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**MAJOR
COLLECTIVE
BARGAINING
AGREEMENTS**

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**SEVERANCE PAY
AND
LAYOFF BENEFIT
PLANS**

Bulletin No. 1425-2



UNITED STATES DEPARTMENT OF LABOR
W. Willard Wirtz, Secretary

BUREAU OF LABOR STATISTICS
Ewan Clague, Commissioner

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Preface

This is the second in a new and comprehensive series of studies surveying the entire scope of the collective bargaining agreement. It is expected that the cycle of studies, which will take several years to complete, will result in a publication of about 30 to 40 separate bulletins.

Although the Bureau of Labor Statistics had been producing a number of agreement studies each year, until this new series was begun the Bureau had not been able to undertake a full-scale analysis of the collective bargaining agreement. The closest approach was made during the period 1946-50, when the so-called Bulletin 908 series was issued. The 19 reports which comprised that series have long been out of print and out of date. The Bulletin 908 series will be remembered essentially as a compilation of significant and varied agreement clauses, accompanied by an analysis of the purpose and background of each category of clauses or issues. The series as a whole proved to be extremely popular and useful in collective bargaining, among arbitrators, in universities, and for government purposes, both at home and abroad.

As planned, the new series will improve on the old series in several respects. Reflecting the widening scope of collective bargaining, the new series will cover a substantially greater range of subjects and practices, including many never before studied by the Bureau. In addition, the prevalence of practices and their variations will be measured, wherever meaningful and feasible.

Emphasis will be placed on illustrating the variety of ways in which negotiators handle specific problems. Wherever possible, the analysis will cover the trends in particular practices.

The interrelationship of agreement provisions will be emphasized throughout the series. The actual operation and administration of agreement provisions, however, will not be studied systematically.

Agreement clauses quoted will be identified by the company and union signatories and date of agreement expiration. Where desirable, entire sections of selected agreements will be reproduced verbatim in an appendix to illustrate how the clauses fit together.

As planned, virtually all studies in the series will be based on all agreements in the United States covering 1,000 workers or more and available to the Bureau, exclusive of railroad and airline industries and government. These major agreements account for almost half of the coverage of all collective bargaining agreements outside of railroad and airline industries and government. The studies thus do not reflect practices in small collective bargaining situations or in non-union companies. All agreements are part of the file of current agreements maintained by the Bureau for public and government use in accordance with section 211 of the Labor Management Relations Act, 1947.

The clauses presented in this bulletin are not intended as model or recommended clauses. The classification and interpretation of clauses, it must be emphasized, reflect the understanding of outsiders and do not necessarily reflect the understanding of the parties who negotiated the clauses.

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Severance Pay and Layoff Benefit Plans

Chapter I. Introduction

To workers facing loss of jobs through no fault of their own, severance pay, in its traditional meaning, was intended to provide a financial cushion to help tide them over a period of unemployment, and to compensate, in part at least, for the loss of seniority and all other rights and privileges accruing to them by reason of their length of service. Public benefits through the State unemployment compensation system, to qualified workers actively seeking employment, were also intended to help the displaced worker through the transition period. In recent years, through collective bargaining, the concept of severance pay and the availability of unemployment insurance have been merged in a variety of devices, made even more diversified by tax and legal considerations and a certain blurring of the distinction between severance and layoff. To an increasing degree, moreover, workers who are laid off, with or without the expectation that the layoff will be permanent, are also realizing in cash, or in vested rights, their equity in various fringe benefits that they stand to lose, along with wages, in loss of jobs.

For purposes of study, it is necessary, although arbitrary in some cases, to separate the variety of plans and payments into distinct categories. The following descriptions in this study should be viewed entirely in this light. At the outset, it is also important to emphasize that this study deals with formal plans as set forth in agreements, and thus does not take into account the modifications in practice to meet special circumstances, and the informal or unilateral arrangements that prevail in this area of procedure.¹

Traditional severance pay plans provide a money payment, in a lump sum or in installments, to workers whose employment has been terminated. A complete severance of the employment relationship, and with it the worker's seniority, is either treated explicitly by the plan or the conditions of the payment are such that only permanent separation is applicable. These awards are variously referred to as severance pay, termination pay, dismissal allowance, separation benefit, and layoff allowance (where layoff implies permanent layoff). Under such plans, the payment of benefits is not contingent on the worker remaining unemployed. The relationship of plans to State unemployment insurance varies among the States. By administrative decree, legislative action, or court construction, traditional severance pay can either disqualify a worker from receiving unemployment compensation (on the grounds that severance pay is wages) or it may have no effect on his right to unemployment compensation (because dismissal pay is considered as earned before discharge or as compensation for the loss of pension, seniority, and similar rights). Severance pay plans generally are unfunded, although in recent years a number of funded arrangements have been negotiated.

¹ In a separate study, the Bureau is analyzing the operation of the plans covered in this particular study of agreement provisions, as well as conducting several case studies of actual layoff situations. In a very real sense, this special study comprises an important part of a study of plans under collective bargaining.

The primary purpose of supplemental unemployment benefit (SUB) plans is to provide weekly allowances to workers on layoff, to supplement unemployment compensation. Usually, the layoff is not considered permanent, that is, both employer and worker expect the worker to be recalled to the job. Unlike traditional severance pay plans, SUB benefits are paid only if the worker is unemployed. By administrative decree or legislative action, both State unemployment allowances and SUB payments usually can be paid concurrently. SUB plans are typically funded arrangements.

In recent years, SUB plans have been expanded to provide additional benefits. Many plans now include a short week benefit granting payments to supplement the less than full paycheck that would otherwise be forthcoming when operations do not provide a full week's work. Some SUB plans have adopted severance pay provisions granting lump-sum allowances to workers whose unemployment has extended for a specified period or when employers determine that the worker's layoff is permanent, whichever is sooner.

Both traditional severance pay provisions and SUB plans are found in the primary metal industries, but severance pay is not part of the SUB plan nor is the severance allowance paid from SUB funds. The two plans are related only to the extent that, under certain circumstances, SUB payments may be deducted from severance allowances.

Extended layoff benefit plans, such as those negotiated in the aerospace industry, contain some of the major features of SUB plans and traditional severance pay plans. They resemble SUB plans in that they are funded, clearly state that their purpose is to supplement unemployment compensation, and cover all workers on layoff without removing the workers' rights to recall. They resemble the traditional severance pay plan in payment of benefits as a lump-sum allowance (after the first 4 weeks of layoff), the payment not to be contingent, after the qualifying period of unemployment, upon the worker remaining unemployed.

Other variations include plans having features of severance pay and layoff benefits. These provide for lump-sum payments, but because they lack either a clear-cut statement that the acceptance of benefits severs the employment relationship or a listing of conditions for payment that could be interpreted only as permanent separation, they conceivably could provide for either layoff benefits, or a severance benefit in the event that the laid off worker is never recalled. For study purposes, these are referred to as layoff benefit plans. Still other plans combine a layoff benefit under one condition and a severance benefit under another. Some plans provide a benefit only on retirement, either in lieu of a pension plan or if the worker does not qualify for a pension under an existing plan. Individual trust account plans, a funded arrangement, establish an account for each worker from which he may draw under certain specified conditions, including separation. Pooled multiemployer arrangements, as in the apparel and maritime industries, have their own unique features.

For this study, the Bureau tabulated traditional severance pay plans; plans which had no explicit statement of termination—labeled for the purpose of this study as "layoff benefit plans;" separation pay provisions in SUB plans; the aerospace industry's unique funded extended layoff benefit plan; combination plans; and other variations providing payments on separation or layoff, exclusive of provisions incorporated into pension plans. The decision to combine these plans into one study was not intended to have any implications for legal or tax purposes. Significant differences among the various types of plans are highlighted in the text.

Related Studies²

Supplemental unemployment benefit plans, as such, are analyzed in a separate study, along with wage and employment guarantees.³ Benefits to laid off or displaced workers flowing out of other practices (vacations, health and insurance plans, pension plans, profit-sharing plans, relocation allowances, etc.) will be covered in the context of the separate practices, as each is studied in this series.

Scope of Study

For this study of severance pay and layoff benefit plans, the Bureau examined 1,773 major collective bargaining agreements, each covering 1,000 workers or more, or virtually all agreements of this size in the United States, exclusive of those in railroad and airlines industries, and in government. These agreements applied to approximately 7.5 million workers or almost half of the total coverage of collective bargaining agreements outside of the excluded industries. Of these, 4.1 million workers covered by 1,023 contracts were in manufacturing; and the remaining 750 agreements, applying to approximately 3.3 million workers, were in nonmanufacturing. Virtually all contracts were in effect in 1963; for a few contracts that had expired during the last months of 1962, renewed agreements were not available at the time that tabulations for this study were completed.

Clauses were selected for quotation in this report to illustrate either the typical form of the characteristics under consideration or the variety of ways in which negotiators have modified that form. Minor editorial changes were made where necessary to enhance clarity, and irrelevant parts were omitted where feasible. The clauses are numbered and the agreements from which they have been taken are identified in appendix D. In appendix A, several plans are reproduced in their entirety to illustrate how the parts fit together in the whole. In appendix B, a selection of funded plans are similarly presented. In appendix C, pertinent sections of the arbitration award of November 26, 1963, made in the dispute between railroad carriers and operating brotherhoods concerning the employment of firemen (helpers) are reproduced, because of the award's historical significance.

² Ibid., footnote 1.

³ In a forthcoming publication, Supplemental Unemployment Benefit Plans and Wage-Employment Guarantees.

Chapter II. Types and Prevalence of Plans

Severance pay and layoff benefit plans, as defined, appeared in 30 percent (525) of the 1,773 major agreements studied and covered about 40 percent (3.1 million) of workers under all agreements (table 1). Manufacturing agreements contained the bulk of dismissal pay and layoff benefit plans. Nonmanufacturing industries accounted for only 148 plans, and 97 of these were in communications and utilities. The communications, primary metals, and transportation equipment industries accounted for more than a third of the plans and for over half of the worker coverage. In communications, plans have been in effect since the 1930's, and in primary metals since 1947.

Five unions were parties to almost half of the plans in major agreements—Steelworkers (65), Automobile Workers (63), Communications Workers (47), Ladies' Garment Workers' (36) and Electrical Workers, IBEW (30). In total, these five represented 23 percent of all the contracts in the study, but 46 percent of those with dismissal pay or layoff benefit plans. They represented less than a third (30 percent) of the workers in the study, but about two-thirds of the workers covered by plans. In the following tabulation, the ratio of agreements having plans and of workers covered by these plans, except for the IBEW, is substantially higher for these unions than the averages for all unions.

Unions	Percent with severance pay or layoff benefit plans	
	Agreements	Workers
All unions -----	29.6	40.9
Steelworkers-----	51.6	82.8
Auto workers -----	55.8	87.0
Communications workers -----	100.0	100.0
Garment workers (ILGWU)-----	97.3	98.8
Electrical workers (IBEW)-----	30.9	41.0

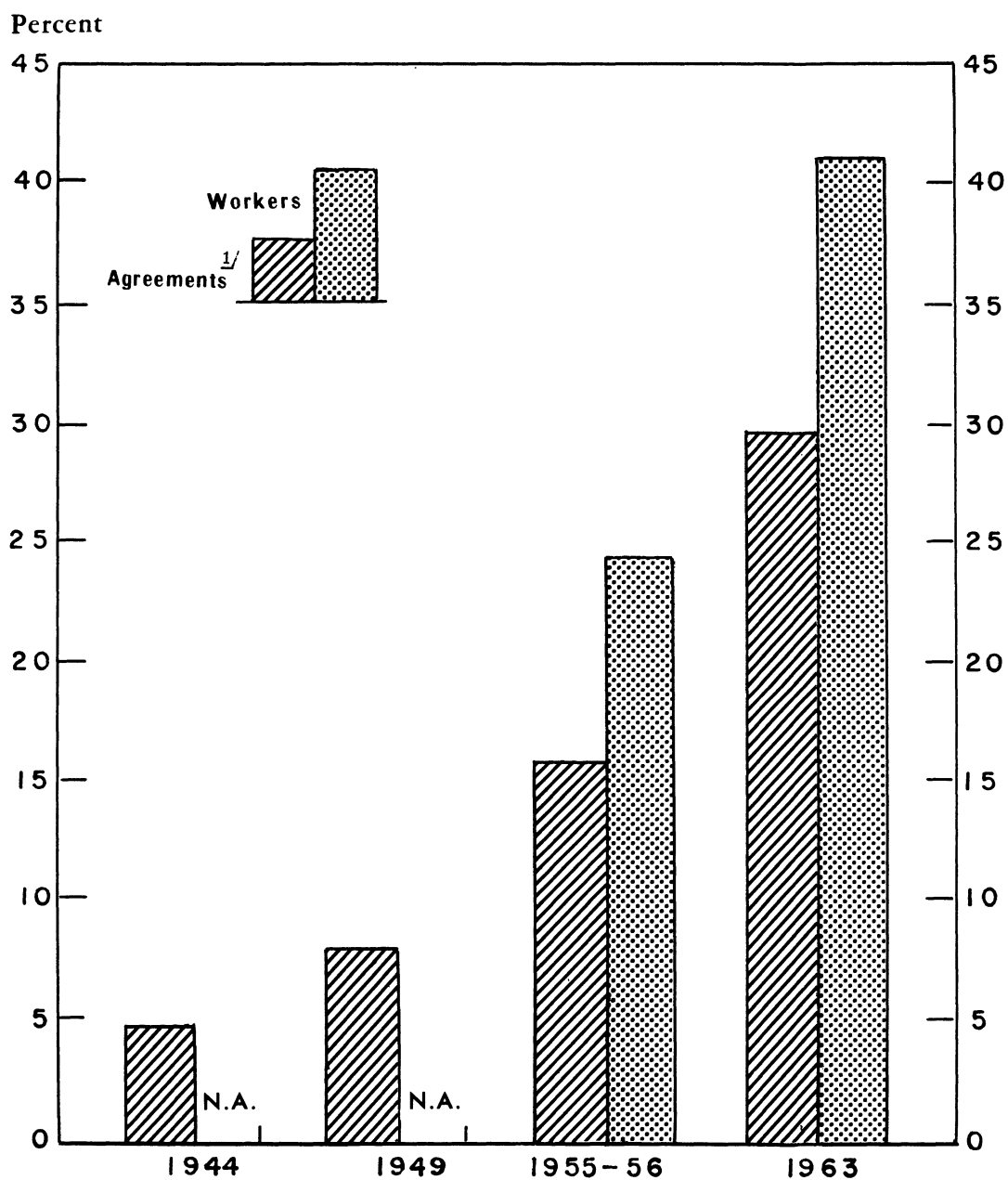
All IBEW plans were in the public utilities and communications industries.

Multiemployer agreements accounted for only 86 of the 525 plans. Nearly half the multiemployer plans (36) involved the Ladies' Garment Workers' pooled industry funds.

Since 1944,⁴ the date of the Bureau's first study of severance pay plans, there has been a steady upward trend in the percent of agreements with such plans, and a particularly marked rise since the 1955-56 survey. (See chart.) Underlying this growth were the separation pay provisions added to SUB plans in the automobile industry in 1958 and in rubber in 1961, and extended layoff benefit plans negotiated in the aerospace industry in 1960. The original union demand in

⁴ The present study constitutes the fourth conducted by the Bureau. Earlier studies were Dismissal Pay Provisions in Union Agreements, December 1944 (BLS Bulletin 808, 1945), "Dismissal Pay Provisions in Union Agreements, 1949" in Labor-Management Contract Provisions, 1949-50 (BLS Bulletin 1022, 1951), and Collective Bargaining Clauses: Dismissal Pay (BLS Bulletin 1216, 1957).

Severance Pay and Layoff Benefit Plans in Union Agreements, 1944-63



¹ Agreements studied: 1944—9,500; 1949—2,137; 1955-56—1,692; 1963—1,773.

the aerospace bargaining had been for supplemental unemployment benefits, but at the conclusion of negotiations extended layoff benefit plans emerged. In 1958, severance pay provisions were included in a large number of agreements in the ladies' apparel industry. Excluding funded arrangements, the prevalence of plans increased from 15.7 percent in 1955-56 to 21.7 in 1963.

Provisions With Explicit Statements of Termination

Of the 525 severance or layoff benefit plans, 419 covering 2.5 million workers explicitly stated in a variety of ways that termination of the employment relationship was a requisite to, occurred simultaneously with, or resulted from, receiving an allowance.⁵ These were unambiguous statements in this regard. In one form, the statements appeared as straightforward declarations that the receipt of the award terminated seniority, and/or ended pension, insurance, and other rights, or both:

It is understood that upon receipt of severance pay an employee relinquishes all recall, seniority, and employment rights with the company. (1)

* * *

The acceptance of a severance allowance shall serve to abolish and annul any and all seniority ratings or reinstatement privileges. . . . (2)

* * *

All employees receiving severance pay . . . shall be removed from the seniority lists of the company and will no longer be considered as employees of the company. (3)

* * *

An employee who qualifies for and elects to receive a severance pay allowance must file a statement of his election to receive severance pay allowance . . . and therefore signs a waiver of any and all rights and credits under the pension and insurance agreements . . . and this agreement . . . including but not limited to all seniority rights . . . (4)

* * *

To be eligible for such a separation allowance an employee shall forfeit all seniority rights and any other privileges, rights, or benefits (not including vested benefits arising from company contributions under any pension agreement between the company and the union except to the extent provided in the following paragraph) which such an employee shall have at time of termination. If reemployed, he shall be considered a new hire and shall have the status assigned to him at the time of reemployment. (5)

Some statements defined a condition for granting pay which meant permanent separation:

⁵ Included were 51 agreements covering 347,550 workers which had explicit termination statements applicable in some circumstances, but not in others.

When a department and/or a subdivision thereof is permanently shut down, meaning only the total and permanent discontinuance of operations therein . . . and not the fluctuations of operations, an employee whose employment is terminated as a result thereof because he is not entitled to other employment with the company . . . shall be entitled to a severance allowance . . . (6)
This illustration is reproduced in its entirety in appendix A.

* * *

Severance pay will be paid to eligible employees . . . whose regular job is eliminated due to management action in initiating any of the following changes:

- (a) Technological improvements in facilities and equipment.
- (b) Changes in methods of production, processing, shipping, receiving, materials handling or distribution, etc.
- (c) Permanent closing of a plant, department or part of a department, or other permanent reductions in the total plant working force . . . (7)

* * *

It is agreed that severance pay shall be paid by the employer to regular employees whose services are terminated by permanent layoff or discharge. . . . (8)

* * *

Any employee permanently displaced because of technological reasons, i.e., changes in plant or equipment or changes in process operations, either of which causes the particular job to be permanently abolished, shall receive severance pay. . . . (9)

Retirement was another condition which indicated permanent separation. In several textile contracts, it was the only condition under which severance awards would be granted:

The employer will pay retirement separation pay to each of its employees who, having attained the age of 62 voluntarily retires from active employment in the mill . . . (10)

When the worker had an option between layoff and severance pay, the intent of the contract clearly established a permanent separation when the worker chose severance pay:

Any employee who voluntarily resigns in the face of layoff . . . may elect to waive his layoff and rehiring rights . . . and to receive in lieu of such layoff and rehiring rights a termination wage . . . (11)

* * *

34. Any employee laid off due to reduction in force shall have the option of:

- (1) Accepting his severance pay,
- (2) Accepting an assignment in inverse order of seniority, or
- (3) Leaving his severance pay with the District and remaining on the rolls for a call back. (12)

Some agreements gave no details of the plan's characteristics—i.e., when severance would be paid, benefit levels, how it would be administered, etc. Instead, a brief mention of the existence of such a plan was found in a seniority clause, or a vacation provision, or clauses referring to details in other benefit plans. The language of these clauses implied permanent separation:

An employee shall cease to hold seniority rights under the following conditions: . . .

(e) If he is retired on pension or severance pay. (13)

* * *

Any employee entitled to vacation who is laid off, resigns, is discharged, retires, or accepts a severance award, shall be eligible for accrued vacation pay at time of exit. (14)

Some agreements also mentioned the adoption of severance pay in principle, leaving the working out of details to some later time—usually until a situation arose in which such payments were called for:

The manufacturers recognize the right of the union to discuss severance pay in cases of permanent plant closings. (15)

* * *

If the company should ever decide to move its Cleveland plants covered by this agreement away from the Greater Cleveland area, it shall give the association a minimum of 6 months' notice of such intent. Furthermore, the company shall then negotiate with the association a mutually agreeable severance pay plan covering all employees laid off as a result of the move. Failure to reach agreement on a severance pay plan within 60 days from the date on which the company notifies the association of its intent to move shall give the association the right to terminate this agreement at will. (16)

Provisions With No Explicit Statement of Termination

One hundred fifty-seven plans covering 850,000 workers contained no explicit declaration that termination of the employment or job relationship was a requisite to receiving benefits.⁶ These plans resembled other severance pay arrangements in that payments were ordinarily given in lump sums and were graduated according to length of service. In the absence of a clear-cut statement of permanent severance, however, conceivably compensation could be granted under conditions short of permanent dismissal. On the other hand, the omission of a statement of permanent termination and of specifications that could clearly be interpreted as meaning permanent termination, may simply reflect the significance of a layoff in industries or companies without short-term fluctuations in employment and with declining manpower needs; that is, once a worker was laid off, his chance of reemployment was negligible. The bulk of the plans without termination language were concentrated in the communications industry, specifically in telephone agreements.

⁶ Op. cit., footnote 5.

In the telephone industry and in other industries, plans with no explicit termination statement usually provided compensation for "layoff" or "layoff for lack of work."

Each employee laid off will be paid a layoff allowance in accordance with the following . . . (17)

* * *

Employees with 1 year or more of service will be eligible for severance pay when laid off by company action because there is no work available to which their seniority entitles them. (18)

* * *

. . . if a regular full-time employee, or a temporary full-time employee with 1 year or more of continuous service since the latest date of (company) engagement or reengagement, is laid off, he shall receive a payment for each completed year of net credited (company) service . . . (19)

Other agreements, however, excluded short-term layoffs of a specified duration:

The company shall grant severance pay to all employees in the bargaining unit who are laid off in accordance with the provisions of this contract . . . It is further agreed that the schedules herein set forth will not be utilized in layoffs of less than 1 month's duration, providing that the company at the time of layoff notifies the employee to report for work in less than 30 days from the effective date of layoff. In every other instance, severance payment shall be made in accordance with the schedule set forth above. (20) This illustration is reproduced in its entirety in appendix A.

An implication that the separated worker retained recall rights is found in the following clause:

It is agreed and understood that acceptance of severance allowance by an employee will in no way affect his recall rights and further, if an employee who has received a severance allowance is recalled, his service for purposes of future severance allowance shall be measured from the date of acceptance of recall. (21)

The "extended layoff benefit plans" prevalent in the aerospace industry contained a statement which clearly differentiated them from traditional severance pay provisions, although they had adopted some of the latter's features.

The purpose of this article is to increase the security of eligible employees by providing benefits in the event of their layoff for an extended or indeterminate period. Such benefits help compensate for loss of job security, vacation and sick leave accrual, and insurance benefit coverage. They are intended to supplement and not replace or duplicate the State system of unemployment insurance. (22)

Fifty-one contracts, mainly in the telephone industry, contained explicit statements of termination applicable in certain circumstances, but not in others. Usually, these provided for benefits in "layoff for lack of work" with no termination statement set forth, and then, in the same or in a separate clause, also provided benefits in case of retirement to workers ineligible for pensions. This constituted the only clear condition of permanent separation:

In case of layoffs, payment . . . shall be made to each regular employee laid off, exclusive of employees classified as temporary or occasional . . . If part-timing shall be in effect, such layoff allowance shall be reduced proportionately to the reduction in hours.

If an employee who has received a layoff allowance is rehired and the number of weeks since the date of her layoff is less than the number of weeks upon which the allowance is based, less vacation, if any, the amount paid to the employee for the excess number of weeks shall be considered as an advance to her by the company and repayment shall be through payroll deductions at the rate of 10 percent of the basic weekly wage until the amount is fully paid. . . .

Any regular employee with less than 20 years of net credited service who at age 65 is retired by the company without a pension will be given a termination allowance . . . (23)

In General Electric's income extension aid plan, compensation was available in both layoff and plant closing:

An employee with 3 years or more of continuous service will, in accordance with the provisions hereinafter set forth, have available an income extension arrangement for use in the event of layoff for lack of work or plant closing . . .

Whenever the company decides to close a plant, the company shall give notice of its decision to the union, the local or locals involved, and the employees concerned. Thereafter, as the company, in the course of such plant closing, no longer has need for the work then being done by an employee, his employment by the company may be terminated . . . (24)

Funded Arrangements. Although unfunded plans continued to prevail, the significant growth in funded arrangements, particularly among large companies in the rubber, automobile, and farm machinery industries, may foreshadow a change. Whereas a little more than a fourth of all plans were funded, they covered about 42 percent of all workers under plans (table 2).⁷

Of the 141 funded arrangements, 118 pooled industry funds and SUB plans carried an explicit statement of termination.

	Agreements	Workers (in thousands)
Total funded arrangements-----	141	1, 286. 0
With explicit statement of termination-----	118	1, 149. 6
Pooled industry funds-----	51	332. 4
In SUB plans-----	67	817. 2
No explicit statement of termination ¹ -----	16	112. 4
Combination plans ² -----	1	6. 9
Plans with no details given ³ -----	6	17. 2

¹ All were extended layoff benefit programs in the aerospace industry.

² Separation pay is included in the pension plan, according to the agreement provision.

³ All plans which referred to severance, but gave no additional details of plan characteristics.

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

⁷ The prevalence of funded arrangements is understated since separation provisions in pension plans were not tabulated and separation provisions in SUB plans were included only where there was a reference to a SUB plan in the basic collective bargaining agreement. A forthcoming study (BLS Bulletin 1425-3, op. cit., footnote 3) will account for all major SUB plans and will also discuss severance pay features in such plans.

Separation provisions in supplemental unemployment benefit plans accounted for most funded arrangements, weighted heavily by Auto Workers (AFL-CIO) agreements in transportation equipment and machinery industries. This addition of separation pay to the SUB fund was a logical extension to a fund which already dealt with the allied problem of indefinite layoff. Among industries having SUB plans, only primary metals did not integrate severance pay into the fund, although under certain circumstances SUB payments could be deducted from separation allowances. The primary metals severance pay provision preceded the negotiation of SUB plans by 9 years; in the automobile industry, SUB plans already existed when severance pay was adopted.

Fifty-one funded plans were pooled industry funds, that is, they were funds formed by contributions from a number of employers in an industry with the purpose of paying out benefits to separated workers of all contributing employers. These arrangements usually paralleled other pooled funds providing other benefits, e.g., pensions. Among the larger plans were the International Ladies' Garment Workers' Supplementary Unemployment-Severance Benefits Program and the National Maritime Union's Employment Security Plan.

Among other funded arrangements were the limited liability financing arrangements of extended layoff benefit plans, found only in the aerospace industry; and individual income security accounts in which account balances went to workers upon termination. Representative plans are described in more detail in chapter VI.

Table 1. Severance Pay and Layoff Benefit Plans in Major Collective Bargaining Agreements, by Industry, 1963

(Workers in thousands)												
Industry	Total number of agreements		With severance pay and layoff benefit plans								No reference to severance pay or layoff benefit plans	
			Total		With explicit statement of termination		No explicit statement of termination		Combination plans ¹			
	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers
All industries	1,773	7,454.1	525	3,051.0	368	2,193.9	106	509.6	51	347.6	1,248	4,403.1
Manufacturing	1,023	4,137.1	377	2,332.0	312	2,010.7	56	227.4	9	94.0	646	1,805.1
Ordnance and accessories	19	78.3	11	49.1	5	16.5	6	32.6	-	-	8	29.3
Food and kindred products	124	373.1	40	129.9	40	129.9	-	-	-	-	84	243.2
Tobacco manufactures	11	24.1	-	-	-	-	-	-	-	-	11	24.1
Textile mill products	28	79.8	11	36.2	11	36.2	-	-	-	-	17	43.6
Apparel and other finished products	52	427.8	35	248.4	35	248.4	-	-	-	-	17	179.4
Lumber and wood products, except furniture	12	19.0	-	-	-	-	-	-	-	-	12	19.0
Furniture and fixtures	15	26.0	3	4.6	3	4.6	-	-	-	-	12	21.5
Paper and allied products	56	127.3	10	24.1	3	4.1	7	20.0	-	-	46	103.3
Printing, publishing, and allied industries	37	73.5	6	10.9	6	10.9	-	-	-	-	31	62.6
Chemicals and allied products	61	112.7	36	63.7	22	39.9	11	15.6	3	8.3	25	49.0
Petroleum refining and related industries	18	54.8	6	25.0	4	17.4	2	7.6	-	-	12	29.8
Rubber and miscellaneous plastics products	24	111.1	12	90.2	12	90.2	-	-	-	-	12	21.0
Leather and leather products	22	76.7	3	3.6	3	3.6	-	-	-	-	19	73.2
Stone, clay, and glass products	30	114.3	5	19.8	5	19.8	-	-	-	-	25	94.5
Primary metal industries	109	599.3	56	488.0	51	481.8	4	5.2	1	1.0	53	111.3
Fabricated metal products	57	141.5	17	69.1	17	69.1	-	-	-	-	40	72.4
Machinery, except electrical	98	262.7	25	124.6	22	120.0	2	3.6	1	1.0	73	138.2
Electrical machinery, equipment, and supplies	98	396.9	37	222.6	26	94.3	7	44.6	4	83.7	61	174.3
Transportation equipment	121	975.5	52	697.9	38	605.2	14	92.7	-	-	69	277.7
Instruments and related products	22	45.4	10	17.4	7	11.7	3	5.7	-	-	12	28.0
Miscellaneous manufacturing industries	9	17.7	2	7.5	2	7.5	-	-	-	-	7	10.2
Nonmanufacturing	750	3,317.0	148	719.0	56	183.2	50	282.2	42	253.6	602	2,598.0
Mining, crude petroleum, and natural gas production	20	238.8	7	16.7	6	15.7	1	1.0	-	-	13	222.1
Transportation ²	107	688.4	12	63.6	9	59.7	3	3.9	-	-	95	624.8
Communications	81	513.7	76	496.5	3	5.7	38	253.8	35	237.1	5	17.2
Utilities: Electric and gas	86	207.2	21	50.3	13	26.9	3	9.4	5	14.0	65	156.9
Wholesale trade	15	28.4	3	7.8	3	7.8	-	-	-	-	12	20.6
Retail trade	116	303.9	9	27.1	8	18.6	1	8.5	-	-	107	276.8
Hotels and restaurants	38	175.4	2	3.5	2	3.5	-	-	-	-	36	171.9
Services	62	218.5	16	50.7	12	45.4	3	4.3	1	1.1	46	167.8
Construction	221	898.1	-	-	-	-	-	-	-	-	221	898.1
Miscellaneous non-manufacturing industries	4	44.9	2	2.9	-	-	1	1.4	1	1.5	2	42.0

¹ Includes agreements with an explicit statement of termination applying under some, but not all conditions.² Excludes railroad and airline industries.

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

Table 2. Funded and Unfunded Arrangements in Severance Pay and Layoff Benefit Plans in Major Collective Bargaining Agreements, by Industry, 1963

Industry	(Workers in thousands)									
	Total number with severance pay and layoff benefit plans		Unfunded ¹		Funded					
					Pooled		In supplemental unemployment benefits ²		Other or no detail ³	
	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers
All industries -----	525	3,051.0	384	1,765.0	51	332.4	67	817.2	23	136.5
Manufacturing -----	377	2,332.0	242	1,098.5	47	288.6	67	817.2	21	127.8
Ordnance and accessories -----	11	49.1	6	18.1	-	-	-	-	5	31.0
Food and kindred products -----	40	129.9	34	116.7	6	13.3	-	-	-	-
Tobacco manufactures -----	-	-	-	-	-	-	-	-	-	-
Textile mill products -----	11	36.2	8	17.3	3	18.9	-	-	-	-
Apparel and other finished products -----	35	248.4	-	-	35	248.4	-	-	-	-
Lumber and wood products, except furniture -----	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures -----	3	4.6	1	1.4	1	2.0	-	-	1	1.2
Paper and allied products -----	10	24.1	10	24.1	-	-	-	-	-	-
Printing, publishing, and allied industries -----	6	10.9	6	10.9	-	-	-	-	-	-
Chemicals and allied products -----	36	63.7	36	63.7	-	-	-	-	-	-
Petroleum refining and related industries -----	6	25.0	6	25.0	-	-	-	-	-	-
Rubber and miscellaneous plastics products -----	12	90.2	5	29.9	1	4.5	6	55.8	-	-
Leather and leather products -----	3	3.6	3	3.6	-	-	-	-	-	-
Stone, clay, and glass products -----	5	19.8	3	10.0	-	-	2	9.8	-	-
Primary metal industries -----	56	488.0	52	479.7	-	-	4	8.3	-	-
Fabricated metal products -----	17	69.1	8	19.5	-	-	9	49.6	-	-
Machinery, except electrical -----	25	124.6	9	11.6	-	-	16	113.0	-	-
Electrical machinery, equipment, and supplies -----	37	222.6	32	206.2	-	-	3	13.2	2	3.2
Transportation equipment -----	52	697.9	13	39.9	-	-	26	565.6	13	92.4
Instruments and related products -----	10	17.4	9	15.3	-	-	1	2.1	-	-
Miscellaneous manufacturing industries -----	2	7.5	1	6.0	1	1.5	-	-	-	-
Nonmanufacturing -----	148	719.0	142	666.5	4	43.8	-	-	2	8.7
Mining, crude petroleum, and natural gas production -----	7	16.7	7	16.7	-	-	-	-	-	-
Transportation ⁴ -----	12	63.6	10	26.6	2	37.0	-	-	-	-
Communications -----	76	496.5	76	496.5	-	-	-	-	-	-
Utilities: Electric and gas -----	21	50.3	19	41.6	-	-	-	-	2	8.7
Wholesale trade -----	3	7.8	1	1.0	2	6.8	-	-	-	-
Retail trade -----	9	27.1	9	27.1	-	-	-	-	-	-
Hotels and restaurants -----	2	3.5	2	3.5	-	-	-	-	-	-
Services -----	16	50.7	16	50.7	-	-	-	-	-	-
Construction -----	-	-	-	-	-	-	-	-	-	-
Miscellaneous non-manufacturing industries -----	2	2.9	2	2.9	-	-	-	-	-	-

¹ Includes 244 traditional severance pay plans (24 of which give no details of their characteristics), 90 layoff benefit plans, and 50 combination severance and layoff benefit plans.

