

*Military service - Labor problems*

# **SPECIAL REPORT**

## **MILITARY LEAVE POLICIES OF 500 CORPORATIONS**

**Results of a Special Survey**

by

**The Bureau of National Affairs, Inc.**

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# MILITARY LEAVE POLICIES OF 500 CORPORATIONS

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*A chart depicting the results of the BNA Survey in graphic form is on pages 14 and 15.*

# SURVEY OF MILITARY-LEAVE POLICIES IN 1950

## Introduction

This is a survey of military leave policies in effect in American industry in September and October 1950. The findings are based on the 500 replies to a questionnaire sent by The Bureau of National Affairs to large and small companies in all major industries.

Many of the policies are brand new, having been worked out since July 1950, when the Korean situation first produced stepped-up calls to military service. In large part, companies which have already revised their leave policies have relied heavily on practice and experience during World War II. Certain companies appear to have readopted completely, for the present, the policies they observed for World War II servicemen.

Policies of many others, however, have not been reviewed recently. A substantial number point out that they have not considered the situation sufficiently serious to warrant change in their leave practices, and will not overhaul them until there are larger numbers of departures for military service or until there is an actual declaration of war.

Some are awaiting a clearer picture of new policies being installed by others. There are also many which note that for the present, at least, they do not intend to grant any rights to employees leaving for service other than those specifically required by law.

Many participants in the survey indicate that they have not yet decided on certain questions. They are recorded as "undecided" in the different tabulations in the study.

In addition, some caution that revisions may of course be made in the near future. There were also a considerable number of employers who informed BNA that they were not replying to the questionnaire because they were in process of formulating a specific new policy, or were entering union negotiations which might lead to certain new practices.

In other words, there is a great likelihood that certain practices reported by the study, such as the granting of going-away bonuses, will be liberalized by many companies if armed forces' requirements are expanded to take a larger bite out of present workforces.

The survey covers policies over and above those required by the current Selective Service Act. The results, described in the following pages, are arranged in five sections:

- (1) Who is Granted Military-Leave Rights
- (2) Benefits on Departure for Military Service
- (3) Benefits While on Service
- (4) Reinstatement of Veterans
- (5) Other Military-Leave Policies

## Who Is Granted Military-Leave Rights

The current Selective Service Act requires employers to reemploy all employees who served with the armed forces, but there is no similar requirement in the case of employees who left for other war-connected reasons.

Many employers, however, *voluntarily* give leaves with assurance of *rehiring with full rights*, to employees who take on certain other duties connected with war or defense efforts.

The most common such duty is service with the merchant marine. A smaller number of companies recognize service with the armed forces of allies as justifying a leave. And a still smaller number also recognize service with civilian war relief agencies.

It is apparent, however, that many companies have not yet seriously reviewed their leave policies on these or other types of war-connected service. Some are delaying determination of policy until specific cases arise or until war is formally declared. Meanwhile, others are carrying over policies they observed during World War II.

**Merchant Marine**—More than 30 percent of the companies (156) say they will give military leave to employees entering the merchant marine, and another 10 percent indicate they may do so but have not yet decided.

In World War II, employees who served in the merchant marine had re-employment rights. But since July 1947, those who enter the merchant marine are not *legally* entitled to reinstatement, that is, rehiring is wholly at the option of management.

Among companies which do not now give leave, however, are some who report that they did so during World War II and would undoubtedly do so again if there was a declaration of war.

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#### Leave for Merchant Marine Service

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Number of companies.....	500
Do not give leave .....	281
Give leave .....	156
Undecided .....	56
No information .....	5
Other .....	2

Several companies which say they will give leave call attention to certain limitations:

(1) Leave for merchant marine service is given by a rubber products manufacturer only to employees who are eligible for draft. Those ineligible for military draft, who leave for sea by their own choice rather than as an alternative to military service, are not allowed a leave of absence.

(2) Reemployment rights are granted by a food products company only if the merchant marine service involves duty in foreign waters. The two classified in the "other" category are:

(1) A public utility which says it will consider each case separately and decide on its particular merits.

(2) An organization which says it will grant leave, but with no guarantee of reemployment. The employee will be rehired, it says, only if there is a job opening available when he returns.

**Allied or United Nations Armed Forces**—Some 20 percent (106) will give leave to employees in military

service of war allies or to those who become part of a United Nations armed force if one is established.

A considerable number, more than 17 percent (87), record themselves as undecided. And many which say they do not allow leave for this purpose indicate that they have not considered the question till now.

The first company noted as "other" in the table below, a producer of paper products, says it will give leave to employees who bear arms for the UN, but does not intend to do so for those serving another country. The second says it will give leave without a re-employment guarantee.

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#### Leave for United Nations or Allied Military Service

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Number of companies.....	500
Do not give leave.....	293
Give leave .....	106
Undecided .....	87
No information .....	12
Other .....	2

**Civilian War Relief Agencies**—Only 8 percent (40) report that their leave policy covers duty with civilian war relief groups such as the Red Cross. Another 11 percent (57) say they are undecided.

Listed as "other" is the organization which is willing to give leave for war-connected duties but without a rehiring guarantee.

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#### Leave for Civilian War Relief Service

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Number of companies.....	500
Do not give leave.....	386
Give leave .....	40
Undecided .....	57
No information .....	16
Other .....	1

**Other Absence**—Questioned on leaves for other types of duty, 9 companies reply that leave will be permitted for employees requested to take government posts concerned with defense or war administration. Like several others, a large manufacturer of home appliances specifically limits such leave to "employees entering government service at government request on direct defense activities."

A flour milling firm, with an eye to a possible manpower mobilization law, says it would give leave to anyone required to transfer "to another occupation as a result of a federal law or executive order."

Ten companies specifically note that they extend leave to those entering the U. S. Public Health Service.

#### EMPLOYEES IN TEMPORARY POSITIONS

The present draft law does not require management to rehire employees who leave temporary positions. However, more than 20 per cent of the companies (109) report that they give rehiring rights to such employees, and another 4 percent (22) say they have not yet decided.

One company permits leave for those in temporary positions only if they are *drafted*.

A public utility which does not give leave to temporaries, says that if it *does* rehire a veteran who left a temporary position, it would give him all accrued rights just as it would any other veteran.

Classified as "other" is another utility, Omaha Public Power District, which says that it allows leave, but temporaries "will not necessarily receive their jobs when they return."

#### Leave for Employees in Temporary Jobs

Number of companies .....	500
Do not give leave .....	338
Give leave .....	109
Undecided .....	22
"Have no temporary jobs" ..	17
No information .....	13
Other .....	1

#### PROBATIONARY EMPLOYEES

One point on which there appears to be a great deal of confusion is whether the law requires reemployment of employees who left for military service before completing their hiring probation period.

In the opinion of the Bureau of Veterans' Reemployment Rights of the U. S. Department of Labor, such probationers are covered by the law's rehiring provisions, and must be treated just as other employees.

Only 40 percent of the companies (198), however, say they consider such employees as holding rehiring rights. Almost 50 percent (245) declare that they do not give probationary employees military leave. About 5 percent (24) say they are undecided.

Several explain that the problem is not expected to arise in practice. As one Midwestern foundry puts it, "of course during this period or under actual wartime conditions, draft status is carefully checked prior to hiring," so that it is unlikely that anyone hired at this time would be drafted before completing their probationary period.

Listed in the table as "other" is Northwest Metal Products, Inc., which says that "if an employee is drafted or called during his first 30 days of employment with us [his probationary period], the question as to his re-employment rights will be decided on his return, if he [returns]."

#### Leave for Probationary Employees

Number of companies .....	500
Do not give leave .....	245
Give leave .....	198
Undecided .....	24
"Have no probationers" ..	13
No information .....	19
Other .....	1

#### DISTINCTION BETWEEN VOLUNTEERS AND DRAFTEES

The Selective Service Act gives equal rights to draftees and volunteers. In the case of benefits or privileges beyond those required by the law, however, different treatment of the two groups is not expressly prohibited.

