

Pensions  
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PLANNING A SUCCESSFUL

# Retirement Program

FOR YOUR COMPANY

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Prepared and Published by

MARSH & MCLENNAN, INCORPORATED

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# Foreword

BUSINESS LEADERS TODAY recognize that a plan for the retirement of older employees is sound business and good management.

The purpose of this brochure is to explain how Marsh & McLennan can assist you in building the right kind of retirement plan for your company. It is based on our many years of experience in helping solve this problem for companies in virtually every field of business and in every section of the country.

In the event you are contemplating any negotiations with employees which might involve pensions or employee benefits we can provide you with information in advance showing you the extent of the liability which you may be assuming.

Marsh & McLennan service as explained in this brochure includes professional guidance in modernizing existing retirement plans as well as designing, installing and supervising plans from their inception.





PLANNING A SUCCESSFUL

# Retirement Program

FOR YOUR COMPANY

NO TWO RETIREMENT PROGRAMS should be identical, for every company has problems peculiar to itself. Employee eligibility, treatment of past service, administration, benefits, employee contributions . . . even these primary questions require different answers for different companies.

Your retirement plan should be “made to measure” to fit your particular type of business, the needs and nature of your employee group, the amount and stability of your annual profits, your tax situation, etc. Your retirement problem is distinctly your own, and complete satisfaction can be expected only from a plan that is built from the ground up for you.

Your plan should not only fit the needs of your business today, but it should be sufficiently flexible so that it can be adapted to changing circumstances in the future. Many plans installed in previous years are in need of reappraisal in the light of today’s changed conditions.

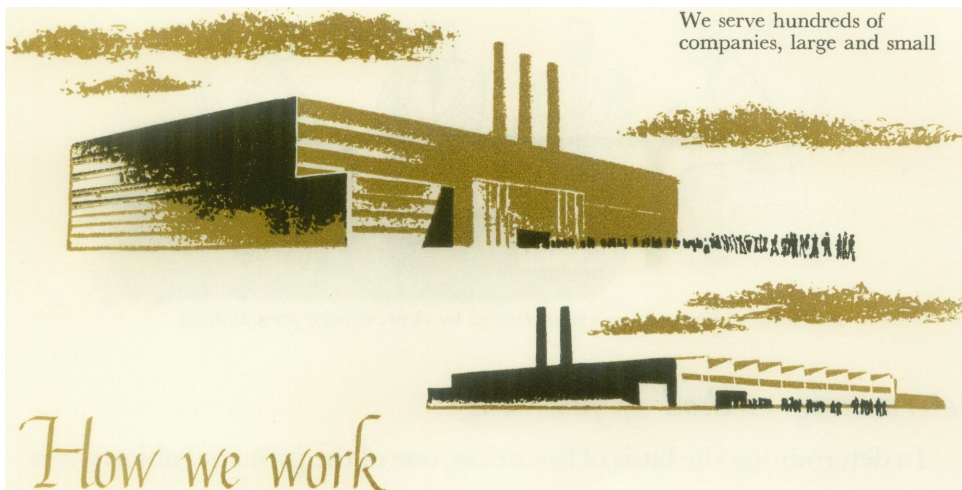
### *Competent guidance invaluable*

Because there are so many items that must be handled with care in the planning of a successful retirement program, business management has turned to experienced and unprejudiced counsel. Competent guidance is invaluable in the revision of an existing retirement plan just as it is in the establishment of a new plan.

There are many able and reliable individuals and firms specializing in particular aspects of retirement planning. Your problem is best solved, however, by approaching it from a broader standpoint than is normally provided by one who is concerned primarily with his own specialty. For that reason we recommend the employment of a thoroughly competent consulting firm which is not committed to any one solution but is free to advise whatever exhaustive study and good judgment would determine.

