

Pensions - Handbooks (Company)  
(1948?)

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Plan

STAUFFER CHEMICAL COMPANY  
and  
AFFILIATED COMPANIES

INSTITUTE OF  
INDUSTRIAL RELATIONS

MAY 31 1950

# I N T R O D U C T I O N

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HIS BOOKLET explains your Retirement Plan. It will help you better understand this valuable program provided by the Company to assure your future security. The Plan, which became effective July 1, 1933, has been revised at intervals since that time to keep abreast of changing conditions.

Several of the pages of this booklet are devoted to questions and answers and typical examples, and are designed to permit you to estimate your own monthly annuity after you retire. In brief, this booklet provides a simple description of this excellent security program.

It is a plan that will appeal to all Stauffer employees because it promises basic security against want . . . and the many uncertainties of the future.

# H



## I G H L I G H T S

## o f t h e P L A N

These two pages provide an “at a glance” review of your Retirement Plan. Elsewhere, throughout this booklet, you will find detailed information about the many benefits. It’s a good idea to read every page.

**WHEN DO I GET  
THIS INCOME?**

When you retire.

**WHEN CAN I  
RETIRE?**

When you reach age 65 if a man; or age 60 if a woman.

**HOW MUCH  
DO I GET?**

That depends on a number of things, such as your earnings and the number of years you have been enrolled in the Plan.

**The schedule of benefits is shown on page 9. Examples of the income which would be provided in some illustrative cases are shown on pages 11 to 13.**

**HOW LONG  
DO I  
GET  
THE INCOME?** For as long as you live.

**HOW MUCH  
DO I PAY  
UNDER THE  
COMPANY PLAN?** It depends on your earnings. Check the schedule on page 9 for your monthly payments.

**DO I HAVE TO  
PASS A PHYSICAL  
EXAMINATION?** No.

**WHAT MUST I DO  
TO BECOME A  
MEMBER OF  
THE PLAN?** You should sign an application card provided for the purpose. You are eligible to join the Plan after completing one year of continuous service.

**IS THERE ANY  
WAY I CAN  
POSSIBLY LOSE  
MY PAYMENTS?** No.

***MORE DETAILED INFORMATION  
CONCERNING THE PLAN***

**Y**OU ARE ELIGIBLE . . .

- A.** If you have completed one year's continuous service, and
- B.** Have not reached age 65 if a man, or age 60 if a woman.

If you have not already enrolled, you may join the Plan on the first day of a month coincident with or next following the date you meet the above requirements. All you need do is complete and sign the application card. Then return the card to your foreman, supervisor, or plant office.

**Retirement Date**

For men employees, the normal retirement date is the nearest first day of a month to the 65th birthday. For women employees, the normal retirement date is the nearest first day of a month to the 60th birthday.

## **Your Retirement Annuity**

The first monthly payment under the Plan will be made to you on your normal retirement date, provided you actually retire on that date. Subsequent payments will be made monthly thereafter for as long as you live.

### **Early or Late Retirement**

By mutual agreement between you and the Company, you may retire before or after your normal retirement date. In case of earlier retirement, a reduced scale of retirement annuity will be payable. In case of later retirement, payments toward retirement annuity will cease at normal retirement date and the retirement annuity, upon actual retirement, will be at the same monthly rate as would have been payable had you retired on your normal retirement date.

### **Option to Have Retirement Annuity Continued to a Dependent**

You may elect to receive a reduced amount of retirement annuity, all or part of which will be continued to a surviving dependent for the balance of the dependent's lifetime. However, if this option is not elected at least five years before your normal retirement date, you will be required by the insurance company to pass a medical examination.



Further information about this option and the effect of its election upon other provisions of the Plan will be available upon request.

## **Termination of Employment**

If you leave the Company at any time prior to normal retirement date, you may elect one of two options, as follows:

**A.** You may leave your retirement annuity payments with the insurance company and receive a monthly annuity for life at your normal retirement date as purchased by those payments.

or

**B.** You may have all your retirement annuity payments returned to you.

**VESTED RIGHT . . .** If, at the time you leave, you have completed both 15 years of service and 5 years of membership in the Plan, and if you elect Option (A) above and do not subsequently withdraw your own payments, you will be entitled to receive at your normal retirement date the total retirement annuity which has been purchased by the Company as well as by your own payments.