But even on such extra benefits or privileges, replies to the questionnaires show, distinctions between enlistees and draftees are relatively infrequent.

Only 20 of the 500 companies report some distinction. And at least two of these indicate that they do not understand their obligation under the law—they say that no leave rights are given volunteers. Four of the companies which say they treat volunteers differently do not explain how.

The only sizeable distinction crops up in bonus practices. Thirteen companies — approximately 3 percent of

those with a bonus plan—say they give going-away bonuses only to draftees or those called up in the reserves. At least two note, however, that they would extend equal bonus rights to enlistees if and when there is an actual war; the distinction is solely a peacetime one.

One company counts military service of draftees for credit under its pension plan, but does not allow such credit in the case of volunteers.

### Benefits on Departure for Military Service

Nothing in the present Selective Service Act requires management to make any payments or grant other privileges when an employee leaves for, or is in, military service. Nevertheless, a great number of companies do give certain benefits to servicemen.

#### BONUS ON DEPARTURE

The most common benefit is a bonus or some temporary financial payments immediately upon departure for military service. More than 30 percent of the companies (155) provide this type of benefit. Another 5 percent (26) report that they are undecided as yet whether they will adopt a bonus plan; several of these note that they paid bonuses during World War II and most likely will do so again if war develops.

The bonuses or temporary pay described in this section are separate from, and in addition to, any pay that may be granted for unused vacation.

The bonuses generally are intended, not only as a good-will gesture, but as a concrete aid during the short period when the employee is switching from civilian to military life with little or no income as yet from his military service.

**Amount of Bonus**—Most bonuses provide sums ranging from *one week's pay to one month's pay*, although some offer larger amounts. At many companies, the amount varies according to length of service, and in a few instances larger bonuses are paid to those with dependents.

Of the 143 companies which describe their plan, 91 give the same bonus to

all eligibles, as against 49 which graduate it according to length of service. Four relate the bonus amount to the employee's dependency status, and one links it to earnings levels.

**Limitations**—A substantial majority of the companies require a minimum period of service for an employee to be eligible for a military bonus. However, the requirement is almost always only a relatively short period of service. It is rarely for more than one year (in no case more than two years), and most often only six months.

In all, 86 companies say they require a minimum period of service, as against 57 which do not.

#### Minimum Service Required for Bonus

Companies with service requirements .....	86
Less than 6 months .....	7
6 months .....	41
1 year .....	28
18 months .....	1
2 years .....	1
No information .....	8

About one of each 12 companies which grant bonuses restricts them at this time to *draftees only*. That is, employees who leave for service voluntarily are ineligible. Several of these companies point out, however, that they intend to extend bonus eligibility to enlistees too if and when there is an actual declaration of war.

With two exceptions, there are no reported differences in treatment of salaried and hourly employees. One company notes that its bonus plan applies to salaried personnel only. Another, a large retailer, grants a week's pay to weekly paid employees as compared to a month's pay for those paid on a monthly basis.

**Type of Bonus**—The bonus payments take several forms. By far the most common is a lump-sum payment equal to the employee's *pay for a certain period*, say a week or a month. A total of 116 of the companies make this type of payment.

A much smaller number, 16, provide *continuing payments for a short period* to make up the difference between the employee's military pay and his usual earnings at the company.

The third general practice is to award a *fixed sum*, say \$50 or \$100, rather than an amount directly connected with the employee's usual pay. Ten companies report this practice.

The other 13 firms reporting bonus payments do not describe their plan.

Type of Bonus	
Companies paying bonus .....	155
Equivalent of pay for specified period .....	116
Continuing make-up payments for 3 months or less .....	16
Fixed sum .....	10
No explanation .....	13

**Equivalent of Pay**—Of the 116 plans which give a certain number of weeks' or months' pay, 72 disregard differences in service and provide an *equal amount* for all eligibles. One month's pay is the single most common amount in this group, but almost as many provide one or two weeks' pay.

Equivalent of Pay for Specified Period—I	
Companies with uniform bonus...	72
1 week's pay .....	18
2 weeks' pay .....	18
1 month's pay .....	25
2 months' pay .....	11

Another 41 of these 116 vary the bonus according to each employee's *service*. The minimum is usually one or two weeks' pay, with the maximum generally two weeks' or one month's (or four weeks') pay.

These bonuses are scaled according to a wide variety of formulas, but by far the most prevalent are the ones which give one week's pay (or two weeks') pay after six months and two weeks' (or one month's) pay after a year. These two formulas each appear in more than a half-dozen of the 41 graduated-by-service plans.

One unusual plan, that of the Washington Gas Light Co., provides two days' pay for each month of service, but with a maximum of 25 days' pay.

Equivalent of Pay for Specified Period—II	
Companies with bonus graduated by service .....	41
Minimum bonus	
Less than 1 week's pay ..	2
1 week's pay .....	18
2 weeks' pay .....	14
1 month's pay .....	3
No information .....	4
Maximum bonus	
2 weeks' pay .....	18
1 month's pay .....	14
2 months' pay .....	3
3 months' pay .....	5
No information .....	1

Two companies vary the bonus according to whether or not the departing employee has *dependents*. The Monsanto Chemical Co. gives two weeks' pay to employees without dependents, double that amount to those with dependents. The other, a Midwestern company, gives a month's pay to single employees, two months' pay to married ones.

Finally, one company, a chemical manufacturer, ties its bonus to employee *earnings*, by giving one week's pay to its lower-paid employees and more to higher-paid ones, to a maximum of one month's pay for the highest-paid persons.

**Make-Up Payments**—Sixteen companies pay for a short period the *difference* between the employee's military and company pay. (Some companies provide such continuing payments for longer periods or even indefinitely; their plans are described later.)

The make-up payments at six of the companies continue for one month, and at six others they run for three months.

At the remaining four, the period of payments depends on the employee's service. Two provide one month's make-up pay for those with six months' service, two months' for those with a year or more. One of these companies is an industrial equipment manufacturer, while the other is a large dairy products firm. A third, the Western Electric Co., grants two weeks' make-up pay to all with less

than a year's service, 13 weeks to those with a year or more. The fourth, an insurance company, provides make-up installments on the following scale: half a month for less than a year's service, one month for one year, two for two, and three months for three years' service.

**Fixed Sum**—Of the 10 employers who hand out a fixed sum as a bonus, 3 give all departing employees \$100; 1 gives \$50.

Four others tie the amount to service. Thus, one gives \$25 to three-month employees, with an additional \$25 for each additional three months' service to a maximum of \$100 after a year's service. A second pays \$75 to three-month employees, \$150 to one-year employees, \$225 to two-year people, and a top of \$300 to the five-year ones. A third gives \$25 to those with one year's service, \$50 to those with five years' service. The fourth company does not describe its system.

The other 2 companies grant *extra* compensation to those *with dependents*. One, a petroleum company, pays a \$100 bonus, but boosts it to \$200 if the employee has dependents. The second, an insurance firm, gives \$150 to single employees, \$250 to married ones.

### CONTINUING PAY

Almost 5 percent of the companies (23), mostly in the petroleum industry, report that they continue regular payments of some sort to servicemen beyond their first three months in service. However, half do so only if the serviceman has dependents.

**The entire difference** between military pay and company pay is given by 8 of the 23 companies.

Four of the 8 do so as long as the serviceman remains in the armed forces. Three, which give all employees make-up pay for three months, do so for an additional three months for employees with dependents. The remaining company continues make-up pay for those with dependents for a period equal to their length of service before departure.

**Partial make-up pay** is given by 11 firms. Three of these make such payments for one year:

(1) A manufacturer of wire and cable pays \$15 each month to em-

ployees with one year's service, \$30 to five-year men.

(2) Another company spreads three months' salary over 12 monthly installments.