² Includes 3 individual security accounts.

³ Includes 16 extended layoff benefit plans, 1 combination severance pay and layoff benefit plan, and 6 plans which give no details of their characteristics.

⁴ Excludes railroad and airline industries.

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

Chapter III. Eligibility Requirements

The analysis of plan provisions in this and the following chapters is based on 377 of the 525 plans accounted for in chapter II. The 377 plans examined in full comprise the following:

Plans	Agreements
Traditional severance pay plans ¹ -----	220
Layoff benefit plans (those with no explicit statement of termination) -----	106
Combination plans -----	51

¹ Including plans in primary metal industries.

These 377 plans accounted for 71.8 percent of all plans tabulated in chapter II and 1.8 million (table 3) of the 3.1 million workers coming under such arrangements. Among the 148 plans excluded were pooled industry funds (51), SUB plans having separation provisions (67), and 30 plans which referred to severance pay but failed to set forth any details.

Each of the 377 plans studied in detail stipulated the conditions under which payments would or would not be made: i.e., for voluntary or involuntary separation; under broadly defined, relatively liberal conditions, or under narrowly defined very specific conditions; for causes related to the job, or for causes related to the worker. Some plans set forth policies applicable in case of retirement or death. Virtually all set minimum length-of-service requirements which displaced workers had to meet before they could qualify for payments.

Voluntary and Involuntary Separation

Plan provisions were predominantly operative in situations where the separated worker had no control over his continued employment.

Nature of separation	Agreements	Workers (in thousands)
Total referring to nature of separation-----	377	1,794.3
Involuntary separation -----	353	1,729.1
Voluntary separation -----	5	12.3
Involuntary and voluntary separation -----	19	53.0

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

Commonly, provisions granting pay for involuntary separation listed the applicable conditions (plant closing, transfer of operations, physical disability, and the like). Some plans specifically declared that voluntary separation was to be excluded in determining eligibility.

Severance pay is intended to cover layoffs due to lack of work and not cases of quits or discharges . . . (25)

Voluntary separation as a condition for giving compensation was written into only 24 plans, covering about 65,000 workers. The practice of paying for voluntary quits is probably more common than a study of formal provisions reveals, since payment for voluntary termination is the kind of situation which management might prefer to handle informally, in its own discretion.

Limiting the plan's applicability to involuntary termination often serves to hold workers on the job when separations are imminent. From the employer's point of view, this assures an orderly shutdown of operations. Some clauses explicitly stated that eligibility for payment depends on the worker remaining on the job.

. . . In order to be eligible for severance pay an employee must remain at work until he is released and terminated by the company. (26)

Other provisions, however, left earlier termination to the discretion of management.

An eligible employee whose employment is terminated because of plant closing . . . shall . . . be entitled to income extension aid in a lump sum . . . provided that he:

After the announcement of the plant closing, continues regularly at work . . . until the specific date for his termination . . .

Such employee may request that his date of termination be advanced so that he can accept other employment and the local management will give due regard to this request . . . (27)

Some plans which allowed severance compensation for voluntary quits limited it to employees having a specified length of service; to those who resigned in the face of layoff; or who were induced to resign because of inability to perform their work:

(a) An employee who resigns voluntarily after 25 years of continued and uninterrupted employment as recognized in the employment records . . . or having voluntarily resigned upon attaining the age of 62 years shall be entitled to receive . . . severance pay. (28)

* * *

When a layoff is pending, an employee not then scheduled for layoff may notify the company that he elects to resign and receive the layoff allowance of another employee thereby saved from layoff . . . (29)

* * *

A termination allowance shall be paid to a regular or temporary employee whose service is terminated under any of the conditions outlined below:

1. Laid off or separated in conformity with 7.01.
2. Retired at age 65 without a pension.
3. As an inducement proposed, or agreed to, by the company to an employee to resign because of inability or unadaptability to perform properly the duties of the job as distinguished from misconduct. (30) [This illustration is reproduced in its entirety in appendix A.]

Broadly Defined Conditions. Of the 377 plans, 364 established conditions for granting benefits that related to the employees' work situation, while 113 set forth conditions of separation relating directly to the worker himself (tables 3 and 4).

Applicability	Agreements	Workers (in thousands)
Total with provisions -----	377	1,794.3
Conditions inherent in work situation -----	264	1,286.8
Conditions inherent in worker -----	13	36.5
Conditions inherent in work situation and worker -----	100	471.1

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

Under both categories, conditions were sometimes set forth that were sufficiently nonspecific as to allow for liberal payment policies at the time of separation.

Under broadly defined conditions, employees on "layoff" or "laid off for lack of work"—language typical in plans having no explicit statement of termination—would receive payment. Since the causes triggering the layoff were not spelled out, it can be assumed that severance payments were to be made in all situations. Such "layoff for lack of work" provisions were found in 114 agreements (table 3).

. . . Any employee who is laid off or whose employment is severed through no fault of his own for a reason other than retirement under the retirement plan shall be granted severance pay at his regularly scheduled hourly wage rate of pay as follows: . . . (31)

* * *

If a reduction of force is made, an employee who is laid off from employment in the company will receive an allowance to ease a possible hardship caused by the layoff. (32)

* * *

Regular employees who are laid off due to lack of work and regular employees who retire at the compulsory retirement age and who are not eligible for pension shall be paid a termination allowance . . . (33)

In 106 of these clauses, "layoff for lack of work" constituted the only eligibility requirement concerned with the work situation for which a separated worker could receive allowances.

Other agreements with broadly defined eligibility clauses specified reasons for which pay would not be granted. This approach was noted in a number of extended layoff benefit plans:

Benefits shall be payable to eligible hourly employees whose layoff as a result of a reduction in the working force has extended without recall to work by the company to a minimum period of 4 full weeks, and who make written application therefor to the company. . . .

As used herein, layoff as a result in the reduction of the working force shall not include disciplinary layoffs, quits, discharges, leaves of absence of any type or for any purpose; nor shall . . . the 4-week period referred to . . . include any period any hourly employee is on strike. (34)

* * *

A worker who loses his job for any reason other than discharge for just cause, voluntary quitting of temporary layoff for lack of work as distinguished from permanent layoff shall receive severance pay at the time of severance . . . (35)

In thus defining applicability by exclusion, some provisions also ruled out conditions beyond the company's control, especially those likely to cause only a temporary interruption to employment:

Except for part-time employees, severance pay shall be granted by the company to employees on the seniority list in cases where layoff occurs for a period of 2 weeks or more, except where absence from work is due to any strike, fire, flood, major or mechanical or electrical breakdown . . . (36)

* * *

(b) Employees who are discharged for cause, or who voluntarily resign, or who are laid off as a result of physical incapacity, epidemic, fire, action of the elements, strike, walkouts, labor dispute, governmental order, court order, or order of any other legally constituted body, act of God, public enemy, war, riot, civil commotion, or for any cause or causes beyond the control of the producer, whether of the same or any other nature, shall not be entitled to the above "dismissal pay." (37)

Definition of applicability by exclusion might be used to explain what was meant by layoff for "reasons beyond the worker's control:"

Employees laid off by the company for reasons beyond their control will be paid separation pay in accordance with the time which they have worked for the company. . . .

Employees who quit or who are discharged or who are retired under the pension plan or who are transferred to a noncovered unit will not be entitled to severance pay. (38)

A number of plans provided allowances to any employee who had been on layoff for an extended period. Usually, under the provisions of the seniority clause, a worker's seniority, and hence his employment, would terminate following such an extended layoff. Under these plans, then, the worker would be paid a severance allowance simultaneous with this break in seniority. Whatever the original causes for layoff might have been, they were no longer the determinants in giving compensation. Meatpacking agreements frequently contained this provision.⁸

Severance pay shall be paid to employees . . . who lose their seniority due to their layoff period exceeding 2 years . . . (39)

* * *

. . . In case of layoff for 6 months or more, employees affected shall receive . . . (severance pay) . . . (40)

* * *

In the case of a reduction from a higher to a lower level of production . . . when the higher level of production . . . is resumed, all employees who were laid off at the time of and because of the reduction to the lower level of production, and who are not recalled when the higher level of production is resumed or within 30 days thereafter, shall be eligible for severance allowances . . . (41)

Specifically Defined Conditions. To narrow the area of applicability, plans specifically defined the conditions for which compensation would be paid. Most frequently, among reasons rising out of the work situation, benefits were to be paid when separation occurred because of plant, business, or department

⁸ For further discussion see p. 59 on waiting periods for separation pay. Severance clauses in SUB plans also adopted this approach.

closing, or in closely allied situations such as transfer of operations or mergers (table 3). Both plant and department closing were coupled in Steelworkers and meatpacking agreements, which listed other conditions as well.

When paid, separation allowances shall be paid to employees having 1 year or more of continuous service (including such employees in layoff status who have plant seniority and whose plant seniority has not been forfeited) who are permanently separated from the service either because of a reduction in forces arising out of the closing of a department or unit of the business or because of technological change in production adopted by the company and when it is not expected that they will be reemployed. (42)

* * *

When, in the sole judgment of the company, it decides to close permanently a mine or discontinue permanently a mine and terminate the employment of individuals, an employee whose employment is terminated either directly or indirectly as a result thereof because he was not entitled to other employment with the company under the provisions of article 10—seniority—of this agreement and section 3 of this article 14 shall be entitled to a severance allowance . . . (43)

* * *

When, in the sole judgment of the company, it decides to close permanently a plant or discontinue permanently a department of a plant or substantial portion thereof and terminate the employment of individuals, an employee whose employment is terminated. . . shall be entitled to a severance allowance in accordance with and subject to the following provisions. (44)

* * *

When a company permanently closes a warehouse or permanently discontinues any department of a warehouse, as a result of which the employment of employees is terminated, an employee whose employment is so terminated, or when an employee has been laid off by the company and such layoff is continuous for a period of more than 24 months, then such employee shall be deemed to have permanently lost his job and any recall rights, and shall be entitled to a severance allowance . . . (45)

Plans paying benefits in transfer of operations were usually limited to this one kind of separation:

(a) If . . . the employer shall physically move substantially its entire operation . . . and the local annexes operating adjunct thereto to a location which is:

- (1) Over 50 miles . . . away . . . this contract and the union representation thereunder (if still in effect) shall thereupon not apply at such new location and each employee of such present operation . . . who then has 5 years or more accumulated service shall, . . . be entitled to a severance award. . . . (46)

* * *

The provisions of this article . . . are based solely on loss of jobs due to transfer of work to other . . . plants . . . This article becomes the sole agreement between the parties on the subject of severance pay. (47)

While agreements specifying technological change as a condition for granting benefits have increased since the Bureau's 1955-56 study, in 1963 technological change was specifically identified in only 15 percent of the provisions setting forth conditions involving the work situation. However, plant closings and relocation, department closings, and transfers of operations could be generated by technological changes as well.

In its simplest form, technological change was merely referred to, but not defined:

Any regular full-time employee whose employment is permanently terminated for the reasons listed below shall be eligible for severance pay. . . .

1. Elimination of jobs;
2. Consolidation or mergers;
3. Abandonment of plants;
4. Technological changes. (48)

* * *

The employer agrees to continue, in accordance with past practice, its plan under which separation allowances are paid to employees who lose employment directly by reason of technological improvements or physical incapacity. . . . (49)

Some plans defined technological change to mean changes in plant, equipment or processes, or in methods and procedures:

The employer will pay separation allowances to employees displaced by technological changes and for whom no other jobs are open, upon the following terms and conditions:

Any employee shall be considered displaced by technological change when his particular job is permanently abolished because of:

1. Change in plant or equipment, or
2. Changes in process operations. (50)

* * *

6.1 Regular employees having 1 year or more of service, who suffer loss of employment because of technological change such as dial conversion shall be paid a termination allowance based on the employee's service and basic wage rate at the time of separation. . . . (51)

* * *

In the event that an employer shall convert one or more elevators in his building to operatorless elevators and the job or jobs of one or more regular elevator employees are eliminated . . . on that account, the employer shall pay to the elevator employee or employees whose job or jobs are thus eliminated, conversion pay in the amount and upon the terms and conditions as follows. . . . (52)

* * *

If and when any job is abolished as a result of the conversion to straight natural gas or the sale, lease, or other disposition of a manufacturing plant of the company, then an employee whose employment was terminated because of the abolition of such job is eligible to receive dismissal pay. . . . If and when any job is abolished as a result of changes in methods of production, distribution, sales, or office procedure, then an employee whose employment was terminated because of the abolition of such job is eligible to receive dismissal pay. . . . (53)

A small number of plans covered the eventualities of sale, consolidation, merger, or liquidation of a business.⁹

Notwithstanding the provisions of section 17 (a), any employee involuntarily separated from the service of the company as a result of merger shall be granted severance pay . . . (54)

* * *

⁹ The apparel industry's pooled industry fund, discussed elsewhere, also paid benefits upon business termination.

In the event of a merger, consolidation, or permanent suspension of any newspaper covered by this agreement, any employee who at the time of such merger, consolidation, or permanent suspension has been a regular situation holder for at least 1 year or who during his current period of uninterrupted priority has accumulated at least 1 year of service as a regular situation holder and who by virtue of such merger, consolidation, or permanent suspension is deprived of employment, shall receive, in addition to any accumulated vacation credits or any other money due him, the cash equivalent of 3 weeks' (15 shifts) pay. . . . (55)

* * *

B. If the employment of any employee is terminated by layoff or discharge because of adverse business conditions or because of discontinuance of business, closing of the store, bankruptcy, whether voluntary or involuntary, . . . such employee or employees shall be entitled to the following severance pay. . . .

C. If the employer, because of the bona fide sale of his drugstore or because of taking in of a partner, desires to discharge or lay off any employee, he shall do so only with the consent of the union. . . . should the arbitrator sustain the employer in such discharge or layoff because of the bona fide sale of his drugstore or because of taking in of a partner, the employee involved shall be entitled to the following pay. . . .

In case of sale of store, both seller and buyers shall be responsible for severance pay. (56)

Plans listing conditions involving the worker, found in 113 agreements, were concerned with discharge, disability, and retirement (table 4). To some degree, these were interrelated, in the sense that physical or mental inability to perform work could be a cause for discharge or for retirement.

Discharge was usually defined. The definition, however, was sometimes sufficiently general to allow for a liberal interpretation:

Termination allowance will be paid as herein provided to eligible employees whose service with the company is terminated by layoff, by compulsory retirement without pension, by displacement arising through technological change, or by discharge, dismissal, or release without sufficiency of cause. (57)

* * *

In cases of involuntary separation from employment (excepting dismissals for cause), the company will pay to each employee as "severance pay" the following amounts: . . . (58)

Discharge was also defined by listing those causes for which payments were banned:

An employee who is discharged for insubordination, insobriety, dishonesty, absence without authority, grave offenses, or subversive activity, shall not be entitled to termination pay . . .

An employee when discharged for a cause other than those listed above, shall receive termination pay . . . (59)

* * *

. . . [The] purpose of the severance pay program is to alleviate economic distress or shock resulting from permanent termination of employment. Permanent termination of employment shall result from (1) voluntary resignation, discharge, death, layoff in excess of 150 consecutive calendar days, or off-job injury or sickness in excess of 365 days, or failure to return to work after a properly granted leave of absence . . . Any employee discharged for proven theft shall not be eligible . . . (60)

* * *

A discharged employee shall be entitled to receive in a lump sum a cash severance payment. . . . The Times need not grant severance pay . . . in case of discharge for dishonesty, gross neglect of duty. . . . (61)

* * *

When an employee . . . is discharged, he shall receive a dismissal payment . . .

Dismissal pay need not apply to an employee discharged for dishonesty or in the case of self-provoked discharge for the purpose of collecting dismissal pay. (62)

In the following agreement, management had the right to discharge an employee without proving just cause, provided it was willing to pay a severance allowance:

. . . An employer shall . . . have the right to discharge an employee without proving just cause provided that the employer gives such employee severance pay. . . . (63)

A small number of plans, probably buttressed by informal practice, authorized that workers separated because of physical or mental disability be compensated:

An employee . . . who is laid off or discharged . . . for lack of work or a noncompensable mental or physical disability, shall be granted a separation allowance. (64)

* * *

When the company decides to terminate an employee who is unable to do a fair day's work because of disabilities due to age or illness, he will be given the opportunity of accepting severance at the time he is displaced. (65)

* * *

1. A termination allowance will be paid to an employee in accordance with and subject to the following provisions:

II. Conditions governing eligibility

Termination payments will be paid by the company to an employee compensated through the regular payrolls if:

A. He has at least 3 months of company service credit as determined by company service credit rules:

(a) His employment is permanently terminated by action of the company:

1. Because of his physical or mental inability to perform efficiently and safely his regularly assigned work or other work that is made available to him by the company; . . . (66)

* * *

Separation pay shall be available to employees having 5 years or more of continuous seniority who are permanently removed from active employment because the company has determined they are physically incapable of continuing in active employment and it does not expect that they will be reinstated. This paragraph, however, shall not apply to employees who are placed in early or normal retirement status. The conditions governing the payment of the separation pay and its effect on an employee's seniority will be the same as the conditions governing its payment to laid-off employees. (67)

The employer may be required to make an effort to place the employee before separating him, thereby establishing a safeguard against abuse of the provision:

For the purposes of this [severance pay] article, "lack of work" shall include the inability of the company to place an employee . . . because of such employee's incapacity for age or any other reason (68)

On the other hand, the employee may elect separation rather than change of jobs:

This plan is to provide full-time regular employee with a separation allowance . . . when separated from the company due to total and permanent disability . . .

If an incapacitated employee elects not to displace any other employee (if his job's content is changed or the job eliminated) or cannot fully perform the duties of any other job classification, he will be laid off and receive the severance allowance. (69)

In electing retirement because of physical disability, he could, under the terms of a few agreements, receive both severance and retirement pay:

It is agreed that any employee 60 years of age or over who is forced to retire because of physical disability shall receive severance pay . . .

It is further understood that such severance pay shall be given in addition to any money received in accordance with the company's existing retirement policy. (70)

To prevent employee abuse of his right to elect to terminate because of physical or mental disability, the employee may be required to submit proof:

An employee who is physically or mentally unable to perform his duties may resign and receive the above termination pay provided he submits satisfactory evidence of such inability. In the event the employer does not deem the evidence satisfactory, such question may be submitted to grievance and arbitration . . . (71)

Exemptions From Severance Pay. At the same time that negotiators listed conditions for granting compensation, they also set down their understanding on the kinds of situations in which severance would be denied. Fully 70 per cent (264) of the 377 provisions that were studied listed one or more conditions under which benefits would be withheld (table 5).

Two provisions, each of which offered alternatives to severance benefits, were especially common: Those denying payment to workers who refused transfer or recall (137) or to workers who were eligible for pensions (128).

Upon displacement from the job, but before it was finally determined that the worker would have to be separated, the employer might attempt to re-assign the worker to other available work. Should the worker be eligible for transfer in accordance with the seniority clause and should he refuse to transfer or fail to accept recall to an available job while on layoff, then he would forfeit his allowance:

. . . An employee otherwise eligible for severance allowance who is entitled . . . to a job in at least the same job class in another part of the same plant shall not be entitled to severance allowance whether he accepts or rejects the transfer . . . (72)

* * *

Employees who are laid off from the plant and are eligible for severance pay as outlined in paragraph (b) above shall be paid on a weekly basis and such employees who refuse recall to jobs in their occupational group will lose any benefits remaining due under this section. (73)

As one of the above clauses indicates, safeguards are sometimes adopted to protect the employee from loss of severance benefits for justifiably refusing to transfer to available openings if it meant lower earnings or a move to another location.¹⁰ In the examples that follow, the worker loses severance pay only if he refused to transfer to a job in the same geographic area:

¹⁰ For a discussion of options between transfer and severance pay see p. 32.

No termination allowance shall be due any eligible employee who fails or refuses to accept an offered comparable job assignment within the same headquarters location area without good and sufficient cause demonstrated.

An employee who disqualifies himself for termination allowance by refusal of available transfer opportunity will be treated as waiving all further rights to reemployment and to eligibility for or continuation of termination allowance payments.

An eligible employee may refuse to accept an offer of a comparable job assignment in some other headquarters location area without loss of termination allowance. However, upon such refusal, he will be treated as waiving all further rights to reemployment with the company as otherwise provided in this agreement. (74)

* * *

Loss of a particular job shall not be considered a release on account of lack of work if the employee is offered work at the time of such release with any subsidiary or affiliated company of the company or with any company acquiring or succeeding to all or any part of the property of the company, but shall be considered as such a release where such offered work is outside of the geographic boundaries of his division and is with Michigan Gas Storage Co. (75)

The right to refuse transfer outside the geographic area, or reasonable commuting distance, was in some cases limited to refusal only if the job was not equivalent or if it paid less than the worker's old job by a given amount:

Each regular employee laid off as the result of force surplus, other than employees who are offered and refuse employment in a related or reasonably equivalent occupation and within reasonable commuting distance of their then place of employment, will be paid a layoff allowance . . . (76)

* * *

Separation allowances shall not be paid . . . to employees who refuse an offer of employment by the company in another department or another unit of its business the location of which is reasonably accessible to the location of the place of employment from which the employees are being dropped from the service, unless the job on which the employment is offered carries a rate in excess of 15 cents an hour less than the job which the employee last worked on prior to the closing of the department or units of business. If the reduction in rate . . . exceeds 15 cents per hour the employee shall have the election of taking either the job or separation allowance. (77) [This illustration is reproduced in its entirety in appendix A.]

Loss of income or downgrading could be sufficient grounds for refusal even in intraplant transfer. Workers could refuse an available opening, for example, if the pay was less than the pay for the old job by a given percent.

. . . An employee who is immediately entitled under the seniority provisions of this agreement to another job covered by this agreement which has a base rate of at least 86 percent of the base rate of the job from which he is being displaced shall not be entitled to separation payment whether he accepts or refuses the other job. If he refuses such job, his seniority and employment status shall cease. If he is offered a job with a base rate of under 86 percent, he may:

- (1) Accept separation payment (in which event his seniority and employment status shall cease), or
- (2) Accept the job (in which event he shall not hereafter be entitled to separation payment for the original displacement), or
- (3) Accept a layoff, for recall in accordance with the seniority provisions of . . . [this agreement]. (78)

Similarly, a worker could refuse to transfer if the transfer was to result in a loss of job grade:

The plan does not provide service payments under the following additional conditions: . . .

To an employee who refuses a lateral transfer or any job assignment to which he is entitled under the seniority section except:

1. He shall not be required to take more than one downgrade in his job classification.
2. If a downgrade within his job classification is not available he shall not be required to take a reduction of more than four labor grades or equivalent rate range position from his position at the time he first exercises his seniority rights as a result of lay-off. . . .

To an employee who fails to respond to recall as provided in the recall provisions of the seniority section, within 4 calendar weeks following his layoff. (79)

* * *

An eligible employee who elects to take a layoff . . . shall not be entitled to severance pay unless, had he not elected layoff:

- a. He would have been downgraded more than two labor grades (for employees classified in labor grade nine or higher) or;
- b. He would have been downgraded more than one labor grade (for employees in labor grade 10) or;
- c. He would have been transferred from an incentive to a daywork job, resulting in a decrease of at least 20 percent in his week's pay. (80)

In one plan refusal to transfer involving a downgrade without loss of benefits was limited to first-class journeymen having 10 years or more of continuous service:

A first-class journeyman with 10 years or more of continuous service who, because of a reduction of personnel in his craft, is transferred to another job may (unless the job is a craft position of equal pay for which a vacancy exists) refuse such transfer and elect instead to accept severance pay . . . (81)

Plans in the motion picture industry recognized that in some recall situations time limits might be unrealistic because workers had taken other employment. They therefore extended recall limits and preserved rights to severance compensation:

If the employee has refused an offer of comparable employment from the producer or was not available when called for work by producer, within the 90- or 270-day period, as the case may be, . . . the employee shall not be entitled to any severance pay. If the employee was not available when called for work by producer as above provided, then producer, as soon as practical, shall notify the union that such call was placed and that the employee was not available.

With respect to call backs after layoffs for severance pay, it is recognized that in certain circumstances it may be difficult for an individual to accept a call immediately when he is currently employed at another studio.

It is further recognized that in certain circumstances it may be difficult for the employee, as well as a hardship to the studio where he is then employed, to be required to accept a call immediately without any notice to his then present employer.

It is believed that in the great majority of cases reasonable consideration should be given so that the employee will not lose his severance pay credits. To this end, it is the intent of the parties hereto that if an employee who has qualified for severance pay has been laid off by a studio and, within the 90-day period referred to, such studio recalls the employee at a time when such employee is unable to accept such recall because of other employment in the motion picture industry, then such 90-day period shall be extended by a period equivalent to the period of employment for which the employee was being recalled, but in no event to exceed 20 days. In the event that such employee is again recalled by the studio within the 90-day period, as extended, and does not accept such recall because of other employment in the motion picture industry, or for any other reason, except as otherwise herein provided, then such employee shall lose his qualification for severance pay.

In the event the employee is unavailable to accept such recall because of employment outside the motion picture industry at the time of such recall, he shall have a maximum of 2 days after the day of such recall to make himself available and if he fails to do so then such employee shall lose his qualification for severance pay.

Such provisions with reference to the 90-day period shall also attach to the 270-day period as the case may be. (82)

Employees eligible for pension benefits were disqualified from severance allowances in 128 agreements:

Any employee who retires under the company's employees' retirement system shall not be entitled to a severance allowance under the provisions of this article. (83)

* * *

Any employee who is laid off or whose employment is severed through no fault of his own for a reason other than retirement under (the) employees' retirement allowance plan shall be granted severance pay . . . (84)

In 103 agreements each discharge for cause or voluntary resignation barred severance payments:

An employee who is discharged for insubordination, insobriety, dishonesty, absence without authority, grave offenses, or subversive activity shall not be entitled to termination pay . . . (85)

* * *

In the event of any layoff or discharge except for dishonesty, drunkenness, or gross insubordination or where the union requires a discharge for nonpayment of dues [The company], will pay severance pay . . . (86)

* * *

(b) Severance pay benefits shall not apply to employees discharged for just cause, resigning (except for bona fide illness in an employee's immediate family requiring a change of location outside the area served by the company, for reason of health), retiring, leaving the employ of the company because of compensable disability or leave of absence, or offered employment by a successor to this company in any of its present or future operations or locations at the then existing status and rate of pay. (87)

Less commonly, plans noted conditions which were beyond the employer's control and which created short-term layoffs—conditions such as strikes, acts of God, emergencies, etc. These, too, were considered outside the coverage of the plans. In some cases, benefits were not paid to persons on leave of absence or to workers who could not be placed upon return from leave of absence:

(For purposes of receiving an allowance) . . . an employee's service shall not be considered suspended by layoff nor shall he be considered laid off under the following circumstances: (1) when his services are temporarily interrupted because of, but not limited to such cases as material shortage, equipment failure, power failure, or other circumstances which cause a temporary cessation or reduction in operations; (2) when not reinstated from leave of absence. (88)

* * *

. . . severance pay shall be granted . . . except where absence from work is due to any strike, fire, flood, major or mechanical or electrical breakdown . . . (89)

* * *

The provisions of this plan shall not be applicable where the company decided to close a plant or lay off an employee because of the company's inability to secure production, or carry on its operations, as a consequence of a strike, slowdown, or other interference with or interruption of work participated in by employees in a company plant, service shop, or other facility. However, the operation of this paragraph shall not affect the rights or benefits already provided hereunder to an employee laid off for lack of work, prior to and not in anticipation of the commencement of any such strike, interference, or interruption. (90)

* * *

(b) An employee who is laid off while on leave of absence shall not receive severance pay except if the leave of absence is for personal illness or if the stated term of a personal leave of absence expires 1 month or less after the layoff. This section does not apply to maternity leaves. (91) [This illustration is reproduced in its entirety in appendix A.]

Under a small number of agreements, most of them in the aerospace industry, a worker was ineligible if he falsified his benefit application or if the allowance was under \$25:

(j) No employee shall be eligible for any benefit where the amount of such benefit, calculated in accordance with the provisions . . . is less than \$25.

(k) Any employee who intentionally misrepresents or fails to disclose any material facts, in connection with any application for or receipt of any benefit under this section, shall forfeit any rights under this section that he may have accrued up to that time, and shall in addition forfeit his recall rights and seniority. (92)

Retirement and Death. Plan provisions related severance to pensions and retirement in a variety of ways, some frequent and some rare. Perhaps the simplest relationship found was in agreement provisions establishing a severance pay program in a pension plan:

. . . the company shall expend \$.0625 per hour of work for a pension plan which shall include a severance pay feature and such other terms as the parties shall agree upon . . . (93)

or providing for severance payments from an existing pension fund:

The lump-sum benefit of an employee eligible for a transfer severance benefit who has applied therefore shall be an amount, payable from the pension trust fund as provided for in the present pension agreement. . . . (94)

Neither was frequent in plan provisions; as pointed out earlier, pension plans were not analyzed.

More common were those plans providing for separation payments to retiring workers. In textile agreements, this was frequently the only benefit available upon retirement:

The employer will pay retirement separation pay to each of its employees who, having attained the age of 65 in the case of men or the age of 62 in the case of women, voluntarily retire from active employment in the mill and have, at the time of their retirement, completed 15 years of service in the mill with an average employment of 1,000 hours or more for each service year. The amount of the retirement separation pay shall be 1 week's pay for each service year, with a maximum of 20 weeks' pay. (95) [This illustration is reproduced in its entirety in appendix A.]

In others, the language of the provision was less explicit, but by establishing age or length-of-service requirements, or by paying for voluntary retirement, they signalled their intent to be retirement separation plans:

Any employee may request and receive severance pay on any one of the following bases:

- (a) Completion of 25 years or more of continuous service.
- (b) Completion of 20 years or more of continuous service at age 65.
- (c) Completion of 25 years or more of total service—not necessarily continuous—at age 60, provided the employee's present service has exceeded 10 consecutive years. (96)

* * *

(1) The corporation may separate from its employment any male employee on its active payroll who has reached 65 years of age, or any female employee who has reached 62 years of age, or who hereafter reached 65 and 62 years of age, respectively, and who is unable, in the corporation's opinion, to perform his or her work satisfactorily; and such separation may be effected at any time after the employee's 65th or 62d birthday as the case may be. An employee shall be deemed on the active payroll only if actually at work at the time of separation or is not at work at such time because of personal illness or injury suffered in the plant provided absence for such reason has not extended for a period in excess of 26 weeks.

(2) Any employee who has reached 62 years of age will be separated under this article 23 upon receipt by the personnel department of the corporation of a valid written request to be so separated, signed by the employee.

(3) If such employee has 15 years of service at the time of such separation, he shall receive from the corporation the sum of \$900 and for each year of service in excess of 15 years an additional \$80; but no employee shall receive more than a total of \$2,000. If such employee has less than 15 years' service at the time of such separation he shall receive from the corporation a sum equal to 1 day's pay for each year of his service with the corporation. (97)

A worker could receive both separation pay and pension, although in some cases the severance payment might be reduced:

Each employee (other than those retiring on a deferred vested retirement pension) who on or after the effective date of this agreement retires and is eligible for benefits under the pension agreement . . . shall become entitled to receive a severance allowance equal to 3 weeks' pay . . . (98)

* * *

If the employee is entitled to and elects to accept the vested retirement benefits under the terms of the employer's retirement plan, severance pay will be as outlined above, less the actual expenditure made by the employer toward the vested retirement pay. (99)

A clear inducement to retire was a provision which granted to laid-off employees who chose early retirement their severance allowance in addition to pension benefits:

An eligible employee who elects early retirement . . . when he otherwise would be laid off will be paid the severance pay to which he may be entitled immediately upon retirement. (100)

In some plans, the worker had an option between severance pay and pension. Choosing separation pay would automatically disqualify the worker from receiving pension allowances:

Employees who are eligible for severance pay . . . and are also eligible for pension under the terms of the pension plan . . . may at their option elect to receive benefits under this severance pay plan. It is understood that this election makes such employees ineligible for pension benefits . . . (101)

A trial retirement was provided for in the following provision:

30.1 Any employee who has completed 25 years or more of service with an employer shall be entitled to 4 weeks' severance pay, at his base hourly rates, upon retirement. The union and employers shall cooperate to effect the retirement of employees who reach retirement age.

