water transportation	41	147.6	12	53.0	35	138.8	2	.6	1	2.0
Wholesale and retail trade	89	295.8	19	122.4	32	110.9	13	105.6	7	6.7
Services	25	67.9	13	18.4	7	42.9	8	3.7	-	-
Motion pictures and recreation	14	49.5	2	6.2	8	10.9	2	4.4	-	-
Miscellaneous nonmanufacturing	3	2.1	1	1.1	1	1.1	-	-	-	-
Interindustry manufacturing and nonmanufacturing	12	21.0	8	13.8	7	13.4	8	12.7	-	-

¹ Excluded are 38 plans covering 677,000 workers which provided early retirement for women only. These plans were mainly in the apparel industry where the large majority of the employees are women.

² Excluded are plans which provided lump-sum disability benefits only. (See p. 34.)

³ Excluded are plans which provided lump-sum termination benefits only. (See p. 37.)

⁴ Worker coverage includes both active and retired workers in 1959.

⁵ Fewer than 50 workers.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 24. Prevalence of level income option under early retirement provisions in multiemployer pension plans under collective bargaining by industry group, spring 1960¹

Industry	(Workers in thousands)					
	All plans with early retirement		With level income option		Without level income option	
	Plans	Workers	Plans	Workers	Plans	Workers
All industries	262	754.3	39	134.4	223	619.9
Manufacturing	103	265.4	13	14.1	90	251.3
Food and kindred products	52	171.2	11	12.2	41	159.0
Apparel and other finished textile products	2	12.6	-	-	2	12.6
Printing, publishing, and allied industries	31	31.1	-	-	31	31.1
Leather and leather products	-	-	-	-	-	-
Metalworking	12	26.3	1	1.0	11	25.3
Miscellaneous manufacturing	6	24.2	1	.9	5	23.2
Nonmanufacturing	151	475.1	26	120.3	125	354.8
Mining	1	0.4	-	-	1	0.4
Contract construction	81	197.7	16	58.2	65	139.6
Motor transportation	22	75.7	1	2.2	21	73.5
Water transportation	12	53.0	-	-	12	53.0
Wholesale and retail trade	19	122.4	3	50.1	16	72.4
Services	13	18.4	5	3.7	8	14.7
Motion pictures and recreation	2	6.2	1	6.1	1	.1
Miscellaneous nonmanufacturing	1	1.1	-	-	1	1.1
Interindustry manufacturing and nonmanufacturing	8	13.8	-	-	8	13.8

¹ Based on a study of 736 multiemployer pension plans under collective bargaining covering 3,229,800 active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 25. Prevalence of level income option under early retirement provisions in multiemployer pension plans under collective bargaining by medium of funding, spring 1960¹

Provision	(Workers in thousands)							
	Plans		Medium of funding					
			Insured		Self-insured		Other	
Number	Workers	Plans	Workers	Plans	Workers	Plans	Workers	
All plans with early retirement	262	754.3	44	33.9	211	713.1	7	7.3
With level income option	39	134.4	11	6.9	27	125.6	1	1.9
No level income option	223	619.9	33	27.0	184	587.4	6	5.4

¹ Based on a study of 736 multiemployer pension plans under collective bargaining covering 3,229,800 active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 26. Provisions for death benefits before and after retirement in multiemployer pension plans under collective bargaining by industry group, spring 1960

Industry	(Workers in thousands)							
	All plans		Death benefits				Information not available	
	Number	Workers ¹	Before retirement		After retirement		Plans	Workers ¹
Plans			Workers ²	Plans	Workers ²			
All industries -----	736	3,229.8	123	830.9	113	849.0	31	31.0
Manufacturing -----	270	1,239.6	32	46.4	46	423.2	11	6.5
Food and kindred products -----	84	226.8	14	25.0	9	19.9	1	0.3
Apparel and other finished textile products -----	78	772.9	4	2.0	27	365.1	7	1.9
Printing, publishing, and allied industries -----	53	63.0	7	7.7	1	3.0	1	(²)
Leather and leather products -----	6	24.2	1	.7	1	.7	-	-
Metalworking -----	27	55.7	6	11.0	6	23.8	2	4.3
Miscellaneous manufacturing -----	22	97.0	-	-	2	10.6	-	-
Nonmanufacturing -----	454	1,969.1	89	778.4	65	417.9	2.0	24.5
Mining -----	4	295.4	1	251.6	1	251.6	-	-
Contract construction -----	232	612.0	62	110.9	38	57.8	11	15.1
Motor transportation -----	46	498.9	10	401.0	3	3.1	1	.7
Water transportation -----	41	147.6	-	-	7	86.0	1	2.0
Wholesale and retail trade -----	89	295.8	11	7.6	12	12.3	7	6.7
Services -----	25	67.9	1	.3	1	.3	-	-
Motion pictures and recreation -----	14	49.5	4	7.0	3	6.8	-	-
Miscellaneous nonmanufacturing -----	3	2.1	-	-	-	-	-	-
Interindustry manufacturing and nonmanufacturing -----	12	21.0	2	6.1	2	7.9	-	-

