

Pensions - Handbooks (Company) ✓

Pacific gas and electric company

✓  
RETIREMENT  
★  
PLAN

FOR EMPLOYEES

OF

✓  
PACIFIC GAS AND  
ELECTRIC COMPANY

*and*

SUBSIDIARY COMPANIES,

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Effective January 1, 1937 //

San Francisco? 1936

# **PACIFIC GAS AND ELECTRIC COMPANY**

## **AND SUBSIDIARY COMPANIES**

November 30, 1936.

### ***TO OUR EMPLOYEES:***

For more than twenty years the Pacific Gas and Electric Company has provided pensions for employees who have rendered long and faithful service to the Company. These pensions have been granted under a voluntary plan, which the Company has always reserved the right to modify, withdraw or discontinue.

Experience in recent years has shown that voluntary plans which are not insured or funded do not furnish adequate security for employees or sufficiently relieve their anxiety as to the future. In many cases unforeseen business conditions or inability to insure or fund pension plans have forced employers operating their own plans either drastically to reduce the benefits under their plans or to discontinue them altogether.

After careful study and consultation with experts we have decided to take advantage of the experience of others and to set up a cooperative retirement plan for future service underwritten by two of the best known insurance companies in the United States, the Metropolitan Life Insurance Company and The Prudential Insurance Company of America. Both the Company

and the employees will contribute to this plan, and it is expected the Company's share of the cost will be more than half the total.

The contributions of the employees and the Company will be turned over to the Insurance Companies for the purchase of Annuities for future service effective on retirement, which will be paid as long as the employee shall live. If the employee should leave the service or die before receiving any annuity payments, all his contributions will be returned to him or to his beneficiary.

The new plan will become effective January 1, 1937, and will provide annuities based on service on and after that date. When the new plan becomes effective, the present voluntary plan will cease to be operative as to all employees then eligible to join the new plan. But the Company hopes and expects to supplement, wholly at its own expense, the retirement income provided for in the new plan, by providing pensions based on past service for present employees who join the new plan. The payment of such pensions will be entirely dependent upon such authority in this respect as may, from time to time, be granted by the Board of Directors of the Company.

Men employees who will reach their 65th birthday before July 1, 1937, and women employees who will reach their 60th birthday before that date, will not be eligible to join the new plan, but will be provided for under the provisions of the old pension plan. Pension benefits for such employees will be based on service prior to January 1, 1937 and will not be increased by reason of service rendered after that date.

Retirement Incomes based on future service provided under the new plan are independent of and in addition to the Federal Old Age benefits offered under Title II of the Social Security Act, as passed by the 74th Congress and approved August 14, 1935. The contributions to be made under the new plan are likewise in addition to the taxes imposed upon the employees and the Company under Title VIII of the Social Security Act.

It is the aim and object of the new plan to so co-ordinate its benefits with those contemplated under the Social Security Act that an employee joining the plan will receive an annual Retirement Income from both sources equal to approximately 2 per cent of his total earnings during the period in which he has been a contributor to the plan.

We believe the new plan is sound and will work to the advantage of all employees who wish to make provision for the future. We hope that every employee eligible to do so will join the new plan and that we will be able to place it in operation on January 1, 1937.

JAMES B. BLACK,  
*President.*

P. M. DOWNING,  
*Vice President and General Manager.*

A. EMORY WISHON,  
*President, San Joaquin Light  
and Power Corporation.*

**RETIREMENT PLAN FOR EMPLOYEES  
OF  
PACIFIC GAS AND ELECTRIC COMPANY  
AND  
SUBSIDIARY COMPANIES**

**EFFECTIVE DATE**

1. This Retirement Plan shall become effective as of January 1, 1937, and its benefits shall be available to all employees of the Pacific Gas and Electric Company and participating subsidiary companies, who on that date are, or thereafter may become, eligible to join the Plan.

2. Participating subsidiaries shall consist of those corporations which from time to time may be designated as such by the Pacific Gas and Electric Company and the transfer of an employee from one participating company to another shall not affect his rights or obligations under the plan. The Pacific Gas and Electric Company and participating subsidiaries are hereinafter collectively called the "Company."