## **If You Should Die**

If you should die before retirement — all your payments will be returned to your beneficiary.

If you should die after retirement, any excess in the amount of your total retirement annuity payments over the amount you will have already received will be paid to your beneficiary.

## **No Matter What Happens**

No matter what happens, your benefits are guaranteed. The Metropolitan Life Insurance Company is responsible for all annuity payments, or other payments which will be made under the Plan.

## **The Future of the Plan**

The Company expects to continue the Plan indefinitely, but it does reserve the right to change or discontinue it. Such action, for example, might be necessary because of changes in the Federal Social Security Act or in the Internal Revenue Code.

However, one of the strongest features of the Plan is the fact that any change or discontinuance cannot unfavorably affect the retirement annuity secured by your payments and those of the Company prior to the date of such change or discontinuance.

This brief announcement cannot contain the full details of the Plan as set forth in the master contract issued to the Company by the Metropolitan Life Insurance Company.

The Plan, and all descriptions and outlines of the Plan, are governed in every respect by the master contract.

Each enrolled employee receives a certificate indicating his inclusion in the Plan, and outlining the benefits provided in the master contract.

## ABOUT THE SCHEDULE

# Y



OUR BENEFITS under the Plan will be determined by the schedule on the next page. You will want to look it over carefully.

Note that the table is broken down into four columns.

- 1 Shows annual earnings. Check off the group that applies to you.
- 2 Is a column denoting your class.
- 3 Shows the monthly rate of annuity. This is an important figure. Check off the amount that corresponds with your group in Column No. 1.
- 4 Is your contribution column. Note that your contributions go up as your annual earnings change.

By following the examples provided on pages 11 to 13, you will be able to estimate your own retirement annuity.

# SCHEDULE

## EARNING CLASSES, BENEFITS AND EMPLOYEE'S CONTRIBUTIONS

	1	2	3	4
Annual Rate of Earnings	Earnings Class	Monthly Rate of Retirement Annuity For Each Completed Year As Contributor in Earnings Class	Employee's Monthly Contributions	
\$ 1,800.00 and under	3	\$ 1.00	\$ 2.00	
1,800.01 to \$2,200.00	4	1.25	2.50	
2,200.01 to 2,600.00	5	1.50	3.00	
2,600.01 to 3,000.00	6	1.75	3.50	
3,000.01 to 3,400.00	7	2.00	4.00	
3,400.01 to 3,800.00	8	2.50	5.00	
3,800.01 to 4,200.00	9	3.00	6.00	
4,200.01 to 4,600.00	10	3.50	7.00	
4,600.01 to 5,000.00	11	4.00	8.00	
5,000.01 to 5,400.00	12	4.50	9.00	
5,400.01 to 5,800.00	13	5.00	10.00	
5,800.01 to 6,200.00	14	5.50	11.00	
6,200.01 to 6,600.00	15	6.00	12.00	
6,600.01 to 7,000.00	16	6.50	13.00	
7,000.01 to 7,400.00	17	7.00	14.00	
7,400.01 to 7,800.00	18	7.50	15.00	
7,800.01 to 8,200.00	19	8.00	16.00	
8,200.01 to 8,600.00	20	8.50	17.00	
8,600.01 to 9,000.00	21	9.00	18.00	
9,000.01 to 9,400.00	22	9.50	19.00	
9,400.01 to 9,800.00	23	10.00	20.00	
9,800.01 and over	24	10.50	21.00	

The Company will pay the balance of the net cost of these benefits. For your convenience, the Company will deduct your contributions from your pay.

The earnings class of each employee will be based on the annual rate of earnings as determined by the Company. The employee may apply for the benefits applicable to his earnings class only.

Any change in earnings class due to change in earnings will be made on the July 1st coincident with or next following such change in earnings.

# SOCIAL SECURITY PRIMARY BENEFITS

I



IN THE EXAMPLES presented on the following pages, you will notice that Social Security Benefits are included. In order to estimate your own benefits under Social Security, this table is provided for your convenience.

Examples of monthly primary benefits in dollars payable to the employee at age 65 under the Social Security Act Amendments of 1939 based on years of continuous contribution and average monthly wages for all years, are shown below. Future amendments to the Social Security Act may, of course, change the amount of the benefits payable thereunder.

