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WHAT YOU SHOULD KNOW ABOUT INDIANA PENSION PLANS

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WHY YOU SHOULD KNOW ABOUT PENSION PLANS

Since life expectance has increased from twenty-six years in the 16th century to over sixty years today, a larger portion of our population is becoming more advanced in age. Consequently there is a growing insistence on the part of this older group for a steady income. The Social Security Act was not designed to maintain an adequate standard of living for the retired worker especially in the face of increased costs of living.

The employer has been "tossed the ball" by recent union demands and by the ruling of the Supreme Court last April. Beginning with the United Mine Workers' demand for a $100 a month pension, the unions are now on the bandwagon for this type of security for their members. In September, 1948, the 7th Circuit Court of Appeals decided that employers cannot refuse to bargain over pension plans. (NLRB v. Inland Steel Company, U.S. Court of Appeals, 7th Circ. No. 9612,9634, September 23, 1948)

The court decided - as did the NLRB - that pension benefits come properly within the category of "wages", and that terms of retirement are within the sphere of "conditions of employment". On April 25th, the Supreme Court refused to review this decions by the 7th Circuit Court of Appeals, This action, on a case originating in Indiana, in effect upheld the lower court's ruling.

This case certainly will have an effect upon Indiana employers and Indiana labor unions. The unions have been afforded by this decision one of the strongest trading points they have had in years. Those employers who do not have a pension plan, are very likely to be called upon to provide one. Furthermore, those employers with existing plans will be called upon to bargain with the unions over the provisions of the plan. For both groups, this bulletin is designed to provide a background by presenting a brief digest of suggestions from pension plans already in operation in the State of Indiana.

(Much of the basic research for this bulletin was performed by Glen Bordner, M.B.A., Indiana University 1948)

WHAT IS A PENSION PLAN?

The term pension is defined as any regular payment made to any person by way of gratuity, subsidy, or as a stated sum paid to one who has retired from service. A pension plan must be designed in relation to an employer's particular circumstances, and by the employer working in concert with the necessary technical advisers. A simple pension plan will include only five main provisions, namely:

1. Employer considerations and financing the pension plan,
2. What the employee must do to be eligible for participation,
3. Requirements for a pension upon retirement of employee,
4. How to compute the amount of pension for each employee,
5. Administration of pension plan and funds.

EMPDOYER CONSIDERATIONS FOR PENSION PLAN

Pension payments to the employee may be considered by the employer as:

1. A reward for long service
2. Deferred compensation
3. A desirable way of removing superannuated (over-age) personnel from the payroll, especially if a fund has been created by periodic contributions which are charged in a manner similar to ordinary depreciation and which are made during the productive service period of the employee so that there will be no further cost to the employer after the employee has retired.
4. A very desirable way to secure lower labor unit cost. Due to the fact that employee morale as a whole is improved, efficiency increased, and labor turnover decreased by an

adequate pension plan, there is a lowering of the unit cost of labor. Older employees obtain a feeling of financial security and consequently do more efficient work. Younger employees are stimulated to greater efforts because automatic retirement of older workers creates vacancies which provide for possible promotion of younger ones to higher positions. Not only can the efficient and experienced employees be retained, but a better type of new employee is attracted.

In the proxy statement issued by one Indiana concern, March 11, 1944, the following reason was given for the adoption of its retirement annuity plan.

> "The Board of Directors of the ___ Corporation believes that adoption of the Plan is in the best interest of the Corporation's stockholders as well as its employees. Experience has demonstrated that affording reasonable security to employees when they reach retirement age is important in promoting morale and efficiency and particularly in retaining the services of those employees who hold responsible positions. The Board of Directors also believes that the wisdom of providing security for employees who have faithfully given the best years of their lives in the service of the corporation cannot be seriously questioned."

The National Association of Manufacturers in its Industrial Relations Bulletin entitled "Employee Benefit Programs" states:

> "In addition to giving employees an important sense of security, sound, established, well administrated plans may be valuable assets to employers by reducing turnover, increasing job satisfaction and generally improving employee morale and productivity."

HOW IS A PENSION PLAN FINANCED?