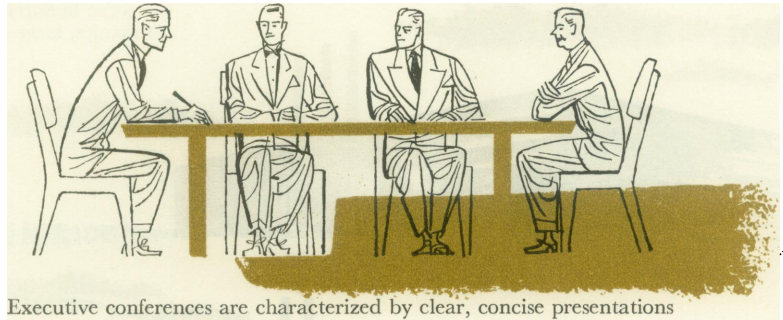
### *Our approach is impartial*

Our organization is free to advise impartially, for we sponsor no stereotyped plan, whether trustee or insured. Our experience in the field of retirement planning has involved all methods of funding such as trustee funded programs, insured programs, profit sharing plans, and combinations of these. The actuaries and other specialists of Marsh & McLennan work with your management, your attorneys, accountants and tax consultants, and your bank or trust company to the end that the best possible plan for your organization is formulated.



In order to assist you as your consultant we will need to know the thinking of your company, your financial history and outlook, details about your employees, their ages, earnings and length of service, as well as other information which investigation will disclose as having an important bearing. Much of the data involved will be confidential and of such nature that naturally you would hesitate to divulge it except to an organization in which you had implicit trust. Our work, therefore, is done on a strictly confidential basis.

Recommendations are made on the basis of your own personnel requirements and financial position. When conclusions are reached as to the maximum level of financial commitment which should be undertaken and the type of benefits which will produce the most constructive employee relations, tentative provisions of the plan will be worked out, with each weighed in relation to all others until the right balance is achieved.



Executive conferences are characterized by clear, concise presentations

### *Determining method of financing*

In determining the basis of financing, one of the principal objectives is a reasonable and practicable method of distributing the company's costs over the years. There are a number of methods which may be used to give you latitude in gearing your cost to company earnings. Your own circumstances will provide the basis for our staff's recommendations.

Another question will be whether the funds for the plan should be handled by a trustee or invested in insurance contracts. Our service presents an objective comparison of the various methods of funding and helps you to distinguish between fact and opinion. Our staff is trained to appraise conditions peculiar to your problem and the breadth of our experience lends assurance of a sound solution.

We are equipped to do all the actuarial work in connection with a trust fund, and with equal proficiency can install and service an insured plan. Our position is unique in that we have no greater interest in one funding medium than another, and our facilities are so balanced that we can serve you equally well regardless of the funding method used.



### *Clear and concise presentations*

The process of analysis and development of plan provisions involves a great deal of supplemental data with corresponding actuarial calculations. All this is condensed into simple charts and brief, understandable reports. Executive conferences are characterized by clear, concise presentations of the problems involved and their solution.

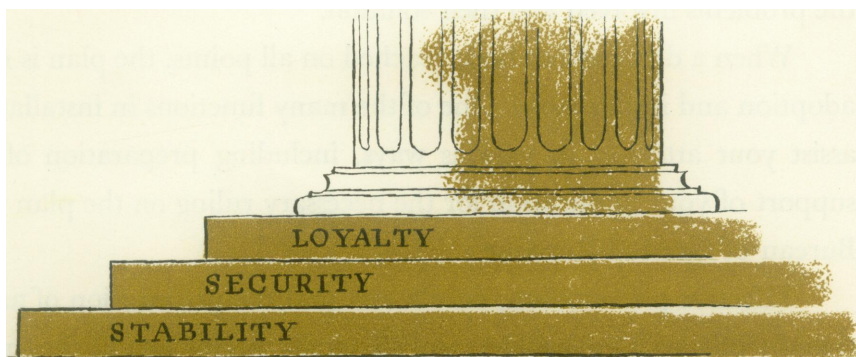
When a decision has been reached on all points, the plan is ready for adoption and installation. One of the many functions in installation is to assist your attorney in various ways, including preparation of data in support of your application for the necessary ruling on the plan from the Bureau of Internal Revenue.

Effective presentation, enrollment and the preparation of an attractive, lucidly written booklet are all vitally important to the success of the plan. Again, our experienced personnel will guide this important function to assure enthusiastic employee acceptance.

### *Continuing service*

Work on a retirement plan does not end with its initial design or even with its installation. Continued administrative assistance by a competent consulting staff is virtually as important to your plan's success as the original planning. There is a continual servicing job to be performed in seeing that the administration is efficient and that changing conditions are reflected in the plan itself.

