

Consolidated Edison company of New York, Inc.

PENSION PLAN
FOR RETIREMENT FOR AGE,



Effective as of July 1, 1953,

Amended as of January 1, 1958

for CONSOLIDATED EDISON COMPANY
OF NEW YORK, INC.

and CONSOLIDATED TELEGRAPH AND
ELECTRICAL SUBWAY COMPANY

New York, 1958?

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**CONSOLIDATED EDISON COMPANY
OF NEW YORK, INC.**

**CONSOLIDATED TELEGRAPH AND
ELECTRICAL SUBWAY COMPANY**

Pension Plan for Retirement for Age

This Pension Plan for Retirement for Age (herein referred to as "the Plan") has been adopted in the interests of their employees by Consolidated Edison Company of New York, Inc. (the former New York Steam Corporation, merged therewith), and its subsidiary, Consolidated Telegraph and Electrical Subway Company (either or each of whom may be referred to herein as the "Company" or "Companies," as may be required by the context). The Plan establishes the basis upon which employees of the Companies will be provided certain benefits upon retirement for age, with recognition of the fact that provision for such retirement has also been made by governmental action which requires payments by the Companies in the form of payroll and other taxes. The Plan supersedes the Consolidated Edison Retirement Plan for Employees and Officers, effective April 1, 1950, as amended, so far as that plan relates to retirements for age. The Plan also makes provision for contributions to a trust fund for the exclusive benefit of employees to provide for benefits under the Plan.

I. APPLICABILITY OF PLAN

The Plan effective as of July 1, 1953, as amended as of January 18, 1955, applies to all individuals who were receiving benefits hereunder prior to January 1, 1958, and to each individual who on the effective date was then receiving a Retirement Annuity or Separation Allowance theretofore granted for retirement for age or early optional retirement under the Consolidated Edison Retirement Plan for Employees and Officers effective prior to that date. The Plan as amended effective January 1, 1958, shall apply to all employees eligible hereunder who on or after that date shall be retired under Section II hereof, except that an election by an employee, retired January 1 to March 1, 1958, to receive benefits under any provision of the Plan prior to such amendment, or under the December 31, 1957 amendments to the additional provisions of the Plan, may be continued thereunder.

II. RETIREMENT

(A) *Normal Retirement.* Any employee, irrespective of length of service, who, in the case of a man, shall have attained the age of sixty-five (65) years, or, in the case of a woman, shall have attained the age of sixty (60) years (hereinafter referred to as the "stated retirement age") but who shall not have attained mandatory retirement age, shall, upon filing a written election or if his regular job is no longer available, be retired, hereunder, from the service of the Company. An employee's election shall not be revocable after the effective date of retirement.

(B) *Mandatory Retirement.* Each employee, irrespective of length of service, who, in the case of a man, shall have attained the age of sixty-eight (68) years, or, in the case of a woman, shall have attained the age of sixty-five

(65) years, shall be retired from the service of the Company. Such respective retirement ages are hereinafter referred to as the "mandatory retirement age."

(C) *Early Optional Retirement.* Any employee who shall have attained the age of fifty (50) or more years and who shall have completed such years of accredited service which when added to his years of age shall total not less than eighty (80) shall, upon filing a written election, be retired from the service of the Company. Such election shall not be revocable after the date of such employee's retirement.

III. BENEFITS

Upon retirement every employee shall be paid, if he qualifies thereunder, a pension under Paragraph (A) of this Section, or if he shall not so qualify, a retirement allowance under Paragraph (B) of this Section, which, in either case, shall consist of the gross amount determined as therein provided, less the deductions for other benefits as specified in Paragraphs (C) and (D) of this Section.

(A) *Pensions.*

(1) Every employee who shall have attained or passed stated retirement age and whose years of accredited service shall be ten (10) years or more and which when added to his years of age shall total not less than seventy-five (75) shall be granted a gross pension calculated at 2.2% of his average salary, multiplied by his years of accredited service, not to exceed thirty (30) years.