30.2 Any employee eligible for retirement under the district 65 security plan shall be granted, upon request, a trial retirement not to exceed 1 year. At the conclusion of the trial retirement period, said employee shall have the right to be reinstated as an employee, with full seniority and job rights if he is in good physical and mental condition at the end of the trial retirement period. (102)

Fifty-four plans provided that allowances were payable to workers who were ineligible for pensions:¹¹

Any employee . . . compelled to retire who does not qualify for pension payments . . . and, . . . any employee . . . who elects to retire but who does not qualify for pension payments . . . shall be paid by the company the following amounts of money . . . Such payments shall be in lieu of pension benefits and shall not be available to any employee eligible for pension payments . . . (103)

* * *

¹¹ Severance provisions in automobile SUB plans similarly provided termination pay to retiring workers ineligible for pensions.

Any regular employee with 15 or more but less than 20 years' net credited service who at age 65 is retired by the company without a pension will be given a termination allowance . . . (104)

Severance benefits were used to supplement low pension payments, but benefits were reduced, in such a case, by the amount of earnings a worker received after normal retirement:

Severance pay will be granted to certain employees upon retirement under the following conditions:

Whether or not he is a member of the retirement plan, any employee whose allowance upon retirement is less than \$600 (annually, in the case of members) shall receive a supplemental allowance in a lump sum as follows . . .

Employees continued in service after age 65 shall have deducted from the severance pay allowance all amounts earned after reaching age 65. (105)

Sixty-three plans referred to the status of severance payments in the event of the worker's death.¹²

Effect of death upon payments	Agreements	Workers (in thousands)
Total with severance pay provisions-----	377	1,794.3
Total referring to payment of severance benefits upon death-----	63	272.9
Dismissal pay to beneficiaries of workers who die while employed-----	7	41.6
No severance pay in event of death-----	18	90.6
Unpaid balance of dismissal pay to beneficiaries of separated employees receiving severance pay-----	36	138.1
Other ¹ -----	2	2.7
Total with no reference to effect of death upon severance pay-----	314	1,521.4

¹ In both agreements, beneficiary receives severance pay due deceased. The minimum is specified in 1; the maximum in the other.

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

Only in a few instances, was the employer liable for payment of the full or partial amount to beneficiaries of the worker who died while still employed.

(d) In the event of the death of any employee with 6 months or more of service, the publisher agrees that the beneficiaries of the deceased, designated by the employee in writing in advance, shall be paid a sum equivalent to that which the deceased would have been paid had he been discharged under the terms of this contract, but in no event less than \$500, less any legal costs or expenses caused the publisher in making said payments. (106)

* * *

In the event of the death of a regular full-time employee, covered by this agreement, the publisher agrees to pay to the beneficiary previously designated in writing by such employee, or to his estate, severance pay equivalent to 50 percent of the amount which the deceased would have been paid as dismissal indemnity (as set forth in article 21) for the length of total continuous employment up to the time of death (as recognized in the employment records of the publisher), but in no event shall such total severance payment for each deceased employee exceed the sum of \$1,000. (107)

¹² Virtually all funded arrangements established special arrangements in the event of death.

Only 18 agreements stipulated that the employer did not have to pay severance to the estate of a worker who died. Thus, death was not considered compensable separation:

No termination allowance will be due . . . in any case where the separation is the result of . . . death. (108)

One provision, however, specifically qualified this waiver of the employer's obligation to pay by requiring payment if the widow remained unmarried or if the surviving children were under specified age limits.

In the event of the death of an employee while receiving dismissal payments, such payments shall cease; except that in the event such employee is married or has unmarried children under age 21 at the time he is laid off, then such payments shall be continued to the extent of the amount remaining . . . solely to the wife while living and unmarried, or, in the event of her death or remarriage, the payments shall be equally divided between such unmarried children of the employee until they reach the age of 21. (109) [This illustration is reproduced in its entirety in appendix A.]

More often, the employer's obligation extended to any balance that remained in the event the worker died while receiving benefits:

In the event of the death of an employee entitled to severance pay, any unpaid balance shall be paid to his widow or dependents. (110)

* * *

18.7 If the employee's death occurs while receiving separation pay, his heirs or estate shall receive the remainder due under the formula . . . (111)

Worker Eligibility—Length-of-Service Requirements. In all but nine agreements, workers were required to have a specified minimum length of service to be eligible for benefits (table 6). These requirements served to eliminate recently hired workers or low-seniority workers from coverage. The bulk of the agreements established relatively modest minimums of 1 year (146) or 6 months to a year (50). The requirement for a 3-year minimum was prominent only because of the steel pattern. Higher minimums were uncommon, and were largely related to retirement-separation pay provisions.¹³ Thus, length-of-service eligibility as a general rule, was no more stringent than for vacation allowances, although payments usually reflected the amount of a worker's service.

Minimum length-of-service requirements in 19 plans varied with the reason for separation. Thus, in the Macy's—Retail, Wholesale, Department Store Union provision, workers separated because of a reduction in force needed only 1 year of service for eligibility, but workers who resigned because of ill health received allowances if they had 5 years or more of service. Similarly, the Laclede Gas Co. agreement necessitated 10 years of service in order to collect benefits on resignation for physical inability, but if a job was eliminated by technological change or because of sale, lease, or "other disposition of a manufacturing plant," then only 2 years of service were required. In any other separation, except those specifically excluded, a separated worker having 5 years of company service received allowances.

A year of service for severance pay purposes was variously defined, including terminology such as "a full year," a "year of continuous service," a "completed year," service year definitions used in vacation or pension plans, and specific definitions of a service year for the purposes of termination allowances.

¹³ The highest minimum found in funded arrangements was 2 years, typical of separation provisions in SUB plans.

A year's service was defined in terms of (a) a number of hours:

The employer will pay retirement separation pay to employees who . . . have . . . 15 years of service with an average employment of 1,000 hours or more for each service year. (112)

or (b) a number of days:

(b) A year shall be a period of 365 consecutive calendar days unless extended as herein provided, with such period to commence with the date the employment is terminated and computed backward in retrospect upon the prior employment record with producer. A "qualified year" shall be such a year in which employee actually works 200 days hereunder for producer. If the employee is offered such employment within 270 elapsed days after such termination of employment and the employee works less than 200 days in such year, the year will be "bridged" for the purposes of determining qualified years. The subject of "bridging" has been referred to a joint subcommittee consisting of representatives of the respective parties hereto, for further determination. (113)

or (c) a number of months:

In computing such years of service, a fraction amounting to less than 6 months will be disregarded, and a fraction amounting to 6 months or more will be considered as a full year. (114)

Time off that would or would not be counted was also specified:

Each year of continuous employment is defined for the purpose of this entire section as a full and complete year of continuous employment without absence of more than 30 regular working days during any anniversary year, excluding only paid holidays, paid sick leave, paid vacation, annual military training, authorized jury service, and temporary layoff as defined in the seniority section of this agreement. (115)

* * *

In the event of a layoff which is made during the life of this agreement, the company will make a lump-sum severance payment of 1 week's regular wages for each full year of continuous service as determined by company personnel records to any employee who has actually worked a total of 24 months (104 weeks) out of the 30 months (130 weeks) immediately preceding his layoff and who is on the active payroll at the time of layoff . . .

g. Definitions for purposes of this section:

1. "Actually worked" includes paid absences under the agreement, absences during weeks for which workmen's compensation payments are made by the company, military service leaves of absence, and absences during the vacation shutdown because the employee is not offered work by the company. No absence, however, is to be counted as time worked beyond the date that the employee would have ceased work because of layoff. Time on layoff whether or not layoff severance, vacation, or other payments are made is not counted as time worked. Partial weeks worked count as full weeks in computing time worked. (116)

Option

Many agreements explicitly protected the right of a worker facing separation or layoff to choose between accepting the plan benefits to which he was entitled and transferring to a lesser job (or transferring with other disadvantages), or moving into a layoff status with his seniority and recall rights intact, or, in a few agreements, retraining, or a combination of alternatives. Usually these were choices that the individual worker had to make, and, presumably, the amount of his severance pay, his prospects, and his age would be important considerations to weigh against the employer's offer.

It is possible that an element of choice for the worker, if an alternative to separation is feasible, is implicit in the operation of most severance pay plans. The clauses, however, appear to represent an extra safeguard to the worker in making a choice and special protection of his equity in the severance plan.

Of the 377 plans studied, 167 offered alternatives to workers at the time of displacement from their regular jobs.

Options	Agreements	Workers (in thousands)
Total having options ¹ -----	167	880.6
Transfer -----	137	726.2
Layoff, with recall rights -----	99	675.5
Training -----	6	88.3
No reference to options -----	210	913.7

¹ Nonadditive. 73 agreements covering 595,350 workers provided multiple options.

The intraplant transfer option offered in the following clauses involved transfer to another department in the plant, to any job that the worker was able to perform, or to any job that the worker was willing to accept:

1. In lieu of severance allowance, the company may offer an eligible employee a job, in at least the same job class for which he is qualified, in other departments of the plant. The employee shall have the option of either accepting such new employment or requesting his severance allowance. If an employee accepts such other employment, his continuous service record shall be deemed to have commenced as of the date of the transfer, except that for the purposes of severance allowance under this section and for purposes of section 12—vacations, his previous continuous service record shall be maintained and not be deemed to have been broken by the transfer.

2. As an exception to paragraph 1 above, an employee otherwise eligible for severance allowance who is entitled under section 13—seniority, to a job in at least the same job class in another part of the plant shall not be entitled to severance allowance whether he accepts or rejects the transfer. (117)

* * *

(c) When a department is permanently discontinued, employees on the departmental seniority list of such department at the time of the discontinuance, shall, on written application, 3 weeks prior to the discontinuance, have the option of accepting severance allowance as scheduled below, or accepting a transfer to another department on the basis of their plant seniority. Those who elect to transfer shall go to the bottom of the departmental seniority list of the department transferred to, but shall maintain their plant seniority. (118)

* * *

When a job is for any reason discontinued, or the work with respect to such job in any manner curtailed and an employee for either such reason loses his job, such employee shall be given first preference at any open job of his choice if he shall be able to perform the work with average ability at the minimum rate for such open job, plus general wage increases as shall have been given during the term of this agreement, before any new employees are hired for such job or jobs or at the option of the employee, severance pay. (119)

* * *

In lieu of severance allowance, the corporation may offer an eligible employee a job in the same job class for which he is qualified, or in a job class which he is willing to accept. The employee shall have the option of either accepting such new employment or requesting his severance allowance, but not both. . . . (120)

In multiplant companies, workers were offered the opportunity to choose between severance and moving to another plant.

(b) An employee who may be offered transfer to another locality as an alternative to involuntary furlough shall have the option of accepting such transfer or of electing to take severance pay . . . (121)

* * *

An employee who has completed 1 year or more of continuous service and who is offered a transfer to another work location because of lack of work, may refuse such transfer and elect to take (severance) allowance . . . (122)

* * *

Whenever the company deems it necessary to release regular employees in the traffic department as a result of a technological change, the following procedure shall apply . . . regular, full- or part-time employees . . . not desiring employment at another company exchange will be given termination pay . . . (123)

In some instances, a refusal to transfer to a nearby plant meant loss of benefits. Disputes as to whether a plant was in the same or nearby area were to be resolved through the grievance procedure:

Severance pay is not paid . . . to employees who refuse an offer of employment by the company in another department or another unit of its business, the location of which is reasonably accessible to the location of the place of employment from which the employees are being dropped from service. Reasonably accessible shall not be interpreted to apply to any distance greater than the distance for which no moving allowance is payable . . . (124)

* * *

(c) An employee who has completed 5 years or more of continuous service and who is offered a transfer to another work location may refuse such transfer and in lieu thereof elect to take a separation allowance in the event that the transfer to the new location would involve unreasonable inconvenience and expense to the employee. The determination of "unreasonable inconvenience and expense" in any particular case of an employee transferred to another work location shall be subject to grievance procedure. (125)

* * *

If . . . substantially the entire matrix . . . plant . . . and/or the entire manufacturing plant . . . is physically moved to a location which is . . . within 50 airlines miles of either of the two present plant locations . . . any employee who has 5 years or more of continuous service and resides at the time the move is announced . . . over 50 miles by the shortest usual route of travel from the new location and who elects not to continue as an employee at the new location, shall be entitled to a severance allowance . . . (126) [This illustration is reproduced in its entirety in appendix A.]

The interplant option might reinforce the principle that the worker follows the job, if he so chooses, in a transfer of operations:

5. The employer shall give regular employees displaced by the transfer of a particular function of a bureau the option of accepting a transfer with the function to another bureau, or accepting dismissal indemnity in lieu of transfer. In case of cessation of functions of a bureau or department, the employer shall offer transfers to the regular employees affected or, if unable to do so, shall reduce the force. Should the employee decline a transfer or be released by reduction of the force he shall receive dismissal indemnity. Acceptance of dismissal indemnity by an employee under either of the conditions set forth above shall be entered on the records as a resignation. (127)

The choice between accepting final termination or electing layoff with full recall rights was offered to employees in 99 agreements. In choosing to delay severing the employment relationship by electing layoff, the worker retains all seniority rights, at least for the layoff period and the hope that he will be recalled.¹⁴

(B) In the event of final termination of employees for reasons other than resignation, discharge for just cause, or retirement under the company's retirement plan. Employees laid off subject to recall may, within 6 months of the date of layoff, elect to accept final termination, foregoing any recall rights, and receive termination payments as provided above. (128)

* * *

¹⁴ During layoff, the worker may receive income to sustain him, from State unemployment benefits, or from negotiated SUB plans. In the Armour agreement, a special maintenance of income plan was negotiated, labeled by the parties as technological adjustment pay, limited to workers who registered their willingness to accept an interplant transfer. Both Armour's separation pay and technological adjustment pay provisions are reproduced in appendix A.

6. An employee on being laid off shall have the right to elect not to receive severance pay and thereby retain all seniority rights and any other privileges to which such an employee may be entitled. (129)

* * *

A regular employee who has been laid off because of lack of work shall have the right to elect to receive dismissal pay at the rate and under the terms and conditions hereinafter set forth. Such dismissal pay shall be in lieu of his rights of reemployment and retention of seniority upon reemployment. . . . (130) [This illustration is reproduced in its entirety in appendix A.]

Provisions allowing the choice between severance and layoff sometimes established maximum time limits for layoff status. If not recalled within the defined period, it was assumed that the chances for reemployment were nil. These limits extended up to 1 year, or, as in Steelworkers' provisions for 90 days:

Employee may accept severance pay and forfeit seniority retention rights or retain seniority up to a maximum of 1 year.

. . . Any employee with 5 years or more seniority who is on continuous layoff for a 6-month period, or is laid off and exhausts his unemployment compensation eligibility shall have the option of accepting separation pay according to the schedule outlined below and forfeit seniority retention rights. If the employee elects not to exercise this option, he will retain seniority up to a maximum of 1 year. At any time between the expiration of 6 months' continuous layoff or the running out of unemployment compensation benefits and the end of 1 year of continuous layoff, the employee may elect to accept his separation pay and his seniority shall be terminated. In the event the employee does not exercise this option up to the time of the end of 1 year's continuous layoff and the employee is then still in a layoff status, he shall receive . . . separation pay . . . and his seniority shall be terminated. (131)

* * *

Section 4. Notwithstanding any other provision of this agreement, an employee who would otherwise have been terminated in accordance with the applicable provisions of this agreement and under the circumstances specified in section 1 of this article may at such time elect to be placed upon layoff status for 30 days or to continue on layoff status for an additional 30 days if he had already been on layoff status. At the end of such 30-day period he may elect to continue on layoff status or be terminated and receive severance allowance if he is eligible to any such allowance under the provisions of this article; provided, however, that if he elects to continue on layoff status after the 30-day period specified above, and is unable to secure employment with the company within an additional 60-day period, at the conclusion of such additional 60-day period he may elect to be terminated and receive severance allowance if he is eligible for such allowance. (132)

In one agreement of the Celanese Corporation of America, a worker facing displacement because of technological change could, in lieu of severance pay, elect to be placed on the furlough list and hope for recall, or, if eligible, might elect to be placed on a preferential hiring list:

Should displacements be made because of changes in plant or equipment or process operations in any department or section, a worker so displaced shall be given the option for 3 days of becoming a displaced employee with . . . (a technological displacement allowance) . . . and being dropped from the seniority list, or being transferred according to seniority to the furlough list.

A preferential list shall be established for workers of more than 2 years' service who may have been displaced, and such displaced workers shall have the privilege for a period of 60 days of deciding to take separation allowance . . . or accepting a place on the preferential list in accordance with his seniority for future employment on a job agreeable to the employer and the employee . . . (133)

The assumption that the employer, upon payment of dismissal compensation, ends his obligations to the worker still prevails. Exceptions were found in six plans, all in electrical manufacturing, which gave workers laid off for lack of work the right to apply severance funds for training. All were in General Electric's income extension aid plan, or in Westinghouse's layoff income and benefits plan.¹⁵ These benefits were not available to employees separated because of plant closing, but only to those on layoff:

3. An eligible employee laid off for lack of work, if not then eligible for optional retirement under the pension plan, may elect from the following:

- (a) He may enter upon a course of instruction at a recognized trade or professional school in which event payments will be made to such school from the income extension aid available to him (while he has continuity of service), upon written request therefor by the employee, to be applied to reasonable tuition charges and any other reasonable fees directly associated with the courses charged by the school . . .

Income extension payments made under subsection (a) shall not affect service credits previously accumulated, continuity of service, and recall rights. It will not be necessary for an employee to repay any income extension aid payable under such subsection. . . . (134) This illustration is reproduced in its entirety in appendix A.

* * *

A. An eligible employee, as defined below, will receive layoff income and benefits in accordance with one option or more listed below, from a total maximum sum available to him which is equal to 1 "week's pay" for each full year of his service with the company. An eligible employee is an employee with 3 full years or more of such service who is not entitled to early retirement, as specified in the Westinghouse pension plan, and is not on disability or leave of absence, who is laid off through no fault of his own for lack of work occasioned by reasons associated with the business (such as changed customer ability and willingness to buy as reflected in adjusted production requirements, changed manufacturing processes, product discontinuance, or plant closing), and who has not been recalled to work. . . .

C. The Options:

1. Retraining Outside the Company

An eligible employee may enter upon a course of instruction, at a trade or professional school recognized by the company, designed to provide him with new employment skills, in which event payments will be made to such institution from the total maximum sum available to the employee pursuant to this plan upon documented request by the employee, and such payments shall be applied to reasonable tuition charges and other reasonable fees directly associated with the courses and charged by the school. To avoid misunderstanding, the employee should ascertain from the company in advance whether the school which he plans to enter is so recognized. (135)

¹⁵ Additional Westinghouse agreements, negotiated toward the end of 1963, included a training option.

Table 3. Conditions Inherent in the Work Situation Which Govern Severance Pay and Layoff Benefit Payments in Major Collective Bargaining Agreements, 1963

(Workers in thousands)		
Qualifying condition	Agreements	Workers
Total plans -----	377	1,794.3
Plans referring to conditions inherent in work situation ¹ ---	364	1,757.9
Plant closing -----	119	698.6
Discontinuance of department -----	96	596.5
Technological change -----	56	194.5
Business mergers or changes of ownership -----	11	19.3
Discontinuance of business -----	9	16.8
Transfer of operations -----	8	10.7
Other ² -----	10	54.8
Vaguely defined: Layoff for lack of work -----	114	570.9
Other vaguely defined -----	79	376.9
No reference -----	13	36.5

¹ Provisions are nonadditive; a contract may contain more than 1 condition inherent in the work situation.

² In 5 agreements, dismissal pay is granted, among other reasons, as an inducement to terminate in the event of force reduction; in 2 for job elimination; in 2 if work is reduced at the local level, and in 1 for economic changes resulting from "changed customer attitudes."

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

Table 4. Conditions Inherent in the Worker Which Govern Severance Pay and Layoff Benefit Payments in Major Collective Bargaining Agreements, 1963

(Workers in thousands)		
Qualifying condition	Agreements	Workers
Total plans -----	377	1,794.3
Plans referring to conditions inherent in the worker ¹ -----	113	507.6
Ineligible for pension benefits -----	54	217.3
Retirement separation plan -----	6	14.5
Physical disability -----	36	51.5
Discharge -----	30	30.3
Vaguely defined -----	14	30.4
No reference -----	264	1,286.8

¹ Provisions are nonadditive; a contract may contain more than 1 condition inherent in the worker.

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

Table 5. Exemptions to Payment in Severance Pay and Layoff Benefit Plans in Major Collective Bargaining Agreements, 1963

(Workers in thousands)		
Exemption	Agreements	Workers
Total plans -----	377	1,794.3
Plans with exemptions ¹ -----	264	1,353.6
Refusal of transfer or recall -----	137	802.4
Employee qualified for pension -----	128	567.0
Discharge for cause -----	103	436.4
Voluntary resignation -----	103	429.6
Strikes or slowdowns -----	69	316.2
Acts of God -----	57	180.5
Leave of absence -----	54	222.9
Misrepresentation of facts on application -----	15	103.2
Payments under a specified minimum -----	14	101.3
Employee receiving workmen's compensation or other benefits -----	12	85.3
Other exemptions ² -----	22	45.2
Total with no reference to exemptions -----	113	440.8

¹ Total is nonadditive since provisions may contain more than 1 exemption.

² 7 agreements exempted employers from paying severance benefits when termination was caused by "business or economic conditions;" 5 others, when the employee refused to accept demotion; 4 because of either self-provoked discharge, nonpayment of union dues, or both; 2 where workers were displaced by returning servicemen; 2 in the sale of the plant or facilities; 1 for the convenience of the employee; and finally 1 when the worker in Hawaii accepted a lump-sum repatriation benefit, or was transferred to another employer.

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

Table 6. Minimum Service Requirements for Severance Pay and Layoff Benefits
in Major Collective Bargaining Agreements, by Industry, 1963

Industry	Total plans		Minimum service requirements									
			Total		Less than 6 months ¹		6 months but less than 1 year		1 year		2 years	
	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers
All industries	377	1,794.3	368	1,772.2	15	21.8	50	257.1	146	565.9	27	89.3
Manufacturing	243	1,140.7	238	1,125.3	10	14.5	15	57.8	99	326.0	20	54.8
Ordnance and ac-cessories	10	38.6	10	38.6	-	-	2	2.6	7	33.4	-	-
Food and kindred products	33	113.7	33	113.7	-	-	-	-	18	68.5	3	5.5
Tobacco manufac-tures	-	-	-	-	-	-	-	-	-	-	-	-
Textile mill prod-ucts	8	17.3	8	17.3	-	-	-	-	2	3.1	1	2.0
Apparel and other finished products	-	-	-	-	-	-	-	-	-	-	-	-
Lumber and wood products, except furniture	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	1	1.4	1	1.4	-	-	-	-	-	-	-	-
Paper and allied products	10	24.1	10	24.1	-	-	-	-	8	21.2	-	-
Printing, publishing, and allied indus-tries	6	10.9	6	10.9	-	-	2	2.7	3	7.1	-	-
Chemicals and allied products	33	57.2	33	57.2	4	7.4	5	7.5	15	25.4	8	13.5
Petroleum refining and related indus-tries	5	20.4	5	20.4	-	-	-	-	5	20.4	-	-
Rubber and miscel-laneous plastics products	1	1.1	1	1.1	-	-	-	-	-	-	-	-
Leather and leather products	3	3.6	3	3.6	-	-	-	-	3	3.6	-	-
Stone, clay, and glass products	1	1.4	1	1.4	-	-	-	-	-	-	-	-
Primary metal industries	52	479.7	51	478.5	3	3.6	-	-	2	2.8	-	-
Fabricated metal products	8	19.5	8	19.5	-	-	-	-	-	-	-	-
Machinery, except electrical	9	11.6	9	11.6	2	2.1	-	-	2	3.7	2	2.3
Electrical machinery, equipment, and supplies	32	206.2	31	205.1	-	-	2	4.2	17	73.8	3	26.2
Transportation equipment	21	113.1	19	101.6	-	-	2	36.8	13	57.7	2	2.7
Instruments and re-lated products	9	15.3	8	13.6	1	1.4	2	4.1	4	5.4	1	2.7
Miscellaneous manu-facturing industries	1	6.0	1	6.0	-	-	-	-	-	-	-	-
Nonmanufacturing	134	653.7	130	647.0	5	7.3	35	199.4	47	240.0	7	34.5
Mining, crude petro-leum, and natural gas production	7	16.7	7	16.7	-	-	-	-	1	1.0	-	-
Transportation ²	7	18.6	6	17.0	-	-	-	-	2	8.1	1	1.1
Communications	76	496.5	74	493.9	2	2.7	28	184.8	28	193.5	3	28.3
Utilities: Electric and gas	18	44.2	18	44.2	-	-	3	5.5	11	30.9	1	2.0
Wholesale trade	1	1.0	1	1.0	-	-	-	-	1	1.0	-	-
Retail trade	8	24.3	7	21.8	-	-	1	4.5	-	-	2	3.1
Hotels and res-taurants	2	3.5	2	3.5	1	2.0	-	-	-	-	-	-
Services	13	46.1	13	46.1	1	1.1	3	4.6	3	4.1	-	-
Construction	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous non-manufacturing indus-tries	2	2.9	2	2.9	1	1.5	-	-	1	1.4	-	-

See footnotes at end of table.

Table 6. Minimum Service Requirements for Severance Pay and Layoff Benefits in Major Collective Bargaining Agreements, by Industry, 1963—Continued

Industry	(Workers in thousands)													
	Minimum service requirements												No minimum indicated	
	3 years		4 years		5 years		More than 5 years ³		Varies with reason for separation		Other ⁴			
	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers
All industries	75	621.0	4	9.4	23	67.6	7	22.2	19	115.3	2	2.8	9	22.1
Manufacturing	66	590.9	2	4.5	14	34.4	5	15.8	5	24.0	2	2.8	5	15.4
Ordnance and accessories	-	-	1	2.6	-	-	-	-	-	-	-	-	-	-
Food and kindred products	5	6.4	1	1.9	2	5.5	1	5.0	3	21.0	-	-	-	-
Tobacco manufactures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Textile mill products	-	-	-	-	-	-	4	10.8	1	1.5	-	-	-	-
Apparel and other finished products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lumber and wood products, except furniture	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	1	1.4	-	-	-	-	-	-	-	-	-	-	-	-
Paper and allied products	-	-	-	-	1	1.4	-	-	1	1.5	-	-	-	-
Printing, publishing, and allied industries	1	1.1	-	-	-	-	-	-	-	-	-	-	-	-
Chemicals and allied products	1	3.5	-	-	-	-	-	-	-	-	-	-	-	-
Petroleum refining and related industries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rubber and miscellaneous plastics products	-	-	-	-	1	1.1	-	-	-	-	-	-	-	-
Leather and leather products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stone, clay, and glass products	1	1.4	-	-	-	-	-	-	-	-	-	-	-	-
Primary metal industries	43	462.1	-	-	3	10.0	-	-	-	-	-	-	1	1.2
Fabricated metal products	7	17.1	-	-	1	2.4	-	-	-	-	-	-	-	-
Machinery, except electrical	-	-	-	-	2	2.2	-	-	-	-	1	1.3	-	-
Electrical machinery, equipment, and supplies	5	93.7	-	-	3	5.8	-	-	-	-	1	1.5	1	1.1
Transportation equipment	2	4.5	-	-	-	-	-	-	-	-	-	-	2	11.5
Instruments and related products	-	-	-	-	-	-	-	-	-	-	-	-	1	1.7
Miscellaneous manufacturing industries	-	-	-	-	1	6.0	-	-	-	-	-	-	-	-
Nonmanufacturing	9	30.1	2	4.9	9	33.3	2	6.4	14	91.3	-	-	4	6.7
Mining, crude petroleum, and natural gas production	4	10.8	2	4.9	-	-	-	-	-	-	-	-	-	-
Transportation ²	2	2.6	-	-	-	-	1	5.2	-	-	-	-	1	1.6
Communications	3	16.7	-	-	1	1.1	-	-	9	66.8	-	-	2	2.7
Utilities: Electric and gas	-	-	-	-	1	1.1	-	-	2	4.8	-	-	-	-
Wholesale trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail trade	-	-	-	-	1	1.0	1	1.2	2	12.0	-	-	1	2.5
Hotels and restaurants	-	-	-	-	1	1.5	-	-	-	-	-	-	-	-
Services	-	-	-	-	5	28.6	-	-	1	7.7	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous non-manufacturing industries	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ Includes 2 agreements in which the minimum service requirement is 1 month, and 13 in which it is 3 months.² Excludes railroad and airline industries.³ The minimum length of service in 1 provision is 8 years; 2—10 years; 3—15 years; and 1—20 years.⁴ In 1 the minimum length of service varies with date that the worker's seniority began, and in the other the minimum length of service required varies with age and sex.

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

Chapter IV. Amount of Benefits

In almost all plans, severance and layoff benefits increased with length of service. Of the 377 plans studied, only 23 had a different basis of payment; 15 graduated their payments according to other factors (e.g., reason for separation, age) and 8 provided the same number of weeks of pay to all eligible workers (table 7).

Service-graduated plans increased benefits according to length of service by a fixed amount—for instance, 1 week's pay for each year of service—or, more commonly, the unit of payment varied at different service levels. In the latter case, the plans favored either the low-seniority workers or high-seniority workers.

Proportionately larger payments went to low-seniority workers where allowances increased at a decreasing rate; that is, additional years of service did not earn a proportionately higher benefit. This type of provision was found in the primary metal industries, for example, where maximum benefits were attained after 10 years of service. Significantly, the Steelworkers agreement provisions on interplant transfers in major multiplant units, found elsewhere in the contract, granted wider transfer rights to workers having 10 years or more of service:

Section 3. Scale of Allowance. An eligible individual shall receive severance allowance based upon the following weeks for the corresponding continuous company service:

Continuous company service (years)	Weeks of severance allowance	
3 but less than 5 -----	4	
5 but less than 7 -----	6	
7 but less than 10 -----	7	
10 or more -----	8	(136)

* * *

Length of continuous service with employer (years)	Duration of severance pay (weeks)	
3 but less than 5 -----	4	
5 but less than 7 -----	6	
7 but less than 10 -----	8	
10 but less than 15 -----	10	
15 or more -----	13	(137)

When the rate of allowance increased with the length of service, usually by grouped years of service, there was an implied recognition that long-service employees had accrued seniority rights whose loss called for extra compensation. Frequently, this variation provided allowances at the rate of 1 week for each year in a low service interval, as defined; 2 weeks for each year in an intermediate interval; and 3 weeks for each year in the highest group. These plans

differed in the number of years included in each service group (i. e., 1 to 5 years, 1 to 7 years, or 1 to 10 years) and in the provisions for maximum benefits:

Section 4. Any regular employee who is laid off under the provisions of this article shall receive a termination allowance computed on the employee's basic weekly wage rate as follows:

Completed years of net credited service	Allowance
1 - 5 inclusive -----	1 week's pay for each completed year.
6 - 14 inclusive -----	5 weeks' pay plus 2 weeks' pay for each completed year after the 5th year.
15 or more -----	23 weeks' pay plus 3 weeks' pay for each completed year after the 14th year.

In no event shall a termination allowance exceed 52 weeks' pay. (138)

* * *

Years of continuous service	Weeks of pay
1 -----	1
2 -----	2
3 -----	3
4 -----	4
5 -----	5
6 -----	6
7 -----	7
8 -----	8
9 -----	9
10 -----	10

11 through 20 years, add to 10, 1-3/4 week's pay for each year of continuous service above 10 years.

21 years and over, add to 27-1/2, 2 weeks' pay for each year of continuous service above 20 years. (139)

* * *

Section 2. Each regular full-time employee laid off under the provisions of this article with 1 year or more of net credited service, shall, in addition to any vacation payments to which he may be entitled, receive a layoff allowance in accordance with the following:

Completed net credited service	Weeks' basic pay	Completed net credited service	Weeks' basic pay
1 year -----	1	10 years, 4 months ---	16
2 years -----	2	10 years, 8 months ---	17
3 years -----	3	11 years -----	18
4 years -----	4	11 years, 4 months ---	19
5 years -----	5	11 years, 8 months ---	20
5 years, 6 months ----	6	12 years -----	21
6 years -----	7	12 years, 4 months ---	22
6 years, 6 months ----	8	12 years, 8 months ---	23
7 years -----	9	13 years -----	24
7 years, 6 months ----	10	13 years, 4 months ---	25
8 years -----	11	13 years, 8 months ---	26
8 years, 6 months ----	12	14 years -----	27
9 years -----	13	14 years, 4 months ---	28
9 years, 6 months ----	14	14 years, 8 months ---	29
10 years -----	15	15 years -----	30

(140)

A layoff allowance, in accordance with the following shall be paid to any employee laid off.