1. The Unfunded Method Provides for a pensioning system but does not provide for accumulation of funds to pay the pensions prior to the employee's retirement. The payment is treated as a cash outlay or a

regular expenditure at the time the employee retires. Also, pension reserves are set up by some employers which annually are credited with the amount needed to pay the pensions due. No funds are actually accumulated and the company must consider cash required for pensions as it does operating expenses. A number of disadvantages are presented by this method:

1.1 No assets are set aside as a basis for the payment,

1.2 Credits to the reserve accounts are not deductible and tax benefits are lost,

1.3 Only payments to retired employees are deductible for tax purposes.

2. <u>The Funded Methods</u> A funded plan provides for the accumulation of funds to meet the obligations of the employer under his formal plan before the employee retires. There are several methods of funding pension plans and the one selected by a firm is that which will best fulfill its needs.

2.1 <u>Group Annuity Contracts.</u> The objective of this method is the coverage of a large number of employees under a blanket agreement with an insurance company. Under this master contract all contributions to the plan are paid to the insurance company to purchase annuities representing the pension benefit. Insurance companies, following state laws, usually require that at least fifty employees be covered by the contract and at least 75 per cent of the eligible employees participate. Annually the employer purchases a unit of single premium deferred annuity covering retirement pay due a particular employee for that year's service.

2.2 <u>Individual Annuity Contracts.</u> This plan is very attractive for the employer of a small number of workers, for there are no requirements as to the number of employees that must be covered. A separate contract is purchased for each employee covered, which will provide the amount of benefit contemplated. It is considered the best administration policy to use a trust in connection with this method. The individual policies must provide cash or loan values. Trusts are favored under the Internal Revenue Code. All provisions of the plan are enumerated in the trust indenture. Under this plan the annual premiums are on an annual level basis.

2.3 <u>Trust Fund Method</u>. Definite steps can be set up in the establishment of a plan by this method.

Step 1. Actuarial estimates, concerning mortality, severance, and disability, are made to show when and how much funds will be required to be made under the plan. Age, sex, compensation, and length of service of each member are considered. Periodically the estimates and computations are checked, and the necessary adjustments in the amounts to be contributed are then made. The amount of the contribution will depend upon the type and amount of benefits under the plan.

Step 2. Adjustments for increases or decreases in compensation are made at the time of periodic reviews.

Step 3. The amounts to be contributed to the fund are paid to a trustee under a trust agreement between the employer and the employee. The trust fund is then invested and income accumulated. The trustee holds title to the assets, consisting of securities, cash and other property, which are segregated and kept as an entirely separate fund to provide the payments under the plan. The investment of the trust fund is governed by the provisions of the trust agreement. The type or types of investment may be limited, as, for example, to United States Government bonds, securities legal for trust funds, or securities legal for life insurance companies; but they need not be limited and may include preferred and common stocks.

WHAT ARE THE TYPES OF LIFE ANNUITIES?

The types of annuities which may be purchased under the formal pension plans mentioned in the previous section are divided into three classes and may or may not provide for refunds in case of death or employment severance.

> Class 1 - "single premium" immediate annuity - in which case the purchaser makes one payment and the annuity installments begin at the end of regular monthly, quarterly, or annual periods immediately thereafter.
>
> Class 2 - "single premium" deferred annuity - in which case the purchaser makes one payment but the annuity installments do not begin until a designated future date, such as the date on which the pensioner reaches a specified age.
>
> Class 3 - "level premium" deferred annuity - in which case the purchaser makes level payments periodically, usually annually, until a designated future date at which time the annuity installments begin.

The contracts may call for no refund, thus payments stop on the death of the pensioner and no further benefits accrue to anyone. If the refund provisions are included in the contract, a designated beneficiary may receive the remaining installments in one cash sum or by a continuation of such installments. A life annuity, with installments certain, provides that a beneficiary may receive the installments until the end of the period for which the installments were to be paid. Under optional settlement provisions, actuarially determined benefits are available on a number of interchangeable bases.

Group annuity contracts involve the purchase of the second type of annuity and always provide for return of employee contributions, if any, plus interest thereon depending upon the plan.

The premium rate for any of the types will vary with the age and sex of the individual annuitant. Giving consideration to the above two factors, the entire schedule of annuity rates will vary whenever there is a change in investment or mortality rates. These changes will not affect existing contracts, but all subsequent contracts will be issued at the new rates.

When severance and death benefits are added to a simple pension plan, an employee benefit plan is created. Under this plan if the employee leaves the company, he is paid back his contribution, plus interest; and in the event of his death before retirement, his beneficiaries receive a death benefit. The severance factor is based on the experience of the firm as to the number of members who will sever their employment during the year.

PROVISIONS OF A PENSION PLAN

Who May Be a Member of the Plan?