Average Monthly Wages	Years of Contribution After January 1937 and Prior to Age 65							
	5 Yrs.	10 Yrs.	15 Yrs.	20 Yrs.	25 Yrs.	30 Yrs.	35 Yrs.	40 Yrs.
\$100	\$26.25	\$27.50	\$28.75	\$30.00	\$31.25	\$32.50	\$33.75	\$35.00
125	28.87	30.25	31.62	33.00	34.37	35.75	37.12	38.50
150	31.50	33.00	34.50	36.00	37.50	39.00	40.50	42.00
175	34.12	35.75	37.37	39.00	40.62	42.25	43.87	45.50
200	36.75	38.50	40.25	42.00	43.75	45.50	47.25	49.00
225	39.37	41.25	43.12	45.00	46.87	48.75	50.62	52.50
250	42.00	44.00	46.00	48.00	50.00	52.00	54.00	56.00

- NOTE: (1) The above benefits are the employee's primary benefits. Under certain circumstances other benefits are payable, for instance: The wife of an employee receiving Social Security benefits upon attaining age 65, receives payments equivalent to 50% of the employee's benefits.
- (2) The Social Security benefits shown are payable after age 65 only, and are based on continuous employment and contributions up to age 65. Any interruption in employment and contributions tends to reduce the benefits payable under the Social Security Act.
- (3) The benefits shown in the above tables are separate and apart from benefits payable under the Company Plan.
- (4) Social Security contributions did not begin until January 1, 1937.

## HERE ARE A FEW EXAMPLES

# H



ERE ARE FOUR EXAMPLES which illustrate the benefits provided by the Plan. Note how the figures in the schedule are used to work these examples.

① Assume that Joseph B. starts working for the Company today. Now 25 years of age, he will become eligible for retirement at age 65. His Social Security coverage begins now but, of course, he must wait one year before becoming eligible for the Retirement Plan. Therefore, at his normal retirement date he will have had 40 years Social Security coverage and 39 years in the Retirement Plan. To estimate his retirement annuity, he assumes that, over the 39 years, his earnings will range from \$1900 to \$3500.

5 years in Class 4 (\$1900) x 1.25	Equals	\$ 6.25 a month
10 years in Class 5 (\$2500) x 1.50	or	15.00 a month
5 years in Class 6 (\$2800) x 1.75	or	8.75 a month
19 years in Class 8 (\$3500) x 2.50	or	47.50 a month
His monthly annuity.....		\$77.50

Social Security benefits are based on average monthly wages since starting to contribute to Social Security. He estimates that his average has been about \$225. On this basis, after about 40 years coverage, he would receive from Social Security a primary benefit of \$52.50 per month.

His total monthly retirement income would be about:

From the Retirement Plan	\$77.50
Social Security Benefits	52.50
	\$130.00 per month

② Robert R. will have twenty-two years in the Retirement Plan when he retires at age 65. He estimates that in this period, his

# EXAMPLES

earnings will range from \$3500 to \$7500. (Remember, no Social Security benefits are payable on earnings in excess of \$3000. He, therefore, must estimate his average monthly wages for Social Security over the years at the maximum — \$250 per month.)

On the basis of these assumed figures, here's how he estimates his annuity at retirement:

7 years in Class 8 (\$3500) x \$2.50	or \$17.50	a month
4 years in Class 12 (\$5200) x 4.50	or 18.00	a month
11 years in Class 18 (\$7500) x 7.50	or 82.50	a month
<hr/>		
His monthly annuity.....\$118.00		

On the basis of coverage under Social Security for about 30 years his primary benefit will be about \$52 per month.

His total monthly income at retirement will be about:

From the Retirement Plan	\$118.00
Social Security Benefits	52.00
<hr/>	
\$170.00 per month	

If Robert R. is married, his wife, as pointed out in Note (1) on the Social Security page, will be entitled, on reaching age 65, to 50% of his Social Security benefits or about . . . \$26.00 per month.

③ Mary S. will have 28 years in the Plan when she retires at age 60. Her estimated monthly annuity:

3 years in Class 3 (\$1570) x \$1.00	or \$3.00	a month
4 years in Class 4 (\$1920) x 1.25	or 5.00	a month
14 years in Class 5 (\$2350) x 1.50	or 21.00	a month
7 years in Class 6 (\$2700) x 1.75	or 12.25	a month
<hr/>		
Her monthly annuity.....\$41.25		

## **EXAMPLES**

Her average wages over the years . . . \$175 per month. Assuming coverage under Social Security for about 30 years, her primary benefit will approximate \$42.25 per month.

