

Pensions & Handbooks (Company) ✓  
(1952)

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KAISER-FRAZER  
UAW-CIO

# Retirement Program

INSTITUTE OF  
INDUSTRIAL RELATIONS

JUN 17 1953



Kaiser-Frazer-UAW-CIO  
Retirement fund. Board of  
Trustees.

# KAISER-FRAZER UAW-CIO

# RETIREMENT PROGRAM

*Retirement Program*

Willow Run, Michigan, 1952

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KAISER-FRAZER UAW-CIO

INSTITUTE OF  
INDUSTRIAL RELATIONS

# *A Message From Your* **BOARD OF TRUSTEES...**

Your Kaiser-Frazer—UAW-CIO Retirement Fund was established by collective bargaining to provide lifetime benefits for you when you retire because of old age or disability.

Funds made available through collective bargaining are deposited in a Trust Fund which can be used only to provide retirement benefits. This Trust Fund is administered by a Board of Trustees of seven persons composed of three representatives of the UAW-CIO, three representatives of Kaiser-Frazer Corporation and an Impartial Chairman.

Employees working in a job classification that is represented by the UAW-CIO in the following locals are automatically covered under the Retirement Program.

Local No. 142 .....	Willow Run Plant
280 .....	Detroit Engine Plant
444 .....	Jackson Plant
796 .....	Dowagiac Engine Plant
889 .....	Detroit Engine Plant

Benefits are determined on the basis of an actuarial valuation that is made every three years. The intention of the Board of Trustees is to provide the largest possible benefits that can be paid and still set aside enough money to guarantee retirement income to all covered K-F employees who will become eligible for benefits in the future.

Three types of retirement benefits are provided:

1. Normal retirement benefits for workers who retire at age 65 or over.
2. Early retirement benefits for workers who choose to retire at an earlier age.
3. Disability retirement benefits for workers who become totally and permanently disabled.

# Retirement Program

The full Program is described in this handbook. The types of benefits that you may receive are outlined, together with important information on the conditions under which the benefits are made available. You will want to keep this handbook for future reference with your personal records.

One of the outstanding features of the Program is the provision for voluntary retirement. It provides that you will not be required to retire at any age unless you want to retire or unless you are unable to fulfill the requirements of your job.

The Program has already made very substantial contributions to the security of workers covered under it. This security affects equally well those who have already retired and those who will derive income from this plan on retirement in the future. Although the program has been operating for only a short time, the benefits have been increased twice since the original agreement.

For its part, the Board of Trustees accepts the responsibility for making the Program effective, constantly improving it within the limits of the funds available and making it responsive to your needs.

September 15, 1952

Board of Trustees

## KAISER-FRAZER-UAW-CIO RETIREMENT FUND

William Haber, Impartial Trustee

### UNION TRUSTEES

E. L. Gallagher  
Virden E. Roberts  
Tom Stanley

### COMPANY TRUSTEES

Earl R. Gilman  
C. M. Hollis  
Clifford H. Keene, MD

*This handbook has been prepared by Mr. David LaMoreaux, Office Supervisor of the Kaiser-Frazier-UAW-CIO Retirement Fund under the direction of Mr. Jerome Pollack, Consultant UAW-CIO Social Security Department.*

# WHAT IS THE PURPOSE OF THE



*Retirement Program*

# RETIREMENT FUND?

The Retirement Fund has been established through collective bargaining to provide benefits for you on

## **NORMAL RETIREMENT**

when you retire at  
age 65 or over

## **EARLY RETIREMENT**

if you decide to retire at an  
earlier age (between 60 and 65)

## **DISABILITY RETIREMENT**

if you become totally and  
permanently disabled

In addition to their benefit from the Kaiser-Frazer-UAW-CIO Retirement Fund, retired employees who are age 65 or older are usually eligible to receive Federal Old Age Insurance Benefits (see page 29).



## Retirement Program

# SERVICE CREDIT

Your retirement benefit will be based upon two things

1. your credited service
2. the type of benefit (regular, early or disability).