Under our supervision your plan's operation will be reviewed at periodic intervals. Such reviews will provide your employees with information relative to retirement benefits accruing, contributions, and other matters of interest. This procedure is important in maintaining interest and securing the maximum benefit in employee relations.



### *Keeping up with changing conditions*

Economic, labor, and tax conditions change as years go by, and to maintain maximum effectiveness your plan should reflect those changes. Periodically our consultants will reappraise your plan and submit for your consideration any recommended changes. We will collaborate with your attorney in any approved revisions of the plan to meet the new conditions. In this manner your plan will be kept up-to-date.

Keeping plans in conformity with changing conditions is a service Marsh & McLennan renders not only in connection with plans which we have installed but with plans installed by others. Our consultants are

available to assist in the modernization of existing plans and are being constantly called upon for such assistance.

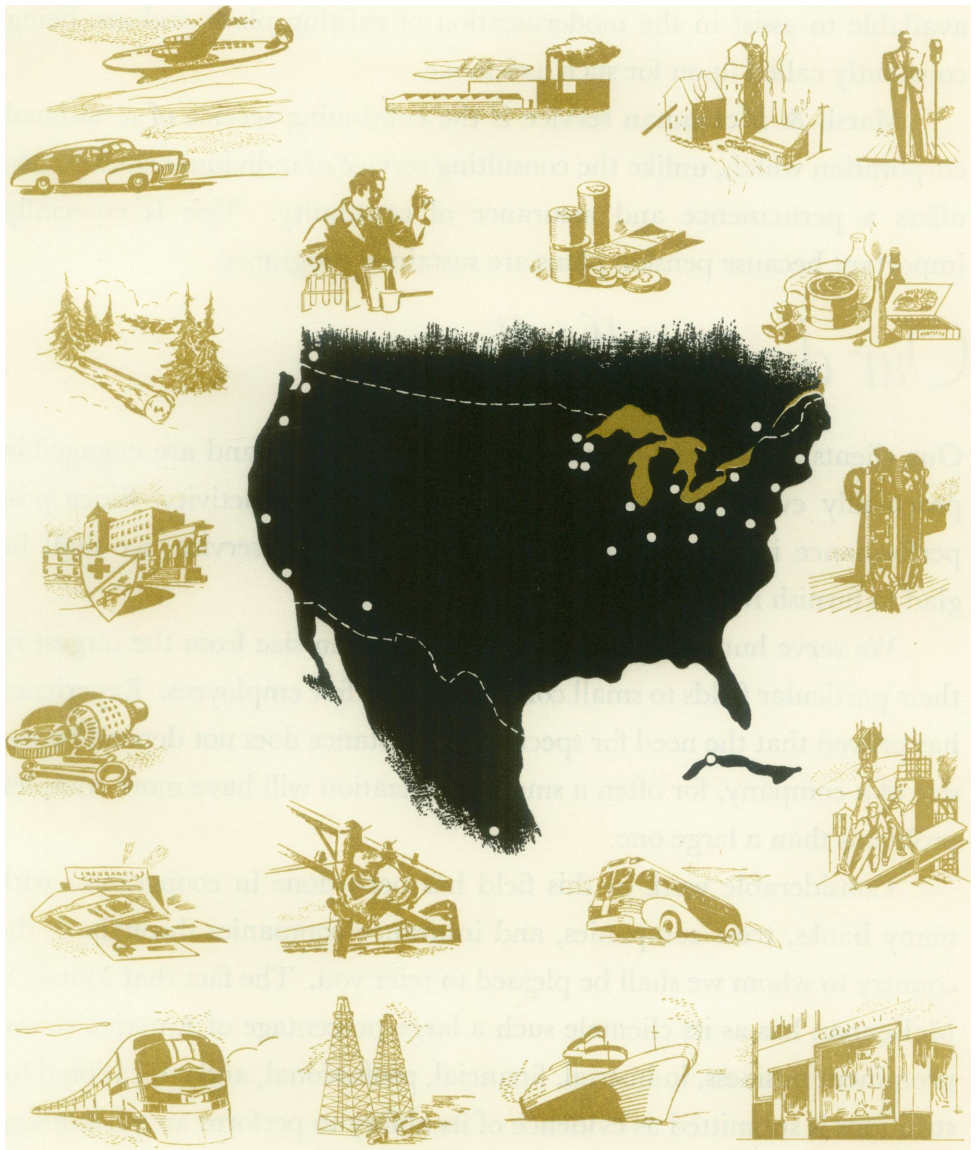
Marsh & McLennan service is the continuing service of a national corporation which, unlike the consulting service of individual consultants, offers a permanence and assurance of continuity. This is especially important because pension plans are sustained programs.