(3) A chemical producer limits the size of its make-up payments to 50 percent of the employee's company pay. On top of this, however, it awards supplemental payments based on the number of children; an additional 10 percent of the employee's company pay is given for the first child, with a further 5 percent for each additional child.

Of the 8 other companies giving partial make-up pay, 7 do so only if the serviceman has dependents. The eighth grants it regardless of dependency status, but provides for larger payments where there are dependents. Included among this group are the following arrangements:

(1) A petroleum company gives make-up pay to employees who are married and living with their wives, or who have one or more dependent children, but such payments are not to be more than half of the employee's regular company pay.

(2) Another petroleum producer grants employees with dependents make-up pay in full for the first three months in service, make-up pay to 85 percent of company pay for the following three months, and to 65 percent thereafter.

Dependents are defined as a wife living with the employee when he entered service, children under 18, or parents who have been relying on the employee for at least \$30 a month. (Company payments, however, are not to exceed the amount the employee turns over to support such dependents.)

(3) The Standard Oil Co. of California pays employees with dependents either (a) half their company pay, (b) the full difference between their company and military pay, or (c) the amount they contribute for support of relatives, whichever is least.

It defines dependents as a wife living with the employee when he leaves and any relatives counting on the employee for more than half their support.

The allowance is paid monthly directly to the dependents. Payments start a month after military leave begins (employees are given one month's full pay to tide them over the first month) and continue until 30 days after release from service. Payments are prorated for any period of less than a full month.

(4) The Ensign-Bickford Co. pays one-quarter of the difference between military and company pay for 14 months to employees with three years' service. In addition, the employee is given an extra \$20 a month for each dependent.

(5) The number of dependents determines the amount of continuing pay at the Connecticut General Life Insurance Co. Its statement to employees says:

"A family allowance will be paid to those drafted or called into military service who have had one year or more Connecticut General service and who have one or more dependent children. One month's advance salary will be paid. The company will pay the family 100 percent of any difference between total service pay with allowances and salary up to \$3,000 annually. The company will also pay 50 percent of any difference between total service pay with allowances and salary from \$3,000 to \$6,000.

"The maximum service pay and company allowance would be \$300 per month for one child; \$350 per month for two children; and \$375 per month for three children."

Employees who are ineligible for such an allowance, or prefer not to receive it, are entitled instead to a lump-sum bonus upon departure, ranging from a half-month's to three months' salary, according to his length of service.

(6) Another insurance firm pays servicemen 60 percent of the difference between their military and company pay, less \$250 a year, if they have two dependents. If they have three dependents, they get 60 percent of the difference without the deduction of the \$250. And if they have four dependents, they receive 60 percent of the difference together with an additional \$250 a year.

**No description** of their continuing-pay plans is provided by three other companies which say they have such plans. The fourth company, which does not describe its plan, is a manufacturer of clocks and instruments, which says it gives pay to "key employees only."

**Special family allowances** in needy cases are reported by two companies, neither of which has a formal plan for continuing pay.

(1) The Courier-Journal and Louisville Times Co. notes that employees leaving for service discuss their personal budget with a management committee, which is empowered to provide continuing family payments in specific cases.

(2) An insurance company says it will give monthly payments to the wife of a serviceman in meritorious cases, in place of the fixed-sum bonus generally paid a departing employee.

#### **VACATION PAY ON DEPARTURE FOR SERVICE**

Approximately 85 percent of the companies (424) report that they give vacation pay when employees leave for service.

Many note explicitly, however, that they give it only for vacation time which the employee (1) has earned or qualified for and (2) has not used, up to the time of his departure. In other words, the grant of a vacation allowance often rests on whether the employee leaves early or late in the vacation year.

Whether the allowance is a prorated one (that is, in proportion to how much of the year the employee has served before leaving) or one for a full vacation frequently depends on the type of vacation plan.

Under accrual plans where, for example, one day's vacation is earned for each month of service or for a certain number of hours' work, then prorated payments are the general rule. Under plans where vacation time is not directly tied to hours worked, the tendency is more to give departing employees the same vacation check given others who do not leave. Under a few plans, departing employees are paid for all of the current year's unused vacation plus a prorated part of the following year's.

A few firms distinguish between salaried and hourly employees because the two groups function under different vacation systems. Several of these give salaried personnel a full vacation paycheck, hourly employees a prorated one.

**No allowance**—Less than 10 percent of the companies (42) say they do not give vacation allowances upon departure for military service. Several of these note that vacation credits earned in the year of departure will be carried over and counted toward the serviceman's vacation in the year he returns.

Some 3 percent of the questionnaire replies say that management has not yet decided whether to give vacation payments.

#### Vacation Pay on Departure

Give vacation pay.....	424
Prorated pay .....	231
"Full" pay .....	176
Prorated and/or full pay	42
Do not give vacation pay.....	42
Undecided .....	16
No information .....	18

#### OTHER BENEFITS ON DEPARTURE

A dozen companies report that they are undecided on, and still thinking over, possible departure benefits other than bonuses and vacation payments.

One company, an Eastern public utility, allows employees five days off with pay before they are required to report for military service, so that they may settle their personal affairs with greater convenience. However, if the employee is owed some vacation time, the five-day grant is deducted from that time.

Several companies note that they intend to pay to employees who leave for service during the year a prorated share of their normal year-end or Christmas bonus. The Eastman Kodak Co. says that it will pay a full share under its "wage dividend" plan to departing employees, regardless of when they leave, if they have at least three months' company service.

**Paid Time for Induction Examination**—On a related problem, a glass manufacturer points out that it "con-

tinues pay up to a week for people who report for military service and then are rejected for physical reasons." And several others note similarly that they allow paid time off, usually a day, for required Selective Service physical examinations.

## Benefits While in Service

### GROUP INSURANCE PLANS

Some form of group insurance plan is in operation at 474 of the 500 companies surveyed.

Only about 10 percent of these companies (44 of 474), however, will continue to cover employees who are in military service. Most companies, about 84 percent (398 of 474), will discontinue coverage for servicemen within six months of their departure for service. Almost 7 percent (32 of 474) of the companies have not yet made up their mind whether to continue coverage.

The RCA Victor Division of the Radio Corporation of America says it will continue life insurance coverage only for employees who are ineligible for the Government's National Service Life Insurance, such as those in the merchant marine. It will do so, it says, on the same basis that it contributes for the NSLI for employees in military service, that is, for one year.

**When Cancellation Takes Place**—Most companies with insurance plans (270) drop coverage for servicemen within one month or less, as against somewhat over 100 which wait from 60 days to six months before canceling coverage.

Hospitalization and surgical coverage are of course invariably discontinued, generally immediately after the servicemen leave or within a month, because they receive such protection from the government while in service. The feature of group insurance which is occasionally continued for servicemen is life insurance.

Even if life insurance is cancelled, there is under the terms of typical policies an extended period of coverage, normally 30 days, during which beneficiaries remain eligible for payment if the employee should die.

**Prevalence of Group Insurance Plans**

Companies with no plan .....	26
Companies with plan .....	474
Contributory plan .....	292
Noncontributory plan ...	121
Both types or combination of each .....	61

**When Group Insurance Is Discontinued for Servicemen**

Number of plans discontinued ...	398
1 month or less .....	270
60 days .....	18
90 days .....	53
120 days .....	24
6 months .....	5
No information .....	21
Other .....	7

**Group Insurance Coverage for Servicemen**

Number of plans .....	474
Continued for servicemen for more than 6 months	44
Discontinued in 6 months or less .....	398
Undecided on continuation .....	32

**Contributory Plans**—Of the 292 companies with contributory insurance plans, 252 discontinue them for servicemen within six months or less after they leave, 27 keep them in effect, and 13 have not yet decided.

Cancellation generally takes place in about one month or less—30 to 31 days, “immediately,” “upon induction,” or some similarly short period. This is true at 167 of the 252 firms which drop the coverage.