3. The Plan insofar as it provides Retirement Income for future service will be underwritten by the Metropolitan Life Insurance Company and The Prudential Insurance Company of America (hereinafter referred to jointly as the "Insurance Companies," and separately as "Metropolitan" and "Prudential"), each of which will assume fifty per cent of the liability for benefit payments or refunds due employees and/or beneficiaries under the Plan, which payments will be made by Metropolitan as administrator of the Plan on behalf of the Insurance Companies. The Company does not guarantee such payments but undertakes only to pay over to Metropolitan the contributions periodically collected by it from the employees, together with such additional contributions as it is called upon to make under its contract with the Insurance Companies.

## **ELIGIBILITY**

4. All employees, who on January 1, 1937 have completed at least one year of continuous service uninterrupted by lay-off and are then under age 60, if women, or under age 65, if men (nearest birthday in each case) shall be eligible immediately to join the Plan.

5. Other employees in the service of the Company on January 1, 1937, and those thereafter employed shall become eligible to join the Plan on the first of the month following the completion of one year of continuous service uninterrupted by lay-off, if at such time they are under age 60, if women, or under age 65, if men (nearest birthday in each case).

6. Temporary or casual employees will not be eligible to join the Plan.

## **TO JOIN PLAN**

7. An employee may join the Plan on the first day of any month, provided he is then eligible and makes or has made application therefor. To make such application the employee shall sign an application form, authorize the required payroll deductions during his participation in the Plan, and name a beneficiary (which beneficiary he may change by making application upon a form provided by the Insurance Companies). It is desirable that husband and wife agree to and sign the application and the authorization for payroll deductions.

## **CONTRIBUTIONS**

8. The Plan provides for joint contributions by employees and the Company. Employees whose earnings with the Company are \$3,000 a year or less will contribute two per cent of earnings. Employees earning in excess of \$3,000 a year will contribute two per cent of the first \$3,000 of earnings and four per cent of all earnings in excess of \$3,000 a year. The determination of the Company as to what constitutes an employee's earnings for purposes of the Plan shall be final. The employee's contributions will be deducted from his earnings and paid over to the Insurance Companies. The Company will contribute and pay over to the Insurance Companies the balance of the net cost of the Retirement Incomes provided in this Plan.

## **FUTURE SERVICE RETIREMENT INCOME**

9. The annual Retirement Income to be provided under this Plan will be (A) 1 per cent of the total amount of earnings on which the employee has contributed at the rate of 2 per cent, plus (B) 2 per cent of the total earnings on which the employee has contributed at the rate of 4 per cent.

## **NORMAL RETIREMENT DATE**

10. An employee's Normal Retirement Date shall be the first day of January or the first day of July nearest the 60th birthday, if a woman, and nearest the 65th birthday, if a man.

11. The first payment of an employee's Retirement Income will be made on his Normal Retirement Date and subsequent payments will be made monthly thereafter, ceasing with last payment preceding the employee's death.

## **OPTIONAL RETIREMENT DATE**

12. An employee may, with the consent of the Company, advance his retirement date to the first day of any month during the ten year period immediately preceding his Normal Retirement Date. In case of such earlier retirement, contributions shall cease and the Retirement Income theretofore purchased shall commence at that time but at a reduced scale determined by the employee's then attained age.

13. No employee shall be retained in active service beyond the Normal Retirement Date unless specifically requested by the Company to remain in service. In such case, the employee's contributions will cease on his Normal Retirement Date and his Retirement Income payments will begin as if he had in fact retired.

## **TERMINATION OF SERVICE**

14. If the service of an employee is terminated for any reason prior to retirement, the following options are available:

- (a) He may withdraw all his contributions in cash. The Insurance Companies reserve the right to make such withdrawal payments in equal monthly installments over a period not to exceed twelve months.

- (b) If the employee has been a member of the Plan continuously for at least ten years, and has also passed her 45th birthday, if a woman, or his 50th birthday, if a man, he may leave his contributions with the Insurance Companies and thereby receive on the Normal Retirement Date the income which was purchased by both his own and the Company's contributions since the date of his most recent entry into the Plan, up to the time his service was terminated. This means that the Company gives such an employee the benefit of all the contributions the Company has made for him during such period.
- (c) If the employee has not been both a member of the Plan continuously for at least ten years and also passed her 45th birthday, if a woman, or his 50th birthday, if a man, he may nevertheless leave his own contributions with the Insurance Companies if they amount to at least one hundred dollars and receive a monthly income for life beginning at his Normal Retirement Date in the amount purchased by his own contributions.

15. An employee may not withdraw his contributions so long as he remains in the employ of the Company. He may not borrow against them at any time.

