

Pensions - Handbooks (Company)

RETIREMENT PLAN

For Salaried Employees of

The Mountain Copper Company,

LIMITED,



Effective

December 1, 1952

INSTITUTE OF
INDUSTRIAL RELATIONS

San Francisco, Calif., 1952.

APR 13 1953

*Please read this booklet carefully
and retain it for reference.*



The Mountain Copper Company

LIMITED

San Francisco, California

TO OUR SALARIED EMPLOYEES:

I am pleased to announce that the Board of Directors of The Mountain Copper Company, Limited, has authorized the establishment of a Retirement Plan, effective December 1, 1952, in accordance with the provisions summarized in this booklet.

The benefits under this Plan are separate from and in addition to the benefits under the Federal Social Security program.

Your Company is paying the entire cost of the benefits both for future service and for past service and the Aetna Life Insurance Company will guarantee the payment of all benefits purchased under the Plan.

This Plan has been adopted in recognition of your loyal service and with the hope that it will increase your confidence in the future by providing guaranteed Retirement Benefits.

Very truly yours,

General Manager.

OUTLINE OF RETIREMENT PLAN

1. EFFECTIVE DATE

The Plan becomes effective as of December 1, 1952.

2. NO COST TO THE EMPLOYEE

The Company pays the entire cost of all benefits provided by the Plan.

3. MEMBERSHIP

Each salaried employee of the Company becomes a member of the Plan on December 1, 1952, if on that date he has completed at least three years of service.

Present salaried employees who are not eligible on December 1, 1952, and all new salaried employees become members of the Plan on the December 1 following completion of three years of service. Employees are not eligible to become members of the Plan if they have attained the age of 65 years.

Each member will receive a certificate of his membership in the Plan.

If a member of the Plan terminates service and is re-employed at a later date, he will be considered as a new employee.

4. RETIREMENT DATE

The normal retirement date is the first day of the month coinciding with or next following the 65th anniversary of the date of birth. Retirement Annuity payments commence on the retirement date and continue as long as the member lives.

With the consent of the Company, a member may retire not more than ten years before the normal retirement date on a reduced amount of Retirement Annuity.

Under the present Social Security Act, benefits are not payable until age 65. If annuity payments under this Plan commence before Social Security payments commence, the member may elect an option under which he will receive larger monthly Retirement Annuity payments under this Plan until age 65, with such payments being reduced after age 65, thus providing, insofar as practicable, a uniform total income from both sources.

A member will not be permitted to remain in service after the normal retirement date, except with the special consent of the Company. If a member is permitted to remain in service after the normal retirement date, the Company's contributions will stop and Retirement Annuity payments will commence on the normal retirement date as if he had actually retired.

5. RETIREMENT ANNUITIES

(A) FOR SERVICE ON AND AFTER DECEMBER 1, 1952

Each year that an employee is a member of the Plan the Company will purchase a monthly Retirement Annuity in accordance with the following table:

<u>Salary Class</u>	<u>Monthly Earnings</u>	<u>Monthly Retirement Annuity For Each Year of Service</u>
1	Not over \$300	\$2.40
2	\$300.01 to 325	2.80
3	325.01 to 350	3.20
4	350.01 to 375	3.60
5	375.01 to 400	4.00
6	400.01 to 425	4.40
7	425.01 to 450	4.80
8	450.01 to 475	5.20
9	475.01 to 500	5.60
10	500.01 to 525	6.00
11	525.01 to 550	6.40
12	550.01 to 575	6.80
13	575.01 to 600	7.20
etc., increasing by 1	etc., increasing by \$25	etc., increasing by \$.40

The total yearly amount of Retirement Annuity at normal retirement date is equal to the sum of the amounts purchased for the member during each year.

For the purposes of this Plan the earnings to be considered in determining a member's salary class will be the monthly rate of earnings in effect on December 1 of each year. Changes in salary class will, therefore, occur only on December 1.

(B) FOR SERVICE BEFORE DECEMBER 1, 1952

The Company intends to provide an additional Retirement Annuity for each employee who becomes a member of the Plan on December 1, 1952, and who has completed four years of continuous service on that date.

The yearly amount of this Retirement Annuity will be 12 times the amount shown in the above table opposite the member's monthly rate of earnings on December 1, 1952, multiplied by the number of completed years of his continuous service to December 1, 1952, disregarding the first three years of such service.

The Company expects to purchase these Retirement Annuities by payments to the Insurance Company over a period of years. Each payment will be applied to purchase these Retirement Annuities for eligible employees in order of nearness to retirement date. Each member will be notified when his past service Retirement Annuity has been purchased for him.

(C) SOCIAL SECURITY BENEFITS

All benefits under this Plan are independent of and in addition to benefits under the Federal Social Security Program.

Note: Refer to pages 6 and 7 for examples of the amounts of Retirement Annuities.

6. DEATH BEFORE RETIREMENT

The Plan provides no benefits in the event of the death of a member before his Retirement Annuity payments commence.

7. BENEFITS AFTER RETIREMENT

The regular Retirement Annuity is paid as long as the member lives after his retirement date and ceases at his death. Payments will be made monthly in an amount equal to one-twelfth of his total yearly Retirement Annuity.

Instead of receiving the benefit described in the preceding paragraph, the member may elect a reduced Retirement Annuity to be paid as long as he lives, with the further provision that all or a part of this reduced Retirement Annuity will be continued after his death during the remaining lifetime of a person (known as the Joint Annuitant) named by him.