¹ Worker coverage includes both active and retired workers in 1959.

² Fewer than 50 workers.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 27. Provisions for death benefits before and after retirement in multiemployer pension plans under collective bargaining by medium of funding, spring 1960

Medium of funding	(Workers in thousands)					
	Plans		Death benefits			
	Number	Workers ¹	Before retirement		After retirement	
Plans			Workers ¹	Plans	Workers ¹	
All plans -----	736	3,229.8	123	830.9	113	849.0
Insured -----	116	329.6	25	211.4	12	5.4
Self-insured -----	590	2,539.6	88	610.2	99	838.5
Other -----	30	360.7	10	9.3	2	5.2

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 28. Designated officers of boards in multiemployer pension plans under collective bargaining, spring 1960¹

(Workers in thousands)								
Chairman	Co-chairmen	Vice chairman	Secretary	Treasurer	Other officers	Plans	Workers	
Total with 1 or more officers						591	2,917.0	
x	-	-	-	-	-	47	987.0	
-	x	-	-	-	-	37	76.8	
x	-	x	-	-	-	26	87.3	
-	-	-	x	-	-	7	22.2	
x	-	-	x	-	-	287	1,025.8	
-	x	-	x	-	-	21	75.2	
x	-	x	x	-	-	64	163.4	
x	-	x	-	x	-	2	5.2	
x	-	-	-	x	-	13	69.7	
-	-	-	x	x	-	1	.5	
x	-	-	x	x	-	20	83.4	
-	x	-	x	x	-	6	4.1	
x	-	x	x	x	-	28	142.6	
x	-	x	-	-	x	1	1.9	
-	x	-	x	-	x	1	2.6	
x	-	-	x	x	x	5	29.7	
x	-	² x	x	x	-	2	12.0	
x	-	x	x	x	x	4	29.1	
-	x	-	³ x	-	-	5	3.8	
x	-	-	x	⁴ x	-	2	1.5	
x	-	² x	x	-	x	10	57.6	
x	-	³ x	-	-	-	1	34.9	
x	-	² x	-	x	-	1	1.1	

¹ Based on a study of 736 multiemployer pension plans under collective bargaining covering approximately 3,229,800 active and retired workers in 1959.

² Co-vice chairmen.

³ Co-secretaries.

⁴ Co-treasurers.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 29. Provisions for selection of officers in multiemployer pension plans under collective bargaining, spring 1960¹