The next most common practice is to continue insurance for some 90 days after departure. This is done at 33 companies.

The 5 companies listed as “other” in the following table report these practices:

(1) Two say they will continue life insurance until government life insurance becomes effective.

(2) A steel products company continues coverage from 30 days to one year, depending on the employee's length of service.

(3) Another company continues it for 30 days, but will extend the period to 90 days upon a specific request from the employee.

(4) A public utility continues the insurance until the end of its insurance year.

Practice differs on who pays the premiums during the period between departure and cancellation, but a number of companies report that they pay the entire bill for such time, even though their plan normally requires employee contributions. A few, however, require the employee to maintain his normal contributions, or even to pay all costs, if he wishes the insurance continued for any period at all.

**When Contributory Insurance Coverage Is Discontinued**

Number of contributory plans ...	292
1 month or less .....	167
60 days .....	13
90 days .....	33
120 days .....	16
6 months .....	3
No information .....	15
Other .....	5

**Financing of continued coverage**, in the case of the 27 companies with contributory plans which continue to cover servicemen, is handled entirely by management in 17 instances. That is, management pays both its own and the employees' usual contributions.

Four others continue the regular contributory arrangement, requiring the serviceman to contribute the normal employee share. The remaining 6 withdraw their contributions altogether, requiring the employee to pay all the premiums if he wishes to retain the group coverage.

**Financing of Continued Coverage**

Number of contributory insurance plans continued for servicemen..	27
Financed by employee alone .....	6
Financed by management alone .....	17
Financed jointly .....	4

**Noncontributory Plans**—The picture on continued coverage is much the same among noncontributory plans. Of the 121 such plans, 96 are discontinued for servicemen within six months after they enter service, compared to only 12 which are continued; there are 13 companies which have not yet come to a decision.

The pattern on cancellation is also predominantly one month or less. A total of 66 of the 96 companies which discontinue coverage do so within three months. One, listed as "other" below, says it will discontinue its coverage as its insurance company requires.

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**When Noncontributory Insurance Coverage Is Discontinued**

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Number of noncontributory plans..	121
1 month or less.....	66
60 days .....	2
90 days .....	14
120 days .....	7
6 months .....	1
No information .....	1
Other .....	1

Financing of noncontributory plans which remain in effect generally continues to be handled entirely by the company, except in three instances. Those three firms say they will allow the serviceman to remain in the group insurance plan only if he takes over the entire expense himself.

**Contributory and Noncontributory Plans**—There are in the survey 61 companies which have both contributory and noncontributory plans or plans which combine both contributory and noncontributory features. Fifty of these discontinue the insurance for servicemen, as against 5 who continue to carry it, and 6 who are still undecided.

The company cited as "other" normally discontinues insurance after one month, but if the serviceman wishes to pay all the costs, he may continue his membership in the plan for six months.

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**When Noncontributory Plus Contributory Insurance Is Discontinued**

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Number of companies with non-contributory and contributory plans .....	61
1 month or less .....	37
60 days .....	3
90 days .....	6
120 days .....	1
6 months .....	1
No information .....	1
Other .....	1

**SERVICE LIFE INSURANCE**

About 7 percent of the companies (35 of 500) contribute toward the cost of National Service Life Insurance for employees in service. Almost 2 percent (9) say they are undecided.

One company, the Texas Gas Transmission Corp., points out that it will pay for such insurance if its private insurance company will not permit it to continue coverage of servicemen under its group plan.

**Period of Contributions**—Most of these companies, 22 of the 35, say they will make such contributions for as long as the employee remains in service. Eight others say they will do so for one year, although at least one says it will then consider renewal of contributions for an additional year. Two set a five-year maximum on their contributions. One simply gives the employee a \$20 sum to use for life insurance purposes. The remaining two do not explain their practice.

**Amount of Insurance**—The most common practice is to help employees finance as much National Service Life Insurance as the amount of insurance they held in the company's group plan. This is done by 22 of the 35 companies.

Four will contribute for up to \$10,000 worth of insurance, the maximum permitted the serviceman under NSLI. One provides up to \$5,000, another to \$1,500, two to \$1,000. Another fixes a maximum of \$3,000, but with the exact amount varying according to the employee's pay rate and length of service. Still another company contributes the amount of money it usually pays as its share under its group plan. The

remainder do not specify how much they help purchase.

### BENEFIT PLANS FOR DEPENDENTS

A total of 370 of the companies report that they have some benefits plan in effect for dependents of employees, although a number note specifically that such plans are paid for entirely by the employee. Most of these plans are for hospitalization and surgical expenses.

Of the 370, the survey shows that 207 will discontinue the dependent's insurance when the employee enters service, compared to 109 which continue it. Another 52 say they are undecided, and 2 do not answer.

Many which discontinue the dependents' insurance do not do so immediately, but continue it in effect for some short period, ordinarily one to three months. Under the terms of many hospitalization and surgical plans, of course, the family remains eligible for benefits in maternity cases which arise within nine months from the time coverage is dropped.

Of the companies which say they continue family coverage, a number require the serviceman to pay all the expenses. On the other hand, there are some instances where the company not only continues to pay its usual share of the costs, but pays the serviceman's portion as well. And in at least two cases, a plan which ordinarily is financed solely by employees is, in the case of servicemen, paid for entirely by management.

Six of the plans which are continued are kept in effect for only one year.

Two companies report that they do not now have an insurance plan for employee dependents, but are considering introduction of such coverage, particularly for servicemen's families.

### PENSION PLANS

A total of 358 of the 500 companies have a pension plan, although some plans are limited to only one employee group, such as salaried employees. The plans are almost equally divided between noncontributory and contributory ones, with a number combining both contributory and non-contributory features.

A large proportion, about 75 percent (267 of 358), credit time spent in service toward employees' pensions. Only about 16 percent (59 of 358) do not give such credit.

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#### Prevalence of Pension Plans

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Companies with no pension plan . . .	142
Companies with pension plan . . .	358
Contributory plan . . . . .	156
Noncontributory plan . . . . .	168
Both types or combination of each . . . . .	34

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#### Pension Credit for Time in Military Service

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Number of plans . . . . .	358
Credit for service time . . . . .	267
No credit for service time . . . . .	59
Undecided . . . . .	27
No information . . . . .	5

**Contributory Plans**—Of the 156 contributory pension plans, 114 allow employees credit for their time in service in computing the amount of pension. This is in contrast to 26 which do not credit service time.

The grant of credit is conditional in some, however, upon the employee's payment of his normal contributions for the period in military service.

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#### Pension Credit for Service Time—Contributory Plans

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Number of contributory plans . . . . .	156
Credit for service time . . . . .	114
No credit for service time . . . . .	26
Undecided . . . . .	13
No information . . . . .	3

Of the 114 which accept time in service for pension credits, 35 provide that management will make up all contributions for the employee for the period he is in service. Under some of these plans, however, the company's contributions for the employee are not made unless and until he returns from service.

A lesser number, 27, require the employee to continue contributions at the usual rate if he wishes to have his time in service counted in the calculation of his pension. Some of these

defer the contributions until the employee returns from service, however, at which time some gradual repayment plan goes into effect so that the employee may make up his payments over a reasonable period.

Under 31 plans which grant credit, contributions stop altogether while the employee is away. The companies with these plans do not explain how financing for such time is arranged.

Another 18 plans have not yet had their financing practices on this point determined, although it has already been decided that credit definitely will be given for time in service.

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#### Financing of Pensions for Time in Military Service

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Number of contributory pension plans granting credit for service time .....	114
Employee continues contributions .....	27
Management makes up contributions for employees .....	35
Contributions stop .....	31
Undecided .....	18
No information .....	3

**Noncontributory Plans**—Of the 168 noncontributory plans, 129 count time in service in computing pensions, as against 25 which do not, and 12 which are at present undecided on this point.