Her total monthly retirement income would be about:

<b>From the Retirement Plan</b>	<b>\$41.25</b>
<b>(Beginning at age 60)</b>	
<b>Social Security Benefits</b>	<b>42.25</b>
<b>(Beginning at age 65)</b>	
	<hr/>
	<b>\$83.50 per month</b>

④ Linda Z. completed one year's continuous service and starts the Plan next pay day. Assuming that she will be with the Company for 20 years at \$2400, here is how she estimates her income from both the Retirement Plan and Social Security:

**20 years in Class 5 (\$2400) x \$1.50 or \$30.00 a month**

Also assuming coverage under Social Security for about 30 years (average wages \$175 per month), her primary benefit will approximate \$42.25 per month.

Her estimated total monthly income from:

<b>The Retirement Plan</b>	<b>\$30.00</b>
<b>(Beginning at age 60)</b>	
<b>Social Security</b>	<b>42.25</b>
<b>(Beginning at age 65)</b>	
	<hr/>
	<b>\$72.25 per month</b>

# Q



## UESTIONS and ANSWERS

- Q.** What happens if my earnings increase or decrease during the year?
- A.** Your class is determined on the July 1st coincident with or next following such change in earnings.
- Q.** When I become eligible to join the Plan, when may I do so?
- A.** The first day of the following month.
- Q.** Do I have to join the Retirement Plan?
- A.** No. However, the Company urges you to make the most of this excellent opportunity to assure your future security.
- Q.** What happens to my payments?
- A.** They are turned over to the Metropolitan Life Insurance Company.
- Q.** When will I receive my first retirement check?
- A.** You will receive your first check on the date you retire.
- Q.** If I become eligible to join the Plan soon but don't wish to, may I join at a later date?
- A.** Yes, provided you are still eligible at the later date. However, to secure the greatest retirement benefits, you should apply to join the Plan as soon as you are eligible.

**Q.** If I work for someone else after I retire, will I still receive my retirement annuity?

**A.** Yes.

**Q.** May I borrow against my payments?

**A.** There is no provision for borrowing since it would defeat the very purpose of the Plan which is to provide an income for you when you retire.

**Q.** Does this Plan take the place of Group Insurance?

**A.** No. This is not an insurance plan. An insured employee should keep his group insurance for the protection of his family.

**Q.** How much does the Company contribute toward my Retirement Annuity?

**A.** In the average case, the Company contributes considerably more than you do.

**Q.** How much would it cost me to buy my own retirement annuity?

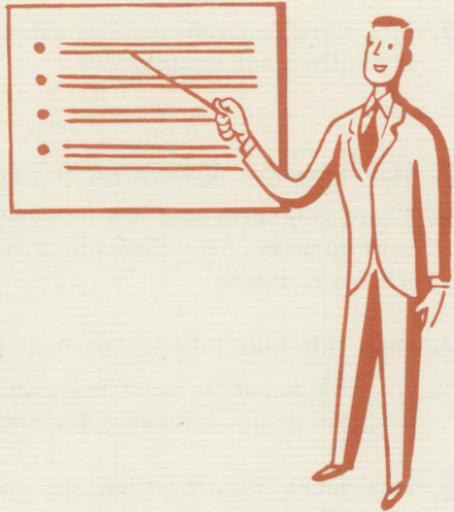
**A.** That depends on your present age and the type of benefit you could obtain. Many insurance companies do not offer to individuals the kind of benefits available under your plan. However, you can get some idea of the cost from the fact that an individual annuity of \$50 monthly, commencing at age 65, would require the accumulation of a fund of as much as \$10,000 or more.

**Q.** Whom may I name as beneficiary to receive any payments under the Plan after my death?

**A.** Anyone. A member should name a beneficiary when he joins the Plan.

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

**A.** Yes, at any time upon written request on forms provided by the insurance company.



# P

## POINTS to REMEMBER

- The Retirement Plan provides an income after you retire for as long as you live.
- Your income from this Plan and Social Security, plus your savings, should provide a real measure of security for you in your later years.
- No matter what happens, your contributions are guaranteed.
- Ask your supervisor, foreman or the plant office about the Plan. They will be pleased to explain it for you further.