Selection of officers	(Workers in thousands)									
	Chairman		Vice chairman		Secretary		Treasurer		Other officers	
	Plans	Workers	Plans	Workers	Plans	Workers	Plans	Workers	Plans	Workers
All plans with designated officers -----	583	2,894.4	139	535.0	463	1,653.3	84	378.8	21	120.9
By the board -----	478	1,725.0	124	406.7	391	1,152.0	63	251.9	17	110.3
No alternating required -----	295	1,073.0	54	185.5	355	1,009.7	58	245.7	16	80.3
No group limitation -----	128	494.8	30	79.9	199	502.9	37	204.6	14	77.3
From specified group -----	31	84.4	6	10.9	32	97.1	11	22.7	1	.4
From different group than that of -----	136	493.8	18	94.7	124	409.7	10	18.4	1	2.6
Chairman -----	-	-	17	85.2	116	393.9	4	14.7	-	-
Vice chairman -----	17	85.2	-	-	-	-	-	-	-	-
Secretary -----	115	393.9	-	-	-	-	6	3.7	1	2.6
Treasurer -----	2	5.2	-	-	6	3.7	-	-	-	-
Secretary and treasurer -----	2	9.5	1	9.5	-	-	-	-	-	-
Chairman and vice chairman -----	-	-	-	-	1	9.5	-	-	-	-
Other officers -----	-	-	-	-	1	2.6	-	-	-	-
Alternating between groups each term -----	113	489.5	66	173.2	24	109.6	3	4.7	1	30.0
No further limitation -----	25	241.2	-	-	-	-	-	-	-	-
From different group than that of -----	88	248.3	66	173.2	24	109.6	3	4.7	1	30.0
Chairman -----	-	-	63	138.6	21	75.0	1	.1	-	-
Vice chairman -----	63	138.6	-	-	-	-	-	-	-	-
Secretary -----	21	75.0	-	-	-	-	-	-	-	-
Treasurer -----	1	.1	-	-	-	-	-	-	-	-
Vice chairman and treasurer -----	1	3.5	-	-	1	3.5	-	-	-	-
Chairman and secretary -----	-	-	1	3.5	-	-	1	3.5	-	-
Secretary and treasurer -----	1	1.1	1	1.1	-	-	-	-	-	-
Chairman and vice chairman -----	-	-	-	-	1	1.1	1	1.1	-	-
Secretary and other officer -----	1	30.0	1	30.0	-	-	-	-	-	-
Chairman and vice chairman -----	-	-	-	-	1	30.0	-	-	1	30.0
Co-chairmen -----	70	162.5	-	-	-	-	-	-	-	-
Co-vice chairmen -----	-	-	4	48.0	-	-	-	-	-	-
Co-secretaries -----	-	-	-	-	5	3.8	-	-	-	-
Co-treasurers -----	-	-	-	-	-	-	2	1.5	-	-
By union and/or employers -----	22	608.7	-	-	7	28.9	1	.3	-	-
No group limitation -----	20	602.4	-	-	5	22.6	1	.3	-	-
Alternating between groups each term -----	2	6.3	-	-	2	6.3	-	-	-	-
From different group than:										
Chairman -----	-	-	-	-	2	6.3	-	-	-	-
Secretary -----	2	6.3	-	-	-	-	-	-	-	-
Other -----	12	173.7	8	113.4	10	125.4	8	113.4	1	(²)
Information not available -----	71	387.3	7	14.9	62	375.9	12	13.3	3	10.5

¹ Based on a study of 736 multiemployer pension plans under collective bargaining covering approximately 3,229,800 active and retired workers in 1959.

² Fewer than 50 workers.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 30. Provisions for special meetings in multiemployer pension plans under collective bargaining, spring 1960

(Workers in thousands)		
Special meeting called by	Plans	Workers ¹
All plans	736	3,229.8
Chairman or board members	168	826.6
Chairman only	14	11.4
Chairman or 2 members	101	558.4
Chairman or 3 members	26	39.2
Chairman or 4 and more board members	27	217.6
Chairman or another officer or board members	122	452.9
Chairman or another officer only	15	125.0
Chairman or another officer or 2 board members	71	153.3
Chairman or another officer or 3 board members	16	63.0
Chairman or another officer or 4 and more board members	20	111.6
Chairman and another officer or board members	44	138.6
Chairman and another officer only	33	94.0
Chairman and another officer or 3 board members	4	10.8
Chairman and another officer or 4 board members	7	33.8
Any board members	111	630.6
1 board member	31	187.9
2 board members	55	193.9
3 board members	10	13.0
4 and more board members	15	235.8
Other	15	84.9
No provision, or information not available	276	1,096.4

¹ Worker coverage includes both active and retired workers in 1959.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 31. Voting rules in jointly administered multiemployer pension plans under collective bargaining, spring 1960¹

Voting rule	(Workers in thousands)			
	Plans		Workers	
	Number	Percent	Number	Percent
All jointly administered plans ²	718	100.0	3,032.8	100.0
Majority	206	28.7	529.0	17.4
Board	130	18.1	328.8	10.8
Members present	49	6.8	147.7	4.9
Votes cast	17	2.4	45.9	1.5
Quorum	10	1.4	6.6	.2
Majority with equal voting power	167	23.3	721.7	23.8
Board	20	2.8	200.8	6.6
Members present	44	6.1	78.3	2.6
Votes cast	101	14.1	440.9	14.5
Quorum	2	.3	1.7	.1
Majority with specified number	62	8.6	143.4	4.7
Board	40	5.6	101.3	3.3
Members present	19	2.6	30.3	1.0
Votes cast	3	.4	11.7	.4
Unanimous or unit rule	178	24.8	1,047.7	34.4
Other	4	.6	8.6	.3
No provision, or information not available	101	14.1	583.4	19.2

¹ Based on a study of 736 multiemployer pension plans under collective bargaining covering approximately 3,229,800 active and retired workers in 1959.