## HOW IS SERVICE CREDITED TOWARD MY RETIREMENT BENEFITS?

The Retirement Program began on July 1, 1950. You receive *past service credit* for your service before the Program began. You also receive *future service credit* for your service since the Program began.



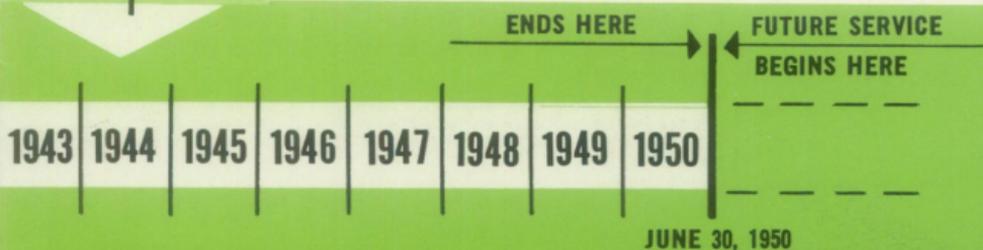
# PAST SERVICE CREDIT



For service before the Program began you receive *past service credit* for the full time between your seniority date and June 30, 1950.

For example, if your seniority date is January 1, 1944, you had 6½ years of past service credit on June 30, 1950.

If your seniority date is July 1, 1915, you had 35 years of past service credit on June 30, 1950.



# FUTURE SERVICE CREDIT

## Retirement Program

Future service . . . after June 30, 1950 . . . is credited every June 30 on the basis of hours for which you received pay in the twelve preceding months. The twelve month period ending every June 30 is called a fiscal year. For every 1700 hours you receive one year's *future service credit*. If you receive pay for more than 1700 hours in any one fiscal year, your hours in excess of 1700 are carried forward or back to years when you do not earn pay for 1700 hours. Of course, you cannot receive more service credit than you have actual years of service, but the fat years fill in for the lean years. (Fiscal years during which you are paid for less than 250 hours are not counted.)

### FOR EXAMPLE:



one year  
another year

2100 hours  
1300 hours

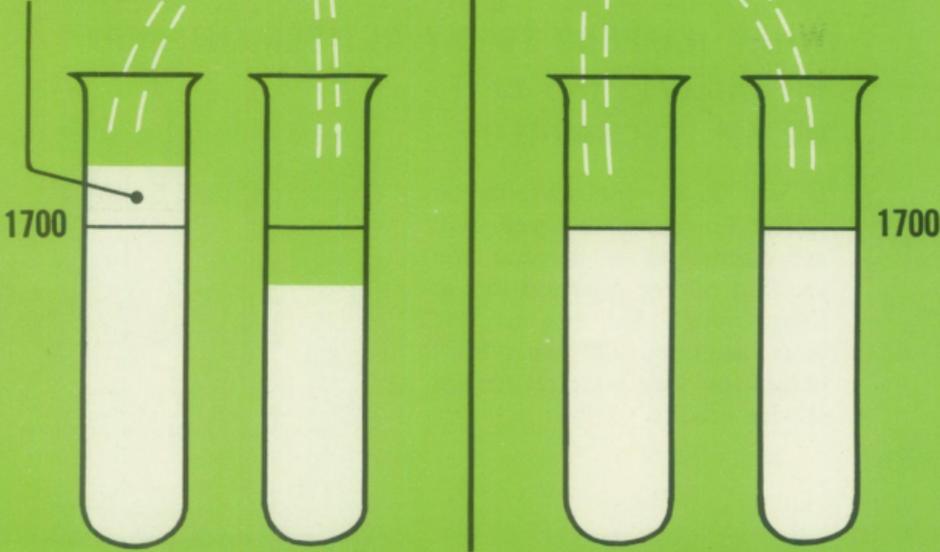
you receive two years  
of service credit

You will receive future service credit while on approved union leave of absence for the purpose of being engaged in the business of or working for, the Union under the provisions of the Collective Bargaining Agreement in effect between the Union and the Company applicable to you.