(2) The gross pension of an employee determined under subparagraph (1) of this Paragraph shall not be less than indicated below:

- (a) \$4.40 per month for each year, up to twenty-five (25) years of accredited service.
 - (b) \$110 per month for employees having twenty-five (25) years of accredited service, plus \$5.50 per month for each additional year of accredited service up to thirty (30) years.
 - (c) \$137.50 per month for employees with thirty (30) or more years of accredited service.
- (3) In no event shall a gross pension exceed the amount of a year's compensation determined at the rate of the employee's highest basic straight-time compensation during his years of accredited service.
- (4) Every employee who shall elect early optional retirement under Paragraph (C) of Section II shall be granted an annual gross pension calculated at that percentage of average salary indicated for the employee's attained age and years of accredited service in the Table attached to the Plan entitled "Early Optional Retirement Table".

EARLY OPTIONAL RETIREMENT TABLE UNDER SECTION III(A) (4)

AGE	YEARS OF ACCREDITED SERVICE																								
	40 & Over	39	38	37	36	35	34	33	32	31	30	29	28	27	26	25	24	23	22	21	20	19	18	17	16
64	64.9	64.9	63.8	63.8	63.8	63.8	62.7	62.7	62.7	62.7	62.4	62.1	61.9	61.8	61.8	61.8	61.8	61.8	61.8	61.8	61.8	61.8	61.8	61.8	61.8
63	62.7	62.7	61.6	61.6	61.6	60.5	59.4	59.4	59.4	59.4	58.3	57.2	57.2	57.2	57.2	57.2	57.2	57.2	57.2	57.2	57.2	57.2	57.2	57.2	57.2
62	61.6	60.5	60.5	59.4	59.4	58.3	57.2	57.2	57.2	57.2	56.1	55	55	55	55	55	55	55	55	55	55	55	55	55	55
61	60.5	59.4	58.3	57.2	57.2	56.1	55	55	55	55	54	53.9	53.9	53.9	53.9	53.9	53.9	53.9	53.9	53.9	53.9	53.9	53.9	53.9	53.9
60	58.3	57.2	56.1	55.1	55	53.9	51.7	48.4	46.2	44	41.8	39.6	36.3	34.1	31.9	29.7	27.5	24.2	22	19.8	17.6	—	—	—	—
59	57.2	56.1	55	53.9	52.8	50.6	48.4	45.1	42.9	40.7	38.5	36.3	34.1	31.9	29.6	27.4	24.2	22	19.8	17.6	—	—	—	—	—
58	55	53.9	51.7	49.5	47.3	44.8	41.8	39.6	37.4	35.2	33	30.8	28.6	26.4	24.2	22	19.8	17.6	—	—	—	—	—	—	—
57	53.9	52.8	51.7	49.5	47.3	44.8	41.8	39.6	37.4	35.2	33	30.8	28.6	26.4	24.2	22	19.8	17.6	—	—	—	—	—	—	—
56	51.7	50.6	49.5	48.4	46.2	44	41.8	39.6	37.4	35.2	33	30.8	28.6	26.4	24.2	22	19.8	17.6	—	—	—	—	—	—	—
55	50.6	48.4	46.2	44	41.8	39.6	37.4	35.2	33	30.9	27.5	25.3	23.1	20.9	18.7	16.5	14.3	12.1	9.9	7.7	5.5	3.3	1.1	—	—
54	46.2	45.1	43.9	40.7	38.5	36.3	34.1	31.9	29.7	27.5	25.3	23.1	20.9	18.7	16.5	14.3	12.1	9.9	7.7	5.5	3.3	1.1	—	—	—
53	41.8	40.7	39.6	36.3	34.1	31.9	29.7	27.5	25.3	23.1	20.9	18.7	16.5	14.3	12.1	9.9	7.7	5.5	3.3	1.1	—	—	—	—	—
52	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
51	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
50	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

(B) *Retirement Allowances.* Every employee who shall have attained or passed stated retirement age and who is not entitled to a pension under Paragraph (A) of this Section, shall be granted a gross retirement allowance equal in amount to the number of weeks of average salary indicated in the following schedules for the appropriate combination of years of accredited service and attained age:

AGE	MEN								
	YEARS OF ACCREDITED SERVICE								
	1	2	3	4	5	6	7	8	9
	Number of Weeks of Average Salary								
65 to 68	2	4	6	10	14	19	26	33	41

AGE	WOMEN													
	YEARS OF ACCREDITED SERVICE													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Number of Weeks of Average Salary													
60 to 65	2	4	6	9	13	18	24	30	38	45	52	60	68	76