² See footnote 2 in text tabulation on p. 57.

NOTE: Because of rounding, sums of individual items may not equal totals.

Table 32. Parties performing specified functions in multiemployer pension plans under collective bargaining, spring 1960

All plans		(Workers in thousands)					
Number	Workers ¹	Maintains records	Receives applications	Determines eligibility	Processes claims	Appeals are directed	Makes final decision on appeals
736	3,229.8						
487	2,067.3	Board	Board	Board	Board	Board	Board
4	4.1	Employers	Board	Board	Board	Board	Board
4	322.9	Board	Board	Board	Insurer	Board	Board
4	4.2	Employers	Board	Board	Employers	Board	Board
6	10.5	Board	Board	Board	Board and insurer	Board	Board
16	25.3	Union	Board	Board	Board	Board	Board
30	333.4	Union	Board	Board	Union	Board	Board
16	25.6	Corporate trustee	Board	Board	Board	Board	Board
4	11.0	Corporate trustee	Board	Board	Corporate trustee	Board	Board
15	8.8	Service organization	Board	Board	Board	Board	Board
19	86.1	Service organization	Board	Board	Service organization	Board	Board
7	5.0	Service organization	Board	Service organization	Service organization	Board	Board
5	208.5	Board and insurer	Board	Board	Board and insurer	Board	Board
4	6.5	Board and insurer	Board	Board	Board and insurer	Board	Board
² 106	97.9			Miscellaneous			
9	12.6			Information not available			

¹ Worker coverage includes both active and retired workers in 1959.

² Does not exceed 3 plans for any one combination.

NOTE: Because of rounding, sums of individual items may not equal totals.

Appendix A: Scope and Method of Study

The chief sources of information for this study were the reports and documents filed with the U. S. Department of Labor's Bureau of Labor Standards pursuant to the Welfare and Pension Plans Disclosure Act (PL 85-836). Administrators of any employee welfare or pension benefit plan, as defined by the act, covering more than 25 workers are required to file with the Department two copies of a description of the plan, within 90 days after the effective date of the act (January 1, 1959) or plan (whichever occurs later), and two copies of an annual financial report within 120 days after the end of each calendar, policy, or other fiscal year. By the spring of 1960, plan descriptions for over 136,000 welfare and pension plans, and about 100,000 annual financial reports had been filed.

Virtually all reports are filed on the forms issued by the Department: The D-1 form for use in describing the plan and the D-2 form for making the annual financial report.

The D-1 description plan form (reproduced in appendix B) requires that the following information and documents be submitted:

1. Name and address of the plan.
2. Accounting period of the plan.
3. Type of plan (i. e., welfare, pension, or combination).
4. Group(s) covered by the plan (hourly rate, salaried, or all employees).
5. Industry in which most participants are employed (8 industry divisions are listed).
6. Whether the plan is mentioned in a collective bargaining agreement.
7. Parties making contributions (employer, participants, union).
8. The name and address of the administrator (in multiemployer plans, usually a board of trustees) and the names and addresses of person(s) constituting the administrator, their official positions with respect to the plan, their relationship to the employer and employee organization, and any other offices, positions, or employment held by them.
9. A detailed description of the administration of the plan, including the names of the party or parties performing the following functions: Maintaining records; determining eligibility; processing claims; making determination on appeals; authorizing payments; making payments; authorizing expenses; selecting the insurance carrier, corporate trustee, or service organization; and determining investment policy.
10. The name and address of the party or organization through which benefits are provided.
11. Names, titles, and addresses of any trustee(s) not mentioned under items 8 or 10.
12. Copies of plan documents under which the plan is established and operated, schedule of plan benefits, and a statement of the procedures to be followed under the plan in presenting claims for benefits and for appealing the denial of claims.

The D-2 form, which in this study was used only to obtain the number of members (active and retired) covered by each plan, also shows the assets, liabilities, contributions, benefits paid, and salaries and commissions paid.