#### **LAY-OFF, LEAVE OF ABSENCE, SICKNESS OR ACCIDENT**

16. The future service Retirement Income of an employee is, in all cases, dependent upon his contributions, and no credits toward Retirement Income will accumulate for any period during which such contributions are not made. Interruption of active service in cases of Lay-Off by the Company, Leave of Absence, Sickness, or Non-Industrial Accident (with or without pay) will not be considered a termination of service, provided the employee returns to active service within twelve months. Interruption of active service in case of Industrial Accident will not be considered a termination of service. Such cases will be governed as follows:

- (a) Lay-Off by the Company or for Industrial Accident: No contributions shall be made during absence from service but Retirement Income previously credited will not be affected. Upon return to active service, contributions shall be resumed.



(b) **Sickness, Non-Industrial Accident, or Leave of Absence:**

- (1) **With pay:** Contributions shall be continued and credits toward Retirement Income will continue to accumulate.
- (2) **Without pay:** Contributions shall cease, but Retirement Income previously credited will not be affected. Upon return to active service, contributions shall be resumed.

If the services of an employee are for any reason terminated during a period of lay-off, leave of absence, sickness, or non-industrial accident, the provisions of Paragraph 14 shall apply to such termination.

## **RE-EMPLOYMENT**

17. An employee whose service is terminated for any reason and who is later re-employed, shall be considered a new employee under the Plan.

## **DEATH BENEFIT BEFORE RETIREMENT**

18. In the event of the death of an employee before retirement under the Plan, a death benefit equal to the total amount of his contributions to the Insurance Companies will be paid to his designated beneficiary.

## **DEATH BENEFIT AFTER RETIREMENT**

19. In the event of the death of an employee after his retirement any excess in the amount of his contributions over the amount of Retirement Income he has received will be paid to his beneficiary. If the dependent's option was elected, then any excess in the amount of the employee's contributions over the amount of Retirement Income the employee and his dependent have received will be paid to the employee's beneficiary upon the death of the employee or his dependent, whichever is last to occur.

## **DEPENDENT'S OPTION**

20. An employee may elect to receive a reduced amount of Retirement Income, all or part of which will be continued to his surviving dependent for the balance of the dependent's lifetime. If this option is elected at least five years before his Normal Retirement

ment Date or Optional Retirement Date, whichever occurs earlier, no medical examination is required. If he is already within less than five years of his Normal Retirement Date, he may elect this option without medical examination within ninety days after the effective date of the Plan. If this option is elected later, he may be required to pass a medical examination satisfactory to the Insurance Companies.

21. The amount of this Retirement Income depends on the age and sex of the dependent named by the employee, and on the percentage of the Retirement Income elected to be continued to the dependent. The dependent is to be named by the employee when he exercises the election of this option. If he or his dependent should die before Normal Retirement Date or Optional Retirement Date, whichever occurs earlier, the election of the option will become inoperative. If this option is elected it cannot be rescinded, nor can an earlier retirement date be elected without the consent of the Insurance Companies.

## **INSURANCE COMPANY CERTIFICATES**

22. The Insurance Companies will issue for delivery to each contributing employee a combined certificate which will certify his inclusion under the master contract issued by them to the Company. Benefits under the Plan are governed in every respect by the master contract, the provisions of which cannot be changed by the Insurance Companies for at least five years from the effective date, and any change thereafter made cannot affect any Retirement Income purchased prior to the change.

## **RIGHT TO EMPLOYMENT OR RETIREMENT INCOME**

23. This Plan shall not be construed to give any employee the right to be retained in the service of the Company, or any right or claim to a Retirement Income unless the right to such Retirement Income has specifically accrued under the terms of this Plan.

## **ADMINISTRATION**

24. The Company reserves the right to decide all questions arising in the administration, interpretation and application of the Plan.

## **GENDER**

25. Wherever used in the Plan the masculine pronoun refers to both men and women, unless clearly indicated to the contrary.

## **CHANGE OR DISCONTINUANCE OF PLAN**

26. The Company expects to continue the Plan indefinitely, but reserves the right to change, modify or discontinue it at any time by reason of any present or future legislation, or for any other cause whatsoever. Discontinuance, change or modification will neither deprive any employee of his rights in respect of his own contributions nor affect adversely Retirement Income purchased with the Company's contributions prior to the date of discontinuance or change. In the event of termination of service subsequent to the discontinuance of the Plan, the employee may withdraw his own contributions.

