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MAJOR  
COLLECTIVE  
BARGAINING  
AGREEMENTS

SUPPLEMENTAL  
UNEMPLOYMENT  
BENEFIT PLANS  
and  
WAGE-EMPLOYMENT  
GUARANTEES

Bulletin No. 1425-3



UNITED STATES DEPARTMENT OF LABOR  
W. Willard Wirtz, Secretary

BUREAU OF LABOR STATISTICS  
Ewan Clague, Commissioner



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## Preface

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

Although the Bureau of Labor Statistics studied a number of agreement issues each year, until this new series began a full-scale analysis of the collective bargaining agreement had not been undertaken. The closest approach occurred during 1946-50, when the Bureau issued the Bulletin 908 series—19 reports long out of print and out of date.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. It was extremely popular and useful to negotiators, arbitrators, students and teachers, and government officials, 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. 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 trends in particular practices.

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

Agreement clauses quoted will be identified by company and union signatories and date of agreement expiration. Where desirable, entire sections of selected agreements will be reproduced 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 government, railroad, and airline agreements, accounting for almost half of the estimated coverage of all agreements outside of the excluded industries. The studies thus will not reflect practices in small collective bargaining situations or in nonunion 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 quoted in this report 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.

Dorothy R. Kittner prepared this report with the assistance of Arne H. Anderson. Harry L. Levin and Robert C. Joiner assisted in the analysis of supplemental unemployment benefit plans. Donald M. Landay supervised the study in the Bureau's Division of Industrial and Labor Relations, Joseph W. Bloch, Chief; under the general direction of L. R. Linsenmayer, Assistant Commissioner for Wages and Industrial Relations.



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## Major Collective Bargaining Agreements—

# Supplemental Unemployment Benefit Plans and Wage-Employment Guarantees

## Chapter I. Introduction

Supplemental unemployment benefit (SUB) plans and wage-employment guarantees are designed to give workers income security protection not otherwise available under collective bargaining agreements. The primary purpose of SUB plans is to provide weekly benefit payments supplementing State unemployment insurance (UI) benefits for workers laid off by their regular employers. In contrast, wage-employment guarantees assure workers who start work, or are available for work, at least a specified minimum amount of employment or pay. The guarantee periods range from 1 week to 1 year or more. Despite basic differences, SUB plans and wage-employment guarantees have much in common, particularly with respect to the types of benefits added to SUB plans since their inception.<sup>1</sup>

Income security protection became an important issue in collective bargaining in the early 1950's, when a concerted effort was made by several unions for such protection via guaranteed annual wage or employment plans. The end result of this drive was the establishment of supplemental unemployment benefit plans. The first SUB plan was negotiated by Ford Motor Co. and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) in mid-1955. Shortly thereafter, other major companies in the automobile industry and large manufacturing firms in the farm equipment, primary and fabricated metal, rubber, and flat glass industries negotiated SUB agreements with the UAW, the United Steelworkers of America (USA), United Rubber, Cork, Linoleum and Plastic Workers of America (URW), and the United Glass and Ceramic Workers of North America (UGCW).<sup>2</sup> SUB plans were also added to agreements covering workers in the women's apparel and cement manufacturing industries, unlicensed maritime personnel on the Atlantic and Gulf coasts, and workers in a few crafts in the construction industry.

SUB plan coverage, nevertheless, has not increased significantly since 1956. Other industries have not adopted such plans. The decline in employment in some of the major SUB industries (e. g., basic steel and automobile manufacturing) was offset, however, by the extension of SUB plans to small and medium size establishments in the industries previously mentioned, and by the establishment in 1960 of the plan covering almost 400,000 workers in the women's apparel manufacturing industry.

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<sup>1</sup> For a discussion of the relationships between SUB plans and severance pay plans, see Major Collective Bargaining Agreements: Severance Pay and Layoff Benefit Plans (BLS Bulletin 1425-2, 1965), ch. I.

<sup>2</sup> The Steelworkers first negotiated SUB plans with the American Can Co. and the Continental Can Co.—in the fabricated metal industry—and then with the U. S. Steel Corp. and other companies in the primary metal industry. In the rubber industry, SUB plans were negotiated simultaneously by the Rubber Workers with the "Big Four" rubber companies—Firestone Tire and Rubber Co., B. F. Goodrich Co., Goodyear Tire and Rubber Co., and U. S. Rubber Co.

The initial benefits provided under SUB plans were weekly payments to laid-off workers who performed no work for their regular employer. During recent years, however, the scope of the plans has been broadened, in many instances, to provide benefits to partially unemployed workers and to provide severance pay and moving allowances to terminated workers. In addition, payment of health insurance premiums for laid-off workers is now provided by some of the SUB plans.

During the same period, or somewhat earlier, certain unions succeeded in negotiating guaranteed annual wage plans—an older device but one that had never achieved a high degree of acceptance. For example, most of the agreements negotiated in 1951 and 1952 between the East Coast sugar refineries and the United Packinghouse, Food and Allied Workers (UPWA) and the International Longshoremen's Association (ILA), included an annual guarantee provision. Also, the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (TCWH), Local 688, in St. Louis, Mo., included an annual employment provision in many of its contracts. The number of guaranteed annual wage plans, however, remains at a low level, particularly in comparison with SUB plans.

The prevalence of wage-employment guarantee provisions in union contracts has changed little, either in terms of the number of agreements or the number of workers covered. Although the following historical data on the prevalence of these provisions are not comparable because of differences in sample, methodology, and definition, they serve as a rough measurement of activity in this area since 1945. A Bureau of Labor Statistics survey of over 6,500 agreements in effect in January 1945, covering about 8 million workers, disclosed that only 42,500 workers were covered by annual guarantees. In January 1946, about 61,000 workers were covered by the 196 operating guaranteed wage or employment plans known to BLS (based on replies to a questionnaire sent to about 90,000 employers); 130 of these plans affected employees covered by union contracts, but some of these were introduced prior to unionization and were not included in the agreements. These 196 plans guaranteed employment or pay for at least 3 months during a year. Eighty-five percent of them (166) guaranteed full-time pay for 40 weeks or more. A BLS survey of 2,590 agreements in effect in 1951 revealed that 184 guaranteed wages or employment for at least a week; only 20 of these guaranteed wages or employment throughout the year or for a substantial part of the year.<sup>3</sup> The present survey of 1,773 major collective bargaining agreements disclosed that 139 agreements, covering about 600,000 workers, guaranteed employment or wages for at least a week to some or all of the workers to whom the agreement was applicable. Of these, six were annual guarantees.

### Related Studies in Series

This study focuses on supplemental unemployment benefit plans<sup>4</sup> and wage-employment guarantee provisions which promise employment or wages for at least a week. Features of contemporary SUB plans other than its primary one, including severance pay,<sup>5</sup> moving allowances, and health benefits for laid-off

<sup>3</sup> "Guaranteed Employment and Wages Under Collective Agreements," Monthly Labor Review, May 1952, pp. 555-559.

<sup>4</sup> A separate special study, currently in progress in the Bureau, deals with the financial aspects of SUB plans. The report of this study will also include annual estimates for 1960-63 of the coverage of all SUB plans, including those that were too small to be included in this report.

<sup>5</sup> See BLS Bulletin 1425-2, op. cit.; footnote 1. For details on the entire series of reports, see "Union Contracts—A New Series of Studies," Monthly Labor Review, October 1964, pp. 1184-1185.

workers, will be covered in full in separate studies of this series. Wage-employment guarantees for less than a week, such as reporting and call-back pay, and indirect guarantees such as layoff notice, will also be separately studied. Related studies will deal with such issues as work sharing, attrition arrangements, and other measures to stabilize employment.

### Scope of Study

This study is based on an analysis of 1,773 collective bargaining agreements, each covering 1,000 workers or more, representing almost all agreements of this size in the United States, exclusive of government, railroad, and airline agreements (table 1).<sup>6</sup> The 7.4 million workers covered by these agreements accounted for about half of all workers estimated to be represented by collective bargaining agreements in the United States, outside of the excluded industries. Manufacturing establishments accounted for 1,023 agreements, covering 4.1 million workers; 750 agreements applied to 3.3 million workers in nonmanufacturing establishments. Multiemployer contracts accounted for 675 of the 1,773 agreements and covered 3.2 million workers.

Data on the prevalence of SUB plans and wage-employment guarantees relate to collective bargaining agreements in effect in 1962-63. The analysis of plan provisions and the clauses cited, however, reflect all amendments in effect at the end of 1963.

To facilitate the analysis and comparison of SUB plans, the features of each plan were compared with those of a pattern plan. Five pattern plans were chosen from five industries in which SUB plans are prevalent.<sup>7</sup> The pattern plans thus selected were those negotiated by Ford Motor Co. and the Automobile Workers; Goodyear Tire and Rubber Co. and the Rubber Workers; Ideal Cement Co. and the Cement, Lime and Gypsum Workers; Pittsburgh Plate Glass Co. and the Glass and Ceramic Workers; and U.S. Steel Corp. and the Steelworkers.

Clauses were selected for quotation in this report to illustrate either the typical procedure or the variety of ways in which negotiators handled a specific problem. None of the clauses quoted are intended to represent a model clause. Minor editorial changes were made where necessary to enhance clarity, and irrelevant parts were omitted where feasible. Clauses not identified in the text are numbered and the plans or agreements from which they were taken are identified in appendix D.

The financing provisions of the pattern plans are reproduced in appendix A. In appendix B, several weekly guarantee provisions are quoted in their entirety. In appendix C, the annual guarantee provisions negotiated with small companies (agreements covering fewer than 1,000 employees) are summarized.

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<sup>6</sup> For its file of agreements maintained under sec. 211 of the Labor Management Relations Act, 1947, the Bureau attempts to obtain copies of all agreements in the U.S. covering 1,000 workers or more. Railroad and airline agreements, which are filed with the National Mediation Board, are not sought by the Bureau and are thus excluded from all studies of agreement provisions. For a more detailed description of the coverage of major agreements, see Major Union Contracts in the United States, 1961 (BLS Bulletin 1353, 1962).

<sup>7</sup> In selecting each plan, primary consideration was given to its influence on other plans in its industry.

## Chapter II. Prevalence and Characteristics of Supplemental Unemployment Benefit Plans

Supplemental unemployment benefit plans, as defined for this report, are plans designed primarily to provide weekly supplements to State UI benefits. Because of their relationship with UI payments, these plans pay weekly unemployment benefits to covered workers after a short period of layoff (with few exceptions, after the first week of layoff during a benefit year). Many of them, however, also supplement the earnings of workers who are employed only for part of a workweek. This partial unemployment benefit is analogous to the weekly wage guarantees discussed in chapter VI of this report. In addition to the weekly unemployment benefits, SUB plans often ease the financial burden on workers who are laid off by providing one of the following benefits or more: Moving allowances, separation pay, and health insurance coverage. While SUB plans have many similar features, they also have many significant variations. Both are summarized in the following chapters.

### Prevalence

One hundred and seventy four separate operating SUB plans were included in 247 agreements analyzed, which covered 1.9 million workers—about 25 percent of the workers under major agreements (table 1).<sup>8</sup> These agreements were primarily in the durable goods manufacturing industries, chiefly primary and fabricated metal, nonelectrical machinery, and transportation equipment industries. Substantial numbers of workers in two nondurable goods manufacturing industries—the apparel industry (ladies' apparel segment) and the rubber industry—were also employed under agreements with SUB plans. In nonmanufacturing industries only 18 agreements, chiefly in retail food stores in California (10 agreements), included SUB plans.

Agreements with SUB plans were applicable to virtually all workers employed under large union contracts in the primary metal industry, and over 4 out of 5 of those in the rubber industry. In the transportation equipment industry, the SUB contracts covered workers engaged in the manufacturing of motor vehicles, motor vehicle equipment, and railroad equipment. Because aerospace and shipbuilding employees were not covered, these SUB contracts represented only 3 out of 5 workers employed under large agreements in the entire transportation equipment industry.<sup>9</sup>

Most of the agreements with SUB plans were negotiated by the following international unions: Steelworkers (84 agreements), Automobile Workers (66),

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<sup>8</sup> A few of the plans analyzed for this report were not mentioned in the basic collective bargaining agreements—the documents generally used to determine whether or not a SUB plan had been negotiated. Most of these were discovered in the course of the Bureau's analysis of all SUB plan financial reports filed, in accordance with the Welfare and Pension Plans Disclosure Act, with the Labor Department's Office of Labor-Management and Welfare-Pension Reports. Even so, some plans still may not have been accounted for.

<sup>9</sup> Most of the large contracts in the aerospace industry provided a lump-sum benefit payment to workers on an extended layoff. This benefit is described in Bulletin 1425-2, *op. cit.*, footnote 1.

Ladies' Garment Workers' (40),<sup>10</sup> Rubber Workers (11), and Retail Clerks (9). While only three SUB agreements of the Glass and Ceramic Workers were within the scope of this study, these contracts applied to all workers in the flat glass industry under major agreements and to about 7 out of 10 of all production workers in the industry. The National Maritime Union (NMU) agreement was applicable to all its members (unlicensed seamen) employed by Atlantic and Gulf coast shipping companies.

Most SUB agreements were negotiated in single employer bargaining units. The multiemployer agreements were confined, with seven exceptions, to the following industries where multiemployer bargaining prevailed: Apparel (35 agreements), printing and publishing (1), retail trade (11), water transportation (1), and construction (3). The only other multiemployer SUB agreements were negotiated by the Ladies' Garment Workers' (5 agreements outside the apparel industry), by the Detroit Tooling Association and the Automobile Workers (1), and by the Glass and Ceramic Workers with four small flat glass companies (1).

### Scope of Plans<sup>11</sup>

Like other employee benefit plans, the scope of a SUB plan's membership may be limited to workers covered by a single collective bargaining agreement, or it may include workers employed under several agreements. For this study, the scope of a plan was defined as the scope of the fund established for the payment of benefits. For example, although the Ladies' Garment Workers' negotiated 38 separate multiemployer agreements and 2 single employer agreements providing SUB benefits, only 1 SUB plan was established because all signatory companies contribute to a single central SUB fund from which benefits are paid. Also, in a few companies, like U.S. Steel and The Budd Co., a single plan with a single fund is incorporated in several of their collective bargaining agreements. In contrast, four SUB plans were established under the one multiemployer agreement negotiated by the Glass and Ceramic Workers; each of the four signatory companies set up a separate fund for the payment of benefits to its workers. In total, 179 plans were established by the 247 agreements, providing unemployment benefits (table 1). In two industries—apparel and retail trade—there was a marked difference in the number of agreements incorporating plans and the number of plans incorporated in these agreements.

All except 5 of the 179 SUB plans were paying benefits at the end of 1963. No unemployment benefits were yet available even though employer contributions were being made under two plans established by the Automobile Workers, one with the Detroit Tooling Association and the other with Minneapolis-Moline, Inc., and under the plan negotiated by the Meatcutters with California food employers. Two other plans were not in operation because they were applicable to workers employed in plants that were closed in 1963. The following sections of this chapter and other chapters on SUB plans are concerned, therefore, only with the 174 operating plans—167 single employer plans and 7 multiemployer plans.

### Financing

All SUB plans were financed solely by the company. Four types of funding arrangements were used: Individual account, company fund,<sup>12</sup> multiemployer

<sup>10</sup> Four of these agreements were negotiated jointly by the Ladies' Garment Workers' and the Teamsters.

<sup>11</sup> The terminology used in this report to describe certain benefits or features of SUB plans is not necessarily the same as that used in the SUB agreements or in the descriptive material of the plans, which varied considerably among plans.

<sup>12</sup> A company fund is often referred to in the SUB literature as a pooled fund (see, e.g., Digest of Nine Supplemental Unemployment Benefit Plans, Early 1963, BLS Bulletin 1365, 1963). Because this term has frequently been associated with multiemployer funds (e.g., pooled vacation fund), it has been avoided in this bulletin.

pooled fund, and unfunded. Under an individual account plan, first established in the flat glass industry, company contributions are credited to the account of each employee and his benefits are charged to that account. Any balance in his account when his employment terminates is paid to him at that time. Under the company fund plan, the Ford-UAW type of plan, benefits are paid from a fund to which the employer contributes; individual employees are credited with the time they work and charged with the time for which they draw benefits. These credits and charges are determined independently of company contributions, and terminated employees have no vested rights to unused credits or contributions. A multi-employer pooled fund plan is the same as a company fund plan except that more than one employer contributes to the fund. In contrast, an unfunded plan is one that does not require the company to put money into a separate fund for the payment of benefits; instead, benefit payments are made from the current operating funds or general assets of the company.

Company fund and unfunded plans are always provided under single employer contracts, and multiemployer pooled fund plans under multiemployer agreements. Both single employers and multiemployer groups, however, may utilize the individual account type of plan. Regardless of type, no SUB plans were underwritten by commercial insurance companies.

The funding arrangements of most of the 174 SUB plans studied were similar (table 2). All but the three pay-as-you-go plans were funded programs, i. e., plans which required employer contributions into separately maintained trust funds. The overwhelming majority (88 percent), required contributions to be placed in a company fund; contributions of signatory employers to six multiemployer plans went into a multiemployer pooled fund. One multiemployer and 10 single employer plans had individual account funding arrangements; under these plans, the moneys in each employee's account could be commingled only for investment purposes.

In general, all benefit payments came from the fund or from the worker's individual account. The only funded plans with a different procedure were the plans of Continental Can Co. with the Steelworkers and with the Machinists. Under these two plans, benefits could be paid directly by the company; these benefit payments reduced the company's contribution liability.

Limits were placed on the potential size of company funds to prevent excessive accumulation of money and to encourage companies to stabilize their employment. Company contributions for any one period depended on the financial condition of the fund; when fund finances fell below a specified amount, the employer contributed at the maximum rate of the plan. In addition to their cents-per-hour contribution, if fund finances dropped below a certain level, about half the plans negotiated by the UAW and a few plans negotiated by other unions required employers to reimburse the funds for benefits paid for scheduled short workweeks.

Basis of Company Contribution. Total employer contributions to funded SUB plans, with few exceptions, were based on either total hours actually worked by employees (as in virtually all of the plans in the primary metal industry), or total hours for which workers were paid (as in the transportation equipment industry plans). Although over half of the plans (55 percent) used the hours worked base, plans employing the hours paid for formula covered more workers (table 3). Both methods required a cents-per-hour contribution on behalf of each worker. Only three plans, including two multiemployer plans, used other methods to determine the employer's total contribution. A percent of total payroll was used in

determining this in the ILGWU plan. In contrast, under the New York City photoengraving industry plan, a uniform amount was contributed for each week during which a photoengraver worked.

Amount and Content of Company Contribution. Under the funded SUB plans which required a cents-per-hour employer contribution only, the maximum amount for which the companies were liable ranged (with three exceptions) from 2 cents to 10 cents per hour. It was most frequently 5 cents, the rate required by most of the plans in the flat glass, transportation equipment, and machinery (electrical and nonelectrical) industries—or  $9\frac{1}{2}$  cents, the rate specified in virtually all of the plans in the primary metal industry. More significant than the differences in the maximum contribution rates were the basis of the contribution (hours worked vs. hours paid) and the nature of the company's financial obligation (cash liability only or cash plus contingent liability). Under about an equal number of funded plans, the company's obligation consisted of either (1) a cash contribution only, usually the estimated amount required to keep the fund at a level previously agreed on (72 plans), or (2) a cash amount plus an amount held as contingent liability payable into the fund whenever needed for the payment of benefits (82 plans). While the contingent liability provision was found in a majority of the plans in primary metal (55 plans), fabricated metal (11), and mining (3), it was seldom included in plans in other industries.

Cash contribution rates of less than 5 cents were usually found in plans requiring that part of the company's maximum contribution be held as contingent liability (e. g., 5 cents of the  $9\frac{1}{2}$  cents payable under many of the plans in the primary metal industry was in the form of a contingent liability).

Virtually all plans with a maximum contribution rate of  $9\frac{1}{2}$  cents per hour provided that the excess of  $9\frac{1}{2}$  cents over the amount required by the plan, up to a maximum of  $4\frac{1}{2}$  cents, be earmarked for the company's negotiated vacation and saving plan. This amount was, however, available to the SUB fund if needed prior to being used as a vacation benefit.

Under the individual account and the multiemployer pooled fund plans, the contribution rate remained the same regardless of the fund's financial status. Even though the six individual account plans negotiated by the Glass and Ceramic Workers limited to \$600 the total amount that could accumulate in an individual worker's account, the companies' contributions were unaffected after this level was reached. Any excess was used to increase vacation benefits. Two of these plans required the employer to contribute 10 cents for each hour worked by each employee, and four plans, 5 cents per hour worked. Three other individual account plans also called for a company contribution of 5 cents for each hour worked.

### Types of Benefits

All supplemental unemployment benefit plans studied provided one of the following unemployment benefits or more: (1) Regular weekly unemployment benefits for laid-off workers who performed no work for their regular employer and who, in most cases, were eligible for State UI benefits; (2) special weekly unemployment benefits for laid-off workers partially employed by their regular employers whose earnings with the company were not sufficient to disqualify them for State UI benefits to which they would, in most cases, be entitled; (3) short workweek benefits for workers employed for less than a full week, including laid-off workers whose earnings from their regular employer disqualified them for State UI benefits.<sup>13</sup>

<sup>13</sup> These terms may not be found in all plans providing these benefits or may be used somewhat differently. The U. S. Steel-USA plan, for example, does not distinguish between the "special" benefit and the "short workweek" benefit.

SUB funds were also used to provide other benefits such as separation pay for laid-off workers whose employment terminated because of a permanent reduction in force or other specified reasons; moving allowances for laid-off workers accepting a permanent transfer to a plant outside of a certain radius; health and insurance premiums for laid-off workers; weekly temporary disability benefits for disabled active workers; and death benefits for beneficiaries of deceased workers including both those actively employed and those on layoff when death occurred.<sup>14</sup>

All SUB plans paid a weekly benefit to wholly unemployed workers (regular weekly unemployment benefit) (table 4). Workers under slightly more than 9 out of 10 plans (representing over 4 out of 5 of the covered employees), who were partially employed were also eligible for a weekly benefit payment—either a special or short workweek benefit. Separation pay and moving allowance benefits—often found in basic collective bargaining agreements—were provided by 50 percent and 40 percent of the plans, respectively; however, plans with nearly two-thirds of the coverage provided separation pay while those with less than half provided moving allowances. These proportions reflected the fact that moving allowances were generally included in plans negotiated by the Steelworkers and separation pay in plans negotiated by the Automobile Workers and the Ladies' Garment Workers' (table 5). Less than 20 percent of the plans negotiated by the Automobile Workers had a moving allowance. The Steelworkers' plans seldom provided separation pay. Over half of the SUB plans negotiated by the Automobile Workers also paid health insurance premiums for laid-off workers. The only plans of other unions that provided health benefits for laid-off workers were the two General Motors' plans, one negotiated by the Rubber Workers for employees of the company's Inland Manufacturing Division and the other by the Electrical Workers (IUE), and the Dana Corp. -USA plan, all patterned on the plans negotiated by the Automobile Workers with the same companies.<sup>15</sup>

Benefits for active workers were seldom provided under SUB plans. Thirteen plans—eight individual account plans, the Ideal Cement Co. -CLGW plan, the two Retail Clerks plans, the Carpenters plan, and the National Maritime Union plan—provided benefits for temporarily disabled workers.<sup>16</sup> Eleven individual account plans, giving workers a vested right to the company's contribution, paid a death benefit (the balance in the worker's account) regardless of the worker's employment status at the time of his death.

The maximum company contribution rate was not related to the number of benefits provided. Plans with high contribution rates did not provide more numerous types of benefits than the low contribution rate plans. For example, plans with contribution rates of 5 cents and 9½ cents provided benefits for both wholly unemployed and partially unemployed workers. While the 5-cents-per-hour plans usually provided two other benefits—separation pay and reimbursement of health premiums for laid-off workers—the 9½ cent plans provided only one other benefit—moving allowance.

<sup>14</sup> Separation pay and moving allowance benefits are frequently provided under basic collective bargaining agreements and are treated as a current operating expense by the employer. Similar treatment is often given to health and insurance benefits for laid-off workers. The Steelworkers' agreements, for example, provide employer-financed health and insurance benefits for laid-off as well as active employees.

<sup>15</sup> The weekly unemployment and separation pay benefits of the Ladies' Garment Workers' plan were only payable to workers laid off because of discontinuance of company operations (i. e., a permanent plant shutdown).

<sup>16</sup> Under the NMU plan, in addition to being payable during periods of unemployment caused by layoffs, this benefit was payable (a) if unemployment was caused by the seaman's having to leave berth or extend a leave of absence to make arrangements to care for a disabled spouse or because of a death in the family, or by involvement in legal proceedings which require the seaman's presence ashore, or (b) if unemployment followed a vacation or recovery from a disability which caused the worker to leave a vessel. The NMU benefit for temporarily disabled active workers was payable only to workers who became disabled while on vacation or leave of absence.

## Service Requirement

To qualify for any plan benefit, workers had to meet certain service requirements. Usually 1 year of service was required except for the plans negotiated by the Steelworkers, which with two exceptions, had a 2-year service requirement. Only the unfunded plan established by the Minnesota Mining and Manufacturing Co. and the Oil, Chemical and Atomic Workers, required as much as 5 years of service.

## Regular Weekly Unemployment Benefit

To collect regular weekly unemployment benefits, workers generally had to qualify for State UI benefits. There were, however, certain exceptions. For example, virtually all plans paid benefits to workers disqualified for UI benefits because they were serving the second week of a 2-week waiting period, or because they had exhausted their UI benefits for the current benefit year.<sup>17</sup> In addition, all but one of the plans negotiated by the Rubber Workers, 2 out of 5 of those negotiated by the Automobile Workers, and a few others paid benefits to workers laid off out of line of seniority during an adjustment period even though they were disqualified for State UI benefits because the week was a waiting period week. Most Steelworkers' plans and the Ideal Cement Co.-CLGW plan continued to pay unemployment benefits to laid-off workers whose UI benefits ceased because of a disabling accident or sickness.

In general, regular weekly unemployment benefits were determined according to similar formulas. The total payment (including SUB, State UI, and earnings from other employers), under almost 4 out of 5 plans was expressed as a percent of before-tax earnings (table 6). Only about 1 out of 10 plans paid an amount which was not affected by the UI benefit.

The weekly benefit payment (including State UI benefit and outside earnings) for wholly unemployed workers under plans using before-tax earnings as the basis ranged from 55 to 80 percent of weekly wages. Most Steelworkers' plans paid 60 percent of weekly wages, most Automobile Workers' plans and all Rubber Workers' plans, 62 percent. A less liberal benefit was provided by 18 plans which paid 65 percent of after-tax earnings. Nine of the eleven individual account plans allowed a worker to determine the amount of his weekly benefit within the range set by the plan.

A weekly allowance for each dependent—usually payable in addition to the weekly unemployment benefit—was paid by all except 10 of the company fund plans. Over 4 out of 5 plans gave workers \$1.50 for each dependent up to four (table 7). Most (20) of the remaining plans allowed \$2 for each dependent up to four. Allowances for dependents were not included in the other types of plans (individual account, multiemployer pooled fund, and unfunded plans).

In addition to limiting the total amount of benefit payments (including State UI benefits) to a certain percentage of wages plus dependent allowances, every plan—including the 11 individual account plans and the 3 unfunded plans—placed a limit on the total weekly amount payable by the plan. The maximum in more than half of the plans (89) was higher after the worker exhausted his UI benefits than while he was collecting them (table 8). In 78 plans, accounting for 3 out of 5 employees under SUB plans, payment was the same during the entire unemployment period (table 8).<sup>18</sup>

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<sup>17</sup> However, seven plans did not pay benefits to workers disqualified for UI benefits, irrespective of the reason for disqualification.

<sup>18</sup> The higher benefit of most plans was also payable for certain periods during which the worker did not qualify for UI benefits for reasons other than exhaustion of benefits.

The maximum weekly benefits payable by the 78 plans, ranged, with one exception, between \$17 and \$55. Almost 3 out of 4 limited payments, excluding dependents' allowances, to \$40<sup>19</sup> and about 1 out of 7 to \$30. Most of the plans with a \$40 maximum were negotiated by the Automobile Workers and the Rubber Workers. Under nine Rubber Workers' plans, dependent allowances increased the \$40 maximum plan payment to \$48 for married workers; marital status had no effect on the maximum plan payment for workers covered by the Automobile Workers' plans.

Almost 4 out of 5 of the 96 plans, in which the maximum weekly payment was determined by whether the worker had received a UI benefit, paid \$37.50 while the employee collected UI benefits and \$60 thereafter (table 8).<sup>20</sup> Under these plans, which, with few exceptions, were negotiated by the Steelworkers, dependent allowances were payable in addition to these amounts.

Because of dependent allowances, over half the plans (55 percent) provided a higher maximum payment to a worker with dependents than to one without dependents (table 10). In 1 out of 3 of the plans with dependent allowances, however, the allowances did not affect the maximum payments. They were payable in addition to the regular benefit amounts only to the extent that the total payment by the plan did not exceed the maximum payment.

There was usually a relationship between the maximum employer contribution rate (including the contingent liability), and the maximum plan payment. For example, maximum plan payments of \$40 per week (including dependents' allowances, where provided) were found primarily in plans requiring employers to contribute 5 cents or less per hour. Maximum payments of over \$40 were common, on the other hand, in plans with a 9½-cent employer contribution rate.

Duration. The duration of regular weekly benefit payments provided by 154 company fund plans was based on the number of credit units a worker had accumulated up to the time of layoff (table 11).<sup>21</sup> Workers immediately upon becoming employed acquired credit units at the rate of one-half unit for each week they received pay. When they had completed sufficient service to become eligible for unemployment benefits (1 or 2 years), they were credited with units previously earned. To collect a benefit, only a fraction of a credit unit was required. When the financial condition of a fund was at a sufficiently high level, one unit was canceled for each week of benefits. However, under 1 out of 2 plans, when the fund fell below a certain level, the number of credit units canceled for each weekly benefit increased, thus, shortening the duration of benefits. Because the number canceled, when the value of the fund decreased, varied according to the worker's seniority, long-service workers during extensive layoff periods, were assured greater protection than short-service workers.

All 154 plans placed a limit on the number of units a worker could have to his credit at any one time. Over 4 out of 5 permitted workers to accumulate up to 52 units, so that regular weekly unemployment benefits were payable for a

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<sup>19</sup> Included in this group of plans were the plans negotiated by the Rubber Workers which provided \$62 maximum payments for workers ineligible for UI benefits during the first 26 weeks of layoff for stated reasons other than exhaustion of benefit rights.

<sup>20</sup> Under certain conditions, the lower maximum was payable if the worker did not receive UI benefits even though he had not exhausted his State benefit rights.

<sup>21</sup> The following discussion does not relate to the one individual account plan provision governing duration of benefits for plumbers in New York City; the provisions of this plan are described in ch. IV, p. 51.

maximum of 52 weeks. The remaining plans were equally divided between those which limited credit unit accumulation and weekly benefit payments to 39 and 26 weeks; however, plans paying benefits for 39 weeks covered three times the number of workers. Under almost 7 out of 10 of the 154 plans, a worker who had less than a whole unit received a reduced benefit as a final payment. In the remaining plans, the weekly benefit amount was provided even though only a fraction of a unit remained. Of course, when all units were canceled, benefit payments ceased.

In seven plans—five multiemployer pooled fund plans and two unfunded plans—the number of payments was uniform for all eligible workers; (e.g., four plans offered 26 weeks). With one exception, in all individual account plans, it was directly related to the amount of money with which an employee was credited at the time of layoff and the amount of the weekly payments to him.

Except for the individual account plans, the duration of weekly benefits was not related to the employer contribution rate. However, maximum duration and maximum payment (including maximum dependent allowance), were closely related. For example, the maximum payment made by most of the plans that paid benefits for 39 weeks or less was not more than \$35 as compared with the higher payments, running up to \$66, in plans providing weekly payments for 52 weeks.

#### Special Weekly Unemployment Benefit

In addition to the regular weekly unemployment benefit, most plans (160) also paid benefits to a worker, partially employed by his regular employer, who earned insufficient wages from that employer to disqualify him for UI benefits. To qualify for this special unemployment benefit, workers had to meet eligibility requirements other than the no-work requirements for regular unemployment benefits. Of the 14 plans without the special unemployment benefit, 7 were individual account plans, 1 was a multiemployer pooled fund plan, and 3 were unfunded plans.

The special benefit of almost half (74) of the plans, mostly those negotiated by the Steelworkers, was the difference between the worker's base rate earnings lost in excess of 8 hours and his full-time base rate earnings less UI benefits. No limitation was placed on the relative amount the plans would pay or the number of weeks of partial employment during which the workers could collect benefits.

In nearly all of the remaining 86 plans, the special benefit was the amount required to increase the worker's income, including earnings from the company and outside earnings, in excess of a specified amount (commonly \$10), and UI benefits to a specified percent of average weekly earnings (usually 62 percent). Three out of five of these plans—chiefly Rubber Workers' and Automobile Workers' plans—guaranteed that plan benefit, including dependent allowances, would be at least a specified percentage of lost base rate earnings,<sup>22</sup> less UI benefits and earnings from outside sources in excess of \$10. Special benefits were affected by provisions relating to dependents' allowances, maximum plan payment, and maximum number of regular unemployment benefits.<sup>23</sup>

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<sup>22</sup> Sixty-five percent if the partial employment was during a scheduled short workweek; 50 percent if the partial employment was during an unscheduled short workweek. Plans frequently differed in their definition of lost earnings (see ch. III). A scheduled short workweek is one scheduled by management to adjust production due to customer demand; all others are termed unscheduled short workweeks.

<sup>23</sup> See pp. 9-11; however, the minimum guarantee was not subject to the limitations on maximum benefits.

### Short Workweek Benefit

As noted previously, most plans provided the short workweek benefit to workers who did not complete a full week's work or whose earnings from their regular employer disqualified them for UI benefits. Nine out of 10 plans immediately paid a benefit to employees not working a full week, without their having to apply for it. The remainder called for payment of the short workweek benefit after the first week of layoff during the benefit year (the waiting-period week for regular weekly unemployment benefits); some required an application for benefits, others did not.

Higher short workweek benefits, were usually paid by plans providing for the immediate payment of these benefits than by those with a waiting period requirement. With one exception, plans without a waiting period requirement either paid a percentage of all base rate earnings lost (54 plans), or a percentage of base rate earnings lost in excess of 8 hours (76).<sup>24</sup> The proportion of lost earnings indemnified under the former group of plans was commonly 65 percent if the short workweek was scheduled and 50 percent if unscheduled. In contrast, under all except two plans in the latter group, base rate earnings lost (100 percent) in excess of 8 hours were indemnified (table 12).

The short workweek benefit of the 16 plans with a waiting period requirement was the same as the benefit provided wholly unemployed workers, and partially unemployed workers collecting UI benefits. With few exceptions, the plans paid the difference between a specified percentage of average weekly earnings and actual earnings from the company.

Most of the 135 plans without a waiting period requirement for short workweek benefits did not place a limit on the maximum amount payable from the plan or the maximum number of weekly payments. In contrast, the short workweek benefits of the 16 plans with a waiting period requirement were subject to such limitations.

### Administration and Appeals Procedure

In general, SUB plans were administered by the employer. Only the six multiemployer pooled fund plans and the one multiemployer individual account plan required joint union-management administration. In all plans, the administrator was responsible for the initial determination regarding the worker's eligibility for benefits and the amount due him. All except eight plans (including the three unfunded programs) permitted workers to appeal unfavorable decisions, using—with one exception—a procedure especially designed for SUB grievances.

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<sup>24</sup> These two groups also differed in their definitions of base rate earnings lost (see ch. III).

### Chapter III. The Five Pattern Plans

The five SUB plans designated as pattern plans were, as previously stated, Ford Motor Co.-UAW, The Goodyear Tire and Rubber Co.-URW, Ideal Cement Co.-CLGW, Pittsburgh Plate Glass Co.-UGCW, and the United States Steel Corp.-USA plans. Their similarities and differences are described in this chapter.

#### Financing

Under all pattern plans except the Pittsburgh Plate Glass-UGCW plan, contributions were placed in a company fund established in accordance with a clause similar to the one in the U.S. Steel-USA plan:

There shall be one trust fund under the plan applicable to all employees covered by the plan, and any determinations under the plan will be based on the experience with respect to everyone covered thereby.

In contrast, the Pittsburgh Plate Glass-UGCW plan created individual accounts into which company contributions were placed.

. . . the company will enter into an agreement with a trustee or trustees selected by it, establishing a separate trust (referred to herein as the employee's "security benefit account") for each eligible employee in the bargaining unit . . .

. . . the company will contribute to each employee's security benefit account . . .

Company contributions were determined by the financial status of the funds, except for the Pittsburgh Plate Glass-UGCW plan, where they were related to the size of each employee's account.<sup>25</sup> Under the four company fund plans, the company contributed periodically whenever total fund finances were not at a specified level. This level, which varied widely among the plans, was related in all plans to the number of active and laid-off employees covered. In addition, the Ford-UAW plan considered the average weekly benefit amount; the Goodyear-URW and Ideal-CLGW plans, the assets per worker once the minimum level was determined; and the U.S. Steel-USA plan, the number of hours worked in the previous year and the amount of benefits paid in the previous 5 years.

Under the Ford-UAW plan, maximum funding was 16 times the product of the average full benefit rate<sup>26</sup> and the total number of covered active and laid-off workers with credit units. The Goodyear-URW and Ideal Cement-CLGW plans determined maximum funding by multiplying \$185.185 and \$225, respectively (the assets per covered worker when this formula was devised), by the total number of covered active and laid-off workers with credit units. In contrast, maximum financing for the U.S. Steel-USA plan was the lesser of (1) 12½ cents times the number of hours worked by covered employees in the first 12 of the 14 previous months, or (2) 100 times the monthly average amount of benefits paid during the first 60 of the 62 previous months. In the Pittsburgh Plate Glass-UGCW plan, the amount in an employee's account could not exceed \$600.

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<sup>25</sup> The financing provisions of the five pattern plans are cited in appendix A.

<sup>26</sup> The average full benefit rate was the average of all regular weekly benefits paid, excluding those reduced because of other compensation and those paid to workers ineligible for UI benefits because they were serving a waiting week of layoff due to being laid off out of line of seniority.