THE FAT YEARS FILL IN FOR THE LEAN YEARS



FUTURE SERVICE CREDITS





## HOW WILL I FIND OUT HOW MUCH RETIREMENT SERVICE CREDIT I RECEIVE?

After each fiscal year the Board of Trustees will send you a statement showing your service credit. It will show the credit you have earned during the year as well as your total credit to date. You should keep these statements with your records.

## IF I AM LAID OFF DO I LOSE MY RETIREMENT SERVICE CREDITS?

No, if you are laid-off you do not lose any of your retirement service credits unless you lose your seniority.

## WHAT HAPPENS TO MY RETIREMENT SERVICE CREDITS IF I QUIT OR AM DISCHARGED?

If you lose your seniority at Kaiser-Frazer because you quit, are discharged or because you are laid off for a period that is long enough for you to lose your seniority at your local plant, you lose your retirement service credits.

65<sup>th</sup>

# NORMAL RETIREMENT

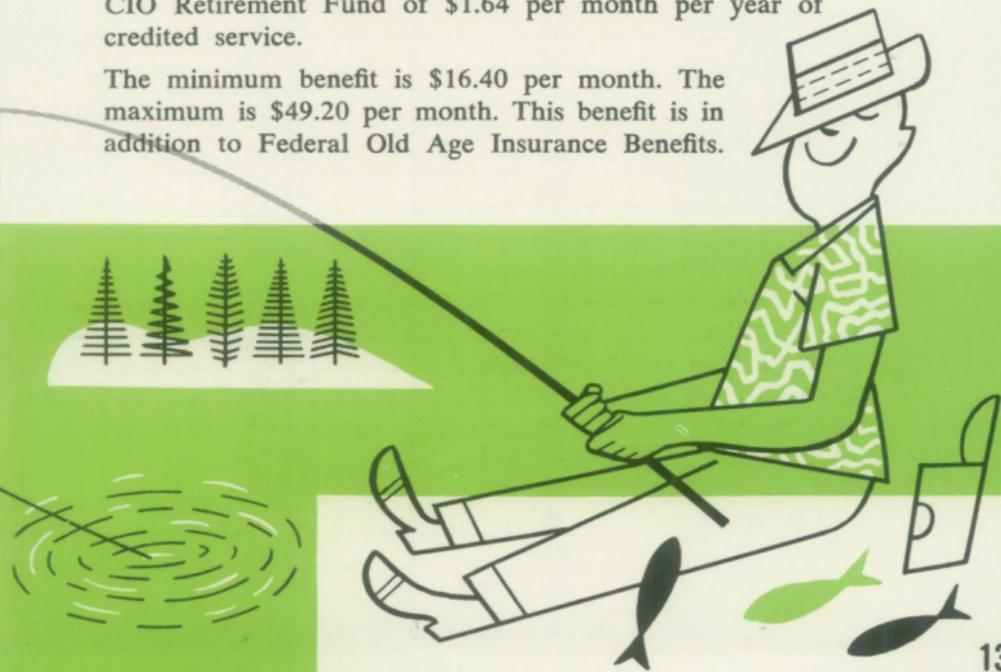
## HOW MAY I RECEIVE A NORMAL RETIREMENT BENEFIT?

To be eligible to receive a normal retirement benefit you must be age 65 or older and have five or more years of retirement service credit.

## NORMAL RETIREMENT BENEFITS

You will receive a benefit from the Kaiser-Frazer-UAW-CIO Retirement Fund of \$1.64 per month per year of credited service.

The minimum benefit is \$16.40 per month. The maximum is \$49.20 per month. This benefit is in addition to Federal Old Age Insurance Benefits.