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#### Pension Credit for Service Time—Noncontributory Plans

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Number of noncontributory plans	168
Credit for service time...	129
No credit for service time	25
Undecided .....	12
No information .....	2

**Noncontributory and Contributory Plans**—Some companies have a non-contributory pension plan for one group of employees and a contributory one for another group, while several others have plans which combine non-contributory and contributory features. There are 34 such companies in this survey.

Of these, 24 report that they will count military service in determining

the employee's pension, 8 say they will not, and 2 are undecided.

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#### Pension Credit for Service Time—Noncontributory plus Contributory Plans

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Number of companies with non-contributory and contributory plans .....	34
Credit for service time...	24
No credit for service time..	8
Undecided .....	2

#### OTHER BENEFITS

**A Christmas gift** of some sort is given employees in service, some 6 percent of the companies note (29 of 500). It is likely, however, that there are many others which have a Christmas-gift practice but neglected to note it in their questionnaire replies.

The gift, among those which give cash, generally ranges from \$10 to \$25. Some send assorted Christmas "packages." One company reports that its employees in service are sent gifts and cash raised by voluntary employee contributions.

**Cash gifts** of another sort are presented by an insurance company to each serviceman, on his employment anniversary date, in a sum of \$25 for single employees, \$50 for married ones.

**Discounts or special privileges** ordinarily extended to employee families are often continued, some companies point out. This applies on such items as purchase discounts, reductions on electric or telephone bills, use of company homes, etc.

Similarly, a few firms note specifically that servicemen are allowed to continue in employee stock purchase, investment, or "thrift" plans, and one notes that servicemen continue to participate fully in its profit-sharing system.

**One unusual practice** finds a chemical producer supplying servicemen with a free subscription to the town's newspaper.

#### Reinstatement of Veterans

**Time Limit on Reinstatement Application**—The present law requires that returning veterans be reinstated to their old job or one equivalent to

it in seniority, status, and pay. The veteran must present his claim for the job in 90 days after discharge from service, however. A longer period is permitted only for those hospitalized at the time of discharge; they have until 90 days after release from the hospital, provided the hospitalization does not run longer than one year.

The overwhelming majority of companies abide by this 90-day standard as their general rule. But several dozen note specifically that they are willing to extend this period in *individual cases* if they believe extension is warranted. Each such case will be examined separately, they say, with an extension granted "wholly at the discretion of the company," based on its judgment of whether the reason for the delay is justifiable.

A longer period as a regular policy is reported by only 7 employers. Two allow 120 days for reinstatement applications, 1 permits 150 days, 3 permit six months, and the other allows one year.

Eleven companies report that they are now formulating policy on this matter.

**Extra Seniority Credit**—Three percent of the companies (15 of 500) report that they give returning veterans more seniority credit than required by law. The law requires that veterans be rehired "without loss of seniority."

Fourteen of the 15 which say they award extra seniority do not explain what this extra grant consists of. The one which describes its plan says it gives veterans an additional one month's seniority credit for each three months in service.

Two percent (10) say they are undecided at this time whether they will give such a special seniority grant beyond the legal obligation to returning veterans.

**Leave of Absence Upon Return**—Many veterans returning to their jobs after World War II sought leaves of absence before or shortly after they resumed work—sometimes for special personal reasons, often for recuperation, or for further education with G.I. Bill benefits.

Today, almost 50 percent of the companies (244) say they would in various circumstances approve such leave requests, although many cite specific limits on the type and length of such leave.

A large number of these companies apparently have no detailed policy, but rather consider each case separately. Some say they will give leave only where it is necessary for convalescence. One declares that "if employee is dismissed from military service but is unable to work due to sickness or injury disability, he will be paid for absence under the company's sickness disability payment plan."

Several say they allow leave only for educational purposes. A few which give educational leave limit it to instances where the schooling is in some way connected with the employee's work.

A number note that they will grant leave only if it is requested within a few months of return from service. Several firms say they will allow veterans leave upon a "reasonable request" presented before the 90-day period for reinstatement applications is exhausted. In certain other instances, leave specifically is restricted to some period as short as 30 or 60 days.

About 34 percent of the companies (171 of 500) say it is not their policy to give leave to returning veterans, but a number of these point out that they might make exceptions in unusual or particularly worthy cases.

Some 16 percent (80) say they have not decided on a formal policy. A total of 7 companies did not answer this question.

**Vacation in Year of Return**—From comments submitted by different companies, it is apparent that vacation practice for returning veterans varies widely according to the nature of the particular vacation plan. But, in general, more than 25 percent of the companies indicate that they relax normal vacation eligibility standards in some way for returning servicemen.

Many note specifically that returning veterans are given a vacation just as if they had been at work all year. The Warner Co., for example, says that "we give full year's vacation—

# MILITARY LEAVE PROVISIONS

## Policies and Practices of 500 Companies

### Bonus Policies

Of the companies granting equivalent pay for specified period, 72 give a uniform bonus to all employees, with the following breakdown on amount of pay:

1 week's pay	18
2 weeks' pay	18
1 month's pay	25
2 months' pay	11

About 50 percent of these require a minimum period of service ranging from six months to one year.

A total of 41 plans vary the bonus according to employees' service, with the minimum and maximum bonus as follows:

Minimum bonus		Maximum bonus	
Less than 1 week's pay	2	2 weeks' pay	18
1 week's pay	18	1 month's pay	14
2 weeks' pay	14	2 months' pay	3
1 month's pay	3	3 months' pay	5
No information	4	No information	1

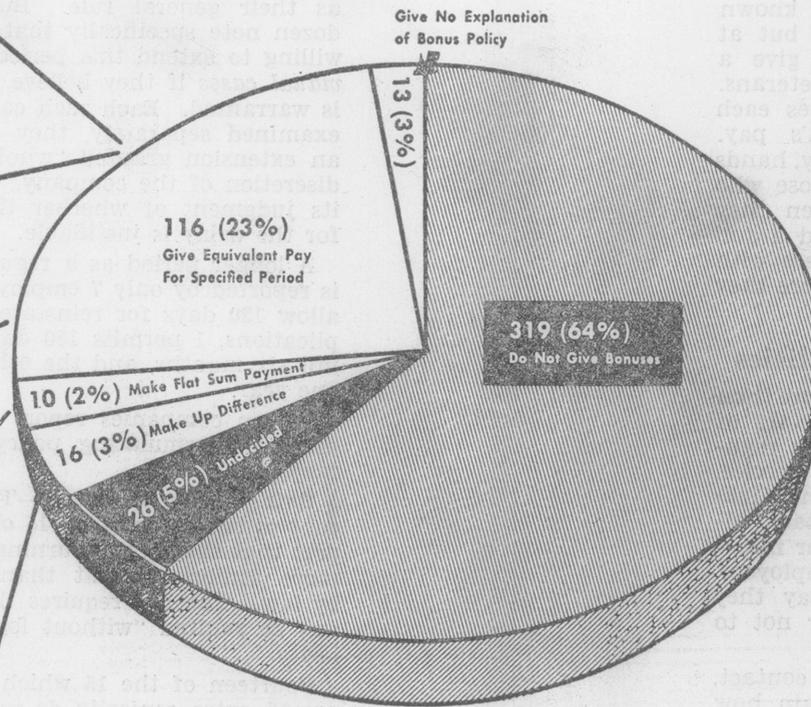
The bonuses are scaled according to a wide variety of formulas, but the most common are those that give one or two weeks' pay after six months and two weeks' or a month's pay after a year.

There are two companies which vary the bonus according to whether or not the departing employee has dependents, while one company ties its bonus to employee earnings with a maximum bonus of one month's pay for the highest-paid employees.