When maximum funding was reached, contributions ceased under the Ford-UAW, Goodyear-URW, and Ideal Cement-CLGW plans and "spilled over" into other funds under the U.S. Steel-USA and Pittsburgh Plate Glass-UGCW plans.<sup>27</sup> The U.S. Steel-USA plan earmarked the excess of 9½ cents over the amount required by the plan up to a maximum of 4½ cents per hour<sup>28</sup> for the company's negotiated savings and vacation plan (see appendix A). Under the Pittsburgh Plate Glass-UGCW plan when an employee's account reached \$600, company contributions were used for increased vacation benefits:

During any period in which the balance in an employee's . . . account is \$600 or more, the company shall credit an amount equal to the amount which would otherwise have been contributed to his . . . account toward additional vacation pay . . . the additional vacation pay shall be paid to the employee when he receives his first subsequent vacation pay . . . If his employment is terminated before he receives such additional vacation pay it shall be paid to him at the time of his termination.

Under all of the five pattern plans, the company's total cents-per-hour financial obligation was based on the number of hours for which employees were paid (Ford-UAW, Goodyear-URW, and Ideal Cement-CLGW plans) or the number of hours they actually worked (Pittsburgh Plate Glass-UGCW and U.S. Steel-USA plans).<sup>29</sup> A company could discharge its obligation only by making a cash payment, except under the U.S. Steel-USA plan which provided for both cash contribution and contingent liability. The Goodyear-URW plan provided:

. . . the company shall make a contribution to the fund of an amount to be determined by multiplying 4 cents by the total number of hours for which employees shall have received pay from the company for such pay period (or such lesser amount as will bring the total market value of the assets in the fund up to the maximum funding for such fund).

The U.S. Steel-USA plan provided:

For each month . . . the sum of the cash contributions to be made to the fund and the contingent liability to be added to the existing balance of contingent liability . . . shall be the lesser of (1) the sum of (a) 8.7 cents times the contributory hours for the month of salaried employees who are guaranteed compensation for a minimum number of hours per week or pay period and (b) 9.5 cents times the contributory hours of all other employees covered by the plan or (2) the amount which when added to the total finances of the plan . . . will equal maximum financing . . .

Contributory hours: All hours actually worked for the company by employees covered by the plan.

The maximum cents-per-hour contributions to the funds ranged from 4 to 10 cents per hour. The Goodyear-URW, Ford-UAW, and Pittsburgh Plate Glass-UGCW plans called for cash contributions of 4 cents, 5 cents, and 10 cents, respectively. The contribution required by both the Ideal Cement-CLGW and the

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<sup>27</sup> Effective Sept. 1, 1964, the 5-cent per hour contributions to the Ford-UAW plan, were continued regardless of the condition of the SUB fund; when the fund reaches maximum funding, the contribution will be used for a Christmas bonus payable in December 1965 and annually thereafter.

<sup>28</sup> Up to 3.7 cents per hour for salaried workers who had a minimum number of hours per week or per pay period guaranteed. This obligation was reduced to 3.5 cents (2.7 cents for salaried employees) on all hours worked after 1963.

<sup>29</sup> The term "hours actually worked" was not defined by most plans. "Hours for which workers received pay" usually included such nonwork hours as paid vacations and paid holidays.

U.S. Steel-USA plans, however, varied according to the financial conditions of the fund. Under the Ideal Cement-CLGW plan, the maximum amount was affected:

Whenever the current cash value of the trust fund in any month is less than 50 percent of maximum funding, the contribution to the trust fund shall be equal to 7 cents multiplied by the total number of compensated hours of all employees until such time as the trust fund reached 50 percent of maximum funding; thereafter the contribution . . . shall be equal to 6 cents multiplied by the total number of compensated hours . . . until . . . the current cash value of the trust fund . . . reaches 66-2/3 percent . . . , thereafter the contribution shall be . . . 5 cents . . . until . . . the trust fund . . . reaches maximum funding (or such lesser amount as will bring the total cash value of the assets of the trust fund up to maximum funding for such fund).

Under the U.S. Steel-USA plan, the financial condition of the fund affected the composition of the company's contribution. The contribution rate of 9.5 cents an hour<sup>30</sup> was divided as follows: Cash contributions of up to 4.5 cents an hour were payable when total finances were less than 10.5 cents times annual contributory hours; the difference between the cash contribution rate and 9.5 cents was accrued as contingent liability. In months where a cash payment of 4.5 cents per contributory hour would place total finances above 10.5 cents times annual contributory hours, a cash payment just sufficient to raise finances to that level would be payable. The remainder would be added to the contingent liability. Between the 10.5 cents level and the maximum financing level of 12.5 cents, all contributory obligations were in the form of contingent liability. Conversion of contingent liability into cash was called for only when needed for the payment of benefits:

The company's only obligations to make payments to the fund are as follows:

- a. The cash contributions required as the result of the calculation relating to a contribution month (to be made as soon as practicable after such month), and
- b. Cash contributions to the fund, up to the balance of contingent liability accrued at any time. Such contributions shall not be made unless needed for the payment of benefits, and when made shall cancel an equal amount of contingent liability . . .

Unlike the other pattern plans, whenever moneys in the fund fell below a certain level, the Ford-UAW plan required the company to reimburse the fund for benefits for scheduled short workweeks paid out by the fund during a specified period.<sup>31</sup>

. . . With respect to a month for which the credit unit cancellation base is less than \$300, the company shall contribute to the fund an amount equal to the lesser of (i) the amount of short week and special benefits for scheduled short workweeks for which the company was not obligated to make any contribution to the fund with respect to pay periods commencing during the preceding month, or (ii) the amount necessary to bring the credit unit cancellation base up to \$300 for the month with respect to which such contribution is made.

In addition to the contributions required . . . for any pay period for which the credit unit cancellation base is less than \$300, the company shall contribute to the fund an amount, determined for each pay period, equal to the amount of short week and special benefits for scheduled short workweeks which have been paid from the fund for such pay period . . .

<sup>30</sup> 8.7 cents per hour for salaried workers who had a minimum number of hours per week or per pay period guaranteed.

<sup>31</sup> "The credit unit cancellation base," referred to in clauses cited in this report, is each eligible employee's share of the total value of the fund at any given time.

Company's liability was always expressed in terms of hours worked or paid for rather than in terms of money needed to pay benefits. If funds were inadequate, benefits had to be reduced—the company was not obligated to contribute beyond the amount determined according to the plan's financing formula, as illustrated in the Goodyear-URW plan:

. . . the company shall not be obligated to make any contribution to the fund not specifically provided for in the plan, even though the assets in the fund should be insufficient to pay benefits and separation payments to which eligible persons would have been entitled under the plan were the assets of such fund adequate to pay such benefits and separation payments; and the union shall not, except as provided . . . call upon the company to make or provide for any such benefit or separation payment. The company shall not be obligated to make up, or to provide for making up, any depreciation or loss arising from depreciation, in the value of the securities held in the fund (other than as contributions by the company . . . when the trust fund position of the fund is less than 100 percent); and the union shall not call upon the company to make up, or to provide for making up, any such depreciation or loss.

The Pittsburgh Plate Glass-UGCW plan provided:

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 . . . shall be payable only from the employee's security benefit account.

### Types of Benefits

Three types of weekly unemployment benefits were provided laid-off workers under the four company fund plans: (1) Regular unemployment benefit for wholly unemployed workers; and for partially unemployed workers, either (2) special unemployment benefit, or (3) short workweek benefit. The Pittsburgh Plate Glass-UGCW plan—the only individual account pattern plan—provided only the regular unemployment benefit.

Other benefits made available to laid-off workers were separation pay, provided by the Ford-UAW, Goodyear-URW, Ideal Cement-CLGW, and Pittsburgh Plate Glass-UGCW plans; a moving (relocation) allowance, furnished by the Ford-UAW and U.S. Steel-USA plans; the payment of hospital, surgical, and medical benefit premiums, by the Ford-UAW plan; and a death benefit, by the Pittsburgh Plate Glass-UGCW plan.<sup>32</sup>

In addition to providing benefits for laid-off workers, two plans—Pittsburgh Plate Glass-UGCW and Ideal Cement-CLGW—provided weekly benefits to temporarily disabled active workers. While the Pittsburgh Plate Glass-UGCW plan paid the benefit regardless of type of disability, the Ideal Cement-CLGW plan's benefit was only for a disability due to an occupational cause.

Only two of the pattern plans—Ideal Cement-CLGW and U.S. Steel-USA plans—however, included a clause stating the types of benefits the plan was designed to provide:

#### Ideal Cement-CLGW plan:

The purpose of this plan is to increase the security of covered employees by providing certain benefits in the event of their layoff, absence from work due to occupational sickness or injury or termination of employment. Such benefits insofar as they pertain to layoffs and absences due to occupational sickness or injury are intended to supplement State system unemployment or workmen's compensation benefits and are not intended to replace or duplicate them.

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<sup>32</sup> The death benefit provided by the Pittsburgh Plate Glass-UGCW plan was also payable to beneficiaries of active employees.

U. S. Steel-USA plan:

This supplemental unemployment benefit plan is designed to provide a covered employee who becomes wholly or partially unemployed (a) weekly benefits to provide income while he is on layoff, (b) short week benefits for any week in which he is partially unemployed, that is, he works some, but less than 32 hours for the company, and (c) relocation allowances for certain changes of residence required to enable laid-off employees to accept new employment with the company.

Service Requirement

To participate in the plan, a worker had to have 1 year of service with the company under all except the U.S. Steel-USA plan, which required 2 years of service. The Pittsburgh Plate Glass-UGCW plan provided:

No payment shall be made to an employee . . . with respect to any pay period . . . during the 1st year of his employment in the bargaining unit.

Regular Weekly Unemployment Benefit

Eligibility. As previously stated, a regular weekly benefit was payable by all plans to qualified laid-off workers who were wholly unemployed because of a temporary or permanent reduction in force, or because of plant or operation shutdown, as stated in the U.S. Steel-USA plan:

In order to be eligible for a weekly benefit, an employee must be on a layoff which occurred in a reduction in force or as a result of the permanent shutdown of a plant, department, or subdivision thereof; . . .

Workers laid off or who continued to be on layoff because of their inability to perform work offered to them by the company did not forfeit their rights to regular weekly unemployment benefits. This was, however, explicitly stated in only the Ford-UAW and Goodyear-URW plans. The latter read as follows:

An applicant shall be eligible for a regular benefit if he was ineligible to receive a State system unemployment benefit . . . because he was unable to do work offered by the company but he is laid-off or continued on layoff because he is able to perform other work in the plant to which he would have been entitled if he had had sufficient seniority . . .

Conversely, workers usually forfeited their right to a benefit if they refused acceptable work. This provision was explicit in only the same two plans—Ford-UAW and Goodyear-URW plans. The former stated:

An applicant shall be eligible for a regular benefit only if he is on layoff from the company . . . and with respect to such week the applicant . . . has not refused to accept work when recalled pursuant to the collective bargaining agreement, and has not refused an offer by the company of other available work which he had no option to refuse under the provisions of an applicable collective bargaining agreement . . . however, . . . refusal by skilled tool and die, maintenance and construction, or powerhouse employees or apprentices of work other than work in toolroom departments, maintenance departments, and powerhouse departments, respectively, shall not result in ineligibility for a benefit; . . .

Workers automatically retired by Ford, Goodyear, and Ideal Cement who were ineligible for retirement benefits, could collect unemployment benefits, as stated in the Ford-UAW plan:<sup>33</sup>

An applicant who is automatically retired from the company and who is not eligible for a retirement benefit under the company's retirement program shall be considered to be on layoff . . .

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<sup>33</sup> Under the Ford-UAW and the Goodyear-URW pension plans, the automatic retirement age was 68, and under the Ideal Cement-CLGW plan it was 70.

Workers who participated in a government vocational training program were eligible for unemployment benefits under all plans except the Ideal Cement-CLGW plan. The U.S. Steel-USA plan provided:

If an employee does not receive a State unemployment benefit solely because he is participating in a training program established under or pursuant to Federal law, he shall be entitled to a weekly benefit if otherwise eligible. In such case, any income received by him under that program is a State unemployment benefit.

Similar clauses were included in the Ford-UAW and Goodyear-URW plans; the latter plan read:

An applicant shall be eligible for a regular benefit . . . [if he] was ineligible to receive a State system unemployment benefit . . . because he was participating in a vocational training or retraining program established or approved under an act of Congress providing for such training and for benefits or subsistence allowances to unemployed individuals participating in such training or under similar provisions of a State law . . .

Under all five pattern plans, laid-off workers in military service, however, were ineligible, as stated in the Ideal Cement-CLGW plan:

Any employee . . . shall be eligible for layoff benefits . . . if . . . he was not in military service . . .

If the layoff resulted from specified causes, such as strikes, disciplinary actions, or acts of God, a worker was ineligible for benefits. The following clause, from the Ford-UAW plan was typical:

. . . and if such layoff . . . was not for disciplinary reasons, and was not a consequence of (i) any strike, slowdown, work stoppage, picketing (whether or not by employees), or concerted action, at a company plant or plants or any dispute of any kind involving employees, whether at company plant or plants or elsewhere, or (ii) any fault attributable to the applicant, or (iii) any war or hostile act of a foreign power (but not government regulation or controls connected therewith), or (iv) sabotage, or insurrection, or (v) any act of God . . .

Generally, regular weekly unemployment benefits were provided as a supplement to UI benefits. Under the Pittsburgh Plate Glass-UGCW plan, however, there was no tie-in with the State benefit; to receive plan benefits, receipt of UI benefits was not required:

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 . . .

Benefits provided by the four company fund plans were payable when workers qualified for UI benefits. Under certain conditions (and here in the Ideal Cement-CLGW plan), however, disqualification for state benefits did not disqualify workers for plan benefits:

Any employee who is laid off . . . shall be eligible for layoff benefit . . . if he . . . was ineligible for such a benefit only (i) because such week is the "2d waiting week" of a layoff of the State system, (ii) or because he did not have prior to his layoff a sufficient period of work in employment covered by the State system; or (iii) because of a limit under the State system of the period of time for which State system unemployment benefits are payable to the applicant . . .

Unlike the other two company fund plans, under the U.S. Steel-USA and Ideal Cement-CLGW plans, laid-off disabled workers continued to collect their

regular weekly unemployment benefits even though their eligibility for UI benefits had ceased, as shown in the following clause excerpted from the U.S. Steel-USA plan:

An employee who fails to receive a State unemployment benefit because he is not physically able to work shall receive a weekly benefit if he is otherwise entitled and if:

a. He became disabled while on layoff and after sickness and accident coverage ceased under the company program of insurance benefits, and

b. He supplies the same certification of disability as would be required for sickness and accident benefits if such coverage had not ceased.

Any disability benefit paid under or pursuant to State or Federal law with respect to the period for which a weekly benefit is paid . . . shall for the purposes of the plan be considered to be a State unemployment benefit.

However, the Ideal Cement-CLGW plan did not pay this benefit to workers who were eligible for State temporary disability benefits.<sup>34</sup> The clause from this plan was as follows:

In the event an employee . . . State unemployment benefits . . . are discontinued because of illness or disability while the employee is on layoff and such employee is ineligible for . . . State disability benefits . . . the employee shall receive from the trust fund for each full week of layoff a layoff benefit . . .

Both the Ford-UAW and Goodyear-URW plans differed from the other plans by providing weekly benefits to workers "laid off out of line of seniority" who were ineligible for the UI benefit because they were serving the waiting period required by State law.

Under the Ford-UAW, Goodyear-URW, and U.S. Steel-USA plans, a worker collected his regular weekly benefit regardless of his outside earnings, as provided in the last mentioned plan:

In order to be eligible for a weekly benefit, an employee must receive a State unemployment benefit for the week. However, this requirement will not apply if he fails to receive that benefit only for one or more of the following reasons: . . . He has other compensation in an amount which disqualifies him for a State unemployment benefit . . .

The Ideal Cement-CLGW plan, on the other hand, paid benefits only to workers with limited outside earnings:

Any employee . . . shall be eligible for layoff benefits . . . if . . . he was not otherwise employed for compensation or remuneration (as defined under the law of the applicable State system) in an amount equal to or in excess of the amount which disqualifies him for a State system unemployment benefit.

**Benefit Amount.** The weekly benefit, including State UI, provided by the four company fund plans was either 60 or 62 percent of average weekly before-tax earnings.<sup>35</sup> However, the formulas used to compute the amounts were expressed in several different ways. To illustrate, both the Ideal Cement-CLGW and U.S. Steel-USA plans specified the weekly benefit amount as ". . . 24 times the employee's average straight-time hourly earnings . . ." while the Ford-UAW

<sup>34</sup> Temporary disability laws are in effect in California, New Jersey, New York, and Rhode Island. At the time of this study the Ideal Cement-CLGW plan was not applicable to workers in these four States.

<sup>35</sup> Both the Ford-UAW and U.S. Steel-USA union contracts provide cost-of-living allowances. These allowances were included in the computation of the benefit amount.

and Goodyear-URW plans stipulated ". . . 62 percent of weekly straight-time pay . . ." In contrast, the Pittsburgh Plate Glass-UGCW plan provided that:

. . . payment shall be in an amount specified by the employee but shall not exceed 10 percent of the balance in his . . . account . . . or \$30, whichever is smaller, and shall not be less than \$15 or the balance in his account, whichever is smaller.

Only the Ideal Cement-CLGW plan used a different formula—12 times the regular straight-time hourly wage rate—for computing benefits for workers who had exhausted their State UI payments. This formula was also used for the computation of benefits for laid-off workers whose UI benefits were discontinued because of a disability. Under the other company fund plans, the formula for computing the regular benefit was the same regardless of the worker's eligibility for State UI benefits. However, the Ford-UAW plan required that when a worker was ineligible for UI benefits because of exhaustion of State payments or for certain other reasons, the estimated amount of the State benefit, which the worker would have been entitled to if he had not been ineligible, would be deducted in calculating his SUB benefit:<sup>36</sup>

A regular benefit shall be the lesser of (1) an amount which, when added to the applicant's State benefit and other compensation . . . will equal 62 percent of his weekly straight-time Ford wage . . . plus \$1.50 for each dependent up to a maximum of 4 dependents, or (2) \$40 . . .

State benefit . . . for a week means the full amount of the State system unemployment benefit, if any, received or receivable by the applicant for such week (or the estimated amount that would have been received by the applicant for such week if he had not been ineligible therefore solely as set forth in items . . . of article V) . . .

Neither the Goodyear-URW nor U.S. Steel-USA plans had this requirement; only the amount of UI benefit actually collected was deductible, as stated in the latter plan:

There is deducted from the amount determined . . . the amount of any State unemployment benefit, including any dependency allowance received for the same week . . .

Outside earnings were deducted from the weekly benefit by all company fund plans except the Ideal Cement-CLGW plan, which ignored them. However, under the Ideal Cement-CLGW plan, the full UI benefit was deductible, i. e., the amount the worker would have been qualified for if all of his outside earnings had been disregarded in the computation of the UI benefit:

. . . the layoff benefit payable shall be 24 times his regular straight-time hourly rate if he has no dependents . . . less the weekly benefit (without reduction for earnings) paid or payable to him under the State system for such week . . .

The Ford-UAW and Goodyear-URW plans required the deduction of outside earnings in excess of \$10. The former plan provided:

. . . Other compensation for a week means . . . all wages or remuneration, as defined under the law of the applicable State system, in excess of \$10 received or receivable from other employers for such week . . .

The U.S. Steel-USA plan, on the other hand, only disregarded earnings ignored in the determination of the State UI benefit. These earnings may be more

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<sup>36</sup> Effective Sept. 1, 1964, this provision of the Ford-UAW plan will be eliminated.

or less than \$10, disregarded by Ford-UAW and Goodyear-URW plans, depending on the amount ignored by the State in which the employee worked:

There is deducted from the amount determined . . . The amount of other compensation for the week in excess of the amount disregarded in determining the amount of State unemployment benefit.

Dependents' Benefits. All pattern plans except the Pittsburgh Plate Glass-UGCW plan also provided weekly allowances for dependents. The Ford-UAW, Ideal Cement-CLGW, and U.S. Steel-USA plans paid these allowances in addition to the weekly benefit amounts described above. The U.S. Steel-USA plan provided:

The weekly benefit provided for a week of layoff is 24 times the employee's average straight-time hourly earnings plus \$1.50 for each of not more than four dependents . . .

On the other hand, under the Goodyear-URW plan, dependents' allowances were payable only when the amount for which the plan was responsible was \$40, or, under certain conditions, a larger sum.<sup>37</sup>

The regular benefit . . . for such week, will equal 62 percent of weekly straight-time pay, . . . it shall not exceed . . . forty dollars (plus \$2 for each of not more than four dependents); for each week for which he receives a State system unemployment benefit, . . .

In contrast to the Ford-UAW, U.S. Steel-USA, and Goodyear-URW plans, which had a uniform allowance for each dependent up to four (the former two plans allowed \$1.50 per dependent and the latter plan, \$2), the Ideal Cement-CLGW plan added payment was the amount of the worker's hourly rate for one dependent and twice his rate for two dependents or more:

. . . The layoff benefit payable to him shall be 24 times his regular straight-time hourly rate if he has no dependents, or 25 times his regular straight-time hourly rate if he has one dependent, or 26 times his regular straight-time hourly rate if he has two dependents or more, less the weekly benefit . . . payable to him under the State system . . .

The U.S. Steel-USA and Goodyear-URW plans paid dependent allowances in addition to the maximum plan payments discussed in the following paragraphs; the Ford-UAW and Ideal Cement-CLGW plans did not.<sup>38</sup>

Maximum Plan Payment. All five pattern plans placed a ceiling on the benefit amount payable by the plan. The maximum amount payable by the Ford-UAW, Goodyear-URW, and Ideal Cement-CLGW plans was the same (\$40 a week)<sup>39</sup> whether the worker was collecting State UI benefits or was not because he had exhausted his benefit rights (see the clause from the Ford-UAW plan which is cited on page 20). Similarly, under the Pittsburgh Plate Glass-UGCW plan, as shown in the clause cited on page 20, the collection of UI benefits did not affect the maximum amount the worker could withdraw from his account. In contrast, U.S. Steel-USA plan's maximum payment was increased by 60 percent (from \$37.50 to \$60 a week) after the worker used up his UI payments.

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<sup>37</sup> Op. cit., footnote 16, p. 8.

<sup>38</sup> Effective Sept. 1, 1964, the Ford-UAW plan paid the dependent allowance in addition to the maximum plan benefit for single persons.

<sup>39</sup> Effective Sept. 1, 1964, the Ford plan's maximum plan payment is \$50.

The Ford-UAW, Goodyear-URW, and U.S. Steel-USA plans cited conditions under which the maximum plan payments were not applicable or differed from those described in the preceding paragraph. For example, the \$40 maximum specified in the Ford-UAW plan was not applicable to the 1st week's benefit for workers laid off out of line of seniority who were ineligible for UI benefits because they were serving the waiting period week required under the State law. These workers received 62 percent of weekly straight-time earnings. Under the Goodyear-URW plan, a higher maximum amount (\$62 instead of \$40) was applicable to workers ineligible for State UI benefits for specified reasons (other than exhaustions of UI benefits) until they received 26 weekly payments from the plan. The following clause lists the situations where the higher limit was applicable:

. . . because such week is the 2d "waiting week" of layoff of the applicable State system; or because he did not have prior to his layoff a sufficient period of work in employment covered by the State system; or because of a limit under the State system of the period of time for which State system unemployment benefits are payable to the applicant . . . because he was employed by the company or otherwise compensated as defined under the laws of the applicable State system in an amount equal to or in excess of the amount which disqualified him for a State system unemployment benefit . . . because he has refused an offer of work by the company which he has an option to refuse under the applicable collective bargaining agreement; or because he is receiving military terminal pay; or because he is retired from the company at his normal retirement date and is ineligible for a pension under any company financed pension plans; or because he was eligible for or receiving statutory benefits for retirement or disability which he would have received while working full time . . . because he was participating in a vocational training or retraining program established or approved under an act of Congress providing . . . training and . . . benefits or subsistence allowances . . . because he was unable to do work offered by the company but he is laid off or continued on layoff because he is able to perform other work in the plant to which he would have been entitled if he had had sufficient seniority, . . .

In general, the high maximum of the U.S. Steel-USA plan (\$60) was applicable when a worker did not collect State UI benefits:

The weekly benefit the employee will receive is . . . the amount determined by the steps described . . . or one of the following maximums, if lower: For any week for which he receives a State unemployment benefit. . . \$37.50 . . . For all other weeks . . . \$60 . . .

However, unlike the Goodyear-URW plan, the low maximum of the U.S. Steel-USA plan was applicable to laid-off employees ineligible for State UI benefits because—

. . . of the amount of compensation he is receiving or because he had earlier received State unemployment benefits in the same benefit year for weeks as to which he was not eligible to receive weekly or short-week benefits.

Minimum weekly payments were also specified in three plans: Ford-UAW, Goodyear-URW, and Pittsburgh Plate Glass-UGCW plans. The first two plans paid a weekly benefit only if the worker qualified for a plan payment of \$2 or more. However, unlike the Ford-UAW plan, the Goodyear-URW plan merely provided for the temporary postponement of weekly payments of less than \$2—until a later date:

An applicant shall be eligible for a regular benefit . . . if . . . his regular benefit computed under the plan is at least \$2; provided that any benefits denied by reason of this paragraph shall be accumulated and paid at the end of each 13th week of benefits or at the time the last benefit is due as a result of a layoff, whichever is earlier; . . .

The Pittsburgh Plate Glass-UGCW plan's minimum weekly benefit was \$15 or the amount in the worker's account, whichever was less (see clause cited on page 20).

Reduction of Benefits. Only the Ford-UAW and U.S. Steel-USA plans based the weekly benefit payment on the financial condition of the funds. When

the funds were at low levels, workers received only a proportion of the amounts computed according to the plans' formulas. The applicable clauses from these two plans are cited below:

Ford-UAW plan<sup>40</sup>

. . . if, and as long as, the applicable credit unit cancellation base for any week shall be \$12.80 or more, but less than \$41.60, any benefit for such week (other than a short week or a special benefit for a scheduled short workweek) as computed . . . shall be reduced by 20 percent, but shall in no event be reduced to an amount less than \$5) . . . and if, and as long as, the applicable credit unit cancellation base for any week shall be less than \$12.80, no benefit (other than a short week or a special benefit for a scheduled short workweek) for such week shall be paid.

U.S. Steel-USA plan

When the financial position is:	The portion of the benefit paid is:
25 but less than 35 percent -----	60 percent
15 but less than 25 percent -----	30 percent

When the financial position of the plan is less than 15 percent, no weekly benefits will be paid.

The other two company fund pattern plans simply provided for a cessation of benefit payments when there were virtually no moneys in the funds. For example, the Goodyear-URW plan provided that:

Notwithstanding any of the other provisions of the plan, if, and as long as the applicable trust fund position for any week shall be less than 4 percent, no benefit for such week shall be paid.

In contrast, under the Pittsburgh Plate Glass-UGCW plan—the only individual account pattern plan—a worker received weekly payments as long as there was money in his account (see clause cited on page 20).

Duration. Under the company fund plans, the number of credit units accrued to the worker determined the maximum number of weekly unemployment benefits he could receive, e. g., 1 week's benefits for each credit unit. One-half a credit unit was credited to the worker's account for each week he earned credited hours (i. e., hours worked or paid for), as illustrated by the following clause from the Ford-UAW plan:

. . . credit units shall be credited at the rate of one-half of a credit unit for each workweek for which the employee receives any pay from the company . . .

Workers under all except the Ideal Cement-CLGW plan also acquired credit units for certain weeks for which they were not paid. Under the Ford-UAW and Goodyear-URW plans, a worker obtained one-half of a unit for a week of lay-off for which, although ineligible for a State UI benefit because he had not served the waiting period week required under the State law, he received a regular benefit because he was laid off out of line of seniority. A worker under the Goodyear-URW and U.S. Steel-USA plans acquired one-half of a unit for each week for which he was not paid because he was conducting official local union business. Under the latter plan, credit units also accumulated during absences caused by occupational or nonoccupational disabilities:

An employee will be credited with . . . one-half a credit unit for each week . . . in which he has any of the following hours . . . Hours not worked and not paid for but which were lost because: (1) He was performing his duties as a member of the grievance committee, or president, vice-president, recording secretary, financial secretary and/or treasurer of a local of the union which is his collective bargaining representative, or (2) he was absent because of disability for which benefits are payable under a workmen's compensation or occupational disease law or the company program of insurance benefits.

<sup>40</sup> For a definition of "credit unit cancellation base," see footnote 31, p. 15.

The company fund plans placed a limit on the number of credit units a worker could have at any one time, thus, restricting the duration of benefits. Fifty-two units could be accumulated under the Ford-UAW, Ideal Cement-CLGW, and U.S. Steel-USA plans. The Ideal Cement-CLGW plan stated:

No employee may have to his credit at any time more than 52 layoff credit units.

The Goodyear-URW plan limited the accumulation of units to 39:

. . . no employee may have to his credit in the aggregate at any one time more credit units than . . . 39 credit units or such larger number of credit units not to exceed 52 as shall equal the maximum number of weekly State system unemployment benefits payable for weeks of total unemployment within a benefit year under the applicable State system . . .

To be eligible for a benefit, the worker had to have at least a fraction of a unit to his credit.<sup>41</sup> The Ford-UAW and U.S. Steel-USA plans paid a benefit regardless of the size of the fraction, as stated in the latter plan:

An employee cannot receive any weekly benefit unless he has one or some fraction of a credit unit . . .

The Goodyear-URW plan, on the other hand, required at least one-fourth credit unit while Ideal Cement-CLGW plan required at least one-tenth. The Ideal Cement-CLGW and U.S. Steel-USA plans paid a reduced benefit to workers with less than a whole credit unit. The former plan provided:

. . . If an otherwise eligible applicant shall have available less than the number of layoff credit units required to be canceled for a layoff benefit for any week, his benefit for such week shall be prorated on the basis of the ratio of his remaining layoff credit units to the number so required to be canceled . . .

The Ford-UAW and Goodyear-URW plans did not reduce benefits, as shown in the clause from the Ford-UAW plan:

If an applicant shall have available less than the full number of credit units required to be canceled for the full amount of the weekly supplemental benefit . . . for any week for which he is otherwise eligible, he shall be paid the full amount of such benefit and in such event all remaining credit units or fractions thereof shall be canceled.

Under such circumstances the previously discussed minimum weekly payment of the Ford-UAW plan was not applicable.

When the funds were at a sufficiently high level, the plans required the cancellation of one credit unit for each week of benefit. However, as the level dropped, all except the U.S. Steel-USA plan called for the cancellation of more than one unit; the number canceled depended on the worker's seniority. The Ford-UAW plan provided:

If the credit unit cancellation base applicable to the week for which such benefit is paid is:	<u>And if the seniority of the person to whom such benefit is paid is—</u>					
	<u>1-5 years</u>	<u>5-10 years</u>	<u>10-15 years</u>	<u>15-20 years</u>	<u>20-25 years</u>	<u>25 years and over</u>
	The credit units canceled for such benefit shall be:					
\$272.00 or more -----	1.00	1.00	1.00	1.00	1.00	1.00
\$243.20 - \$271.99 -----	1.11	1.00	1.00	1.00	1.00	1.00
\$214.40 - \$243.19 -----	1.25	1.11	1.00	1.00	1.00	1.00
\$185.60 - \$214.39 -----	1.43	1.25	1.11	1.00	1.00	1.00
\$156.80 - \$185.59 -----	1.67	1.43	1.25	1.11	1.00	1.00
\$128.00 - \$156.79 -----	2.00	1.67	1.43	1.25	1.11	1.00
\$99.20 - \$127.99 -----	2.50	2.00	1.67	1.43	1.25	1.11
\$70.40 - \$99.19 -----	3.33	2.50	2.00	1.67	1.43	1.25
\$41.60 - \$70.39 -----	5.00	3.33	2.50	2.00	1.67	1.43
\$12.80 - \$41.59 -----	10.00	5.00	3.33	2.50	2.00	1.67
Under \$12.80 -----			No benefit payable			

<sup>41</sup> Fractional units stemmed from both the accrual of one-half unit for each week containing credited hours and the canceling under certain conditions of fractional units, as well as whole units, for weeks of unemployment.

The maximum duration of regular benefits for a single spell of unemployment depended, as previously noted, on the maximum number of credit units a worker had at the time of layoff. Up to 52 weeks of benefits were payable under three of the company fund plans (Ford-UAW, Ideal Cement-CLGW, and U. S. Steel-USA plans). Only 39 weeks were payable, however, under the Goodyear-URW plan, except if the duration of State UI benefits exceeded 39 weeks (see clause cited on page 24).<sup>42</sup>

The maximum duration under the Pittsburgh Plate Glass-UGCW plan depended on the weekly amount of money the worker withdrew from his account. If his account was at the maximum of \$600 when he was laid off and if he requested the minimum weekly benefit of \$15, the duration was 40 weeks; if he requested the maximum weekly benefit of \$30, the duration was 20 weeks.

### Special Weekly Unemployment Benefit<sup>43</sup>

The eligibility requirements for the special weekly benefit, which was provided under all of the company fund pattern plans, closely followed those for a regular benefit except that hours worked for their regular employer did not disqualify workers for benefits unless their earnings made them ineligible for State UI benefits.

Benefit Amount. The formula for a special benefit, like that for regular benefits, was based on earnings. Under the Ideal Cement-CLGW and U. S. Steel-USA plans, the special weekly benefit amount, including UI benefits, was equal to the worker's base rate earnings lost in excess of 8 hours, as stated in the latter plan:

. . . benefit for a particular week will be calculated by multiplying the employee's standard hourly wage rate by the difference between 32 and the sum of the hours:

- a. He worked in the week, and
- b. He did not work but for which he was paid by the company, and
- c. He did not work for reasons other than lack of work

. . . One-seventh of the amount of such State unemployment benefit will be deducted from the amount calculated . . . above for each day of the State benefit week which falls within the payroll week for which the . . . benefit is paid.

Both the Ford-UAW and Goodyear-URW plans provided an amount, including UI benefits, equal to the greater of (1) the difference between company earnings by the employee and 62 percent of weekly straight-time pay earnings and (2) 65 percent of the worker's lost earnings, if the short week was scheduled (50 percent of the lost earnings if it was not scheduled).<sup>44</sup> The Ford-UAW plan's guaranteed amount including State UI benefit and other compensation, was a percentage of the workers base hourly rate plus a percentage of any applicable cost-of-living allowances. The Goodyear-URW plan, on the other hand, guaranteed a percentage of average hourly earnings as shown in the following clause:

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<sup>42</sup> In July 1964, the maximum duration of UI benefits of States with workers covered by this plan was 26 weeks except in Massachusetts, which provided up to 30 weeks. The maximum duration in any of the 50 States is 39 weeks. The most prevalent maximum duration in a 52-week period is 26 weeks, provided by 40 States. See Significant Provisions of State Unemployment Insurance, Laws, March 1, 1964 (U. S. Bureau of Employment Security, 1964).

<sup>43</sup> A special weekly unemployment benefit is the benefit provided a partially employed laid-off worker whose earnings from his regular employer were not sufficient to disqualify him for the State UI benefit to which he would usually be entitled.

<sup>44</sup> See clause on p. 27 for a definition of "scheduled short workweek." Effective Sept. 1, 1964, under the Ford-UAW plan, percentage of lost earnings paid by the plan if the short week is scheduled will be increased to 75 percent.

The weekly supplemental benefit payable to any eligible applicant . . . shall be . . . if he worked for the company during such week but is not eligible for a short week benefit . . . the greater of (1) a regular benefit or (2) a special benefit as computed below:

Amount of regular benefit—The regular benefit . . . when added to the applicant's State benefit and other compensation . . . will equal 62 percent of weekly straight-time pay . . . but shall not exceed the applicable maximum regular benefit . . .

Amount of special benefit—A special benefit shall be an amount which when added to that portion of the applicant's State benefit and other compensation . . . for the week which is in excess of the applicant's pay received or receivable from the company will equal the product of the number by which the number of hours in his standard workweek (not to exceed 40) exceeds the number of compensated or available hours . . . during such week multiplied by:

- (i) In the case of a scheduled short workweek . . . 65 percent of his average hourly earnings;
- (ii) In the case of an unscheduled short workweek . . . 50 percent of his average hourly earnings.

Under both plans the amount of the special benefit computed by using the regular benefit formula cited above would be affected by the dependent allowances and maximum plan payment provisions applicable to the regular weekly benefit (see pages 21 and 22).

Neither the U. S. Steel-USA plan nor the Ideal Cement-CLGW plan limited the number of weeks that partially unemployed workers could collect the special benefit payments because a worker earned one-half a credit unit for the same week in which he was charged one-half unit for a special benefit.<sup>45</sup> While under both the Ford-UAW and Goodyear-URW plans, there was no restriction on the number of special benefit payments for scheduled short workweeks, the number of benefits for unscheduled short workweeks depended on the number of credit units a worker had accumulated and the financial condition of the funds. In the Ford-UAW plan:

The number of weeks or workweeks for which an eligible applicant shall receive a weekly supplemental benefit . . . shall be determined on the basis of the number of his credit units and the credit unit cancellation base applicable to the weeks for which such benefits are paid . . .

The number of credit units to be canceled for any weekly supplemental benefit . . . shall be determined on the basis of the seniority of the person to whom such benefit is paid . . . and of the credit unit cancellation base applicable to the week . . .

. . . no credit units shall be canceled when an employee receives . . . special benefit for a scheduled short workweek . . .

Under these two plans, a worker collecting a special benefit earned one-half a credit unit because he received some pay for that week; however, when he collected the benefit for an unscheduled workweek, at least one credit unit was canceled.

### Short Workweek Benefit

The principal differences in the requirements for the short workweek benefit, provided by the four company fund pattern plans and those for a special benefit were that for a short workweek benefit receipt of a State UI benefit was not required and no waiting period had to be fulfilled.

The amount of benefits under the Ford-UAW and Goodyear-URW plans depended on the type of short workweek—scheduled or unscheduled, as defined by both plans:

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<sup>45</sup> If the fund was below a specified level, more than one-half unit was charged by the Ideal Cement-CLGW plan, so that under such circumstances a limit was placed on benefits.

