RECENT TRENDS IN INDUSTRIAL PENSION PLANS*

I. GENERAL


Includes papers by Ivan L. Willis, Esmond B. Gardner, and Maurice F. Lipton covering current attitudes of employees, management, and unions toward pension plans, employee relations aspects of trusteeship plans, and trends in insured plans.


“Union interest in employee retirement plans” by H. Charles Kwasha includes also brief discussion of the advantages of and recent trends in insured plans, and a paper by D. N. Warters covers characteristics, advantages, and recent trends in insured plans.


Analysis of plans covering about 30% of employee members of industrial pension plans. Of particular interest to those who are concerned with the administration of a pension plan is the section on plans amended “... as a result of experience, and, more important ... to offset the inadequacy of accrued pensions resulting from ... increase in living costs, ... high rate of personal income taxes, and other influences.” Findings are arranged in tabulated form and identified by industry.


Two-fifths of 15,636 manufacturing establishments surveyed in 1945-46 had some type of insurance or pension plan, the latter being comparatively uncommon. This article gives a percentage distribution by industry and by region. More detailed information is scheduled for publication in a forthcoming bulletin of the Bureau of Labor Statistics.


A non-technical source of information on pensions including material...

*Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.*
concerning the fundamental provisions of a pension plan, the costs involved, a thorough description of the various plans available, and a discussion of the choice of a plan together with an analysis of the basic provisions of 612 funded pension plans presented in tabulated form. Includes a selected bibliography.

2. Cost and Tax Aspects


The author asserts that "... the material cost differences [in pension plans] are determined by the variety, character, and certainty of the benefits paid for by the employer; ... by the plan and not by the financing vehicle." "When an employer has selected the group to be covered and has determined the benefits to be given, ... his costs are then largely determined."


Article with illustrative tables showing the increase from 1929 to 1946 in employer contributions to employee security programs.


Results of a survey of 26 representative companies to determine the prevalence and cost of voluntary social service plans. Of interest to those wishing to evaluate a pension scheme in relation to over-all employee benefits.


Discussion of means of reducing the cost of employee security programs. The author states that "The tax laws are so constructed as to allow the employer instituting an employee security program actually to cut his costs in half through the use of a 'security' trust," and "If, in addition, the factor of increased labor productivity—'earned security' ... is tied in with the trust, there is a chance that the costs may be wholly eliminated."


Presents in tabulated form the age composition of different industries. Of interest to those estimating benefits and costs under a pension scheme.

Examines critically the present tax treatment of income from annuities and proposes several alternative methods for achieving greater equity without serious loss of revenue.

3. **Current Problems**


The first paper in this number, "Collective bargaining on pensions and other employee benefit plans," is by Walter J. Couper of Industrial Relations Counselors. It presents the arguments for and against bargaining on benefit plans and outlines a proposed management policy. The second paper, "Benefit plans under collective bargaining—problems and prospects," by W. H. Winans of Union Carbide and Carbon Corporation presents a management case against including benefit plans in collective bargaining.


Discusses the more important adaptations in pension plans which would be necessitated by the adoption of the proposals of the Advisory Council on Social Security for amendments to the federal old-age and survivors insurance program.


Twenty-three of 189 plans analyzed provided minimum pensions ranging from $10 to $100 a month. Information regarding length of service required to receive minimum payments and relation to social security benefits is also given.


An analysis of data collected in seven large cities which includes information on average spendable funds of beneficiary groups by source of funds. "Comparisons indicate that nearly half of the beneficiary groups . . . probably did not have income sufficient for a maintenance standard at 1941-42 prices."

**Federal Security Agency, Social Security Administration, Office of the Actuary. Actuarial Study No. 25. Analysis of recent group annuities supplementing retirement benefits under old-age and survivors insur-**

Based on a study of 376 contracts written by insurance companies for industrial concerns, about 75% of which include definite recognition of social insurance benefits.


Considers the need for study by executives charged with the administration of benefit plans of such problems as working-after retirement age, retiring women at sixty, retirement of older workers hired during war years, relation of pension to final salary, and increasing life insurance coverage after retirement.


Results of a survey concerned with compulsory retirement policy: whether a formal pension plan exists, employee attitudes on the subject, company activities in aiding psychological adjustment on retirement, and activities planned for retired employees.


The report and the recommendations of the Advisory Council for extension of the old-age insurance program and for increase in benefits have significance with respect to possible future changes in pension plans.


Texts of the Board order, and of the Circuit Court decision upholding the order, requiring the employer "to refrain from making any unilateral changes in its pension and retirement policies without consulting union and to bargain with the union if it complies within 30 days with affidavit and filing requirements of amended NLRA."