Of the 10 companies which give a fixed sum as a bonus, 3 give all departing employees \$100, and one gives \$50. Four others tie the amount to length of service. Thus, one gives \$25 to three-month employees, with an additional \$25 for each additional three months' service to a maximum of \$100 after a year's service. A second pays \$75 to three-month employees, \$150 to one-year employees, \$225 to two-year people, and a top of \$300 to employees with five years of service. A third company gives \$25 to those with one year's service, \$50 to those with five years' or more. The fourth company does not describe its system. The remaining two companies make provisions for increased bonuses for employees with dependents. One gives employees a \$100 bonus, but boosts it to \$200 if they have dependents. The second company gives \$150 to single employees, \$250 to married ones.

Of the 16 companies making up the difference between the employee's military pay and his company pay for a short period, six companies continue the policy for one month, and six others continue it for three months. In the other 4 cases the period of payment depends on the employee's length of service. Two of them provide make-up pay for a month for those with six months' service, and for two months for employees with a year or more. A third grants two weeks' make-up pay to all employees with less than a year's service, and 13 weeks' for a year or more. The fourth provides make-up installments on the following scale: half a month for less than a year's service; one month for one year, two for two, and three months for three years' service.

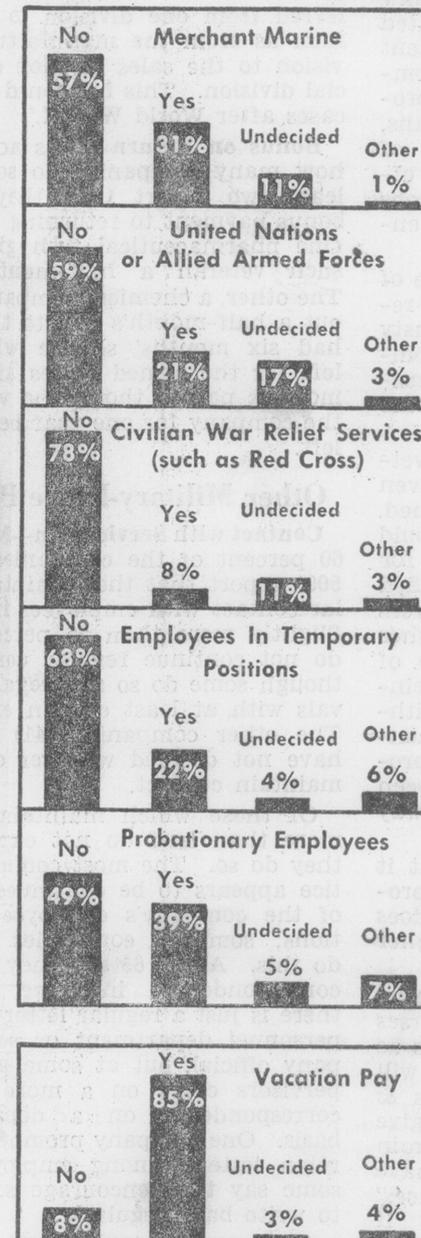
Data gathered through a survey conducted by The Bureau of National Affairs, Inc.



### Continuing Pay for Servicemen

Almost 5 percent of the companies (23), principally in petroleum and related industries, report that they continue regular payments of some sort to servicemen beyond their first three months in service. However, half do so only if the serviceman has dependents.

### Who Is Covered



The current draft law does not provide reemployment rights for employees who enlist in the Merchant Marine, United Nations, Allied Armed Forces, or the civilian war relief services, such as the Red Cross. However, many companies extend their military leave provisions to such employees not directly entering United States armed services. Some companies state that they extended leave to employees in such organizations in World War II, and would probably do so again in the event of an actual declaration of war. Others point out that they have not yet considered this problem; while a few grant leave but do not guarantee reemployment rights.

The current draft law does not require reemployment of employees who left temporary positions to enter armed forces. There is some dispute whether probationary employees must be rehired; the Bureau of Veterans Reemployment Rights of the Labor Department has said that such employees are covered by the law, but one Federal Court has ruled that they are not. The latter opinion was in a case growing out of the World War II laws.

### Vacation Pay Upon Entry Into Service

In general, it appears that the common practice is to give departing employees pay for unused vacations. Whether the pay is for a full year's vacation or only prorated according to the part of the year worked depends in part on the type of vacation plan. Of the 10 percent of companies that don't pay any vacation allowance when the employee enters the service, several state that unpaid vacation credits will be paid the employee as part of his vacation in the year he returns.

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even if they return last month of year." Others provide that returning veterans need work only a limited period in the year of their return—less than the usual requirement—to become eligible for a vacation.

**Special Promotion Policy**—The law requires that a veteran be reinstated to his former job or an equivalent one. Well over 80 percent of the companies say they have no special promotion system for reinstated veterans, but a few—in the neighborhood of 5 percent—say they make specific efforts to place veterans at higher jobs than the ones they are legally entitled to.

These efforts vary, often because of the type of work involved. Where returning employees may be too rusty to handle even their former jobs competently, promotions to more responsible jobs may understandably come very slowly.

Several companies declare that veterans are entitled to and will be given the job their substitutes have reached, or the job they in all likelihood would have had if they had not left for service, *provided* they are qualified for such job. A few say employees will be *considered* for such higher jobs. The Consolidated Edison Co. of New York reports that "each reinstated veteran's case is reviewed within 3 months of reinstatement for consideration for merit increases or promotions which he might have been eligible for if he had not been away on military leave."

A petroleum company says that it gives veterans preference when promotion opportunities arise, but does not initially place them in higher jobs.

A few companies emphasize training programs and refresher courses to enable the veterans to progress as rapidly as their seniority standing will permit them. The Portland Gas & Coke Co., for one, says: "We give them immediate opportunity to train for the advanced job they would have held had they not entered service." A large paper company says that "if a promotion is due, [we] give special training to permit early qualification."

The Eastman Kodak Co. mentions that it makes "every effort to recog-

nize new skills and abilities which a person may have acquired in service." The Whitehead Bros. Rubber Co similarly notes that "in some instances where a veteran has acquired additional skill, poise, educational background and the like, he may be transferred from one division to another, such as from the manufacturing division to the sales division or financial division. This happened in many cases after World War II."

**Bonus on Return**—It is not known how many companies do so, but at least two report that they give a bonus payment to returning veterans.

- One pharmaceutical firm gives each such veteran a half-month's pay. The other, a chemical company, hands out a half-month's pay to those who had six months' service when they left for the armed forces and a full month's pay to those who were with the company for one year before they left.

### Other Military-Leave Policies

**Contact with Servicemen**—More than 60 percent of the companies (312 of 500) report that they maintain regular contact with employees in service. Slightly more than 25 percent (138) do not continue regular contact, although some do so at irregular intervals with at least certain employees. The other companies (41) say they have not decided whether or not to maintain contact.

Of those which maintain contact, more than half do not explain how they do so. The most common practice appears to be continued mailing of the company's employee publications; some 95 companies say they do this. About 65 say they maintain correspondence; in some instances there is just a regular letter from the personnel department or some company official, but at some plants supervisors carry on a more personal correspondence on a departmental basis. One company promotes round-robin letters among employees, and some say they encourage servicemen to write back regularly.

Among other types of things sent servicemen are (1) Christmas and other holiday greetings and gifts, (2) the company's annual report, (3)

birthday cards, and (4) playing cards, cigarettes, games, and other gift packages.

**Privileges for Nonemployee Veterans**—Almost 10 per cent of companies (47) say they give some special privileges to veterans who were not their employees. Another 2 percent (12) indicate that they are undecided.

Thirteen of the 47 companies say they give hiring preference to veterans. Four give extra seniority credit to those who are hired; one explains that it gives such credit at the rate of one month for every three months in military service. The Western Electric Co. says it makes allowance for the veteran's military service in determining his rate of pay.

The remaining 29 do not explain what privilege they extend to the non-employee veterans.

**Veterans' Counselor**—The overwhelming majority of companies do not at this time have a separate veterans' counselor or office. Except for the very largest companies, there is not enough need for a separate man or department entirely for veterans' problems.