27. The Company may at any time withdraw a subsidiary from the list of participating subsidiaries, and any such withdrawal shall be deemed a discontinuance of the Plan with respect to the employees of such subsidiary.

## **PAST SERVICE**

28. Service with the Company or any of its participating subsidiaries, prior to January 1, 1937, when the Plan becomes effective, shall be known as "Past Service." The Company hopes and expects to provide, independently of this Plan, and wholly at its own expense, income for such past service for those who join the Plan, but such income will be entirely dependent upon such authority in this respect as may from time to time be granted by the Board of Directors of the Company.

29. Credits for past service will be calculated on wages or salary for the month of December, 1936. In the case of employees on a daily rate, or employees whose compensation is based in whole or in part on bonuses or commissions, wages or salary will be calculated on the average monthly earnings for the year 1936. Wages or salary for employees, who because of sickness or for any other reason were not on the payroll during December, 1936, will be calculated on their average monthly earnings for the last twelve months during which they were on the payroll.

30. The following percentages will be used in arriving at credits for past service, ages being last birthday in each case.

- (a) For women 55 to 59 years and men 60 to 64 years on January 1, 1937, two per cent for each year of service prior to January 1, 1937.
- (b) For women 50 to 54 years and men 55 to 59 years on January 1, 1937, one and three-quarters per cent for each year of service prior to January 1, 1937.
- (c) For women 45 to 49 years, and men 50 to 54 years on January 1, 1937, one and one-half per cent for each year of service prior to January 1, 1937.
- (d) For women 40 to 44 years, and men 45 to 49 years on January 1, 1937, one and one-quarter per cent for each year of service prior to January 1, 1937, and
- (e) For women 39 years and under and men 44 years and under on January 1, 1937, one per cent for each year of service prior to January 1, 1937.

31. Cases may arise where the annual Retirement Income for service after January 1, 1937, together with old age benefits provided under the Federal Social Security Act as approved August 14, 1935, may exceed two per cent of the earnings of the employee during the period in which he has been a contributor to this Plan. In such case the Past Service Benefits of the employee will be reduced by such excess.

32. In the case of any employee who retires on or before January 1, 1942 the monthly Retirement Income shall not exceed 75 per cent of his full time wages or salary for the month preceding retirement. Any reduction from the amount payable arising from the operation of this provision, shall be made from Past Service Benefits.

33. No Retirement Income, for past service, once granted will be rescinded, except that the Company reserves the right to deduct from income for past service being provided by the Company to any employee any benefits thereafter receivable by him under present or future legislation, State or Federal, (except for pensions awarded for military service) which will increase his monthly Retirement Income in respect of service after January 1, 1937 beyond two per cent of his average monthly earnings for each year of such service.

## Questions, Answers and Examples

The following questions, answers and examples are intended merely for the information of employees. If there is any apparent conflict between the Retirement Plan and any statement made in the answers or examples, the provisions of the Plan shall govern. The numbers in parentheses refer to Paragraphs in the Retirement Plan.

### QUESTIONS AND ANSWERS

#### ELIGIBILITY

*1. Q. What employees are eligible to join the Plan?*

A. All men under age 65 (nearest birthday) and women under age 60 (nearest birthday) with at least one year of continuous service, uninterrupted by lay-off on January 1, 1937. All other present employees and all future new employees shall be eligible on the first of the month following the completion of one year of continuous service, uninterrupted by lay-off, if then under the ages stated above. Temporary or casual employees shall not be eligible to join the Plan. (4, 5 and 6)

*2. Q. Will the Plan cover male employees age 65 and over (nearest birthday) and female employees age 60 and over (nearest birthday) on January 1, 1937?*

A. No. Such employees will not be included in the new Plan and therefore will not be called upon to contribute. These employees will be advised of their retirement under the present Pension Plan, retirements to take effect early in 1937, unless requested by the Board of Directors to remain.

*3. Q. Do I have to pass a medical examination to join the Plan?*

A. No.

## JOINING THE PLAN

4. Q. *Is joining the Plan compulsory?*

A. No, but it is expected that all eligible employees will want to join the Plan.

5. Q. *If I am eligible now, may I nevertheless wait and join the Plan at a later date?*

A. Yes, but if you do not join until later, you will lose the benefit of the Company's contribution during the period you are out of the Plan.