Eligibility for membership in any plan is usually governed by the following considerations: (1) personnel policies and cost, and (2) coverage requirements under Sec. 165(a) (3) (A) of the Internal Revenue Code. The actual cost of a pension system is determined by the number of eligible employees and those who will become eligible in the future. Because of this fact, it is best to establish strict eligibility requirements at the beginning, thereby reducing the original cost of the plan.

Requirements for membership are usually based upon the following: (1) length of service, (2) age, (3) type of work and nature of compensation, and (4) amount of compensation.

Length of Service. The time limit should be as short as possible to give the new employee an early feeling of being a part of the plan, thus maximizing the stabilizing effect of the plan on labor turnover. Consideration must also be given to the permanency of the employee to avoid unnecessary clerical and accounting costs. Generally, two years would be most suitable, depending upon the rate of personnel expansion and personnel turnover. In Indiana, business firms that have pension plans appear to follow the requirement of one year or more of continuous service before the employee is eligible to participate in a pension plan. Some few require three or more continuous years. Five years is the maximum in any instance.

Age. Any age limit may be established. Thirty years of age is generally thought of as the best requirement since personnel turnover is higher at earlier levels. Care must be used so that a late eligibility age is not established, since this would tend to favor the older employees and might disqualify the plan under Section 165 (a) of the Internal Revenue Code. One company differentiates between male and female employees; men to be eligible must be at least thirty and not more than sixty-five; women must be at least twenty-five and not more than sixty. (See page 17)

Type of Work, Place of Work, and Nature of Compensation. Plans may be set up which cover only salaried or clerical employees and still qualify under the Internal Revenue Code. Employees of certain departments, plants, or in certain locations may be excluded, but the employer's reasons for so doing must be properly justified. Heavy turnover and the existence of union contracts are two acceptable reasons. There must be total benefits resulting to each employee under the plan or under the Social Security Act alone that establish an integrated and correlated retirement system satisfying the tests of 165 (a) of the Internal Revenue Code. Plans may call for continuous service, but have provisions for leaves of absence due to sickness, military service, layoffs, etc. Care must be taken to include all cases for which allowances are to be made. Authority to act upon individual cases may be delegated to the pension committee or other administrative body. The retirement age qualifications vary with the plan. Generally, companies set sixty-five as the employee's retiring age, although some firms retire employees at the age of sixty. There is no necessity for retiring female employees earlier than male; however, firms often retire them five years sooner. Since the cost of the plan increases as the age of retirement becomes earlier, the retirement age of sixty-five for males and sixty for females is suggested.

SHOULD EMPLOYEES CONTRIBUTE TO THE PLAN?

There are several impressive advantages on the side of contributory pensions. In the first place, if it is reinsured, and if obligations are covered by a sufficient reserve fund definitely set aside, it is practically certain to be paid, since it is not dependent upon the whim of the employer nor even upon the permanency or solvency of the business.

The contributory pension relieves the employer of a part of the expense in addition to encouraging self-dependence among the employees by putting upon them a part of the responsibility for their own future support. When the contributory pension takes the form of insured annuities, the company is relieved of the necessity of maintaining a large cash reserve for the payment of pensions. Furthermore, by following a pay-as-you-go policy, the employer avoids the danger of incurring future obligations of unknown amount. Some employer objections to a contributory plan are as follows:

When the money of the employer and the employee falls into a common fund for the pension plan, contractual rights are involved. With the first dollar contributed by employees, the employer loses his privilege of paying or withholding pensions as he will; he is dealing no longer with only his own money. Another objection concerns the cost. A contributory pension involves the absolute safeguarding of pension rights. This can be done by setting up reserves outside the business operations of the employer, which are actuarily sufficient to make the plan solvent, or by reinsurance. Either alternative involves the investment of large sums at low rates of interest, presumably far below the return which the employer would expect the same sums to earn in his own business.

In recent years, there has been a tendency in the direction of keeping the employees' contributions separate from the employer's. The employer pays a bare subsistence pension at his own cost, either to all employees or only to those who participate in a separate annuity fund built up by their own contributions. Under a plan of this kind the portion financed by the employee becomes in fact a savings fund from which the man who leaves the company ordinarily may withdraw his share, or if he remains with the company until retirement he receives an annuity. It must be remembered that under the Taft-Hartley law pension plans and their investments must be administered by a joint employer-union committee.

Effect of Social Security Benefits.