Term of employment at date of layoff (years)	Layoff allowance number of weeks' pay	Term of employment at date of layoff (years)	Layoff allowance number of weeks' pay
Less than 1 -----	0	8 -----	9
1 -----	1	9 -----	11
2 -----	2	10 -----	13
3 -----	3	11 -----	15
4 -----	4	12 -----	17
5 -----	5	13 -----	19
6 -----	6	14 -----	21
7 -----	7	15 -----	24

Three weeks' additional pay for each full year of term of employment in excess of 15. (141)

The Detroit Edison Co. plan coupled the proportionately high rate of benefits for low-seniority workers, who were more likely to be separated, with a steadily increasing rate for intermediate and long service workers:

An employee who is laid off in a reduction of force shall receive a layoff allowance in accordance with the following table:

Accumulated service	Layoff allowance (weeks)
6 months -----	2
1 year -----	4
2 years -----	6
3 years -----	8
4 years -----	9
5 years -----	10

Two weeks for each additional full year over 5, up to and including 15 years' service; 3 weeks for each additional full year over 15 years, up to and including 20 years' service; and 4 weeks for each additional full year over 20 years' service . . . (142)

A significant number of plans (111) granted allowances based on a fixed amount per unit of service. Usually these provided 1 week's pay for each year of service. Some of these plans did not have maximum benefits:

The severance pay shall equal 40 hours' pay at his regular rate of pay for each full year of service with the employer. . . . (143)

* * *

. . . An employee directly affected by plant relocation who does not exercise his seniority rights, may at the time of his displacement waive all reemployment rights and in lieu thereof accept severance pay as follows:

Years' service	Weeks' pay	Years' service	Weeks' pay
Less than 2 -----	0	9 and less than 10 -----	9
2 and less than 3 -----	2	10 and less than 11 -----	10
3 and less than 4 -----	3	11 and less than 12 -----	11
4 and less than 5 -----	4	12 and less than 13 -----	12
5 and less than 6 -----	5	13 and less than 14 -----	13
6 and less than 7 -----	6	14 and less than 15 -----	14
7 and less than 8 -----	7	15 and less than 16 -----	15
8 and less than 9 -----	8	16 or over -----	16

[This illustration is reproduced in its entirety in appendix A.]

(144)

Severance allowance for eligible employees who are permanently laid off shall be based upon length of continuous service with the company. An eligible employee who has completed 1 full year of continuous service shall receive a severance allowance of 1 week's pay (40 hours) at his classified straight-time rate. For each additional year of continuous service an eligible employee will receive 1 week's pay (40 hours) at his straight-time classified rate up to a maximum of 20 weeks, but limited to a maximum payment of \$2,000 to any one individual. (145)

In 15 plans, payments varied according to factors other than length of service or length of service alone. In some plans, the reasons for separation determined which of two payment schedules would be applicable. For example, separation because of layoff or retirement provided a higher benefit schedule than separation for inability to do the job; separation because of technological change meant a greater allowance than separation because of layoff or physical disability.

Termination allowances due because of layoff or retirement without a pension shall be . . . in accordance with the following:

Completed net credited service	Number week's pay	Completed net credited service	Number week's pay
6 months -----	1	11 years -----	21
1 year -----	2	12 years -----	24
2 years -----	3	13 years -----	27
3 years -----	3-1/2	14 years -----	30
4 years -----	4	15 years -----	33
5 years -----	6	16 years -----	36
6 years -----	8	17 years -----	39
7 years -----	10	18 years -----	42
8 years -----	12	19 years -----	46
9 years -----	16	20 years -----	50
10 years -----	18	Additional weeks' pay for each year over 20	

Termination allowance due as an inducement to resign because of inability or unadaptability to perform properly the duties of the job, or because of dismissal except for poor conduct, or because of not being offered work after leave of absence . . . shall be in accordance with the following:

Completed net credited service	Number week's pay	Completed net credited service	Number week's pay
6 months -----	0	11 years -----	13
1 year -----	1	12 years -----	15
2 years -----	2	13 years -----	17
3 years -----	3	14 years -----	19
4 years -----	4	15 years -----	22
5 years -----	5	16 years -----	25
6 years -----	6	17 years -----	28
7 years -----	7	18 years -----	31
8 years -----	8	19 years -----	35
9 years -----	9	20 years -----	39
10 years -----	11	Additional weeks' pay for each year over 20	

[This illustration is reproduced in its entirety in appendix A.] (146)

* * *

Termination Pay. Effective July 21, 1961, present termination pay for employees who are laid off or who resign because of physical or mental inability to perform the job or who are laid off for reduction of force other than conversion of elevators to automatic operation shall be modified to provide for increased pay for years of service in the building as follows:

5 to 10 years - 1 week	15 to 17 years - 4 weeks
10 to 12 years - 2 weeks	17 to 20 years - 5 weeks
12 to 15 years - 3 weeks	20 years or more - 6 weeks

Effective July 21, 1961, also, employees who are laid off because of conversion of elevators to automatic operation shall receive termination pay for years of service in the building as follows:

5 to 10 years - 2 weeks	17 to 20 years - 7 weeks
10 to 12 years - 4 weeks	20 to 22 years - 8 weeks
12 to 15 years - 5 weeks	22 to 25 years - 9 weeks
15 to 17 years - 6 weeks	25 years or more - 10 weeks

(147)

Benefits also differed according to the age of the separated worker or his method of pay:

Section D: Separation pay schedule:

Age	Years of service										
	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 plus
18 -----	1	2	3								
19 -----	1	2	3	4							
20-24 -----	1	2	3	4	5						
25-29 -----	1	2	3	4	5	8					
30-34 -----	1	2	3	4	5	8	10				
35-39 -----	1	2	3	4	5	8	10	12			
40-44 -----	2	3	4	5	6	8	10	12	15		
45-49 -----	2	3	4	5	6	8	10	12	15	18	
50-54 -----	2	3	4	5	6	8	10	12	15	18	24
55-59 -----	2	3	4	5	6	8	10	12	20	22	24
60-65 -----	2	3	4	5	6	8	10	12	20	22	24

Above figures indicate number of weeks of separation pay to which employees in various age and years of service groups are entitled. (148)

* * *

(a) Hourly paid employees:

One-half day's pay for each full month of continuous service. Maximum of 60 days' pay is allowed. A day's pay shall be computed on the basis of 8 hours at the employee's base rate.

(b) Salaried employees:

Three-fourth day's pay for each full month of continuous service. Maximum of 90 days' pay is allowed. For weekly salaried employees—a day's pay shall be computed on the basis of the normal basic weekly salary divided by 5. For monthly salaried employees—a day's pay shall be computed on the basis of 8 hours at the employee's equivalent hourly base rate. The equivalent hourly base rate shall be the yearly salary divided by 2,080. (149)

Eight plans provided for no variations in benefits, once minimum service requirements had been met, other than differences determined by the wages of the individual workers:

Suspension and Merger Pay. In the event of merger, consolidation, or permanent suspension by any newspaper covered by this agreement all regular situation holders with 1 year or more of service as regular situation holders who by virtue of the merger, consolidation, or permanent suspension are deprived of regular situations shall receive the case equivalent of 3 weeks' (15 shifts) pay at their current rate in addition to any accumulated vacation credits or any other money due them. (150)

* * *

Severance Pay. Section 1. When reduction of work or other circumstances requires laying off employees through no fault of such employees, any such employees who have 1 year or more of continuous service with employer shall receive 2 weeks' advance notice of such layoff and in addition thereto, 1 week's pay based on the regular straight-time rate of pay of the regular workweek then in effect. In the event employer does not give such employees the aforesaid 2 weeks' notice, such employees shall receive 2 weeks' severance pay based on the regular straight-time rate of pay of the regular workweek then in effect . . . (151)

Levels of Benefits in Graduated Plans

Normally, the plans provided allowances computed in multiples of the weekly pay of individual workers. However, plans determining allowances in dollar amounts, as in extended layoff benefit plans, have become more common.

Weeks of Pay. Both the minimum and maximum payments provided by the plans tended to relate to the corresponding years of service in the ratio of 1 week's pay for 1 year of service, but variations from this practice were frequent (tables 8 and 9). In the steel industry, for example, a minimum of 4 weeks of pay was provided for workers with 3 years of service, graduated up to a maximum of 8 weeks of pay for 10 years or more. While under most plans low-service workers could not expect more than a week or two of pay, the graduations upward for the most part rewarded longer years on a proportionate basis, if not exactly on a 1 week for 1 year basis. Only a small portion of the plans cut off payments at 4 weeks or less. About half of the plans set no maximum—i.e., every year of service carried an increment in the separation compensation to which a displaced worker was entitled.

As a general rule, allowances tended to cluster at levels equivalent to 1 week for each year of service for low-service workers (table 10). The range of payments progressively broadened with increased service. Except for the primary metal plans, with an 8-week maximum, plans falling below the ratio of 1 week for each year of service at the higher levels were significantly fewer than plans allowing more liberal benefits. At 15, 20, and 25 years of service, higher than proportionate allowances—up to 60 weeks at 15 and 20 years and up to 80 to 105 weeks at 25 years—were provided by almost a third of the plans. A few plans, however, paid only nominal benefits to workers with up to 25 years of service.

The correspondence between years of service and weeks of pay is further illustrated in the average payments due workers at specific service points (table 11). Including plans providing no benefits at particular levels (an especially important factor at the 1-year level), average payments in all industries rose from 0.6 weeks of pay for 1 year of service to 31.8 weeks for 25 years. The extra reward for long service became particularly noticeable at the 15-year level. The marked variations in average levels among the selected industries shown in the table further demonstrate the absence of a uniform approach to compensating workers for the loss of jobs.

An increase in the average benefit payments in recent years is reflected in the following comparison of data from this 1963 study and the Bureau's 1955-56 study:

Years of service	Average amount (weeks of pay)	
	1963	1955-56
1 -----	0.6	0.8
5 -----	5.2	4.6
10 -----	11.0	10.0
15 -----	17.4	16.4
20 -----	24.7	24.0
25 -----	31.8	30.7

Dollar Payments. Most provisions specifying payments in dollar amounts rather than in weeks of pay established a fixed sum which would be paid for each year of service. These amounts ranged from \$25 up to \$130, but most clustered at \$50 and \$75, reflecting the practice in the aerospace industry:

Severance pay shall be payable at the rate of \$25 for each full year of service . . . (152)

* * *

The company shall be liable . . . under the collective bargaining agreement of November 5, 1962, to pay a benefit of \$75 for each full year of service up to a maximum of \$750 per eligible employee. . . . (153)

If an employee with 3 years or more of continuous service is laid off because of equipment or methods changes . . . he shall be entitled to severance pay equal to \$130 for each full year of employment—partial years in proportion . . . (154)

Less frequently, benefits for long-service employees were increased by raising dollar amounts. In one case, those with more than 20 years' service received greater yearly increments than those with more than 10:

Length of continuous service as of layoff date (years)	Dollars of benefits
1 but less than 3-----	\$200
3 but less than 5-----	300
5 but less than 15 -----	400
15 but less than 25 -----	800
Over 25 -----	1,200

Layoff benefits will be the total number of dollars accrued in the above schedule . . . (155)

* * *

Upon plant relocation . . . each employee . . . shall . . . be entitled to a severance award in accordance with the following tabulation:

Total accumulated service (years)	
5 but less than 10 -----	\$45 for each full year of service
10 but less than 20 -----	\$450 plus \$55 for each full year over 10 years
20 or more -----	\$1,000 plus \$65 for each full year over 20 years

(156)

Dollar payments generally were payable to workers having a minimum of 1 year of service (table 8). Twelve of the 38 agreements providing for this method of payment set a maximum at 10 years, and 13 established no maximums (table 9).

Percent of Earnings. Provisions designating payments on a percentage of earnings basis were uncommon. In six plans, based on this method either a flat percentage was applied to earnings for a given time period (such as the last period of unbroken employment) or else the percentage decreased with years of service:

A laid-off employee entitled to severance pay will be paid 1 percent of his total earnings for the last full period of unbroken employment. . . . (157)

* * *

37.2 Termination allowances granted . . . to employees displaced by technological change . . . will be computed as follows:

Continuous service	Percentage of gross earnings
Months up to 12 immediately preceding the effective date of termination -----	5
Months over 12 up to 24 preceding the effective date of termination -----	3
Months over 24 up to 36 preceding the effective date of termination -----	2
Months over 36 up to 120 preceding the effective date of termination -----	1

(158)

Miscellaneous Payment Practices

Occasionally plans adopted practices pertaining to payment levels which, in effect, were tailored to specific problems in individual collective bargaining

situations. These generally were grouped into practices (1) establishing guarantees of payment, (2) permitting additions to benefit levels, (3) authorizing deductions from benefits, and (4) setting amounts higher than regular payment schedules for a variety of reasons.

Under certain circumstances, separated workers required a specific assurance that allowances would be paid to them. For instance, a laid-off worker might take a job with the same company, but outside the bargaining unit, in order to maintain income, only to be subsequently laid off. In the following clause, his eligibility for severance pay was established by a guarantee:

A laid-off worker may accept employment outside the bargaining unit and . . . if, after commencing such employment outside said bargaining unit the individual is subsequently laid off or terminated from such employment for any reason, then 31 days after such subsequent layoff or termination such individual shall be given severance pay in an amount equal to the amount of severance pay he would have received pursuant to this agreement had he not been employed outside of said bargaining unit, less the aggregate amount of severance pay or termination pay to which he may be entitled under any agreement which the employer may have with any bargaining agent other than the union. (159)

Although the plans usually set forth a schedule of benefits in weeks of pay for given years of service, they were not necessarily fixed; that is, additions to or deductions from allowances were sometimes permitted. In the first illustration, added allowances were to be determined unilaterally by management, and in the second, the special schedule was already agreed upon by the parties:

. . . Where an employee has more than 15 years of net credited service, [the] company may, in its discretion, make payments in addition to those provided; such additional payments to be determined by [the] company on an individual basis. It is understood the company may, in its discretion, pay a layoff allowance in any of the above situations in an amount greater than that provided herein. (160)

* * *

. . . The company recognizes that employment of individuals covered under the engineering agreement, who have attained long years of service, may be affected by the new methods of operation. To this end it is agreed that a special severance allowance will be paid to technical employees covered by the engineering agreement, having 5 years or more of unit seniority, who are laid off due to reduction in force, as follows:

Years of unit seniority	Amount of special severance allowance
5-6 -----	\$500
6-7 -----	600
7-8 -----	700
8-9 -----	800
9-10 -----	900
10 and over -----	1,000

Such special severance allowance shall be in addition to the severance pay provided for in section 15.1 of the master agreement, . . . (161)

Benefits might be reduced under a variety of circumstances. In extended layoff benefit plans, for example, if the amount of allowance exceeded the company's liability, then the benefit level could be reduced proportionately, and the remainder paid to the worker at a later date, should he still be unemployed. Other funded plans, as illustrated in chapter VI, similarly reduced or deferred payments if the fund's position reached low levels.

Payments could also be reduced by the amount of other payments made to workers either arising out of contractual obligations or as a result of governmental obligations. As noted previously, in Steelworkers agreements, both in the primary metals and captive mines, for example, any governmental payments except unemployment compensation were deducted, as were SUB benefits under specified circumstances:

Section 5. Nonduplication of Allowance

Severance allowance shall not be duplicated for the same severance, whether the other obligation arises by reason of contract, law, or otherwise. If an individual is or shall become entitled to any discharge, liquidation, severance, or dismissal allowance or payment of similar kind by reason of any law of the United States of America or any of the States, districts, or territories thereof subject to its jurisdiction, the total amount of such payment shall be deducted from the severance allowance to which the individual may be entitled under this article, or any payment made by the company under this article may be offset against such payments. Statutory unemployment compensation payments shall be excluded from the nonduplication provisions of this section. . . .

Section 6. Election Concerning Layoff Status

Notwithstanding any other provision of this agreement an employee who would otherwise have been terminated in accordance with the applicable provisions of this agreement . . . may, at such time, elect to be placed on layoff status . . . and later he may elect to be terminated and receive severance allowance if he is eligible for such allowance. (Any supplemental unemployment benefit payment received by him for any period after the beginning of such 30-day period shall be deducted from any such severance allowance to which he would have been otherwise eligible at the beginning of such 30-day period.) (162)

Different severance schedules may appear within the same plan to be applied under differing circumstances. There were, for instance, plans that varied benefits with the reason for separation. Others offered different schedules according to eligibility for other contract benefits:

The foregoing severance pay schedule shall not apply to employees who are entitled to receive and retain both separation pay and technological adjustment pay . . . Such employees shall be entitled to receive lower separation pay as computed in the previous contract . . . (163)

On occasion, provision might also be made for part-time employees, in which case benefits were usually proportionate to the number of hours that an employee worked during the week:

Termination allowance for part-time employees will be computed according to the representative normal workweek for each such employee. (164)

Table 7. Basis of Payments in Severance Pay and Layoff Benefit Plans in Major Collective Bargaining Agreements, by Industry, 1963

(Workers in thousands)												
Industry	Total plans		Graduated payments								Same scale for all eligible workers	
			Total with graduated payments		Fixed amount per unit of service		Varied amount per unit of service		Amount varies with other factors ¹			
	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers	Agree-ments	Work-ers
All industries _____	377	1,794.3	369	1,776.5	111	416.2	243	1,239.1	15	121.3	8	17.8
Manufacturing _____	243	1,140.7	237	1,125.0	88	351.5	144	751.7	5	21.8	6	15.7
Ordnance and accessories _____	10	38.6	10	38.6	8	34.4	2	4.2	-	-	-	-
Food and kindred products _____	33	113.7	32	108.7	12	23.4	18	67.3	2	18.0	1	5.0
Tobacco manufactures _____	-	-	-	-	-	-	-	-	-	-	-	-
Textile mill products _____	8	17.3	8	17.3	7	16.3	1	1.0	-	-	-	-
Apparel and other finished products _____	-	-	-	-	-	-	-	-	-	-	-	-
Lumber and wood products, except furniture _____	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures _____	1	1.4	1	1.4	-	-	1	1.4	-	-	-	-
Paper and allied products _____	10	24.1	10	24.1	8	21.4	2	2.7	-	-	-	-
Printing, publishing, and allied industries _____	6	10.9	4	5.9	1	2.1	3	3.8	-	-	2	5.0
Chemicals and allied products _____	33	57.2	33	57.2	18	33.9	14	22.1	1	1.2	-	-
Petroleum refining and related industries _____	5	20.4	5	20.4	2	11.5	3	9.0	-	-	-	-
Rubber and miscellaneous plastics products _____	1	1.1	1	1.1	-	-	1	1.1	-	-	-	-
Leather and leather products _____	3	3.6	3	3.6	2	2.4	1	1.2	-	-	-	-
Stone, clay, and glass products _____	1	1.4	1	1.4	-	-	1	1.4	-	-	-	-
Primary metal industries _____	52	479.7	52	479.7	6	26.1	46	453.6	-	-	-	-
Fabricated metal products _____	8	19.5	8	19.5	-	-	8	19.5	-	-	-	-
Machinery, except electrical _____	9	11.6	9	11.6	1	1.3	8	10.3	-	-	-	-
Electrical machinery, equipment, and supplies _____	32	206.2	32	206.2	8	90.4	24	115.9	-	-	-	-
Transportation equipment _____	21	113.1	19	109.0	12	83.0	7	26.0	-	-	2	4.1
Instruments and related products _____	9	15.3	8	13.6	3	5.5	3	5.5	2	2.6	1	1.7
Miscellaneous manufacturing industries _____	1	6.0	1	6.0	-	-	1	6.0	-	-	-	-
Nonmanufacturing _____	134	653.7	132	651.6	23	64.7	99	487.4	10	99.5	2	2.1
Mining, crude petroleum, and natural gas production _____	7	16.7	7	16.7	1	1.0	6	15.7	-	-	-	-
Transportation ² _____	7	18.6	7	18.6	4	14.6	3	4.0	-	-	-	-
Communications _____	76	496.5	76	496.5	6	21.5	68	418.2	2	56.8	-	-
Utilities: Electric and gas _____	18	44.2	17	43.1	7	19.7	6	9.4	4	14.0	1	1.1
Wholesale trade _____	1	1.0	-	-	-	-	-	-	-	-	1	1.0
Retail trade _____	8	24.3	8	24.3	4	5.8	3	14.0	1	4.5	-	-
Hotels and restaurants _____	2	3.5	2	3.5	-	-	2	3.5	-	-	-	-
Services _____	13	46.1	13	46.1	1	2.2	9	19.7	3	24.2	-	-
Construction _____	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous non-manufacturing industries _____	2	2.9	2	2.9	-	-	2	2.9	-	-	-	-

¹ In 10 agreements amounts vary by reason for separation, in 3 by age, in 1 by occupation, and in 1 by age and reason for separation.

² Excludes railroad and airline industries.

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

Table 8. Minimum Benefit Payments for Selected Years of Service, Under Graduated Plans, Major Collective Bargaining Agreements, 1963

Service requirement ¹	Agreements with graduated payments	Minimum payments						
		Less than 1 week	1 week	2 weeks	3 weeks	4 weeks	5 weeks	10 weeks
Total graduated plans ---	369	20	177	24	17	62	5	1
Length of service:								
6 months -----	70	15	43	6	1	-	-	-
1 year -----	161	3	115	5	-	1	-	-
2 years -----	27	-	11	11	1	2	-	-
3 years -----	75	2	4	-	13	54	-	-
4 years -----	5	-	1	1	-	3	-	-
5 years -----	23	-	3	1	2	2	4	-
10 years -----	3	-	-	-	-	-	1	1
15 years -----	3	-	-	-	-	-	-	-
20 years -----	1	-	-	-	-	-	-	-
Service requirement not stated -----	1	-	-	-	-	-	-	-
		Minimum payments—Continued					No provision for amount of payment	
		15 weeks	Dollar amounts	Percent of earnings	Amount varies with reason for separation	Other		
Total graduated plans -----		4	38	6	8	6	1	
Length of service:								
6 months -----		-	-	1	3	1	-	
1 year -----		-	27	4	2	4	-	
2 years -----		-	1	-	-	-	1	
3 years -----		-	2	-	-	-	-	
4 years -----		-	-	-	-	-	-	
5 years -----		-	7	1	3	-	-	
10 years -----		1	-	-	-	-	-	
15 years -----		3	-	-	-	-	-	
20 years -----		-	1	-	-	-	-	
Service requirement not stated -----		-	-	-	-	1	-	

¹ Plans which could not be classified according to minimum length of service eligibility requirements (table 6), are, where possible, accounted for in this table. Hence, for some of the specified years of service, the numbers of agreements do not correspond to the numbers shown in table 6.

Table 9. Maximum Benefit Payments for Selected Years of Service, Under Graduated Plans, Major Collective Bargaining Agreements, 1963

Service requirement	Agreements with graduated payments	Maximum payment									
		1 week	2 weeks	3 weeks	4 weeks	5 weeks	6 weeks	7 weeks	8 weeks	10 weeks	12-18 weeks ¹
Total graduated plans-----	369	1	9	6	6	3	2	2	66	11	12
Length of service:											
6 months-----	2	-	-	-	-	-	-	-	-	-	-
1 year-----	5	-	3	-	-	-	-	-	-	-	-
2 years-----	1	1	-	-	-	-	-	-	-	-	-
3 years-----	1	-	-	1	-	-	-	-	-	-	-
4 years-----	3	-	3	-	-	-	-	-	-	-	-
5 years-----	5	-	1	1	-	-	-	-	-	-	-
10 years-----	90	-	2	1	3	3	2	-	61	5	-
15 years-----	21	-	-	3	2	-	-	1	2	1	7
20 years-----	19	-	-	-	1	-	-	-	1	3	-
25 years-----	18	-	-	-	-	-	-	-	2	2	5
Over 25 years-----	17	-	-	-	-	-	-	1	-	-	-
No maximum specified--	182	-	-	-	-	-	-	-	-	-	-
Other-----	5	-	-	-	-	-	-	-	-	-	-
Maximum payment—Continued											
		20 weeks	24-41 weeks ²	48-88 weeks ³	105 weeks ⁴	Dollar amounts	Percent of earnings	Amount varies with reason for separation	No maximum specified	Other	No provision for amount of payment
Total graduated plans-----		10	8	11	2	38	6	8	164	3	1
Length of service:											
6 months-----		-	-	-	-	-	-	2	-	-	-
1 year-----		-	-	-	-	-	-	2	-	-	-
2 years-----		-	-	-	-	-	-	-	-	-	-
3 years-----		-	-	-	-	-	-	-	-	-	-
4 years-----		-	-	-	-	-	-	-	-	-	-
5 years-----		-	-	-	-	-	-	3	-	-	-
10 years-----		-	-	-	-	12	-	1	-	-	-
15 years-----		-	-	-	-	5	-	-	-	-	-
20 years-----		10	3	-	-	1	-	-	-	-	-
25 years-----		-	2	5	-	2	-	-	-	-	-
Over 25 years-----		-	3	6	2	2	1	-	-	2	-
No maximum specified--		-	-	-	-	13	5	-	164	-	-
Other-----		-	-	-	-	3	-	-	-	1	1

¹ Includes at 15 years of service, 2 agreements paying 12 weeks of pay, 3 paying 13 weeks, and 2 paying 15 weeks; and at 25 years of service—2 provisions allowing 12 weeks, and 1 each allowing 14 weeks, 16 weeks, and 18 weeks of pay.

² Includes at 20 years of service, 1 provision allowing 30 weeks of pay and 2 allowing 39 weeks; 2 provide 25 weeks for 25 years; 2 provide 24 weeks, after 35 years; and 1 pays 41 weeks after 40 years.

³ Includes 1 agreement giving 41 weeks of pay after 21 years; 4 giving 52 weeks after 25 years; 2 granting 30 weeks after 29½ years and 1 after 30 years; 3 other provisions allow 88 weeks of pay after 29 years.

⁴ After 35 years.

Table 10. Amount of Benefits Provided After Selected Periods of Service in Graduated Plans, Major Collective Bargaining Agreements, 1963

Amount of benefit (number of weeks' pay)	6 months	1 year	2 years	3 years	4 years	5 years	10 years	15 years	20 years	25 years
Total graduated plans providing benefits.....	73	232	261	334	339	362	365	368	369	368
None.....	296	137	108	35	30	7	4	1	-	¹ 1
Less than 1.....	15	4	2	4	2	-	-	-	-	-
1.....	43	154	35	17	13	11	1	1	1	1
2.....	6	24	153	37	35	29	17	10	9	9
3.....	1	4	13	151	13	18	5	9	8	6
4.....	-	4	6	69	207	14	17	5	7	8
5.....	-	-	5	1	13	128	13	3	3	4
6.....	-	-	1	4	1	90	4	8	2	2
7.....	-	-	-	4	1	2	3	15	3	1
8.....	-	-	-	1	4	3	68	64	65	66
9.....	-	-	-	-	3	1	1	3	12	-
10.....	-	-	-	-	1	6	77	6	12	11
11 but less than 15.....	-	-	-	-	-	3	30	12	7	21
15.....	-	-	-	-	-	-	31	59	3	1
16 but less than 20.....	-	-	-	-	-	-	17	15	6	2
20.....	-	-	-	-	-	-	19	2	53	12
21 but less than 25.....	-	-	-	-	-	-	2	27	5	2
25.....	-	-	-	-	-	-	-	-	1	44
26 but less than 30.....	-	-	-	-	-	-	1	14	13	2
30.....	-	-	-	-	-	-	-	15	3	3
31 but less than 40.....	-	-	-	-	-	-	-	26	24	19
40.....	-	-	-	-	-	-	1	14	5	-
41 but less than 50.....	-	-	-	-	-	-	-	-	23	3
50.....	-	-	-	-	-	-	-	-	9	4
51 but less than 60.....	-	-	-	-	-	-	-	-	19	35
60.....	-	-	-	-	-	-	-	1	14	3
65.....	-	-	-	-	-	-	-	-	-	3
70.....	-	-	-	-	-	-	-	-	-	9
71 but less than 80.....	-	-	-	-	-	-	-	-	-	21
80 to 105.....	-	-	-	-	-	-	-	-	1	14
Other ²	8	42	46	46	46	57	58	59	61	62

¹ 1 agreement provided no payment to workers having 25 years or more of service.

² Includes agreements establishing the principle of graduated payments without specifying the amounts to be paid, provisions in which payments vary by reason for separation or age, and those in which payments are not computable to weeks of service, such as payments stated in dollar amounts or as percentages of earnings.

Table 11. Average Payments Provided by Severance Pay and Layoff Benefit Plans in Major Collective Bargaining Agreements After Selected Periods of Service, by Industry, ¹ 1963

Industry	(Workers in thousands)							
	Selected graduated plans		Average in weeks ² of pay after service of—					
	Agreements	Workers	1 year ³	5 years ³	10 years ³	15 years	20 years	25 years
All industries.....	307	1,474.5	0.6	5.2	11.0	17.4	24.7	31.8
Manufacturing ⁴	194	943.3	0.3	5.1	8.4	11.1	13.9	16.5
Food and kindred products.....	29	89.5	.8	4.6	9.3	16.5	23.6	30.5
Chemicals and allied products.....	31	54.1	.9	4.6	9.1	13.7	18.3	22.2
Primary metal industries.....	50	477.1	(⁵)	5.9	8.1	8.2	8.4	8.5
Electrical machinery, equipment, and supplies.....	30	203.5	.4	4.3	9.5	15.6	23.0	30.4
Nonmanufacturing ⁴	113	531.2	1.1	5.5	15.4	28.6	44.0	59.2
Communications.....	72	435.7	1.0	5.5	16.6	31.7	49.6	67.4
Utilities: Electric and gas.....	13	33.1	1.3	6.0	12.1	18.6	26.0	31.3

¹ This table is based on 307 of the 377 plans studied; 18 did not contain adequate information for computation of above averages. Averages were computed by weighting each plan by number of workers covered.

² 5 days were counted as 1 week.

³ Plans providing no allowance after these periods of service were included in the computation of the average.

⁴ Includes industries not shown separately.

⁵ 0.2 week's pay; i.e., less than 1 day's pay.

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

Chapter V. Administrative Provisions

The plans in varying degrees established administrative rules regarding such matters as how the benefit is to be calculated; whether it is to be paid in a lump sum or in installments; and whether it is to be paid immediately or following a waiting period. Other problems arise if workers who have received severance pay are subsequently rehired: Are they required to return the benefits received? Are they eligible for another allowance the next time they are separated?

Computing Severance Pay

Of the 377 plans studied, 330 defined the pay unit used in the computation of benefits (table 12). Those (47) not specifying a method of computation were largely plans providing benefits in dollar amounts rather than in weeks of pay. In 216 plans, the displaced worker's basic rate or regular rate was to be used in determining his allowances:

(b) Separation pay shall be computed at the employee's base hourly rate in effect on the last day the employee worked before going on layoff. (165)

* * *

(b) A week's wages for the purpose of this article shall be 40 hours at the employee's classified rate at the time of termination as described herein, excluding overtime payments. (166)

* * *

Severance pay shall be calculated by multiplying an employee's accrued severance time, as defined in section 8.18 above by the employee's regular rate of pay at the time of layoff. (167)

Tailored to the needs of incentive and commission workers were those provisions basing calculations on average earnings or average straight-time earnings over a period of time. These clauses often stipulated what was to be included in the average:

Calculation of Separation Pay. (Separation) pay will be based on (the) employee's average earned rate per hour, including piecework and bonus plan earnings in the 12-month period (preceding separation). (168)

* * *

The severance allowance shall be based on the employee's average straight-time hourly earnings (including applicable incentive earnings but excluding shift differentials, overtime premiums, seventh day worked premiums, holiday worked premiums, and Sunday worked premiums) during the first 8 weeks of the 13-week period immediately preceding the date of his severance. (169)

Where collective bargaining units contained both hourly and incentive workers, different computing units were specified:

The amount of the retirement separation pay shall be 1 week's pay for each service year with a maximum of 20 weeks' pay.

A week's pay for an hourly worker shall be 40 times his hourly rate of pay, and for a piece or incentive worker it shall be 40 times his average straight-time hourly earnings, exclusive of overtime for the social security quarter next prior to the quarter in which he retires. (170) [This illustration is reproduced in its entirety in appendix A.7

* * *

II. Separation Pay Calculations

(a) For employees who have had no wage incentive, shift premium, or special rate earnings during the first 5 weeks of the 7-week period preceding their separation.

Weekly separation pay equals actual hourly rate times 40 hours.

Actual hourly rate means the personnel record card rate effective the second Monday before the Monday of separation.

(b) For employees who have had wage incentive, shift premium, or special rate earnings during the first 5 weeks of the 7-week period preceding their separation.

Weekly separation pay equals actual hourly rate plus average hourly extra earnings (wage incentive, shift premium, or special rates) times 40 hours.

Average hourly extra earnings are calculated by totaling the extra earnings for the first 5 workweeks of the 7 weeks immediately preceding the individual's separation, eliminating overtime, and dividing by the straight-time hours worked.

(c) For printing department employees:

Weekly separation pay equals average hourly rate times 40 hours.

The average hourly rate is calculated by totaling the weekly earnings for the first 5 full workweeks of the 7 weeks immediately preceding the individual's separation, eliminating short hour weeks and overtime, and dividing by 200. (171)

Other units for computation were established in some plans, e.g., the worker's highest rate or salary during his term of employment;

3. Indemnity shall be based on the highest regular weekly salary received by the employee during his last continuous employment with the employer. (172)

or the worker's total earnings where compensation was calculated as a percentage of earnings;

A laid-off employee entitled to severance pay will be paid 1 percent of his total earnings for the last period of unbroken employment . . . (173)

or calculations varied according to reason for separation:

(a) An hour's pay shall be the highest average straight-time hourly earnings paid to the employee in any one of the preceding 5 years. . . .

Employees having 10 years or more of service whose employment is terminated because of their physical inability, due to reasons other than those covered by the State Workmen's Compensation Act, to perform the duties of any established job in their department shall, if such termination occurs prior to the normal retirement age (65), be entitled to termination pay in addition to any other benefits to which such employees may be entitled . . .