(C) *Deductions for Governmental Benefits.* The gross benefit determined under Paragraphs (A) or (B) of this Section shall be reduced by the amount of each and every payment or benefit for which provision is made under any law, statute or ordinance, of the State of New York or the United States, by reason of old age benefits or pensions, occupational disability, unemployment insurance (except in cases of retirement under Paragraphs (A) and (B) of Section II) and non-occupational disability, or any type of social security, as to which such employee may be or become eligible, irrespective of whether such benefit becomes unavailable by reason of any act or failure to act on the part of the employee; *provided that:*

- (1) The deductions on account of Federal old age benefits or pensions shall be only one-half ($\frac{1}{2}$) of the amount of the Primary or Disability Social

Security amount as is or may become available to a retired employee whose retirement becomes effective on or after January 1, 1958, and shall not include the deduction of any amounts payable to or for the benefit of his wife or dependent children; and

(2) Pension payments by Federal, State or municipal governments for service under those governments shall not be deducted hereunder.

(D) *Deductions for Benefits under Other Pension Plans.* There shall be deducted from the gross benefit granted under Paragraphs (A) or (B) of this Section the amount of each and every payment or benefit received by such employee by reason of his retirement on account of service with any other employer where years of service with such other employer are included in years of accredited service under this Plan.

(E) *Minimum Benefit.* The deductions pursuant to Paragraphs (C) and (D) of this Section shall not be applied or made in such a manner as to reduce below Ten Dollars (\$10.00) in any month the benefit payable to any employee under the Plan.

IV. CONDITIONS RELATING TO BENEFITS

Subject in all respects to other provisions of the Plan, the amounts of benefits to which employees may become eligible hereunder shall be determined subject to the following provisions:

(A) *Years of Accredited Service.* "Years of accredited service" under the Plan shall be the period of employment with the Companies or any predecessor of any of them calculated from the first day of uninterrupted employment (including all years of service recognized by

any such company), and such other service as shall be included in years of accredited service by determination of the employing Company, except as hereinafter set forth.

Severance from service with any Company by reason of disability shall not be considered as interrupting the employment of any employee granted any annuity or allowance for disability and later restored to active service by the Company, but the period of such disability severance shall not be included in years of accredited service; but whenever a pension or retirement allowance hereunder is being computed, the total amount of disability payments which has been made to an employee will be deducted from the total amount which he would otherwise be allowed, or the equivalent in service will be deducted from his total years of accredited service, whichever is more favorable to the employee.

Where an employee to be retired has had interruption in employment with the Company:

(1) Years of accredited service shall include, upon his return to active employment, and shall not be deemed to have been interrupted or affected by:

(a) Time, to the extent required by law, spent in the active military, naval, marine or related service of the United States or the State of New York;

(b) Absence because of illness under sick leave granted; or

(c) Absence under leave granted for any reason, for time not exceeding a total of six (6) months.

(2) Years of accredited service shall not include time during which an employee was absent on leave

or was laid off under the circumstances stated below, but in such cases he shall not lose the benefit of his years of accredited service already accrued as of and after the date he has been returned to active employment:

(a) Absence under leave of absence granted, to the extent such leave exceeds six (6) months;

(b) Periods of layoff for lack of work or other reasons in no way his fault, if the employee is reinstated in active employment within a period of thirteen (13) weeks or within the period of his separation allowance, whichever is greater, after being so laid off; but whenever a pension or retirement allowance hereunder is being computed, the total amount of retirement allowance which has been paid to an employee will be deducted from the total amount which he would otherwise be allowed, or the equivalent in service will be deducted from his total years of accredited service, whichever is more favorable to the employee.

(3) Years of accredited service shall include, where such interruption is due to resignation which is not at the Company's request, credit for service prior to such resignation (herein called "prior service") not to exceed either an amount equal to the number of years of his prior service less the number of years which intervened between his resignation and subsequent re-employment (herein called "years of separation"), or one-half his period of prior service, whichever is the greater. Such credit shall accrue only at the following applicable rates:

(a) In those instances where the years of separation are less than one-half the years of prior serv-

ice, after one (1) year of re-employment he shall be given credit for his years of prior service less twice the years of separation and after each subsequent year of re-employment, one additional year of credit, up to a maximum of and not to exceed the number of years of separation.