Some firms deduct Social Security Act benefits. That is, they compute the pension benefit on the full compensation and then deduct the benefits allowed for under the Social Security Act. Usually only the primary benefits are considered. Great care should be exercised in writing this clause into a plan because the effect on the individual worker can be very harmful, if he does not meet the necessary requirements for the pension.

Should Credit for Past Service Be Given?

Some firms give credit for service rendered prior to the establishment of the pension plan. Thus employees who are near the retirement age receive proper consideration. Costs, law and regulations limit the amount of past credit extended. The cost of the plan increases proportionately with an increase in credit. To limit this cost the employer has four alternatives: (1) to give past credit only to a set age or date, (2) to limit the number of years allowed, (3) to apply a pension rate only to compensation in excess of a specified amount, and (4) to use decreasing per cent rates of credit for past service. The total cost of past credits is usually paid by the employer. As to the law and regulations, Section 23 (p) (1) A (iii) of the Internal Revenue Code provides that no more than ten per cent of "present value" of past credits can be deducted in a taxable year; however, the excess may be carried over to taxable years in order of time. Under the code these payments must be spread over a period of not less than ten years. Clause (ii) provides that if the "remaining unfunded" cost of the past and future service credits of three individuals under the plan exceeds 50 per cent of such cost for all members, then such cost for the three must be spread over five taxable years. In Indiana, two companies made no allowance for past service credit. Another company stipulated that one per cent of the employee's salary for each year (in excess of five years) of full time employment would be paid. One company computes past service credit by taking one per cent of the monthly rate of earning, not including overtime and before deductions for taxes, social security, and multiplying the amount by the number of years of service, whether or not continuous, after the 35th birthday for men (30th for women) and up to July 1, 1944. On one instance a company limits its pensions to $35 per month. The employee may get $1 per month for each year of credited service in the employ of the company as long as his pension does not exceed $35 per month.

<u>What Are the Supplemental Benefits?</u>

Under a simple plan, which would be non-contributory, the only benefits would be straight life annuity without disability, death, severance or other welfare benefits. With a contributory plan several of these benefits may be added.

1. Severance. A contributory plan would provide for the return of employee contributions upon severance before retirement. Whether interest is paid upon the employee's contribution is a matter up to the employer. If the plan is qualified under the Code, the rate of two percent is suggested. Some firms reduce

their cost by paying a percentage only after the employee has been with the company a certain number of years and then decides to leave. Care must be taken not to make the severance benefits too large, so that it would make it worth while to terminate service. Under the group annuity method of funding, at severance, the employee contributions are returned as reduced paid-up deferred annuities or in cash.with or without interest and the vested amount as the same type of annuity as that payable at normal retirement age. In Indiana, three companies give the employee a choice of two options: (1) a cash payment equal to the sum of his own contributions with credited interest, or (2) if he does not elect to withdraw his contributions, he will receive at retirement age, the future service purchased by his own contributions and in some instances the contributions of the company.

2. Death Benefits. Whether death benefits are to be paid depends upon (1) how they will affect cost, (2) if the plan is contributory, and (3) the method of funding used. The Internal Revenue Code states that a plan to qualify must be for the benefit of the employees or their beneficiaries. The employee must have the sole right to choose his beneficiary and the administrators of the plan must abide by his choice. If no choice is expressed by the employee, the plan may establish a priority order to start with the employee's wife, children, parents, brothers and sisters or his estate. If the plan names the corporation beneficiary, the entire plan would fail to qualify under the Code. Any interference with the employee's freedom of choice will disqualify the plan.

Under a contributory plan all employee contributions are returned to his beneficiary with or without interest providing death is before retirement. If death is after retirement, the total amount of his contribution, minus the amount already paid out in retirement annuities, is given to his beneficiary. Under a group annuity plan, there are no provisions for death benefits, except return of employee contributions. Most of the companies included in the study have essentially the same death benefit qualifications, namely:

1.1 In the event of death before retirement, the employee's total contributions, plus interest, will be paid to the beneficiary.
1.2 In the event of death after retirement, if the total annuity payments to employee at time of death is less than his total contributions plus interest, the balance will be paid to his beneficiary.
1.3 Anyone the employee designates may be the beneficiary.

3. Disability and Other Welfare Benefits. In addition to disability benefits, hospitalization, accident, sickness, maternity and similar benefits may be offered in a pension plan. Again, costs, laws, and type of funding must be considered when including these benefits.