The hourly rate of pay shall be the base rate of the classification held at the date on which the employee last worked. (174)

Less than a fifth of the 377 plans studied specified that additional allowances were to be included in calculating compensation (table 13).¹⁶ Among these, the addition of shift differentials was the most common practice.

A day's pay means a regular straight-time day's pay at the employee's base hourly rate (including night-shift bonus for persons working on the evening and night shifts) . . . (175)

* * *

A layoff allowance will be paid to an employee eligible therefor under this plan in accordance with the following schedule. The amount payable will be calculated as follows:

(1) For a straight dayworker—at the straight-time hourly rate for the regularly scheduled workweek in effect at the time of the layoff, excluding overtime premium.

(2) For the shift worker—at the rate calculated as in (1) above plus the shift bonus in effect at the time of layoff on a fixed shift or the average shift bonus if on a rotating shift. (176)

Those plans adding cost-of-living allowances, however, covered more workers:

Each employee's separation pay shall be computed on his average hourly earnings, as shown on his earnings record card for the month of March in the then current year . . . plus the 18 $\frac{1}{2}$ -cent cost-of-living allowance . . . (177)

Bonuses, commissions, meal allowances, and overtime premiums were among the other items stipulated. Two provisions stated broadly that "any applicable premium payments in effect at the time of severance" would be included in calculating the worker's benefits.

Most clauses established the time period to be used in calculating benefits (table 14). For dayworkers, it was generally the rate of pay in effect just prior to dismissal. For incentive workers, average earnings were computed over a specified period ranging from one immediately preceding termination to those which extended back, sometimes, to 6 months:

¹⁶ It is possible that some plans designating earnings included other allowances in this concept.

Regular employees who are laid off due to lack of work shall be paid a layoff allowance determined as to amount by their net credited service and basic weekly wage rate at the time of leaving the service, . . . (178)

* * *

Employees will receive separation money determined by their average hourly earnings for the 4-week period preceding the last week worked (excluding overtime hours and all pay attributable to those hours) . . . (179)

Several agreements contained indeterminate time periods, particularly those providing a percent-of-earnings payment:

A laid-off employee entitled to severance pay will be paid 1 percent of his total earnings for the last full period of unbroken employment . . . (180)

In one plan, dismissal pay was computed using two different units for computation, each with a different time period. The computation which gave the greater benefits was to be applied:

The total amount of dismissal pay shall be computed on the basis of the employee's "dismissal hourly rate" (including shift component if classified on a shift job for 12 months prior to date of layoff) as of the date of layoff or the average straight-time rate of pay which he has received for the 60-month period prior to date of layoff, whichever is greater. (181)

Lump-Sum and Installment Payments

Since the Bureau's 1955-56 study, the proportion of plans specifying the method of payment has increased, and the proportion offering the possibility of installment payment have risen moderately.

Method of payment	<u>Agreements specifying method of payment</u>			
	<u>1955-56</u>		<u>1963</u>	
	Number	Percent	Number	Percent
Total-----	266	-	377	
Total specifying method of payment-----	103	100.0	186	100.0
Lump sum only -----	70	68.0	119	64.0
Installments only -----	7	6.7	11	5.9
Either lump sum or installment -----	18	17.5	56	30.1
Other -----	8	7.8	-	-

Designation of a lump-sum payment generally was simply stated:

Payment shall be made in a lump sum at the time of termination . . . (182)

Installment payments could be divided into a number of equal parts or they could be paid out at regular payroll dates:

. . . One-half of his severance pay due will be paid after the employee has been laid off 6 weeks. The second half of the severance pay due will be paid after the employee has been laid off 3 months. (183)

* * *

The severance allowance shall be paid every 2 weeks on what would have been the employee's normal pay date had he continued his employment. (184)

Among those offering a choice between lump-sum and installment payments, 18 plans gave the option to the separated worker (table 15), a practice of some frequency in meatpacking contracts. In the following example, unless the separated worker elected otherwise, his severance allowance of more than 4 weeks' pay would be disbursed to him in weekly installments:

Amounts over a total of 4 weeks' pay: Weekly installments of full wages until the total amount is exhausted. The employee, at his option, may elect to receive such amount in a shorter period of time or in one lump sum. (185)

In another agreement, failure to exercise the option by a given date resulted in a lump-sum payment:

Every . . . eligible employee may elect to receive severance pay in either of the following ways:

- a. A lump sum, payable 6 months from date of layoff . . .
- b. In monthly installments commencing 6 months from date of layoff. Each installment (except the last) shall be half the former employee's week's pay times four and one-third . . .

Election of method of payment shall be on a form which the company shall send to the former employee . . . If the company does not receive the completed form on or before the expiration of 6 months from date of layoff, the former employee shall be considered to have elected to receive a lump sum. (186)

The choice between lump-sum and installment payments was the employer's prerogative in 22 plans.

Management may elect to pay severance in a lump sum or in weekly installments. (187)

Once having made a determination to disburse by weekly installments, management reserved the right to reverse itself and pay any balances in a lump sum in the following plan:

The amount of such allowance will be payable in cash at the time of separation or over a period not to exceed 60 months, beginning with 30 days of the date of separation. The company shall have the right to determine the method of payment and in making such determination will take into consideration the circumstances of each case. If installment payments are determined upon, the company reserves the right to cause all or any installments to be prepaid to any individual at any time it deems such action advisable. (188)

Whether payments would be made in a lump sum or in installments depended on other variables, such as the amount of pay, in 14 plans.

3. Method of Payment of Dismissal Pay. Employees eligible for dismissal pay and who elect to receive it shall be paid on the payday following date of layoff the amount of dismissal pay to which they may be eligible up to and including 325 hours, "computed at their dismissal hourly rate," and thereafter on each subsequent payday the sum of 60 times their "dismissal hourly rate" until the total amount of dismissal pay for which they are eligible shall be exhausted, or until as vested employees they may become eligible for early retirement. (189) This illustration is reproduced in its entirety in appendix A.7

General Electric's income extension aid provisions were more complicated. An employee separated because of plant closing received benefits in a lump sum, but if he were laid off for any other reason and had exhausted his unemployment compensation but had not used his available money for training, he would receive installment payments until the end of 1 year and then the remainder in a lump sum.

When Benefit Is Paid

Fewer than half of the plans explicitly stipulated exactly when separated workers would receive their allowances (table 16). Of 164 such provisions, 73 required payment immediately upon separation. It is likely that most, if not all, of the 213 plans which contained no reference to waiting periods also paid benefits immediately upon separation, particularly where lump-sum payments were specified.

Clauses calling for immediate payment frequently stated that its acceptance severed the employment relationship:

The severance pay shall be paid in a lump sum at the time of termination of employment and its payment shall cancel all of the employee's seniority rights. (190)

The length of the waiting period often had a bearing on the difference between a temporary and an extended layoff. Of the 47 plans defining the length of the waiting period, 32 specified 1 month. Some of these might have been negotiated to accommodate slow administrative procedures involved in computing or processing benefit checks, but many appeared to be intended to exclude temporary layoffs from the plan's applicability. For instance, in aerospace's extended layoff benefit plans, which accounted for the bulk of the 32 plans, administrative processing could not begin until after an application had been received; an application could not be made until the end of 4 weeks. Thus the waiting period became an eligibility condition:

Benefit shall be payable to eligible employees whose layoff as a result of a reduction in working force has extended without recall to work by the company for a minimum period of 4 full weeks and who make written application . . . (191)

Most of the remaining provisions which defined the waiting period required that separated workers wait for 60 days, 90 days, or 6 months. A 6-month waiting period might be shortened at company discretion should management determine that the layoff was permanent:

3. Any such employee who is laid off because he is not eligible for other employment as set forth in 1 or 2 above and is not recalled within 6 months (or at any time prior to the expiration of 6 months if, in the opinion of the company, the layoff will be permanent), shall upon application be entitled to a lump-sum allowance in exchange for the relinquishment of his seniority rights; . . . (192)

In another plan, it was specified that there was no benefit paid for temporary layoff, but that the worker could apply after 6 months without recall:

An employee will not be paid a termination allowance when temporarily laid off. At the end of a 6-month period of layoff, an employee who has sufficient service to be eligible for termination allowance may apply for the allowance. . . . (193)

Some plans recognized that when a worker is laid off for "lack of work," there often is a reasonable expectation that he will return to his job. The length of the waiting period as written into the contract probably indicates when, under similar circumstances in the past, most laid-off workers were recalled for work, or when the continuity of their seniority expires. The worker would then receive dismissal pay, no matter what the reasons were for the original layoff. Thus, in 16 plans, the waiting period extended to 2 years. These were found largely in meatpacking and other food industry plans.¹⁷ Food industry agreements, among others, also contained shorter waiting periods, or none, for conditions which clearly signaled at the outset that the layoff was permanent. Payment was either automatic after 2 years, or gave the employee the option to extend the layoff period for a third year:

When the company permanently closes a warehouse or permanently discontinues any department of a warehouse, as a result of which the employment of employees is terminated, an employee whose employment is so terminated, or when an employee has been laid off by the company and such layoff is continuous for a period of more than 24 months, then such employee shall be deemed to have permanently lost his job and any recall rights, and shall be entitled to a severance allowance . . . (194)

* * *

Employees who lose their seniority as a result of layoff in excess of 2 years shall receive separation allowance . . . (195)

* * *

Employees who are on continuous layoff for a 2-year period shall have ~~for~~ 30 days . . . the option of forfeiting their seniority and accepting separation pay . . . or of retaining their seniority for the third year of layoff. At the end of the third year of layoff, such employees shall lose their seniority and receive the separation allowance . . . (196)

As of mid-1964, 22 States either disqualified separated workers from receiving unemployment compensation payments or reduced the amount of payment. If the weekly severance payment was less than unemployment compensation,

¹⁷ Separation provisions in automobile and farm equipment SUB plans similarly adopted such a "waiting period" method of determining the likelihood of recall.

15 States¹⁸ reduced unemployment compensation by the amount of the separation payment. Separation payments were considered wages in an additional seven States,¹⁹ and thereby disqualified workers from receiving unemployment compensation for any week in which they received separation pay.

As a result of these legal requirements, extended layoff benefit plans, as a rule, distinguished their allowances from wages as follows:

Among the purposes for which the benefits are provided are to help pay living expenses by supplementing and not replacing unemployment compensation . . . (197) [This illustration is reproduced in its entirety in appendix A.]

Fifteen plans avoided conflict with unemployment compensation rules by delaying payments until after State benefits had been exhausted:

Severance pay will be payable to eligible employees in one lump sum after it has been determined that reduction of the work force is a permanent layoff of any employee. The amount of severance pay will be based on the eligible employee's continuous service at the time he is laid off. At the option of the eligible employee payment of severance pay may be deferred until:

(a) The end of the employee's allowable period of weekly unemployment compensation benefits under the laws of the State in which this plant is located, or

(b) The end of the employee's allowable recall period, as provided in paragraph 31 of this agreement. (198)

* * *

. . . Any employee who . . . is laid off and exhausts his unemployment compensation eligibility shall have the option of accepting separation pay . . . At any time between . . . running out of unemployment compensation benefits and the end of 1 year of continuous layoff, the employee may elect to accept his separation pay. (199)

The Status of Rehired Workers

In the event that a worker who has received severance pay is rehired, questions arise concerning the repayment of all or some of the allowances and his eligibility for future severance payments, should he again be separated. Only 30 percent of the plans studied referred to the former, whereas over half referred to the latter.

Of the 113 provisions that referred to repayment of allowances, those specifically stating that no repayment was necessary were few (table 17). Most of these were found in chemicals and ordnance industries; the following provision was typical:

Any individual who has received severance pay shall not be required to return any portion of such pay to the company in the event he is reemployed. (200)

Fully three-fourths of the provisions referring to repayment required that the amount of benefits which exceeded the number of weeks on layoff be repaid:

¹⁸ California, Indiana, Maine, Maryland, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, Ohio, Oregon, Pennsylvania, Utah, Virginia, and Wisconsin.

¹⁹ Alabama, Arizona, Arkansas, Connecticut, Montana, North Carolina, and West Virginia.

If any employee who has received a termination payment is reengaged and the number of weeks since the effective date of leaving is less than the number of weeks' pay upon which the termination payment was based . . . , the amount paid to the employee for the excess number of weeks shall be considered as an advance to the employee . . . and repayment shall be made each payroll period through payroll deduction at the rate of 10 percent of the basic wage rate until the amount is fully paid. (201)

This practice was noted mostly in telephone agreements.

Provisions requiring repayment of the full amount were rare:

. . . In the event a laid-off employee returns to active service, all days of severance pay granted . . . shall be deducted from total vacation days allowed during the vacation period following the date he was laid off. (202)

Whether repayment was to be made depended in a few cases upon the length of time that the worker had been separated from the job. In one provision, rather than requiring repayment of the excess weeks of allowances received, the rehired worker returned benefits proportionate to the number of months out of work, as follows:

37.3 If an employee is reemployed by the company before the expiration of a 6-months' period from the date of termination, he shall return within 18 months the termination allowance received in accordance with the following schedule:

Number of months out of service	Amount to be returned
0-2 -----	100 percent of termination allowance granted.
2-4 -----	75 percent of termination allowance granted.
4-6 -----	50 percent of termination allowance granted.
Over 6 -----	None.

37.3-1 Repayment may be made by salary deduction at the rate of not less than \$2.50 per week until the proper amount has been returned. (203)

Of the 194 provisions referring to future eligibility, most common (72) were those that required the worker to enter as a new employee, and thus to rebuild his seniority credits (table 18).

An employee who is recalled and is subsequently laid off will receive severance allowance pay based on his most recent recall date. (204)

* * *

Section 4. When an employee who has received a termination allowance is reengaged, such employee must complete, subsequent to such reengagement, an additional year of net credited service before being eligible to a termination allowance for a subsequent separation from the force, as provided in . . . this article, and the amount of such allowance shall be based on the period of completed service between the dates of the employee's most recent reengagement and the last separation. (205)

An additional 16 agreements which provided that severance benefit rights could not be reasserted during a specified period—usually 1 or 2 years—could also be considered among those agreements requiring a worker to enter on a new employee's status, since none made any further reference to the level of benefits for which the rehired worker would be eligible.

As a general rule, separation allowances were looked upon as earned rights, and, as a corollary, benefits could only be paid once for any given years of service. The second major group of provisions (61) incorporated this principle, stating that rehired workers would have previous severance payments deducted from future severance payments. This could involve either a reduction in monetary amount, as in the second illustration below, or, more likely, a reduction in weeks of pay available without regard to monetary amounts, as in the first illustration. In effect, the rehired worker would retain his previously unused length-of-service credits which he could then apply in building his future severance payments. This was explicitly stated in an additional 24 agreements:

(c) No separation pay shall be paid more than once to any laid-off employee for, or based on, the same credited service. Any credited service used as a basis for calculating separation pay for an employee shall not be counted again in calculating separation pay for that employee in connection with any subsequent layoff. (206)

* * *

Any employee whose service has been terminated and who is reemployed by the company within 6 months shall receive, if subsequently separated, a separation allowance in accordance with the eligibility and other provisions of this plan, less the amount of any separation allowance previously received. (207)

A few provisions covered both rehired workers who exhausted severance allowances and rehired workers who received less than full severance:

Severance pay credits are payable only once. If an employee is laid off, paid his maximum allowance of severance pay, and later is rehired, he will begin to accumulate new severance pay credits only from the effective date of rehire. If he had not received the maximum allowance for which he was eligible, the difference between what he had received and the maximum would be added to any credits for new severance pay accumulated after his rehire. (208)

Table 12. Pay Units for Computing Benefits Under Severance Pay and Layoff Benefit Plans in Major Collective Bargaining Agreements, 1963

(Workers in thousands)		
Pay unit	Agreements	Workers
Total plans.....	377	1,794.3
Plans referring to pay unit for computation.....	330	1,617.5
Basic or regular rates.....	216	856.2
Average straight-time hourly or weekly earnings.....	10	28.1
Average hourly or weekly earnings.....	60	503.4
Employee's highest hourly or weekly rate or salary.....	2	13.4
Total or gross earnings.....	4	16.0
Basic rate and average straight-time hourly or weekly earnings.....	32	173.0
Other ¹	6	27.5
No reference to pay unit for computation.....	47	176.9

¹ 3 agreements vary unit of computation with reason for separation; 3 vary it according to occupation.

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

Table 14. Time Period Used in Computing Benefits Under Severance Pay and Layoff Benefit Plans in Major Collective Bargaining Agreements, 1963

(Workers in thousands)		
Time period	Agreements	Workers
Total plans.....	377	1,794.3
Plans referring to time period.....	279	1,441.6
Less than 6 months.....	236	1,288.7
6 months, but less than 1 year.....	17	71.7
1 year.....	6	9.9
Last period of unbroken employment or time period is indeterminate.....	17	67.5
Other ¹	3	3.9
No reference to time period.....	98	352.8

¹ Includes 1 agreement in which the time period varies with reason for separation and 2 agreements giving a choice of time periods, the 1 yielding the greater benefit to be used.

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

Table 13. Payments Included in Computing Benefits Under Severance Pay and Layoff Benefit Plans in Major Collective Bargaining Agreements, 1963

(Workers in thousands)		
Inclusions	Agreements	Workers
Total plans.....	377	1,794.3
Plans referring to inclusions.....	65	482.8
Bonus.....	1	1.9
Shift differential.....	25	100.4
Cost-of-living allowance.....	17	276.9
Bonus plus shift differential.....	15	76.7
Other ¹	7	27.0
Total not referring to inclusions.....	312	1,311.6

¹ Includes 3 agreements providing shift differentials plus additional inclusions—meal allowances (2) and production bonus (1); 2 agreements providing commissions (1 of which also included overtime and "any similar compensation"); and 2 provisions broadly providing either "any fixed differential" or "any applicable premiums except overtime."

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

Table 15. Method of Payment Under Severance Pay and Layoff Benefit Plans in Major Collective Bargaining Agreements, 1963

(Workers in thousands)		
Method of payment	Agreements	Workers
Total plans.....	377	1,794.3
Plans specifying method of payment.....	186	975.3
Lump sum.....	119	733.5
Installments.....	11	35.1
Lump sum or installment.....	56	206.8
Employee option.....	18	67.1
Employer option.....	22	33.9
Depends upon other variables ¹	14	103.7
Other ²	2	2.1
Not specifying method of payment.....	191	819.0

¹ Contains 6 agreements gearing method to amount due employees, and 4 in which method is optional with the employee up to 1 year of layoff, after which a lump-sum payment is automatic. In 4 additional agreements, the method of payment is determined by: (1) Employee status after accepting payment; or (2) length of service; or (3) length of service and reason for severance; or (4) mutual agreement.

² In both agreements, workers receive 2 weeks' pay if not offered comparable employment within 90 days after layoff, and the balance if not recalled within 270 days.

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

Table 16. Waiting Period for Payments Under Severance Pay and Layoff Benefit Plans in Major Collective Bargaining Agreements, 1963

(Workers in thousands)		
Waiting period	Agreements	Workers
Total plans studied -----	377	1,794.3
Plans referring to waiting period -----	¹ 164	866.9
Immediate pay -----	73	458.0
Pay after a defined period -----	47	213.7
Pay after exhaustion of unemployment compensation -----	² 3	5.0
Waiting period differs by type of payment -----	1	4.3
Waiting period varies with reason for separation -----	17	63.0
At employee's option -----	2	3.0
Combinations ³ -----	9	19.7
Other ⁴ -----	12	100.3
No reference to waiting period -----	213	927.5

¹ Includes 56 agreements covering 256,500 workers in which the waiting period also serves as a qualifying period.

² Payments after exhaustion of unemployment compensation are also found in "combinations" (6) and in "other" (6).

³ Contains 6 provisions in which allowances are paid after a specified period, at the termination of recall, and/or upon exhaustion of unemployment compensation. 1 in which the waiting period is at company option; 1 in which the employee may elect severance pay before the end of the specified recall waiting period, and 1 in which the employee may choose to accept benefits after a specified period or to extend the period and retain seniority.

⁴ Contains 5 agreements in which waiting period varies with reasons for separation and with option elected by employee: 3 in which payments are to be made on regular paydays until company approves payment in lump sum or otherwise; 1 in which waiting period varies by geographic location; 1 in which employee receives pay within 1 month after retirement, or the date on which the pension board acts, whichever is later; and 2 which are vaguely defined.

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

Table 17. Repayment of Allowance Upon Rehire, Under Severance Pay and Layoff Benefit Plans in Major Collective Bargaining Agreements, 1963

(Workers in thousands)		
Repayment of allowance	Agreements	Workers
Total plans -----	377	1,794.3
Plans with repayment provisions -----	113	668.1
Specific statement: No repayment -----	16	36.2
Worker must repay full severance allowance -----	3	5.6
Worker must repay excess severance allowance -----	86	533.4
Other ¹ -----	8	93.0
No reference to effect of rehire upon repayment of benefits -----	264	1,126.2

¹ 4 agreements provided repayment upon rehire within specified periods, but in 1, there was no repayment if the layoff occurred at peak vacation season and the vacation credits were less than the layoff credits; 3 limited repayment to those accepting severance within a specified period of layoff and who were rehired within 3 years; and 1 made repayment optional.

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

Table 18. Future Benefits for Rehired Workers, Under Severance Pay and Layoff Benefit Plans in Major Collective Bargaining Agreements, 1963

(Workers in thousands)		
Future benefit	Agreements	Workers
Total plans -----	377	1,794.3
Plans with reference to future payments -----	194	872.2
Amount is deducted from future payments -----	61	328.7
Worker enters as new employee -----	72	227.1
Severance rights may not be reasserted during specified period -----	16	102.6
Worker enters as new employee and amount is deducted from future payment -----	24	112.8
Future benefit varies with length of service -----	19	97.0
Other ¹ -----	2	4.0
No reference to payments for rehired worker -----	183	922.1

¹ Both contracts provide that an employee may receive a severance benefit only once.

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

Chapter VI. Funded Arrangements

Major aspects of separation pay provisions in selected SUB plans, pooled industry funds, and individual income security accounts are described in this chapter. The selected plans are the Goodyear and General Motors SUB plans; the National Maritime Union's Employment Security Plan; the Ladies' Garment Workers' Supplementary Unemployment-Severance Benefits Program; and the individual income security account plans of the A.O. Smith Corp., G.M.'s Inland Manufacturing Division, and the Pittsburgh Plate Glass Co.

While different in important respects, these plans had certain similarities. Each was to be applicable when the separation was involuntary, but individual income security account plans also provided benefits for voluntary separation. While all granted benefits for conditions rising out of the work situation (the Garment Workers' plan was limited solely to business termination), Goodyear, General Motors, and the individual income security account plans permitted payments for conditions involving the worker as well.

Minimum length-of-service requirements varied from 60 days to 2 years. None of these plans granted benefits that were expressed in terms of weeks of pay (the prevailing form for describing benefits in unfunded plans), but utilized instead hour or days of work, percent of earnings, or dollar amounts.

Payments could vary according to the level of the fund in the Goodyear and General Motors plans, but only Goodyear's plan obligated the employer, rather than the fund, to pay when the fund was precariously low. In general, benefits could be reduced by the amount of SUB payments or payments of any other money. Such deductions, however, were ruled out in the Goodyear plan.

Separation Pay in SUB Plans²⁰

In their construction and phraseology, separation pay provisions in SUB plans were frequently similar. Both of the illustrated plans, for example, required a waiting period of at least 1 year (which might be shortened at company discretion) before lump-sum payments could be made, and the rubber plan adopted the method and amounts of payment to low-seniority workers which appeared in the auto plan. Other similarities are described below.

Goodyear Tire and Rubber Co. and Rubber Workers. In 1961, the company and the union agreed to include a separation pay provision in its SUB plan. This was to be in addition to the "service award" in the 1950 pension program which already granted allowances to workers separated because of inability to meet work requirements, and those not eligible for pension benefits.

The separation pay provision authorized payments to workers on layoff for 2 years (a shorter period could be used at company discretion). To be eligible, workers had to have a minimum of 2 years' service with the company at the time of separation. Separated workers were disqualified (1) if they were

²⁰ Separation pay features of SUB plans are also described in the context of the plans as a whole in a forthcoming study. See footnote 3.

eligible for a "service award" or a pension; (2) if their layoff was for disciplinary reasons or due to a strike, slowdown, picketing, war, sabotage, revolt, or any act of God; or (3) if they had refused offered work or recall.

A 1963 amendment deleted a passage which had provided that SUB payments were to be deducted from separation payments.

If a separated worker died, any amounts due him would be paid to his family.

Allowances were to be graduated by length of service. A 1963 amendment liberalizing the plan provided for payments equal to those in the auto contracts to workers with 2 to 5 year's service:

Length of service (years)	Benefit (hours pay)
2 but less than 3 -----	50
3 but less than 4 -----	75
4 but less than 5 -----	100

Each hour of pay was to consist of the worker's "maximum hourly rate or the job wage level . . . at the time of layoff . . . plus the night-shift differential (if any) . . ."

Continued from the 1961 negotiations were benefits on a percentage basis for workers having 5 years or more of seniority:

Length of service (years)	Benefit (percent of total earnings)
5 but less than 10-----	2
10 but less than 15 -----	2-1/2
15 or more -----	3

Total earnings was defined as ". . . the entire amount of compensation paid to an employee . . . including piecework earnings and bonuses, overtime pay, shift premiums, vacation pay, reporting for work pay, and holiday pay . . ."

Acceptance of the separation allowance ended the worker's seniority and any claim to pension and insurance benefits.

If the level of the fund dropped below a specified level, then the company assumed the obligation of making separation payments. The company could not use such payments as a credit against its payments into the trust fund.

General Motors Corp. and the Auto Workers. In 1958, the General Motors Corp. and the Auto Workers added a separation pay provision to the supplemental unemployment benefit plan, which they had established in 1955. Severance benefits were increased 25 percent as a result of the 1961 negotiations.²¹

Compensation was available to workers (1) on layoff for 12 months (or less, upon company discretion), (2) retired, on or after age 60 without pensions, or (3) disabled without being eligible for disability benefits because of low length

²¹ In 1964, severance benefits again increased, according to newspaper reports, by 40 percent.

of service. As in the Goodyear plan, workers to be eligible needed a minimum of 2 years' service.²² Part-time workers were eligible for proportionate payments. No payments were made to workers who (1) qualified for a monthly pension, (2) refused an offer of work, or (3) were laid off for disciplinary reasons or because of a strike, slowdown, picketing, war, sabotage, revolt, or act of God.

Unlike the Goodyear plan, the separation benefits were to be reduced by the amount of any weekly SUB payments or any other payments under company financed programs.

Any separation benefit payable to a deceased worker would be paid to his heirs.

Payments expressed in hours of pay, were graduated by length of service as follows:

Separation Payment Table

Years of seniority on last day worked in a bargaining unit	Number of hours' pay	Years of seniority on last day worked in a bargaining unit	Number of hours' pay
Less than 3 -----	50	17 but less than 18 -----	600
3 but less than 4 -----	75	18 but less than 19 -----	656
4 but less than 5 -----	100	19 but less than 20 -----	713
5 but less than 6 -----	125	20 but less than 21 -----	775
6 but less than 7 -----	156	21 but less than 22 -----	838
7 but less than 8 -----	188	22 but less than 23 -----	900
8 but less than 9 -----	219	23 but less than 24 -----	969
9 but less than 10 -----	250	24 but less than 25 -----	1,038
10 but less than 11 -----	288	25 but less than 26 -----	1,113
11 but less than 12 -----	325	26 but less than 27 -----	1,188
12 but less than 13 -----	363	27 but less than 28 -----	1,263
13 but less than 14 -----	406	28 but less than 29 -----	1,338
14 but less than 15 -----	450	29 but less than 30 -----	1,413
15 but less than 16 -----	500	30 and	
16 but less than 17 -----	550	over -----	1,500

The pay rate used in computing benefits was the separated worker's base hourly straight-time rate plus the cost-of-living allowance in effect on the last day that he worked.

The plan stated that "An employee who is issued and accepts a separation payment shall cease to be an employee and shall have his seniority canceled at any and all of the company's plants and locations as of the date his application for separation payment was received by the company." Should he be reemployed, he need not repay benefits, but he would start again building seniority rights as a new employee.

If the value of the SUB fund falls below a given level, then the separation payment would be proportionately reduced. Should the fund be further depleted, payments were to be deferred. There was no obligation on the part of the company, as in the Goodyear provision, to assume payments until such time as the fund's position improved.

²² Reduced to 1 year in the 1964 negotiations.

Pooled Industry Funds

In contrast to separation provisions in SUB plans, where marked similarities both in construction and language were noted, pooled industry plans were distinctly different, especially with respect to the conditions under which severance compensation would be granted. Plans were tailored, as the two examples below illustrate, to meet the needs and conditions of each industry.

Atlantic and Gulf Coast Employment Security Plan. The number and dispersion of companies, ships, and ports that constitute the Atlantic and Gulf Coast maritime industry make central administration the most practical means for assuring uniform application of a severance pay program. In 1961, the National Maritime Union and the shipping companies amended their industrywide employment security plan, a pooled supplemental unemployment benefit fund, to include a separation program. All unlicensed seamen on passenger and freight vessels, colliers, and tankers were covered.

Any seaman who was otherwise entitled to permanent employment and who either had accepted transportation to his home port or had registered for "open" employment was entitled to severance pay providing he had lost his job because his ship was lost, sold, or transferred, or because its manning scale was reduced, or because it was laid up in port for a period exceeding 90 days.

To be eligible for the fund's graduated benefit, the seaman had to have worked in the industry for . . . "at least 200 days in a consecutive 3-year period" . . . and 60 days for his present employer.

Duration of continuous employment	Benefit payable (days)
60 days but less than 180 days-----	15
180 days but less than 2 years -----	30
2 years but less than 3 years-----	35
3 years but less than 4 years-----	40
4 years but less than 5 years-----	45
5 years but less than 6 years-----	50
6 years but less than 7 years-----	55
7 years but less than 8 years-----	60
8 years but less than 9 years-----	65
9 years but less than 10 years-----	70
10 years but less than 11 years-----	75
11 years or over -----	80

A day's pay was defined as the seamen's base wage at the time of severance.

Since the varying duration of trips and the differing periods of waiting until the worker could ship out again could present difficulties in calculating continuous service, the plan adopted the following specific definition:

. . . continuous employment shall not be deemed broken by vacations, temporary layoffs or legitimate leaves of absence, and 360 days of employment shall constitute 1 year employment.

Supplementary Unemployment—Severance Benefits Fund, ILGWU. The present fund, established in 1960, represents a merger of several association funds negotiated prior to that date in the women's garment industry. Two benefits were provided: A lump-sum separation payment and a weekly supplemental unemployment award. A separated worker could receive both payments without any deductions.

Payments were only available in the event that an employer permanently terminated his business. According to the fund's rules and regulations, termination meant going out of business "for any reason whatsoever, whether

voluntarily or involuntarily." From this broad definition, the fund excluded spurious terminations:

(b) No employer shall be considered terminated solely because such employer has:

- (1) Changed its trade name;
- (2) Undergone a corporate reorganization;
- (3) Changed, added, or diminished partners;
- (4) Changed in form or structure from one or another of the following:
 - (A) Sole ownership,
 - (B) Partnership,
 - (C) Corporation. (211)

The plan also singled out two situations in which a company might continue in business but would still be considered as terminated or partially terminated for payment purposes:

(c) No employer shall be considered terminated solely because such employer has been succeeded by a new firm to which it bears a predecessor relationship. However, the board of trustees may declare such an employer to be partially terminated with respect to employees who have not been recalled or reemployed.

Where an employer, in good faith, has reorganized or changed the nature of its business with the prior approval of the union or a subordinate organization thereof and/or in accordance with the provisions of an agreement, resulting in the separation of some of its employees, the employer shall be considered to have terminated with respect to such employees and they shall be entitled to receive benefits hereunder. Such benefits shall be in addition to and not in place of any other amounts due to such employees from any source or under any arrangements made for their benefit under any settlement with the union or a subordinate organization thereof, or pursuant to the arbitration machinery provided for in an agreement. (212)

To be eligible for the fund's lump-sum payment, a terminated worker had to have had earnings from the employer in 4 of the 8 quarters prior to the quarter in which the shop went out of business. Eligibility would be lost, however, if the shop shut down and then reopened at the same or a different location and the workers were offered employment.

Benefits were graduated dollar amounts based both on years of service and average weekly wages:

An employee who has completed
the following consecutive years
of continuous employment with
a terminated employer—

shall be entitled to receive the following sever-
ance benefit if his average weekly wage is:

Years	Under \$55.00	\$55.00 to \$64.99	\$65.00 to \$74.99	\$75.00 to \$84.99	\$85.00 to \$94.99	\$95.00 and over
1/2 but less than 2 -----	\$12.50	\$15.00	\$17.50	\$20.00	\$22.50	\$25.00
2 -----	25.00	30.00	35.00	40.00	45.00	50.00
3 -----	37.50	45.00	52.50	60.00	67.50	75.00
4 -----	50.00	60.00	70.00	80.00	90.00	100.00
5 -----	62.50	75.00	87.50	100.00	112.50	125.00
6 -----	75.00	90.00	105.00	120.00	135.00	150.00
7 -----	87.50	105.00	122.50	140.00	157.50	175.00
8 -----	100.00	120.00	140.00	160.00	180.00	200.00
9 -----	112.50	135.00	157.50	180.00	202.50	225.00
10 -----	125.00	150.00	175.00	200.00	225.00	250.00
11 -----	137.50	165.00	192.50	220.00	247.50	275.00
12 -----	150.00	180.00	210.00	240.00	270.00	300.00
13 -----	162.50	195.00	227.50	260.00	292.50	325.00
14 -----	175.00	210.00	245.00	280.00	315.00	350.00
15 -----	187.50	225.00	262.50	300.00	337.50	375.00
16 -----	200.00	240.00	280.00	320.00	360.00	400.00

If, in addition, the terminated worker had been in continuous employment with the employer for at least 9 years and if he was continuously unemployed for 1 year, he then became eligible for a second lump-sum payment equal to his original termination payment. Thus, a man with 16 years of service and earning \$95 a week could receive a total of \$800 in severance pay in a 12-month period.