. . . a scheduled short workweek . . . is a . . . workweek which management schedules in order to reduce the production of the plant, department, or other unit in which the employee works, to a level below the level at which the production of such plant, department, or unit would be for the week were it not a short workweek, but only where such reduction of production is for the purpose of adjusting production to customer demand.

. . . an unscheduled short workweek . . . is any . . . workweek (i) which is not a scheduled short workweek . . . or (ii) in which an employee returns to work from layoff to replace a separated or absent employee (including an employee failing to respond or tardy in responding to recall), or returns to work after a full week of layoff in connection with an increase in production, but only to the extent that the short workweek is attributable to such cause.

The Ford-UAW plan also considered an unscheduled short workweek a work-week in which the

employee last works at the beginning of, or in which he first works at the end of, a model change period . . .

Larger benefits were paid for scheduled short workweeks than for unscheduled ones. The clauses from the Goodyear-URW plan and the Ford-UAW plan were as follows:

The short week benefit payable to any eligible employee—

For a scheduled short workweek shall be an amount equal to the product of (i) 65 percent of his . . . rate multiplied by (ii) the number by which the number of hours in his standard workweek (not to exceed 40) exceeds the number of his compensated or available hours for such week . . .

For an unscheduled short workweek shall be an amount equal to the product of (i) 50 percent of his . . . rate multiplied by (ii) the number by which the number of hours in his standard workweek (not to exceed 40) exceeds the number of his compensated or available hours for such week . . .

The rate used by the Ford-UAW plan for computing the benefit was "the base hourly rate." The Goodyear-URW plan used the "short workweek rate" which was defined as—

the employee's job wage level if on piecework or his hourly rate if on daywork or his individual hourly rate if on incentive at Lincoln, North Chicago, or Akron Plant C plus night-shift differential for the week for which the benefit is paid.

On the other hand, the short workweek benefit formula under both the Ideal Cement-CLGW and U.S. Steel-USA plans was the same as their special benefit formula. These plans paid 100 percent of lost base rate earnings in excess of 8 hours (see clause cited on page 25).

Although under both the Ford-UAW and U.S. Steel-USA plans "cost-of-living" allowances provided workers were included in the computation of the regular unemployment benefit, only the Ford-UAW plan included this allowance in the computation of the short workweek benefit as well as the special benefit.

None of the plans limited the number of short workweek benefit payments a worker could receive.

### Separation Pay<sup>46</sup>

All of the pattern plans except the U.S. Steel-USA plan provided separation pay.<sup>47</sup> To be eligible for this allowance, the Ford-UAW, Goodyear-URW,

<sup>46</sup> See remarks on related studies, p. 2. Separation pay is available to laid-off workers whose employment terminated because of a reduction in force or other specified reason.

<sup>47</sup> The U.S. Steel-USA collective bargaining agreement provided separation pay which was paid for by the company out of current operating funds. See BLS Bulletin 1425-2, op. cit., footnote 1.

and Ideal Cement-CLGW plans required laid-off employees to have 2 years of seniority and the Pittsburgh Plate Glass-UGCW plan, 2 months.<sup>48</sup> Under both Ford-UAW and Goodyear-URW plans, seniority had to be acquired by the last day of active employment, as stated in excerpt from the latter plan:

An applicant shall be eligible for a separation payment if: . . . Applicant had on the last day on which he was on the active payroll not less than 2 years of seniority . . .

The Ideal Cement-CLGW plan, on the other hand, specified that—

. . . an employee with at least 1 year of credited service under the pension plan who has at least 2 years of seniority (as of his date of application for a termination benefit) shall be eligible for a termination benefit . . .

Under all but the Pittsburgh Plate Glass-UGCW plan, workers receiving certain types of retirement benefits were ineligible for this benefit. Both the Ford-UAW and Goodyear-URW plans excluded workers eligible for early and disability retirement benefits, as illustrated by the following clause from the Ford-UAW plan:

An applicant shall be eligible for a separation payment if: . . . in the event he is age 60 or over on the 1st day of his separation period, he had, as of such date, less than 10 years of creditable service under the retirement plan established by agreement between the company and the union; and in the event he is under 60 on the 1st day of his separation period, he could have not been eligible at the end of 26 weeks for a "disability retirement benefit" under said retirement plan; . . .

The Ideal Cement-CLGW plan, which excluded workers eligible for disability or normal retirement, paid the benefit, to workers eligible for an early retirement benefit (see clause on page 29). To collect separation pay Ford workers had to have been on layoff for 1 year before applying, and Goodyear and Ideal workers, for 2 years. Earlier application for payment was permitted, however, at the company's discretion, based on its determination of the worker's prospects of reemployment. The clause from the Goodyear-URW plan was as follows:

An applicant shall be eligible for a separation payment if: . . . The layoff has continued for at least 2 years (except that recall to work for a period of less than 3 months' duration shall not interrupt running of the 2-year period of continuous layoff and that the company may determine on the basis of the applicant's prospects of reemployment by the company to permit earlier application); . . .

Workers laid off at Ideal Cement-CLGW because of ". . . a permanent shutdown of a plant, department, or subdivision thereof . . ." could apply for separation pay immediately. The Pittsburgh Plate Glass-UGCW plan, unlike the other plans, paid this benefit as soon as employment terminated, irrespective of the reason for termination.

As stated previously, separation pay was given only to Ford, Goodyear, and Ideal Cement workers who applied for it. While the Goodyear-URW plan did not specify when the application had to be filed, the Ideal Cement-CLGW plan required filing within 12 months after receipt of the termination notice, and Ford-UAW, within 24 months after the commencement of the separation period. The Ideal Cement-CLGW plan had the following clause:

. . . if a terminated employee shall not have filed application for such benefit . . . within 1 year after the company shall have mailed notice of his termination to him at his last address as shown on the company records, his right to such benefit under the plan shall stand forfeited . . .

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<sup>48</sup> Effective Sept. 1, 1964, separation pay provided by the Ford plan will be available to laid-off workers with 1 year of seniority.

Benefit Amount. The Pittsburgh Plate Glass-UGCW plan's separation pay benefit was the balance in the worker's individual account. The remaining plans based the amount of the payment on the worker's earnings, service, and on the financial position of the fund. The Ford-UAW plan provided an increasing number of hours of pay for each year of service up to 30 years:<sup>49</sup>

. . . the separation payment . . . shall be an amount determined by multiplying the applicant's base hourly rate (plus the cost-of-living allowance in effect on the last day he worked in the contract unit but excluding all other premiums and bonuses of any kind) by the applicable number of hours' pay as shown in the following table . . .

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

For workers with less than 5 years of service, the Goodyear-URW plan used the formula that the Ford-UAW plan used; for other workers under the Goodyear-URW plan, the amount of separation pay was expressed as the product of the worker's total earnings with the company and a percent determined by his length of service:

For an employee having 5 or more but less than 10 completed years of continuous service with the company prior to his most recent layoff, 2 percent of his total earnings . . .

For an employee having 10 or more but less than 15 completed years of continuous service with the company prior to his most recent layoff, 2 1/2 percent of his total earnings . . .

For an employee having 15 or more completed years of continuous service with the company prior to his most recent layoff, 3 percent of his total earnings . . .

Benefit amounts under the Ideal Cement-CLGW plan, on the other hand, depended upon the worker's eligibility for an early retirement benefit—larger benefits were paid to ineligible workers:

The lump-sum termination benefit . . . shall be the product of the employee's credited service, his regular straight-time hourly rate, and the applicable factor set forth in the following table:

	Position of trust fund as percent of maximum funding		
	33 or more	20 to 32	Under 20
If the employee is ineligible for an immediate normal, early, or disability retirement benefit under the pension plan -----	35	25	No
If the employee is eligible for an early retirement benefit under the pension plan -----	15	10	benefit
If the employee is eligible for normal or disability retirement benefit under the pension plan -	No	benefit	payable

<sup>49</sup> Ibid. Effective Sept. 1, 1964, separation benefit payments of the Ford-UAW plan will be increased approximately 40 percent.

To compare the amounts of separation pay provided by the Ford-UAW, Goodyear-URW, and Ideal Cement-CLGW plans, benefits were calculated for hypothetical terminated workers. Under the conditions assumed,<sup>50</sup> the Ideal Cement-CLGW plan provided the largest benefit to workers with 14 years of service or less, while the Goodyear-URW plan granted the largest benefit to those with 15 through 18 years of service. The Ford-UAW plan's benefit, on the other hand, surpassed the benefit of the other two plans for workers with 19 through 30 years of service.

Under the Ford-UAW plan, the separation payment was reduced by SUB, health and insurance, pension, and other benefits, as noted in the following provision:

The amount of a separation payment as initially computed shall be reduced by the amount of any benefits paid or payable . . . after the last day . . . worked . . . and the amount of any payment, financed in whole or in part by the company, received or receivable on or after the last day . . . worked . . . with respect to any layoff or separation from the company (other than a State system unemployment benefit or a benefit payable under the Federal Social Security Act), and the amount of any moving allowance . . .

The Ideal Cement-CLGW plan reduced separation pay only by the amount of supplemental unemployment benefits the worker had received:

If such employee has received layoff benefits under the plan and has not returned to active service with the company for at least 1 week subsequent to the layoff with respect to which he received such layoff benefits, his termination benefit shall be reduced by an amount equal to such layoff benefits paid to him subsequent to his last full week of active employment with the company.

Unlike both the Ford-UAW and Ideal Cement-CLGW plans, the Goodyear-URW plan did not require a reduction in separation pay because of benefits previously received.

Both the Ford-UAW and Ideal Cement-CLGW plans reduced the separation pay benefit if the assets of the funds were less than a certain amount. The Ford-UAW plan required a 1-percent reduction for each \$1.60 that the value of the fund was below \$160 per worker. However, when the fund was low, benefit payments were deferred until the financial condition of the fund improved:

An applicant shall be eligible for a separation payment if: . . . 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 applicants 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 of 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 payments over any other applications for separation payments: . . .

The Ideal Cement-CLGW plan provided for reduced benefits if the value of the fund was less than 33 percent but more than 19 percent of the maximum funding, when the worker applied for separation pay. No benefit was paid when the value of the fund was less than 20 percent. (See clause cited on page 29.)

Instead of reducing or deferring benefits when SUB funds were low, the Goodyear-URW plan shifted the source of payments. When the fund position fell below 80 percent, the benefit was paid directly to the worker by the company, rather than from the fund; this payment was neither charged against the fund nor credited toward the company's obligation to the SUB fund:

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<sup>50</sup> The following assumptions were made: (1) Worker was ineligible for a retirement benefit; (2) he had average hourly earnings of \$2.404 (annual earnings of \$5,000); and (3) financial position or value of the fund was equal to maximum funding.

Separation payments shall be payable from the fund only when the applicable trust fund position for the week in which the payment becomes payable is equal to or in excess of 80 percent . . .

At all times when the applicable trust fund position for the week in which the payment becomes payable is less than 80 percent, separation payments shall be paid by the company directly rather than from the fund established under this plan. Separation payments paid by the company directly shall not be charged against the fund for purposes of computing trust fund position or otherwise and the company shall not take credit for such payments against any contributions to the plan then or thereafter falling due.

### Moving Allowance

The Ford-UAW and U.S. Steel-USA plans were the only pattern plans that provided a moving or relocation allowance. It was payable to workers transferred to a plant 50 miles or more from his former one who established permanent residence at the new location. The U.S. Steel-USA plan graded the relocation allowance by the distance of the move:

Miles between plant locations	Allowance for	
	Single employees	Married employees
50—99 -----	\$55	\$180
100—299 -----	75	220
300—499 -----	105	290
500—999 -----	155	420
1,000 or more -----	215	580

The amount of any such relocation allowance will be reduced by the amount of any relocation allowance or its equivalent to which the employee may be entitled under any present or future Federal or State legislation . . .

The maximum allowance paid by the Ford-UAW plan was the same as that provided by the U.S. Steel-USA plan but subject to the following provision:

The amount . . . shall be the greater of (A) the amount of separation payment . . . or (B) an amount equal to his unused credit units . . . multiplied by \$40; provided, however, that such moving allowance shall in no event be greater than the amount in the . . . table.

Only one moving allowance was payable to workers of a family living in the same residence.

### Reimbursement of Health Insurance Premiums for Laid-off Workers

The Ford-UAW plan alone reimbursed the company for health insurance premiums paid for laid-off workers and their dependents (that is, the cost of hospital, surgical, and medical benefits).<sup>51</sup> A maximum of 12 months' premiums were reimbursable (1 month's premium for each full 4 weeks of weekly supplemental unemployment benefits for which the worker was eligible).

The plan shall be further amended to provide that the company's contributions to the fund . . . shall be reduced to the extent of any and all premiums and subscription charges that shall have been paid by the company to provide hospital-surgical-medical coverage for laid-off employees under . . . the collective bargaining agreement . . .

### Death Benefit

Only the Pittsburgh Plate Glass-UGCW plan provided for a death benefit payment.<sup>52</sup> The balance in the worker's account—a possible maximum of \$600—constituted such benefit.

All funds in an employee's security benefit account shall be paid 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; . . .

<sup>51</sup> The U.S. Steel-USA health and insurance plan provided employer-financed health insurance benefits for laid-off as well as active employees.

<sup>52</sup> This benefit was also payable to beneficiaries of active employees.

### Benefits for Active Workers

Only two plans provided benefits for active (at work) employees. The Pittsburgh Plate Glass-UGCW plan's weekly accident and sickness benefit covered occupational and nonoccupational disabilities. It was payable after an absence from work of at least two full consecutive pay periods, retroactive to the first day of disability. Benefit amounts were the same as the amount payable to un-employed workers.

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.

The Ideal Cement-CLGW plan supplemented State workmen's compensation benefits received by workers with at least 1 year of service. The plan paid the difference between the weekly workmen's compensation benefit and \$55 for a maximum of 26 weeks per disability.<sup>53</sup>

An employee who is disabled by reason of occupational illness or injury shall be eligible for supplementary benefits which inclusive of State workmen's compensation benefits shall not exceed \$55 . . . provided . . . he has 1 or more years of seniority; he is receiving or is eligible to receive workmen's compensation benefits. In no instance shall supplementary benefits be paid for more than 26 weeks for any one occupational illness or injury.

### Administration

The funds established by the five plans were administered by company-appointed corporate trustees. They were responsible for the investment and management of the funds within the limitations set forth in the plans and applicable trust agreements.<sup>54</sup> In general, the plans restricted investments to cash and Government securities, as stated in the following clause from the Ford-UAW plan:

The trustee shall be directed to hold or to invest the assets of the funds only in cash or general obligations of the U. S. Government, irrespective of the rate of return, or the absence of any return, thereon, and without any absolute or relative limit upon the amount that may be invested in any one or more types of investment . . .

Both the U.S. Steel-USA and Ideal Cement-CLGW plans were less restrictive than the other pattern plans. The former permitted investments in nongovernment obligations, if approved by the company.

. . . The assets of the fund may be held in cash or invested by the trustee in obligations of the U.S. Government or other appropriate securities approved by the company.

The Ideal Cement-CLGW plan required a minimum proportion of assets to be held in cash or Government securities:

. . . the assets . . . shall be held, invested, and applied in accordance with a trust agreement entered into between the company and the trustee . . . Not less than 50 percent of the assets of the trust fund shall be invested in cash or in U.S. Government guaranteed obligations.

To facilitate the investment of moneys credited to the separate accounts created for the Pittsburgh Plate Glass workers, their plan specified that—

Funds in the individual security benefit accounts may be commingled and shall be treated as a consolidated fund for investment purposes.

<sup>53</sup> The two instances cited are comparable to benefits usually made available to workers through insured accident and sickness plans.

<sup>54</sup> The duties and responsibilities of the corporate trustees are described in detail in the trust agreements under which they operated.

So long as the trustees conducted their investment activities as prescribed by the SUB plans and the trust agreements, they were not held liable for unfavorable results. The Ford-UAW plan provided:

. . . the trustee shall not be liable for the making or retaining of any such investment or for realized or unrealized loss thereon whether from normal or abnormal economic conditions or otherwise.

Only the Ford-UAW, Goodyear-URW, and Pittsburgh Plate Glass-UGCW plans explicitly required the trustees to submit written reports on the financial status of the funds. The first two plans required reporting to company and union representatives. The Ford-UAW plan read as follows:

Within 10 days after the commencement of each month, beginning with the month in which the company shall have made its first contribution under the plan, the trustee shall be required to furnish to the board, the union, and the company a statement showing the amounts received from the company for the fund during the preceding month.

Not later than the second Tuesday following the first Monday of each month, the trustee shall furnish to the board, the union, and the company a statement showing the total market value of the fund as of the close of business on the Friday following the last Monday of the preceding month, and a statement showing by type of benefit the number and amounts . . . paid . . .

The Pittsburgh Plate Glass-UGCW plan, on the other hand, only required the trustees to report to the individual employees:

As soon as practicable after . . . January 1 of each . . . year, the trustee shall furnish each employee with a statement of the balance of his security benefit account as of December 31 of the preceding year.

Although the other two plans did not refer to the submission of trustee reports, monthly reports were needed to determine the company's liability.

The administration of the daily operations of all of the pattern plans resided with the company. For example, the U.S. Steel-USA plan stated:

The company shall administer the plan. The company's procedures and regulations shall be in accordance with and subject to the terms and provisions of the plan.

The Ideal Cement-CLGW plan, however, required the appointment of a joint union-management committee at each plant to assist the company in the administration of the plan:

At each plant there shall be established an advisory committee consisting of four members, two appointed by the company and two appointed by the local union . . . In the event that a member is absent from a meeting of the committee, his alternate may attend and when in attendance shall exercise the duties of the member . . . The company members shall vote as a unit, and the union members shall vote as a unit.

. . . The duties of the advisory committee shall be advisory only and shall consist of the following functions solely as they relate to the plan:

- (i) Carry out rules and procedures to be followed by employees in filing applications for benefits and for furnishing and verifying proofs necessary to establish their credited service, layoff credit units, and other necessary data . . .
- (ii) To find facts and determine the rights of any employee applying for . . . benefits and to afford any applicant or the company . . . the right to a hearing.
- (iii) . . . furnish such data . . . necessary . . . to cause payment of benefits to employees . . .
- (iv) To prepare and distribute information explaining the provisions of the plan.

All plans required the company, as plan administrator, to submit certain reports periodically to the union. The Ford-UAW, Goodyear-URW, and U.S. Steel-USA plans did not limit the data furnished the union. A detailed description of

the types of statistical data to which the union was entitled was included in the former two plans; the latter plan simply stated that—

The company will provide the union with information on the forms agreed to by the parties and at the times indicated thereon and such additional information as will reasonably be required for the purpose of enabling the union to be properly informed concerning operations of the plan.

Unlike the other plans, the Ideal Cement-CLGW plan restricted the information to—

. . . quarterly and annual reports showing: (i) The amount of contributions to the trust fund and the number of hours on which these are based. (ii) The amount of benefit payments from the trust fund and the number of employees involved. (iii) The assets of the fund and the trust fund position.

Two plans also permitted workers to receive data on the benefits which they received during the year. Ford workers received the report automatically:

. . . The company shall furnish annually to each person who received benefits during the year a statement showing the total amount of such benefits received.

Goodyear employees had to request it:

Upon request of an employee, the company will furnish a record of the separation payment and benefits paid him during the year.

The company, union, and trustee were not held liable for inaccuracies in the reports or data furnished them. This was explicitly stated in the Ford-UAW, Goodyear-URW, and Ideal Cement-CLGW plans. For example, the Ideal Cement-CLGW plan stated:

The company, the union, the trustee, and each of them shall be entitled to rely upon the correctness of any information furnished them by an authorized representative of any of the others; and each of them shall not be liable because of any act or failure to act on the part of any of the others, except that nothing herein shall be deemed to relieve any such individual from liability for his own fraud or bad faith.

In general, the cost of administering the pattern SUB plans was paid for by the company; expenses of joint committees and of the impartial arbitrator were shared by the company and union; and expenses incurred by the trustee administering the SUB fund were paid for by the fund. For example, the U.S. Steel-USA plan provided that:

The reasonable fees and expenses of the trustee shall be paid by the fund . . .

The cost of administering the plan shall be borne by the company and shall not be paid from the fund . . .

### Appeals Procedure

All of the pattern plans permitted workers to appeal unfavorable company decisions. To accelerate the settling of SUB disputes, special procedures supplanted regular grievance procedures.<sup>55</sup> Unsettled SUB grievances usually reached arbitration more quickly and directly than grievances processed under the basic collective bargaining agreement because time limits were generally shorter and grievances were usually initiated at a higher level.

To assure uniformity in the interpretation and application of plan provisions within each plant, all of the plans except Pittsburgh Plate Glass-UGCW plan required management and union to designate persons at each plant to initially consider all SUB grievances as in the Goodyear-URW plan:

At each local plant, the company shall designate one person to serve as its representative for the consideration of appeals by applicants and the local union shall designate a representative for the same purpose.

<sup>55</sup> The grievance procedure in the basic collective bargaining agreements are discussed in Major Collective Bargaining Agreements: Grievance Procedures (BLS Bulletin 1425-1, 1964).

Uniformity in the adjustment of appeals was enhanced by the designation under the Ford-UAW, Goodyear-URW, and U.S. Steel-USA plans of one person or group of persons to make final and binding disposition of all SUB grievances. Both the Ford-UAW and Goodyear-URW plans established joint boards with permanent impartial chairmen. The former plan provided:

There shall be established a board of administration of the plan consisting of six members, three of whom shall be appointed by the company . . . and three of whom shall be appointed by the union. . . .

The members of the board shall appoint an impartial chairman who shall serve until requested in writing to resign by three members of the board . . . .

There shall be no appeal from the board's decision. It shall be final and binding upon the union, its members, the person involved, the trustee, and the company . . . .

The U.S. Steel-USA plan required the appointment of a single permanent arbitrator:

The arbitrator to whom a SUB grievance is submitted . . . shall be the arbitrator appointed by the company (together with certain other companies) and the union to decide all SUB grievances.

Similar procedures leading to a final determination by arbitration were contained in the Ford-UAW, Goodyear-URW, Ideal Cement-CLGW, and U.S. Steel-USA plans. However, the participants attempting to settle the disagreement at the various stages of the procedure differed. At Ford, grievances were first appealed by the worker to the 4-member local plant committee and then, by any two members of the committee or the worker, to the joint board for a final and binding decision. Under the Ideal Cement-CLGW plan, an individual's SUB grievance first went to the local union-management advisory committee established at the plant to assist in administering the plan. If this committee could not agree, the appeal was channeled through the second step of the regular grievance procedure of the basic collective bargaining agreement—to the regional industrial relations manager and an international union representative. If requested by either party, arbitration was then provided under the general grievance provision of the collective bargaining agreement:

In the event that no satisfactory adjustment of the grievance can be made . . . then the matter shall be referred to a board of arbitration . . . The company shall choose one arbitrator and the union shall choose one arbitrator. These two men shall give thorough consideration to the case and endeavor to come to an agreement. If they cannot do so . . . a third arbitrator shall be selected . . . The written decision of the arbitrators or a majority of the arbitrators, shall be binding and final on both parties.

In contrast, both the Goodyear-URW and U.S. Steel-USA plans called for initial consideration of SUB grievances by the local union and plant representative designated to handle all such matters. Unsettled grievances at Goodyear, as at Ford, went to the permanently established joint board headed by a permanent impartial chairman. At U.S. Steel, on the other hand, a grievance not settled at the plant level was submitted by the district director of the union to a representative of the company. If they reached no agreement, it went to the permanent SUB arbitrator. However, unlike the other pattern plans, after submission of the dispute to the arbitrator, the parties could again attempt settlement of the issue by direct negotiation.

Within 10 days after the date of appeal to arbitration, however, either the company or the union may notify the other of its desire to have the grievance discussed by a representative of the company at the general office level . . . and a representative of the union at the international office level . . . If that occurs, the grievance shall not proceed to arbitration until it has been discussed by those representatives. If, however, within 60 days from the date of appeal to arbitration, the grievance is not resolved, it shall proceed to arbitration . . . .

The appointment of the impartial arbitrator or chairman was the joint responsibility of the representatives of the company and the union. However, under the Ford-UAW plan if the members of the joint board could not agree on a chairman, they were required to use the arbitrator serving under the basic collective bargaining agreement:

In the event that members of the board are unable to agree upon such chairman, the umpire under the collective bargaining agreement between the company and the union shall make the appointment; provided, however, that the company and the union members may, by agreement, request such umpire to serve as the impartial chairman of the board.

The Ford-UAW plan also included a pledge by the union to discourage appeals of the board's decisions to court or labor boards:

The union will discourage any attempt of its members to appeal, and will not encourage or cooperate with any of its members in any appeal, to any court or labor board from a decision of the board, nor will the union or its members by any other means attempt to bring about the settlement of any claim or issue on which the board is empowered to rule hereunder.

Unlike the other pattern plans, the Pittsburgh Plate Glass-UGCW plan did not permit grievances to be handled at the plant level and did not provide for arbitration. This plan required that:

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.

Under the Ford-UAW, Goodyear-URW, and U.S. Steel-USA plans, in order to receive initial consideration under the grievance procedure of the plan and at the various levels in the procedure, SUB grievances had to be submitted in writing on forms available for that purpose and within time limits specified in the plan. For example, the Goodyear-URW plan required the aggrieved employee to file a written appeal within 10 days after the action causing the grievance occurred; both Ford-UAW and U.S. Steel-USA plans allowed more time—30 days were allowed for initial appeal of unfavorable action. The latter plan provided:

A SUB grievance . . . must, in order to be considered, be presented in writing within 30 days after the action giving rise to such difference on a form to be furnished by the company . . .

Neither the Ideal Cement-CLGW nor the Pittsburgh Plate Glass-UGCW plans imposed time limits on initiating or appealing grievances.

#### Status of Workers Receiving Benefits

All four company fund plans clearly defined the status of workers receiving plan benefits. The following clause from the U.S. Steel-USA plan is an illustration:

When an employee receives benefits under the plan, he shall not by reason thereof be deemed to be working for the company during such period, nor shall he by reason thereof receive benefits under any other benefit plan to which the company contributes other than those to which he would be entitled if he were not receiving benefits.

#### Overpayments

All company fund plans provided for the recovery of overpayments or benefit payments made to ineligible workers. The Ford-UAW, Goodyear-URW, and Ideal Cement-CLGW plans permitted deduction of overpayments or benefit

payments from future earnings or benefits if they are not repaid by the worker. Ideal Cement-CLGW plan provided:

. . . If the company determines, after a person has been paid one or more layoff benefits or supplemental workmen's compensation benefits under the plan, that such benefit or benefits should not have been paid or should have been paid in a lesser amount or amounts . . . written notice thereof shall be mailed to such person and such person shall return the amount of overpayment to the trustee. If such person shall fail to return such amount promptly, the trustee shall arrange for an amount equal to the amount of overpayment to be reimbursed to the appropriate fund by making a deduction from future layoff benefits, supplemental workmen's compensation benefits, or termination benefits otherwise payable to such person, or by requesting the company to make a deduction from compensation payable to such person or both . . .

The U.S. Steel-USA plan, on the other hand, limited the company's time for recovering overpayments, as well as correcting underpayments, to 6 months:

The company shall have the right to recover overpayments for the fund and correct underpayments to employees. However, any benefit determination for the period after June 30, 1962, shall become final 6 months after the date on which it is made if (a) no dispute is then pending, and (b) the company has not theretofore given notice of an error.

### Government Rulings

Withholding Tax. All pattern plans permitted the company to make legally required deductions from its contributions to the fund, as provided in the Ford-UAW plan:

If the company at any time shall be required to withhold any amount from any contribution to the fund by reason of any Federal, State, or municipal law or regulation, the company shall have the right to deduct such amount from such contribution and to pay only the balance to the fund.

Only under the Pittsburgh Plate Glass-UGCW plan were such deductions actually made, pursuant to rulings of the Internal Revenue Service.<sup>56</sup> All other pattern plans have received rulings exempting company contributions from Federal withholding taxes.

The plans also permitted deducting amounts required by law from benefit payments. The Ford-UAW plan stipulated:

The trustee shall deduct from the amount of any benefit (or separation payment) . . . any amount required to be withheld by the trustee or the company by reason of any law or regulation, for payment or taxes or otherwise to any Federal, State, or municipal government.

Currently, the Internal Revenue Service does not require withholding Federal income tax from a benefit payment; the benefit payment, however, must be reported as income on the worker's annual income tax return.

Corporate Income Tax. Standard provisions in all five plans were those pertaining to the employer's receiving corporate income tax credits for his contributions to the fund. The U.S. Steel-USA plan is illustrative:

The company will not incur any obligation under the plan unless it has a currently effective ruling or rulings by the Internal Revenue Service, satisfactory to the company, that payments to the fund shall constitute a currently deductible expense under the Internal Revenue code of 1954, as now in effect or as hereafter amended, or under any other applicable Federal tax law.

Favorable rulings were received by all pattern plans.

<sup>56</sup> The Commissioner of Internal Revenue in March 1956 ruled that since contributions under the Pittsburgh Plate Glass-UGCW plan were made directly to an individual trust fund for each worker, who had a full vested right in such fund, such contributions constituted a segment of gross income and were, therefore, taxable the year that such contributions were made, and, as such, were subject to income tax withholding. This ruling was reaffirmed in February 1957 (Rev. Rul. 57-37) and in November 1957 (Rev. Rul. 57-528).

Exclusion of Contribution From Regular Rate of Pay. The companies have also obtained rulings providing that their contributions shall not be considered a part of the employee's regular pay rate when computing overtime pay under the provisions of the Fair Labor Standards Act. To protect the companies pending receipt of such rulings, all plans included a clause such as the one found in the U.S. Steel-USA plan:

The company shall not incur any obligation under the plan unless it has a currently effective ruling or rulings by the U. S. Department of Labor, satisfactory to the company, that no part of such obligation shall be included in the regular rate of any employee.

### Supplementation of Unemployment Insurance Benefits

The company fund pattern plans protected workers' rights to receive their full State UI benefits without a reduction because of SUB benefits. This was done by providing that a plan of alternate benefits be negotiated for workers employed in States not permitting supplementation. The following clause from the Ford-UAW was typical:

In any State in which supplementation is not permitted, the parties shall endeavor to negotiate an agreement establishing a plan for alternate benefits not inconsistent with the purposes of the plan . . . Short-week benefits . . . will be payable to eligible employees in such States.

In the early days of SUB it was necessary to use alternate schemes in several States, but now that only one State (Virginia), prohibits supplementation of UI benefits, these provisions are virtually dead letter.<sup>57</sup>

The Pittsburgh Plate Glass-UGCW plan—the only individual account pattern plan—included no special arrangement for workers employed in States which did not permit supplementation. Such arrangements were unnecessary because, from a legal viewpoint in which all States concur, the unemployed worker did not receive a benefit; the worker received his benefit when the contribution was credited to his individual account while he was working.

### Discontinuance of Plan

In the event of discontinuance (termination) of the plan, the assets of the company fund plans were to be liquidated and used to pay benefits and administrative expenses when applicable. The clause from the Goodyear-URW plan was typical:

Upon termination of the plan, the plan shall terminate in all respects except that the assets then remaining in the fund shall be subject to all of the applicable provisions of the plan as then in effect and shall be used until exhausted to pay expenses of administration and to pay benefits to eligible applicants . . .

The U. S. Steel-USA plan was the only pattern plan providing part of the company's contribution to be held in contingent liability and included the following provision which governed the disposition of any remaining contingent liability:

Upon termination of the plan, the assets then remaining in the fund and the contingent liability shall be subject to all the applicable provisions of the plan then in effect and shall be used until exhausted to pay benefits to employees in the order of their entitlement. The provisions with respect to the reduction of weekly and short-week benefits . . . shall not thereafter be effective. If any time there are assets in the fund or there is a balance of contingent liability and all the operations of the company in which there are employees covered by the plan shall be permanently shut down, arrangements for disposition of assets and contingent liability in a manner designed to promote the purposes of the plan shall be made. Such arrangements shall be by agreement with the collective bargaining representatives of employees covered by the plan.

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<sup>57</sup> Forty-five States specifically permit supplementation of UI benefits; 4 States (New Hampshire, New Mexico, South Carolina, and South Dakota), have not taken a position on this issue.

None of the company fund plans gave an employee a vested interest in the company's contribution or in the fund, as illustrated by the clause from the Ford-UAW plan:

No person shall have any right, title, or interest in or to any of the assets of the fund or in or to any company contribution thereto.

However, the individual account Pittsburgh Plate Glass-UGCW plan did:

. . . Upon termination of this plan . . . the trustee will upon request of the union, but in any event within 1 year following 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.

In addition, both the Ford-UAW and Pittsburgh Plate Glass-UGCW plans provided for negotiating the disposition of the contributions formerly required of the company. If no agreement was reached, the amount the company contributed would be used for a general wage increase. The procedure was described in the Pittsburgh Plate Glass-UGCW plan:

In the event that this plan is terminated . . . so that the company's obligation to make contributions . . . shall cease, the parties shall meet within 30 days . . . 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 . . . 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 upon 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.

## Chapter IV. Variations Within Major Patterns<sup>58</sup>

As previously indicated, all except nine major SUB plans studied were similar in general contour to 1 of the 5 plans described in the previous chapter, although many differed in one or more respects (table 13). Half of the 169 plans were similar to the U.S. Steel-USA plan and 1 out of 3 were modeled on the Ford-UAW plan. Of the remaining 29 plans, 10 were identical to the Goodyear-URW plan (thus not discussed in this chapter on variations), and 10 plans were patterned after the Pittsburgh Plate Glass-UGCW plan.<sup>59</sup> Since plans patterned after the Ideal Cement-CLGW plan were confined to agreements covering fewer than 1,000 workers each, they were excluded from the scope of this survey.<sup>60</sup>

With one exception, all of the plans having similarity to a pattern plan were found in single-employer agreements. The exception was the multiemployer agreement covering plumbers in New York City which provided for an individual account plan similar to the Pittsburgh Plate Glass-UGCW plan.<sup>61</sup> Plans similar to each other were usually negotiated by the same union and covered employees in the same or a related industry. In some cases, the predominant union in an industry established the pattern followed by other unions in the same industry. For example, the plan adopted by the Armco Employees Independent Federation, Inc., and the Armco Steel Corp. was patterned after the plan negotiated by the Steelworkers with that corporation and with U.S. Steel Corp.

### Plans Similar to Ford-UAW Plan<sup>62</sup>

Only 5 of the 56 plans patterned after the Ford-UAW plan were identical in all respects. Another 16 were the same except that they omitted certain benefits; all 16 excluded a moving allowance, and 6 did not pay the cost of health benefits (hospital, surgical, and medical) for laid-off workers. Most of the remaining 35 plans provided fewer benefits, had different financing provisions, and provided different unemployment benefit payments. The significant differences between these plans and the Ford-UAW plan are described in more detail below.

Financing. Although all 35 plans, like the Ford-UAW plan, were of the company fund type requiring cents-per-hour employer contributions at regular specified intervals, in 31 of them one or more variations from the Ford-UAW plan were found in their financing provisions.

The plan negotiated by the Automobile Workers with the Chrysler Corp. for most of its production and salaried employees under union contracts was different in virtually all aspects of financing. When it was renegotiated (in 1961),

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<sup>58</sup> Portions of plans quoted in this chapter and in the remaining chapters of this report are numbered to facilitate reference to them by means of appendix D.

<sup>59</sup> The proportion of plans similar to each of the pattern plans reflected in part the scope of the study, and in part the collective bargaining activities of the unions that negotiated the pattern plans.

<sup>60</sup> According to the report on supplementation of unemployment benefits, made at the United Cement, Lime and Gypsum Workers International Union's Tenth International Convention, 1960, over 24,000 of its members were covered by SUB plans; 22,700 members were covered by Ideal Cement's type of SUB plan and 1,600 members by the Steelworkers type of SUB plan.

<sup>61</sup> This plan was negotiated by the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada (PPF) with the Joint Plumbing Industry Board, New York, N. Y.

<sup>62</sup> Although recent changes in the Ford-UAW plan are footnoted in ch. III, revisions in similar plans are not noted in this report.

shortly after the Automobile Workers completed negotiations with Ford and General Motors, the SUB fund had reached an extremely low level—about \$3,800,000, or less than 20 percent of the maximum level.<sup>63</sup> The drainage of the fund stemmed from heavy layoffs during the previous years. To improve the fund's financial position and to assure payment of benefits similar to those provided by the Ford-UAW and the General Motors-UAW plans, the renegotiated Chrysler-UAW plan, in addition to including the major financing provisions of the Ford-UAW plan (maximum employer contribution into the regular SUB fund of 5 cents for each hour employees received pay plus, when the fund was below a certain level, an amount equal to the amount of short workweek and special weekly benefits paid by the fund during the period for which contributions were due) added the following arrangements: The company would contribute (1) for a 3-month period following the signing of the SUB agreement, 5.13 cents for each hour worked; and (2) an amount agreed to by company and union (5.7 cents for each hour worked by employees from September 2, 1963, to June 25, 1964), to the newly established reserve SUB fund which would be used for the payment of benefits only when the regular SUB fund was depleted or was insufficient for the payment of full benefits. Further, the company would assume a contingent liability of \$500,000 on January 1, 1962, which would increase at the rate of \$500,000 per quarter until it had grown to \$2,000,000; amounts paid to the reserve fund by the company, as a result of this contingent liability obligation, reduced the company's future cash contributions to the plan. When the company and the union agreed that the regular SUB fund was adequate to pay benefits, or if, after June 29, 1964, the amount in the regular SUB fund remained at \$334.05 for each eligible worker for 3 consecutive months, the reserve SUB fund would be transferred to the successor reserve trustee and used as determined by him. The company's contingent liability would be eliminated when the reserve SUB fund was discontinued or on June 29, 1964, whichever occurred first.<sup>64</sup>

Unlike the Ford-UAW plan, which based contributions on hours paid, five plans based the company's cents-per-hour contribution on hours worked—the basis prescribed by the U.S. Steel-USA plan:

. . . the company shall make a contribution to the trust fund equal to 5 cents multiplied by the total number of hours worked by employees in such month (or such lesser amount as will bring the total market value of the assets in the fund up to the maximum funding of the fund). (1)

While under the Ford-UAW plan the company's contribution was based on "total hours for which the employee shall have received pay from the company," under some plans similar to it, only certain hours paid for but not worked were counted; as:

. . . the company shall make a contribution to the fund of an amount equal to the product of (4 cents) multiplied by the total number of hours worked by employees for the company . . .