Usually, however, there appears to be one person in the personnel or industrial relations office who specializes on such matters.

A number of companies which had separate veterans' counsellors after World War II say they no longer have them, but would appoint such men again if the need develops.

**STATUS OF REPLACEMENTS FOR SERVICEMEN**

Practice appears fairly evenly divided on whether employees hired to take the jobs of men in service are considered temporary employees, with a slightly larger number of companies considering them as regulars rather than temporaries.

Specifically, some 48 percent of the companies (238) do not consider replacements as temporary, while 42 percent (210) do.

The five companies listed as "other" include four which say that only employees on certain jobs are considered temporary and one which declares that salaried replacements are viewed as temporary but hourly ones are not.

**Status of Replacements**

Number of companies .....	500
Considered temporary employees .....	210
Not considered temporary employees .....	238
Undecided .....	35
No information .....	12
Other .....	5

**Absorbing Replacements**—Significantly, several companies cite their experience after World War II to explain why they do not consider replacements as temporary. For example, the Ohio-Ferro Alloys Corp. says that its "experience has been that turnover permits return of veterans without laying off of any employee."

Similarly, the Northeast Mutual Life Insurance Co. reports that, "with normal growth of the company, we have and expect to be able to absorb employes hired during absence of servicemen. \* \* \* Policy worked successfully (with normal turnover) in World War II."

A large Southern textile manufacturer explains that "except for supervisory or key personnel we do not consider replacements temporary [because] the feeling is that seniority will straighten the matter out if necessary. \* \* \* It was our experience during the last war that we could absorb returning vets with little or no layoff, as there are many jobs in most [of our] classifications."

"If two or more employees leave the same job for military service," writes a Midwestern public utility, "the one who left first has prior right of re-employment. However, normal turnover, etc., and liberal company policy have permitted absorption of employees who might otherwise have been considered 'temporary'. This practice may change, depending upon circumstances."

**Job Rights of Replacements**—Even though they are not considered temporary, replacements often are told specifically that the particular job they are on belongs to the veteran if he returns.

The Ensign-Bickford Co. notes simply that "new hires are advised that returning servicemen may replace them, but their status is not formally defined as temporary."

Several companies inform them that even though they are subject to displacement, some other job will in all likelihood be found for them. The Florida Power Corp., for instance, says: "We tell them that they are replacements but point out that their chances of continuing are good."

Under many seniority systems, of course, it is the newest hires, and not necessarily the military replacements, who are laid off when the veterans return. A cement manufacturer comments: "We operate on a plantwide seniority plan and, when the employee returns from service, it is the man with the least seniority that is dropped."

**Dealings with Unions**—Almost 60 percent of the companies in this survey

(291 of 500) report that they deal with a union or unions on one or more phases of military leave policy. A number explain, however, that negotiations generally are confined to only a few matters or to "policy in general." Grants of certain benefits have been made, they say, without direct negotiations, although such grants apparently are explained to the union and are put into effect with its approval.

Some 40 percent (201 of 500) say they have not dealt with unions on their military leave policies.

The remaining companies (8 of 500) did not answer on this point.

**Informing Replacements of Temporary Status**—Almost all of the 210 companies which consider replacements temporary make a point of telling them so. Only 10 of the 210 do not, and one is undecided. One other says it "tries to"; another says it does "in some cases."

## Text of Military Leave Policies

The following policies have been selected for reproduction in text as examples of the types of statements now being issued by many companies.

### ACME STEEL COMPANY

#### Chicago, Ill.

The following paragraphs constitute Acme Steel's military leave of absence policy. This policy, with any necessary amplifications, will be incorporated into the Company's Supervisory Manuals in the near future.

1. Employees, other than probationary employees, entering the armed forces (Army, Navy, Marine Corps, Coast Guard, Air Force, Merchant Marine—including Maritime Service) shall have re-employment rights as specified herein provided in case of enlistment that such enlistment is for not more than 3 years (including any extension by law but not including any voluntary extension).

2. All employees except probationary employees leaving the Company to become members of the armed forces are to be cleared through the Per-

sonnel Department where Form 481, Military Leave of Absence Record, will be processed.

3. All employees except probationary employees who leave Company employment to enter one of the services mentioned in paragraph 1 shall be accorded re-employment rights provided they report to the Company ready for work within 90 days from date of discharge from the service, present satisfactory discharge papers, and are able to meet the minimum physical requirements for the job available or for the job that the Company may be able to adjust to meet the employee's impairment.

4. Such reinstated employees will be credited pensionable service for the period of his service in the armed forces and for the period between dis-

charge from the armed service and re-employment by the Company. The continuous service of such employees is not considered broken provided they meet the above requirements.

5. An employee other than a probationary employee leaving the Company's employment to enter one of the armed forces mentioned in paragraph 1 will be permitted to carry his group life insurance at Company expense for a period of 60 days subsequent to the last day of the month in which he left Company employment to enter the armed services. This 60-day extension is to enable the employee to apply for national service life insurance.

6. Probationary employes entering one of the armed forces mentioned in paragraph 1 shall be given consideration for re-employment prior to employing any individuals that have never worked for the Acme Steel Company providing they make application for employment within 90 days from date of discharge, provide satisfactory discharge papers, and meet the minimum physical requirements. Probationary employes, however, will not have any prior service credit but will

start as new employes of the Company.

7. An employe who leaves Company employment to enter one of the services mentioned in paragraph 1 who is eligible for a vacation and who has not received a vacation in the calendar year shall be granted vacation pay calculated as though the vacation began immediately following the last day worked and such vacation pay shall be paid him at the time he leaves Company employment for entrance into the armed forces. In computing vacation eligibility, an employe shall not be credited with active employment beyond the last day worked.

8. At the time of leaving Company employment to enter the services mentioned in paragraph 1, hourly employes will be paid through the last day worked. Salaried employes will be paid through their regular pay period.

9. Reinstatement of employes discharged from an armed service who meet the above requirements should be made in accordance with the policy governing veterans re-employment which will be set forth in the Supervisory Manuals.

## PACIFIC POWER & LIGHT COMPANY

Portland, Ore.

### RIGHTS AND PRIVILEGES OF EMPLOYEES ENTERING MILITARY SERVICE

#### Reemployment

Employees who leave their jobs to enter service in the armed forces will have the reemployment rights provided by federal statutes, which may be summarized as follows:

Any person who returns from duty with the armed forces, and is physically qualified to perform the duties of his former position, and makes application for resumption of employment within the time specified (now 90 days), upon presentation of a certificate from the proper authority showing satisfactory completion of his period of service or training, will be

restored to his former position, or to a position of like seniority, status, and pay, unless circumstances have so changed as to make such restoration impossible or unreasonable. All such employes will be treated in the meantime as on leaves of absence.

#### Vacations

Each employe, upon leaving his job to enter military service, will receive regular pay for all vacation time credits then accrued in his favor. Upon his resuming work for the Company, within the time specified under the heading "Reemployment" above, he will receive in the year of such reemployment a vacation equivalent to what he would have received had he been employed throughout the

preceding year, and all time spent in military service will be considered "continuous service" toward accumulating the fifteen years' service eligibility for three-week vacations.

### **Group Life Insurance**

Until otherwise required by the insurance company which carries our group insurance, the group life insurance of all employees entering military service will be continued in force during such absence for a maximum period of one year; and so long as the insurance company permits the group insurance to be continued at existing premium rates during such absence, the Company will pay the full premium cost for such employees. If, however, the insurance company finds it necessary to increase the premium rate to cover the war risk for employees in military service, the Company will immediately notify the men affected and will continue the group insurance coverage for a period of sixty days following the date of notice, paying the full cost thereof, to afford the employees so affected an opportunity to arrange for the National Service Life Insurance referred to below.

Upon reemployment by this Company under the conditions outlined above, each employee will be reinstated in the group insurance schedule with full recognition of his time in military service, as though he had been working for the Company without such interruption.