6. Q. *What must I do to join the Plan?*

A. Sign an application and a card authorizing the Company to make the required deductions from your pay, and name a beneficiary to receive any sum due in the event of your death.

7. Q. *Whom may I name as beneficiary?*

A. Your wife or husband or anyone else you please. It is desirable that your wife or husband agree to such designation. (7)

8. Q. *May I later change my beneficiary?*

A. Yes, upon notification to the Insurance Companies on forms provided for that purpose. (7)

## CONTRIBUTIONS

9. Q. *What is my contribution to the Plan?*

A. On earnings which do not exceed \$3,000 in any calendar year your rate of contribution will be 2 per cent; on that portion of your earnings exceeding \$3,000 in any calendar year, your rate of contribution will be 4 per cent. Contributions will be by means of deductions made from all pay checks received for work performed after joining the Plan. (8)

10. Q. *When do I make my first contribution?*

A. Deduction will be made from the first pay check covering work performed in the month in which you join the Plan.

11. Q. *Does my age have anything to do with my contributions?*  
A. No, the amount of your contributions is governed by your earnings.
12. Q. *Do I contribute while laid off, on leave, sick or injured?*  
A. No, unless you are at that time receiving salary or wages from the Company, other than Workmen's Compensation Benefits. (16)
13. Q. *While laid off, on leave, sick or injured, but without termination of service, what happens to my previous Retirement Income credits if I am not making contributions?*  
A. They stand to your credit. (16)
14. Q. *What happens to my past service credit if I am laid off but later return to work?*  
A. Past service credits will be allowed by the Company providing you return to work within twelve months after lay-off. (16)
15. Q. *What is done with my contributions?*  
A. They are turned over each month to the Insurance Companies.
16. Q. *May I borrow on my contributions?*  
A. No. This would interfere with the fundamental purpose of the Plan, which is to build up an income for old age. (15)
17. Q. *May I withdraw my contributions once I have joined the Plan?*  
A. Only if you leave the service of the Company. (15)
18. Q. *May I stop making contributions while in the active service of the Company?*  
A. No. Once having joined the Plan, you must continue to contribute from your earnings as long as you remain in the active service of the Company.

#### RETIREMENT

19. Q. *If I join the Plan and contribute regularly to it, what Retirement Income will I receive?*

A. That depends upon the length of time you contribute and your earnings. (See examples on pages 18 and 19.)

20. *Q. How will Retirement Incomes under this Plan compare with those which employees could purchase individually from an insurance company for the amount of their contributions?*

A. Retirement Incomes under the Plan will be on the average about twice as large because of the Company's contributions to the Plan.

21. *Q. Do I get any Retirement Income for years of service completed before January 1, 1937?*

A. While this Plan is based on service after January 1, 1937, the Company hopes and expects to provide income for such past service wholly at its own expense and independently of the new Plan, but such income will be entirely dependent upon such authority in this respect as may from time to time be granted by the Board of Directors of the Company. (28)

22. *Q. What is my Normal Retirement Date?*

A. The Normal Retirement Date is the January 1st or the July 1st nearest the 65th birthday for men and nearest the 60th birthday for women. For example if you were born on March 15, 1900, your Normal Retirement Date will be January 1, 1965 if a man and January 1, 1960 if a woman; but if you were born on April 15th your Normal Retirement Date will be on July 1st. (10)

23. *Q. May I have my Retirement Income commence before my Normal Retirement Date?*

A. Only with the consent of the Company, and in no event more than ten years before that date. (12)

24. *Q. What effect would my earlier retirement have on the amount of my Retirement Income?*

A. Retirement Income theretofore purchased for you would be payable at a reduced scale determined by your then attained age. (12)



25. *Q. Do I have the right to retire on my Normal Retirement Date?*

A. Yes. Your Retirement Income starts automatically and is paid to you directly by the Insurance Companies. (13)

26. *Q. May I remain in the service of the Company after my Normal Retirement Date?*

A. Only if requested by the Company. In case of service after Normal Retirement Date you will be considered as retired under the Plan and your Retirement Income will be payable, starting on that date, in exactly the same manner as if you had in fact retired. (13)

27. *Q. When will Retirement Income payments be made?*

A. The first payment will be made on the Normal Retirement Date. Subsequent payments will be made on the first of each month thereafter as long as you live. (11)

#### DEATH OR WITHDRAWAL

28. *Q. May I have my contributions returned if I leave the service of the Company before retirement?*