(b) In those instances where the years of separation are one-half or more but less than the years of prior service, he shall receive credit up to one-half the number of years of prior service as follows: One (1) year for each year of re-employment but such credit shall commence to be accumulated only at the end of that number of years of re-employment which when added to the years of prior service will equal twice the number of years of separation plus one (1) year.

(c) In those instances where the years of separation are equal to or greater than the years of prior service, he shall be given credit up to one-half the number of years of prior service as follows: One (1) year for each year of re-employment but such credit shall commence to be accumulated only at the end of that number of years of re-employment which are equal to the years of separation plus one (1) year.

(4) Solely as to an employee laid off for no fault of his own and who is not within the scope of subparagraph (2) (b) above, his prior service credit shall be computed as set forth in subdivisions (a), (b) and (c) of subparagraph (3) above, except that where re-employment has been followed by uninterrupted service during more than ten (10) years after such re-employment, full credit for prior service shall be allowed.

(B) *Applicable Years of Age and Service.* Except as otherwise expressly provided, the nearest whole year of age of an employee shall be used in determining his age, and the nearest whole year shall be used for computing years of accredited service.

(C) *Basic Straight-time Compensation.* "Basic straight-time compensation" shall be an employee's compensation determined at his regular stated rate of pay, without premium or overtime payments or any other additional compensation.

(D) *Average Salary.* The "average salary" used as a basis for the computation of benefits under the Plan shall be the average annual compensation calculated by dividing the aggregate basic straight-time compensation of an employee for his years of accredited service (not to exceed the last thirty (30) years) by the number of such years.

Solely for the purpose of computing pensions for employees retired at or after stated retirement age whose annual basic straight-time compensation at the time of retirement is at a rate in excess of \$3,000, the annual basic straight-time compensation for any period of accredited service shall be considered to be not less than \$3,000 and for such employees whose annual basic straight-time compensation at the time of retirement is at a rate of \$3,000 or less, the annual basic straight-time compensation for any period of accredited service shall be considered to be not less than an annual amount determined at the rate of his basic straight-time compensation at the time of retirement.

(E) *Manner of Payment.* Benefits shall be paid as follows:

(1) Pensions and retirement allowances shall begin as of the employee's retirement date and, except as may be provided in subdivision (2), shall be paid monthly. Payment for the first month and deductions for other benefits as provided in Paragraphs (C) and (D) of Section III shall be prorated if less than a month is involved.

(2) The gross monthly amount of a retirement allowance shall be at the rate of one-twelfth ($1/12$) of the employee's annual basic straight-time compensation at the time of retirement, multiplied by the number of years of accredited service, not in excess of thirty (30), multiplied by two percent (2%). If the aggregate of the net retirement allowance to an employee does not exceed \$300, payment shall be made in one lump sum.

(3) In the event of the death of an employee receiving a benefit under the Plan, payments shall cease upon the payment for the month in which he dies and the benefit shall then terminate.

(F) *Effective Date of Retirement.* The effective date of retirement shall be:

(1) For retirements at Stated or Mandatory Retirement Age, the first day of the payroll period next following the applicable birthday.

(2) For all other retirements, the first day of the payroll period next following the date upon which an employee files a written election to retire; otherwise, such date shall be as determined by the Company.

(G) *Employee.* An "employee" under the Plan shall mean any person, including an officer, employed by the

Company in a regular active status (excluding employees whose employment status is "On Trial", "Temporary", "Seasonal" or any similar status), except such employees who have been transferred to the Company by reason of the consolidation or merger with or acquisition of assets of their prior employer by the Company and who are eligible for or entitled to receive a pension under any contractual pension plan of such prior employer which is continued by the Company as to such employees, unless such employees are brought under the Plan.

V. ESTABLISHMENT OF TRUST FUND

(A) *Trust Fund.* All contributions to provide the benefits under this Plan shall be made solely by the Companies and shall be payable to a Trustee or Trustees (herein referred to as the Trustee) designated or to be designated by the Companies to be held, together with the income therefrom, as a Trust Fund, or Funds (herein referred to as the Trust Fund) under a Trust Agreement or Agreements (herein referred to as the Trust Agreement) entered into or to be entered into, for the purpose of providing the benefits payable under the Plan.