## *Our clients will tell you*

Our clients are located in every part of the country and are engaged in practically every kind of business and professional activity. Since past performance is perhaps the best way to gauge any service, we shall be glad to furnish references.

We serve hundreds of companies ranging in size from the largest in their particular fields to small companies with few employees. Experience has proved that the need for specialized assistance does not depend on the size of a company, for often a small organization will have more complex problems than a large one.

Considerable work in this field has been done in cooperation with many banks, trust companies, and insurance companies throughout the country to whom we shall be pleased to refer you. The fact that Marsh & McLennan has as its clientele such a large percentage of America's most prominent business, industrial, financial, professional, and educational institutions is submitted as evidence of its ability to perform an outstanding service in this field.



Our coast-to-coast organization serves every field of business

## *An exploratory conference may be arranged*

There are necessarily many questions that can not be dealt with in this brochure, specific questions pertaining to your own company's problems which you may wish to discuss with our staff. Preliminary interviews may be arranged without cost or obligation.

If your company has a program in effect, we shall be pleased to discuss with you whether it should be reviewed in the light of changed economic, tax, and labor conditions. We can reach you with very little delay since our staff is at work in all parts of the country and we can easily arrange for a representative to visit you.

### *When there is need for thorough study*

When, as a result of these preliminary or exploratory conferences, the need is evident that a thorough study of your retirement problem should be made, this can be arranged on a fee basis, the fee varying with the scope of the study. This arrangement enables us to approach your problem from a purely objective standpoint and to do a thorough job regardless of the type of plan involved.

The staff and knowledge of our entire organization is available through any one of Marsh & McLennan's offices. Whether you are contemplating a pension plan, or have one in operation which may need review, we shall be pleased to hear from you.



# *Encompassing the whole field of employee benefits*

While emphasis has been placed in this brochure upon the subject of retirement plans, our firm performs other functions of equal importance in the broad field of employee benefit programs. We have had extensive experience with life, disability, medical payments, and hospitalization plans, fitting these group coverages to many different types of businesses.

It is logical to consider the various projects coming under the broad heading of employee benefit plans as elements comprising a complete picture rather than entities in themselves. Companies in increasing numbers are turning over to Marsh & McLennan the responsibility of co-ordinating their entire programs, undoubtedly feeling that putting the parts together and making the whole program operate smoothly is a job for a single, qualified consultant.

## *Let us arrange for further discussion*

You are invited to bring to us any of your problems in the field of employee benefits. Our office most convenient to you will be glad to arrange for a member of our organization to call on you. A list of our offices is shown on the opposite page.

# Directory

## OF MARSH & McLENNAN'S OFFICES

BOSTON, MASSACHUSETTS—60 Congress Street

BUFFALO, NEW YORK—Marine Trust Company Building

CHICAGO, ILLINOIS—231 South LaSalle Street

CLEVELAND, OHIO—444 Terminal Tower

COLUMBUS, OHIO—50 West Broad Street

DETROIT, MICHIGAN—1300 National Bank Building

DULUTH, MINNESOTA—509 Sellwood Building

HAVANA, CUBA—Obispo 306

INDIANAPOLIS, INDIANA—Merchants Bank Building

LOS ANGELES, CALIFORNIA—453 South Spring Street

MINNEAPOLIS, MINNESOTA—1515 Northwestern Bank Building

MONTREAL, QUEBEC—231 St. James Street, West

NEW YORK, NEW YORK—70 Pine Street

PHOENIX, ARIZONA—410 Luhrs Towers

PITTSBURGH, PENNSYLVANIA—First National Bank Building

PORTLAND, OREGON—Equitable Building

SAINT LOUIS, MISSOURI—100 North Fourth Street

SAINT PAUL, MINNESOTA—First National Bank Building

SAN FRANCISCO, CALIFORNIA—500 Russ Building

SEATTLE, WASHINGTON—1020 White Building

SUPERIOR, WISCONSIN—1222 Tower Avenue

VANCOUVER, B. C.—Standard Building

WASHINGTON, D. C.—1508 H Street, N. W.