For the purposes of computing hours worked . . . time shall be credited at the rate of 8 hours for each holiday and 4 hours for each half-holiday for which compensation is paid and 40 hours for each week of vacation for which compensation is paid. (2)

Under six plans, the maximum cents-per-hour contribution ranged from 1 to 3 cents less than required under the Ford-UAW plan.

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<sup>63</sup> Wall Street Journal, Nov. 6, 1961.

<sup>64</sup> On June 29, 1964, company contributions to the reserve fund ceased and instead of this contribution, workers received a 5-cent-an-hour wage increase.

Two plans reduced company contributions by the separation payments made by the company:

Contributions otherwise payable by the company to the fund . . . shall be reduced by the amount of any separation payments which have been paid by the company pursuant to the separation payment plan. If contributions required . . . are less with respect to any pay period than the separation payments to be offset, then any subsequently required contribution shall be reduced by the separation payments not previously offset against contributions. (3)

Although almost all of the plans had special and short workweek benefits, most of them did not require additional contributions when fund finances were below a specified level. However, under the American Motors-UAW plan, the company had to reimburse the fund for scheduled short workweek benefits, regardless of the fund's financial condition:

In addition to the contribution required . . . the company shall contribute to the fund with respect to each pay period an amount equal to the amount of scheduled short workweek benefits which have been paid from the fund . . . (4)

This plan also provided that when the fund finances were less than \$128 per participant, money necessary to bring the level up to \$128 would be transferred to it, if available, from the profit-sharing plan.

Unlike all other SUB plans, the Studebaker Packard Corp.-UAW plan provided that when the assets of the fund were less than those required for weekly benefit payments due and for unpaid separation payments, the company would make an advance contribution equal to the difference between the value of the fund and the current benefit liability of the fund. The advance payment was limited to \$60,000 at any one time—about 4<sup>1</sup>/<sub>4</sub> weeks of maximum contributions during a period of full employment.<sup>65</sup>

In the event the available assets of the fund . . . for any pay period are less than the current benefit liabilities . . . the corporation shall contribute to the fund a contingent advance contribution equal to the difference; provided, however, that the aggregate outstanding amount of contingent advance contributions for which the corporation shall be liable shall not at any time exceed \$60,000 . . .

Notwithstanding any other provisions of this plan, contributions otherwise payable by the corporation to the fund . . . shall be reduced with respect to all pay periods for which the credit unit cancellation base equals or exceeds \$52 by the amount of any then outstanding contingent advance contributions. (5)

Types of Benefits. With two exceptions, the 35 plans provided fewer benefits than the Ford-UAW plan. A moving allowance was excluded from 33 plans and 4 out of 7 plans did not pay the health insurance premiums for laid-off workers.<sup>66</sup> However, only five plans omitted the short workweek benefit and only two did not include the special weekly unemployment benefit.

Regular Weekly Unemployment Benefit. Almost 4 out of 7 of the 35 plans provided smaller regular weekly unemployment benefits than the Ford-UAW plan. Usually all aspects of the regular benefit provision differed—the basic amount (12 plans), dependent allowances (12 plans), maximum plan payment (13 plans), and duration (14 plans). However, a variation in any one of these aspects might reduce weekly benefits for any employee unless, of course, the difference was limited, as it was in one plan, to dependent allowance.

<sup>65</sup> Computed by assuming that during each week the 7,000 Studebaker workers covered by its collective bargaining agreements when it became effective in August 1962 were paid for 40 hours.

<sup>66</sup> See footnote 14, p. 8.

The 12 plans that provided different basic amounts paid less than the Ford-UAW plan, which provided a basic benefit, including State UI benefits, of 62 percent of the workers' before-tax earnings (table 6). Eight plans based the benefit amount on after-tax wages:

The regular benefit for any week shall be the lesser of:

- (a) An amount which, when added to the applicant's State benefit and other compensation for such week, will equal 60 percent of his weekly after-tax straight-time pay . . . or (b) \$25. (6)

In determining the weekly amount payable to workers ineligible for State UI payments for certain reasons, including exhaustion of State benefits, most plans, like the Ford-UAW plan, deducted from their payment the estimated UI benefit to which the worker would have been entitled (see second clause cited on page 20). Under some plans, however, like U.S. Steel-USA and Goodyear-URW plans, this type of reduction was never required (see third clause on page 20); others called for a reduction only if ineligibility was due to one of the following reasons:

- . . . because such week is the second "waiting week" of layoff of the applicable State system or because he did not have prior to his layoff a sufficient period of work in employment covered by the State system . . . (7)

The weekly amount (exclusive of State UI benefits), was the same for all workers under one plan (\$17) (see clause 8 on this page). Another plan varied the amount according to the worker's State UI benefit payments:

- . . . his benefit shall be the lesser of: (a) An amount which, when added to the applicant's State system benefit and other compensation for such week . . . will equal the full State system unemployment benefit including dependents allowance payable to him (or which would have been payable to him if he had not been ineligible therefor, in whole or part, by reason of receipt of compensation or otherwise) . . . plus \$20, or (b) \$25. (1)

Unlike the Ford-UAW plan, 2 out of 7 plans did not provide an allowance for dependents (table 7). One of the two plans which had a larger allowance than the Ford-UAW plan, paid \$6 for one dependent and \$13 for two dependents or more:

The weekly supplemental benefit payable to any eligible applicant for any week . . . shall be:

- (1) \$23---Married man with no children.
- (2) \$30---Married man with one child or more.
- (3) \$17---Married woman with wage earning spouse.
- (4) \$23---Married woman without wage earning spouse.
- (5) \$30---Married woman without wage earning spouse with one child or more.
- (6) \$17---Unmarried or widowed or divorced with no children.
- (7) \$23---Widowed or divorced with one child.
- (8) \$30---Widowed or divorced with more than one child.

Children must be less than 19 years of age and unmarried or less than age 22 and a full-time student at a recognized college or technical school. (8)

Twelve plans had a maximum weekly payment that was lower than the \$40 paid by the Ford-UAW plan. With one exception (\$37.50), their maximum weekly payment amounted either to \$25 or \$30 (tables 8 and 9). One plan—the Chrysler-UAW plan, for office, clerical, and engineering workers—had a \$50 limit. In all but one of these plans (the clause quoted immediately above), these limits included the allowances for dependents. Moreover, except for one plan, the availability of State UI benefits had no effect on a plan's maximum payment.

All 35 plans were similar to the Ford-UAW plan in basing the maximum number of regular weekly unemployment benefit payments on the number of unused credit units a worker had at the time of his layoff. However, 12 plans only permitted workers to accumulate 26 units so that the maximum duration of their payments was far less than the 52 weeks provided by the Ford-UAW plan (table 11). Three out of four of these permitted an increase in the number of credits up to a maximum of 39, if and when State UI benefits exceed 26 weeks.

About half of the 35 plans, unlike the Ford-UAW plan, paid a reduced weekly benefit to workers with only a fraction of a credit unit (see fourth clause cited on page 24).

All plans followed the Ford-UAW plan's practice of reducing the number of weekly payments during periods when the fund fell below a certain level by increasing the number of credit units canceled (see sixth clause cited on page 24).

Special Weekly Unemployment Benefit. Only two plans did not provide a special benefit for laid-off workers who were partially employed by their regular employer and eligible for State UI benefits. Three out of 7 plans, however, paid a smaller benefit than the Ford-UAW plan, usually because they based their benefits on earnings after tax deductions rather than before taxes. Also, the payment of at least 65 percent of lost earnings (50 percent if due to an unscheduled short workweek)<sup>67</sup> was not guaranteed. The following clause, which does not include a guarantee, is illustrative:

The weekly supplemental benefit payable . . . shall be the lesser of an amount which, when added to the applicant's State benefit and other compensation . . . for such week will equal 65 percent of his weekly after-tax straight-time pay . . . or \$30.

State benefit and other compensation for a week means: The full amount of State system unemployment benefit . . . plus all pay received or receivable from the company (including holiday pay but not vacation pay allowances), and the amount of unearned pay computed, as if payable, for hours made available by the company but not worked, for such week; . . . (9)

The one plan with a uniform regular benefit amount, \$17 plus dependent allowances (see clause 8 on page 43)—also paid this amount to employees working less than 24 hours during any one week. Workers employed for at least 24 hours received the following benefit:

"Short workweek" means any workweek where work or pay has been made available for 24 hours or more.

For each day that work has not been made available during a short workweek and where the employee is not otherwise compensated by the company for at least 4 hours, he shall be entitled to 4 hours pay at his average straight-time hourly rate during the short workweek. (8)

Short Workweek Benefit. Like the Ford-UAW plan, most of the 35 plans provided a benefit to employees who worked less than a full week for their regular employer. But, 19 paid a smaller benefit. Instead of paying a percentage of base rate earnings lost, 7 paid a percentage of average weekly earnings (usually 62 percent) less actual earnings (table 12). A few of these plans also had a 1-week waiting period.

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<sup>67</sup> See clause on p. 27 for definition of scheduled and unscheduled short workweek.

Administration and Appeals Procedure.<sup>68</sup> Plan administration and appeals procedure under the 56 plans were essentially the same as under the Ford-UAW plan. The day-to-day administration of these was the company's responsibility. Workers had the right to appeal unfavorable decisions through the procedure established by the plan. For the most part, it was the same procedure prescribed in the Ford-UAW plan. Initially a plant committee considered all SUB grievances; final and binding determination of any unresolved disputes was made by a permanent joint board composed of top company and union representatives and an impartial chairman. Some plans, however, provided a more accelerated procedure by requiring that grievances go directly to the joint board, bypassing plant representatives:

Any person who shall have been determined by the company not to be entitled to any benefit or a separation payment, or who shall have been determined to be entitled to be paid a benefit that is smaller in amount than the amount to which such person believes he is entitled, may appeal such determination . . . . If the company shall not resolve the appeal within 10 days . . . . the applicant may refer the matter to the board for disposition . . . .

There shall be established a board of administration of the plan consisting of six members, three of whom shall be appointed by the company, . . . . and three of whom shall be appointed by the union . . . .

The members of the board shall appoint an impartial chairman, who shall serve until requested in writing to resign . . . . (10)

While under most of these plans, the board had a permanent, impartial chairman as provided in the clause just cited; under some, the chairman was not selected until the board came to a deadlock:

In the event that a majority of the board is unable to agree with respect to any matter referred to it . . . . the members of the board shall appoint an impartial chairman who shall serve until requested in writing to resign . . . . (11)

Like the Ford-UAW plan, most of the plans required the use of the impartial chairman serving under the collective bargaining agreement as a permanent chairman, if the company and union representatives could not agree on one. Others permitted an organization such as the American Arbitration Association to assist in the selection of a temporary chairman:

. . . . In the event that the members of the board are unable to agree upon a chairman, the union members and the corporation members shall request the American Arbitration Association to submit a list of five qualified arbitrators, from which the union members and the corporation members shall select an impartial chairman . . . . alternately striking a name from such list. The party to strike first shall be selected by lot. (5)

#### Plans Similar to U.S. Steel-USA Plan

Two-thirds of the 84 plans similar to the U.S. Steel-USA plan did not vary significantly from it.<sup>69</sup> In most of the 27 plans with different provisions, the financing provisions differed. Fewer benefits were provided by 2 out of 3 of the 27 plans; and less liberal unemployment benefits (regular weekly, special, and short workweek), provisions were included in about 1 out of 3 plans. No significant variations were found, on the other hand, in provisions relating to the

<sup>68</sup> The following discussion relates to the 56 plans which were modeled after the Ford-UAW plan. The variations described were, with few exceptions, found among the 35 plans which differed significantly from the Ford-UAW plan.

<sup>69</sup> The Kaiser Steel (Fontana, Calif.)-USA plan is applicable only to workers on layoffs due to causes other than changes in technology or work method. The company's negotiated long-range sharing plan protects workers against loss of employment, wage rate losses, or reduced hours due to changes in technology or work methods. This plan, which permits workers to share in the cost of production savings on a month-to-month basis will be described in a forthcoming report in this series.

maximum number of weekly payments (the collection of 52 weeks of benefits was permissible), and the plan administration provision. Except for the plans of the can manufacturers and a few other plans, the differences between the U.S. Steel-USA plan and similar plans were due to revisions made in the U.S. Steel-USA plan, effective July 1, 1962, which were not adopted by the other plans, at least up to the time this study was made. Prior to July 1962, the provisions of nearly all of these plans were identical to U.S. Steel-USA plan provisions. The following discussion describes the major differences between these 27 plans and the U.S. Steel-USA plan.

Financing. Although all 27 plans, like the U.S. Steel-USA plan, were of the company fund type, 2 out of 3 had different financing provisions. Variations related to one or more of the following: (1) The basis of company contributions; (2) the components of the company's financial obligation (cash liability only or cash plus contingent liability); (3) the maximum cents-per-hour amount for which the company was responsible; and (4) the spill-over of excess contributions into a savings and vacation fund.

Five plans—all of which were negotiated by the three major can producers—followed the automobile and rubber industries' practice of basing contributions on hours paid for, instead of the steel industry's practice of using hours worked. Four of the 27 plans expressed the company's liability entirely in cash; the rest divided it, as in the U.S. Steel-USA plan, between a cash and a contingent obligation.

The maximum employer contribution required by 2 out of 3 of the plans was less than the 9½ cents per hour required under the U.S. Steel-USA plan for nonsalaried workers. Most of these called for a maximum of 5 cents per hour worked. Usually it consisted of 3 cents cash and a contingent liability of 2 cents (the contribution rate of the U.S. Steel-USA plan before July 1, 1962) (table 14).

The American Can-USA plan was the only plan that required the company to make an additional contribution to the fund—the amount of separation allowances paid by the fund during a specified period—when the fund fell below a certain level:

If necessary, and only to the extent necessary, to maintain the fund position at 35 percent and avoid reduction of benefits . . . the company will make additional contributions . . . up to an amount equal to the lower of (a) the total amount of severance pay paid under the terms of the plan and since October 1, 1962, or (b) the total amount of severance pay which would have been payable in such period under the terms of the labor agreement in effect prior to October 1, 1956. (12)

This requirement probably stemmed from the absence of any contingent liability and a 5 cent-per-hour cash contribution rate. It was not found, however, in the same company's plan with the Machinists, which had the same contribution rate (i. e., 5 cents, entirely in cash).

The financing arrangements of Continental Can Co. plans with the Steelworkers and with the Machinists were unique. Under the plan with the Steelworkers, the company could either pay its contribution into the fund or, at the company's option, let it accrue on its books in an accrual account. Benefits were paid, again at the company's option, from either source.

In accordance with the terms of the plan, the company's contributions shall either be paid directly into the general fund or accrued on the company's books in an account hereinafter referred to as the accrual account. Benefits shall be payable only from the general fund, or the company's accrual account, at the company's option.

To the extent to which the 3 cents accrual . . . for each calendar year ending with the termination of this agreement, or for any partial calendar year ending with the termination of this agreement, shall not be used to pay benefits under the plan, they shall be paid, as of the end of such period, as a contribution to the general fund, thereby eliminating the final balance of the accrual account for such calendar years, or at the termination of this agreement. (13)

The plan with the Machinists included a similar arrangement. It provided that benefits would be paid from a fund or, at the company's option, from its contribution liability.

Types of Benefits. All 27 plans provided different benefits from the U.S. Steel-USA plan. Most of the plans (20) omitted the moving allowance; however, 7 plans, including those of the can manufacturers, provided separation pay in addition to all of the U.S. Steel-USA plan benefits (severance pay is a separate contract item in many agreements in the steel industry).

About two-thirds of the plans with a lower contribution rate than required by the U.S. Steel-USA plan provided fewer benefits.

Regular Weekly Unemployment Benefit. The regular unemployment benefit provided by 11 plans differed from the U.S. Steel-USA plan in the amount provided, maximum plan payment, and with two exceptions, dependent allowances. These plans generally paid smaller regular weekly benefits. Most frequently, they paid 65 percent of after-tax wages, considering State UI benefits and outside earnings, (the amount provided by the U.S. Steel-USA plan prior to July 1962), rather than 60 percent of before-tax earnings (24 times average hourly earnings)—the U.S. Steel-USA plan benefit amount. In contrast, the Continental Can plans with the Steelworkers and the Machinists based the regular weekly benefit amount on the following earnings scale:

Straight-time hourly rate	Weekly base benefit			Maximum weekly benefit	
	State benefits payable	State benefits not payable	Additional benefit per dependent	State benefits payable	State benefits not payable
Up through \$2.39-----	\$55	\$55	\$1.50	\$61	\$61
\$2.40 through \$2.64----	61	60	1.50	67	66
\$2.65 through \$2.88----	67	60	1.50	73	66
\$2.89 through \$3.12----	73	60	1.50	79	66
\$3.13 through \$3.36----	79	60	1.50	85	66
\$3.37 and over -----	85	60	1.50	91	66

(14)

Nine plans also paid a dependent allowance of \$2 a person as in the old U.S. Steel-USA plan, rather than the \$1.50 in the present plan. However, unlike the U.S. Steel-USA plan, but similar to the Goodyear-URW plan, the \$2 per dependent (maximum \$8) was only payable when the weekly benefit paid by the plan equaled the maximum payable by the plan (\$25 while the worker was collecting State UI benefits and \$47.50 after UI benefits were exhausted). The maximum plan payments, although higher when worker was not collecting State UI, were still less than the amount payable under the U.S. Steel-USA plan.

Like the U.S. Steel-USA plan, all 27 plans based the duration of benefits on the number of credit units accumulated by the worker at the time of his layoff. However, unlike their pattern plan, when the fund dropped below a certain level 10 plans canceled more than one unit; with one exception, this was in addition to reducing the weekly benefit amount. Therefore, workers covered by these plans were not guaranteed the 52 weeks of benefits as in the U.S. Steel-USA plan.

Special Weekly Unemployment Benefit. Twenty-six of the 27 plans provided a special benefit. All but 10 agreed with the U.S. Steel-USA plan in paying the difference between lost base rate earnings and the full-time base rate earnings

in excess of 8 hours less State UI benefits. These 10 plans followed their regular benefit formula by paying a percentage of average weekly earnings (65 percent of after-tax earnings, in all except three plans), less the State UI benefit received and total company earnings. Instead of deducting the actual UI benefit received by the worker, 1 of these 10 plans required deduction of the UI benefit the worker would have received if he had not worked at all during the week:

. . . the amount of an employee's SUB benefit shall be 22 hours of average straight-time hourly earnings, minus the amount of the State unemployment benefit . . . he would have received for that week if totally unemployed. (15)

Unlike their pattern plan, the 10 plans using the regular benefit formula for special benefits also applied all the provisions governing regular benefits (number of weekly payments, dependent allowances, and maximum payment) to the special benefit.

Short Workweek Benefit. Only 1 of the 27 plans did not provide a short workweek benefit for workers who did not complete a full week's work. However, 10 plans paid the benefit only after the first week of layoff during the benefit year. These plans, unlike the U.S. Steel-USA plan, paid a percentage of average weekly earnings (usually 65 percent of after-tax wages) less actual company earnings. Unlike the U.S. Steel-USA plan but similar to the Ford-UAW plan, the Steelworkers' plans with the aluminum and can companies based both the short workweek and special benefit payments on the worker's straight-time hourly wage rate which included cost-of-living adjustments.

Administration and Appeals Procedure.<sup>70</sup> Plan administration, under all 84 plans, as previously stated, was the company's responsibility, with the worker having the right to appeal unfavorable decisions.

These plans included a grievance provision primarily designed to accelerate the handling and the disposition of SUB disputes. An overwhelming majority adopted the procedure of the U.S. Steel-USA plan: Grievances were initially considered by union and plant representatives designated to handle all SUB grievances, and final and binding determination of all SUB grievances were made by a permanent arbitrator. Usually these plans included, without modification, the grievance processing provision of the U.S. Steel-USA plan. The permanent arbitrator for these plans, with few exceptions, was the person used by U.S. Steel and the Steelworkers. Since other provisions of these plans were also the same as the U.S. Steel-USA plan, the use of the same permanent arbitrator assured uniformity and consistency in interpretation of plan provisions. A few other plans, including the plans of the can manufacturers, used the regular grievance machinery, omitting the first two or three steps. By skipping to the third or fourth step, negotiations began at the plant or company level:

An SUB grievance shall be filed and processed in the same manner, and subject to the same provisions, as other grievances under this agreement, beginning at the third step between members of the grievance committee as designated by the union and the plant manager or his authorized representative or representatives except that within 10 days after the date of appeal to arbitration, either the company or the union may notify the other of its desire to have the grievance discussed by a representative of the company at the general office level and a representative of the union at the International office level . . . (12)

<sup>70</sup> The following discussion relates to the 84 plans modeled after the U. S. Steel-USA plan. The variations described were, with few exceptions, found among the 27 plans which differed significantly from their pattern plan.

In contrast, the grievance provision of some of the 84 plans was vague. While arbitration was provided for the final disposition of SUB disputes, these plans did not include a procedure for settlement of differences prior to arbitration. Also, unlike the U.S. Steel-USA plan, time limits were not imposed on the presentation or disposition of grievances:

If any differences shall arise between the company and any employee as to the weekly benefits payable to him under the plan, or between the company and the union as to the interpretation or application of or compliance with the provisions of the plan or this agreement . . . and agreement cannot be reached with respect to such differences between representatives of the company and the union designated for the purpose, then the question shall be referred to an impartial umpire selected by the company and the union . . . (16)

Under all plans, selection of the impartial arbitrator was the responsibility of company and union representatives. However, a few of the plans which provided for the appointment of temporary, ad hoc, arbitrators permitted selection by an outside agency if the parties could not agree on one. For example, the American Can-IAM plan provided:

. . . If the company and the union are unable to agree upon an arbitrator, then upon application of either, the Federal Mediation and Conciliation Service will appoint an arbitrator. (17)

#### Plans Similar to Pittsburgh Plate Glass-UGCW Plan

Of the 10 plans similar to Pittsburgh Plate Glass-UGCW plan, only the Libbey-Owens-Ford-UGCW plan was identical in all respects. Four plans negotiated by the Glass and Ceramic Workers with four other glass companies were similar to the Pittsburgh Plate Glass-UGCW plan except that the employers contributed 5 cents per hour worked instead of 10 cents. The remaining five plans had few features in common with the Pittsburgh Plate Glass-UGCW plan, except for the individual account funding arrangement and its accompanying characteristics. The major differences are described below:

Financing. Three of the five plans differed from the pattern plan because they based contributions on hours paid instead of hours worked, and the employer contributed 5 cents an hour instead of 10 cents an hour:

The company shall contribute to the fund and shall credit to each employee's fund account 5 cents for each hour for which an employee receives pay on or after December 26, 1955. (18)

Another one, the Joint Plumbing Industry Board-PPF plan, based contributions on the number of workers employed each day (\$4 per day worked by each journeyman plumber and \$2 per day worked by each apprentice). These four plans, unlike the Pittsburgh Plate Glass-UGCW plan, did not limit the maximum amount creditable to an employee's account; also unlike their pattern plan, they did not permit the use of company contributions for vacation benefits.

Instead of basing contributions on the amount of time worked, the plan for Leeds and Northrup Co. employees based them on the company's net earnings:

The company will contribute to the fund on account of each year of the company's operation ending with a plan year a portion of its available net earnings for such year. The contribution shall be as follows: . . . For the plan year 1945 and each succeeding plan year, 2 percent of its available net earnings for such year . . . provided, however, that if the application of this formula produces less than \$5,000, the company will make no contribution. (19)

Each year each employee's individual account was first credited with an amount which raised the amount in his account to twice his normal weekly earnings and

then his account was credited with his proportionate share of the remainder of the company's total contribution:

In the case of each contribution on account of a plan year subsequent to the plan year 1945, the outstanding account, if any, of each member of the last day of such subsequent year shall first be adjusted by crediting or debiting the same for appreciation or depreciation, respectively, of the market value of the fund . . . and thereafter the contribution shall be credited to the accounts of all such members as follows:

To the account of each new member and to the account of each other member whose account after adjustment . . . is less than twice his normal weekly earnings for such year there shall first be credited an amount sufficient to bring his account to twice his normal weekly earnings.

In respect to the balance of the contribution there shall be credited to the account of each such member such per centum proportion of his effective normal annual earnings for the plan year on account of which the contribution is made as the amount of such balance bears to the sum of the effective normal annual earnings for that year of all such members. (23)

Types of Benefits. In addition to the types of benefits provided by the Pittsburgh Plate Glass-UGCW plan, four plans had benefits for partially unemployed workers (special and/or short workweek benefits) (table 4). One of these—the General Motors (Inland Manufacturing Division)-URW plan—also permitted withdrawals from laid-off workers' accounts for the payment of their health insurance premiums.

. . . an employee who is on continuous layoff for a full calendar month for a reason attributable to the corporation . . . and with respect to such month receives no earnings from the corporation, may authorize the corporation to withdraw for each such month from the income security fund and pay on his behalf to the plans providing the coverages an amount equal to the full cost of continuing the employee's hospital and medical expense benefit coverages . . . Such monthly withdrawals may be made for up to a maximum of 12 months during each continuous period of layoff and be charged to the employee's security fund account. When the employee's account is exhausted or the balance in his account is less than an amount equal to the full cost of continuing the employee's . . . coverages . . . no further withdrawals may be made. (20)

In an emergency, the Joint Plumbing Industry Board-PPF plan permitted withdrawals.

Service Requirement. A shorter period of employment was required under all five plans for plan participation and benefit coverage than the 1 year required by the Pittsburgh Plate Glass-UGCW plan. Although membership in the plan for Leeds and Northrup employees was available to all workers employed on the last day of the year, workers could not collect unemployment benefits until they had acquired 6 months' service:

Any employee who is in service on the last day of any plan year shall be a member of the plan for such year.

Any member with at least 6 months of accredited service whose service is discontinued because of layoff for lack of work with the company shall be entitled to receive from his account weekly payments . . . (23)

Other plans had no service requirement provision.

Only employees in the bargaining unit were covered by the Clark Equipment-Allied Industrial Workers and Joint Plumbing Industry Board-PPF plans:

As provided for in the collective bargaining agreement between the parties, set forth herein is the supplemental unemployment benefit plan covering all employees embraced by the collective bargaining agreements and probationary employees in the bargaining units covered by such agreements between the parties. (18)

The A. O. Smith-Federal Labor Union plan excluded employees exempt from the overtime provisions of the Fair Labor Standards Act.

Each regular, full-time employee of the company who has been in the continuous employment of the company for 180 days, and who is not exempt from the minimum wage and overtime pay requirements of the Fair Labor Standards Act of 1938, as amended (as determined by the company), shall be eligible for a security account under this plan. (21)

Regular Weekly Unemployment Benefit. Four of the five plans, like their pattern plan, generally paid a regular weekly unemployment benefit even though the worker was not collecting a State UI benefit. Only the Joint Plumbing Industry Board-PPF plan required the worker to receive a UI benefit to get a SUB benefit. Also, unlike the pattern plan, two plans paid a larger benefit to laid-off workers ineligible for UI benefits. For example, one of these plans paid to totally unemployed, ineligible workers over 3 times the amount paid to workers eligible for UI benefits:

With respect to each week for which an employee who is eligible receives or is entitled to any unemployment compensation benefits, the employee may withdraw from the fund an amount equal to 6 times his base hourly rate; but in no case shall the employee's withdrawal for any such week, plus the unemployment compensation benefits and the employee's gross wages, if any, for the same week, exceed two-thirds of 40 times his base hourly rate.

With respect to each week (other than the waiting week), for which an employee who is eligible under this plan but is not entitled to unemployment compensation benefits, the employee may withdraw from the fund an amount equal to 20 times his base hourly rate, less his gross wages, if any, for the same week. (18)

Only under one plan was the amount of the regular weekly benefit the same for all workers (\$50); under another it was expressed as a fixed percentage of earnings—the type of formula used by most of the pooled fund plans. This is illustrated by the following clause:

During such time as the member continues to seek employment, each weekly payment shall be equivalent to 80 percent of his current base rate of weekly earnings or \$55, whichever is lesser, diminished by the amount of benefit he may be entitled to receive under any State or Federal plan of unemployment compensation and by the amount he may earn in other employment in respect of the week to which the payment is attributable. (19)

Two of the plans which, like the Pittsburgh Plate Glass-UGCW plan, paid the weekly amount requested by the laid-off worker, limited the maximum weekly withdrawal to a percentage of earnings instead of to the \$30 limit of their pattern plan (see clause 18 on this page).

Only 1 of the 5 plans did not base the number of weekly payments a laid-off worker received on the assets in his account at the time of layoff and the amount of his weekly withdrawal. The maximum number of withdrawals under the Joint Plumbing Industry Board-PPF plan, on the other hand, depended on the number of credit units a worker had accumulated:

. . . The trustees in their sole discretion . . . can authorize the payment . . . for the same period during which such participant receives payment under the New York State Unemployment Insurance Law . . . or for a period of weeks not to exceed five-sixths of the participant's service credits, whichever period is less. (22)

A journeyman plumber, under this plan, accumulated two units for each 5 days he was employed; an apprentice accumulated two units for each 10 days of employment. Five units were canceled for each weekly withdrawal. However, since the credit units were uniformly valued at \$10 a unit, the plans operated in nearly

the same fashion as the other individual account plans. The only significant difference was the requirement that a plumber could only withdraw five-sixths of his account in a single spell of unemployment, whereas workers under other plans could, if necessary, withdraw their entire account.

Special Weekly Unemployment and Short Workweek Benefits. As previously stated, four plans permitted a worker to withdraw money from his account for a week during which he was partially employed by his regular employer. If he was eligible for State UI benefits, three plans permitted him to withdraw as much as the entire amount withdrawable during periods of total unemployment; the fourth plan paid 70 percent of base hourly rate earnings lost in excess of 8 hours:

Any member . . . whose regular working hours with company are reduced below 80 percent of the normal number of working hours per week shall be entitled, upon his request, to receive from his account . . . weekly payments . . . determined as follows:

Each weekly payment shall be equivalent to 70 percent of: Eighty percent of the normal number of working hours per week, minus the number of hours actually worked in the week to which the payment is attributable, times his base hourly rate of pay for the hours actually worked in such week.

If there is in effect any State or Federal plan or system for the payment of benefits in similar circumstances, the amount to which a member may be entitled . . . shall be diminished by what he may be entitled to receive under such plan or system for each week. (19)

When workers were ineligible for UI benefits because of earnings over a specified sum, they could collect either 50 percent of average weekly earnings less actual earnings (one plan, see clause 18 on page 51), 70 percent of lost wages in excess of 8 hours (one plan, see first clause 19 on this page), or the difference, if any, between 50 percent of base weekly wage and 50 percent of gross earnings (one plan):

With respect to each week for which an employee has gross wages from the corporation in an amount sufficient to disqualify him from unemployment compensation benefits, the employee may withdraw from the income security fund an amount equal to an amount of up to 20 times his base hourly rate less 50 percent of his gross wages from the corporation for the same week. (20)

Administration and Appeals Procedure. Like the Pittsburgh Plate Glass-UGCW plan, plan administration was generally the company's responsibility. One plan, however, was administered by a joint unemployment benefit committee which, unlike most joint committees, was unbalanced in favor of the company; it consisted of five company representatives and three union representatives:

The general administration of the plan shall be placed in the unemployment benefit committee. The committee shall consist of five members appointed by the president of the company and three members appointed by the executive committee of the Leeds and Northrup Employees Union, annually in the month of May to serve during the ensuing plan year . . .

All resolutions by the committee shall be by concurrent vote of at least five of its members, two of whom shall be union appointees and three of whom shall be company appointees. (19)

While determinations of this committee concerning interpretation, application and administration of the plan were final and binding, the worker could appeal questions concerning certain facts through the regular grievance procedure.

. . . in respect of any question concerning accredited service, reason for separation from service, normal annual earnings, normal weekly earnings, financial necessity permitting withdrawals . . . and kindred matters any union employee shall have the right to have the question determined under the grievance procedure provisions of the appropriate union agreement . . . Any such determination shall supersede the decision of the committee in regard to the matter so brought into question. (19)

The one multiemployer individual account plan, the Joint Plumbing Industry Board-PPF plan, was administered by a joint board consisting of representatives of the industry and the union. The board's decisions were final and binding; the worker did not have the right to appeal an unfavorable action. The decision of a majority of the trustees was final in all matters requiring administrative action. However, issues on which the board could not agree were referred to an impartial arbitrator:

In the event of a deadlock resulting from the failure of the employer and union trustees to agree on a matter relating to the administration of the fund, then and in that event, the trustees shall appoint an impartial umpire to decide such dispute, and upon the failure of the trustees to agree within a reasonable length of time upon the selection of an impartial umpire, either the employer or union trustee may petition the U.S. District Court for the Southern District of New York, for the appointment of such impartial umpire. (22)

Appeals of workers covered by two additional plans went to a joint union-management board of administration. One of these boards was headed by an impartial chairman. Under the other plan, appeals first went to the joint board established by the company's pension plan, and then, if necessary, to an impartial arbitrator:

If the applicant is dissatisfied with the company determination . . . the applicant may within 5 working days after receiving notice appeal the determination to the board of administration heretofore established by agreement between the parties hereto in connection with the Clark Equipment Company Pension Plan. Such appeal must be in writing and must specify the grounds thereof . . . In the event of deadlock between the company and union members of the board, the company and the union shall, as quickly as possible, agree upon and select an impartial arbitrator, who shall have power to make a final decision . . . (18)

One single-employer individual account plan did not permit workers to appeal unfavorable decisions and the company had the last word:

Any questions concerning the administration of the plan shall be settled by the company. (21)

## Chapter V. Other Supplemental Unemployment Benefit Plans

Of the nine SUB plans that did not fit within the scope of 1 of the 5 pattern plans, six were multiemployer pooled fund plans established under multiemployer agreements with unions in construction (1 agreement), women's apparel (35),<sup>71</sup> printing (1), water transportation (1), retail food (9),<sup>72</sup> and retail drug (1) industries.<sup>73</sup> The remaining three plans were unfunded plans included in single-employer agreements in the cane sugar refining; chemical; and stone, clay, and glass (abrasive segment) industries.

All but 1 of the 9 plans, like the plans previously described, provided benefits for workers laid off temporarily. The women's apparel industry plan was designed solely for workers permanently laid off owing to an employer's going out of business.

### Multiemployer Pooled Fund Plans

Collective bargaining agreements establishing multiemployer pooled fund plans rarely went beyond specifying the types of unemployment situations to be covered by the plan benefits, the employers' contribution, and the composition of the board of trustees to administer the plan. All other key provisions, including types and amounts of benefits and eligibility requirements, were left to subsequent determination by the trustees. A typical ILGWU agreement in the women's apparel industry read:

Of the 9 percent to be paid by each member of the association . . . one-half percent thereof is hereby allocated to and shall be paid over by the joint board . . . to the supplementary unemployment-severance benefits fund, ILGWU . . .

The supplementary unemployment-severance benefits fund, ILGWU is administered by a board of trustees composed of union representatives and an equal number of employer contributors to the fund. The board of trustees has adopted by-laws and regulations which include the detailed basis upon which payments from the fund will be made to eligible workers entitled to benefits therefrom . . .

The board of trustees shall have the power to modify from time to time such by-laws and rules and regulations, including the detailed basis upon which payments from the fund are made to eligible workers entitled to benefits therefrom. (23)

Only the collective bargaining agreements incorporating the Retail Clerks plans restricted the trustees' choice of benefit formulas. These agreements limited the maximum weekly benefit amount payable by the funds:

The coverage to be provided shall be determined by the trustees of such fund and limited to such benefits as can be purchased by the contributions provided for above, except that benefits for unemployed persons shall not exceed 65 percent of the weekly straight-time earnings, or 80 percent of the weekly straight-time earnings for disabled persons who receive benefits under the State disability or workmen's compensation laws, for the duration of such benefits and based on the eligibility requirements of the State programs, except for employees unemployed because of a strike by employees covered hereby . . . (24)

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<sup>71</sup> Five ILGWU agreements in other industries also incorporated this plan.

<sup>72</sup> Six of these agreements also provided a weekly wage guarantee (see ch. VI).

<sup>73</sup> These plans are hereinafter referred to as the Carpenters plan, the ILGWU plan, the Photoengravers plan, the NMU plan, and the Retail Clerks plans.

Financing. Also under multiemployer pooled fund plans, the employer's periodic contribution was not dependent on the value of the funds. It varied only with size of payroll or work force.

Contribution Varied by Size of Payroll

. . . each member of the association shall pay to joint board for and on behalf of the health and welfare fund, the retirement fund, and the supplementary unemployment-severance benefits fund, ILGWU a sum equal to 9 percent of the total gross weekly wages (before deductions for taxes), for all of the workers in the crafts set forth . . . who are employed in his (the member's) inside shop, if he maintains one and shall also pay the following percentages on the total payments made by him to each of his contractors for direct labor, floor costs, and overhead: . . . Of the 9 percent to be paid by each member of the association to the funds . . . one-half percent thereof is hereby allocated to and shall be paid over by joint board to the supplementary unemployment-severance benefits fund . . . (25)

\* \* \*

Contribution Varied by Size of Work Force

The employers agree to contribute . . . for each journeyman and advanced apprentice employed . . . \$1.50 to a supplemental unemployment benefit fund to provide unemployment benefit for those covered by the fund . . .

The employers agree to contribute . . . for each registered apprentice employed . . . 75 cents per week to the unemployment benefit fund. (26)

Like the Pittsburgh Plate Glass-UGCW and U.S. Steel-USA plans, total contributions to the funds established under the Carpenters, NMU, and Retail Clerks plans (4) were based on hours worked. The amounts contributed varied widely. The employers signatory to the Carpenters plan paid 15 cents per hour worked; maritime employers contributed about 3.3 cents per hour worked by each employee (25 cents per day);<sup>74</sup> and retail food and drug stores paid 2 cents per hour worked. In contrast, under the ILGWU plan the employer contribution was implicitly based on hours paid for because it was expressed as one-half of 1 percent of total company payroll.<sup>75</sup> A still different contribution base was used by the Photoengravers plan—\$1.50 weekly for each journeyman and \$0.75 weekly for each apprentice employed at any time during the week.