Administration of the Plan

Most employers place the administration of their plans under the control of a pension or advisory committee. This body is made up of three to five members appointed by the employer. Employee representatives as well as persons not connected with the employer may be members. The duties and responsibilities of this body should be carefully stated in the plan itself. Information and records concerning age, sex, amount of compensation, entry date into the company service and plan, designated beneficiaries, leaves of absence, early or postponed retirement, severance, and death of each member should be kept by this committee. Numerous other powers can be given the committee. The only limitation on their powers is that they may not be used to discriminate in favor of stockholders, top officers, or highly paid employees; and one employee may not be favored over another.

A trustee is ordinarily used only with self-administered and individual annuity plans. Group annuity and group permanent plans seldom, if ever, use a trust. A bank or a trust company is usually preferred as trustee for the following reasons: (1) more efficient and experienced management, (2) more stable financial responsibility, (3) continuity of administration and (4) confidence of employees. The duties are set forth in the trust agreement. The main duty is the investment of funds and the accumulation of income therefrom, so that future pension payments can be met. Adjustments for employees who are added to and dropped from the plan must be made. In either type of administration, appropriate and adequate records must be maintained. Corporate trustee fees vary with the type of plan, difficulties of administration, and services offered. As experience is gained in the administration of plans, the cost of these in the future will tend to become more standardized. The trustee may or may not be a member of the pension committee, since the plan may be separate from the trust.

The Indiana companies included in this survey use the following methods of administration:

Trust:	5 companies
Pension Board:	1 company (5 board members)
	3 companies (4 board members)
Board of Directors:	2 companies
Total	11 companies

CRITERIA FOR ESTABLISHING A PENSION PLAN

(Based on a survey of Indiana firms)

1. Initiation of the Pension Plan

   1.1 It is desirable for an employer to establish his basic considerations for a pension plan before a union demands it, or else, provide for investigating a cooperative plan with the union.

2. Adequateness of Pension Plan

   2.1 The plan must be adequate so that the employee will be able and willing to retire at the normal retirement age.

3. Years of Firm's Existence

   3.1 No set number of years required before pension may be put into operation.

4. Number of Employees

   4.1 No minimum number of employees necessary for establishment of a pension plan, but it is usually accepted that for less than 100 employees, an employer is limited largely to an individual annuity plan.

      4.11 Many insurance companies will not write group annuity contracts for less than fifty employees.

5. Profits of the Firm

   5.1 The firm must have enought profits to meet the actuarially determined cost of a pension plan.

   5.2 The Commissioner of Internal Revenue is interested only in the permanency of the plan and will be interested in the indication of future earning power.

6. The Plan Must Be Tailor Made

   6.1 The plan must be tailor made for a particular firm, for age, sex, length of service, type of occupation and compensation will vary with each firm.

7. Where to Seek Actuarial Advice

   7.1 To make certain the plan is actuarially sound, good insurance companies or good trust companies should be consulted.

8. **What Laws Must Be Considered?**

8.1 Federal laws

- 8.11 The Internal Revenue Code Sec. 165 (a) and Sec. 23 (p)
- 8.12 Federal Unemployment Act of 1939
- 8.13 Securities Act of 1933
- 8.14 Securities Exchange Act of 1934
- 8.15 Investment Company Act of 1940
- 8.16 Fair Labor Standards Act of 1938
- 8.17 Labor Management Relations Act of 1947

8.2 Indiana State Laws (Burns Annotated Statutes)

- 8.21 Gross Income Tax Act 64-2606; 64-2605; 64-1705; 64-1606
- 8.22 Insurance Laws of the State of Indiana 39-4221; 39-4222; 39-4223; 39-4224
- 8.23 Employment Security Act - 1947
- 8.24 Blue Sky Laws 25-838
- 8.25 Estate and Inheritance Taxes - 6-2401; 6-2442
- 8.26 Debtor-Creditor Laws - 6-1901; 6-1912

9. Educational Program

9.1 An initial and long range educational program is essential to educate the employees to all benefits of the plan and gain their support.

<u>Suggested References for Further Study:</u>

O'Neill, Hugh, <u>Modern Pension Plans</u>. New York: Prentice-Hall, Inc., 1947.

<u>Pension Plans In Indiana</u>, Indiana State Chamber of Commerce, June, 1948.