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**REPRESENTATIVE CLIENTS HAVING RETAINED MARSH & McLENNAN for  
ACTUARIAL STUDIES or DESIGN and SERVICE of PENSION or GROUP PLANS**

Abercrombie & Fitch Company	Moore-McCormack Lines, Inc.
American Automobile Insurance Company	Morgan, J. P. & Co., Inc.
American Can Company	Motorola, Inc.
American Crystal Sugar Company	Mutual Broadcasting Systems, Inc.
American Potash & Chemical Corporation	National Association of Manufacturers
American Radiator & Standard Sanitary Corp.	National Dairy Products Corporation
Anderson, Arthur & Company	National Department Stores Corp.
Anheuser Busch Corporation	National Gypsum Company
Bank of California	Norge Corporation
Bauer & Black	North American Aviation, Inc.
Boston Mutual Life Insurance Company	Oregon Bankers' Association
Brown Brothers Harriman & Company	Otis Elevator Company
California Pacific Utilities Company	Pacific American Fisheries, Inc.
California Street Cable Company	Pacific Chain & Manufacturing Co.
Carnation Company	Pacific Coast Borax Co.
Chemical Bank & Trust Company	Pacific Maritime Association
Chicago Rapid Transit Company	Pacific Press
Chicago Sun-Times	Pacific Western Oil Corporation
Cities Service Company	Pepsi-Cola Company & Subsidiaries
Clayton Manufacturing Company	Phelps Dodge Corporation
Clyde Iron Works, Inc.	Pope & Talbot, Inc.
Columbia River Paper Co.	Pullman Company, The
Commonwealth & Southern Corporation, The	Radio Corporation of America
Commonwealth Steel & Supply Co.	Radio-Keith-Orpheum Corporation
Consolidated Vultee Aircraft Corp.	Rand McNally Company
Continental Casualty Company	Raytheon Manufacturing Company
Continental Illinois National Bank & Trust Company of Chicago	Safeway Stores, Inc.
Cudahy Packing Company	San Francisco Chronicle
Del Monte Properties Co.	Schilling, A. & Co.
Diamond T. Truck Co.	Second National Bank of Boston, The
Eastern Airlines, Inc.	Sharon Steel Corporation
Elgin National Watch Company	Simmons Company
First National Bank of Boston, The	Simplex Wire & Cable
First National Stores, Inc.	Simpson Logging Company
Flinkkote Company	Sperry Corporation, The
Fruehauf Trailer Company	Sound Construction & Engineering Company
Gerber Products Company	Stanford University
Graybar Electric Company, Inc.	State Street Trust Company, Boston
Harris Trust & Savings Bank	St. Louis Lithographers
Heinz, H. J. Company	Sun-Maid Raisin Growers of California
ILA Welfare Fund	Superior Oil Company
Ingersoll-Rand Company	U. S. Radiator (Detroit)
Institute of Aeronautical Sciences, Inc.	U. S. Rubber Co.
Investors Diversified Services, Inc.	U. S. Steel Corporation
Johns-Manville Company	Universal Pictures Co., Inc.
Kellogg Company	University of Chicago
Kennecott Copper Corporation	Upjohn Company
Lavoris, Inc.	Viking Automatic Sprinkler Co.
Lever Brothers Company	Walker, Hiram, Inc.
Life Savers Corporation	Washington Bankers Association
Manufacturers Trust Company	Wells Fargo Bank & Union Trust Co.
Mathieson Chemical Corporation	Western Gulf Oil Co.
Mellon National Bank (Multiple Pension Plan)	West Virginia Pulp and Paper Company
Montgomery Ward & Company	Weyerhaeuser Timber Company
	Yellow Cab Company