A member may elect this form of Retirement Annuity at any time before March 1, 1953, or at any time more than five years before his Retirement Annuity payments commence; otherwise satisfactory evidence of his good health will be required.

Note: Further information concerning this form of Retirement Annuity and the conditions governing its election will be included in the Certificate issued by the Insurance Company.

8. TERMINATION OF SERVICE

If a member leaves the service before his Retirement Annuity payments commence, but after he has both been a member of the Plan for five years and either (a) completed 15 years of service or (b) completed 10 years of service and attained age 45, his Retirement Annuity will be the full amount purchased by the Company's contributions. This Retirement Annuity will be in the form of a paid-up annuity to begin at normal retirement age only. The Retirement Annuity for service before December 1, 1952, will be included

only to the extent it has been purchased before the member leaves the service of the Company.

If a member leaves the service before his Retirement Annuity payments commence and before he has both been a member of the Plan for five years and either (a) completed 15 years of service or (b) completed 10 years of service and attained age 45, he will receive no benefits under this Plan.

9. TEMPORARY ABSENCE

A temporary absence due to sickness, accident, military service, or authorized leave of absence will not be considered termination of service, and will be governed as follows:

- (a) If the member's earnings continue during such absence the Company will continue to purchase Retirement Annuities on the basis of such earnings.
- (b) If the member's earnings cease, no Retirement Annuities will be purchased, but the Retirement Annuities previously purchased will not be affected. Upon resumption of earnings, purchases will be resumed.

If a member's service is terminated during a period of temporary absence, the provisions governing termination of service will apply.

10. CONTRACT

The member's rights and benefits under the Plan outlined in this booklet will be governed by the Group Annuity Contract issued by the Aetna Life Insurance Company to The Mountain Copper Company, Limited.

11. FUTURE OF THE PLAN

The Mountain Copper Company, Limited, would not have adopted this Plan if it had not thought it would be willing and able to continue the Plan indefinitely. However, since future changes in conditions cannot be foreseen, the Company necessarily reserves the right to change, suspend, or discontinue the Plan at any time. Also, the Insurance Company has the right to make changes in the contract after November 30, 1957. No change or suspension will adversely affect the Retirement Annuities already purchased, except that a change in the Plan made before December 1, 1955, for the purpose of meeting the requirements of the Federal Internal Revenue Code may affect Retirement Annuities already purchased. If the Plan is discontinued, each member whether or not he remains in the service of the Company thereafter, will receive the Retirement Annuity purchased before discontinuance. This Retirement Annuity will be in the form of a paid-up annuity to begin at normal retirement age only.

12. CANCELLATION OF PLAN

This Plan is being adopted subject to the approval of the Federal Wage and Salary Stabilization Boards. No Retirement Benefits will be paid until such approval has been received. In the event that approval is not obtained within a reasonable period, all amounts which have been paid under the Plan to the Insurance Company will be returned to The Mountain Copper Company, Limited, and the Plan will be cancelled.

EXAMPLES OF AMOUNTS OF RETIREMENT ANNUITIES

EXAMPLE I

An employee with 11 years of past service becomes a member of the Plan on December 1, 1952, at age 35. If, during the 30 years from age 35 to age 65, his earnings are \$390 per month, his Retirement Annuity will be as follows:

- (a) Retirement Annuity for Service On and After December 1, 1952.

Retirement Annuity for each year of membership according to the table on page 3 is \$4.00 per month.

Total Retirement Annuity for 30 years of membership will be $30 \times 12 \times \$4.00$, which equals . . . \$1,440.00 per year

- (b) Retirement Annuity for Service Before December 1, 1952.

Number of years of credited past service equals 8 (11 less 3—see Section 5(b).)

Retirement Annuity for service before December 1, 1952, according to the table on page 3, is \$4.00 per month x 12 x 8 years, which equals 384.00 per year

- (c) Total Retirement Annuity under this Plan, commencing at normal retirement date \$1,824.00 per year

This would be payable at the rate of \$152.00 per month as long as the member lives after the normal retirement date.

In addition, under the present terms of the Social Security Act, this member would be entitled to (exclusive of any amount that his wife might be entitled to) a Social Security allowance of about \$85.00 per month, making his total income about \$237.00 per month.

EXAMPLE II

An employee becomes a member of the Plan at age 40 with no credited past service. If his earnings are \$400 per month during the five years from age 40 to 45, \$450 per month for the 10 years from age 45 to 55, and \$500 per month for the 10 years from age 55 to 65, his Retirement Annuity in accordance with the table on page 3 will be as follows:

<u>Age</u>	<u>Monthly Earnings</u>	<u>Retirement Annuity Each Year</u>	<u>Total Retirement Annuity</u>
40 to 45	\$400	\$4.00 x 12 = \$48.00	5 years at \$48.00 = \$ 240.00
45 to 55	450	4.80 x 12 = 57.60	10 years at 57.60 = 576.00
55 to 65	500	5.60 x 12 = 67.20	10 years at 67.20 = 672.00
			\$1,488.00

Total Retirement Annuity Commencing at Normal Retirement Date..... \$1,488.00 per year

This would be payable at the rate of \$124.00 per month as long as the member lives after the normal retirement date.

In addition, under the present terms of the Social Security Act, this member would be entitled to (excluding any benefit his wife might be entitled to) a Social Security allowance of about \$85.00 a month, making his total income about \$209.00 per month.

Underwritten by:

**AETNA LIFE INSURANCE CO.
HARTFORD, CONNECTICUT**

PLAN ARRANGED BY
MARSH & McLENNAN
Insurance Brokers
CONSULTING ACTUARIES
San Francisco