One of the initial problems in the conduct of this study was to locate the multi-employer pension plans among the 136,000 welfare and pension plan descriptions filed with the U.S. Department of Labor by the spring of 1960. Twenty-five thousand of these plans were readily identified by the Bureau of Labor Standards as providing pension benefits or a combination of welfare and pension benefits, from item 3 (type of plan) on the D-1 form. However, no information on the forms would serve to distinguish directly multiemployer from single employer pension plans. To reduce the 25,000 plans to a manageable number for investigation, it was assumed that few multiemployer pension plans under collective bargaining are administered solely by an employer(s) or an employers' association. On this basis, nearly 20,000 pension plans for which item 8 (D-1) showed employer administration were removed from consideration. The descriptions and supporting documents of each of the remaining 5,600 pension plans administered jointly or by an employee organization were examined to determine whether they were, in fact, multiemployer pension plans under collective bargaining.

A comparison of the resulting list of plans with plans mentioned in other sources in the Bureau of Labor Statistics—union convention proceedings, financial reports, the Bureau's file of collective bargaining agreements, and staff knowledge of the field—revealed some omissions. A subsequent check of the Bureau of Labor Standards' union index reference file filled in these and some other gaps. In all, 798 multiemployer pension plans, each with more than 25 workers, covering a total of 3,324,800 workers (active and retired), were identified. It is believed that all or virtually all such plans in effect in the spring of 1960 are accounted for in this study. Multiemployer pension plans not under collective bargaining were excluded from the study because of their unimportance in relation to the whole pension field.³⁸

The standard documents used for analysis are briefly described below. Although these documents are usually necessary to provide a complete description of the establishment and operation of a multiemployer pension plan as required by the act, other documents or descriptive materials may have been and often were substituted.

1. Collective bargaining agreement between the union(s) and the employer(s) (or association of employers) describing, among other things, the employers' obligation either to make specified contributions to a trust fund or provide specified pension benefits or both.
2. Pension plan stating in full the pension plan adopted by the board of trustees or negotiated by the employers and union. Only simplified booklets issued to plan participants, rather than the full text of the plan, were typically available for insured plans.
3. Trust agreement (also called "agreement and declaration of trust" or "trust indenture") detailing the powers, duties, and obligations of the board of trustees appointed to administer the plan.
4. Master group annuity contract setting forth the full text of the insured pension plan and obligations of the parties.
5. Individual certificates of participation issued to participants under some insured plans.
6. The corporate trust agreement setting forth the responsibilities of the parties where a bank or trust company is given the responsibility for the investment or safe-keeping of funds or both.
7. The D-1 and D-2 forms and attachments which give an overall description of the plan and summary financial information.

³⁸ To the Bureau's knowledge, although there are some multiemployer pension plans established outside of a collective bargaining relationship, they are believed to comprise only a small fraction of the total. The expense and effort involved in locating these plans precluded their inclusion. Further, had they been included, it would have been necessary to study them apart from collectively bargained plans, because of the basic difference in administrative procedures.

For certain key characteristics, as explained below, the analysis was based on supporting documents filed by the administrators, rather than on the form itself, supplemented by other sources of information available to the Bureau of Labor Statistics.

Plan administrators indicated on the D-1 form (item 5) the industry division in which most of the participants were employed. Eight broad divisions were listed: Manufacturing; mining; construction; transportation; communications and utilities; wholesale and retail trade; finance, insurance, and real estate; and services. To provide a more informative and meaningful breakdown of the plans studied and to correct errors in reporting (probably mostly due to the lack of industry definitions), each plan was classified into the 2-digit industry groups of the Standard Industrial Classification.³⁹ Guidance for this classification was obtained from the D-1 form, and was checked against supporting plan documents. For some plans it was also necessary to check other sources available to the Bureau of Labor Statistics.

The unions participating in the plan were usually not fully identified on the D-1 form (i. e., the name of the national or international union with which the participating local was affiliated was often omitted); in most cases, the supporting plan documents thus had to be examined. For some plans, however, complete identification was only possible by utilizing other sources.

The number of employees participating (active and retired) in each plan was usually obtained from the D-2 forms (item 6B). For some 100 plans, however, estimates of coverage had to be made by using other sources, primarily the Bureau's current file of collective bargaining agreements and reports submitted for the Bureau's union wage scale surveys. In the absence of such data, or as a check on its accuracy, additional sources (union constitutions, union financial reports, and other Bureau files) were used. In a few cases where there were no reports on which to base an estimate, estimates were made by drawing upon the general knowledge of the Bureau's professional staff.