(B) *Restrictions on Disbursements.* Under no circumstances shall amounts of money or other things of value contributed by the Companies to the Trust Fund be recoverable by any of such Companies from the Trustee or from any employee, retired employee or joint annuitant, or be used for, or diverted to, purposes other than for the exclusive benefit of the employees, retired employees and joint annuitants covered hereunder; provided, however, that if, following termination of the Trust Fund and after satisfaction of all liabilities with respect to employees, retired employees and joint annuitants under the Plan, there is any balance remaining, the

Trustee shall dispose of such balance in such manner as the Companies may direct.

(C) *No Liability for Investments.* The responsibility for the investment and retention of the Trust Fund shall be solely with the Trustee designated to administer the same. None of the Companies, or any of their officers, directors or trustees, shall incur or be subject to any liability whatsoever arising out of the investments made for the Trust Fund.

VI. CONTRIBUTIONS

(A) *Payment of Contributions.* The contributions by the Companies shall be made at such intervals within a year as may be decided upon by such Companies.

(B) *Amount of Contributions.* The contributions by the Companies, determined on an annual basis, shall be as follows:

- (1) The amounts necessary to provide their current year's benefits to employee participants on the age retirement rolls at any time during the year and those who are retired for age during the year; and
- (2) An annual amount of not less than \$4,000,000 (plus such additional amount, not to exceed \$2,000,000, as the Companies, in their discretion, may authorize), but in any event, the contributions under this Paragraph shall be sufficient to maintain the unfunded past service cost of the Plan at an amount not greater than the unfunded past service cost on the effective date of the Plan, or sufficient to provide for the normal cost plus interest (at rates used in actuarial determination of the normal cost) on the unfunded past service cost of the Plan, whichever is less.

At such time as the amounts contributed under subparagraphs (1) and (2) of this Paragraph and the accumulated income therefrom shall aggregate an amount sufficient to fund fully as of that time the cost of the past service credits of all employees and retired employees under the Plan, payments as specified in subparagraphs (1) and (2) shall cease. Thereafter the annual contributions of the Companies shall be such amounts as shall be sufficient to maintain the Plan in a fully funded condition as to all service credits accrued as of the end of the year to all employees and retired employees then under the Plan.

(C) *Payment of Expenses.* All expenses of the Plan shall be paid by the Companies, except that investment expenses (including brokerage costs, transfer taxes, shipping expenses and charges of correspondent banks of the Trustee) and any Federal, state or municipal taxes which may be levied against the Trust Fund shall be charged to the Trust Fund. The expenses to be paid by the Companies shall be shared by them in proportion to their respective contributions to the Trust Fund.

(D). *General.* All the provisions of this Section shall be subject to Section X hereof relating to termination or modification of the Plan.

VII. ADMINISTRATION

(A) *Rules and Regulations.* The Companies through their respective Boards of Trustees or Directors shall have the sole responsibility for and sole control of the operation and administration of the Plan and shall make and enforce rules and regulations for its administration, shall interpret its meaning and define its application, and shall have power generally to take such action and do

such things as may be necessary to carry out its provisions; provided, however, that no rule, regulation, interpretation or action shall be inconsistent with any provisions of the Plan.

(B) *Restrictions on Powers.* No rule or regulation under the Plan shall be made and no action under its provisions shall be taken which, with respect to contributions or benefits, or in any other respect, discriminates in favor of employees who are officers, shareholders, persons whose principal duties consist in supervising the work of other employees, or highly compensated employees.

(C) *Ascertainment of Benefits.* It shall be the duty of the Companies to examine into the facts relating to each employee and determine his rights to retirement under the Plan and the amount and extent of the benefit which shall be payable to him and the dates such benefit shall commence and cease. Such determination, if made in conformance with the provisions of the Plan, shall be final and binding upon such employee. In making such determination, the Companies shall follow the provisions of the Plan and shall not pay or cause to be paid any benefit, either during the existence or upon the discontinuance of the Plan, which would cause any part of the Trust Fund to be used for or diverted to purposes other than for the exclusive benefit of the employees of the Companies or their joint annuitants pursuant to the provisions of the Plan at any time prior to the satisfaction of all liabilities with respect thereto under the Plan.

(D) *Records.* The Companies shall maintain or cause to be maintained accounts showing the fiscal transactions of the Plan, and shall cause to be kept, in convenient form such data as may be necessary for actuarial evaluations under the Plan.