SURVEY OF PENSION PLANS IN OPERATION IN INDIANA

Company	Year Plan Made Effective or Amended.	Conditions of Eligibility: Age	Conditions of Eligibility: Years of Service	Contributions by Employees	Conditions Under Which An Employee Will Be Entitled To A Full Vested Right in Company's Contribution Prior to Normal Retirement Age.
1. Company A	1946	None	1	2% of first $3,000 of annual compensation plus 5% of remainder of annual compensation	1. Age 50 2. 20 years of service
2. Company B	1940	Under 65	1	No contribution on first $50 on monthly earnings; 4% of next $200 of monthly earnings; 6% on the portion over $250 a month.	1. 10 years of continuous service
3. Company C	1946	None		None	None
4. Company D	1936	30 to 64½	5	Monthly Earnings — Contributions $150 — $2.00 170 — 2.40 190 — 2.80 210 — 3.20 230 — 3.60 250 — 4.00 270 — 4,80 290 — 5.60 310 — 6.40 350 — 8.00 etc.	1. 5 years membership in plan

SURVEY OF PENSION PLANS IN OPERATION IN INDIANA (Continued)

5. Company E	1944		10	None	None
6. Company F	1945	Under 65	3	2% of first $35 of basic earnings plus 4% of next $25 of basic earnings plus 6% of weekly earnings in excess of $60	1. 5 years of contributory membership or 2. Age 50 and 10 years membership
7. Company G	1947	Over 35 Under 65	1	Annual Rate of Salary — Contributions (monthly) $1,200 — $1.00 1,500 — 1.50 1,800 — 2.00 2,100 — 2.50 2,400 — 3.00 2,700 — 3.50 3,000 — 4.00 3,400 — 5.00 3,800 — 6.00 4,200 — 7.00 4,600 — 8.00	1. 20 years service 2. 10 years participation in plan
8. Company H	1944	Men over 29 under 65 Women over 24 under 60	1 1	None	None
9. Company I	1947	Under 65	1	2% of first $1,560 of year's earnings plus 4% of next $1,440 of that year's earnings plus 6% of the portion of such earnings above $3,000.	1. 10 years credited service 2. Payable at age 65
10. Company J	1944	Under 64	3	3% over $3,000 per year subject to a minimum monthly contribution of $1.50	1. Age 55
11. Company K	1944	Under 65	5	None	None

SURVEY OF PENSION PLANS IN OPERATION IN INDIANA (Continued)

Method of Funding	Past Service Benefit Formula	Future Service Benefit Formula	Number of Employees as of 1946	Source of Actuarial Advice
1. Pension Board Co. A	1.65% of past service earnings (or 1.5 if a woman) x number of years-sum of 40% of first $600 and 10% of remainder up to $2400 x net amount number of years till effective date by total number of years of service	40% of aggregate contributions of employee	161,000	
2. Trust Co. B	None	½% of excess of average monthly earnings over $50 2% of excess over $250 monthly		Prudential Insurance Co. of America and Metropolitan Life
3. Trust Co. C	1% of average annual pay for 10 years x number of years of service Minimum - $50 per month		7,800	
4. Group Annuity Co. D		Company contributes amount required over and above contributions to provide the normal retirement income		Equitable Life Insurance Co.
5. Trust Co. E	$1 per month for each year of credited service in employ of company Maximum - $35 per month		25,500	Toledo Trust Co.
6. Group Annuity Contract Co. F		3/4 of 1% of first $250 of basic monthly salary plus amount of employee's contribution plus annuity rate in effect.		J. P. Morgan & Co.

7. Group Annuity Contract Co. G	1% of past salary in excess of $600, but under $3,000 per year. 1½% of past salary in excess of $3,000 per year The sum of which x number of years of past service	Amount of monthly contributions plus service annuity for each full year	19,000	Equitable Life Assurance Co.
8. Trust Co. H	1% of April 1943 rate of earnings in excess of $50 x number of years of past service after 35 (or 30 if a woman)	1% of current monthly earnings over $50 and up to $250; plus 1½% of current monthly earnings in excess of $250. Number of years from inclusion in plan and retirement x total of above sum.	750	Bankers' Trust Co.
9. Trust Co. I	2% of average monthly earnings	1% of first $1,560 of that year's earnings plus 1 1/3% of next $1,440 of that year's earnings plus 2% of the portion of such earnings over $3,000 for each year.	Not given	Equitable Life Assurance Company
	Maximum - $20,000 per year			
10. Group Annuity Contract Co. J		1.3% of annual salary over $3,000	16,000	Aetna Life Insurance
11. Trust Co. K	1% for each year (in excess of 5 years) of full time employment preceding entry day.	1% of basic monthly salary for each year of participation until retirement	1,200	Lincoln National Life Insurance Co.
	Minimum $20.00 per month Maximum $150.00 per month			