Complete information about some subjects analyzed in this report was not available, either because no documents were submitted or the documents submitted were oversimplified or incomplete. However, the notation that information was "not available" does not necessarily mean that the submission was incomplete. The information desired could not be obtained from some complete submissions because it was not given in a suitable form. It was impossible, for example, to determine the employers' pension contribution rate under some plans with a single, combined contribution rate for both welfare and pension benefits. Nor could the rate be obtained for other plans with flexible contribution rates, where the applicable rate was dependent on each individual employer's collective agreement. Since these rates affected some benefit provisions, the latter also were classified as "not available." If, however, the rate and benefits applicable to the largest number of workers were known, they were used, as in other studies by the Bureau of Labor Statistics, to represent the rate and benefits for all workers under the plan.

For the above reasons, data are not presented for all plans for all items. However, the selection of items for analysis and the techniques used were based on the Bureau's previous experiences in pension plan analyses and on the range of data usually available in pension plan documents.

Analysis for each plan included in this study encompassed some or all of the documents described on page 126, usually the pension plan text, trust agreement, collective bargaining agreement, and D-1 form. The D-1 items analyzed—financing, plan administrator, etc.—were all verified and edited by examination of plan documents. Many misinterpretations, errors, and omissions were corrected by this check, and as previously explained, some items were only obtainable from outside sources. Most items selected for analysis were only available in the documents themselves. The complete analysis of a single plan usually involved the critical examination of at least four separate legal and descriptive documents which were marked by a wide diversity in language and format.

³⁹ U. S. Bureau of the Budget, Standard Industrial Classification Manual, 1957.

Appendix B: Form D-1

U. S. DEPARTMENT OF LABOR
Form D-1
DECEMBER 1958

EMPLOYEE WELFARE OR PENSION BENEFIT PLAN DESCRIPTION FORM

Form approved.
Budget Bureau No. 44-R1114.

This form is made available by the U. S. Department of Labor as directed by the Welfare and Pension Plans Disclosure Act, Public Law 85-836, to assist administrators of welfare and pension plans in discharging their responsibilities under the act. Use a separate form for each separate employee welfare benefit plan and each separate employee pension benefit plan or combination thereof. Read instructions carefully before completing the form.