(E) *Personal Liability.* The trustees, directors and officers of the Companies and each of them shall be free from all liability for the acts and conduct of themselves or their agents in the administration or operation of the Plan.

VIII. NON-ALIENATION OF BENEFITS

No benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge and any attempt so to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void; nor shall any such benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to such benefit.

If any employee, retired employee or any joint annuitant under the Plan becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under the Plan, or if the retired employee or joint annuitant becomes incompetent or otherwise unable to act for himself, or if any creditor or other person should attempt to reach any benefit under the Plan, by attachment or other judicial process, then such benefit shall, in the discretion of the Companies, cease and terminate and the Companies, in their sole discretion, may at any time and from time to time hold or apply the same or any part thereof to or for the benefit of such employee, retired employee or joint annuitant or his family or any member thereof in such manner and in such proportion as such Company may deem proper. At any time thereafter such Company, in its sole discretion, may restore such benefit.

IX. RIGHT TO EMPLOYMENT OR BENEFITS

This Plan shall not be construed to give any employee

the right to be retained in the service of any Company, the right to be re-employed after separation or retirement or any right or claim against any Company. Any right or claim to any benefit of any nature under the Plan shall be limited to the funds held by the Trustee or Trustees. No provision of the Plan shall apply or be available at any time to any employee who shall have resigned, been laid off or who has been or is at any time discharged or released for cause by any Company, except as such Company may determine with respect to any such employee subsequently reemployed.

X. TERMINATION OR MODIFICATION OF THE PLAN

(A) *Right to Terminate or Modify.* The Companies expect to continue the Plan indefinitely and to make contributions to the Trust Fund under the Plan to meet the costs of all benefits provided hereunder, as a current charge upon operating expenses. The Companies, however, except as they may have otherwise expressly agreed, reserve the right in their absolute discretion at any time and from time to time, to amend, modify or terminate in whole or in part the Plan and the contributions thereunder, upon six (6) months' notice to their then employees, except that no such notice shall be required if at any time the Plan or trusts thereunder shall fail to qualify under the United States Internal Revenue Code or the contributions thereunder shall not be allowed as deductions for income tax purposes or for rate or other regulatory purposes. No such amendment, modification or termination, however, shall vest in any Company directly or indirectly any interest, ownership or control in the Trust Fund, except to the extent of any balance remaining after satisfaction of all liabilities under the Plan. No such amendment or modification shall retroactively affect adversely employees' benefits under the Plan.

(B) *Disposition of Fund.* In the event of termination of the Plan all assets of the Plan and all future contributions, if any, shall, to the extent of such assets and the future contributions which are adequate for the purpose, be applied first to the payment of full benefits in accordance with the Plan to or on account of employees who have retired or who have attained stated retirement age, whether or not retired, and thereafter to provide benefits in accordance with the Plan for all other employees in such amounts as actuarial evaluation shall indicate the remaining assets and future contributions will provide. In such event the Companies may in their sole discretion direct the Trustee to purchase annuity contracts with respect to the benefits payable to any or all who are entitled to participate under the provisions of this Paragraph.

(C) *Limitations if Terminated Within Ten (10) Years.* If the Plan is terminated or if the contributions required by Section VI (B) hereof are not made at any time prior to June 30, 1963, the amount of the Trust Fund to be used for the benefit of any employee entered on the list of the twenty-five (25) highest paid employees of each of the Companies as of July 1, 1953, filed with the Bureau of Internal Revenue in accordance with the requirements of Section 29.23(p)-2(c) of Regulations 111 of the Commissioner of Internal Revenue, whose anticipated pension or retirement allowance exceeds Fifteen Hundred Dollars (\$1,500.00) shall not exceed the larger of (1) Twenty Thousand Dollars (\$20,000.00) or (2) twenty per centum (20%) of the first Fifty Thousand Dollars (\$50,000.00) of his average salary multiplied by the number of full years after July 1, 1953, for which the contributions required under Section VI hereof have been made, or such larger amount as may be permissible under rele-

vant provisions of the United States Internal Revenue Code and the Regulations thereunder at the time in force.

Any excess amounts arising by application of this Paragraph shall be used and applied equitably to or on account of the other employees of the Companies.

This Section shall not be construed to restrict the current payment of benefits under the Plan while the Plan is in full effect and either the full contributions required under Section VI hereof have been made or its full current costs have been met.