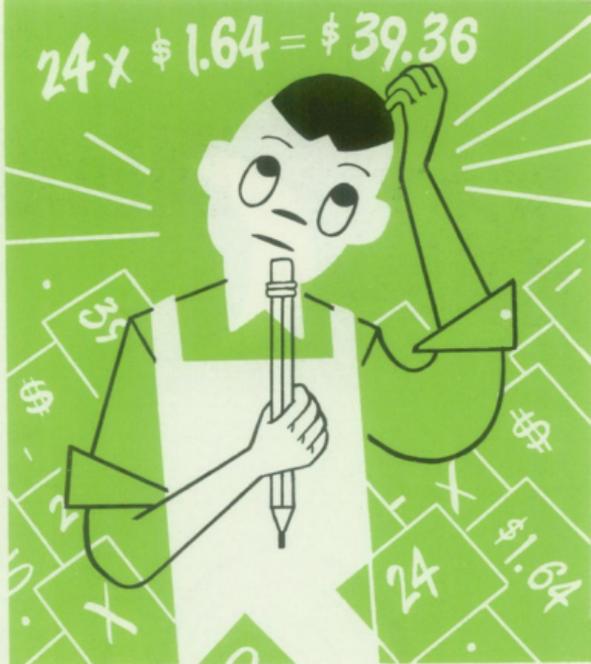
# NORMAL RETIREMENT

## *Retirement Program*

YEARS OF SERVICE	MONTHLY BENEFIT
5	\$16.40
6	16.40
7	16.40
8	16.40
9	16.40
10	16.40
11	18.04
12	19.68
13	21.32
14	22.96
15	24.60
16	26.24
17	27.88
18	29.52
19	31.16
20	32.80
21	34.44
22	36.08
23	37.72
24	39.36
25	41.00
26	42.64
27	44.28
28	45.92
29	47.56
30 or more	49.20

This benefit is in addition to Federal Old Age Insurance Benefits (see page 29).

# BENEFITS



## EXAMPLE:

If you have 24 years of retirement service credit when you retire your retirement benefit will be computed as follows:

$$24 \times \$1.64 = \$39.36$$

A typical retired employee with 24 years of service and a wife age 65 or older might be eligible for benefits as follows:

Kaiser-Frazer—UAW-CIO Retirement Fund (24 years of service $\times$ \$1.64) .....	\$39.36
Estimated Federal Old Age Insurance Benefit for retired employee .....	78.00
Estimated Federal Old Age Insurance Benefit for wife ....	39.00
Total .....	<u>\$156.36</u>



EARLY



*Retirement Program*

# RETIREMENT

## HOW ABOUT EARLY RETIREMENT?

You may retire at any time between ages 60 and 65 if you have twenty-five or more years of retirement service credit.

## EARLY RETIREMENT BENEFITS

Benefits for early retirement are computed the same as for regular retirement except that they are reduced by  $\frac{5}{8}$  of 1% for each month between your early retirement date and your 65th birthday.

For example, assume that you retire and begin drawing your retirement benefits at age 63. That is 24 months short of age 65.

$$24 \times \frac{5}{8} \text{ of } 1\% = 15\%$$

Your monthly retirement benefit would be reduced by 15%.

## EXAMPLES OF MONTHLY EARLY RETIREMENT ↓ BENEFITS FROM THE RETIREMENT FUND

AGE AT RETIREMENT	YEARS OF SERVICE	
	25	30
64	\$37.93	\$45.41
63	34.85	41.82
62	31.78	38.13
61	28.70	34.44
60	25.63	30.75

# DISABILITY RETIREMENT

## HOW ABOUT DISABILITY RETIREMENT?

If you become totally and permanently disabled and have fifteen or more years of retirement service credit you will be entitled to receive a disability benefit.

## WHAT IS TOTAL AND PERMANENT DISABILITY?

To be eligible to receive this benefit you must be permanently disabled from engaging in any regular occupation or employment for pay or profit. This disability must have continued for six months before benefits begin. In most instances you should be eligible to collect weekly disability insurance benefits during this period from either the Kaiser-Frazer UAW-CIO Social Security Fund or Workmen's Compensation.