Is this an original filing or an amended filing ? File No. _____

<p>1. NAME OF PLAN AND ADDRESS OF ITS PRINCIPAL OFFICE <i>(Include the name of the employer or employee organization with which plan is identified.)</i></p>	<p>2. FINANCIAL RECORDS OF THE PLAN ARE MAINTAINED ON A CALENDAR, POLICY, OR FISCAL YEAR ENDING</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; border-bottom: 1px solid black;">MONTH</td> <td style="width: 50%; text-align: center; border-bottom: 1px solid black;">DAY</td> </tr> <tr> <td style="height: 40px;"></td> <td style="height: 40px;"></td> </tr> </table>	MONTH	DAY																
MONTH	DAY																		
<p>3. INDICATE BY CHECKING THE APPROPRIATE BOX BELOW THE TYPE OF PLAN FOR WHICH THIS DESCRIPTION IS BEING SUBMITTED</p> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 33%;">A. WELFARE BENEFIT PLAN</td> <td style="width: 33%;">B. PENSION BENEFIT PLAN</td> <td style="width: 33%;">C. COMBINATION OF A. AND B.</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>		A. WELFARE BENEFIT PLAN	B. PENSION BENEFIT PLAN	C. COMBINATION OF A. AND B.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>												
A. WELFARE BENEFIT PLAN	B. PENSION BENEFIT PLAN	C. COMBINATION OF A. AND B.																	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																	
<p>4. CHECK THE CATEGORY THAT BEST DESCRIBES THE GROUPS COVERED BY THE PLAN:</p> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 25%;">A. ALL EMPLOYEES</td> <td style="width: 25%;">B. HOURLY RATE EMPLOYEES</td> <td style="width: 25%;">C. SALARIED EMPLOYEES</td> <td style="width: 25%;">D. OTHER (SPECIFY):</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>_____</td> </tr> </table>		A. ALL EMPLOYEES	B. HOURLY RATE EMPLOYEES	C. SALARIED EMPLOYEES	D. OTHER (SPECIFY):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____										
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____																
<p>5. INDUSTRY IN WHICH MOST OF THE PARTICIPANTS ARE EMPLOYED: (CHECK ONE)</p> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 12.5%;">MANUFACTURING</td> <td style="width: 12.5%;">MINING</td> <td style="width: 12.5%;">CONSTRUCTION</td> <td style="width: 12.5%;">TRANSPORTATION</td> <td style="width: 12.5%;">COMMUNICATION AND UTILITIES</td> <td style="width: 12.5%;">WHOLESALE AND RETAIL TRADE</td> <td style="width: 12.5%;">FINANCE, INSURANCE, AND REAL ESTATE</td> <td style="width: 12.5%;">SERVICES</td> <td style="width: 12.5%;">OTHER (SPECIFY):</td> </tr> <tr> <td>A. <input type="checkbox"/></td> <td>B. <input type="checkbox"/></td> <td>C. <input type="checkbox"/></td> <td>D. <input type="checkbox"/></td> <td>E. <input type="checkbox"/></td> <td>F. <input type="checkbox"/></td> <td>G. <input type="checkbox"/></td> <td>H. <input type="checkbox"/></td> <td>I. _____</td> </tr> </table>		MANUFACTURING	MINING	CONSTRUCTION	TRANSPORTATION	COMMUNICATION AND UTILITIES	WHOLESALE AND RETAIL TRADE	FINANCE, INSURANCE, AND REAL ESTATE	SERVICES	OTHER (SPECIFY):	A. <input type="checkbox"/>	B. <input type="checkbox"/>	C. <input type="checkbox"/>	D. <input type="checkbox"/>	E. <input type="checkbox"/>	F. <input type="checkbox"/>	G. <input type="checkbox"/>	H. <input type="checkbox"/>	I. _____
MANUFACTURING	MINING	CONSTRUCTION	TRANSPORTATION	COMMUNICATION AND UTILITIES	WHOLESALE AND RETAIL TRADE	FINANCE, INSURANCE, AND REAL ESTATE	SERVICES	OTHER (SPECIFY):											
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<p>6. IS THE PLAN MENTIONED IN A COLLECTIVE-BARGAINING AGREEMENT? YES <input type="checkbox"/> NO <input type="checkbox"/></p>																			
<p>7. PARTIES MAKING CONTRIBUTIONS TO THE PLAN: (CHECK ALL THAT APPLY)</p> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 25%;">A. EMPLOYER(S)</td> <td style="width: 25%;">B. PLAN PARTICIPANTS</td> <td style="width: 25%;">C. UNION (OUT OF GENERAL FUNDS)</td> <td style="width: 25%;">D. OTHER (SPECIFY):</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>_____</td> </tr> </table>		A. EMPLOYER(S)	B. PLAN PARTICIPANTS	C. UNION (OUT OF GENERAL FUNDS)	D. OTHER (SPECIFY):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____										
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<p>8. PROVIDE THE FOLLOWING INFORMATION:</p> <p>A. OFFICIAL NAME (OR TITLE) AND ADDRESS OF PLAN ADMINISTRATOR*</p> <p>B. ADMINISTRATOR OF THE PLAN IN 8A IS AN:</p> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 25%;">(1) EMPLOYER OR EMPLOYER ASSOCIATION</td> <td style="width: 25%;">(2) JOINT EMPLOYER-EMPLOYEE BOARD OF TRUSTEES</td> <td style="width: 25%;">(3) EMPLOYEE ORGANIZATION INCLUDING EMPLOYEE BENEFICIARY ASSOCIATION</td> <td style="width: 25%;">(4) OTHER (SPECIFY):</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>_____</td> </tr> </table>		(1) EMPLOYER OR EMPLOYER ASSOCIATION	(2) JOINT EMPLOYER-EMPLOYEE BOARD OF TRUSTEES	(3) EMPLOYEE ORGANIZATION INCLUDING EMPLOYEE BENEFICIARY ASSOCIATION	(4) OTHER (SPECIFY):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____										
(1) EMPLOYER OR EMPLOYER ASSOCIATION	(2) JOINT EMPLOYER-EMPLOYEE BOARD OF TRUSTEES	(3) EMPLOYEE ORGANIZATION INCLUDING EMPLOYEE BENEFICIARY ASSOCIATION	(4) OTHER (SPECIFY):																
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____																
<table style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 35%; text-align: center; border-bottom: 1px solid black;">C. INDIVIDUAL NAMES AND ADDRESSES OF PERSONS CONSTITUTING THE ADMINISTRATOR UNDER THE ACT, AS IDENTIFIED IN 8A ABOVE (1)</th> <th style="width: 15%; text-align: center; border-bottom: 1px solid black;">OFFICIAL POSITION WITH RESPECT TO THE PLAN (2)</th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">RELATIONSHIP, IF ANY, TO EMPLOYER(S) OR TO EMPLOYEE ORGANIZATIONS (SEE INSTRUCTIONS) (3)</th> <th style="width: 30%; text-align: center; border-bottom: 1px solid black;">ANY OTHER OFFICES, POSITIONS, OR EMPLOYMENT HELD (4)</th> </tr> <tr> <td style="height: 150px;"></td> <td></td> <td></td> <td></td> </tr> </table>		C. INDIVIDUAL NAMES AND ADDRESSES OF PERSONS CONSTITUTING THE ADMINISTRATOR UNDER THE ACT, AS IDENTIFIED IN 8A ABOVE (1)	OFFICIAL POSITION WITH RESPECT TO THE PLAN (2)	RELATIONSHIP, IF ANY, TO EMPLOYER(S) OR TO EMPLOYEE ORGANIZATIONS (SEE INSTRUCTIONS) (3)	ANY OTHER OFFICES, POSITIONS, OR EMPLOYMENT HELD (4)														
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*The act defines the administrator of the plan as follows: "(1) the person or persons designated by the terms of the plan or the collective-bargaining agreement with responsibility for the ultimate control, disposition, or management of the money received or contributed; or (2) in the absence of such designation, the person or persons actually responsible for the control, disposition, or management of the money received or contributed, irrespective of whether such control, disposition, or management is exercised directly or through an agent or trustee designated by such person or persons." Under the act, the term "person" means "an individual, partnership, corporation, mutual company, joint-stock company, trust, unincorporated organization, association, or employee organization."