Types of Benefits. The benefits provided by the multiemployer fund plans were similar to those of other SUB programs. All except the ILGWU plan provided a special benefit for partially employed workers; none had a short work-week benefit.<sup>76</sup> The NMU and ILGWU plans provided separation pay<sup>77</sup> and the Carpenters, Retail Clerks, and NMU plans paid weekly benefits to temporarily disabled active workers.<sup>78</sup>

Service Requirement. Like the pattern plans, benefits were payable only to employees with a certain amount of covered employment. The requirements, however, differed from pattern plan requirements primarily because they reflect the employment practices of the industries in which they operated. Work performed for any of the contributory employers was counted in determining eligibility, except under the ILGWU plan which required a certain amount of employment with the terminated employer:

<sup>74</sup> During the period of July 1, 1963, to June 15, 1965, the SUB contributions required under the maritime industry plan would be diverted to the pension and welfare program.

<sup>75</sup> No contributions were made, however, for vacation hours, because employers paid for vacations indirectly through a multiemployer vacation fund rather than as a direct payroll expense.

<sup>76</sup> Most of the workers in the retail food industry who were covered by the Retail Clerk's SUB plan described in this chapter had a weekly wage guarantee (see footnote 73).

<sup>77</sup> Op. cit., BLS Bulletin 1425-2, p. 1.

<sup>78</sup> See footnotes 15 and 16, p. 8.

To be eligible for weekly supplementary unemployment benefits . . . an employee . . . must have received earnings from such a terminated employer in not less than 4 calendar quarters in the 8 consecutive calendar quarters immediately preceding the termination quarter, except that an employee whose last period of continuous employment with such a terminated employer began during the 2 or 3 consecutive calendar quarters immediately preceding the termination quarter must have received earnings from such a terminated employer in each of such calendar quarters . . . (25)

The Photoengravers plan required a specified amount of employment immediately prior to layoff:

An employee who has been employed and contributed for by contributing commercial photo-engraving employers for a minimum of 1 year prior to making application for unemployment benefits shall be eligible to receive unemployment benefits . . . (26)

In contrast, under the other plans, laid-off workers qualified for benefits if they had completed the employment requirement within a specified period prior to layoff:

An employee will meet the hours of work requirement if he meets either of the requirements described below:

During the 12-month period preceding his application, he worked at least 32 hours in covered employment in each of 5 months; or

During the 12-month period preceding his application, he worked at least 32 hours in covered employment in each of 4 months, and in the first 12 months of the 24-month period preceding his application, he worked 32 hours in covered employment in each of 6 months. (27)

Regular Weekly Unemployment Benefit. Either a uniform amount or an amount based on before-tax earnings was payable to wholly unemployed workers. Both the Photoengravers and NMU plans paid all unemployed workers an identical weekly amount, \$20 and \$25, respectively, while they were collecting State UI benefits. When UI benefits ceased, seamen were raised to \$40 a week, but photoengravers remained at \$20. The remaining plans paid a benefit based on earnings. The total benefit, including the UI benefit, of the two Retail Clerks plans was 65 percent of before-tax earnings—a slightly higher payment than provided by the pattern plans. Also unlike the pattern plans, these two plans did not limit the maximum weekly benefit payable and they paid benefits only while the person collected UI benefits. The ILGWU plan's weekly benefit ranged from \$12.50 to \$25, depending on the average weekly wage of the individual worker:

An employee who is eligible to receive benefits . . . shall receive a weekly supplementary unemployment benefit determined as follows:

An employee whose average weekly wage is:	Shall be entitled to receive a weekly supplementary unemployment benefit of:
Under \$55.00 -----	\$12.50
From \$55.00 to \$64.99 -----	15.00
From \$65.00 to \$74.99 -----	17.50
From \$75.00 to \$84.99 -----	20.00
From \$85.00 to \$94.99 -----	22.50
\$95.00 and over -----	25.00

In addition . . . employees eligible for benefits thereunder, provided the employer terminated on or after May 1, 1963, shall receive:

An amount equal to one-half of their weekly supplementary unemployment benefit for each week after the first 26 weeks that they receive a weekly supplementary unemployment benefit . . . (25)

Generally, fewer weekly benefit payments were payable under the multi-employer pooled fund plans than under pattern plans. A garment worker, for example, received from 3 to 48 weekly payments, depending on his years of employment with the employer by whom his service had been terminated:

Years of continuous service	Number of weekly payments
1/2 to 2 -----	3
2 -----	6
3 -----	9
4 -----	12
5 -----	15
6 -----	18
7 -----	21
8 -----	24
9 -----	27
10 -----	30
11 -----	33
12 -----	36
13 -----	39
14 -----	42
15 -----	45
16 and over -----	48

(25)

Seamen collected benefits for a maximum of 8 weeks, and retail clerks and carpenters, for 26 weeks.

All photoengravers were assured benefits for a maximum of 26 weeks, and those who were reemployed during the same year for a short period of time could collect additional weekly payments when the 26 weeks were exhausted:

An employee . . . shall be eligible to receive unemployment benefits for a maximum of 130 working days in any 1-year period. Any such employee who shall have received the maximum of 130 working days of unemployment benefits within the 1-year period may be eligible to receive extended unemployment benefits not to exceed 65 working days within the said 1-year period, provided, however, that such employee shall have been employed and contributed for by a contributing . . . employer for a minimum of 7 weeks within the 1-year period . . . (26)

Workers who received all the benefit payments provided by this plan during 1 contract year did not automatically become eligible for benefits during the next contract year:

Employees who have received unemployment benefits in any 1-year period shall be employed and contributed for by contributing commercial photoengraving employers for a minimum of 13 weeks within the 1-year period immediately preceding the filing of application for benefits before again becoming eligible for unemployment benefits. (26)

Unlike other SUB plans, the NMU plan limited the maximum number of weekly benefit payments to each period of unemployment rather than to each contract or benefit year.

A seaman may receive a maximum of 8 weeks of benefits for any one period of unemployment when laid off as a result of layup, loss, transfer, or sale of ship, or reduction in the crew of his vessel. (28)

All plans gave the trustees the right to modify or revise the rules and regulations governing benefit payments:

If, in the sole judgement of the board of trustees, the solvency of the fund requires that either benefits and/or the duration of benefits be reduced or otherwise adjusted, the board shall have full power and authority to do so without notice on a fair and equitable basis. (25)

However, the Carpenters plan was the only one which specifically provided for a reduced number of payments on a month-to-month basis, when the fund's value fell below a certain level:

The trustees may, in their discretion, limit the payment of benefits under this plan whenever the value of the fund falls below an amount calculated by multiplying \$3,750 by the number of months which have elapsed since September 1, 1961. The limitation shall remain in effect for 1 month at a time and the trustees shall determine the extent of limitation at the beginning of each month period in accordance with the following schedule: . . .

Value of the fund	Maximum weeks of benefits	
\$360,000 but less than \$400,000 -----	24	
\$320,000 but less than \$360,000 -----	22	
\$280,000 but less than \$320,000 -----	20	
\$240,000 but less than \$280,000 -----	18	
\$200,000 but less than \$240,000 -----	16	
\$160,000 but less than \$200,000 -----	14	
\$120,000 but less than \$160,000 -----	11	
\$80,000 but less than \$120,000 -----	8	
\$40,000 but less than \$80,000 -----	4	
Less than \$40,000 -----	0	(27)

Special Weekly Unemployment Benefit. The benefit amounts provided to partially unemployed workers, by all plans except the ILGWU plan, were computed by the same formula as the regular benefits provided totally unemployed workers.

Administration and Appeals Procedure. All six plans were administered according to the rules and regulations promulgated by a jointly appointed board of trustees.

The board of trustees shall have the right to establish reasonable rules and procedures concerning the time and place at which persons desiring to may apply for a benefit and make application. So far as is practical, such procedures shall require the applicant to apply for a benefit under the plan during the same week as she shall have received a benefit under a State system. (27)

Decisions of the Board of Trustees were final and binding:

The interpretation of these regulations shall be vested solely in the trustee. (28)

If, however, the trustee could not reach agreement by majority vote, the plans provided for the settlement of the issue by an impartial arbitrator. The NMU plan was the only plan which specified the use of the impartial arbitrator appointed under the basic collective bargaining agreement. The other plans required the board of trustees to appoint the arbitrator. If the trustees of the Retail Clerks plans could not select an arbitrator, he was appointed by the U.S. District Court, Southern District of California, Central Division; under the ILGWU plan, selection of the arbitrator was to be made by the Secretary of Labor, if the trustees could not agree on one. None of the plans permitted a laid-off worker to appeal unfavorable decisions of the board to an impartial arbitrator. However, under the Photoengravers plan, an aggrieved worker could file a protest and have the board reconsider his claim:

Any person aggrieved by a decision or ruling made by the trustees or any of them or any duly appointed representative may file a protest to the trustees . . .

Within a reasonable time after the filing of a protest, the trustees shall give a protesting party a personal hearing. The trustee shall render a decision in writing within 30 days after the completion of the personal hearing. Such determination shall be final and binding upon the parties. (26)

Although, under the ILGWU plan, aggrieved workers could not appeal the board's decisions, they could appeal unfavorable decisions of the administrator of the plan—the board of trustees' authorized representative—to the appeals committee established by the board:

An appeal from a decision of the administrator on an original application or an additional application may be made by an employee who files such application . . .

Any aforementioned person or committee entitled to appeal from a decision may appeal therefrom to the appeals committee . . .

The appeals committee shall consist of six union trustees and six employer trustees appointed by the board of trustees. (25)

If the appeals committee could not reach a decision, the case was referred to the executive committee for a final and binding determination:

The decision of the appeals committee shall be final and binding. If the appeals committee is deadlocked on any case, the case shall be referred to the executive committee whose decision shall be final and binding.

The executive committee of the board of trustees . . . shall be vested with the full powers of the board of trustees between sessions of the board of trustees.

The executive committee shall consist of the officers of the board of trustees and six other trustees, three of whom shall be designated by and from among the union trustees and three of whom shall be designated by and from among the employer trustees. (25)

### Unfunded Plans

The only benefit provided by the three unfunded plans was a weekly unemployment benefit supplementing UI benefits. No benefits were payable to workers ineligible for the State benefit.

To be eligible for benefits a laid-off employee must: . . . be receiving State unemployment benefits. (29)

Under both the Minnesota Mining and Manufacturing—Oil, Chemical and Atomic Workers (OCAW) plan and the California and Hawaiian Sugar Refining—Seafarers (SIU) plan, payments were restricted to certain groups of laid-off workers. The former plan, which covered all male employees, limited coverage of female workers to those with at least one dependent.

Objective—To provide a greater measure of income protection during periods of unemployment for all eligible male employees and for eligible female employees who are the sole support of one dependent or more (excluding themselves as a dependent) by supplementing State unemployment benefit payments.

To provide income protection for permanent full-time employees as mentioned above. (30)

The latter plan paid benefits only to workers laid off because of a plant shutdown.

Any employee with plant seniority of 1 year or more who is laid off because of a plant shutdown shall, subject to the provisions of this plan, have any State unemployment insurance compensation benefits to which he is eligible supplemented by the employer . . .

Supplemental benefits shall not be paid during plant shutdowns caused by any cause beyond employer's control. (31)

Both the California and Hawaiian Sugar Refining—SIU and Minnesota Mining and Manufacturing—OCAW plans paid a weekly benefit of 65 percent of after-tax wages, including the UI benefit. The former plan paid benefits for 26 weeks beginning with the third week of layoff.

For the first 2 weeks of unemployment within any benefit year, no supplemental benefits.

For the 3d through the 27th weeks of unemployment within any benefit year, a supplemental benefit which . . . when added to his State benefit for such weeks, shall equal 65 percent of his regular take-home pay.

For weeks of unemployment thereafter, within the benefit year, no supplemental benefits.

An employee's "regular take-home pay" is the rate of the job held by him immediately prior to the plant shutdown . . . reduced by all withholdings and taxes required or imposed by law and all amounts which the employee has authorized to be deducted from his pay for employee benefit plans. In the case of daily rated jobs, pay shall be computed on the basis of a 40-hour week. (31)

Under the latter plan, the duration of benefits depended on the worker's length of service: One week of benefits for each year of service up to 26 weeks of benefits. The plan excluded employees with less than 5 years of service, and paid no benefits during the waiting period required under the State UI law.

Years of service	Weeks of SUB
Under 5 -----	0
5 -----	5
6 -----	6
7 -----	7
8 -----	8
9 -----	9

etc. (1 week of SUB per year of service credit up to a maximum of 26 weeks of SUB payments.

To obtain benefits, the employee must . . . present his State unemployment compensation check weekly to the personnel office for verification and processing of claim. (30)

Instead of varying the duration of benefits by the length of service, the National Lead-Painters plan based the weekly benefit payment on the years of service at the time of layoff.

Length of service (at time of layoff)	Weekly benefits	Maximum weekly company liability
2 but less than 10 years -----	\$57 less State unemployment benefits	\$17
10 but less than 20 years -----	\$67 less State unemployment benefits	\$27
Over 20 years -----	\$72 less State unemployment benefits	\$32

(29)

Unlike the other plans, the maximum duration of benefits under this plan was much shorter than the maximum length of UI benefits. The unemployment benefit was payable for a maximum of 15 weeks during any one contract year or a cumulative total of 22½ weeks during the 3-year contract period.

Employees who are laid off because of lack of work shall be entitled to the following weekly layoff benefits for a period not to exceed 15 weeks.

No more than a total of 15 weeks of benefits in 1 contract year or a cumulative total of 22-1/2 weeks during the term of the agreement will be provided an employee. (29)

Minnesota Mining and Manufacturing Co. -OCAW plan, on the other hand, provided for reinstatement of full benefit payments after 6 months of employment following a layoff:

When an employee has received any benefits for which he is eligible under this plan as per the schedule, he will have his full benefits reinstated after 6 months of continuous active service. (30)

Like the pattern plans, under the National Lead-Painters plan payments depended on the receipt of government rulings allowing the company to regard the payments as a business expense in its income tax returns. If unfavorable rulings were received, alternate benefits would be provided.

The company agrees to institute the following layoff benefit plan provided it meets with State and Federal approval and provided the company's expense is considered operating expense. If not, then a substitute plan will be provided with equivalent benefits that meet the standards. (29)

Similar clauses were not found, however, in the other unfunded plans.

## Chapter VI. Wage-Employment Guarantees

Wage and employment guarantees, as defined for this study, assure a minimum amount of pay or employment to eligible workers who start work or report for work at the beginning of the guarantee period. Some contracts with a guarantee promise a stipulated amount of employment; others guarantee a certain amount of pay. However, since little real distinction exists in practice between these two types of guarantees, the terms wage guarantee and employment guarantee are used interchangeably in this report.

Guarantees not only vary by the length of the guarantee period (weekly, annual, etc.), but also by such factors as the amount guaranteed (i. e., number of hours or days guaranteed), eligibility and work requirements, and conditions under which the guarantee would be reduced or waived. The amount of detail on these various factors differed considerably among the provisions. Except for the section on annual guarantees in which the analysis was expanded, only the guarantee provision was analyzed, although other sections of a contract often directly or indirectly affect the guarantee provision (e. g., layoff and dismissal notices, seniority provisions, and hours of work). The study probably understates weekly guarantees that may be implicit in agreements covering salaried workers. For example, arbitrators have found that a salary rate established for an employee scheduled to work a full pay period, reenforced by a requirement for prior posting of work schedules, amounts to an employment or salary guarantee for the pay period for employees scheduled to work.

Of the 1,773 major agreements studied, fewer than 10 percent (139), representing a similar proportion of the covered workers, had a guarantee provision.<sup>79</sup> Weekly guarantees—the most limited guarantee falling within the scope of this study—were provided by most of these agreements (117). Only six contracts included an annual guarantee provision. Half of the remaining 16 had monthly or semimonthly guarantees.

### Weekly Guarantees<sup>80</sup>

**Prevalence.** Weekly guarantees were provided to some or all workers by 117 major agreements which covered approximately 513,000 workers (table 15).

Most of the agreements (81) were in nonmanufacturing industries, chiefly trucking, local transit, and retail trade. The trucking agreements included the Teamsters' Central States local cartage and the Western States freight agreements, covering 110,000 and 60,000 workers, respectively. Among the agreements in retail trade were 9 agreements<sup>81</sup> between the Food Employers Council (Southern California) and the Retail Clerks and the Meatcutters covering about 41,000 workers, and 11 Montgomery Ward contracts (10 with the Teamsters and 1 with the Retail Clerks), covering over 11,000 workers.

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<sup>79</sup> Guarantees of at least a week's pay and/or work are analyzed in this report. Data on lesser guarantees such as call-in and callback pay and daily guarantee provision, and indirect guarantees such as layoff and dismissal notices will be included in forthcoming reports in this series.

<sup>80</sup> The entire weekly guarantee provisions of the following agreements are reproduced in full in appendix B: Montgomery Ward-Teamsters agreements (10); Swift & Co.-United Packinghouse and Swift & Co.-Amalgamated Meatcutters agreements (2); and the Teamsters' agreement with Central States area local cartage companies.

<sup>81</sup> Eight of these agreements also provided weekly supplemental unemployment benefits (see ch. V).

All of the 36 agreements in manufacturing with weekly guarantees were in the food industry, 19 were in meatpacking and 12 in dairies.

The Teamsters Union negotiated almost half of the agreements with a weekly guarantee (54). Most of the remaining agreements were bargained by the Meatcutters (18), Retail Clerks (10), Packinghouse Workers (7), Amalgamated Transit<sup>82</sup> (6), and Machinists (5). Twelve other international or national unions had one or two agreements with weekly guarantees.

Weekly guarantees were more common in multiemployer than in single-employer agreements (table 16). In both food manufacturing and retail trade, the guarantees were about equally divided between single-employer and multiemployer units, although the proportion of workers covered by each type differed considerably. Seven out of 10 agreements in the transportation industry were negotiated with multiemployer groups.

Weekly guarantees were generally applicable to all or nearly all workers covered by the collective bargaining agreements. Some agreements covered all workers; others, permanent or regular workers; and still others, regular full-time hourly workers. Examples of clauses defining the workers to whom the guarantee was applicable are cited below:

. . . the company guarantees to each regular full-time hourly paid employee pay equivalent to 36 hours of work at his regular rate of pay . . . [excluding] employees hired on a day basis who normally work for a period of less than 5 consecutive days. Examples: Cured hide takeup, snow shovellers, supply unloaders, wreckers, etc. (32)

\* \* \*

All regular employees shall be offered 40 hours of work each week, provided that this shall not apply to ice cream packaging girls, regular part-time students, or regular part-time employees working not more than 2 days per week . . . (33)

\* \* \*

Guarantee for free extra men—men on the free extra list shall be guaranteed a minimum of 40 hours total pay time per week on a 5-day basis. Any work done on the 6th day or 7th day shall be paid in addition to the 40-hour guarantee. (34)

Eligibility Requirements. Workers were usually eligible for the weekly guarantee immediately upon being employed or after serving short probationary periods. As shown below, only 16 agreements explicitly specified the minimum service required for coverage other than service required solely to complete a probationary period:

Minimum service requirement (months)	Agreements	Workers (in thousands)
Total-----	16	19.2
2-----	1	1.2
3-----	1	1.0
12-----	2	3.9
18-----	1	2.0
24-----	11	11.1

The 11 contracts requiring 24 months of service were negotiated by Montgomery Ward with the Teamsters (10 agreements) and the Retail Clerks (1 agreement).

<sup>82</sup> Prior to July 1964, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees.

Only two multiemployer agreements—the Machinists agreement covering automotive repair workers in San Mateo, Calif., and the Teamsters contract with the Chicago and Suburban Ash and Scavenger Association—had minimum service requirements. One required 2 months of employment with the same employer (see clause cited below), and the other, 3 months:

To qualify for a guaranteed weekly wage, an employee must have been continuously employed by his employer for a period of 60 calendar days. (35)

Other than length-of-service requirements, the guarantees, in general, were applicable to all eligible workers regardless of their seniority status. Only nine agreements, eight in the trucking industry, withheld the guarantee from low-seniority workers. For example, the Central Motor Freight Association-Teamster agreement provided that:

All employees within the top 80 percent of the seniority roster shall be guaranteed 40 hours of straight time each workweek, when reporting in. (36)

Prerequisites for Guarantee. Inherent in guarantee provisions is the understanding that the employee must be available and willing to work when work is provided. In 85 agreements, the prerequisites for a guarantee were specifically stated:

Prerequisites	Agreements
Total .....	85
<b>Worker must:</b>	
Be scheduled for or called to work .....	19
Perform some work during the week .....	27
Be available for work .....	17
Report to work or must not be absent from work .....	22

In about 1 out of 6 agreements, the guarantee applied only to employees scheduled to work during the week.

. . . regular permanent full-time plant employees . . . shall be guaranteed an opportunity to work 40 hours per week in any workweek in which such employee is scheduled to work. (37)

The same idea was expressed in a number of agreements in the meatpacking industry, as follows:

The company will guarantee a minimum of 36 hours per week, Monday to Friday, inclusive, for all regular full-time hourly paid employees . . . who are not laid off by or before the end of the last scheduled workday of the preceding week, and for employees called to work in their regular seniority turn on any day Monday through Friday . . . (38)

The guarantee provided under some retail food agreements, including those negotiated by the Retail Clerks with the Food Employers Council (Southern California), applied only to employees who worked as scheduled or required (i. e., were requested to work during the guarantee week).

Under all except 1 of the 27 guarantee provisions applicable to employees who worked during the week, no fixed amount of time that employees had to work in order to be covered was specified. For example, the 11 Montgomery Ward agreements guaranteed work or pay instead of work "for any payroll week in which the employee performs any work, provided the employee is available for and able

to work." One agreement required employees to perform some work on almost every day of the week:

Any employee working 4 days or more per week, for more than 3 hours per day shall be paid a week's wages . . . (39)

Coverage by the guarantee during any one week was dependent, in a number of agreements, on the employee's availability and desire to work.

The company agrees to guarantee a 48-hour workweek to all hourly-paid employees provided they are available and willing to work. (40)

In other agreements, reporting to work was the criteria used in establishing whether or not a person was eligible for the guarantee.

. . . All regular employees shall be guaranteed 40 straight-time hours of employment each workweek when reporting in. (36)

Generally, an employee's work status during 1 week had no effect on his guarantee for the following week. The provisions in the 11 Montgomery Ward agreements were the only ones providing that the guarantees "shall not apply . . . to the first week in which the employee is called back after a layoff of 1 week or more."

Basis and Amount of Guarantee. Many of the weekly guarantee agreements studied assured eligible workers full employment during the week. Some promised a week's pay and others employment or pay instead of employment. Although the terminology of the provisions differed, there seemed to be little difference in the scope of the guarantee:

Employment guarantee:

All employees within the terms of this agreement shall be guaranteed not less than 40 straight-time hours of work per week. (41)

\* \* \*

Income guarantee:

Every permanent employee who reports for work regularly every day during the workweek will be guaranteed 40 hours of pay for the week. (42)

\* \* \*

Employment or income guarantee:

All regular employees shall be guaranteed a minimum of 36 hours of work or pay in lieu of work per week . . . (43)

Most frequently, the amount of the guarantee was expressed in hours per week, generally the regular full-time workweek, which in most cases amounted to 40 hours (table 17). An important exception was the guarantee of 36 hours to packing-house workers, although their regular workweek consisted of 40 hours.

Some contracts expressed the guarantee in terms of a minimum number of hours per day and days per week:

The guaranteed basic workweek for all full-time employees shall be 40 hours per week consisting of five 8-hour days. (44)

\* \* \*

All regularly scheduled hourly rated employees shall be given the opportunity to work five 8-hour days in any 1 regularly scheduled workweek . . . (45)

Only nine provisions, such as the following, expressed the weekly guarantee as a monetary amount:

. . . The employer agrees to pay each regular employee . . . earnings in any 1 workweek of not less than \$40 . . . (46)

\* \* \*

All regular employees except the youngest employee in each classification shall be paid not less than the minimum weekly earnings guarantee set forth . . . (47)

In the majority of provisions, a uniform amount of employment or pay was guaranteed all covered workers. About 3 out of 10 weekly guarantee provisions varied the amount according to such factors as job classification and seniority—the most common factors affecting the guarantee. For example, the amount guaranteed inside (plant) and outside (driver-salesmen) dairy and bakery workers sometimes differed, as illustrated by the following clause:

Butter and dairy plant employees, greasers, tire and battery men, and truck washers are guaranteed 7 1/2 hours on each of the scheduled 5 days per week and all other employees are guaranteed 8 hours on each of the scheduled 5 days. (48)

The hours guaranteed a Montgomery Ward employee were dependent on his seniority. However, the 10 Teamsters agreements guaranteed employees in one department 4 hours less work than other employees of equal seniority.

Regular full-time employees, except employees in the mail opening department, with 5 years or more of continuous service will be guaranteed 40 hours of work . . .

Regular full-time employees in the mail opening department with 5 years or more of continuous service will be guaranteed 36 hours of work . . .

Regular full-time employees, except employees in the mail opening department, with 2 years or more of continuous service will be guaranteed 37 hours of work . . .

Regular full-time employees in the mail opening department with 2 years or more of continuous service will be guaranteed 33 hours of work . . . (49)

Three contracts provided different guarantees for male and female employees, as illustrated by the following clause:

All qualified male employees shall be guaranteed 40 hours of work per week or its equivalent in pay. All qualified female employees shall be guaranteed 36 hours of work per week or its equivalent in pay. (50)

In the New England Road Builders' Association-Operating Engineers agreement, for example, the guarantee was in effect only during certain seasons of the year:

During the months of April through November, employees who are working on heavy and highway construction shall be paid on a weekly basis 40 hours, Monday through Friday. During the months of December, January, February, and March, there shall be no 40-hour workweek, but payment shall be for hours actually worked. (51)

Worktime Credited Toward Guarantee. The hours of work to be credited toward the guarantee were not defined in 7 out of 10 provisions. Usually they were indefinite, as in the following:

All employees other than haulers shall be guaranteed 5 days of work per week. (52)

However, some provisions specifically provided that only hours worked at straight-time pay were to be credited toward the guarantee:

Exclusive of overtime and voluntary absenteeism, they shall be paid a sum equivalent to 40 hours at the straight-time rate, based on the 40-hour week. (53)

Others permitted the inclusion of overtime hours:

All regular employees shall also be guaranteed 40 hours of work per week. In computing said weekly guarantee, both the straight-time and overtime hours worked shall be included. (54)

A few prohibited the crediting of certain premium-pay hours:

The company may credit toward its obligation . . . only the following hours:

The hours actually worked by the employee during the period covered by the guarantee, but not including hours worked and compensated at double time on Sunday or the employee's designated day of rest in place of Sunday . . . (38)

On the other hand, one provision specified that hours worked on all holidays were credited toward the guarantee:

Hours worked on holidays shall be counted toward the weekly guarantee. (55)

In two others, work on certain holidays was excluded:

Hours worked on a holiday shall be counted toward the guarantee, except for holidays falling outside of the employee's 5-day guarantee period. (56)

Nonworktime Affecting the Guarantee. A majority of the guarantee provisions specified the nonwork hours during a regular workweek which either were credited against the guarantee or reduced the employer's obligation (table 18). These specifications, with few exceptions, were found only in those provisions which included prerequisites for the guarantee (see tabulation on page 64). A summary of the types of nonworktime affecting guarantees follows:

Nonworktime	Agreements	Workers <sup>1</sup> (in thousands)
All agreements with weekly guarantee -----	117	512.8
All agreements specifying nonworktime that affected guarantee -----	<sup>2</sup> 63	<sup>2</sup> 344.4
Hours credited against guarantee:		
Paid vacation -----	3	9.0
Paid holidays -----	32	284.8
Hours that reduced guarantee:		
Absences -----	39	111.3
Time lost due to tardiness -----	30	81.0
Time lost due to discharge or quit -----	13	14.8
Time lost due to being reemployed or recalled after start of workweek -----	15	63.8
Other -----	4	6.4
All agreements not specifying nonwork- time that affected guarantee -----	54	168.4

<sup>1</sup> Because of rounding, the sum of the components drawn from table 18 may not equal totals.

<sup>2</sup> Figures do not total since most agreements specified more than 1 factor.

Paid holidays were credited, in whole or in part, against the guarantee in 32 contracts. Usually the entire workday was charged against the total hours guaranteed:

. . . In weeks in which a holiday occurs, the guaranteed workweek is reduced to 32 hours. Employees are to receive in those weeks 32 hours of guaranteed work plus 8 hours of holiday pay. (57)

However, in the meatpacking industry, only 4 hours of the 8-hour paid holiday were counted:

Four hours of pay for hours not worked on a holiday shall be credited against the 36-hour weekly guarantee except for holidays falling outside of the employee's 5-day guarantee period. (56)

Because a workweek seldom consisted, in part, of paid vacation hours, only a few agreements provided for the crediting of such hours:

. . . in determining whether such guarantee has been met in the case of an employee entitled thereto, the employer shall receive credit for all of the following:

- (a) All hours of vacation, and
- (b) Unworked holidays, and
- (c) Days an employee does not report for work, or for the employee's own reasons is unable to work a full day's work even though he or she reports for work. (58)

Layoffs, absences, and tardiness require special exceptions to the guarantee. In the meatpacking agreements the following clauses were typically included for that reason:

Employees who are recalled from layoff and scheduled to report to work on the first day of the week but who exercise their rights under the seniority clause for additional time before reporting, shall have their guarantee reduced by the number of hours worked by the gang before they report.

Employees on laid-off status who, in the exercise of their seniority rights, have obtained employment in a department other than the department in which they hold regular seniority shall, upon returning to the department in which they hold regular seniority, have their guarantee reduced by the number of hours worked by that department prior to such employee returning to that department.

In the event an employee is absent (with or without permission) or tardy, his guarantee shall be reduced by the number of hours of work missed by such absence or tardiness. (59)

Other agreements, such as the Montgomery Ward agreements, simply provided that:

Time not worked in any payroll week by an employee because of voluntary absence, illness, tardiness, disciplinary layoff, and the like shall be deducted from the guarantee. (49)

Waiver of Guarantee. One out of three weekly guarantee provisions permitted the guarantee to be waived by management if certain circumstances existed during the week (table 19). About half of these cited "causes beyond the company's control" as a condition under which the guarantee might be waived. This reason was, with one exception, given in conjunction with one of the following reasons or more: Acts of God, breakdown affecting operations, strikes, national emergency, discharge, or voluntary absence. Two examples of waiver clauses are given below:

The . . . guarantee is not operative for all employees, including those who are under the transportation guarantee, under the following circumstances:

Where labor troubles in locals 25, 829, or union locals operating within the stores of the employer necessitate the closing of a department in the plants or warehouses; or in the event of disasters or conditions which are unqualifiedly beyond the control of the employer.

Where an employee is absent from work; is discharged for cause; has severed his connection with the company voluntarily; or is suspended . . .

Where an employee is laid off during the workweek due to being bumped by another employee with more seniority or an employee who is laid off from a temporary job because the regular employee has returned from a leave of absence of illness; provided, however, the laid-off employee does not have enough seniority to stay in the department. (60)

\* \* \*

In the event any of the . . . contingencies occur, . . . the minimum guarantee . . . provided for that current week shall be reduced to the extent necessitated by such contingency and for no longer period of time whatsoever.

1. Fire, flood, or other emergency resulting from damage, or breakdown to plant equipment or machinery, and/or
2. Lack of materials or supplies resulting from failure of delivery by persons or agencies other than the employer and beyond the employer's control, and/or
3. Stoppage of transportation facilities by strike or other circumstances for which persons or agencies other than the employer are responsible and which are beyond his control. (61)

Under some provisions, such as the following, unexcused absence waived the guarantee and excused absences reduced it:

In the event of unexcused absences, employees shall forfeit their total guarantee for the week, and in the event of excused absences, the employee's guarantee shall be reduced by the number of hours worked by his group on each day of such absence during the week. (62)

A summary of the conditions cited in the various guarantee provisions as acceptable reasons for waiving the guarantee follows:

Causes for waiver	Agreements	Workers <sup>1</sup> (in thousands)
Agreements with waiver provisions -----	238	2139.1
Causes beyond company's control -----	18	62.4
Natural causes such as acts of God, fire, inclement weather, floods -----	14	49.6
Breakdowns affecting plant operation ---	10	56.4
Strikes or other type of labor dispute ----	7	11.5
National emergency -----	3	22.2
Absenteeism -----	21	67.0
Other -----	8	16.5

<sup>1</sup> Because of rounding, the sum of the components drawn from table 19 may not equal totals.

<sup>2</sup> Figures do not total since most agreements specified more than 1 factor.

Transfer and Work Sharing. Management's right to transfer employees to available work was explicitly provided in 25 weekly guarantees; in others, the right may have been implied or stated elsewhere in the contracts. These provisions usually also prohibited reducing the wage rate of transferred workers:

When weekly hours of customary work are less than 40, the company reserves the right to transfer the employees to other work at no reduction in pay. (63)

A few, however, did not specify the wage rate for transferred workers:

. . . if work is not available in the employee's own classification, he shall work at any other work in the department provided for him by the employer. (64)

References to work sharing and revising the workweek were seldom found in the guarantee provision. An example of each type of reference that appeared is given below:

Work sharing:

The parties agree to the principle of sharing the work among the employees who are qualified to do the work available. The practical application of this provision shall be subject to agreement between the parties. (42)

Revising workweek:

If the company finds it necessary to curtail hours to less than the guaranteed minimums . . . the situation will be reviewed by the union and if circumstances warrant, the union will waive the weekly guarantee. Relaxation of the . . . guarantees will be limited to 3 weeks yearly during which the company shall guarantee 24 hours of work or its equivalent in pay. (63)

Annual Guarantees

Of the 1,773 major agreements studied, only 6 contained provisions for a guaranteed annual wage; that is, they assured some or all workers employment or pay for 10 months or longer. These agreements<sup>83</sup> are identified and described separately below:<sup>84</sup>

Company or association	Union	Guarantee period (in months)	Workers under agreement
Geo. A. Hormel & Co. ----- Austin, Minn.	Packinghouse, Food and Allied Workers (UPWA)	12	3,750
Michigan Sugar Co. ----- Saginaw, Mich.	Grain Millers (AFGM)	12	1,200
Retail Apparel Merchants ----- Association, New York, N.Y.	Clothing Workers (ACWA)	12	3,000
Retail Apparel Merchants ----- Association, New York, N.Y.	Clothing Workers (ACWA)	10	2,500
Shoe Retailers League, Inc. ----- New York, N.Y.	Retail, Wholesale and Department Store (RWDSU)	12	1,000
Wisconsin Public Service Corp. -- Green Bay, Wis.	Operating Engineers (IUOE)	24	1,000

Geo. A. Hormel-UPWA. The Hormel guaranteed wage plan covered all employees in the company's Austin, Minn., plant as soon as they were hired, except part-time and extra workers, and workers hired for a specific temporary period. Workers were guaranteed year-round employment and 52 paychecks, each equal to regular full-time pay based on the weekly work schedule of their department. A weekly work schedule for each department, not to exceed 40 hours, was subject to annual negotiation. In the year beginning April 1963, a 36-hour minimum was generally in effect throughout the plant. Full-time employment was not required during any one week, but the number of hours paid for could not drop below the minimum, i. e., generally 36 hours in 1963-64.

Each Austin employee of the company, unless specifically excepted by notice in writing by the company to the union, will be employed on an annual basis and shall receive the regular weekly rate of pay provided for him in a work schedule established for his department . . . In no case shall any such employee be employed for more than 2,080 hours within the applicable 52-week period. (64)

Overtime was not prohibited; overtime pay was required for employees working long hours a day or week, or a Sunday or holiday.

. . . time and one-half shall be paid for time in excess of 12 hours in any one day or in excess of 56 hours in any one week, except that any employee having been required to work more than 10 hours in any one day shall receive overtime at time and one-half for any hours in excess of 48 hours in that week; and double time shall be allowed for all hours worked on Sundays and holidays by such employees as are not regularly employed on such days, and employees belonging to regular operating departments shall be paid time and one-half for hours in excess of 53 hours in any one week. Such persons regularly employed on a Sunday or holiday shall receive double time if required to work on the 7th day of the week. (65)

<sup>83</sup> Not all workers under the agreement were covered by the guarantee. At the Michigan Sugar Co., to cite an extreme example, the guarantee covered 108 of the 1,200 employees under the agreement.

<sup>84</sup> Summaries of a few annual guarantee provisions in smaller agreements outside the scope of this study are presented in appendix C. After completion of this report the N. Y. Shipping Association and International Longshoremen's Association agreed to guarantee qualified workers 1,600 hours of work or pay annually. This guarantee becomes effective Apr. 1, 1966.

Holiday hours were credited toward the guarantee in the following manner:

. . . Departments on a weekly paid overtime basis, will be allowed 7 hours if the holiday falls on 1 of the first 5 days of the week, and 5 hours if the holiday falls on Saturday, all other departments will be credited one-sixth of their basic weekly hours, providing that, in each case, on the working day before and on the working day after, the employee is either present or absent by prearrangement . . . When the hours actually worked, plus the holiday hours, exceed basic hours, the yearend settlement for hours will include full payment for the holiday credit hours. When the hours worked by any employee exceed 2,080 during the year, the overtime payments due the employee will be calculated on the basis of figuring the holiday credit in any overtime payment due for the weeks in which the holiday occurred. (65)

At the end of the year, workers received a bonus for hours worked in excess of 2,080. If the worker was indebted to the company for hours paid for but not worked, his debt was canceled.<sup>85</sup>

Michigan Sugar-AFGM. Unlike most of the annual wage guarantees which covered all eligible employees, the Michigan Sugar guarantee was applicable to a limited number of men at each plant, as provided in the following excerpt:

It is agreed that the employer will give year-round employment to the following number of permanent employees at its various factories, selected from the seniority lists . . .

	Men	
Caro -----	27	
Croswell -----	22	
Carrollton -----	28	
Sebewaing -----	31	(66)

This guarantee was in effect only as long as the company operated the factories in which eligible workers were employed. If a plant was closed, the company had the option of either employing the affected worker at another establishment or giving him severance pay based on his length of service, as indicated below:

In the event the company decides not to operate any of the . . . factories, it shall not thereafter be liable for the continued employment of the number of men . . . for any such factory.