In case of death, benefits went to the worker's survivors in the following order:

(a) Where an employee otherwise eligible for a benefit hereunder dies prior to receiving such benefit, whether or not he has made application therefor before his death the benefit to which he is entitled shall be paid in the following order of priority:

- (1) To the surviving spouse living with the deceased employee at the time of his death;
- (2) To the children of the deceased employee, in equal shares, provided that if any child of the deceased employee has died leaving children surviving, such children shall share equally in the share of their deceased parent;
- (3) To the surviving father of the deceased employee;
- (4) To the surviving mother of the deceased employee;
- (5) To the duly appointed administrator or executor of the estate of the deceased employee. (214)

Individual Income Security Accounts

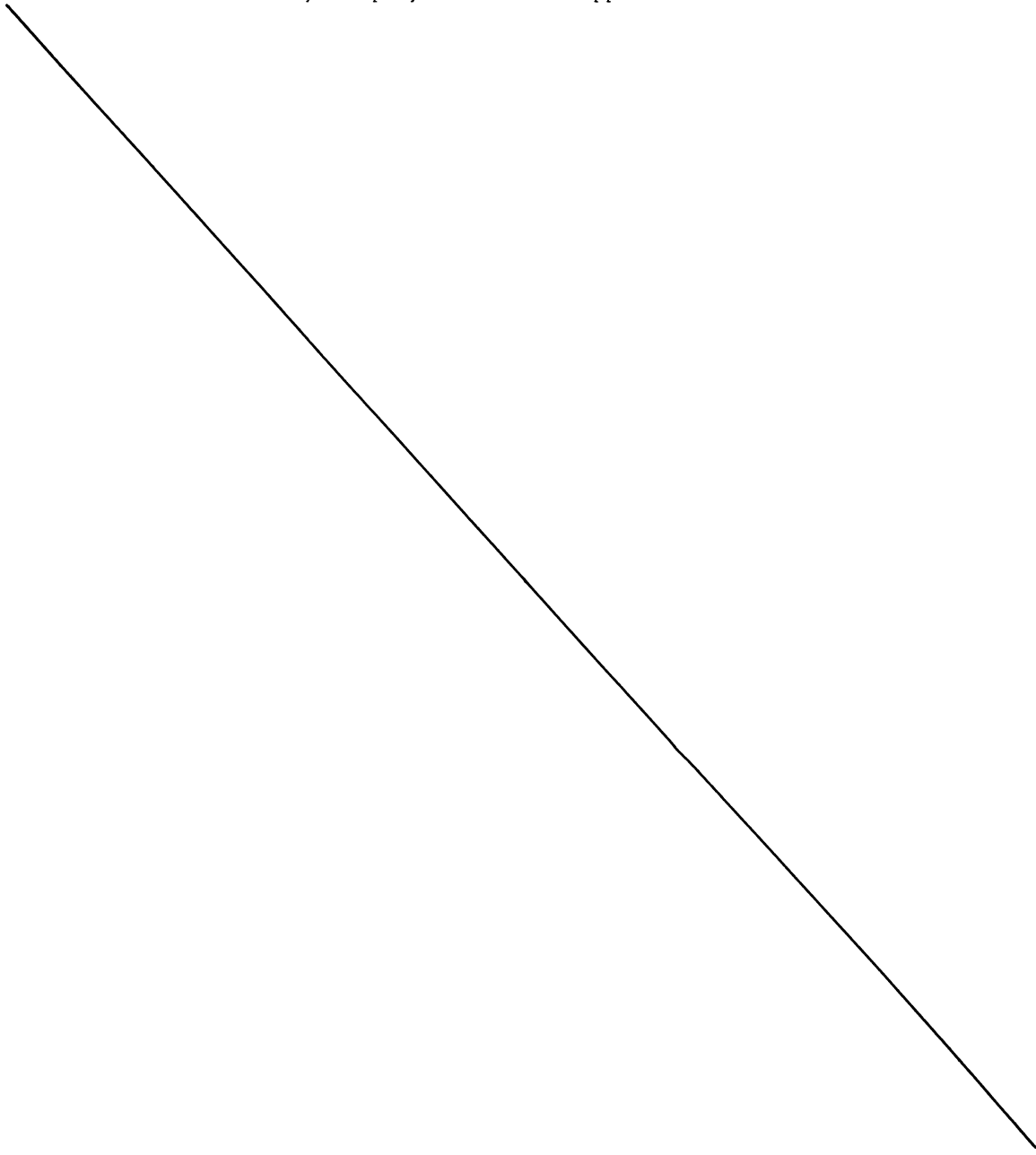
In contrast to other funded arrangements, individual income security plans set up a special account for each worker to which the company contributed and to which profits on investments (usually government securities) were added. In the Pittsburgh Plate Glass plan, when the account maximum of \$600 was reached, any further contributions would be diverted as additional vacation pay. Neither the plan of the A.O. Smith Corp. nor that of Inland Manufacturing Division of General Motors stipulated maximum accounts. Contributions were 10 cents per hour in Pittsburgh Plate Glass and 5 cents per hour in A. O. Smith and G.M.'s Inland Manufacturing Division. None of the plans allowed the employer to recover any of the contributions, once made.

All provided that the worker could withdraw all money in his account on retirement or termination for any reason. In layoffs, weekly benefits were available upon application; all set maximum limits on the amount that could be withdrawn. Inland Manufacturing disallowed withdrawals if the worker was receiving SUB benefits.

All provided that account balances would be turned over to survivors in case of death.

Appendixes

In order to illustrate how the various parts of severance pay and layoff benefit plans fit together, appendix A (for unfunded plans) and appendix B (for funded plans) reproduce several plans in their entirety. Appendix C presents pertinent excerpts from the railroad arbitration award of November 26, 1963. Each clause reproduced in the body of this bulletin is identified by company and union in appendix D.



Appendix A. Selected Unfunded Severance and Layoff Benefit Plans Reproduced in Full

From the agreement between
ARMOUR AND COMPANY AND THE
AMALGAMATED MEAT CUTTERS AND
BUTCHER WORKMEN OF NORTH AMERICA
(expires August 1964)

Article XIX

Separation Allowance

19.1 Separation Allowance—To Whom Paid

Separation allowances, determined in accordance with section 19.3, shall be paid to employees having 1 year or more of continuous service, as defined in the vacation provisions, who are permanently dropped from the service because of a reduction in forces arising out of the closing of a department or unit of the business, or as a result of technological changes and when it is not expected that they will be reemployed.

Employees who lose their seniority due to their layoff period exceeding 2 years shall receive a separation allowance in accordance with the schedule set forth in section 19.3, provided that years of continuous service for purposes of determining the number of weeks of separation allowance shall be based upon the years of continuous service at the time of layoff and providing further that separation pay shall be based upon employee's regular rate at time of layoff.

19.2 When Not Paid

Separation allowances shall not be paid:

- (a) To employees with less than 1 year's continuous service;
- (b) To employees laid off in gang reductions; except as provided in the second paragraph of section 19.1.
- (c) In cases where the employee was discharged for cause;
- (d) In cases of voluntary resignation;
- (e) To employees who refuse an offer of employment by the company in another department or another unit of its business, the location of which is reasonably accessible to the location of the place of employment from which the employees are being dropped from the service, unless the job on which employment is offered carries a rate in excess of 15 cents an hour less than the job which the employee last worked or prior to the closing of his department or unit of the business. If the reduction in rate in such cases exceeds 15 cents per hour the employee shall have the election of taking either the job or separation allowance.

19.3 Amount of Payment

In order to reflect the fact that separation pay is earned during periods of employment with the company, and is payable with respect to said past service, the amount of separation pay shall be computed as multiple equivalents of weeks of wages times years of

continuous service, in accordance with the following schedule. Payments are to be computed on the basis of 40 hours per week at the employee's regular rate as follows:

1 through 10 years of continuous service: One week's pay for each year of continuous service.

11 through 20, add to the computation for 10 years: $1\frac{3}{4}$ weeks' pay for each year of continuous service above 10 years.

21 and over, add to the computation for 20 years: 2 weeks' pay for each year of continuous service above 20 years.

To the separation allowance, add pay for the vacation, if any, for which the employee has qualified but not taken.

The foregoing schedule shall not apply to employees who are entitled to receive and retain both separation pay and T.A.P. benefits under article XXV. Such employees shall be entitled to receive separation pay computed in accordance with the schedule contained in section 19.3 of the master agreement dated September 1, 1959.

19.4 Method of Payment

The amount due under this article shall be paid as follows:

- (1) If less than the equivalent of 4 weeks' pay—in one lump sum.
- (2) Amounts over a total of 4 weeks' pay—weekly installments of full wages until the total amount is exhausted. The employee, at his option, may elect to receive such amount in a shorter period of time or in one lump sum.
- (3) In the event of death, any unpaid balance shall be paid to the beneficiary of the Group Life Insurance Policy.

Article XXV

Notice of Plant Closing and Technological Adjustment Plan

25.1 Notice of Plant Closing

The company shall give notice in writing to both the international and local union of the closing of a plant or a division of a plant, or a major department of a plant, at least 90 calendar days prior to such closing. An employee who was on the active payroll of the affected plant on the date of such a notice or at any time thereafter, excluding temporary replacements, or newly hired employees and who is permanently separated from the service as the result of such closing prior to the expiration of the aforesaid 90 days, shall be paid 8 hours' pay at his regular basic hourly rate for each day (based on a 5-day workweek) after his separation which is within the 90-day period and which is not within a week for which a weekly guarantee is paid.

25.2 Technological Adjustment Plan

Any employee in any bargaining unit listed in the master agreement who is permanently separated from service under circumstances which entitle him to a separation allowance under section 19.1 shall receive supplemental unemployment benefits under the technological adjustment plan in accordance with the schedule and conditions set forth in section 25.4, provided such employee meets all the other eligibility requirements in section 25.3.

25.3 Eligibility for Technological Adjustment Plan Benefits

- (a) Employee must have been on the seniority list at the time the notice was given, provided, however, that an employee on a leave of absence under the terms of section 16.1 (b) shall be deemed ineligible during the period of such leave.
- (b) Employee must have 5 years or more of continuous service as of the date of a plant closing or termination, whichever is later.
- (c) Employee must be under 60 years of age as of the date of plant closing or termination, whichever is later.
- (d) Employee must be desirous of transferring to a plant into which a transfer may be made under section 23.1 and must signify such desire by registering for transfer during the period set forth in section 23.1 (b). Such an employee who has not indicated his desire to transfer and who is otherwise eligible for T.A.P. benefits shall receive T.A.P. benefits for whatever period is permitted under section 23.1 (b) for the employee to decide on transfer.

T.A.P. benefits paid out during the foregoing initial period shall be subject to repayment to the company upon the same conditions applicable to T.A.P. benefits generally, as hereinafter prescribed in section 25.4 (d).

- (e) Employee must meet the requirements of the applicable unemployment compensation law as to active search for employment, if not employed elsewhere. Exhaustion of unemployment benefits shall not be considered as a disqualification for T.A.P. benefits. Moreover, in the event that a State deems receipt of benefits herein provided as a basis for disqualification for unemployment benefits, such disqualification shall not in turn be deemed a basis for disqualification for these T.A.P. benefits.

25.4 Amount and Period of Benefit

- (a) Amount—T.A.P. benefits shall be \$65 per week less unemployment benefits and/or earnings from other employment.
- (b) Period—Length of T.A.P. benefits by years of continuous service:

Years of continuous service	Number of calendar weeks of eligibility after expiration of 90-day notice period or permanent separation, whichever is later
5-15 -----	26
15-20 -----	29
20-25 -----	33
25 and over -----	39

If, however, an employee refuses a proper offer of transfer to another plant made pursuant to section 23.1 in accordance with appropriate rules his T.A.P. benefit rights shall terminate. The automation committee shall formulate rules and procedures to govern such offers and their acceptance or refusal. Such rules shall not be inconsistent with the provisions contained in this section and section 23.1.

- (c) An employee who transfers and is subsequently laid off at the plant to which he is transferred shall for the period of layoff draw whatever T.A.P. benefits he would have been entitled to continue to receive if he had not been transferred.
- (d) (i) In the event that an employee entitled to register for transfer as provided in section 23.1 does not register, or upon registering subsequently refuses or fails to accept an offer to transfer, or withdraws his request to transfer, all T.A.P. benefits and allocable hospitalization premiums paid in behalf of such an employee shall be deducted from his separation pay calculated as provided in section 19.3 of this master agreement.

- (ii) An employee who has registered for transfer but has not been transferred and has exhausted all T.A.P. benefits and unemployment benefits may receive separation pay calculated under the schedule appearing section 19.3 of the master agreement of 1959 with no T.A.P. benefit deductions. He may receive such separation pay in weekly installments of \$65 or in a lump sum or such other installments as provided in section 19.4 of the 1959 master agreement. Thereafter:
 - (a) If he continues to retain his transfer rights under section 23.1 until the expiration of 2 years from the date of permanent separation, he shall upon the expiration of such 2-year period be entitled to receive the unpaid balance of such separation pay, if any, calculated under the schedule appearing in section 19.3 of the 1959 master agreement and shall have no obligation to repay any T.A.P. benefits which he may have received or allocable hospitalization premiums paid on his behalf.
 - (b) If he shall lose his transfer rights before the expiration of such 2-year period by reason of refusal of a transfer offer under section 23.1, he shall be entitled to separation pay calculated under the schedule set forth in section 19.3 of the present master agreement, less the amounts previously received in T.A.P. benefits, separation pay, and allocable premiums for hospitalization, medical, and surgical coverage.
 - (c) If he shall be transferred pursuant to section 23.1, then he shall have no continuous service credit at the new plant for purposes of pension or separation pay until he has repaid amounts theretofore received in separation pay.
- (e) In the event that an employee who has received T.A.P. benefits shall, before having been transferred to any other plant, elect to retire under the terms of the pension plan, he shall repay all amounts received as T.A.P. payments and allocable hospitalization premiums paid on his behalf, before being eligible for pension benefits.

25.5 Hospitalization and Group Life

An employee eligible for T.A.P. benefits shall be deemed eligible for hospitalization, medical, and surgical benefits at company expense for the period of time that he is eligible for T.A.P. benefits. For a period of 12 months following exhaustion of T.A.P. benefits, an employee may carry hospitalization, medical, and surgical coverage on a continuance basis at his own expense by payment of premiums monthly in advance on the same conditions currently applicable to employees on plant layoff status. Further, an employee eligible for T.A.P. benefits may carry group life insurance and health and accident insurance at his own expense by payment of premiums on the same conditions currently applicable to employees on plant layoff status.

From the agreement between
 LUKENS STEEL COMPANY AND THE
 UNITED STEELWORKERS OF AMERICA
 (expires June 1964)

Article XII

Severance Allowance

A. Conditions of Allowance

When a department and/or a subdivision thereof is permanently shut down, meaning only the total and permanent discontinuance of operations therein (example: Such as the discontinuance of the 84 inches and Universal Mills), and not the fluctuations of operations, an employee whose employment is terminated as a result thereof because he was not entitled to other employment with the company under the provisions of article XI (continuous service and seniority) of this agreement and paragraph B, shall be entitled to a severance allowance in accordance with and subject to the following provisions.

B. Eligibility

Such an employee to be eligible for severance allowance shall have accumulated 3 years or more of continuous company seniority in accordance with article XI (continuous service and seniority).

1. In lieu of severance allowance, the company may offer an eligible employee a new job. The employee shall have the option of either accepting such new employment or requesting his severance allowance. If such employee refuses to accept such other employment and takes his severance allowance in lieu thereof, his continuous service and seniority shall be deemed to have been broken as of the date of his acceptance of severance allowance, and, should he be reemployed at a later date, he shall start as a new employee with the company.
2. As an exception to paragraph 1 above, an employee otherwise eligible for severance pay who is entitled under article XI (continuous service and seniority) to a job of similar nature in another department or subdivision shall not be entitled to severance pay whether he accepts or rejects the transfer.

C. Scale of Allowance

An eligible employee shall receive severance allowance based upon the following weeks for the corresponding continuous company service:

Continuous company service (years)	Weeks of severance allowance
3 but less than 5 -----	4
5 but less than 7 -----	6
7 but less than 10 -----	7
10 or more -----	8

D. Calculation of Allowance

A week's severance shall be determined in accordance with the provisions for calculation of vacation allowance as set forth in article XIV (vacations).

E. Payment of Allowance

Payment shall be made in a lump sum at the time of termination.

F. Nonduplication of Allowance

Severance allowance shall not be duplicated for the same severance, whether the other obligation arises by reason of contract, law, or otherwise. If an employee is or shall become entitled to any discharge, liquidation, severance or dismissal allowance or payment of similar kind by reason of any law of the United States of America or any of the States or territories thereof subject to its jurisdiction, the total amount of such payments shall be deducted from severance allowance to which the employee may be entitled under this article or any payment made by the company under this article may be offset against such payments. Statutory unemployment compensation payments shall be excluded from nonduplication provisions of this paragraph.

G. Election Concerning Layoff Status

Notwithstanding any other provisions of this agreement, an employee who would otherwise have been terminated in accordance with the applicable provisions of this agreement and under the circumstances specified in article XII-A may at such time elect to be placed on layoff status for 30 days or to continue on layoff status for an additional 30 days if he had already been on layoff status. At the end of such 30-day period, he may elect to continue on layoff status or be terminated and receive severance allowance if he is eligible to any such allowance under the provisions of this article XII, provided, however, that any supplemental unemployment benefits payment received by him with respect to such 30-day period shall be deducted from any such severance allowance to which he would have been otherwise eligible at the commencement of such 30-day period.

From the agreement between
 UNION ELECTRIC COMPANY AND THE
 INTERNATIONAL UNION OF OPERATING ENGINEERS
 (expires June 1965)

Section 26. Dismissal Pay

A regular employee who has been laid off because of lack of work shall have the right to elect to receive dismissal pay at the rate and under the terms and conditions hereinafter set forth. Such dismissal pay shall be in lieu of his rights of reemployment and retention of seniority upon reemployment as provided in section 12 of article 7.

By his election to receive dismissal pay, the employee shall effectively terminate his status under this agreement (except for his right to receive the dismissal pay then elected). If he is subsequently reemployed, he shall be rehired as a new employee.

1. Dismissal Pay Allowances. A regular employee whose service with the company as a new employee (as set forth in article 7, section 5) exceeds 6 months, and who has been laid off because of lack of work, may receive dismissal pay in accordance with the following table. Any such employee who is eligible for early retirement under the provisions of the retirement plan may, and the company will consent, elect to retire and in that event he shall not be eligible to receive any dismissal pay.

Completed years of service	Value of attained years of service		Total allowance in hours
	Days	Hours	
1/2 -----	5.0	40.0	20
1 -----	5.0	40.0	40
2 -----	5.0	40.0	80
3 -----	5.0	40.0	120
4 -----	5.0	40.0	160
5 -----	5.0	40.0	200
6 -----	5.4	43.2	259
7 -----	5.8	46.4	325
8 -----	6.2	49.6	397
9 -----	6.6	52.8	475
10 -----	7.0	56.0	560
11 -----	7.4	59.2	651
12 -----	7.8	62.4	749
13 -----	8.2	65.6	853
14 -----	8.6	68.8	963
15 -----	9.0	72.0	1,080
16 -----	9.4	75.2	1,203
17 -----	9.8	78.4	1,333
18 -----	10.2	81.6	1,469
19 -----	10.6	84.8	1,611
20 -----	11.0	88.0	1,760
21 -----	11.4	91.2	1,915
22 -----	11.8	94.4	2,077
23 -----	12.2	97.6	2,245
24 -----	12.6	100.8	2,419
25 -----	13.0	104.0	2,600
26 -----	13.4	107.2	2,787
27 -----	13.8	110.4	2,981
28 -----	14.2	113.6	3,181
29 -----	14.6	116.8	3,387
30 -----	15.0	120.0	3,600
31 -----	15.0	120.0	3,720
32 -----	15.0	120.0	3,840
33 -----	15.0	120.0	3,960
34 -----	15.0	120.0	4,080
35 or more -----	15.0	120.0	4,200

The total amount of dismissal pay shall be computed on the basis of the employee's "dismissal hourly rate." This rate shall be his hourly base rate of pay (including shift component if classified on a shift job for 12 months prior to date of layoff), as of the date of layoff, or the average straight-time rate of pay which he has received for the 60-month period prior to date of layoff, whichever is the greater.

2. When Employees Are Not Eligible for Dismissal Pay.

- (a) It is recognized that under the terms of the labor agreement, with respect to demotions and layoffs, employees shall first exercise their seniority rights to the fullest extent. Loss of a particular job is not a layoff if employment is available by the exercise of seniority rights, even though the job to which the employee might be entitled through the exercise of his seniority rights pays a lower wage rate than he had formerly received, and such an employee is not eligible for dismissal pay.
- (b) No employees whose services are terminated for any of the following causes shall be eligible to receive dismissal pay:
 - (1) Voluntary quitting or resignation;
 - (2) Discharge for cause;
 - (3) Death;
 - (4) Retirement or early retirement under the provisions of the company's retirement plan;
 - (5) Physical disability; (Employees who are physically able to perform the work of the job in which they are classified, but who are laid off because that job is abolished and they are not physically able to perform the work of other jobs, shall not be considered as terminated because of physical disability and shall be entitled to dismissal pay. Employees absent on sick leave, or on account of temporary physical disability at the time they are laid off for lack of work, shall not be considered as terminated on account of physical disability and shall be entitled to dismissal pay under the provisions of this procedure.)
 - (6) Failure to report for work after termination of a leave of absence or a sick leave;
 - (7) Failure to report for reemployment in accordance with section 12 of article 7.
- (c) No employee shall be eligible to receive dismissal pay during any period while he is receiving unemployment compensation under State laws, or Federal social security old-age primary insurance benefits.

3. Method of Payment of Dismissal Pay. Employees eligible for dismissal pay and who elect to receive it shall be paid on the payday following date of layoff the amount of dismissal pay to which they may be eligible up to and including 325 hours, "computed at their dismissal hourly rate," and thereafter on each subsequent payday the sum of 60 times their "dismissal hourly rate" until the total amount of dismissal pay for which they are eligible shall be exhausted, or until as vested employees they may become eligible for early retirement. In the event of the death of an employee while receiving dismissal payments, such payments shall cease; except that in the event such employee is married or has unmarried children under age 21 at the time he is laid off, then such payments shall be continued to the extent of the amount remaining in accordance with the schedule included in (1), solely to the wife while living and unmarried, or, in the event of her death or remarriage, the payments shall be equally divided between such unmarried children of the employee until they reach the age of 21.

4. Deferment of Dismissal Pay. An employee upon being laid off for lack of work shall have the right to elect either (a) to receive dismissal pay or, if eligible, to accept early retirement as provided in paragraph 1, or (b) to defer acceptance of either dismissal pay or early retirement if eligible and thereby for the time being retain all rights to return to work to which such an employee may be entitled under the provisions of section 12 of article 7. If an employee defers acceptance of dismissal pay and in the meantime is offered an opportunity to return to work and fails to return to work within 30 days of notification to do so, such an employee shall have forfeited all rights under this procedure and no dismissal pay shall be payable.

5. No Assignment of Dismissal Pay. Dismissal payments shall not be assignable whether by voluntary action or by operation of law.
6. Employees Age 65 or Over. It is the intention of the company, when layoffs of employees may be necessary among employees represented by the union, and these layoffs may be reduced in number or eliminated through retirement of employees 65 years of age and older, to exercise the company's right of discretion to require the retirement of such over-age employees and thus lessen the number of layoffs which might otherwise be necessary.
7. Transfer of Company Property to a Third Party. The termination of an employee's service with the company because of the transfer of company property to a third party who continues to operate such property will not constitute a layoff. However, if his employment with the third party is terminated (a) under circumstances that would have entitled him as an employee at Union Electric to dismissal pay under the provisions of this section 26 and (b) prior to expiration of a period of employment with the third party equal to the "Total Allowance In Hours" to which he would have been entitled under paragraph 1 at the time of such transfer of property, then the company will make a dismissal allowance to such employee as follows: The amount shall be that determined on the basis of said "Total Allowance In Hours" reduced by (a) the straight-time hours during which he was employed by the third party and (b) any dismissal payments made by said third party. Payments shall be made in accordance with the provisions of paragraph 3.
8. When Provisions of this Section 26 Do Not Apply. The provisions of this section 26 do not automatically apply in those cases where an employee has been laid off due to lack of work resulting from any law, ordinance, rule, regulation, order or directive of any Federal, State, municipal or any other civil or military authority, or from union jurisdiction award, but in such cases the company and the union shall negotiate to determine what, if any, dismissal allowances shall be payable.

From the agreement between
 MERGENTHALER LINOTYPE COMPANY AND
 INTERNATIONAL UNION, UNITED AUTOMOBILE,
 AEROSPACE AND AGRICULTURAL IMPLEMENT
 WORKERS OF AMERICA
 (expires February 1965)

Section 14. Severance Allowance

- (a) If prior to July 7, 1965, substantially the entire Matrix manufacturing plant of the employer now located at 29 Ryerson St., Brooklyn, N. Y., and/or substantially the entire manufacturing plant of the employer now located at Old Country Road, Plainview, Long Island, N. Y., is physically moved by the employer to a location which is:
 - (i) Not within 50 airline miles of either of the two present plant locations referred to above, this agreement and the union representation thereunder (if still in effect) shall thereupon not apply at such new location and each employee of such present plant or plants so moved (including employees on military leave with reemployment rights under law, and including employees on layoff for not more than 1 year on the date of the move, but excluding employees who (except for those on military leave) have not actually worked for the employer at the present plant or plants so moved within a period of 1 year prior to the date of the move), who then have 5 years or more accumulated service with the employer, shall, subject to all the conditions hereinafter specified, be entitled to a severance allowance in accordance with the following table:

Total accumulated service (years)	Severance allowance
5 but less than 10 -----	\$45 for each full year of service.
10 but less than 20 -----	\$450 plus \$55 for each full year over 10.
20 or more -----	\$1,000 plus \$65 for each full year over 20.

- (ii) Within 50 airline miles of either of the two present plant locations referred to, this agreement and the union representation thereunder (if still in effect) shall extend to such new location, but any active employee who has 5 years or more accumulated service and resides at the time the move is announced by the employer over 50 miles by the shortest usual route of travel from the new location and who elects not to continue as an employee at the new location, shall be entitled to a severance allowance in the amount set forth in the table in subparagraph (i) for his number of years of accumulated service. For any employee who would qualify for such an election except for the fact that he is on layoff for not more than 1 year or military leave at the time of move, the election shall be postponed until he is recalled or reemployed provided he is still residentially qualified.
- (b) The employer will not, except as provided in paragraph (c) below, move a plant or plants referred to in this section 14 in the period beginning February 7, 1965, and ending July 7, 1965 (both dates inclusive), without giving the union written notice thereof at least 75 days prior to February 7, 1965, stating the date, place, and plant involved and thereupon this agreement shall be automatically extended as to all its terms to and including the date so specified.
- (c) If the employer does not give a notice under paragraph (b), then if the employer moves a plant or plants referred to above in the period beginning February 7, 1965, and ending July 7, 1965 (both dates inclusive), the provisions of this section 14 for severance allowance shall apply to such move, but for the purposes of this paragraph (c) only, the contingency specified in paragraph (f) hereof shall be deemed not to be unsatisfied by reason of an authorized strike.
- (d) "Accumulated service" for the purposes of this section 14 shall be computed in the same manner as maximum seniority under schedule A, section 2, seniority of this agreement or as credited service under the pension plan, whichever is greater, except that the total figure shall be rounded off to a full year, a half year or more being counted as a full year and less than a half year being disregarded.
- (e) If the pension plan is terminated by reason of the move, then the severance allowance computed as payable to any affected employee shall be reduced by the share, if any, of the assets of the pension plan allocable to the same employee, provided that such share is paid in cash, without deferment, or such payment is prevented by the union-designated members of the Joint Pension Board. If the pension plan is not terminated, such severance allowance shall be reduced by the actuarial value of the normal retirement immediate pension or early retirement immediate pension, if any, to which the employee is then entitled.
- (f) Payment of such severance allowance will be contingent upon the employee remaining at or available for work and performing normally his assigned duties until he is released from employment by the employer by reason of the move. An employee who voluntarily accepts employment at another plant of the employer covered by this agreement shall be deemed to have waived the severance allowance which would have otherwise been payable hereunder.
- (g) Any employee who accepts a severance allowance as computed under this section 14 shall cease to be an employee and all his seniority rights with the employer shall thereupon terminate. Receipt and retention for 30 days of a severance allowance shall be deemed an acceptance.
- (h) For the purposes of this section 14 a move shall be deemed to be made when by reason of the move (i) substantially all the equipment of any plant or plants of the employer as referred to in this section 14 is moved or (ii) the employment of substantially all the employees of any plant or plants of the employer as referred to in this section 14 is terminated, whichever is sooner.

For the purposes of this section 14 the establishment by the employer of another plant or other plants in the United States of America and not within 50 airline miles of either of the two present plant locations referred to above, resulting in substantial curtailment of employment at either of such two present plants referred above due to transfer of production from either of such two present plants referred to above, to

such other plant or plants, shall be considered the physical moving of substantially the entire plant, and the employees of such present plant or plants so moved (including employees on military leave with reemployment rights under law, and including employees on layoff for not more than 1 year on the date of the move but excluding employees who (except for those on military leave) have not actually worked for the employer at the present plant or plants so moved within a period of 1 year prior to the date of the move), who then have 5 years accumulated service and are terminated by reason of the move shall, subject to all the conditions of this section 14, be entitled to a severance allowance under this section 14.

- (i) Nothing contained in this section 14 shall in any way add to or subtract from any rights or options which, absent this section 14, the employer, the union and/or any employee may have with respect to employment rights, if any, at a location not within 50 airline miles of either of the two present plant locations referred to, except that, an employee who accepts a severance allowance under this section 14 shall be deemed to have waived, completely and irrevocably, any and all employment rights at the new location.

From the agreement between
PEPPERELL MANUFACTURING COMPANY AND
UNITED TEXTILE WORKERS OF AMERICA
(expires April 1966)

Article XXVI

Retirement and Separation Pay

The employer will pay retirement separation pay to each of its employees who, having attained the age of 62 voluntarily retires from active employment in the mill and have, at the time of their retirement, completed 15 years of service in the mill with an average employment of 1,000 hours or more for each service year. The amount of the retirement separation pay shall be 1 week's pay for each service year with a maximum of 20 weeks' pay.

A week's pay for an hourly worker shall be 40 times his hourly rate of pay, and for a piece or incentive worker it shall be 40 times his average straight-time hourly earnings, exclusive of overtime for the social security quarter next prior to the quarter in which he retires.

From the agreement between
CINCINNATI AND SUBURBAN TELEPHONE
COMPANY AND THE COMMUNICATIONS
WORKERS OF AMERICA
(expires September 1966)

D-11.10 Termination Allowance

D-11.11 Regular employees, having 1 year or more of net credited service, who are laid off because of lack of work shall be given a lump-sum termination allowance based on the employee's net credited service and basic wage rate at the time of separation, computed as follows:

- (a) For each year of net credited service, up to and including 4 years, 1 week's pay.
- (b) For each additional year of net credited service in excess of 4 years up to and including 10 years, 2 weeks' pay.
- (c) For each additional year of net credited service in excess of 10 years up to and including 14 years, 3 weeks' pay.
- (d) For each additional year of net credited service in excess of 14 years, 4 weeks' pay.

- D-11.12 When the employee's net credited service exceeds a whole number of years, the excess shall not be counted unless it exceeds 6 months, in which case it shall be counted as a full year.
- D-11.13 The termination allowance shall be in addition to those amounts actually earned by the employee including any payment for vacation to which the employee is entitled at the time of separation.
- D-11.14 If a former employee who has received a termination allowance is reengaged and the number of weeks since the date of separation is less than the number of weeks upon which his termination allowance was based (less vacation if any), the amount paid to the employee for the excess number of weeks shall be considered as an advance to him by the company and shall be repaid through payroll deductions at the rate of 10 percent of his basic wage rate each week until the amount is fully paid.
- D-11.15 When a former employee who has received a termination allowance is reengaged as a regular employee, such employee shall be entitled to a termination allowance for a subsequent separation from the force based in each case on the period of completed service between the dates of the employee's most recent engagement and separation as follows:
- (a) Service less than 1 year—that portion of a previous termination allowance which was repaid to the company as provided in paragraph D-11.14.
 - (b) Service of 1 year or more—termination allowance as prescribed in paragraph D-11.11 plus that portion of a previous termination allowance which was repaid to the company as provided in paragraph D-11.14.

From the agreement between
 KOLLSMAN INSTRUMENT CORPORATION AND
 THE INTERNATIONAL ASSOCIATION OF
 MACHINISTS AND AEROSPACE WORKERS
 (expires June 1965)

Article XXVI

Severance Pay

26.1 The company shall grant 1 week's pay to all employees in the bargaining unit who are laid off in accordance with the provision of this contract providing that they have 2 years or more of service, but less than 4 years of service with the company.