In order to determine whether you are totally and permanently disabled satisfactory medical evidence must be submitted to the Board of Trustees. You may be required to submit to re-examinations after disability retirement, but not more often than twice a year.

These examinations have a positive value as they will be performed by specialists who might be able to prescribe treatments to help restore health and prolong life. The Board pays the cost of these examinations.



# DISABILITY BENEFITS

The disability benefit is \$3.28 per month per year of credited service. The minimum is \$49.20 while the maximum is \$98.40 per month.

YEARS OF SERVICE	MONTHLY DISABILITY BENEFIT
15	\$49.20
16	52.48
17	55.76
18	59.04
19	62.32
20	65.60
21	68.88
22	72.16
23	75.44
24	78.72
25	82.00
26	85.28
27	88.56
28	91.84
29	95.12
30 or more	98.40



This benefit is payable until you reach age 65 or until you have sufficiently recovered to return to work. At age 65 your benefit is recomputed and you are paid a regular retirement benefit. This is done because you should begin to receive Federal Old Age Insurance Benefits at age 65.



## *Retirement Program*

### **WORKMEN'S COMPENSATION PAYMENTS**

Any Workmen's Compensation payments that you are entitled to receive because of permanent and total disability will be deducted from the benefits paid to you by the Retirement Fund.

### **DO I HAVE TO RETIRE AT**

You do not have to retire at any age unless you want to retire or unless a physical examination after you attain age 65 shows that you can no longer fulfill the requirements of your job satisfactorily, or a job to which you are eligible under applicable collective bargaining agreements.

A stylized illustration on a green background. On the left, a black silhouette of a machine with two circular targets is shown. A white ghost with a long beard and a suit is running away from the machine towards the right. The ghost has a shocked expression with wide eyes and an open mouth. Dashed lines around the ghost and its legs indicate rapid movement. A white cane is visible at the bottom right. A white rectangular box with a textured left edge is positioned over the lower part of the machine.

**ANY SPECIFIC AGE?**

## *Retirement Program*

# OTHER BENEFITS

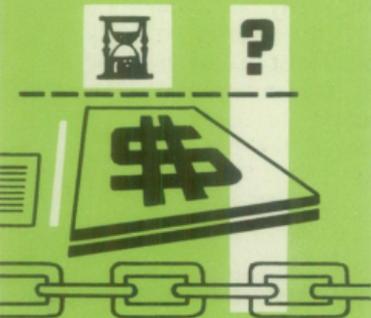
Continued life insurance and health protection are provided for retired employees by the Kaiser-Frazer UAW-CIO Social Security Fund. The details are outlined in the handbook issued by that Fund.

### **WHAT HAPPENS TO MY LIFE INSURANCE WHEN I RETIRE?**

At no cost to retired employees the Social Security Fund at present is providing \$1,000 of life insurance for the rest of the retired employee's life.

### **WHAT ABOUT MY HOSPITALIZATION, SURGICAL AND MEDICAL PROTECTION?**

The Kaiser-Frazer UAW-CIO Social Security Fund is at present providing hospitalization, surgical and in-hospital medical protection for retired employees and their eligible dependents.





## *Retirement Program*

### **THE FUND**

#### **HOW IS MY RETIREMENT INCOME PROTECTED?**

In order to secure maximum protection for the Trust Fund and with reasonable security to earn an amount of interest needed to pay the scheduled benefits, the Board of Trustees selects a bank or trust company that is regularly engaged in the business of handling trusts to invest the money in the Trust Fund. All of the money in the Trust Fund is deposited with the bank or trust company for investment except for the money needed to pay immediate benefits. The bank selected by the Board of Trustees is the Mellon National Bank and Trust Company, Pittsburgh, Pennsylvania.

# HOW DO WE KNOW



*Retirement Program*

# THE FUND IS LARGE ENOUGH?

Every three years an actuarial valuation is made to review the experience of the Fund and to determine the level of benefits that may safely be paid. As a result of these valuations the Trustees adopted the present schedule of benefits. Before these benefits could be put into effect they had to be approved by the Bureau of Internal Revenue of the Treasury Department of the Federal Government.