In the event that any of the employer's sugar plants . . . is sold or abandoned by employer, any year-round employee at such plant to whom employer (or purchaser of the plant in the event of sale), does not offer employment either at the same or other location at a reasonably similar rate of pay, shall be granted severance pay . . . (66)

Retail Apparel Merchants-ACWA. Salespeople were given stronger guarantees than bushelmen, pressers, and finishers in the two agreements negotiated by Clothing Workers with the Retail Apparel Merchants Association in New York City. The 3-year agreement applicable to salespeople read:

All permanent employees who come under the scope of this agreement shall be guaranteed steady employment throughout the life of this contract. (67)

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<sup>85</sup> Final total annual income of employee was computed according to a unilaterally established and administered earnings plan to which the guarantee wage was tied.

However, under this contract only certain employees were considered permanent; all other employees were temporary and subject to layoff:

The employees listed on the schedule . . . or who shall be listed by separate stipulation shall be designated as permanent employees unless designated to the contrary. The employer and the union shall by mutual agreement add to the list of permanent employees. All employees who are not designated as permanent employees shall be considered as temporary employees.

The employer agrees that the number of employees as designated in said schedule shall be the minimum amount of employees that the employer agrees to employ throughout the life of the agreement.

The employer shall have the right to lay off temporary employees or extras. (67)

Only 10 months of employment each year, consisting of full-time and part-time work, were guaranteed by the agreement applicable to bushelmen, pressers, and finishers during the 3-year period. The guarantee read:

The association and each association member agree to supply to the employees employed by the association member a minimum period of employment of 10 months in each year, and agree to pay all such employees for at least 10 months in such year. Said 10 months' employment shall be distributed as follows, unless some other distribution is agreed upon between the parties: September, October, November, December, full time; January, February, part time; March, April, May, June, full time; July, August, part time; . . . (68)

A subsequent clause, quoted below, provided that overtime worked would not count toward their guarantee:

Overtime work and work done to make up for time lost on account of holidays shall not be included in, or considered part of the guaranteed minimum period of 10 months a year for bushelmen and pressers and finishers. (68)

Work sharing was permitted during periods of part-time employment:

The association and the association members agree that during the months where there is not full-time employment there shall be equal division of time of work in places employing more than one worker. (68)

Shoe Retailers-RWDSU. This contract guaranteed regular full-time employees 52 weeks of employment during each year of the 2-year contract in the following words:

Regular full-time workers shall be guaranteed 40 hours' (managers, 44 hours') work weekly for 52 consecutive weeks per year. This provision shall not be subject to arbitration.

The employer may employ extra workers. (69)

The agreement included the following definition of regular full-time workers and extra workers:

The term 'regular worker' as herein used means a worker who is a member of the basic crew, that is, one employed 52 weeks a year, except that with respect to office workers and warehouse workers, the term 'regular worker' as herein used means a permanent worker, that is, one employed 52 weeks a year. It includes those employed as regular workers at the time of the signing of this agreement and those who become regular workers upon the execution of this agreement and pursuant to the terms hereof, and those who hereafter become regular workers pursuant to the terms hereof.

The term 'full-time worker' as herein used means a worker who works 40 hours weekly and a manager who works 44 hours weekly, whether a regular worker or an extra worker.

The term 'extra worker' as herein used means a worker who is not a regular worker. (69)

Wisconsin Public Service-IUOE. Under this contract engineers with at least 5 years of service (class A workers)<sup>86</sup> were guaranteed 2,080 hours of employment per year, less vacation and unworked paid holiday hours, for a 2-year period. Although workers could not be laid off, they could be transferred to other jobs. If transferred, they were protected from reduction of their pay rate during the 6 months following the transfer.

The company agrees to provide work at wage rates agreed upon by the company and the union, for a period of 2 years to all class A employees. It is further agreed that:

- (1) Should a decrease in work, due to changing conditions in any plant or department, require a reduction in personnel, employees not under the guaranteed work plan will be laid off first, and
- (2) Should further reductions be necessary, it is agreed that employees with the least seniority under the guaranteed work plan may be transferred to other departments or plants where their services are required at existing rates for the job to which they are transferred.

Should such transfers become necessary, such employees will be paid a relocation wage differential equivalent to the difference between their former rate and their new rate for a period of 6 months following their transfer. In no case shall the wage differential payment exceed 30 percent of the employee's wage rate in his last regular employment.

Those employees who are guaranteed work under this article will be given an opportunity to work 2,080 hours during each of the guaranteed workyears, less vacation and holidays.

A schedule shall be submitted to the union listing the names of employees who are guaranteed work.

The right by the company to suspend or discharge an employee for cause as provided for in this agreement shall in no way be infringed upon through the application or interpretation of this article. (70)

### Semimonthly Guarantees

Only four agreements contained semimonthly guarantees; all were applicable to employees of major operating divisions of the Greyhound Corp. represented by Amalgamated Transit.<sup>87</sup> Although these agreements covered all operating employees, the guarantees, with one exception, were applicable only to extra operators.

Unlike the weekly guarantees in transit agreements, Greyhound employees were guaranteed a semimonthly salary. The prerequisite for the guarantee was availability. Nonavailability for service reduced the amount guaranteed in all four agreements, as illustrated by the following provision:

Fractions of a guarantee period will be figured on a prorata basis, based on the number of days operator is available for service. Available for service means that an operator must be promptly accessible by telephone or be present at garage or terminal if directed by dispatcher. (71)

### Monthly Guarantees

Four agreements assured workers employment on a monthly basis. Two of these were applicable to workers employed in the construction industry in Alaska. Both contracts were negotiated by the Associated General Contractors of America—one was with the Carpenters and the other with the Hod Carriers', Bricklayers, Plasterers and Cement Masons, Lathers, and other unions. The guarantees in both contracts were similar, but the agreement with the Carpenters included a weekly guarantee for employment of less than 1 month. Workers recruited at a distance from the job site, and whose term of employment

<sup>86</sup> The 5 years of service had to have been completed on the effective date of the agreement.

<sup>87</sup> Formerly Amalgamated Association of Street, Electric Railway and Motor Coach Employees.

was for more than 30 days, were promised at least 173 hours of work during the month.

The contractor agrees to guarantee to each workman recruited in the United States and transported to Alaska, or to each workman recruited at some point in Alaska requiring importation by the contractor to the jobsite, work at the rate of 173 hours of work per month at the basic rate of pay, provided that the agreed term of employment covers more than the minimum of 30 days and the employee is ready, willing, and physically able to work. (72)

In addition, the Carpenters' agreement guaranteed:

Where the work period is for less than 30 days, . . . the equivalent of 40 hours of pay per week at the basic rate of pay for all full weeks of elapsed time shall be paid. (73)

A monthly guarantee provision was also included in the agreement negotiated by the Teamsters and the Utah Dairy Employers' Labor Council. Although this agreement covered both plant workers and driver-salesmen, the monthly guarantee was only applicable to driver-salesmen who were assured a full month's salary. Plant workers, who comprised the smaller group, had a weekly guarantee.

The National Twist Drill and Tool Co.—Automobile Workers agreement also provided a monthly guarantee. Eligible workers were those with 5 years of service who had been continuously employed for 3 years, except for layoffs. Unless these workers were notified by the last Monday of any month that they would be laid off during the following month, they were guaranteed 40 hours of work a week during the following month. Pertinent sections of this guarantee provision, including the ones governing layoff notice and waiving of the guarantee are cited below:

A full 40-hour week is guaranteed for the following:

1. Employees who have 5 years or more seniority as of November 20 of each year of this contract;
2. Employees continuously employed for 3 years;
3. Employees who have been laid off but have made up their layoff time so that they have 3 years of work in the plant.

Any employee covered under this section of the contract will be notified by the last Monday of any month if there is to be a layoff during the following month. Notification will consist of posting the approximate number of persons to be laid off. Any such layoff will not be effective prior to the first Monday of the following month. If no notice regarding a layoff is posted, employees covered by this section will automatically be guaranteed the next month's employment at their regular rate on a 40-hour week basis subject to other paragraphs and provisions of this contract.

The company may loan employees to other occupational groups for the balance of the guaranteed work period at their regular rate. Where practical, the employee with the least seniority shall be loaned to an equal or lower rated job.

Any employee covered by this agreement who is late shall be docked in accordance with the practice now in force.

The guaranteed workweek will not be in effect if curtailment or stoppage of operations is caused by a condition beyond the control of the company or for the accustomed annual inventory. (74)

### Other Guarantees

Eight agreements, six of which were in the motion picture and theatrical industry, contained guarantees that could not be classified in any of the foregoing types. These guarantees are described on the following page:

Building Material Dealers of Greater Cleveland—Teamsters. An agreement between this association and the Teamsters, covering 1,700 workers, guaranteed employment for 17 weeks to 50 percent of the average number of workers employed in each job description in December. The 17 weeks started the first week beginning on or after December 10—the season during which the demand for building materials usually declines:

. . . a percentage of the dealer's employees in each job classification shall be guaranteed 40 hours of work. . . . the "guaranteed period" shall refer to the 17 consecutive calendar weeks commencing with the 1st calendar week beginning on or after December 10th. . . .

The dealer shall provide 40 hours of work each workweek during the guaranteed period . . . at the hourly rate of pay for the job classification to which he was assigned on December 1st . . . (75)

The procedure used to determine the workers to be covered by the guarantee protected the high-seniority employees in each job classification:

Prior to December 1st of each year, the dealer shall reduce the number of employees in each job classification, by layoffs as provided in article XI (seniority), to the anticipated number of employees who will be required by the dealer during the guarantee period.

The number of guaranteed employees shall be determined as follows:

The dealer shall first determine the average number of employees remaining in each job classification after such layoff by adding the number of employees who performed work for pay on each workday from December 1st to December 21st, both inclusive, and dividing the total by the number of such workdays;

The number of guaranteed employees in each job classification shall be 50 percent of the average number of employees so determined;

It is recognized that the exact number of guaranteed employees will not be known until December 21st as a result of this formula, but this shall not prevent application of the guarantee effective at the start of the guarantee period. (75)

Like the weekly guarantee provisions, absences or failure to report to work reduced the hours guaranteed during the week:

The guaranteed employee shall report for work at his assigned starting time each workday, Monday through Friday, and shall perform work either in his regular job classification, or if no such work is available, then such other work as the dealer may assign to him from time to time. His absence, or his failure to report for work, on any day, shall reduce by 8 hours the number of hours of work which the dealer shall be required to provide him in that week. (75)

Overtime hours worked, paid vacation, and paid holidays were credited toward the guarantee:

Hours worked for which time and one-half or double time is payable . . . shall be . . . counted as straight-time hours . . .

Vacation and holiday pay, or time off for vacation and holiday during the guarantee period shall be counted as straight-time hours offered and worked . . . The payment of more than 40 hours of vacation pay or time off of more than 40 hours for vacation shall be credited against the number of hours of work which the dealer shall be required to offer in the following week or weeks. (75)

Certain conditions could cause the guarantee for a particular week to be waived:

The dealer shall not have any obligations . . . with respect to any week or weeks in which a strike, storm, or other occurrence shall cripple the building materials industry in the Greater Cleveland area, or in which a fire, explosion, strike, or similar occurrences shall shut down the dealer. (75)

The following clause permitted employees not originally covered by the guarantee to become part of the group of workers guaranteed employment:

In case the employment of a guaranteed employee is terminated, then the senior nonguaranteed employee in that job classification shall, at the start of the following workweek, become a guaranteed employee . . . for the remainder of the guarantee period. Otherwise, the number of guaranteed employees shall not be changed during the guarantee period except by negotiation between the dealer and the union. (75)

Pacific Maritime Association—Longshoremen's and Warehousemen's. The PMA-ILWU (Ind.) agreement provided a unique guarantee.<sup>88</sup> It is an integral part of the mechanization and modernization agreement of the West Coast longshore industry. As stated in the following excerpt, longshoremen were guaranteed employment or pay for the periods during which the introduction of new machinery or cargo handling methods were expected to cause drastic cuts in work opportunities.

For all present fully-registered longshoremen and clerks, minus attrition; a guarantee of payment for a specified number of hours of straight-time pay per week at the then current contract rate, computed on an annual basis. Such guarantee shall become operative only when hours fall below the agreed level due to reduced work opportunity resulting from changes as provided in paragraph A hereof (Provisions for Efficient Operations), but shall not apply to a drop in tonnage due to a decline in economic activity. Details of eligibility and administration to be negotiated. (76)

Under the detailed plan subsequently negotiated by labor and management, pursuant to the clause cited above, layoffs were prohibited. Retirement at early and normal retirement ages was encouraged, and compulsory retirement at certain times, was provided for. Qualified longshoremen were guaranteed 35 hours of work opportunity per week or the equivalent in pay.<sup>89</sup> Longshoremen who worked less than 35 hours were paid the difference, if any, between their total weekly earnings (including unemployment insurance compensation), and 35 hours' pay, from the ILWA—PMA Supplemental Wage Benefit Trust.<sup>90</sup>

The guarantee for any one 4-week period was applicable to longshoremen who—

1. Were fully registered for 3 years;<sup>91</sup>
2. Were eligible for a 2-week paid vacation;<sup>92</sup>
3. Were available for work and had not refused work assignments (dispatches);
4. Earned less than \$5,359 during the 48 consecutive weeks (twelve 4-week periods) immediately preceding the current 4-week benefit period;<sup>93</sup>
5. Worked or had credited to them during the current benefit period at least 93 percent of the group average hours.<sup>94</sup>

Determination of eligibility and administration of the guaranteed wage provision was the responsibility of the board of trustees selected by the signatory parties.

<sup>88</sup> Similar guarantees were incorporated in the union's longshore contracts in Alaska and Hawaii. Because the agreements incorporating these guarantees were not on file with the Bureau, they were not analyzed for this report.

<sup>89</sup> As of June 17, 1963, the base hourly rate was \$3.19, and the weekly wage guarantee was, therefore, \$111.65; as of June 15, 1964, the hourly rate was \$3.32 and the weekly guarantee, \$116.20.

<sup>90</sup> This trust was financed from moneys allocated to it from the Mechanization and Modernization Fund which is financed by employer contributions of \$5 million a year for 5 1/2 years.

<sup>91</sup> From 1958 until 1963, registration on the West Coast was frozen. Therefore, except for men who became registered in 1963-64, all fully-registered longshoremen have met this requirement.

<sup>92</sup> In general, to qualify for a 2-week paid vacation, longshoremen under age 60 must have been paid for 1,344 hours in the previous payroll year; those age 60 and over must have been paid for 1,100 hours.

<sup>93</sup> In June 1964, this amount was increased to \$5,578. The current benefit period referred to the 4-week period during which the employment guarantee had not been met and a supplement to actual earnings was required in order to satisfy the wage guarantee.

<sup>94</sup> The group average hours for each port was computed by finding the average total hours worked during a 4-week period by a representative class of employees in the group.

Motion Picture and Theatrical Industry. The guarantee provisions found in six agreements in this industry reflected the nature of employment in the industry and its unique type of collective bargaining. Unlike agreements in other industries, the basic agreements in this industry for most employees only stipulated the minimum conditions of employment, including minimum guarantees; actual guarantees of employment and pay, as well as other conditions, were subject to negotiation between the individual employee (e. g. , directors, players, singers, writers) and the producer.

Only the initial period of employment was guaranteed under these contracts. The duration of the guarantee period was either uniform (e. g. , 1 week), or varied according to the budget of a motion picture or the number of episodes in and length of a TV series. To illustrate, the minimum employment guarantee in the Motion Picture Producers-Screen Actors Guild basic agreement for freelance players, multiple picture players, professional signers and stunt players, if employed on other than a daily basis, was 1 week. The League of New York Theatres-Actors Equity agreement guaranteed employment for 2 weeks:

If an actor's contract specifies a guaranteed period of employment or a notice of termination greater than 2 weeks, said greater period shall be substituted for 2 weeks where used in these rules. (77)

In contrast, the Screen Directors Guild agreement with the motion picture producers had a minimum initial employment guarantee which varied according to the cost of the motion picture; it ranged from 1 week and 1 day to 40 weeks during a 52-week period. In the Screen Actors agreement for television motion pictures, the guarantee ranged from 3 days to 13 weeks depending on whether the performer is engaged for a single performance or an entire series of 13 programs.

Table 1. Major Collective Bargaining Agreements With Supplemental Unemployment Benefits by Industry, 1962-63

Industry	(Workers in thousands)				
	All agreements		Supplemental unemployment benefits		
	Agreements	Workers	Agreements	Plans	Workers <sup>1</sup>
All industries -----	1, 773	7, 454. 1	247	<sup>2</sup> 179	<sup>2</sup> 1, 863. 5
Manufacturing -----	1, 023	4, 137. 0	229	170	1, 775. 7
Ordnance and accessories -----	19	78. 3	-	-	-
Food and kindred products -----	124	373. 0	1	1	1. 2
Tobacco manufactures -----	11	24. 1	-	-	-
Textile mill products -----	28	79. 8	3	( <sup>3</sup> )	<sup>3</sup> 18. 9
Apparel and other finished textile products -----	52	427. 8	35	<sup>3</sup> 1	<sup>3</sup> 249. 1
Lumber and wood products, except furniture -----	12	19. 0	-	-	-
Furniture and fixtures -----	15	26. 0	1	1	1. 1
Paper and allied products -----	56	127. 3	-	-	-
Printing, publishing, and allied industries -----	37	73. 4	1	1	2. 0
Chemicals and allied products -----	61	112. 7	1	1	1. 0
Petroleum refining and related industries -----	18	54. 8	-	-	-
Rubber and miscellaneous plastics products -----	24	111. 1	13	<sup>3</sup> 12	<sup>3</sup> 94. 3
Leather and leather products -----	22	76. 7	-	-	-
Stone, clay, and glass products -----	30	114. 2	6	9	22. 6
Primary metal industries -----	109	599. 2	74	61	553. 7
Fabricated metal industries -----	57	141. 4	24	20	77. 1
Machinery, except electrical -----	98	262. 7	27	25	144. 4
Electrical machinery, equipment, and supplies -----	98	396. 8	3	3	13. 1
Transportation equipment -----	121	975. 5	38	34	593. 6
Instruments and related products -----	22	45. 4	1	1	2. 1
Miscellaneous manufacturing industries -----	9	17. 7	1	( <sup>3</sup> )	<sup>3</sup> 1. 5
Nonmanufacturing -----	750	3, 317. 0	18	9	87. 8
Mining, crude petroleum, and natural gas production -----	20	238. 8	3	3	7. 9
Transportation <sup>4</sup> -----	107	688. 4	1	1	30. 0
Communications -----	81	513. 7	-	-	-
Utilities: Electric and gas -----	86	207. 2	-	-	-
Wholesale trade -----	15	28. 4	-	-	-
Retail trade -----	116	303. 9	11	3	43. 6
Hotels and restaurants -----	38	175. 4	-	-	-
Services -----	62	218. 5	-	-	-
Construction -----	221	898. 0	3	2	6. 3
Miscellaneous nonmanufacturing industries -----	4	44. 9	-	-	-

<sup>1</sup> Figures represent the number of workers covered by the basic collective bargaining agreement and not necessarily those covered by the SUB plan.

<sup>2</sup> Includes 5 plans, covering 15,100 workers, not in operation at time of study.

<sup>3</sup> The SUB plan in the apparel and other finished textile products industry was referred to in 3 agreements in the textile mill products industry, covering 18,900 workers; 35 agreements in the apparel industry, covering 249,100 workers; 1 agreement in the rubber industry, covering 4,500 workers; and 1 in miscellaneous manufacturing industries, covering 1,500 workers.

<sup>4</sup> Excludes agreements with railroads and airlines.

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

Table 2. Funding Arrangements by Supplemental Unemployment Benefit Plan Pattern in Major Collective Bargaining Agreements, Winter 1963

(Workers in thousands)										
SUB plan pattern	Total studied		Arrangements							
			Funded						Unfunded	
	Company fund		Multiemployer pooled fund		Individual account					
	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>
All plans studied -----	174	1,848.4	154	1,464.0	6	345.9	11	34.3	3	4.2
Ford-UAW and similar plans -----	57	736.9	57	736.9	-	-	-	-	-	-
Goodyear-URW and similar plans -----	11	86.8	11	86.8	-	-	-	-	-	-
Ideal Cement-CLGW plan <sup>2</sup> -----	1	1.8	1	1.8	-	-	-	-	-	-
Pittsburgh Plate Glass-UGCW and similar plans -----	11	34.3	-	-	-	-	11	34.3	-	-
U. S. Steel-USA and similar plans -----	<sup>2</sup> 85	638.5	<sup>3</sup> 85	638.5	-	-	-	-	-	-
Other plans -----	9	350.1	-	-	6	345.9	-	-	3	4.2

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

<sup>2</sup> None of the plans modeled after this plan fell within scope of study.

<sup>3</sup> Under the U. S. Steel-USA plan and 80 of the plans similar to it, the company's maximum liability consisted of cash contributions to a company fund and contingent liability payable when the money was needed for benefit payments. Under 2 other plans (Continental Can Co. with Steelworkers and with Machinists) the company's contribution was paid either into the fund or accrued on the books in an "accrual account." Benefits were paid from either the fund or the "accrual account."

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

Table 3. Maximum Contribution Rate and Contribution Base of Supplemental Unemployment Benefit Plans in Major Collective Bargaining Agreements, Winter 1963

(Workers in thousands)									
Maximum contribution rate	Total studied		Contribution base						
			Hours worked		Hours paid for		Other		
	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>	
All plans studied -----	174	1,848.4	96	702.0	71	818.1	7	328.3	
All funded plans -----	171	1,844.2	96	702.0	71	818.1	4	324.1	
Cash contribution only -----	89	1,187.0	18	109.2	68	799.7	3	278.1	
\$0.020 -----	4	42.7	2	36.6	2	6.1	-	-	
\$0.030 -----	<sup>2</sup> 3	3.8	1	1.0	<sup>2</sup> 2	2.8	-	-	
\$0.033 -----	<sup>3</sup> 1	30.0	1	30.0	-	-	-	-	
\$0.040 -----	13	95.2	1	2.9	12	92.3	-	-	
\$0.050 -----	<sup>4</sup> 59	712.0	8	15.3	51	696.7	-	-	
\$0.070 -----	<sup>5</sup> 1	1.8	-	-	1	1.8	-	-	
\$0.100 -----	2	15.2	2	15.2	-	-	-	-	
\$0.150 -----	<sup>6</sup> 1	3.3	1	3.3	-	-	-	-	
\$0.571 -----	<sup>7</sup> 1	3.0	1	3.0	-	-	-	-	
\$1.500 -----	<sup>8</sup> 1	2.0	-	-	-	-	-	2.0	
Other -----	<sup>9</sup> 3	278.0	1	1.9	-	-	2	276.1	
Cash contribution and contingent liability -----	82	657.2	78	592.8	3	18.4	1	46.0	
Cash      Contingent liability      Total liability									
\$0.025 ----- \$0.025 ----- \$0.050 -----	1	1.0	1	1.0	-	-	-	-	
\$0.030 ----- \$0.020 ----- \$0.050 -----	12	35.0	9	16.6	3	18.4	-	-	
\$0.050 ----- \$0.020 ----- \$0.070 -----	1	1.5	1	1.5	-	-	-	-	
\$0.045 ----- \$0.050 ----- \$0.095 -----	67	573.7	67	573.7	-	-	-	-	
\$0.107 ----- ( <sup>10</sup> ) ----- ( <sup>10</sup> ) -----	1	46.0	-	-	-	-	<sup>10</sup> 1	46.0	
All unfunded plans -----	3	4.2	-	-	-	-	3	4.2	

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

<sup>2</sup> 1 plan, covering 1,700 workers, did not require the company to contribute during the period Sept. 4, 1961-Aug. 31, 1964.

<sup>3</sup> Company contributed \$0.25 per day; \$0.033 based on 8-hour day specified in basic collective bargaining agreement.

<sup>4</sup> Under 1 plan, covering 7,000 workers, if finances of the fund were less than current benefit liabilities, the company made necessary advanced contribution.

<sup>5</sup> Company contributed this amount when finances of fund were less than 50 percent of maximum funding. When finances of fund were at least 50 percent but less than 66<sup>2</sup>/<sub>3</sub> percent of maximum funding, company contributed up to 6 cents per hour for which employees were paid, and when finances were at least 66<sup>2</sup>/<sub>3</sub> percent of maximum funding, company contributed up to 5 cents per hour.

<sup>6</sup> Employer plan paid \$0.20 per overtime hour worked.

<sup>7</sup> Employer contributed \$4 per day; \$0.571 per hour based on 7-hour day specified in collective bargained agreement.

<sup>8</sup> Company contributed \$1.50 per week regardless of total hours worked by employee or paid for by company; contribution per apprentice was \$0.75 per week.

<sup>9</sup> Includes 1 plan, covering 274,000 workers, which required employers to contribute 0.5 percent of payroll; 1 plan, covering 2,100 workers, which required the company to contribute 2 percent of available net annual earnings if gross annual profit was at least \$5,000; and 1 plan, covering 1,900 workers, which required the company to contribute \$0.08 per hour for supplemental employment, sick, and insurance benefits.

<sup>10</sup> Company contributed \$0.05 per hour for which employees were paid, plus \$0.057 per hour worked by employee. Total contingent liability of \$2,000,000 became effective on Jan. 1, 1962, and was accumulated during 1962 at the rate of \$500,000 per quarter; contingent liability to be eliminated by June 29, 1964.

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

Table 4. Types of Benefits Provided by Supplemental Unemployment Benefit Plan Pattern in Major Collective Bargaining Agreements, Winter 1963

SUB plan pattern	Total studied		Laid-off workers						Active workers	Active and laid-off workers beneficiaries
	Plans	Workers <sup>1</sup> (in thousands)	Weekly unemployment benefits			Other benefits			Weekly accident and sick benefits for temporary disabilities (nonoccupational and occupational)	
			Regular	Special	Short work-week	Moving allowance	Separation pay	Health premiums		Death
All plans studied .....	174	1,848.4								
Ford-UAW and similar plans .....	57	736.9								
	8	220.5	x	x	x	x	x	x	-	-
	22	414.0	x	x	x	-	x	x	-	-
	17	85.0	x	x	x	-	x	-	-	-
	4	6.8	x	x	x	-	-	-	-	-
	1	2.8	x	x	x	x	x	-	-	-
	1	1.0	x	-	-	-	x	x	-	-
	2	4.7	x	x	-	-	-	-	-	-
	1	1.1	x	-	-	-	-	-	-	-
	1	1.0	x	x	-	-	x	-	-	-
Goodyear-URW and similar plans .....	11	86.8	x	x	x	-	x	-		-
Ideal Cement-CLGW plan <sup>2</sup> .....	2 <sup>1</sup>	1.8	x	x	x	-	x	-	x	
Pittsburgh Plate Glass-UGCW and similar plans .....	11	34.3								
	7	22.1	x	-	-	-	x	-	x	x
	1	2.1	x	x	x	-	x	-	-	x
	1	3.0	x	x	-	-	x	-	-	x
	1	4.0	x	x	x	-	x	-	-	x
	1	3.1	x	x	x	-	x	-	x	x
U.S. Steel-USA and similar plans .....	85	638.5								
	58	543.3	x	x	x	x	-	-	-	-
	1	3.2	x	-	-	-	-	-	-	-
	3 <sup>1</sup>	1.9	x	x	x	-	-	x	-	-
	6	44.2	x	x	x	x	x	-	-	-
	18	44.9	x	x	x	-	-	-	-	-
	1	1.0	x	x	x	-	x	-	-	-
Other plans .....	9	350.1								
	3	4.2	x	-	-	-	-	-	-	-
	4 <sup>1</sup>	30.0	x	x	-	-	x	-	x	-
	2	36.6	x	x	-	-	-	-	x	-
	1	2.0	x	x	-	-	-	-	-	-
	1	274.0	x	-	-	-	x	-	-	-
	1	3.3	x	x	-	-	-	-	x	-

<sup>1</sup> See footnote 1, table 1.<sup>2</sup> See footnote 2, table 2. This plan provides a benefit for occupational disabilities only.<sup>3</sup> This plan paid all insurance premiums including health.<sup>4</sup> Under this plan, in addition to being payable during periods of unemployment caused by layoffs, this benefit was payable (a) if unemployment was caused by the seaman's having to leave berth or extend a leave of absence to make arrangements to care for a disabled spouse or because of a death in the family, or by involvement in legal proceedings which require the seaman's presence ashore, or (b) if unemployment followed a vacation or recovery from a disability which caused the worker to leave a vessel. The benefit for temporarily disabled active workers was payable only to workers who became disabled while on vacation or leave of absence.

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

Table 5. Types of Benefits in Supplemental Unemployment Benefit Plans in Major Collective Bargaining Agreements by Union, Winter 1963

Type of benefit	(Workers in thousands)											
	Total studied		Unions									
			Automobile Workers		Steel-workers		Cement, Lime, and Gypsum Workers		Glass and Ceramic Workers		Rubber Workers	
Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	
All plans studied .....	174	1,848.4	55	712.5	74	590.6	1	1.8	6	17.6	10	84.8
Benefits for laid-off workers:												
Regular weekly .....	174	1,848.4	55	712.5	74	590.6	1	1.8	6	17.6	10	84.8
Special weekly .....	160	1,542.8	53	710.4	73	587.4	1	1.8	-	-	10	84.8
Short workweek .....	151	1,462.2	51	706.4	73	587.4	1	1.8	-	-	10	84.8
Other benefits:												
Separation pay .....	82	1,196.4	48	697.8	5	39.8	1	1.8	6	17.6	10	84.8
Moving allowance .....	73	810.8	10	227.1	56	554.4	-	-	-	-	-	-
Health insurance premiums .....	<sup>2</sup> 33	641.4	30	610.5	<sup>2</sup> 1	1.9	-	-	-	-	1	4.0
Benefits for active workers:												
Accident and sickness benefit for—												
All disabilities .....	<sup>3</sup> 12	95.1	-	-	-	-	-	-	6	17.6	-	-
Occupational disabilities only .....	1	1.8	-	-	-	-	1	1.8	-	-	-	-
Benefit for worker's beneficiary:												
Death .....	11	34.3	-	-	-	-	-	-	6	17.6	1	4.0
	Unions—Continued											
	Retail Clerks		Ladies' Garment Workers <sup>1</sup>		Machinists		Aluminum Workers		Electrical Workers (IUE)		Other unions	
All plans studied .....	2	36.6	1	274.0	3	7.9	3	12.9	2	26.0	17	83.7
Benefits for laid-off workers:												
Regular weekly .....	2	36.6	1	274.0	3	7.9	3	12.9	2	26.0	17	83.7
Special weekly .....	2	36.6	-	-	3	7.9	3	12.9	2	26.0	13	75.0
Short workweek .....	-	-	-	-	3	7.9	3	12.9	2	26.0	8	35.0
Other benefits:												
Separation pay .....	-	-	1	274.0	3	7.9	-	-	2	26.0	6	46.7
Moving allowance .....	-	-	-	-	2	5.4	3	12.9	-	-	2	11.0
Health insurance premiums .....	-	-	-	-	-	-	-	-	1	25.0	-	-
Benefits for active workers:												
Accident and sickness benefit for—												
All disabilities .....	2	36.6	-	-	-	-	-	-	-	-	<sup>3</sup> 4	40.9
Occupational disabilities only .....	-	-	-	-	-	-	-	-	-	-	-	-
Benefit for worker's beneficiary:												
Death .....	-	-	-	-	-	-	-	-	-	-	4	12.7

<sup>1</sup> See footnote 1, table 1. Figures do not total because most plans specified more than 1 benefit.

<sup>2</sup> 1 plan, covering 1,900 workers, paid the premium for all insurance benefits, including health insurance.

<sup>3</sup> For a description of the various conditions under which the National Maritime Union's plan, covering 30,000 workers, paid benefits, see footnote 4, table 4.

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

Table 6. Regular Weekly Unemployment Benefit Formulas by Supplemental Unemployment Benefit Plan Pattern in Major Collective Bargaining Agreements, Winter 1963

SUB plan pattern		(Workers in thousands)													
		Total studied		Computed benefit includes State unemployment insurance benefit											
				Based on before-tax earnings										Based on after-tax earnings	
				80 percent		65 percent		62 percent		60 percent		55 percent		65 percent	
Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>		
All plans studied -----		174	1,848.4	1	2.1	2	36.6	56	792.4	75	608.3	2	8.9	18	33.8
Ford-UAW and similar plans -----		57	736.9	-	-	-	-	45	705.6	-	-	1	7.0	<sup>2</sup> 8	16.7
Goodyear-URW and similar plans -----		11	86.8	-	-	-	-	11	86.8	-	-	-	-	-	-
Ideal Cement-CLGW plan <sup>3</sup> -----		1	1.8	-	-	-	-	-	-	1	1.8	-	-	-	-
Pittsburgh Plate Glass-UGCW and similar plans -----		11	34.3	1	2.1	-	-	-	-	-	-	-	-	-	-
U.S. Steel-USA and similar plans -----		85	638.5	-	-	-	-	-	-	74	606.5	1	1.9	8	13.9
Other plans -----		9	350.1	-	-	2	36.6	-	-	-	-	-	-	2	3.2
SUB plan pattern		Computed benefit excludes State unemployment insurance benefit													
		Total studied		Nonuniform dollar amount								Uniform dollar amount		Other	
				Graduated according to earnings <sup>4</sup>		Based on seniority		Requested by worker							
				Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>						
All plans studied -----		3	290.2	1	1.0	9	29.2	6	44.8	1	1.1				
Ford-UAW and similar plans -----		-	-	-	-	-	-	-	<sup>5</sup> 2	6.5	<sup>6</sup> 1	1.1			
Goodyear-URW and similar plans -----		-	-	-	-	-	-	-	-	-	-	-	-		
Ideal Cement-CLGW plan <sup>3</sup> -----		-	-	-	-	-	-	-	-	-	-	-	-		
Pittsburgh Plate Glass-UGCW and similar plans -----		-	-	-	-	-	-	9	29.2	<sup>7</sup> 1	3.0	-	-		
U.S. Steel-USA and similar plans -----		2	16.2	-	-	-	-	-	-	-	-	-	-		
Other plans -----		1	274.0	1	1.0	-	-	-	<sup>8</sup> 3	35.3	-	-	-		

<sup>1</sup> See footnote 1, table 1.<sup>2</sup> Includes 1 plan, covering 3,100 workers, which paid 72 percent of after-tax earnings and another plan, covering 3,000 workers, which paid a total regular weekly benefit of 60 percent of after-tax earnings after the first 4 full weeks of lay-off. Under the latter plan, when trust fund reached 49 percent of maximum funding, the reduced benefit (60 percent) was not payable until after 8th week of layoff.<sup>3</sup> See footnote 2, table 2.<sup>4</sup> Total benefit was stated as dollar amount varying according to wage groupings.<sup>5</sup> Includes 1 plan, covering 5,500 workers, which paid \$17 and 1 plan, covering 1,000 workers, which paid \$25 to workers collecting State UI benefits and \$30 to workers not collecting UI benefits.<sup>6</sup> This plan paid the greater of the difference between maximum State UI benefits for which worker was eligible plus \$20, and the amount he actually received plus \$25.<sup>7</sup> This plan paid \$50.<sup>8</sup> Includes 1 plan, covering 2,000 workers, which paid \$24; 1 plan, covering 30,000 workers, which paid \$25 to workers collecting State UI benefits and \$40 to workers not collecting UI benefits; and 1 plan, covering 3,300 workers, that paid \$30.

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

Table 7. Weekly Dependent Allowances by Supplemental Unemployment Benefit Plan Pattern in Major Collective Bargaining Agreements, Winter 1963

SUB plan pattern		(Workers in thousands)															
		Total studied		Plans without dependent allowances		Plans with dependent allowances—											
						Total		\$1.50 per dependent; maximum \$6.00		\$1.50 per dependent; maximum \$10.50		\$2.00 per dependent; maximum \$8.00		Hourly rate for 1 dependent, twice for 2 or more		\$6.00 for 1 dependent; \$13.00 for 2 or more	
								Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>
All plans studied -----		174	1,848.4	30	401.9	144	1,446.5	121	1,335.2	1	1.4	20	102.6	1	1.8	1	5.5
Ford-UAW and similar plans -----		57	736.9	10	17.5	47	719.4	<sup>2</sup> 45	712.5	<sup>2</sup> 1	1.4	-	-	-	-	<sup>2</sup> 1	5.5
Goodyear-URW and similar plans -----		11	86.8	-	-	11	86.8	-	-	-	-	<sup>3</sup> 11	86.8	-	-	-	-
Ideal Cement-CLGW plan <sup>4</sup> -----		1	1.8	-	-	1	1.8	-	-	-	-	-	1	1.8	-	-	-
Pittsburgh Plate Glass-UGCW and similar plans -----		11	34.3	11	34.3	-	-	-	-	-	-	-	-	-	-	-	-
U.S. Steel-USA and similar plans -----		85	638.5	-	-	85	638.5	<sup>3</sup> 76	622.7	-	-	<sup>3</sup> 9	15.8	-	-	-	-
Other plans -----		9	350.1	9	350.1	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> See footnote 1, table 1.<sup>2</sup> Under these plans dependent allowance was not payable in addition to the maximum plan payment.<sup>3</sup> Under these plans dependent allowance was payable in addition to the maximum plan payment.<sup>4</sup> See footnote 2, table 2.