26.2 The company shall grant 2 weeks' pay to all employees in the bargaining unit who are laid off in accordance with the provisions of this contract providing that they have 4 years or more of service.

26.3 (a) An employee who has been laid off and received severance pay will, immediately upon being recalled, begin to accumulate new eligibility for severance pay. (Service prior to recall shall not be credited in determining eligibility for additional severance pay.)

(b) An employee who is laid off while on leave of absence shall not receive severance pay except if the leave of absence is for personal illness or if the stated term of a personal leave of absence expires 1 month or less after the layoff. This section does not apply to maternity leaves.

26.4 It is further agreed that the schedule herein set forth will not be utilized in layoffs of less than 1 month's duration, providing that the company at the time of layoff notifies the employee to report for work in less than 30 days from the effective date of the layoff. In every other instance severance payment shall be made in accordance with the schedule set forth above.

26.5 Voluntary quitting or discharge shall not be considered layoff to entitle an employee to severance pay.

From the agreement between
SOUTHERN BELL TELEPHONE AND
TELEGRAPH COMPANY AND THE
COMMUNICATIONS WORKERS OF AMERICA
(expires November 1966)

Article 8

Employment Termination

8.01 Termination Allowance

A. A termination allowance shall be paid to a regular or temporary employee whose service is terminated under any of the conditions outlined below:

1. Laid off or separated in conformity with 7.01.
2. Retired at age 65 without a pension.
3. As an inducement proposed, or agreed to, by the company to an employee to resign because of inability or unadaptability to perform properly the duties of the job as distinguished from misconduct.
4. Dismissed except for misconduct as distinguished from inability or unadaptability to perform properly the duties of the job.
5. Upon exhaustion of the leave limits under 6.01 C for a leave of absence granted to an employee of 8 years or more net credited service when the employee is not offered work in the same, an equal or lower rated job in the exchange from which the leave was granted in the case of a female employee or in the State from which the leave was granted in the case of a male employee.
 - a. Such employee must have indicated, at the time the leave was granted, a reasonable expectancy to return to work.
 - b. Such employee shall have experienced no impairment during the time of such leave of absence which would render him unqualified to do the work.
 - c. Such employee shall not have been guilty of misconduct during the leave of absence which would be proper cause for discharge.

B. Termination allowances due under 8.01 A 1 and 8.01 A 2 shall be at the basic pay rate of the employee at the time of the service termination and shall be in accordance with the following:

Completed net credited service	Number weeks' pay	Completed net credited service	Number weeks' pay
6 months -----	1	11 years -----	21
1 year -----	2	12 years -----	24
2 years -----	3	13 years -----	27
3 years -----	3-1/2	14 years -----	30
4 years -----	4	15 years -----	33
5 years -----	6	16 years -----	36
6 years -----	8	17 years -----	39
7 years -----	10	18 years -----	42
8 years -----	12	19 years -----	46
9 years -----	15	20 years -----	50
10 years -----	18	Additional weeks' pay for each year over 20 -----	4

C. Termination allowances due under 8.01 A 3, 8.01 A 4 and 8.01 A 5 shall be at the basic pay rate of the employee at the time of the service termination and shall be in accordance with the following:

Completed net credited service	Number weeks of pay	Completed net credited service	Number weeks of pay
6 months -----	0	12 years -----	15
1 year -----	1	13 years -----	17
2 years -----	2	14 years -----	19
3 years -----	3	15 years -----	22
4 years -----	4	16 years -----	25
5 years -----	5	17 years -----	28
6 years -----	6	18 years -----	31
7 years -----	7	19 years -----	35
8 years -----	8	20 years -----	39
9 years -----	9	Additional week's pay for each year	
10 years -----	11	over 20 -----	4
11 years -----	13		

D. Termination allowance paid under 8.01 B and 8.01 C above, are subject to the following conditions:

1. An employee who has his service terminated in accordance with 8.01 A or 7.04 after having been reengaged from a previous service termination under the conditions outlined in 8.01 A or 7.04, shall be paid the difference between the amount computed as his termination allowance and any previous termination payments he may have received on account of previous service terminations.

2. If an employee has received a termination allowance under 8.01 B or C and returns to the employ of the company in a lesser number of weeks than he was paid for in his termination allowance, he shall repay the company the difference between the net amount of the termination allowance paid to him and the amount of his basic wage rate for the period off the payroll.

a. In lieu of cash payment such repayment may be made through payroll deductions in an amount not less than 5 percent nor more than 10 percent of the basic wage per week or per month.

From the agreement between
PARKE—DAVIS AND COMPANY AND THE
OIL, CHEMICAL AND ATOMIC WORKERS
INTERNATIONAL UNION
(expires April 1965)

Section 7. Severance Plan. In recognition of the fact that economic factors, availability of raw materials or markets, productivity, new processes or methods, governmental programs or restrictions, or other reasons related to competitive position in the industry, may from time to time require the company to discontinue or to relocate an operation, plant or department, and in an effort to minimize the impact and alleviate the effect on those individuals whose jobs may be affected by such action, the company agrees to the following severance plan which the affected individual may elect in lieu of exercising his seniority or "bumping" rights. An employee directly affected by such a move who does not exercise his seniority rights, may at the time of his displacement waive all reemployment rights and in lieu thereof accept severance pay as follows:

Years of service	Weeks of pay	Years of service	Weeks of pay
Less than 2 -----	0	9-10 -----	9
2-3 -----	2	10-11 -----	10
3-4 -----	3	11-12 -----	11
4-5 -----	4	12-13 -----	12
5-6 -----	5	13-14 -----	13
6-7 -----	6	14-15 -----	14
7-8 -----	7	15-16 -----	15
8-9 -----	8	16 or over -----	16

A week's pay shall be construed to mean 40 hours at the employee's base rate plus cost-of-living allowance if any, but exclusive of shift premiums or overtime.

Section 8. Layoff Allowance Pay. The company will grant layoff allowance pay to employees laid off, other than temporary, due to lack of work in accordance with the following schedule:

Length of continuous service as of date of layoff ¹	Amount of layoff allowance pay (hours)
6 months but less than 1 year -----	40
1 year but less than 3 years -----	80
3 years but less than 5 years -----	120
5 years but less than 10 years -----	160
10 years but less than 15 years -----	200
15 years but less than 20 years -----	240
20 years but less than 25 years -----	280
25 years and over -----	320

¹ An employee's company seniority shall be used for the purpose of computing the layoff allowance pay.

The amount of layoff allowance pay shall be computed on the basis of the employee's base rate (exclusive of shift premium at the time of layoff).

The layoff allowance will be paid starting with the second full week of layoff on a weekly basis of 8 hours' pay until the employee's allowance according to the above schedule is fully paid out. If an employee is recalled to work and subsequently laid off, he will be eligible for the allowance set forth in the schedule, less any amounts previously paid.

An employee eligible for and who elects severance pay (art. XIV, sec. 7) is not eligible for a layoff allowance pay, and vice versa.

Section 9. The failure to incorporate in this agreement existing privileges of employees shall not be construed as a basis or justification for discontinuing such existing privileges. An existing privilege is hereby defined to mean only such privileges of employees which are not the subject matter of any of the provisions of this agreement, the memorandum agreement on pensions or the insurance agreement, and which are given official recognition by the company at the date hereof:

1. In any written document made generally available to all employees.
2. In a specific written agreement between the company and the union.
3. In a written memorandum or letter addressed by the company to the union with respect to its employees generally.
4. In a written memorandum or letter addressed by the company to the union or to the employees of a given department with respect to all of the employees in that department.
5. By virtue of uniform and consistent action taken by the company over an extended period of time.

Section 10. The parties hereto agree that the wage structure herein set forth is fully in accord with the principle of equal pay for equal work regardless of sex; and agree further to recognize and apply the principle of equal pay for equal work regardless of race, color, or creed.

From the agreement between
 GENERAL ELECTRIC COMPANY AND THE
 INTERNATIONAL UNION OF ELECTRICAL,
 RADIO AND MACHINE WORKERS
 (expires October 1966)

XXII—Income Extension Aid

1. General. An employee with 3 years or more of continuous service will, in accordance with the provisions hereinafter set forth, have available an income extension arrangement for use in the event of layoff for lack of work or plant closing.

2. Computation of Income Extension Aid. (1) The income extension aid shall be computed on the basis of 1 week's pay for each of the employee's full years of continuous service plus $\frac{1}{4}$ of a week's pay for each additional 3 months of continuous service at the time of layoff. A "week's pay" for a salaried employee shall be the higher of (a) the employee's normal straight-time weekly salary for the last full week worked by him or (b) the employee's average straight-time weekly salary for the last 6 months worked by him. A "week's pay" for an hourly employee on daywork shall be calculated by multiplying the higher of (a) his straight-time hourly rate which he was paid during the last week worked by him or (b) his average straight-time hourly rate which he was paid for the last 6 months worked by him times the number of hours in the employee's normal workweek, up to 40 hours. A "week's pay" for an hourly employee on incentive shall be calculated by multiplying the higher of (a) his average straight-time earning rate obtained from the last available periodic statistics applicable to time worked by him during his last week worked or (b) his average straight-time earning rate obtained from such statistics applicable to time worked by him during the last 6 months, times the number of hours in the employee's normal workweek, up to 40 hours.

(2) If the amount of income extension aid available to an employee as computed in subsection 1, has been reduced by payment under any of the options of the plan, then, upon his return to work following a layoff, the amount available shall be increased at the rate of 2 weeks' pay per year ($\frac{1}{2}$ week per calendar quarter) of continuous service which he accrues following his return from layoff, until the total amount available equals 1 week's pay times the sum of (i) his continuous service prior to such layoff, and (ii) his continuous service credited to him following his return from layoff and thereafter, at the normal rate specified in subsection 1. This subsection (2) shall not apply where payments have been made under subsection 3(d) or under plant closing section 4 where the employee is rehired within 6 months of termination, except, that when an employee makes repayment of benefits paid under such subsection 3(d) or section 4 this subsection 2 shall apply when he returns to work with respect to a subsequent layoff.

3. Benefits Available at Layoff. (1) An eligible employee laid off for lack of work, may elect from the following:

(a) He may enter upon a course of instruction at a recognized trade or professional school in which event payments will be made to such school from the income extension aid available to him (while he has continuity of service), upon written request therefor by the employee, to be applied to reasonable tuition charges and any other reasonable fees directly associated with the courses charged by the school.

(b) If he remains on layoff from the company after his entitlements to State or Federal unemployment compensation benefits have been exhausted payments from the income extension aid available to him will be made, if he wishes, providing that he certifies that he is still unemployed and has exhausted his entitlement to any State unemployment compensation benefits. Such payments shall be made weekly, for as long as such unemployment continues, in amounts equal to one-half of the employee's weekly pay as defined in section 2 until the full amount for which he qualifies is paid.

(c) In any event, at the end of 1 year on layoff, any balance in the income extension aid available to him not theretofore paid will be paid in a lump sum to the employee.

(d) As a special option, he may choose, within the appropriate 60-day period specified below to terminate his employment and thus forego recall rights and any benefits under the pension plan except as noted below. He can then immediately collect the total amount of the income extension aid available to him, his contributions to the pension plan and any vacation or other accumulated allowances due him. If he has rights under the vesting provision of the pension plan, he may prefer not to withdraw his pension contributions so as to protect his pension rights thereunder. This option (d) will be available to an employee only (i) within a 60-day period after his layoff begins and management determines and notifies him at time of such layoff that his layoff is expected to exceed 6 months or (ii) if no such notice is given then within a subsequent 60-day period commencing on the date management first notifies him that his layoff is expected to exceed 6 months or (iii) if no notice has been given as described in (i) or (ii) then within a 60-day period after the date on which his layoff has continued for an uninterrupted period of 6 months.

(2) An employee will not be entitled to receive any payments under the income extension arrangement after he has reached normal retirement age.

(3) Income extension payments made under subsections (a), (b), and (c), above, shall not affect service credits previously accumulated, continuity of service and recall rights. It will not be necessary for an employee to repay any income extension aid payable under said subsections (a), (b), and (c) above.

4. Benefits Available at Plant Closing. Whenever the company decides to close a plant, the company shall give notice of its decision to the union, the local or locals involved and the employees concerned. Thereafter, as the company, in the course of such plant closing, no longer has need for the work then being done by an employee, his employment by the company may be terminated, subject to compliance with the provisions of this section 4.

(1) Each employee shall be given at least 1 week's advance notice of the specific date of his termination.

(2) An eligible employee whose employment is terminated because of plant closing shall be entitled to the income extension aid in a lump sum, for which he is eligible as described above, and the full vacation allowance for which he might have qualified during the calendar year in which his employment is terminated, and any other accumulated allowances due him, provided that he:

(a) After the announcement of the plant closing, continues regularly at work for the company until the specific date of his termination, or

(b) Fails to continue regularly at work until the specific date of his termination due to verified personal illness or leave of absence, or

(c) Is on layoff for lack of work at the time of the plant closing.

(3) Such employee may request that his date of termination be advanced so that he can accept other employment and the local management will give due regard to this request.

(4) An eligible employee who will become eligible for optional retirement under the pension plan within 1 year either (i) from the time his employment would have been terminated as a result of a plant closing or (ii) from the time of his layoff if this is prior to the date of plant closing, and who meets the conditions specified in subparagraphs (a), (b), and (c) of subsection (2), may receive any income extension aid to which he is entitled under section 4 and later elect optional retirement when he reaches optional retirement age. His service would be protected until such age.

5. Vested Rights Under Pension Plan. The receipt of income extension aid will not affect any rights the employee may have under the vesting provision of the pension plan.

6. Lump-Sum Payments. Service credits previously accumulated, continuity of service, and recall rights will be lost upon receipt by the employee of an income extension aid payment in lump sum under section 3(d), or payment under the plant closing section 4. However, in the event of subsequent rehire as a "new" employee within 5 years of any such termination, service credits and recall rights previously lost shall be restored provided repayment of the income extension aid is made by the employee within a reasonable time after rehire. However, service credits, continuity of service and recall rights lost at termination upon receipt of payments under plant closing section 4 shall be restored automatically without repayment in the event of subsequent rehire more than 6 months after such termination.

7. Nonduplication. If any part of an employee's continuous service is used as the basis for an actual payment under any of the options of the income extension aid arrangement, that part of his continuous service may not be used again for such purpose, either during that period of layoff or any subsequent period of layoff or plant closing, unless repayment has been made as provided in section 6 above.

8. Definitions: Plant Closing. The terms "plant closing" and "to close a plant" mean the announcement and carrying out of a plan to terminate and discontinue all company operations at any plant, service shop, or other facility.

Such terms do not refer to the termination and discontinuance of only part of the company's operations at any plant, service shop, or other facility nor to the termination or discontinuance of all of its former operations coupled with the announced intention to commence there either larger or smaller other operations. Any employees released by such latter changes will be considered as out for lack of work and will be subject to provisions applicable to those on layoff for lack of work.

9. Other. The provisions of this article shall not be applicable where the company decides to close a plant or layoff an employee because of the company's inability to secure production, or carry on its operations, as a consequence of a strike, slowdown, or other interference with or interruption with work participated in by employees in a company plant, service shop, or other facility. However, the operation of this section shall not affect the rights or benefits already provided hereunder to an employee laid off for lack of work, prior to the commencement of any such strike, interference, or interruption.

10. A grievance arising under this article may be processed in accordance with the grievance procedure set forth in article XIII. However, no matter or controversy concerning the provisions of this article or the interpretation or application thereof shall be subject to arbitration under the provisions of article XV hereof, except by mutual agreement.

Appendix B. Selected Funded Severance and Layoff Benefit Plans Reproduced in Full

From the agreement between
GENERAL MOTORS CORPORATION AND THE
INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA
(expires August 1964)

Article IX

Separation Payment ²³

Section 1. Eligibility

An applicant who is in active service, or is on the active employment roll, on or after September 1, 1958, shall be eligible for a separation payment provided that:

- (a) On or after September 1, 1958, he:
 - (1) Is laid off from the company and subsequent thereto is on layoff from the company for a continuous period of at least 12 months (or such shorter period as may be determined by the company with respect to subsection (e) of this section 1), provided that such layoff is not a result of any of the circumstances or conditions set forth in subsection (3) of section 2(a) of article V, or
 - (2) Is retired on or after age 60 or is automatically retired, but is not eligible to receive a monthly pension or a monthly retirement benefit under any company plan or program then in effect, or
 - (3) Becomes disabled and would be eligible for total and permanent disability benefits under any company pension plan or retirement program then in effect except that he does not have the years of credited service required to be eligible for such benefits under the provisions of such plan or program; and
- (b) He had 2 years or more of seniority on the last day he was in active service or, if later, the last day he was on the active employment roll, and such years of seniority have not been broken, except by retirement, on or prior to the date on which application is made to the company pursuant to subsection (e) of this section 1; and
- (c) He is not eligible to receive a monthly pension or a monthly retirement benefit other than a deferred pension or a deferred retirement benefit under any company plan or program then in effect; and
- (d) He has not refused an offer of work pursuant to any of the conditions set forth in subsection 4 of section 2(b) of article V, provided that any such refusal is on or after the last day he worked for the company, and prior to the earliest date on which he can make application pursuant to the provisions of subsection (e) of this section 1, and provided that refusal by a person after he has retired shall not result in ineligibility for a separation payment; and

²³ As a result of the agreement reached in October 1964, severance payments increased about 40 percent above those in the schedule illustrated here and the waiting period for eligibility declined from 2 years to 1 year. The new agreement was not received in time for inclusion in the present study.

- (e) He has made application for a separation payment, in accordance with the procedure established by the company, subsequent to 12 months from the commencement date of layoff, retirement, or disability, or any combination thereof, pursuant to the provisions of subsections (a)(1), (a)(2), and (a)(3) of this section 1, and prior to 24 months from such commencement date unless the company determines that his prospects of reemployment by the company are such that application should not be deferred and allows him to apply at an earlier date, except that if such commencement date is prior to March 1, 1960, the "24 months" requirement herein shall be "18 months;" and
- (f) His application is received by the company during a pay period when the credit unit cancellation base for such pay period is equal to or in excess of \$41.60 (provided, however, that applications of otherwise eligible employees received during a pay period in which the credit unit cancellation base is less than \$41.60 shall become payable in order of dates of receipt by the company if, but only during the period or time when, the credit unit cancellation base becomes equal to or in excess of \$41.60).

When the credit unit cancellation base becomes equal to or in excess of \$41.60 such separation payments shall have priority of payment over any other applications for separation payments; and if, in the opinion of the company and the union, assets in the trust fund are or may become insufficient to pay benefits and separation payments with respect to all applications then on file, the company by mutual agreement with the union may take such action as it deems appropriate, including deferral of payment of benefits otherwise payable, to facilitate the priority of payment of separation payments over benefits. The amount of any separation payments or benefits, or both, so deferred in payment shall be deducted, for the purpose of calculating the credit unit cancellation base, from the amount of assets in the trust fund. Nothing in this subsection (f) shall be construed to alter in any respect the provisions of section 1 of article XI.

Section 2. Payment

- (a) A separation payment shall be payable only from the fund and in a lump sum.
- (b) Determination of amount.
- (1) With respect to separation payments made by the company on and after January 1, 1962, the amount of a separation payment shall be determined by multiplying (i) the applicant's base hourly rate (plus the cost-of-living allowance in effect on the last day he worked for the company but excluding all other premiums and bonuses of any kind) by (ii) the applicable number of hours' pay as shown in the following table. If the credit unit cancellation base as of the date application is received by the company is below \$160, the amount of such separation payment shall be reduced by 1 percent for each full \$1.60 by which the credit unit cancellation base is less than \$160 as of such date; provided, however, that with respect to separation payments deferred under section 1(f) of this article, the credit unit cancellation base in effect as of the date the draft in payment of such separation payment is issued by the company shall be used in the above computation in lieu of such credit unit cancellation base on the date application was received:

Separation payment table

Years of seniority on last day worked in a bargaining unit	Number of hours' pay	Years of seniority on last day worked in a bargaining unit	Number of hours' pay	Years of seniority on last day worked in a bargaining unit	Number of hours' pay
Less than 3 -----	50	12 but less than 13 -----	363	22 but less than 23 -----	900
3 but less than 4 -----	75	13 but less than 14 -----	406	23 but less than 24 -----	969
4 but less than 5 -----	100	14 but less than 15 -----	450	24 but less than 25 -----	1,038
5 but less than 6 -----	125	15 but less than 16 -----	500	25 but less than 26 -----	1,113
6 but less than 7 -----	156	16 but less than 17 -----	550	26 but less than 27 -----	1,188
7 but less than 8 -----	188	17 but less than 18 -----	600	27 but less than 28 -----	1,263
8 but less than 9 -----	219	18 but less than 19 -----	656	28 but less than 29 -----	1,338
9 but less than 10 -----	250	19 but less than 20 -----	713	29 but less than 30 -----	1,413
10 but less than 11 -----	288	20 but less than 21 -----	775	30 and over -----	1,500
11 but less than 12 -----	325	21 but less than 22 -----	838		

- (2) A separation payment payable hereunder shall be reduced by:
 - (i) The amount of any benefits paid or payable to the applicant for weeks of layoff subsequent to the last day worked for the company, under this plan and under any other supplemental unemployment benefit plan or plans to which the company has contributed, and
 - (ii) The amount of any payment under any company plan or program, financed in whole or in part by the company, received or receivable by the applicant with respect to any layoff or separation of the applicant from the company, provided that any such payments shall have been paid or be payable subsequent to the last day worked for the company.
- (3) A part-time employee shall be eligible for a separation payment subject to all of the provisions applicable to an employee except that such separation payment shall be reduced in the same ratio as the scheduled hours of work of such part-time employee at time of layoff bears to 40 hours.

Section 3. Effect of Separation Payment on Seniority

An employee who is issued and accepts a separation payment shall cease to be an employee and shall have his seniority canceled at any and all of the company's plants and locations as of the date his application for such separation payment was received by the company.

Section 4. Repayment

If an employee is again employed by the company after he had received a separation payment, no repayment (except as provided in section 3(b) of article XII), by the employee of such separation payment paid previously shall be required or allowed and no seniority canceled previously shall be reinstated.

Section 5. Notice of Application Time Limits

The company shall provide written notice of the time limit for filing a separation payment application to all persons who may be eligible for such payment. Such notice shall be mailed to the person's last address of record not later than 30 days prior to both the earliest and the latest date as of which he may apply pursuant to the provisions of section 1(e) of this article IX.

From the agreement between
ATLANTIC AND GULF COAST DRY CARGO
AND PASSENGER VESSELS, AND THE
NATIONAL MARITIME UNION OF AMERICA
(expires June 1969)

Amendment No. 11

to the

Regulations of the NMU Employment Security Plan

The regulations of the NMU employment security plan are hereby amended, effective June 16, 1961, to add the following article VI and to renumber the existing articles VI and VII as Articles VII and VIII:

Article VI. Severance

Section 1. Qualification for Benefits. A severance benefit shall be payable, as provided below, to a seaman whose employment is terminated by reason of loss, sale, transfer, and reduction of complement or a lay-up exceeding 90 days, provided the seaman is otherwise entitled to permanent employment and has accepted transportation or has registered for open employment.

Section 2. Benefits. A seaman who qualifies under section 1, and who at the time of termination has been continuously employed by a contributing employer for more than 60 days, shall be entitled to a benefit equal to the following number of days multiplied by his daily base wage at the time of termination in accordance with the following schedule:

Duration of continuous employment	Benefit payable (days)
60 days but less than 180 days -----	15
180 days but less than 2 years -----	30
2 years but less than 3 years -----	35
3 years but less than 4 years -----	40
4 years but less than 5 years -----	45
5 years but less than 6 years -----	50
6 years but less than 7 years -----	55
7 years but less than 8 years -----	60
8 years but less than 9 years -----	65
9 years but less than 10 years -----	70
10 years but less than 11 years -----	75
11 years or over -----	80

Section 3. Definitions. For the purpose of this article, continuous employment shall not be deemed broken by vacations, temporary layoffs, or legitimate leaves of absence, and 360 days of employment shall constitute 1 year of employment. (Adopted by the Board of Trustees, October 25, 1961.)

From the agreement between
PITTSBURGH PLATE GLASS COMPANY AND
THE UNITED GLASS AND CERAMIC
WORKERS OF NORTH AMERICA
(expires February 1964)

Supplemental Agreement No. 9

Security Benefit Plan

The United Glass and Ceramic Workers of North America, AFL-CIO-CLC (hereinafter referred to as the "union") and Pittsburgh Plate Glass Co. (hereinafter referred to as the "company") hereby agree as follows:

1. Establishment of Plan

Upon receipt of rulings satisfactory to the company from the governmental agencies specified in paragraph 13 of this plan, the company will enter into an agreement with a trustee or trustees selected by it, establishing a separate trust (referred to herein as the the employee's "security benefit account") for each eligible employee in the bargaining unit.

2. Eligibility to Participate

Each employee in the bargaining unit covered by the general labor agreement to which the company and the union are parties, other than a temporary employee as that term is defined in section 5(e) of the general labor agreement, shall be eligible to participate in this plan. Unless otherwise indicated, the word "employee" as used in this agreement shall refer only to an employee eligible to participate in the plan.

3. Contributions to Security Benefit Account

Subject to the provisions of paragraph 10, the company will contribute to each employee's security benefit account 10 cents for each hour actually worked by the employee in the bargaining unit on and after September 25, 1958, and subsequent to the date he became eligible to participate.

If a temporary employee becomes a regular employee, the company will make a lump-sum contribution to his security benefit account of 10 cents per hour for each hour actually worked by him in the bargaining unit on and after September 25, 1956, and 5 cents per hour for each hour actually worked by him in the bargaining unit prior to September 25, 1956, retroactive to his seniority date determined under the general labor agreement or September 25, 1955, whichever is later.

4. Contribution Irrevocable

No part of the company's contributions under this plan shall be recoverable by it.

5. Power and Duties of Trustees

a. Company contributions to each employee's security benefit account will be paid to the trustee. The trustee will hold such contributions and interest earned thereon as a separate trust estate for the exclusive benefits of each such employee.

b. Funds in the individual security benefit accounts may be commingled and shall be treated as a consolidated fund for investment purposes.

c. The trustee may invest funds in the security benefit accounts in U.S. Government Bonds or other equivalent securities. As of December 31, 1956, and as of December 31 of each succeeding year, the trustee shall credit earnings from investments to employees' security benefit accounts in proportion to the balance in each such account on the last day of the last pay period in such year.

d. The trustees or its duly authorized agent shall manage and administer the trusts. The trustee shall have the right to use the company or any of its employees as its agent. In addition to the powers and duties specified in this plan, the trustees shall have such other powers and duties as may be provided in the trust agreement.

e. As soon as practicable after January 1, 1957, and January 1 of each succeeding year, the trustee shall furnish each employee with a statement of the balance in his security benefit account as of December 31 of the preceding year.

6. Costs of Administration

The company will pay the costs of administering the security benefit plan.

7. Payments From Security Benefit Accounts

a. An employee who is laid off shall be eligible to receive a payment from his security benefit account for each full pay period he is laid off, but only if such layoff occurred as a result of reduction of force, was not for disciplinary reasons, and was not a result of any strike, sitdown, slowdown, or work stoppage in the bargaining unit.

b. An employee who is absent from work for at least two full consecutive pay periods because of his injury or sickness shall be eligible to receive a payment from his security benefit account for each full pay period such absence continues. Payments for the first two pay periods of such absence shall be made in one lump sum.

c. No payment shall be made to an employee otherwise eligible under this paragraph 7 with respect to any pay period beginning prior to September 25, 1956, or during the first year of his employment in the bargaining unit.

d. Requests for payments by employees eligible under this paragraph 7 shall be made to the trustee in writing on a form prescribed by the trustee. Each such payment shall be in an amount specified by the employee but shall not exceed 10 percent of the balance in this security benefit account as of the last day of the pay period preceding such request or \$30, whichever is smaller, and shall not be less than \$15, or the balance in his account, whichever is smaller.

8. Final Settlement of Security Benefit Accounts

All funds in an employee's security benefit account shall be paid:

- a. To the employee upon his retirement under the provisions of the pension agreement of January 14, 1950, as amended;
- b. To the employee in the event his employment is terminated for any other reason;
- c. Upon the employee's death, to the beneficiary named in a written designation filed with the trustee, if permitted by law in the State in which the employee resided, or if no such designation has been made, to the employee's estate;
- d. To the employee in the event he terminates active employment with the company to enter the armed services of the United States.

Each employee may file with the trustee a written designation, in the form prescribed by the trustee, of the beneficiary to receive payment from his security benefit account in the event of his death.

9. Maximum Balance of Individual Accounts

No further contributions of the company shall be made to the security benefit account of an employee after his account attains a balance of at least \$600. Contributions shall not be resumed until the balance in his account falls below \$600.

10. Additional Vacation Pay Credit

During any period in which the balance in an employee's security benefit account is \$600 or more, the company shall credit an amount equal to the amount which would otherwise have been contributed to his security benefit account toward additional vacation pay.

Such credits shall be canceled and the additional vacation pay shall be paid to the employee when he receives his first subsequent vacation pay under the terms of the general labor agreement between the company and the union. If his employment is terminated before he receives such additional vacation pay it shall be paid to him at the time of his termination.

11. Effect of Withholding

If by reason of any federal, State, or municipal law or regulation the company shall be required to withhold an amount from any contribution to an employee's security benefit account, the company shall have the right to deduct such amount from such contribution and to pay only the balance to the account. In the event an amount is withheld from a contribution to an employee's security benefit account by reason of any such law or regulation, the trustee shall credit the account only with the balance remaining after such deduction.

The company will endeavor, however, to obtain rulings satisfactory to it which will permit it to deduct from the employee's weekly pay any amount required to be withheld on account of such contribution. If such rulings are obtained, any such amount required to be withheld shall be deducted from the employee's weekly pay rather than from the amount of such contribution.

12. Miscellaneous Provisions

a. Contributions made to the security benefit accounts and the additional vacation pay provided under paragraph 10 shall not be included in base rates for the calculation of bonuses, incentives, and piece rates, and shall not be considered in computing overtime pay, penalty pay, call-in pay, vacation pay, holiday pay, jury pay, or any similar payment made under the general labor agreement.

b. No right to amounts in an employee's security benefit account shall be subject in any manner to alienation, sale, transfer, assignment, pledge or encumbrance of any kind. If an employee shall attempt to, or shall alienate, sell, transfer, assign, pledge or otherwise encumber his right to amounts credited to his account, the company in its discretion, may terminate the employee's right in his account and instruct the trustee to hold or apply such amounts to, or for the benefit of, such employee, his or her spouse, children, or other dependents, or any of them, as the company may instruct.

c. Any question concerning the administration of this plan shall be settled exclusively by the officer of the international union in charge of welfare, and a representative designated by the general management of the company.

d. The company by payment of the contributions or amounts provided in this plan shall be relieved of any further liability, and benefits hereunder other than the additional vacation pay provided in paragraph 10 shall be payable only from the employee's security benefit account.

13. Conditions to Establishment and Termination of Plan

a. This plan will not become effective and the company will be under no obligation to create trusts or to make contributions to such trusts unless and until the company has received currently effective ruling satisfactory to it:

- (1) From the Commissioner of Internal Revenue holding that under the Internal Revenue Code of 1954, as the same may be amended from time to time, or under any other applicable federal income tax law, the security benefit accounts shall be taxable as separate trusts and that company contributions to such accounts shall constitute a currently deductible expense, and
- (2) From the U.S. Department of Labor holding that no part of a company contribution to an employee's security benefit account or payment therefrom, and no payment of the additional vacation pay provided herein, shall be included in the regular rate of any employee.

b. If either of the governmental agencies referred to above fails to respond prior to September 1, 1956, to a request for a ruling made by the company pursuant to the preceding subparagraph, this plan shall not become effective.

c. If any rulings required under this paragraph 13, having been obtained shall be subsequently revoked or modified in such manner as no longer to be satisfactory to the company, all contributions and all obligations of the company under this plan shall cease, and this plan shall terminate. Upon termination of this plan for the foregoing reason or for any reason, the trustee will upon request of the union but in any event within 1 year following the date of termination, liquidate the assets of the trusts and pay to each employee his pro rata share thereof on the basis of the balance in his security benefit account on the date of such termination.

d. In the event that this plan is terminated in accordance with its terms, so that the company's obligation to make contributions thereunder shall cease, the parties shall meet within 30 days following the happening of either event for a period not to exceed 7 consecutive days for the sole purpose of determining the application of the amount which the company otherwise would have been obligated to contribute under the security benefit plan. Such amount may be applied to a modified plan to provide for security benefits, or to increase base rates and/or improve fringe benefits other than pensions. If the parties are unable to agree on the application of such amount during the meeting, there shall be a general and uniform wage increase of 5 cents per hour in lieu of each 5 cents per hour which the company would have been obligated to contribute if the plan had continued in effect. No general and uniform wage increase granted by the company as a result of the termination of the plan shall be included in base rates for the calculation of bonuses, incentives, or piece rates.

14. This supplemental agreement incorporates in one document the provisions of the original security benefit plan dated September 3, 1955, together with all amendments agreed to in subsequent years.