The last actuarial valuation determined that it would cost approximately \$19,000,000 to pay benefits at the present scale to all K-F workers who are now eligible and for all who will become eligible in the future. At 65 years of age the K-F worker who retires can expect to live on the average about 14 years. On the basis of the present monthly retirement schedule a retired employee with 30 years of seniority would receive approximately \$8000 over his lifetime.

On September 1, 1952 there was about \$3,500,000 in the Fund. But this is just a down payment on the \$19,000,000 needed in order to pay the pensions as they fall due to all present K-F workers. The plan is to accumulate over a 20 year period the funds needed to guarantee all of the pensions for life. The Fund in fact must accumulate over \$15,000,000 more in order to be able to meet its obligation to those who will retire in the future. The Fund, therefore, does not have a surplus. Reserves are being built up which are needed to pay all pensions in the future.



# BOARD OF



## *Retirement Program*

# TRUSTEES



## WHO ADMINISTERS THE RETIREMENT FUND?

The Fund is administered by a Board of Trustees. The Board is made up of three of your fellow workers who are members of the UAW-CIO, three representatives of the Kaiser-Frazer Corporation and an Impartial Chairman who is appointed by the other Trustees. The UAW representatives are appointed by the K-F Council to give representation to the K-F plants at Detroit, Dowagiac and Jackson as well as Willow Run.

## HOW DOES THE BOARD OPERATE?

The Board administers the retirement program in accordance with the provisions of the Retirement Trust Agreement. The following are some of its functions:

1. Determines the procedure to be followed in applying for benefits.
2. Approves applications for benefits.
3. Directs the payment of benefits.
4. Directs the physical examination of applicants for disability benefits and of employees over age 65.
5. Orders and receives the actuarial valuations.
6. Determines the benefits to be paid by the Fund on the basis of the actuarial valuations and subject to the approval of the Bureau of Internal Revenue of the Federal Government.
7. Maintains all necessary records.
8. Selects an Investment Agency to hold and invest the money in the Fund.



## WHEN SHOULD I SIGN UP FOR A RETIREMENT BENEFIT?

Before you can receive a retirement benefit, you must file an application with the Board of Trustees. You should do this at least thirty days before you intend to retire in order to give the Board time to process your case. Otherwise, the start of your payments may be delayed. You will lose part of your benefits if you do not apply before you have been retired for three months. Your application must be filed with the Pension Office. Employees who do not work at Willow Run can file at the Social Security Office at their local plant. It is preferable to make your application in person so that you may receive help in filling out the application properly and receive information concerning the continuation of your other benefits. You can however mail your application to the Pension Office and it will be regarded as officially filed when it is received by that office.

## HOW MAY I MAKE A COMPLAINT?

If you have a complaint under the Program go to the Pension Office (Social Security Office for Detroit, Dowagiac and Jackson employees). If the Pension Office is not able to give you a satisfactory answer to your complaint you may write a letter to the Board of Trustees. They will conduct a thorough investigation of your problem.

## FEDERAL OLD AGE INSURANCE BENEFITS

As you probably know covered workers are normally entitled to Federal Old Age Insurance Benefits when they retire at age 65 or older. The wife of a retired worker also is entitled to benefits from the Federal Social Security Program if she is age 65 or older. The exact amount of your benefits can be determined only after you have filed a claim, but you can get an idea of what the benefits will be by using the table on this page. If your *average monthly wage* (as determined according to the provisions of the Social Security Act) after January 1, 1951 is \$100 or less your benefit will be 55% of your average wage. The table shows that if you average from \$100 to \$300 a month, your benefit will be between \$55 and \$85 each month. For further information you should visit the local office of the Social Security Administration.

### A CLAIM MUST BE FILED

Federal Old Age Insurance Benefits are not paid automatically. A claim must be filed with an office of the Social Security Administration.