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

Table 8. Maximum Regular Weekly Payment Under the Plan for Single Workers and Benefit Formula in Plans With Maximums Affected by State Unemployment Insurance Benefit, by Supplemental Unemployment Benefit Plan Pattern in Major Collective Bargaining Agreements, Winter 1963

SUB plan pattern and formula for regular weekly benefit	(Workers in thousands)		Maximum payment under the plan while receiving State UI benefits					
	Total studied		\$ 37.50		\$ 25.00		Other	
	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>
All plans studied .....	174	1,848.4						
All plans with maximums affected by receipt of State UI benefit .....	96	723.7	74	606.5	11	46.8	<sup>2</sup> 11	70.4
Plans similar to Ford-UAW plan .....	1	1.0	-	-	1	1.0	-	-
Uniform dollar amount .....	1	1.0	-	-	1	1.0	-	-
Plans similar to Pittsburgh Plate Glass-UGCW plan .....	3	10.1	-	-	-	-	3	10.1
Dollar amount requested by worker .....	2	7.1	-	-	-	-	2	7.1
Uniform dollar amount .....	1	3.0	-	-	-	-	1	3.0
U.S. Steel-USA and similar plans .....	85	638.5	74	606.5	9	15.8	2	16.2
Before-tax earnings .....	77	624.6	74	606.5	1	1.9	2	16.2
60 percent .....	74	606.5	74	606.5	-	-	-	-
55 percent .....	1	1.9	-	-	1	1.9	-	-
Percent varies according to earnings .....	2	16.2	-	-	-	-	2	16.2
After-tax earnings .....	8	13.9	-	-	8	13.9	-	-
65 percent .....	8	13.9	-	-	8	13.9	-	-
Other plans .....	7	74.1	-	-	1	30.0	6	44.1
Before-tax earnings .....	2	36.6	-	-	-	-	2	36.6
65 percent .....	2	36.6	-	-	-	-	2	36.6
After-tax earnings .....	2	3.2	-	-	-	-	2	3.2
65 percent .....	2	3.2	-	-	-	-	2	3.2
Dollar amount based on seniority .....	1	1.0	-	-	-	-	1	1.0
Uniform dollar amount .....	2	33.3	-	-	1	30.0	1	3.3
All plans with maximums not affected by receipt of State UI benefits <sup>4</sup> .....	78	1,124.7						
	Maximum payment under the plan while not receiving State UI benefits							
	\$ 60.00		\$ 47.50		No benefit		Other	
All plans with maximums affected by receipt of State UI benefit .....	76	622.7	8	13.9	7	47.1	<sup>3</sup> 5	40.0
Plans similar to Ford-UAW plan .....	-	-	-	-	-	-	1	1.0
Uniform dollar amount .....	-	-	-	-	-	-	1	1.0
Plans similar to Pittsburgh Plate Glass-UGCW plan .....	-	-	-	-	1	3.0	2	7.1
Dollar amount requested by worker .....	-	-	-	-	-	-	2	7.1
Uniform dollar amount .....	-	-	-	-	1	3.0	-	-
U.S. Steel-USA and similar plans .....	76	622.7	8	13.9	-	-	1	1.9
Before-tax earnings .....	76	622.7	-	-	-	-	1	1.9
60 percent .....	74	606.5	-	-	-	-	-	-
55 percent .....	-	-	-	-	-	-	1	1.9
Percent varies according to earnings .....	2	16.2	-	-	-	-	-	-
After-tax earnings .....	-	-	8	13.9	-	-	-	-
65 percent .....	-	-	8	13.9	-	-	-	-
Other plans .....	-	-	-	-	6	44.1	1	30.0
Before-tax earnings .....	-	-	-	-	2	36.6	-	-
65 percent .....	-	-	-	-	2	36.6	-	-
After-tax earnings .....	-	-	-	-	2	3.2	-	-
65 percent .....	-	-	-	-	2	3.2	-	-
Dollar amount based on seniority .....	-	-	-	-	1	1.0	-	-
Uniform dollar amount .....	-	-	-	-	1	3.3	1	30.0
All plans with maximums not affected by receipt of State UI benefits <sup>4</sup> .....								

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

<sup>2</sup> Includes 1 plan, covering 3,000 workers, which paid a maximum of \$50; and 1 plan covering 3,300, which paid \$30.

<sup>3</sup> Includes 1 plan, covering 1,900 workers, which paid a maximum of \$50; 1 plan covering 30,000 workers, which paid \$40; and 1 plan, covering 1,000 workers, which paid \$30.

<sup>4</sup> See table 9.

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

Table 9. Maximum Regular Weekly Payment Under the Plan for Single Workers and Benefit Formula in Plans With Maximums Not Affected by State Unemployment Insurance Benefit, by Supplemental Unemployment Benefit Plan Pattern in Major Collective Bargaining Agreements, Winter 1963

SUB plan pattern and formula for regular weekly benefit	Total studied		Maximum plan payment									
			Over \$ 40		\$ 40		\$ 30		\$ 25		Other	
	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>	Plans	Workers <sup>1</sup>
All plans studied -----	174	1,848.4										
All plans with maximums not affected by receipt of State UI benefit -----	78	1,124.7	<sup>2</sup>	7.9	57	793.6	12	29.5	3	5.2	<sup>3</sup>	288.5
Ford-UAW and similar plans -----	56	735.9	1	5.8	44	700.5	6	11.9	3	5.2	2	12.5
Before-tax earnings -----	46	712.6	1	5.8	41	694.7	3	5.1	-	-	1	7.0
62 percent -----	45	705.6	1	5.8	41	694.7	3	5.1	-	-	-	-
55 percent -----	1	7.0	-	-	-	-	-	-	-	-	1	7.0
After-tax earnings -----	8	16.7	-	-	3	5.8	3	6.8	2	4.1	-	-
65 percent -----	8	16.7	-	-	3	5.8	3	6.8	2	4.1	-	-
Uniform dollar amount -----	2	6.6	-	-	-	-	-	-	1	1.1	1	5.5
\$ 17 -----	1	5.5	-	-	-	-	-	-	-	-	1	5.5
\$ 25 -----	1	1.1	-	-	-	-	-	-	1	1.1	-	-
Goodyear-URW and similar plans -----	11	86.8	-	-	11	86.8	-	-	-	-	-	-
Before-tax earnings -----	11	86.8	-	-	11	86.8	-	-	-	-	-	-
62 percent -----	11	86.8	-	-	11	86.8	-	-	-	-	-	-
Ideal Cement-CLGW plan <sup>4</sup> -----	1	1.8	-	-	1	1.8	-	-	-	-	-	-
Before-tax earnings -----	1	1.8	-	-	1	1.8	-	-	-	-	-	-
60 percent -----	1	1.8	-	-	1	1.8	-	-	-	-	-	-
Pittsburgh Plate Glass-UGCW and similar plans -----	8	24.2	1	2.1	1	4.5	6	17.6	-	-	-	-
Before-tax earnings -----	1	2.1	1	2.1	-	-	-	-	-	-	-	-
80 percent -----	1	2.1	1	2.1	-	-	-	-	-	-	-	-
Dollar amount requested by workers -----	7	22.1	-	-	1	4.5	6	17.6	-	-	-	-
Other plans -----	2	276.0	-	-	-	-	-	-	-	-	2	276.0
Before-tax earnings -----	1	274.0	-	-	-	-	-	-	-	-	1	274.0
Percent varies according to earnings -----	1	274.0	-	-	-	-	-	-	-	-	1	274.0
Uniform dollar amount -----	1	2.0	-	-	-	-	-	-	-	-	1	2.0
\$ 20 -----	1	2.0	-	-	-	-	-	-	-	-	1	2.0
All plans with maximums varying according to receipt of State UI benefit <sup>5</sup> -----	96	723.7										

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

<sup>2</sup> The maximum of 1 plan, covering 2,100 workers, was \$55; under the other plan, it was \$50.

<sup>3</sup> Includes 1 plan, covering 7,000 workers, which paid \$35; 1 plan, covering 2,000 workers, which paid \$20; and 1 plan, covering 5,500 workers, which paid \$17.

<sup>4</sup> See footnote 2, table 2.

<sup>5</sup> See table 8.

Table 10. Maximum Payment for Regular Weekly Benefits Including Maximum Dependent Allowances Under the Plan by Supplemental Unemployment Benefit Plan Pattern in Major Collective Bargaining Agreements, Winter 1963

Maximum payment and dependent allowance				(Workers in thousands)													
				Total studied		Ford-UAW and similar plans		Goodyear-URW and similar plans		Ideal Cement-CLGW plan <sup>1</sup>		Pittsburgh Plate Glass-UGCW and similar plans		U. S. Steel-USA and similar plans		Other plans	
				Plans	Workers <sup>2</sup>	Plans	Workers <sup>2</sup>	Plans	Workers <sup>2</sup>	Plans	Workers <sup>2</sup>	Plans	Workers <sup>2</sup>	Plans	Workers <sup>2</sup>		
All plans studied -----				174	1,848.4	57	736.9	11	86.8	1	1.8	11	34.3	85	638.5	9	350.1
Total allowance for dependents																	
Maximum payment to single worker	Payable in addition to the maximum payment	Not payable in addition to the maximum payment	Maximum payment to married worker														
Receiving State unemployment insurance benefits:																	
\$20.00	-	-	\$20.00----	1	2.0	-	-	-	-	-	-	-	-	-	-	1	2.0
\$25.00	-	-	\$25.00----	5	36.2	4	6.2	-	-	-	-	-	-	-	-	1	30.0
\$17.00	\$13.00	-	\$30.00----	1	5.5	1	5.5	-	-	-	-	-	-	-	-	-	-
\$30.00	-	-	\$30.00----	11	29.5	4	8.6	-	-	-	6	17.6	-	-	-	1	3.3
\$30.00	-	\$6.00	\$30.00----	2	3.3	2	3.3	-	-	-	-	-	-	-	-	-	-
\$25.00	\$8.00	-	\$33.00----	9	15.8	-	-	-	-	-	-	-	-	9	15.8	-	-
\$35.00	-	\$6.00	\$35.00----	1	7.0	1	7.0	-	-	-	-	-	-	-	-	-	-
\$40.00	-	-	\$40.00----	3	7.2	2	2.7	-	-	-	-	-	-	-	-	-	-
\$40.00	-	\$4.80	\$40.00----	1	1.8	-	-	1	1.8	-	-	-	-	-	-	-	-
\$40.00	-	\$6.00	\$40.00----	41	696.4	41	696.4	-	-	-	-	-	-	-	-	-	-
\$40.00	-	\$10.50	\$40.00----	1	1.4	1	1.4	-	-	-	-	-	-	-	-	-	-
\$37.50	\$6.00	-	\$43.50----	74	606.5	-	-	-	-	-	-	-	74	606.5	-	-	-
\$40.00	\$8.00	-	\$48.00----	11	86.8	-	-	11	86.8	-	-	-	-	-	-	-	-
\$50.00	-	\$6.00	\$50.00----	1	5.8	1	5.8	-	-	-	-	-	-	-	-	-	-
\$50.00	-	-	\$50.00----	1	3.0	-	-	-	-	-	1	3.0	-	-	-	-	-
\$55.00	-	-	\$55.00----	1	2.1	-	-	-	-	-	1	2.1	-	-	-	-	-
Other	-	-	Other ----	10	338.1	-	-	-	-	-	2	7.1	2	16.2	6	314.8	-
Not receiving State unemployment insurance benefits:																	
\$20.00	-	-	\$20.00----	1	2.0	-	-	-	-	-	-	-	-	-	-	1	2.0
\$25.00	-	-	\$25.00----	3	5.2	3	5.2	-	-	-	-	-	-	-	-	-	-
\$17.00	\$13.00	-	\$30.00----	1	5.5	1	5.5	-	-	-	-	-	-	-	-	-	-
\$30.00	-	-	\$30.00----	11	27.2	5	9.6	-	-	-	6	17.6	-	-	-	-	-
\$30.00	-	\$6.00	\$30.00----	2	3.3	2	3.3	-	-	-	-	-	-	-	-	-	-
\$35.00	-	\$6.00	\$35.00----	1	7.0	1	7.0	-	-	-	-	-	-	-	-	-	-
\$40.00	-	-	\$40.00----	4	37.2	2	2.7	-	-	-	-	-	-	-	-	1	30.0
\$40.00	-	\$4.80	\$40.00----	1	1.8	-	-	-	-	1	1.8	4.5	-	-	-	-	-
\$40.00	-	\$6.00	\$40.00----	41	696.4	41	696.4	-	-	-	-	-	-	-	-	-	-
\$40.00	-	\$10.50	\$40.00----	1	1.4	1	1.4	-	-	-	-	-	-	-	-	-	-
\$40.00	\$8.00	-	\$48.00----	11	86.8	-	-	11	86.8	-	-	-	-	-	-	-	-
\$50.00	-	\$6.00	\$50.00----	1	5.8	1	5.8	-	-	-	-	-	-	-	-	-	-
\$55.00	-	-	\$55.00----	1	2.1	-	-	-	-	-	1	2.1	-	-	-	-	-
\$47.50	\$8.00	-	\$55.50----	8	13.9	-	-	-	-	-	-	-	8	13.9	-	-	-
\$50.00	\$8.00	-	\$58.00----	1	1.9	-	-	-	-	-	-	-	1	1.9	-	-	-
\$60.00	\$6.00	-	\$66.00----	76	622.7	-	-	-	-	-	-	-	76	622.7	-	-	-
Other	-	-	Other ----	3	281.1	-	-	-	-	-	2	7.1	-	-	1	274.0	-
None	-	-	None ----	7	47.1	-	-	-	-	-	1	3.0	-	-	6	44.1	-

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

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

<sup>3</sup> Plan pays hourly rate for 1 dependent and twice the rate for 2 or more; \$4.80 is based on hourly rate of worker earning \$5,000 annually.

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

Table 11. Basis for Determining Duration and Maximum Duration of Regular Weekly Unemployment Payments by Supplemental Unemployment Benefit Plan Pattern in Major Collective Bargaining Agreements, Winter 1963

(Workers in thousands)

SUB plan pattern	Total studied		Duration determined by											
			Number of credit units accumulated (maximum = 1/2 unit per week)						Seniority		Uniform number of weeks		Worker's weekly benefit amount and amount in his account	
	52 weeks		39 weeks		26 weeks									
	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>	Plans	Work-ers <sup>1</sup>
All plans studied -----	174	1,848.4	129	1,345.4	13	90.7	13	30.9	2	276.0	2	74.1	10	31.3
Ford-UAW and similar plans -----	57	736.9	43	705.1	2	3.9	12	27.9	-	-	-	-	-	-
Goodyear-URW and similar plans -----	11	86.8	-	-	11	86.8	-	-	-	-	-	-	-	-
Ideal Cement-CLGW plan <sup>2</sup> -----	1	1.8	1	1.8	-	-	-	-	-	-	-	-	-	-
Pittsburgh Plate Glass-UGCW and similar plans -----	11	34.3	-	-	-	-	<sup>4</sup> 1	3.0	-	-	-	-	10	31.3
U.S. Steel-USA and similar plans -----	85	638.5	85	638.5	-	-	-	-	-	-	-	-	-	-
Other plans -----	9	350.1	-	-	-	-	-	-	2	276.0	7	74.1	-	-

<sup>1</sup> See footnote 1, table 1.<sup>2</sup> 4 plans, covering 41,900 workers, paid benefits for 26 weeks per year; 1 plan, covering 1,200 workers, paid benefits for 25 weeks per year; 1 plan, covering 1,000 workers, paid benefits for 15 weeks per year; and 1 plan, covering 30,000 workers, paid benefits for 8 weeks during each period of unemployment.<sup>3</sup> See footnote 2, table 2.<sup>4</sup> Plan paid benefit for 26 weeks or the number of weeks which equaled 2/3 of the credit units worker had accumulated, whichever was less.

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

Table 12. Short Workweek Benefit Formula by Supplemental Unemployment Benefit Plan Pattern in Major Collective Bargaining Agreements, Winter 1963

(Workers in thousands)

Short workweek benefit formula	Total studied		Ford-UAW and similar plans		Goodyear-URW and similar plans		Ideal Cement-CLGW plan <sup>1</sup>		Pittsburgh Plate Glass-UGCW and similar plans		U.S. Steel-USA and similar plans		Other plans	
	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>
All plans studied -----	174	1,848.4	57	736.9	11	86.8	1	1.8	11	34.3	85	638.5	9	350.1
All plans with a short workweek benefit -----	151	1,462.2	52	729.1	11	86.8	1	1.8	3	9.2	84	635.3	-	-
Amount indemnified is:														
Percent of base rate earnings lost -----	53	787.7	<sup>3</sup> 41	697.8	11	86.8	-	-	<sup>4</sup> 1	3.1	-	-	-	-
100 -----	1	5.8	1	5.8	-	-	-	-	-	-	-	-	-	-
65 -----	<sup>5</sup> 43	754.3	32	667.5	11	86.8	-	-	-	-	-	-	-	-
58 -----	1	1.4	1	1.4	-	-	-	-	-	-	-	-	-	-
50 -----	8	26.2	7	23.1	-	-	-	-	1	3.1	-	-	-	-
Percent of base rate earnings lost in excess of 8 hours -----	77	629.5	<sup>4</sup> 1	7.0	-	-	1	1.8	1	2.1	<sup>6</sup> 74	618.6	-	-
100 -----	75	620.4	-	-	-	-	1	1.8	-	-	74	618.6	-	-
70 -----	1	2.1	-	-	-	-	-	-	1	2.1	-	-	-	-
60 -----	1	7.0	1	7.0	-	-	-	-	-	-	-	-	-	-
Percent of base rate earnings lost in excess of 4 hours -----	1	2.9	<sup>4</sup> 1	2.9	-	-	-	-	-	-	-	-	-	-
65 -----	1	2.9	1	2.9	-	-	-	-	-	-	-	-	-	-
Percent of average weekly earnings -----	17	31.5	7	14.8	-	-	-	-	-	-	10	16.7	-	-
72 -----	1	3.1	1	3.1	-	-	-	-	-	-	-	-	-	-
65 -----	8	14.2	1	3.5	-	-	-	-	-	-	7	10.7	-	-
62 -----	5	8.2	5	8.2	-	-	-	-	-	-	-	-	-	-
60 -----	2	4.1	-	-	-	-	-	-	-	-	2	4.1	-	-
55 -----	1	1.9	-	-	-	-	-	-	-	-	1	1.9	-	-
Other -----	3	10.6	<sup>7</sup> 2	6.6	-	-	-	-	<sup>8</sup> 1	4.0	-	-	-	-
All plans without a short workweek benefit -----	23	386.2	5	7.8	-	-	-	-	8	25.1	1	3.2	9	350.1

<sup>1</sup> See footnote 2, table 2.<sup>2</sup> See footnote 1, table 1.<sup>3</sup> With 1 exception, the short workweek benefit also included a percentage of the applicable cost-of-living allowance (e.g., 65 percent).<sup>4</sup> The short workweek benefit also included a percentage of the applicable cost-of-living allowance.<sup>5</sup> These plans paid 50 percent of base rate earnings lost if the short workweek was unscheduled.<sup>6</sup> Included are the plans covering workers in the can and aluminum companies who also received 100 percent of lost cost-of-living allowance in excess of 8 hours.<sup>7</sup> 1 plan paid a flat \$25 and the other guaranteed 4 hours' pay per day if the worker worked at least 24 hours but less than a full week.<sup>8</sup> The plan paid up to 20 times the base hourly rate minus 50 percent of gross wages.

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

Table 13. Variations Between Provisions in Supplemental Unemployment Benefit Pattern Plans and Similar Plans in Major Collective Bargaining Agreements, Winter 1963

Provisions	(Workers in thousands)									
	Total studied		Plans similar to <sup>1</sup> —							
			Ford-UAW		Goodyear-URW		Pittsburgh Plate Glass-UGCW		U.S. Steel-USA	
Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	
All plans similar to a pattern plan .....	<sup>3</sup> 160	1,199.5	56	616.9	10	66.8	10	26.3	84	489.5
Followed pattern plan without significant variation .....	73	517.0	5	48.7	10	66.8	1	7.2	57	394.3
Varied from pattern plan in significant respects .....	87	682.5	51	568.2	-	-	9	19.1	27	95.2
Types of benefits provided .....	81	628.3	49	516.4	-	-	5	16.7	27	95.2
Service requirements .....	7	20.0	1	2.3	-	-	5	16.7	1	1.0
Weekly unemployment benefit:										
Benefit amount .....	27	75.5	12	31.3	-	-	4	12.2	11	32.0
Dependent allowance .....	21	40.2	12	24.4	-	-	-	-	9	15.8
Maximum payment .....	29	85.1	13	36.4	-	-	5	16.7	11	32.0
Maximum duration .....	15	34.8	14	31.8	-	-	1	3.0	-	-
Short workweek benefit formula .....	39	98.5	25	69.4	-	-	3	9.2	11	19.9

<sup>1</sup> None of the plans modeled after the Ideal Cement-CLGW plan fell within scope of study.

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

<sup>3</sup> Based on a study of 174 operating SUB plans covering 1,848,400 workers.

Table 14. Maximum Contribution Rate by Supplemental Unemployment Benefit Pattern Plans in Major Collective Bargaining Agreements, Winter 1963

Maximum contribution rate per hour worked or paid for	(Workers in thousands)													
	Total studied		Ford-UAW and similar plans		Goodyear-URW and similar plans		Ideal Cement-CLGW plan <sup>1</sup>		Pittsburgh Plate Glass-UGCW and similar plans		U.S. Steel-USA and similar plans		Other	
	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>	Plans	Work-ers <sup>2</sup>
All plans studied .....	174	1,848.4	57	736.9	11	86.8	1	1.8	11	34.3	85	638.5	9	350.1
All funded plans .....	171	1,844.2	57	736.9	11	86.8	1	1.8	11	34.3	85	638.5	6	345.9
Cash liability only .....	89	1,187.0	56	690.9	11	86.8	1	1.8	11	34.3	4	27.3	6	345.9
\$0.02 .....	4	42.7	2	6.1	-	-	-	-	-	-	-	-	2	36.6
\$0.03 .....	<sup>3</sup> 3	3.8	<sup>2</sup> 2	2.8	-	-	-	-	-	-	1	1.0	-	-
\$0.033 .....	41	30.0	-	-	-	-	-	-	-	-	-	-	1	30.0
\$0.04 .....	13	95.2	2	8.4	11	86.8	-	-	-	-	-	-	-	-
\$0.044 .....	<sup>5</sup> 1	2.0	-	-	-	-	-	-	-	-	-	-	1	2.0
\$0.05 .....	59	712.0	50	673.6	-	-	-	-	7	14.0	2	24.4	-	-
\$0.07 .....	<sup>6</sup> 1	1.8	-	-	-	-	1	1.8	-	-	-	-	-	-
\$0.10 .....	2	15.2	-	-	-	-	-	-	2	15.2	-	-	-	-
\$0.15 .....	7	3.3	-	-	-	-	-	-	-	-	-	-	1	3.3
\$0.571 .....	<sup>8</sup> 1	3.0	-	-	-	-	-	-	1	3.0	-	-	-	-
Other .....	<sup>9</sup> 3	278.0	-	-	-	-	-	-	1	2.1	1	1.9	1	274.0
Cash and contingent liability .....	82	657.2	1	46.0	-	-	-	-	-	-	81	611.2	-	-
Cash Contingent Total														
\$0.025 \$0.025 \$0.050 .....	1	1.0	-	-	-	-	-	-	-	-	1	1.0	-	-
\$0.030 \$0.020 \$0.050 .....	12	35.0	-	-	-	-	-	-	-	-	12	35.0	-	-
\$0.050 \$0.020 \$0.070 .....	1	1.5	-	-	-	-	-	-	-	-	1	1.5	-	-
\$0.045 \$0.050 \$0.095 .....	67	573.7	-	-	-	-	-	-	-	-	67	573.7	-	-
\$0.107 <sup>(10)</sup> <sup>(10)</sup> .....	1	46.0	1	46.0	-	-	-	-	-	-	-	-	-	-
All unfunded plans .....	3	4.2	-	-	-	-	-	-	-	-	-	-	3	4.2

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

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

<sup>3</sup> 1 plan, covering 1,700 workers, did not require the company to contribute during the period Sept. 4, 1961-Aug. 31, 1964.

<sup>4</sup> Company contributed \$0.25 per day; \$0.033 based on 8-hour day specified in collectively bargained agreement.

<sup>5</sup> Company contributed \$1.50 per week regardless of total hours worked by employee or paid for by company; contribution of apprentice is \$0.75 per week; \$0.044 is hourly contribution rate for journeymen based on 33<sup>3</sup>/<sub>4</sub>-hour workweek.

<sup>6</sup> Maximum company liability when finances of fund are less than 50 percent of maximum funding. When finances are 50 percent but less than 66<sup>2</sup>/<sub>3</sub> percent, maximum liability is 6 cents per hour; when 66<sup>2</sup>/<sub>3</sub> percent or more, liability is 5 cents.

<sup>7</sup> Employer paid 20 cents per overtime hour worked.

<sup>8</sup> Company contributed \$4 per day; \$0.571 based on 7-hour day specified in collective bargaining agreement.

<sup>9</sup> Includes 1 plan, covering 1,900 workers, that required the company to contribute \$0.08 per hour for supplemental unemployment, sick, and insurance benefits; includes 1 plan, covering 274,000 workers, which required employers to contribute 0.5 percent of payroll; and 1 plan, covering 2,100 workers, which required the company to contribute 2 percent of available net annual earnings if gross annual profit is at least \$5,000.

<sup>10</sup> Company contributed \$0.05 per hour employee is paid for plus \$0.057 per hour worked by employee. Total contingent liability of \$2,000,000 was assumed by company on Jan. 1, 1962; it was accumulated during 1962 at the rate of \$500,000 per quarter. Contingent liability was to be eliminated by June 29, 1964.

Table 15. Wage-Employment Guarantees in Major Collective Bargaining Agreements by Industry and Type of Guarantee, 1963

(Workers in thousands)														
Industry	Total studied		Agreements with guarantee		Type of guarantee									
					Weekly		Semimonthly		Monthly		Annual		Other	
	Agree-ments	Work-ers <sup>1</sup>	Agree-ments	Work-ers <sup>1</sup>	Agree-ments	Work-ers <sup>1</sup>	Agree-ments	Work-ers <sup>1</sup>	Agree-ments	Work-ers <sup>1</sup>	Agree-ments	Work-ers <sup>1</sup>	Agree-ments	Work-ers <sup>1</sup>
All industries -----	1,773	7,454.1	139	602.2	117	512.8	4	10.9	4	10.1	<sup>2</sup> 6	12.5	8	56.0
Manufacturing -----	1,023	4,137.0	40	109.7	36	102.4	-	-	2	2.3	2	5.0	-	-
Food and kindred products -----	124	373.0	39	108.4	36	102.4	-	-	1	1.0	2	5.0	-	-
Machinery, except electrical -----	98	262.7	1	1.3	-	-	-	-	1	1.3	-	-	-	-
Other -----	801	3,501.3	-	-	-	-	-	-	-	-	-	-	-	-
Nonmanufacturing -----	750	3,317.0	99	492.5	81	410.3	4	10.9	2	7.8	4	7.5	8	56.0
Transportation <sup>3</sup> -----	107	688.4	34	301.1	29	274.2	4	10.9	-	-	-	-	1	16.0
Utilities: Electric and gas -----	86	207.2	3	3.0	2	2.0	-	-	-	-	1	1.0	-	-
Wholesale trade -----	15	28.4	7	16.8	7	16.8	-	-	-	-	-	-	-	-
Retail trade -----	116	303.9	37	86.0	33	77.8	-	-	-	-	<sup>2</sup> 3	6.5	1	1.7
Services -----	62	218.5	13	72.0	7	33.7	-	-	-	-	-	-	6	38.3
Construction -----	221	898.0	5	13.6	<sup>4</sup> 3	5.8	-	-	2	7.8	-	-	-	-
Other -----	143	972.7	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> Figures represent number covered by agreements, not necessarily those covered by the guarantee.

<sup>2</sup> Includes 1 agreement, covering 2,500 workers, that guaranteed 10 months of employment.

<sup>3</sup> Excludes agreements with railroads and airlines.

<sup>4</sup> Includes 1 agreement, covering 2,300 workers, that provided a weekly guarantee from April through November and no guarantee during the other months.

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

Table 16. Type of Wage-Employment Guarantees Provided in Major Collective Bargaining Agreements by Type of Bargaining Unit, 1963

(Workers in thousands)						
Type of guarantee	Total studied		Type of bargaining unit			
			Single employer		Multiemployer	
	Agreements	Workers <sup>1</sup>	Agreements	Workers <sup>1</sup>	Agreements	Workers <sup>1</sup>
All agreements studied -----	1,773	7,454.1	1,098	4,237.2	675	3,216.9
All agreements with a guarantee provision -----	139	602.2	52	135.0	87	467.2
Manufacturing -----	40	109.7	21	74.4	19	35.3
Annual -----	2	5.0	2	5.0	-	-
Monthly -----	2	2.3	1	1.3	1	1.0
Weekly -----	36	102.4	18	68.1	18	34.4
Nonmanufacturing -----	99	492.5	31	60.6	68	431.9
Annual -----	<sup>2</sup> 4	7.5	1	1.0	<sup>2</sup> 3	6.5
Monthly -----	2	7.8	-	-	2	7.8
Semimonthly -----	4	10.9	-	10.9	-	-
Weekly -----	81	410.3	26	48.7	55	361.6
Other -----	8	56.0	-	-	8	56.0

<sup>1</sup> See footnote 1, table 15.

<sup>2</sup> See footnote 2, table 15.

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

Table 17. Amount of Weekly Wage-Employment Guarantees Provided in Major Collective Bargaining Agreements, 1963

Nature of guarantee (hours or money)	Total		Weekly guarantee (days)					
			Not specified		5		Other	
	Agree- ments	Workers <sup>1</sup>	Agree- ments	Workers <sup>1</sup>	Agree- ments	Workers <sup>1</sup>	Agree- ments	Workers <sup>1</sup>
All agreements with a weekly guarantee-----	117	512.8	91	417.9	24	86.9	2	7.8
All agreements guaranteeing a specified number of hours and/or days during any 1 week -----	108	498.6	82	403.9	24	86.9	2	7.8
Uniform number of hours:								
48-----	4	14.4	<sup>2</sup> 2	6.6	-	-	<sup>3</sup> 2	7.8
45-----	2	2.0	2	2.0	-	-	-	-
44-----	1	1.4	<sup>4</sup> 1	1.4	-	-	-	-
40-----	54	362.7	33	283.4	21	79.3	-	-
38-----	1	4.5	1	4.5	-	-	-	-
36-----	14	61.2	14	61.2	-	-	-	-
35-----	1	5.2	-	-	1	5.2	-	-
32-----	1	2.5	1	2.5	-	-	-	-
Not specified-----	5	6.6	3	4.2	2	2.4	-	-
Number of hours varying according to seniority-----	<sup>5</sup> 12	13.1	12	13.1	-	-	-	-
Number of hours varying according to job classification-----	<sup>6</sup> 13	25.0	13	25.0	-	-	-	-
All agreements guaranteeing a monetary amount-----	9	14.0	9	14.0	-	-	-	-
Uniform amount-----	3	6.2	3	6.2	-	-	-	-
Amount varying according to job classification and/or seniority-----	6	7.9	6	7.9	-	-	-	-

<sup>1</sup> See footnote 1, table 15.

<sup>2</sup> Under 1 agreement, covering 1,600 workers, female dairy employees were guaranteed 40 hours.

<sup>3</sup> Included is 1 agreement, covering 5,000 workers, that guaranteed 6 days; and 1 covering 2,800 which varied the number of days and the number of hours per day that the employees were scheduled to work.

<sup>4</sup> Under 1 agreement, covering 16,000 workers, female laundry employees were guaranteed a monetary amount; under another agreement, covering 2,500 workers, female warehouse employees were guaranteed 36 hours.

<sup>5</sup> Included are 11 agreements, covering 11,100 workers, that guaranteed employees in other than the mail-opening department with 2 but less than 5 years of service, 37 hours and those with 5 years or more of service 40 hours. Employees in the mail-opening department were guaranteed 3 hours less within each of these categories.

<sup>6</sup> Included are agreements where the hours guaranteed the largest group of employees covered by agreements are as follows: 1 agreement, covering 2,000 employees, guaranteed 48 hours; 9 agreements, covering 15,000 employees, guaranteed 40 hours; 2 agreements, covering 6,800 employees, guaranteed 37 hours; and 1 agreement, covering 1,200 employees, guaranteed 5 days of employment.

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

Table 18. Nonworktime Affecting Weekly Guarantees in Major Collective Bargaining Agreements, 1963

Paid vacation hours	Unworked paid holidays	Days employee does not report to work	Days employee reports but does not work full day	Time lost to tardiness	Time lost to discharge or quit	Time lost by return from layoff other than at beginning of week	Other	Agreements	Workers <sup>1</sup> (in thousands)
All agreements with weekly guarantee -----								117	512.8
All agreements specifying nonworktime credited toward or reducing guarantee -----								63	344.4
x	x	x	x	-	-	-	-	2	6.2
-	-	x	x	x	x	-	-	1	1.1
-	-	-	-	-	-	-	x	1	1.0
-	x	x	-	x	-	x	-	9	48.0
-	-	-	x	x	-	x	-	6	15.8
x	x	x	-	-	-	-	-	1	2.7
-	-	x	-	x	x	-	-	11	11.1
-	-	x	-	-	x	-	-	1	2.6
-	x	-	-	-	-	-	x	1	2.6
-	x	-	-	x	-	-	-	1	2.5
-	-	-	-	x	-	-	x	1	1.3
-	x	-	-	-	-	-	-	18	222.8
-	-	x	-	-	-	-	-	8	23.8
-	-	-	-	x	-	-	-	1	1.2
-	-	-	-	-	-	-	x	1	1.5
All agreements without provision for the crediting or reducing of guarantee by nonworktime -----								54	168.4

<sup>1</sup> See footnote 1, table 15.

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

Table 19. Causes for Waiving Weekly Guarantees in Major Collective Bargaining Agreements, 1963

Causes beyond company control	Natural causes	Breakdown affecting plant operations	Strikes	War, riot, revolution, national emergency	Voluntary absence, discharge, quits	Other	Agreements	Workers <sup>1</sup> (in thousands)
All agreements with weekly guarantee -----							117	512.8
All weekly guarantee with waiver provisions -----							38	139.1
x	x	x	x	-	-	x	1	1.4
x	x	-	x	x	-	-	1	2.5
x	x	-	x	-	x	x	1	1.4
x	x	x	x	-	-	-	1	1.8
x	x	-	-	x	x	-	2	19.7
x	-	-	-	-	x	x	1	1.4
x	-	-	x	-	-	x	1	1.0
x	x	-	-	-	x	-	2	3.0
-	x	-	x	-	x	-	1	1.0
x	-	-	-	-	x	-	1	2.5
x	-	-	-	-	-	x	2	3.7
x	x	-	-	-	-	-	2	3.0
x	-	x	-	-	-	-	1	16.0
x	-	-	x	-	-	-	1	2.5
-	-	-	-	-	x	x	1	5.0
-	-	x	-	-	x	-	4	15.5
-	-	-	-	-	x	-	7	14.9
-	x	-	-	-	-	-	3	15.9
-	-	x	-	-	-	-	3	21.8
-	-	-	-	-	-	x	1	2.6
x	-	-	-	-	-	-	1	2.5
All weekly guarantees without waiver provisions -----							79	373.6

<sup>1</sup> See footnote 1, table 15.

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

## Appendix A

### Financing Provisions of Five Pattern Plans

FORD-UAW plan

#### Part A

##### Section 1. Continuation and Amendment of Plan

(c) The plan shall be further amended to provide that the company's contributions to the fund required under section 1 of article IV shall be reduced to the extent of any and all premiums and subscription charges that shall have been paid by the company to provide hospital-surgical-medical coverage for laid-off employees under article IX, section 28(f) of the collective bargaining agreement (hereinafter called "Extended Coverage Provision"); provided that, the extended coverage provision shall have no further force and effect if it is determined to the satisfaction of the company that the extended coverage provision and the provisions of this section 1(c) preclude the company from receiving the governmental rulings described in section 5 of this agreement and provided, further, in such event, the parties shall negotiate a substitute arrangement which shall adhere as closely as possible to the language and intent of the extended coverage provision and this section 1(c).

(i) If contributions to the fund are not required for any period because the current market value of the total assets in the fund is equal to or in excess of the maximum funding for the fund or if the required contributions to the fund are less than the company contributions required to implement the extended coverage provision, then any subsequently required contributions to the fund shall be reduced by contributions required by the extended coverage provision not previously offset against contributions to the fund.

(ii) The amount of any company contributions required by the extended coverage provision that shall not have been offset against contributions to the fund in accordance with (i) above at the time the credit unit cancellation base is being determined for any month or pay period shall be deducted from the current market value of the total assets in the fund in determining the credit unit cancellation base as provided in section 1 of article VIII of the plan.

(d) The plan shall be further amended to provide that the company's contributions to the fund required under section 1 of article IV shall be reduced to the extent of any and all amounts paid by the company to provide a moving allowance under article IX, section 29(b) of the collective bargaining agreement (hereinafter called the "Layoff Moving Allowance Provision").

(i) If contributions to the fund are not required for any period because the current market value of the total assets in the fund is equal to or in excess of the maximum funding for the fund or if the required contributions to the fund are less than the company payments required to implement the layoff moving allowance provision; then any subsequently required contributions to the fund shall be reduced by payments required by such provision not previously offset against contributions to the fund.

(ii) The amount of any company payments required by the layoff moving allowance provision that shall not have been offset against contributions to the fund in accordance with (i) above at the time the credit unit cancellation base is being determined for any month or pay period shall be deducted from the current market value of the total assets in the fund in determining the credit unit cancellation base as provided in section 1 of article VIII of the plan.

### Section 5. Government Rulings

(c) The company shall apply promptly to the appropriate agencies for the rulings and determination letters described in subsections (a) and (b) of this section.

(d) In the event that separation payments (as provided between the parties with respect to Georgia employees or under any similar provision hereafter agreed to between the parties), or short week benefits or benefits under the leveling week provision (pursuant to subsection (b) of this section 5), shall be payable by the company, the plan shall be further amended to provide that:

(i) The company's contributions to the fund required under section 1 of article IV shall be reduced by any or all of the following, as the case may be: By such short week benefits for scheduled short workweeks when the credit unit cancellation base is \$300 or more, by such short week benefits for unscheduled short workweeks, by such benefits under the leveling week provision and by such separation payments (hereinafter called collectively and severally "payments").

(ii) If contributions to the fund are not required for any period because the current market value of the total assets in the fund is equal to or in excess of the maximum funding for the fund or if the required contributions to the fund are less than the "payments" to be offset, then any subsequently required contributions to the fund shall be reduced by "payments" not previously offset against contributions to the fund.

(iii) The amount of any "payments" that shall not have been offset against contributions to the fund in accordance with (ii) above at the time the credit unit cancellation base is being determined for any month or pay period shall be deducted from the current market value of the total assets in the fund in determining the credit unit cancellation base as provided in section 1 of article VIII of the plan.

(e) Notwithstanding any other provision of this agreement or of the plan, the company, with the consent of the National Ford Director of the union, may, during the term of this agreement, make revisions in the plan not inconsistent with the purposes, structure, and basic provisions thereof which shall be necessary to obtain or maintain any of the rulings or determination letters referred to in subsections (a) and (b) of this section 5 or in section 4 of article IX of the plan. Any such revisions shall adhere as closely as possible to the language and intent of the provisions outlined in Part B.