12. SUBMIT AS PART OF THIS DESCRIPTION:
- (A) COPIES OF THE PLAN OR BARGAINING AGREEMENT, TRUST AGREEMENT, CONTRACT, OR OTHER INSTRUMENT UNDER WHICH THE PLAN WAS ESTABLISHED AND IS OPERATED;
 - (B) THE SCHEDULE OF PLAN BENEFITS;
 - (C) THE PROCEDURES TO BE FOLLOWED UNDER THE PLAN IN PRESENTING CLAIMS FOR BENEFITS AND FOR APPEALING DENIAL OF CLAIMS.
- IDENTIFY BELOW EACH DOCUMENT OR OTHER MATERIAL BEING SUBMITTED.

NOTE: If schedule of benefits and procedures for appeals, required in (B) and (C) are part of one of the documents submitted and listed, specify on the list those documents containing this information.

LIST OF DOCUMENTS SUBMITTED

SIGNATURE AND VERIFICATION

The plan description after its completion shall be signed by the plan administrator, in the presence of a Notary Public or other officer authorized to administer oaths, using (A) or (B) below, whichever is appropriate.

STATE OF }
 COUNTY OF } ss.

(A), being duly sworn, says that he is of
(Title of officer)

....., administrator of the plan and that the information in this plan description (including the information contained in any accompanying documents described in Item 12) has been examined by him and is to the best of his knowledge and belief, true, correct, and complete.
(Name of company)

(B)

..... the administrator of the plan, being duly sworn, each for himself deposes and says that the information in this plan description (including the information contained in any accompanying documents described in Item 12) has been examined by him and is to the best of his knowledge and belief, true, correct, and complete.

Signed and Sworn To Before Me

This Day of, 19.....
(Month)

.....
(Notary Public)

Mail two copies of the form completed in accordance with the instructions and two copies of each accompanying document to the Welfare and Pension Reports Division, Bureau of Labor Standards, U. S. Department of Labor, Washington 25, D. C.

For official use by the U. S. Department of Labor
 (DO NOT WRITE IN THIS SPACE)

This will constitute a receipt for documents submitted for filing with the Secretary of Labor as a description of a welfare or pension benefit plan under the provisions of the Welfare and Pension Plans Disclosure Act, when stamped opposite with the date and the file number with which such documents have been marked. Please self-address the receipt form below and enter the name of the plan as given in Item 1, page 1, of this form.

NAME OF PLAN

NAME

ADDRESS

CITY, ZONE, AND STATE