The following table may help you estimate the monthly Federal Old Age Insurance Benefits for you and your wife.

AVERAGE MONTHLY WAGE	MONTHLY BENEFITS*		
	FOR YOU	FOR YOUR WIFE	TOTAL
<b>\$100</b>	<b>\$55.00</b>	<b>\$25.00</b>	<b>\$80.00</b>
<b>150</b>	<b>62.50</b>	<b>31.30</b>	<b>93.80</b>
<b>175</b>	<b>66.30</b>	<b>33.20</b>	<b>99.50</b>
<b>200</b>	<b>70.00</b>	<b>35.00</b>	<b>105.00</b>
<b>225</b>	<b>73.80</b>	<b>36.90</b>	<b>110.70</b>
<b>250</b>	<b>77.50</b>	<b>38.80</b>	<b>116.30</b>
<b>275</b>	<b>81.30</b>	<b>40.70</b>	<b>122.00</b>
<b>300 (Max.)</b>	<b>85.00</b>	<b>42.50</b>	<b>127.50</b>

\*This applies to all employees who have worked for eighteen months or more since January 1, 1951. For those who retire without working eighteen months after January 1, 1951, benefits will be determined from a table included in the law, which will result in smaller benefits in some cases.



## THREE EXAMPLES

The following examples show the retirement benefits of several retired K-F employees:

Retirement Program

**1**

Mr. L has 25.8 years of retirement service credit

Kaiser-Frazer—UAW-CIO Retirement Fund benefit ( $25.8 \times \$1.64$ ) .....	\$42.31
Federal Old Age Insurance Benefit	66.60
Federal Old Age Insurance Benefit for wife .....	33.30
<b>TOTAL</b> .....	<b>\$142.21</b>

**2**

Mr. A has 6.7 years of retirement service credit

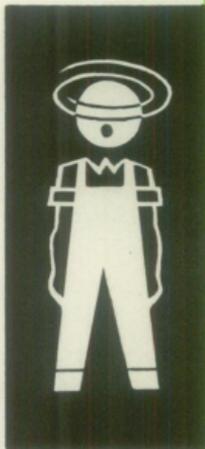
Kaiser-Frazer—UAW-CIO Retirement Fund (Minimum Benefit) .....	\$16.40
Federal Old Age Insurance Benefit	79.80
Federal Old Age Insurance Benefit for wife .....	39.90
<b>TOTAL</b> .....	<b>\$136.10</b>

**3**

Mr. G has 30 years of retirement service credit

Kaiser-Frazer—UAW-CIO Retirement Fund ( $30 \times \$1.64$ ) .....	\$49.20
Federal Old Age Insurance Benefit	85.00
Federal Old Age Insurance Benefit for wife .....	42.50
<b>TOTAL</b> .....	<b>\$176.70</b>

*Retirement Program*



Pension plans are very complicated. The purpose of this booklet is to acquaint you with the general nature of the Retirement plan. The program adopted by the Board of Trustees as amended from time to time shall govern along with the Trust Agreement and applicable law. In all circumstances the Pension Office will be glad to answer your questions and give you more detailed official information.

# *Retirement Program*

## WHERE IS THE OFFICE OF THE BOARD?

The Board has set up a Pension Office at Willow Run in the Personnel Building to handle its routine business. The Pension Office contains the records of the Board and handles its correspondence. If you desire any information about the Retirement Program you can obtain it there. Employees at the Detroit, Dowagiac, or Jackson Plants should consult with the Kaiser-Frazer UAW-CIO Social Security Program office at their local plant or they may write to the Pension Office at Willow Run. The various offices are located as follows:

<b>PLANT</b>	<b>LOCATION</b>
<b>Willow Run</b>	<b>Personnel Bldg.</b>
<b>Detroit</b>	<b>Payroll Office</b>
<b>Dowagiac</b>	<b>Personnel Office</b>
<b>Jackson</b>	<b>Office Manager</b>