### Section 6. Average Full Benefit Rate

Notwithstanding the provisions of article III, section 1 of "Part B, Supplemental Unemployment Benefit Plan," attached hereto, the average full benefit rate described in such article III, section 1 shall include the average weekly amount of contributions paid by the company to provide hospital-medical-surgical insurance coverage for laid-off employees under article IX, section 28(f) of the collective bargaining agreement. The computation of such average weekly amount of contributions shall be made monthly and shall be the average monthly payment made during the preceding months, not to exceed 12, subsequent to the month of September 1962, and immediately prior to the month next preceding the month for which maximum funding is being determined, divided by  $4\frac{1}{3}$ . The average monthly payment shall be determined by dividing the sum of all monthly payments made during the period for which the computation is made by the number of such payments.

## Part B.

### Article II. Establishment of Fund

The company shall establish, in accordance with this supplemental unemployment benefit plan, a fund with a qualified bank or banks or a qualified trust company or companies selected by the company as trustee. The company's contributions shall be made into the fund, the assets of which shall be held, invested and applied by the trustee, all in accordance with the plan. Benefits and separation payments shall be payable only from such fund. The company shall provide in the contract with the trustee that the fund shall be held in cash or invested only in general obligations of the U.S. Government.

## Article III. Maximum Funding

### Section 1. Maximum Funding

There shall be a maximum funding of the fund for each calendar month after November 1962. The maximum funding of the fund for each calendar month after November 1962 shall be determined by multiplying the average full benefit rate by 16 and this result by the sum of:

- (i) The number of covered employees on the active employment rolls, and
- (ii) The number of persons laid off from work as covered employees who are not on the active employment rolls but who have credit units; both numbers shall be as determined by the company as of the latest date for which the figures are available prior to the first Monday in the month for which the maximum funding is being determined.

The computation of the average full benefit rate for the purpose of determining maximum funding shall be made monthly and shall be the average during the preceding months, not to exceed 12, subsequent to the month of September 1962, and immediately prior to the month next preceding the month for which maximum funding is being determined. The average shall be determined by dividing the sum of all full benefits paid during the period for which the computation is made by the number of such benefits. A full benefit for the purpose of this computation shall mean a regular benefit which has been paid for a week of lay-off and which has not been reduced because of other compensation as defined in section 2(a) of article VII and a benefit paid to an applicant ineligible to receive a State system unemployment benefit for the reason specified in section 2(b)(3)(v) of article V.

The provisions of this section 1 shall not be construed to change in any manner whatsoever the provisions of section 6 of article X.

### Section 2. Finality of Determinations

No adjustment in the maximum funding or the credit unit cancellation base shall be made on account of any subsequently discovered error in the computations or the figures used in making the computations, except in the case where after discovery of an error adjustment is practicable, and then the adjustment shall only be prospective in effect, unless such adjustment would be substantial in the opinion of the company. Nothing in the foregoing shall be construed to excuse the company from making up any shortage in its contributions to the fund.

## Article IV. Contributions by Company

### Section 1. Company Contributions

With respect to each pay period commencing on or after September 1, 1961, and prior to the first month for which the maximum funding is to be determined under section 1 of article III and with respect to each pay period thereafter for which the current market value of the assets of the fund is less than the maximum funding, the company shall make a contribution to the fund in an amount to be determined by multiplying 5 cents by the total number of hours for which covered employees shall have received pay from the company (excluding any hours for which benefits hereunder are payable) for such pay period (or such lesser amount as will bring the total market value of the assets in the fund up to the maximum funding for such month).

Notwithstanding any other provisions of this plan, the company shall not be obligated to make any contribution to the fund with respect to any pay period for which the current market value of the assets in the fund is equal to or in excess of the maximum funding for such fund, and no contribution to the fund for any pay period shall be in excess of the amount necessary to bring the total market value of the assets in such fund up to the maximum funding for such fund.

Contributions with respect to covered employees at any additional plant at which the collective bargaining agreement becomes applicable shall commence with respect to the first pay period beginning after (i) the date of certification by the National Labor Relations Board of the union as the collective bargaining representative of employees at such plant or (ii) if recognition is by agreement, the effective date of the agreement by which the company recognizes the union as the collective bargaining representative of employees at such plant.

### Section 2. Scheduled Short Workweek Contributions

(a) Notwithstanding any other provisions of this plan, the company shall not be obligated to make any contribution to the fund with respect to short week and special benefits for scheduled short workweeks, for any pay period for which such benefits are paid and for which the credit unit cancellation base is \$300 or more; provided, however, with respect to a month for which the credit unit cancellation base is less than \$300, the company shall contribute to the fund an amount equal to the lesser of (i) the amount of short week and special benefits for scheduled short workweeks for which the company was not obligated to make any contribution to the fund with respect to pay periods commencing during the preceding month, or (ii) the amount necessary to bring the credit unit cancellation base up to \$300 for the month with respect to which such contribution is made. The amount of any such contribution will be added to the market value of the assets of the fund for purposes of determining the credit unit cancellation base to be used for all purposes under the plan for the month with respect to which any such contribution is made to the fund.

(b) In addition to the contributions required by section 1 of this article and subsection (a) of this section 2, for any pay period for which the credit unit cancellation base is less than \$300, the company shall contribute to the fund an amount, determined for each pay period, equal to the amount of short week and special benefits for scheduled short workweeks which have been paid from the fund for such pay period under section 1(b) of article VII and section 3 of article XIII.

### Section 3. When Contributions Are Payable

Each contribution by the company shall be made on or before the close of business on the first regularly scheduled workday in the second calendar week following the payday for the pay period with respect to which the contribution is being made.

GOODYEAR-URW plan

## Article II. Establishment of Fund

The company shall maintain the fund in accordance with this supplemental unemployment benefits plan, with a qualified bank or banks or a qualified trust company or companies selected by the company as trustee. The company's contributions shall be made into the fund, the assets of which shall be held, invested and applied by the trustee, all in accordance with the plan. Benefits shall be payable only from such fund. The company shall provide in the contract with the trustee that the fund shall be held in cash or invested only in general obligations of the U. S. Government.

## Article III. Maximum Funding and Trust Fund Position

### Section 1. Maximum Funding

There shall be a maximum funding of the fund for each calendar month (and for each pay period when required by the provisions of section 2 of this article). The maximum funding of the fund for the month of July 1956 shall be \$4,400,000. The maximum funding of the fund for each month after July 1956 shall be determined by multiplying (a) the maximum funding of the fund for the month of July 1956 by (b) a fraction the numerator of

which shall be the sum of (i) the number of employees on the active payroll and (ii) the number of persons laid off from work who are not on the active payroll but who have credit units; both numbers shall be as determined by the company as of the latest date for which the figures are available prior to the first Monday in the month for which the maximum funding is being determined (or prior to the pay period, if the maximum funding is being determined for a pay period). The denominator of such fraction shall be 23,760 employees.

### Section 2. Trust Fund Position

There shall be a trust fund position (stated as a percentage) for the fund for each calendar month commencing with the month of July 1957. The trust fund position for the fund for any particular month shall be determined by dividing the current market value of the total assets in such fund as of the close of business on the Friday preceding the first Monday of such month, as certified by the trustee, by the maximum funding of such fund for such month. The trust fund position for the fund for any particular month shall be applied in connection with such fund for all purposes under the plan to each of the pay periods beginning within such month; provided, however, that after July 1, 1957, whenever the trust fund position for the fund for any particular month is less than 10 percent, such trust fund position shall be applied in connection with such fund for all purposes under the plan only to the first pay period beginning within such month, and thereafter there shall be determined a trust fund position (stated as a percentage) for such fund for each pay period until the trust fund position for a particular pay period equals or exceeds 10 percent. When the trust fund position for a particular pay period equals or exceeds such percentage, such trust fund position shall be applied in connection with such fund for such purposes to each pay period until a trust fund position for the following calendar month shall be applicable pursuant to this section. The trust fund position for the fund for a particular pay period shall be determined by dividing the current market value of the total assets in such fund as of the close of business on the Friday preceding such pay period, as certified by the trustee, by the maximum funding of such fund for such pay period.

### Section 3. Finality of Determinations

No adjustment in the maximum funding or the trust fund position of the fund shall be made on account of any subsequently discovered error in the computations or the figures used in making the computations, except (i) in the case of an error in bad faith, or (ii) in the case where after discovery of an error adjustment is practicable, and then the adjustment shall only be prospective in effect, unless such adjustment would be substantial in the opinion of the company. Nothing in the foregoing shall be construed to excuse the company from making up any shortage in its contributions to the fund.

## Article IV. Contributions by Company

### Section 1. Company Contributions

Commencing with the pay period beginning July 28, 1963, or the first pay period commencing after this amended agreement becomes effective, and with respect to each pay period thereafter, for which the applicable trust fund position of the fund is less than 100 percent, the company shall make a contribution to the fund of an amount to be determined by multiplying 4 cents by the total number of hours for which employees shall have received pay from the company for such pay period (or such lesser amount as will bring the total market value of the assets in the fund up to the maximum funding for such fund).

Notwithstanding any other provisions of this agreement, the company shall not be obligated to make any contribution to the fund with respect to any pay period for which the applicable trust fund position of such fund is 100 percent or more, and no contribution to the fund for any pay period shall be in excess of the amount necessary to bring the total market value of the assets in such fund up to the maximum funding for such fund.

### Section 2. When Contributions Are Payable

Contributions by the company shall be made on or before the close of business on the first regularly scheduled workday in the third calendar week following the pay period with respect to which the contribution is being made.

In periods in which the trust fund position equals or exceeds 10 percent, weekly contributions may be accumulated and made on or before the close of business on the first regularly scheduled workday of the calendar week in which the Friday used for determining the trust fund position falls.

#### IDEAL CEMENT-CLGW plan

### Article III. Trust Fund and Trustee

The company shall establish a trust fund with a qualified bank or trust company selected by the company as trustee. The company's contributions shall be made into the trust fund, the assets of which shall be held, invested, and applied in accordance with a trust agreement entered into between the company and the trustee, which shall contain such terms, consistent with the provisions of the plan, as the company may determine. Not less than 50 percent of the assets of the trust fund shall be invested in cash or in U.S. Government guaranteed obligations. Benefits shall be payable only from the trust fund. Payment of benefits shall be made by and return of any amounts of overpayment of benefits shall be made to a representative of the trustee appointed by it for such purpose. Such representative may be a person or persons employed by the company. No part of the principal or income of the trust fund shall at any time be used for, or diverted to, any purposes other than those provided for in the plan.

### Article IV. Financing

#### Section 1. Company Contributions

Commencing with the first pay period beginning after May 1, 1962, and with respect to each pay period thereafter, the company shall make contributions to the trust fund as follows:

Whenever the current cash value of the trust fund in any month is less than 50 percent of maximum funding, the contribution to the trust fund shall be equal to 7 cents multiplied by the total number of compensated hours of all employees until such time as the trust fund reaches 50 percent of maximum funding; thereafter the contribution to the trust fund shall be equal to 6 cents multiplied by the total number of compensated hours of all employees until such time as the current cash value of the trust fund in any month reaches  $66\frac{2}{3}$  percent of maximum funding, thereafter the contribution to the trust fund shall be equal to 5 cents multiplied by the total number of compensated hours of all employees until such time as the trust fund in any month reaches maximum funding (or such lesser amount as will bring the total cash value of the assets of the trust fund up to maximum funding for such fund).

#### Section 2. Maximum Funding

There shall be a maximum funding of the fund for each calendar month equal to the product of \$225 multiplied by the total number of employees (excluding any laid-off employees with less than 1 year of seniority) as of the third Monday of the preceding month.

## PITTSBURGH PLATE GLASS-UGCW 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.

## U.S. STEEL-USA plan

Trust Fund

8.0 The company will establish a fund for the payment of benefits. Cash payments by the company under the plan will be paid into the fund. The trustee of the fund shall be a corporate trustee or nonprofit corporation selected by the company. The trustee shall hold, invest and apply the assets of the fund in accordance with the provisions of the plan. The assets of the fund may be held in cash or invested by the trustee in obligations of the U.S. Government or other appropriate securities approved by the company. The reasonable fees and expenses of the trustee shall be paid from the fund. Benefits shall be payable only from the fund. No person shall have any interest in, or right to, the fund or any part thereof, except as expressly provided in the plan.

8.1 The money in the fund may not be used for any purpose except the payment of benefits to or in behalf of eligible employees as described in this plan and for the trustees' fees and expenses, or as provided in paragraph 9.10.

Maximum Financing

8.2 The maximum financing shall be used (1) with reference to the determination of the company's financial obligations under the plan and (2) for purposes of determining the financial position of the plan. The maximum financing for any month after June 1962, shall be the lesser of:

- a. The product of  $12\frac{1}{2}$  cents and the number of contributory hours in the first 12 of the 14 months next preceding the first day of such month (excluding any month throughout all of which there is in progress a strike involving the union which is not in violation of any basic labor agreement and which causes the suspension of steel producing operations of the company), or
- b. 100 times the sum of the benefits paid during the first 60 of the preceding 62 months divided by 60.

Total Finances and Financial Position of the Plan

8.3 The total finances of the plan at the close of business on the last business day of a month are:

- (1) The market value of the total assets in the fund, plus
- (2) The balance of contingent liability, before the accrual in (3), plus
- (3) The monthly obligation accrued with respect to the contributory hours for the month; minus
- (4) Benefits and expenses accrued but not paid.

8.4 The financial position for any calendar month (called in this paragraph the benefit month) shall be the percentage determined by dividing (1) the total finances of the plan on the last business day of the second calendar month preceding the benefit month by (2) the maximum financing for the benefit month as determined in accordance with the provisions of paragraph 8.2. The financial position for any benefit month shall relate to each week ending within such benefit month for the purpose of applying the benefit reduction table set forth in paragraph 1.5.

8.5 Neither the maximum financing nor the financial position will be adjusted retroactively on account of any subsequently discovered error in the computations or the data used in making the computations unless the error is substantial. Any error, when discovered, will be corrected in the next month's computation of the maximum financing or the financial position.

#### Financial Obligations of the Company

8.6 For each month (the contribution month) beginning with July 1962, the sum of the cash contributions to be made to the fund and the contingent liability to be added to the existing balance of contingent liability (such sum being herein referred to as the monthly obligation) shall be the lesser of (1) the sum of (a) 8.7 cents times the contributory hours for the month of salaried employees who are guaranteed compensation for a minimum number of hours per week or per pay period and (b) 9.5 cents times the contributory hours of all other employees covered by the plan, or (2) the amount which when added to the total finances of the plan as set forth in paragraph 8.3 as of the end of the preceding month will equal maximum financing. The monthly obligation shall consist of contingent liability, except that the excess, up to a maximum of 4.5 cents times all contributory hours for the month, of (1) 10.5 cents times the contributory hours for the first 12 of the 14 months preceding the contribution month over (2) the total finances of the plan as set forth in paragraph 8.3 at the end of the preceding month shall be in cash.

8.7 The company's only obligations to make payments to the fund are as follows:

a. The cash contributions required as the result of the calculation relating to a contribution month, described in paragraph 8.6 (to be made as soon as practicable after such month), and

b. Cash contributions to the fund, up to the balance of contingent liability accrued at any time. Such contributions shall not be made unless needed for the payment of benefits, and when made shall cancel an equal amount of contingent liability. The balance of contingent liability under the prior plan as of June 30, 1962, shall be carried forward under the plan.

8.8 If the company at any time shall be required by reason of any Federal, State, or municipal law or regulation to withhold any amount of a payment to the fund, the company shall have the right to deduct such amount from the payment and pay only the balance to the fund and any such amount shall be treated as though contributed to the fund in determining total finances of the plan.

8.9 Notwithstanding any depreciation or loss of assets in the fund, whether arising from depreciation of the securities held in the fund or otherwise, the company shall not be liable for or be obligated to make any payments under or in respect of this plan other than those provided in paragraphs 8.6 and 8.7.

#### Appendix: Possible Additions to and Transfer from Total Finances

Notwithstanding the provisions of paragraph 8.3 of the booklet, there shall be added to total finances of the plan as contingent liability (in addition to the contingent liability referred to in such paragraph 8.3, for benefit purposes only, and not for contributions purposes) and subsequent transfer as required to the Financial Availability Account provided in section 17—Savings and Vacation Plan, the excess of (1) the difference between the company's maximum monthly obligation under the plan and the amount required to raise total finances of the plan to maximum financing (but such difference shall be limited to 4.5 cents per hour worked by employees—3.7 cents for salaried employees who are guaranteed compensation for a minimum number of hours per week or per pay period—covered by the Savings and Vacation Plan) over (2) the amount of such difference then transferred to the Financial Availability Account under the Savings and Vacation Plan. (In the case of employees on Great Lakes vessels, this provision also refers to other possible additions.)

## Appendix B

### Selected Weekly Guarantee Provisions

To illustrate weekly guarantee provisions as a whole, the entire provisions from selected agreements are reproduced below.

MONTGOMERY WARD & CO., INC.-  
TEAMSTERS AGREEMENTS (10),  
(expiration date: May 1967)

Regular full-time employees, except employees in the mail opening department, with 5 years or more of continuous service will be guaranteed 40 hours of work within the presently established workweek for the employee's activity, or pay in lieu thereof, for any payroll week in which the employee performs any work, provided the employee is available for and able to work.

Regular full-time employees in the mail opening department with 5 years or more of continuous service will be guaranteed 36 hours of work within the presently established workweek for the employee's activity, or pay in lieu thereof, for any payroll week in which the employee performs any work, provided the employee is available for and able to work.

Regular full-time employees, except employees in the mail opening department, with 2 years or more of continuous service will be guaranteed 37 hours of work within the presently established workweek for the employee's activity, or pay in lieu thereof, for any payroll week in which the employee performs any work, provided the employee is available for and able to work.

Regular full-time employees in the mail opening department with 2 years or more of continuous service will be guaranteed 33 hours of work within the presently established workweek for the employee's activity, or pay in lieu thereof, for any payroll week in which the employee performs any work, provided the employee is available for and able to work.

Time not worked in any payroll week by an employee because of voluntary absence, illness, tardiness, disciplinary layoff, and the like shall be deducted from the guarantee.

The company may transfer employees from their regularly assigned duties to other work which is not unreasonable for the employee to perform, at the employee's regular rate of pay in order to fulfill the guarantee.

This section shall not apply in cases of layoffs of 1 week or more, terminations, or to the first week in which the employee is called back after a layoff of 1 week or more.

SWIFT & CO.-MEAT CUTTERS AND  
UNITED PACKINGHOUSE WORKERS AGREEMENTS (2),  
(expiration date: August 1964)

#### Guarantee Pay

Subject to the following rules for eligibility, the company guarantees to each regular full-time hourly paid employee pay equivalent to 36 hours of work at his regular rate of pay for each period of Monday through Friday at work for the company, provided that where the employee is a shift operator as defined in paragraph 16, or an employee who is scheduled to work on such jobs regularly performed 6 or 7 days a week as are listed in exhibit V, the guarantee shall apply to his first 5 scheduled work days during the week.<sup>95</sup>

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<sup>95</sup> Under the following provision incentive workers are considered hourly workers and are, therefore, covered by the weekly guarantee.

If the workday of any employee commences in accordance with his regularly scheduled starting time later than 4 p.m. on the fifth day of his guarantee period, the company may credit toward performance of its obligation under this paragraph straight-time pay for hours actually worked to complete the said workday. This provision shall not change the employee's guarantee period for any other purposes of this agreement.

For employees regularly scheduled to work in the packing, loading (other than night loading), shipping, or auto departments, the following shall apply:

The guarantee shall apply either Monday through Friday or Tuesday through Saturday in accordance with a schedule to be posted for each employee in these departments not later than the Friday preceding each workweek.

For employees regularly scheduled to work on jobs associated with night loading operations or in removing cloth in carcass coolers, the guarantee shall apply to their first 5 scheduled workdays during the week, provided that the company will post a schedule not later than the Friday preceding each workweek showing the workdays for each such employee in the workweek and designating the nonworkdays, which will be 2 consecutive days.

(a) General—Except as hereinafter provided, all hourly paid employees are guaranteed 36 hours' pay in weeks when they are present each day for the full time worked by the gang in which they are employees.

(b) Exclusions—This paragraph does not apply to employees hired on a day basis who normally work for a period of less than 5 consecutive days. Examples: Cured hide takeup, snow shovelers, supply unloaders, wreckers, etc.

(c) Absence for Day—An employee who is absent from work on any day that his gang works shall have his 36 hour guarantee reduced by the number of hours that the gang worked on the days when he was absent.

(d) Absence for Part of Day—An employee who is tardy or is excused from work for part of a day for all personal reasons shall have his 36 hours' guarantee reduced by the number of hours of work which he missed by such absence.

(e) Employment After First of Week—An employee who is employed after the first of the payroll week shall have his 36 hour weekly guarantee reduced by the number of hours already worked by the gang previous to the day the employee is employed. In addition, if such an employee is one:

- (1) Who has been recalled in accordance with the seniority provisions of this agreement and not as a replacement, and
- (2) Who has been recalled to work on a job other than one listed in exhibit IV or exhibit V, and
- (3) Who reports for work in accordance with said recall, and
- (4) Who does not receive pay at least equivalent to 36 hours of work at his regular rate of pay for the period covered by the guarantee, in the week in which he was recalled and reported for work,

such employee shall be guaranteed pay equivalent to 36 hours of work at his regular rate of pay for the period covered by the guarantee at work for the company for the week next following the week in which he was recalled and reported for work, subject to the provisions of subparagraphs (a), (c), and (d).

The practice of raising a gang after the 3d day in the payroll week should be avoided if the additional men are to be used only for a day or two.

(f) Starting on Saturday—An employee starting work on Saturday in a department which regularly shuts down at noon for the week shall not receive any excess time even though the gang may be paid excess time for the week.

(g) Layoff—No employee shall be laid off until the end of the 5th day of the period covered by the guarantee, unless the gang has made 36 hours at the time of reduction or else has been paid for 36 hours.

(h) Holiday Weeks—The application of the 36-hour guarantee shall be the same in holiday weeks as all others.

(i) Credit Toward Guarantee Pay—The company may credit toward performance of its obligation under this paragraph only the following amounts:

- (1) The straight-time pay for hours actually worked by the employee during the period covered by the guarantee.
- (2) The amount by which call-in payments made under paragraph 27 (daily guarantee) during the period covered by the guarantee exceeds the hours actually worked on such call-in.
- (3) The amount by which 4 hours' straight-time pay of the total of recall payments made under paragraph 28 (recall) during the period covered by the guarantee exceeds the hours actually worked on such recall.
- (4) Four hours' pay of the total pay provided for in paragraph 20 (b) (eligibility for pay for holidays not worked) during the period covered by the guarantee.
- (5) Compensation paid under paragraph 21 (clothes changing time) during the period covered by the guarantee.

(j) Part-Time Employee—A regular part-time employee shall be guaranteed pay equivalent to that proportion of 36 hours of work, at his regular rate of pay for each week at work for the company, which the number of hours in his normal workweek bears to 40 hours. The rules for eligibility set forth in (a) through (i) above apply to regular part-time employees, suitably modified with reference to the number of hours.

CENTRAL STATES AREA LOCAL CARTAGE COMPANIES-  
TEAMSTERS AGREEMENTS  
(expiration date: January 1964)

The standard guaranteed workweek shall be 40 hours per week, and the standard guaranteed workday shall be 6 hours per day.

Work shall be scheduled for 5 consecutive days: Monday through Friday or Tuesday through Saturday. However, where the workweek is now limited to the period from Monday through Friday, that condition shall continue unless the parties agree otherwise.

Ninety percent of the regular employees shall be guaranteed 40 hours' work or pay. It is agreed that the standard 40-hour workweek need not apply to 10 percent of the regular employees with a minimum of 1. (Seniority must be recognized.) Probationary employees shall be considered regular employees for the purpose of this provision.

When casual employees are used 3 days or more or with regularity in any one week, they shall be included on the seniority list for the purpose only of determining what employees shall receive the weekly guarantee. This shall not apply to casuals used to replace absentees. The 90-percent test shall be applied to the highest number of employees put to work in that week.

All hours worked on Sundays or holidays or on the 7th consecutive day or in excess of 10 hours per day shall not apply against the guarantee but must be paid in addition to the guarantee.

In any week in which the paid holidays fall, the guaranteed workweek shall be 32 hours, where the regular workweek is 40 hours, and all hours worked in excess of 32 hours in such week shall be paid at the rate of  $1\frac{1}{2}$  times the regular rate provided the holiday falls within the scheduled workweek. In workweeks other than 40 hours, the week shall be reduced by 8 hours where the holiday falls within the workweek schedule. Overtime pay shall not be pyramided.



## Appendix C

### Summary of Annual Guarantees in Agreements Covering Fewer Than 1,000 Workers

This appendix includes summaries of the guaranteed annual wage plans in effect for workers covered by the following collective bargaining agreements:

Nunn-Bush Shoe Co. and Industrial Union of Master Craftsmen (Ind.).

Sugar refinery companies on the East Coast and United Packinghouse, Food and Allied Workers, and International Longshoremen's Association.

St. Louis, Mo., area companies and the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (Ind.), Local 688.

These agreements were excluded from the agreements studied for this report because fewer than 1,000 workers were covered by each of the contracts incorporating the plan. The guarantees are summarized because of their general interest.

#### Nunn-Bush Shoe Co.—Master Craftsmen

This guarantee was applicable only to a specified number of workers designated as "class A workers," who comprised the permanent work force of the company.

. . . Class A workers employed in the factory is limited to 595 and . . . Class A workers employed in the shipping department is limited to 25 . . . The class A membership shall consist of 85 workers of the total number of office workers . . .

These workers were assured year-round employment and 52 weekly paychecks.

While employment was guaranteed, the amount of earnings was not. Minimum earnings for class A factory and shipping department workers were agreed to by the company and the union; actual earnings depended on production. Their wage payments were based on the size of the "share-the-production fund," into which the company contributed a certain percent of the annual wholesale value of production in excess of raw material costs.<sup>96</sup> This percent may vary annually, depending on the cost of raw materials:

If the cost of raw materials shall be 43 percent or under of the wholesale value of the Nunn-Bush shoes packed during the term of this agreement, then and in that event, 36 1/2 percent of the wholesale added value of the Nunn-Bush shoes packed during the term of this agreement shall be the fair reward for the labor's interest; if the cost of raw materials shall be from 43.01 percent to 47 percent of the wholesale value of the Nunn-Bush shoes packed during the term of this agreement, then and in that event 36 5/6 percent of the wholesale added value of the Nunn-Bush shoes packed during the term of this agreement shall be the fair reward for the labor's interest; and if the cost of raw materials shall be 47.01 percent or over of the wholesale value of the Nunn-Bush shoes packed during the term of this agreement, then and in that event 37 percent of the wholesale added value of the Nunn-Bush shoes packed during the term of this agreement shall be the fair reward for labor's interest.

Payments to workers were made through 52 weekly drawings upon the fund. At the end of each month any surplus earnings over the estimate were paid into a reserve account until it reached a specified level; the excess reserves were then paid to the employees in cash. Total wage payments for class A office workers were determined annually through joint union-management negotiations independent of the share-the-production fund. Layoffs were specifically prohibited except when agreed to by the union's executive board:

. . . The class A workers . . . shall not be subject to layoff.

Nothing in this section . . . shall, however, apply to those very unusual circumstances and extraordinary contingencies where a layoff may be necessary . . . for a short time . . . the layoffs of such members for the specified time shall be only upon agreement by and between the executive board of the union and management.

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<sup>96</sup> Participants of the share-the-production fund consisted of class A factory and shipping employees and other employees of the company with at least 2 years of service.

Sugar Refinery Companies-United Packinghouse and Longshoremen's<sup>97</sup>

Annual guarantee provisions in agreements negotiated by the United Packinghouse and the Longshoremen's unions with sugar refineries on the east coast were similar. Unlike the guarantee in the Michigan Sugar Co. -Grain Millers agreement, which was applicable only to a few dozen senior workers,<sup>98</sup> these guarantees covered all employees who, at the beginning of the contract year, had 1 year of service or more. Eligible employees were promised work or pay for a specified number of hours during the year (usually 2,040):

Each employee having . . . more than 1 year of continuous service . . . who shall not have been provided with the opportunity to work at least 2,040 hours . . . shall receive a sum of money computed by multiplying his regular rate of pay by the difference between 2,040 hours and the number of hours he was given the opportunity to work . . .

Saturday and Sunday work, as well as paid holidays and vacations, were credited toward the guarantee. Hours worked in excess of 8 a day (overtime hours) were not counted.

. . . the number of hours for which an employee shall be given the opportunity to work shall include 8 hours for each day on which such employee shall be scheduled or called to work, and in addition, all hours paid such employee under the provisions . . . relating to holiday pay and vacations . . .

Management had the right to transfer workers temporarily to other jobs in the plant during the guarantee year. However, the employees' seniority rights were protected, as explained below:

The company may temporarily transfer an employee or employees to other jobs either within or without their seniority department without affecting the seniority rights of such employee or employees or the seniority rights of other employees.

The total number of hours of work opportunity guaranteed workers were reduced by time lost by the employee because of—

failure to report for or to perform work to which he is assigned, as scheduled or called, provided such assignment is consistent with the health and safety of the employee; suspension for disciplinary purposes for just cause; sickness or physical disability to work; leave of absence, or retirement; and . . . shortage of raw sugar due to causes beyond the company's control adversely affecting the company's operation; . . . or labor disputes which result in depletion of the company's raw sugar stock or which prevent the production or delivery of refined sugars; or major breakdowns or other causes beyond the company's control, whether or not of like kind.

Also, if the company permanently closed a refinery, the total hours guaranteed were proportionately reduced.

St. Louis Area Companies-Teamsters<sup>99</sup>

The annual guarantee for workers covered by Teamsters' Local 688 agreements was applicable only to senior workers in each of the companies. Eligible workers were promised year-round employment (approximately 2,000 hours), exclusive of overtime:

It is understood and agreed that the first 267 employees on the master seniority roster of all the employees covered by the collective bargaining agreement . . . shall be covered by this guaranteed annual wage provisions and shall be guaranteed employment for at least 1,920 straight-time hours each contract year.

. . . this guarantee shall be exclusive of overtime hours worked and overtime hours worked shall not be counted against or included in the guarantee.

Waiver of the guarantee was permitted only under the following conditions:

This guarantee shall be absolute and not be excused for any reason excepting the failure or refusal of employees to work or act of God, or strike; however, the term strike shall not include any labor dispute or work stoppage resulting therefrom by and between Brown Shoe Co. and its subsidiaries wherever located in the United States, its possessions, or Canada on the one hand and any labor union or labor organization in said United States, its possessions, or Canada on the other hand.

<sup>97</sup> Clauses cited in this section were excerpt from the American Sugar Refining Co. -United Packinghouse agreement.

<sup>98</sup> See p. 71 of this report.

<sup>99</sup> Clauses cited in this section were excerpt from the Brown Shoe Co. -Teamsters agreement.

## Appendix D

### Index to Clauses Cited in Chapters IV, V, and VI <sup>100</sup>

<u>Clause number</u>	<u>Employer and Union</u>
1	Lakey Foundry Corp., Muskegon, Mich.—UAW
2	Continental Motors Corp. (Muskegon, Novi, and Detroit, Michigan Divisions)—UAW
3	National Lead Co. (Doehler-Jarvis Division), Toledo, Ohio—UAW
4	American Motors, Interstate—UAW
5	Studebaker-Packard Corp., South Bend, Ind.—UAW
6	Fafnir Bearing Co., New Britain, Conn.—UAW
7	Textron, Inc. (Campbell, Wyant, and Cannon Foundry Co. Division), Detroit, Mich.—UAW
8	Dana Corp., Interstate—UAW
9	Rockwell Standard Corp. (Transmission and Axle Divisions, and Forge Division), Detroit, Mich.—UAW
10	The Maytag Co., Newton and Hampton, Iowa—UAW
11	Caterpillar Tractor Co., Peoria, Morton, and Mossville, Ill.—UAW
12	American Can Co., Interstate—USA
13	Continental Can Co., Interstate—USA
14	Continental Can Co., Interstate—IAM
15	Dana Corp. (Parish Pressed Steel Division), Toledo, Ohio—USA
16	The Wm. Powell Co., Cincinnati, Ohio—USA
17	American Can Co., Interstate—IAM
18	Clark Equipment Co., Jackson, Mich.—Allied Industrial Workers (AIW)
19	Leeds & Northrup Co., Philadelphia, Pa.—Leeds and Northrup Employees Union (Ind.)
20	General Motors Corp. (Inland Manufacturing Division), Dayton, Ohio—URW
21	A. O. Smith, Milwaukee, Wis.—FLU
22	Joint Plumbing Industry Board, New York, N. Y.—Plumbing (PPF)
23	United Popular Price Dress Manufacturers, New York, N. Y.—ILGWU
24	Retail drug store operators, Los Angeles, Calif.—Retail Clerks
25	Supplementary Unemployment-Severance Benefit Fund—ILGWU, Interstate
26	New York Commercial Photo-Engravers Unemployment Fund, New York, N. Y.
27	Buffalo Carpenters Supplemental Unemployment Benefit Fund, Buffalo, N. Y.
28	NMU Unemployment Security Fund, Atlantic and Gulf coasts
29	National Lead Co., St. Louis, Mo.—Painters (BPDP)
30	Minnesota Mining & Manufacturing Co., St. Paul, Minn.—Oil (OCAW)
31	California & Hawaiian Sugar Refining Corp., Ltd., Crockett, Calif.—Seafarers (SIU)

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<sup>100</sup> Clauses cited in chs. IV and V were excerpted from SUB plans in effect at the end of 1963.

<u>Clause number</u>	<u>Employer and Union</u>	<u>Expiration date</u> <sup>101</sup>
32	Swift & Co. Meat Cutters (MCBW)	August 1964
33	Fluid Milk and Ice Cream Companies (Sacramento, Calif.) Teamsters (TCWH) Ind.	August 1964
34	Cleveland Transit System Street (SERMCE)	June 1965
35	Peninsula Auto Dealers Association and independent companies Machinists (IAM)	July 1965
36	Central Motor Freight Association Teamsters (TCWH) Ind.	January 1964
37	Dairies in Metropolitan Washington, D. C. Teamsters (TCWH) Ind.	June 1964
38	Armour and Co. Meat Cutters (MCBW)	August 1964
39	Los Angeles Markets Arbitration Association Teamsters (TCWH) Ind.	January 1965
40	Pet Milk Co. (Dairy Division) Teamsters (TCWH) Ind.	September 1966
41	General trucking companies, Chicago, Ill., area Machinists (IAM)	March 1964
42	New York City Bakery Employers Labor Council Teamsters (TCWH) Ind.	April 1966
43	Wm. Schluderberg—T. J. Kurdle Co. Meat Cutters (MCBW)	August 1964
44	Food Fair Stores, Inc. Retail Clerks (RCIA)	January 1964
45	Niagara Frontier Unionized Milk Dealers Association Teamsters (TCWH) Ind.	June 1964
46	New Jersey Laundry and Cleaning Institute Laundry (LDC)	July 1964
47	Tri-City Common Carriers Truck Association Teamsters (TCWH) Ind.	January 1964
48	Greater Cincinnati Milk and Ice Cream Dealers Association Milk and Ice Cream Drivers and Dairy Employees (Local Industrial Union AFL—CIO)	March 1965
49	Montgomery Ward and Co., Inc. Teamsters (TCWH) Ind.	May 1967
50	Spiegel, Inc. Teamsters (TCWH) Ind.	January 1966
51	New England Road Builders' Association, Inc. Engineers (IUOE)	April 1964
52	Alameda County Milk Dealers Association Teamsters (TCWH) Ind.	March 1964
53	Automotive Repair and Maintenance Industry Machinists (IAM)	July 1965
54	Food Employers Council, Inc. (Wholesale Warehouse) Teamsters (TCWH) Ind.	September 1964

<sup>101</sup> Expiration date of collective bargaining agreement which included cited clause.

<u>Clause number</u>	<u>Employer and Union</u>	<u>Expiration date<sup>102</sup></u>
55	Wilson Co. Packinghouse (UPWA)	August 1964
56	John Morrell & Co. Meat Cutters (MCBW)	August 1964
57	New York Council of Wholesale Meat Dealers, Inc. Meat Cutters (MCBW)	April 1963
58	Milk Dealers, Philadelphia and Vicinity Teamsters (TCWH) Ind. ; and Firemen and Oilers (IBFO)	September 1965
59	John Morrell & Co. Packinghouse (UPWA)	August 1964
60	First National Stores, Inc. Teamsters (TCWH) Ind.	April 1965
61	Wholesale Grocers Association of Chicago Teamsters (TCWH) Ind.	October 1965
62	Oscar Mayer and Co. Meat Cutters (MCBW)	August 1964
63	Aldens, Inc. Teamsters (TCWH) Ind.	January 1965
64	First National Stores, Inc. Teamsters (TCWH) Ind.	April 1966
65	George A. Hormel and Co. Packinghouse (UPWA)	Indefinite
66	Michigan Sugar Co. Grain Millers (AFGM)	July 1965
67	Retail Apparel Merchants Association, Inc. Clothing (ACWA) Salesmen	August 1966
68	Retail Apparel Merchants Association, Inc. Clothing (ACWA), N. Y. Joint Board	September 1966
69	Shoe Retailers League, Inc. Retail, Wholesale (RWDSU)	August 1962
70	Wisconsin Public Service Corp. Engineers (IUOE)	October 1965
71	Western Greyhound Lines Transit (ATU)	February 1964
72	Associated General Contractors of America (Alaska) Hod Carriers', Bricklayers, Plasterers, and Cement Masons, Lathers and other unions	June 1966
73	Associated General Contractors of America (Alaska) Carpenters (CJA)	March 1965
74	National Twist Drill and Tool Co. Auto (UAW)	September 1964
75	Building Material Dealers of Greater Cleveland, Ohio Teamsters (TCWH) Ind.	April 1964
76	Pacific Maritime Association Longshoremen's and Warehousemen's (ILWU) Ind.	June 1966
77	League of New York Theatres, Inc. Actors (AEA)	May 1964

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<sup>102</sup> Ibid.

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