A. Yes, but the Insurance Companies reserve the right to spread the repayment of such contributions over a period of twelve months. (14)

29. *Q. If I leave the service of the Company before retirement may I leave my contributions with the Insurance Companies?*

A. Yes, in accordance with Paragraph 14 of the Plan.

30. *Q. Is any interest paid on my contributions in the event of my death or withdrawal from the Plan?*

A. No interest is paid under these circumstances. This is primarily a Retirement Plan and not a Savings Plan. If interest were paid on the contributions of employees who die or withdraw from the Plan, it would be necessary to increase the contributions materially to provide the same amount of Retirement Income.

31. Q. *If my services are terminated and I am re-employed, what is my status?*

A. You will be regarded as a new employee. (17)

32. Q. *If I die before I retire under the Plan, what happens to my contributions?*

A. Your total contributions are paid to the beneficiary named by you. (18)

33. Q. *If I die after I retire under the Plan, what happens?*

A. If the total of the Retirement Income payments you have received up to the time of your death is less than your contributions, the balance will be paid to your beneficiary. If your Retirement Income was being paid in accordance with the Dependent's Option (Paragraph 20) the death benefit will be the amount by which your contributions exceed the total Retirement Income paid to you and your dependent prior to the death of both you and your dependent; such death benefit will be payable to the beneficiary at the death of yourself or your dependent whichever is last to occur. (19)

## EXAMPLE No. 1

A man *with no past service* who joins the Plan January 1, 1937, at age 25 with monthly earnings of \$100, increasing as shown, will receive, after 40 years of continuous service to retirement at age 65, a Retirement Income computed as follows:

Future Service Age	Monthly Salary	Monthly Retirement Income	
25 to 30	\$100	5 years service x 1% of \$100 or	\$ 5.00
30 to 35	\$125	5 years service x 1% of \$125 or	6.25
35 to 45	\$150	10 years service x 1% of \$150 or	15.00
45 to 55	\$200	10 years service x 1% of \$200 or	20.00
55 to 65	\$250	10 years service x 1% of \$250 or	25.00
(a) Retirement Income Per Month Under the Plan			<u>\$71.25</u>
(b) Retirement Income Per Month Under Social Security Act			<u>66.88</u>
Total Retirement Income per month Commencing at age 65			\$138.13

**Note:** The \$66.88 income under the Social Security Act was calculated as follows:

Total earnings from January 1, 1937 to age 65 =	\$85,500
½% of the first \$3000 =	\$15.00
1/12% of the next \$42,000 =	35.00
1/24% of the remaining \$40,500 =	16.88
Total Monthly Income under Social Security Act	<u>\$ 66.88</u>

The above example assumes (1) that our understanding of the benefits payable under the Social Security Act is correct, and (2) that the new Retirement Income Plan is continued in its present form to the employee's Normal Retirement Date.

## EXAMPLE No. 2

A man with 15 years of past service who joins the Plan January 1, 1937, at age 50 and works until age 65 will retire with *15 years of past service* and *15 years of future service*. If during this period he has continuously received a salary of \$150 monthly, his Retirement Income will be computed as follows:

(a) Retirement Income Per Month Under the Plan

15 years service x 1% of \$150 or	\$ 22.50
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(b) Retirement Income Per Month Under Social Security Act	35.00
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Total Future Service Benefits per month	\$ 57.50
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(c) Past Service Credit (See Paragraph 30(c))

15 years service x 1½% of \$150 (December

1936 earnings) equals	\$ 33.75
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Less: Amount by which Future Service Benefits exceed

15 years x 2% of \$150, or	\$45.00
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Actual Future Service Benefits	57.50	12.50	21.25
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Total Retirement Income per month Commencing at age 65	\$ 78.75
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**Note:** The \$35.00 income under the Social Security Act was calculated as follows:

Total earnings from January 1, 1937 to age 65	=	\$27,000
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½% of the first \$3000	=	\$15.00
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1/12% of the remaining \$24,000	=	20.00
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Total Monthly Income under Social Security Act	\$ 35.00
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The above example assumes (1) that our understanding of the benefits payable under the Social Security Act is correct, (2) that the new Retirement Income Plan is continued in its present form to the employee's Normal Retirement Date, and (3) that Past Service credits as outlined in the Announcement in paragraphs 28 to 33 are granted by the Board of Directors of the Company.