From the agreement between
 GENERAL DYNAMICS CORPORATION AND THE
 INTERNATIONAL ASSOCIATION OF MACHINISTS AND
 AEROSPACE WORKERS
 (expires October 1965)

Article VIII

Extended Layoff Benefits

8.01 Company Liability

A. The company shall assume the liability, subject to the limitations of this article, for providing the benefits specified in 8.02 hereof. The company's maximum liability, at any time, shall be calculated in monthly increments equal to \$8.67 times the number of employees (excluding employees on layoff or leave of absence without pay) on the first Monday of each month, but in no event shall such liability, at any time, exceed an amount equal to \$150 per employee (excluding employees on leave of absence without pay or layoff other than eligible employees on layoff who have applied for and have not as of that date received a benefit) on the first Monday of the month involved. When benefits are paid in accordance with 8.02, the company's maximum liability shall be reduced by the amount of such benefits, and the company shall continue to accumulate liability in accordance with the provisions of this paragraph.

B. When the monthly increments, calculated in accordance with 8.01A above have reached such level of \$150 per employee, and have thereafter been reduced below that amount by the payment of benefits, the company's liability shall thereafter be increased by the monthly amounts, calculated in accordance with 8.01A above, until such level of \$150 per employee has again been reached.

C. Nothing in this article shall be interpreted as a guarantee by the company of any benefits; however, the company shall, subject to the limitations provided in 8.01, be liable for the payment to eligible employees of the benefits specified in 8.02 hereof, in accordance with the provisions and limitations of this article.

8.02 Employee Benefits

Among the purposes for which the benefits specified in 8.02 are provided are to help pay living expenses by supplementing and not replacing unemployment compensation and to help compensate for loss of job security, vacation and sick leave accrual, and insurance benefit coverage. Subject to the liability limitations of the company specified in 8.01 hereof and the other provisions of this article, the company agrees to pay benefits to eligible employees as follows:

- A. A benefit of \$75 for each full year of qualifying service (an employee's qualifying service shall be the same as his credited service, since his most recent date of hire, under the retirement plan for hourly employees) to a maximum of \$1,125 for 15 full years or more of qualifying service, shall be paid as a lump sum to eligible hourly employees laid off as a result of a reduction of the working force when such layoff is of indeterminate length at the time of layoff. If the payment of benefits to all eligible employees in any month would exceed the amount of the company's maximum liability at that time, as determined in accordance with the provisions of section 8.01 hereof, reduced benefits in a total amount not exceeding the company's maximum liability at that time will be prorated by reducing, by an equal percentage, the benefit otherwise payable to each eligible employee. Benefits will further be reduced at the seniority levels and accrued company liability levels specified in paragraph K of this section 8.02.

- B. Benefits shall be payable to eligible employees whose layoff as a result of a reduction in the working force has extended without recall to work by the company for a minimum period of 4 full weeks and who make written application therefor to the company, on forms provided by the company. Benefit checks shall be mailed to such eligible employees at the address contained in such application as soon during the calendar month after the month in which the written application is filed as is practical, but in no event prior to the expiration of such 4 full week period.
- C. The company shall deduct from any benefit payable hereunder any amount required to be withheld by reason of any law or regulation for payment of federal, State, or municipal taxes.
- D. No benefits shall be paid more than once for or based on the same full year of qualifying service.
- E. No employee shall be eligible for any benefit after he has refused or failed to respond to a recall pursuant to the collective bargaining agreement and as a result, has forfeited his recall rights, or if he has otherwise lost his recall rights prior to the date the employee first became eligible for benefits under 8.02B.
- F. No employee shall be eligible for any benefit if he is receiving, eligible for, or claiming during the month in which his written application for benefits under this article has been filed, any statutory or company accident or sickness or other disability benefit (other than survivor's allowance under workmen's compensation laws or a disability benefit which he received or would have been eligible to receive while in full-time active employment).
- G. As used herein, layoff as a result of a reduction in the working force shall not include disciplinary layoffs, quits, discharges, leaves of absence of any type or for any purpose; nor shall either such term, or the 4-week period referred to in 8.02B above, include any period any employee is on strike.
- H. No employee shall be eligible for any benefit if he is receiving, claiming, or is eligible to receive any benefit (other than a vested benefit payable in the future at normal retirement age) under any pension plan of the company or pension plan to which the company has made contributions for or on behalf of such employee.
- I. No employee shall be eligible for any benefit, where the amount of such benefit, calculated in accordance with the provisions of 8.02 is less than \$25.
- J. Any employee who intentionally misrepresents or fails to disclose any material facts, in connection with any application for or receipt of any benefit under this article, shall forfeit any rights under this article that he may have accrued up to that time, and may in addition be subject to discipline by the company.
- K. In the event that the company's accrued liability calculated in accordance with the provisions of 8.01 hereof is less than the amounts set forth below on the first Monday of the month in which an employee becomes eligible for benefits, benefits will be reduced as follows:

Company's accrued liability	Laid-off employees seniority (years)	Benefit reduced by-- (percent)
Less than \$75 per employee but not less than \$50	Less than 5-----	25
Less than \$50 per employee but not less than \$25	Less than 5----- 5 but less than 10 -----	50 25
Less than \$25 per employee	Less than 5----- 5 but less than 10 ----- 10 but less than 15 -----	75 50 25

8.03 Special Conditions with Respect to Benefits

The benefits under this article will be paid as provided in this article unless it is determined that under the provisions of the applicable State unemployment insurance laws, the receipts of such benefits will result in disqualifications for or reduction of State unemployment benefits, in which case the provisions of 8.02 will be amended as to employees in the bargaining unit or units affected, by mutual agreement of the parties, but only as necessary to eliminate the basis for such disqualification or reduction. No such amendment shall in any manner increase the company's maximum liability, as specified in 8.01 hereof.

8.04 General

A. A person who enters into the armed services of the United States directly from the employ of the company shall, while in such service, be deemed for the purposes of this article to be on military leave of absence without pay and shall not be entitled to any benefit, but his years of qualifying service at the time of his entry into such service shall continue to be credited to him on his reinstatement as an employee, provided he returns to employment with the company with no loss of seniority.

B. Benefits shall be payable hereunder only to the person who is eligible therefor, except that if the company shall find that such person is deceased or is unable to manage his affairs for any reason, any benefit otherwise payable to him shall be paid to his duly appointed legal representative, if there be one, or if not, to the spouse, parents, children, or other relatives or dependents of such persons as the company in its discretion may determine, and any such payment so made shall be a complete discharge of any liability with respect to such benefit.

C. Neither the company's current maximum liability nor any benefit paid under this article shall be considered a part of any employee's wages for any purpose; nor shall any person have any right, title or interest in or to any portion of either the monthly increments or the amount of the company's maximum liability, as each is calculated herein, or to any benefit hereunder, except as a right to such benefit is specifically provided herein. No person who receives any benefit shall for that reason be deemed an active employee of the company during such period, nor shall there accrue to him any greater right to participate in, earn credits, or receive benefits under any employee benefit plan to which the company contributes than would if he were not receiving such benefit.

8.05 Duration

A. Notwithstanding any provisions to the contrary contained in article XVII, entitled duration, or any other provisions of this agreement, the parties' agreement with respect to the subject and provisions of this article, shall be for a minimum period of 3 years from the effective date of this agreement and thereafter during the remainder of the term of any applicable collective bargaining agreement or agreements then in effect between the parties. During the term of the parties' agreement as to this article, its provisions shall not be amended, modified, suspended, or terminated except as provided in 8.03 hereof.

B. Upon termination of the parties' agreement as to this article, the company shall have the right to continue in effect its obligations or terminate them (except as may be otherwise required by a subsequent agreement between the company and the union), except as otherwise specifically provided in this article. If this article is terminated, the company nevertheless shall continue to pay benefits under the provisions of 8.02 of this article until the total amount of such paid benefits shall equal the total liabilities in effect at the time the company's obligation to assume liabilities ceased.

Appendix C. Excerpts From the Railroad Arbitration Award of November 26, 1963

On August 28, 1963, in an effort to prevent a threatened national work stoppage on the railroads and to resolve the lingering dispute concerning the employment of firemen (helpers) on diesel engines, the 88th Congress enacted Senate Joint Resolution 102, Public Law 88-108. This law required that the parties submit their dispute to a special arbitration board and that they abide by the decision of that board. The following is an excerpt concerning separation pay, reproduced from the board's award of November 26, 1963, later upheld by the Supreme Court of the United States. The separation pay clause of the Washington Job Protection Agreement of 1936 has been inserted to illustrate the method used to determine separation allowance. The award is to continue in force for a 2-year period following its effective date.

Part C. Reductions in Employment

C(1). After the expiration of 37 days following the effective date of this award, the carrier shall not be required to hire firemen (helpers) on other than steam power in any class of freight service (including all mixed, miscellaneous, and unclassified services) or in any class of yard service (including all transfer, belt line, and miscellaneous yard services) unless or until such new hire is needed to man engine crews designated by a local chairman as provided in paragraphs B(2) and B(3) of this award; and firemen (helpers) that are unneeded to man such designated crews may be separated from the carrier's payrolls and have all of their seniority and employment rights and relations terminated to the extent permitted in the following paragraphs of part C of this award.

C(2). Firemen (helpers) hired on or after a date 2 years prior to the effective date of this award may be separated from the carrier's payrolls and have all of their employment and seniority rights and relations terminated, and in such case shall be entitled to a lump-sum separation allowance in an amount to be determined as provided in section 9 of the Washington Job Protection Agreement of May 21, 1936.

(Washington Job Protection Agreement.) Section 9. Any employee eligible to receive a coordination allowance under section 7 hereof may, at his option at the time of coordination, resign and (in lieu of all other benefits and protections provided in this agreement) accept in a lump sum a separation allowance determined in accordance with the following schedule:

Length of service (years)	Separation allowance (months' pay)
1 but less than 2 -----	3
2 but less than 3 -----	6
3 but less than 5 -----	9
5 but less than 10 -----	12
10 but less than 15 -----	12
15 and over -----	12

In the case of employees with less than 1 year's service, 5 days' pay, at the rate of the position last occupied, for each month in which they performed service will be paid as the lump sum.

- (a) Length of service shall be computed as provided in section 7.
- (b) One month's pay shall be computed by multiplying by 30 the daily rate of pay received by the employee in the position last occupied prior to time of coordination.

C(3). Firemen (helpers) hired prior to a date 2 years prior to the effective date of this award whose average monthly earnings as firemen (helpers), hostler helpers, hostlers, or engineers have not exceeded \$200 during the 24 full calendar months preceding the effective date of this award, may be separated from the carrier's payrolls and have all of their employment and seniority rights and relations terminated with a severance allowance equal to 100 percent of their earnings during the preceding 24 calendar months; or may elect to remain on the seniority lists of the carrier with rights to such work as they are qualified to perform, and which may be or become available to them, as provided in part D of this award.

C(4). Firemen (helpers) hired prior to a date 2 years prior to the effective date of this award, who have not performed service as an engineer or as a fireman (helper) since that date, may be separated from the carrier's payrolls as firemen (helpers) and have all of their employment and seniority rights and relations as firemen (helpers) terminated with no severance allowance.

C(5). The provisions of paragraphs C(3) and C(4) of this award shall not apply to officers or employees of the organizations representing firemen or engineers employed by the carrier, or to supervisory or management officials of the carrier, or to employees on appropriate leaves of absence, or to discharged employees whose cases for reinstatement are pending, providing, if not so situated, they could have met the minimum requirements of service or earnings.

C(6). All other firemen (helpers) with less than 10 years' seniority on the effective date of this award shall retain their rights to and obligations to protect engine service assignments as provided by rules in effect on the day preceding the day this award becomes effective, except as modified by and subject to the provisions of part D of this award, unless and until offered by the carrier another comparable job (such as, but not limited to, engineer, fireman (helper), brakeman, or clerk in the same or another seniority district) for which they are, or can become, qualified. The offer of another job shall carry with it relocation expenses as provided for and under the conditions set forth in section 10 of the Washington Job Protection Agreement of May 21, 1936, the continuation of accumulated seniority rights toward such purposes as vacation and other applicable fringe benefits, and guaranteed annual earnings, for a period not exceeding 5 years, equal to the total compensation received by each such employee as fireman (helper), hostler helper, hostler, or engineer during the last 12 months in which compensation was received prior to the date of transfer. Such offers of jobs shall be posted and made available to all qualified firemen (helpers) in order of seniority in the seniority district in which the job offered is located. If, within 7 days after notice is posted, no senior man elects to take such offered job, the most junior man then on the fireman (helper) roster in that seniority district must, within 3 days from receipt of written notice, accept the job or all of his employment and seniority rights and relations shall be terminated and, in that event, he shall be entitled to one-half the severance allowance provided for in paragraph C(3) of this award. If such junior fireman (helper) shall fail to accept such job and thereby terminates his employment as herein provided, the next most junior fireman (helper) on that same roster must accept the job within 3 days from receipt of written notice or forfeit all of his employment and seniority rights and relations with the allowance provided for above. In each case of refusal to accept such job offer, the next most junior fireman (helper) shall be required to accept, as provided for above, or forfeit his employment and seniority rights and relations with, in each case, the allowance provided for above, until there are no firemen (helpers) with less than 10 years' seniority remaining on the seniority roster for the seniority district in which the job offer is located. Thereafter, the same procedure as is provided above shall be followed in the fireman (helper) seniority district which has its principal extra list for firemen (helpers) closest to the location of the job offered.

C(7). Firemen (helpers) with 10 years or more of seniority as of the effective date of this award, who are not separated from the carrier's payrolls under the provisions of paragraphs C(3) or C(4) of this award, shall retain their rights to and obligations to protect engine service assignments as provided by rules in effect on the day preceding the day this award becomes effective, except as modified by and subject to the provisions of part D of this award, unless and until retired, discharged for cause, or otherwise removed from the carrier's active working lists of firemen (helpers) by natural attrition.

Appendix D. Identification of Clauses

<u>Clause number</u>	<u>Employer and union</u>	<u>Expiration date</u>
1	The Colorado Mining and Elevator Co. Grain Millers (AFGM).	July 1966
2	Jersey Central Power and Light Co. Electrical, Brotherhood (IBEW).	October 1964
3	Magnavox Co. Industrial Workers (AIW).	August 1964
4	Square D Co. Electrical, Brotherhood (IBEW).	April 1966
5	I/A Pineapple Companies - Honolulu. Longshoremen's and Warehousemen's (ILWU) (Ind.).	January 1965
6	Lukens Steel Co. Steelworkers (USA).	June 1964
7	Flour, Feed and Cereal Employers Association. Grain Millers (AFGM).	June 1966
8	Bloomington Brothers, Inc. Retail, Wholesale (RWDSU).	February 1965
9	Wyandotte Worsted Co. Textile Workers Union (TWUA).	April 1966
10	Pepperell Manufacturing Co. Textile Workers Union (TWUA).	April 1964
11	Southern California Gas Co. Utility (UWU).	March 1965
12	Alameda Contra Costa Transit Co. Street (SERMCE).	May 1965
13	Goodyear Tire and Rubber Co. - Springfield Division. Rubber (URW).	May 1965
14	Dunlop Tire and Rubber Co. Rubber (URW).	May 1965
15	Glass Container Manufacturers Institute. Glass Bottle (GBBA).	February 1965
16	Cleveland Pneumatic Tool Co. Aerol Aircraft Employees' Association (Ind.).	May 1964
17	Bell Telephone Co. Federation of Telephone Workers of Pa. (Ind.).	October 1966
18	International Paper Co. - Southern Kraft Division. Papermakers (UPP) Pulp (PSPMW) Electrical, Brotherhood (IBEW).	May 1965
19	American Telephone and Telegraph - Long Lines. Communications (CWA).	January 1967
20	Kollsman Instrument Co. Machinists (IAM).	June 1964
21	Kennecott Copper Corp. - Utah Copper Division. Mine, Mill (MMSW).	June 1964

<u>Clause number</u>	<u>Employer and union</u>	<u>Expiration date</u>
22	Martin Co. Auto (UAW).	July 1963
23	New York Telephone Co. Telephone Traffic Union, Upstate N. Y. (Ind.).	December 1966
24	General Electric Co. United Electrical Workers (UE) (Ind.).	October 1966
25	General Aniline and Film Corp. - Dyestuff and Chemical Division. Distillery (DRWW).	January 1964
26	A. O. Smith Corp. Boilermakers (BBF).	December 1964
27	General Electric. Electrical, International (IUE).	October 1966
28	News Syndicate Co., Inc. Newspaper Guild (ANG).	October 1964
29	Esso Standard Oil Co. - Bayway Refinery. Independent Petroleum Workers (Ind.).	October 1963
30	Southern Bell Telephone and Telegraph Co. Communications (CWA).	November 1966
31	Continental Oil Co. Independent Oil Workers (Ind.).	September 1965
32	Detroit Edison Co. Utility (UWU).	May 1965
33	Mountain States Telephone and Telegraph Co. Communications (CWA).	November 1966
34	General Dynamics - San Diego. Engineers and Architects Association. (Ind.).	December 1965
35	National Association of Doll Manufacturers, Inc. Toy Workers (IDTW).	June 1964
36	SKF Industries, Inc. - Philadelphia. Steelworkers (USA).	October 1965
37	Association of Motion Picture Producers. Office (OEIU).	January 1965
38	Bell Aerospace - Texas. Auto (UAW).	May 1966
39	Cudahy Packing Co. Packinghouse (UPWA).	August 1964
40	ACF Industries - Albuquerque Division. Machinists (IAM).	July 1965
41	Kennecott Copper Corp. - Utah Copper Division. Steelworkers (USA).	June 1964
42	Swift & Co. Packinghouse (UPWA).	August 1964
43	Republic Steel Mines. Steelworkers (USA).	June 1964
44	True Temper Corp. Steelworkers (USA).	July 1964
45	The Great Atlantic and Pacific Tea Co. Teamsters (TCWH) (Ind.).	June 1963
46	American Machine and Foundry Co. Auto (UAW).	January 1965
47	Square D Co. Electrical, Brotherhood (IBEW).	April 1966
48	Greater Pittsburgh Milk Dealers Association. Teamsters (TCWH) (Ind.).	April 1965
49	Johnson and Johnson. Textile Workers Union (TWUA).	May 1964

<u>Clause number</u>	<u>Employer and union</u>	<u>Expiration date</u>
50	Celanese Corp. of America - Celco Narrows. District 50 - Mine Workers (UMW-50) (Ind.).	February 1964
51	General Telephone Co. of Pennsylvania. Electrical, Brotherhood (IBEW).	July 1965
52	Building Managers Association of Chicago. Building Service (BSE).	October 1966
53	Laclede Gas Co. - St. Louis. Oil, Chemical and Atomic Workers (OCAW).	July 1964
54	RCA Communications, Inc. Communications Association (ACA) (Ind.).	May 1965
55	Publishers Association of New York City. Typographical (ITU).	March 1965
56	New York Retail Druggists Association and others. Retail, Wholesale (RWDSU).	September 1966
57	General Telephone Co. of Southwest. Communications (CWA).	July 1963
58	Alden's Inc. Teamsters (TCWH) (Ind.).	January 1965
59	Southern California Gas Co. Utility (UWU).	March 1963
60	I/A Industrial Laundry and Linen Supply - Detroit. Laundry, Dry Cleaning (LWIU) (Ind.).	April 1967
61	The New York Times Co. Newspaper Guild (ANG).	March 1965
62	San Francisco Newspaper Publishers' Association. Newspaper Guild (ANG).	September 1965
63	United Restaurant and Liquor Dealers of Manhattan. Hotel (HREU).	November 1967
64	Long Island Lighting Co. Electrical, Brotherhood (IBEW).	June 1965
65	Midland Ross Corp. - Industrial Rayon Division. Textile Workers Union (TWUA).	June 1964
66	Union Carbide Corp. - Union Carbide Metals Division. Oil, Chemical and Atomic Workers (OCAW).	April 1964
67	Campbell Soup Co. Retail, Wholesale (RWDSU).	November 1964
68	Consumers Power Co. - Michigan. Utility (UWU).	February 1964
69	West Penn Power Co. Utility (UWU).	April 1965
70	Government Services, Inc. Hotel (HREU).	January 1966
71	Realty Advisory Board on Labor Relations, Inc. (Office Buildings). Building Service (BSE).	December 1965
72	Acme-Newport Steel Co. Steelworkers (USA).	June 1964
73	Dow Chemical Co. - AEC - Denver. Denver Metal Trades.	October 1964
74	General Telephone of Southwest. Communications (CWA).	July 1963
75	Consumers Power Co. - Michigan. Utility (UWU).	February 1964

<u>Clause number</u>	<u>Employer and union</u>	<u>Expiration date</u>
76	Bell Telephone Co. of Pennsylvania. Electrical, Brotherhood (IBEW).	June 1964
77	Armour and Co. Meat Cutters (MCBW).	August 1964
78	American Greetings Corp. Independent Greeting Card Workers (Ind.).	March 1964
79	Hughes Aircraft Co. Carpenters (CJA).	November 1964
80	Singer Manufacturing Co. Electrical, International (IUE).	November 1964
81	California and Hawaiian Sugar Refining Corp., Ltd. Seafarers (SIU).	February 1964
82	Association of Motion Picture Producers. Teamsters (TCWH) (Ind.).	January 1965
83	H. J. Heinz Co. Meat Cutters (MCBW).	March 1964
84	Sinclair Oil Corp. Oil, Chemical and Atomic Workers (OCAW).	Open end
85	Southern Counties Gas Co. of California. Chemical (ICW).	March 1965
86	Columbia Broadcasting System. Electrical, Brotherhood (IBEW).	January 1966
87	New Jersey Central Power and Light Co. Electrical, Brotherhood (IBEW).	October 1964
88	Western Electric - Sandia Corp. Metal Trades Council.	July 1965
89	SKF Industries, Inc. - Philadelphia. Steelworkers (USA).	October 1965
90	Westinghouse Electric Corp. - Standard Control. Electrical, Brotherhood (IBEW).	November 1965
91	Kollsman Instrument Co. Machinists (IAM).	June 1964
92	Rohr Aircraft Corp. - Riverside. Machinists (IAM).	November 1965
93	Emerson Radio and Phonograph Corp. Electrical, International (IUE).	December 1966
94	National Twist and Drill Tool Co. Auto (UAW).	September 1964
95	Pepperell Manufacturing Co. Textile Workers Union (TWUA).	April 1964
96	Spiegel, Inc. Teamsters (TCWH) (Ind.).	January 1966
97	New York Shipbuilding Corp. - Camden, New Jersey. Boilermakers (BBF).	June 1965
98	Baldwin-Lima-Hamilton Corp. Steelworkers (USA).	September 1963
99	Otis Elevator Co. - Yonkers. Electrical, International (IUE).	August 1964
100	Singer Manufacturing Co. Electrical, International (IUE).	November 1964
101	Magnavox Co. Industrial Workers (AIW).	August 1964
102	Metropolitan Container Council, Inc. - New York and New Jersey. Retail, Wholesale (RWDSU).	August 1964

<u>Clause number</u>	<u>Employer and union</u>	<u>Expiration date</u>
103	Servus Rubber Co. Rubber (URW).	October 1964
104	Bell Telephone Co. - Accounting Office - Pennsylvania. Telephone Unions (ATU) (Ind.).	October 1966
105	General Aniline and Film Corp. - Ansco Division. Chemical (ICW).	June 1964
106	San Francisco Newspaper Publishers' Association. Newspaper Guild (ANG).	September 1965
107	News Syndicate Co., Inc. - New York City. Newspaper Guild (ANG).	October 1964
108	Southwestern Bell Telephone Co. Communications (CWA).	January 1967
109	Union Electric Co. - Production and Maintenance. Engineers, Operating (IUOE).	June 1965
110	Swift & Co. - A. C. Lawrence Leather Co. Division. Leather Workers (LWU).	January 1964
111	West Penn Power Co. Utility (UWU).	April 1965
112	Bates Manufacturing Co. Textile Workers Union (TWUA).	April 1964
113	Association of Motion Picture Producers - Los Angeles. Hod Carriers (HCL).	January 1965
114	Bell Telephone Co. - Accounting Office - Pennsylvania. Telephone Unions (ATU).	October 1966
115	Hughes Aircraft Co. Carpenters (CJA).	November 1964
116	Colgate-Palmolive Co. - Jersey City Employees Association, Inc. of Colgate- Palmolive Co. (Ind.).	December 1965
117	Babcock and Wilcox Co. - Tubular Products Division. Steelworkers (USA).	June 1964
118	The Great Atlantic and Pacific Tea Co. - Quaker Maid Division. Teamsters (TCWH) (Ind.).	March 1964
119	National Association of Doll Manufacturers, Inc. Toy Workers (IDTW).	June 1964
120	Continental Steel Corp. - Kokoma Division. Steelworkers (USA).	July 1965
121	RCA Communications, Inc. Communications Association (ACA) (Ind.).	May 1965
122	Public Service Electric and Gas Co. Electrical, Brotherhood (IBEW).	May 1965
123	General Telephone Co. of Michigan - Traffic. Electrical, Brotherhood (IBEW).	May 1964
124	John Morrell & Co. Packinghouse (UPWA).	August 1964
125	Long Island Lighting Co. Electrical, Brotherhood (IBEW).	June 1965
126	Mergenthaler Linotype Co. Auto (UAW).	February 1965

<u>Clause number</u>	<u>Employer and union</u>	<u>Expiration date</u>
127	The Associated Press - National. Newspaper Guild (ANG).	December 1964
128	Lever Brothers Co. Chemical (ICW).	March 1965
129	Northern States Power Co. Electrical, Brotherhood (IBEW).	August 1962
130	Union Electric Co. Engineers, Operating (IUOE).	June 1965
131	Campbell Soup Co. Retail, Wholesale (RWDSU).	November 1964
132	Northwestern Steel and Wire Co. Steelworkers (USA).	June 1964
133	Celanese Corp. of America - Celriver Plant. Textile Workers Union (TWUA).	March 1965
134	General Electric Co. Electrical, International (IUE).	October 1966
135	Westinghouse Electric Corp. - Standard Control. Electrical, Brotherhood (IBEW).	November 1965
136	Youngstown Sheet and Tube Co. Steelworkers (USA).	June 1964
137	Holly Sugar Corp. Directly Affiliated Local Unions.	July 1965
138	New Jersey Bell Telephone Co. Commercial Telephone Workers (Ind.).	February 1964
139	Oscar Mayer and Co. - Madison. Meat Cutters (MCBW).	August 1964
140	Chesapeake and Potomac Telephone of Maryland. Communications (CWA).	September 1966
141	Western Electric Co., Inc. - Townawanda. Communications (CWA).	September 1966
142	Detroit Edison Co. Utility (UWU).	May 1965
143	Wyandotte Worsted Co. Textile Workers Union (TWUA).	April 1966
144	Parke-Davis and Co. Oil, Chemical and Atomic Workers (OCAW).	April 1965
145	Pillsbury Mills, Inc. Grain Millers (AFGM).	March 1966
146	Southern Bell Telephone and Telegraph Co. Communications (CWA).	November 1966
147	Realty Advisory Board on Labor Relations (Apartment Buildings). Building Service (BSE).	April 1964
148	Johnson and Johnson - Chicago. Textile Workers Union (TWUA).	February 1964
149	General Aniline and Film Corp. - Dyestuff and Chemical Division. Distillery (DRWW).	January 1964
150	Publishers Association of New York City. Newspaper and Mail Delivers' (NMD) (Ind.).	March 1965
151	Panhandle Eastern Pipeline Co. Oil, Chemical and Atomic Workers (OCAW).	May 1965
152	Philadelphia Transportation Corp. Transport Workers (TWU).	January 1965
153	McDonnell Aircraft Corp. Machinists (IAM).	November 1965

<u>Clause number</u>	<u>Employer and union</u>	<u>Expiration date</u>
154	California and Hawaiian Sugar Refining Corp., Ltd. Seafarers (SIU).	February 1964
155	National Lead Co. - Titanium Division. Oil, Chemical and Atomic Workers (OCAW).	February 1965
156	American Machine and Foundry Co. - Brooklyn. Auto Workers (UAW).	January 1965
157	Olin Mathieson Chemical Corp. - West Monroe. Directly Affiliated Local Unions.	June 1964
158	General Telephone Co. of Indiana. Communications (CWA).	April 1967
159	American Bosch Corp. - Arma Division. Electrical, International (IUE).	September 1964
160	Chesapeake and Potomac Telephone Co. of Maryland. Communications (CWA).	September 1966
161	American Broadcasting Co. Broadcast Employees (NABET).	January 1964
162	United States Steel Corp. - Tennessee Coal and Iron Division. Steelworkers (USA).	June 1964
163	Armour and Co. Packinghouse (UPWA).	August 1964
164	General Telephone Co. of Southwest. Communications (CWA).	July 1963
165	Curtiss-Wright Corp. - Wright Aeronautical Division. Auto (UAW).	October 1965
166	The Great Atlantic and Pacific Tea Co. - Quaker Maid Division. Teamsters (TCWH) (Ind.).	March 1964
167	American Bosch Arma Corp. - Arma Division. Electrical, International (IUE).	September 1964
168	H. J. Heinz Co. - Pittsburgh. Meat Cutters (MCBW).	March 1964
169	National Standard Co. Steelworkers (USA).	August 1964
170	Pepperell Manufacturing Co. Textile Workers Union (TWUA).	April 1966
171	Colgate-Palmolive Co. - Jersey City. Employee's Association, Inc. of Colgate- Palmolive Co. (Ind.).	December 1965
172	The Associated Press. Newspaper Guild (ANG).	December 1964
173	West Virginia Pulp and Paper Co. Pulp (PSPMW) and Papermakers (UPP).	June 1965
174	Laclede Gas Co. Oil, Chemical and Atomic Workers (OCAW).	July 1964
175	Koppers Co., Inc. - Metal Products Division. Machinists (IAM).	October 1965
176	Union Carbide Corp. - Union Carbide Metals Co. Division. Oil, Chemical and Atomic Workers (OCAW).	July 1964
177	Republic Steel Corp. Steelworkers (USA).	June 1964

<u>Clause number</u>	<u>Employer and union</u>	<u>Expiration date</u>
178	Pacific Telephone and Telegraph and Bell Telephone Co. of Nevada - Clerical. Organization of Plant, Clerical and Office Force (Ind.).	November 1966
179	International Harvester Co. - Wisconsin Steel Division. Progressive Steelworkers Union (Ind.).	July 1964
180	Gulf States Paper Corp. Pulp (PSPMW) and Papermakers (UPP).	October 1965
181	Union Electric Co. - Office, Clerical, Sales. Electrical, Brotherhood (IBEW).	June 1965
182	General American Transportation Corp. Steelworkers (USA).	August 1964
183	Olin Mathieson Chemical Corp. Papermakers (UPP).	June 1965
184	West Penn Power Co. Utility (UWU).	April 1965
185	Armour and Co. Packinghouse (UPWA).	August 1964
186	Singer Manufacturing Co. - Elizabeth. Electrical, International (IUE).	November 1964
187	E. I. Dupont de Nemours and Co. Buffalo Yerkes Film Union (Ind.).	December 1963
188	Armco Steel Corp. Butler Armco Employee Representatives (Ind.).	June 1964
189	Union Electric Co. - Production and Maintenance. Engineers, Operating (IUOE).	June 1965
190	Schenley Distillers, Inc. Distillery (DRWW).	July 1966
191	Rohr Aircraft Corp. - Chula Vista. Machinists (IAM).	October 1965
192	Chase Brass and Copper Co. Auto (UAW).	November 1964
193	The People's Gas Light and Coke Co. Directly Affiliated Local Unions.	April 1964
194	The Great Atlantic and Pacific Tea Co. Teamsters (TCWH).	June 1963
195	Hygrade Good Products Corp. Packinghouse (UPWA).	August 1964
196	Rath Packing Co. Packinghouse (UPWA).	August 1964
197	General Dynamics Convair Astronautics. Machinists (IAM).	October 1965
198	The Colorado Milling and Elevator Co. Grain Millers (AFGM).	July 1966
199	Campbell Soup Co. - Chicago. Retail, Wholesale (RWDSU).	November 1964
200	Remington Arms Co., Inc. - Bridgeport Works. Industrial Machine and Office Workers Union (Ind.).	November 1964
201	Mountain States Telephone and Telegraph Co. Communications (CWA).	November 1966
202	Koppers Co., Inc. - Metal Products Division. Machinists (IAM).	October 1965

<u>Clause number</u>	<u>Employer and union</u>	<u>Expiration date</u>
203	General Telephone Co. of Indiana. Communications (CWA).	April 1967
204	Aro Inc. - Arnold Air Force Station. Metal Trades Council.	January 1966
205	Ohio Bell Telephone Co. Communications (CWA).	September 1966
206	Curtiss-Wright Corp. - Wright Aeronautical. Auto (UAW).	October 1965
207	Niagara Mohawk Power Co. Electrical, Brotherhood (IBEW).	May 1965
208	General Aniline and Film Corp. - Dyestuff and Chemicals. Distillery (DRWW).	January 1964
209	General Motors Corp. Auto (UAW).	August 1964
210	Atlantic and Gulf Coast Cos. and Agents. Maritime (NMU).	June 1965
211	Supplemental Unemployment - Severance Benefits Fund, ILGWU.	
212	Supplemental Unemployment - Severance Benefits Fund, ILGWU.	
213	Supplemental Unemployment - Severance Benefits Fund, ILGWU.	
214	Supplemental Unemployment - Severance Benefits Fund, ILGWU.	

NOTE: All unions are affiliated with the AFL-CIO except those followed by (Ind.).

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