### **National Service Life Insurance**

The National Service Life Insurance Act makes life insurance available to individuals in military service who make application for such insurance within the first 120 days after entering into service. That insurance is provided without extra premium for the war risk, and includes provisions for waiver of premium after six months of total disability. The amount of such insurance available is \$10,000 to each man, and the rate at which it can be obtained makes it very attractive. We recommend that every employee make arrangements to obtain this protection immediately upon entering military service.

### **Retirement Plan**

Under the Company's Retirement Plan, time spent in military service will be considered as years of "qualifying" service, and will not break an employee's continuous employment, if he returns to work for the Company within six months after leaving military service; but the time of such absence on military leave is not included in "Accredited Years of Service".

### **Disability Benefit Plan**

For purposes of the Company's Disability Plan, all time spent in the armed forces will be considered continuous service for the accrual of accumulated disability leave credits. Hence, if an employee spends three years in the armed forces, eighteen days' disability leave will accrue to his credit for such service.

### **Discounts on Electric Service**

The customary discount allowed members of the organization on their monthly electric service bills will be continued to their dependents while the members are engaged in military service.

### **Medical and Hospital Coverage**

Medical and hospital insurance or coverage on dependents of employees under the several plans available through the Company (Oregon Physicians' Service, National Hospital Association, Industrial Hospital Association, etc.) may be continued by regular payments of the applicable monthly fee in advance to the Company, at the office of the district manager, or at the treasurer's office in Portland.

### **Temporary Substitute Employment**

Individuals employed to fill temporary vacancies caused by inductions into military service will be employed as temporary replacements only, subject to the condition that their holding of such jobs is terminable upon the return to work of the present job holders from military service as above stated.

It is extremely important that each member of the organization who

enters military service informs the Company's Personnel Director of changes in his service address, and of the address of his family, so that further communications of interest and importance to such members may reach them without delay.

Any changes required in any of the

foregoing, such as changes in government regulations, or action by the insurance companies concerning group insurance, will be announced immediately to the organization. If you have any questions on these or allied subjects, please ask your supervisor or the Personnel Department.

## CONNECTICUT GENERAL LIFE INSURANCE CO.

### Hartford, Connecticut

(1) A military leave of absence will be granted to any full-time salaried employee who enters military service. The following benefits will be extended to expire 30 days after release from military service or until such time as return to Connecticut General service could be reasonably expected, whichever is earlier.

(2) The Company will continue in force and pay full premiums on existing group life insurance up to an amount of \$5,000.

(3) Group hospital and surgical insurance will continue in force up to the time of actual entering into military service but not to exceed 31 days. Group hospital and surgical insurance in force for employees, dependents, including any dependents in being, will be continued at Company expense for the duration of the leave of absence.

(4) The Company will continue its own and the employees' contributions to the pension plan for the duration of the military leave of absence. Such contributions will be vested in the employee only upon completion of 10 years in the pension plan and upon return to Connecticut General service for a period of one year. In case of total and permanent disability or death in line of duty, the employee's share of such contributions will be vested in the employee. If the employee reaches age 30 while in service, the Company will set up a fund covering contributions which will ap-

ply to the employee's credit if and when he returns to Company service.

(5) Accumulated vacation, earned and service days will be paid.

(a) To assist our people to clear up current bills, to meet the extra expenses that arise in such a major change and to lessen financial sacrifices, the Company will make a lump sum salary payment as follows: 5 or more years' Company service, 3 months' salary; 2 to 5 years' Company service, 2 months' salary; 1 to 2 years' Company service, 1 month's salary; less than a year's Company service, a half month's salary.

(b) A family allowance will be paid to those drafted or called into military service who have had one year or more Connecticut General service and who have one or more dependent children. One month's advance salary will be paid. The Company will pay the family 100 percent of any difference between total service pay with allowances and salary up to \$3,000 annually. The Company will also pay 50 percent of any difference between total service pay with allowances and salary from \$3,000 to \$6,000. The maximum service pay and Company allowance would be \$300 per month for one child; \$350 per month for two children; and \$375 per month for three children.

If an employee selects alternative (5b), he is not entitled to (5a). This policy is subject to change at any time.

## WESTERN ELECTRIC COMPANY

1. **Special Leave of Absence**—Regular employees (but not casual labor or employees on roll less than six

months who were hired as temporary employees) who enter active duty in the Armed Forces will be granted

Special Leaves of Absence provided such entry is within one month from the date of leaving the Company and the reason for leaving is solely due to such entry. Such leaves shall cover the period of necessary absence in the Armed Forces from the date of entry into active duty.

**2. Service Credit for Time Absent—** Individuals on such Special Leaves who are reemployed in the Company in accordance with the requirements of law will be allowed full credit in term of employment under the Benefit Plan for all such absence.

**3. Eligibility to Benefits under the Benefit Plan—** Such Leaves will be with eligibility to Death Benefits during the period of military service and with eligibility to Sickness Benefits upon honorable discharge if the individual is then incapacitated for work, subject otherwise to the provisions of the Benefit Plan. The Benefit Plan provides, among other things, that payments will be for the excess above those provided under Federal or State Law.

**4. Vacation Treatment—** Employees granted Special Leave who enter military service before completing the full vacation to which eligible for the current year, will receive an allowance in lieu of any such vacation still due.

**5. Pay Treatment—**

5.1 Employees with one year or more term of employment on the date the Special Leave of Absence begins will receive the amount by which their Company pay exceeds their Government pay, the latter being computed as of time of entry into active duty, for a period not to exceed 13 weeks of military service (3 months for monthly rated employees).

5.2 Employees with less than one year term of employment on the date the Special Leave of Absence begins will receive the amount by which their Company pay exceeds their Government pay, the latter being computed as of time of entry into active duty, for a period not to exceed 2 weeks of military service.

5.3 "Government pay" is basic pay, pay for special or hazardous duty and, for those with dependents, the dif-

ference between quarters allowances established for members of the uniformed services with dependents and those established for members of the uniformed services of equal rank without dependents.

5.4 "Company pay" shall be computed at "straight time" based on the employee's rate of pay and working schedule in effect at time of leaving, not to exceed 40 hours per week including paid holidays, and excluding "overtime."

**6. Payments on Behalf of Dependents—**

6.1 Following completion of the payments provided in paragraph 5.1 above, an employee on such leave of absence having a term of employment of one year or more at the time the leave began and having a wife or dependent children under eighteen years of age and, in the case of a female employee, having such dependent children—such marriage or dependency having existed for 3 months or more immediately preceding the date of entry into the Armed Forces—will receive for a further period of 13 weeks (3 months) or for any shorter period of such military service, the amount by which Company pay exceeds Government pay, the latter, however, computed as of the beginning of such additional period.

6.2 An employee on such Leave of Absence, having a term of employment at the time the Leave began of one year or more and having neither a wife nor children under 18 years of age, but having other dependents—such dependency having existed for 3 months or more immediately preceding the date of entry into the Armed Forces—may receive, upon submission of evidence of dependency satisfactory to the Company, special payments not to exceed those provided in paragraph 6.1.

6.3 For the purpose of paragraphs 6.1 and 6.2, Government pay shall be an amount computed in accordance with paragraph 5.3 plus any other family allowances provided by law.

**7. Limitation of Payments—** Payments outlined in above paragraphs 5.1, 5.2, 6.1 and 6.2 shall be made but

once to an employee even though the employee may be reemployed by the Company on discharge from military service under the 1948 Act as amended and subsequently re-enter the Armed Forces while such Act is in effect. If at the time of re-entry, the employee

has any unused portion of his allowance, it may be continued on the original basis until the full amount is used.

8. **Reemployment**—Veterans will be reemployed in accordance with the requirements of law.

## JOHNSON & JOHNSON

New Brunswick, N. J.

### I. General Policy

A. Provisions of this Standard Personnel Practice shall apply to all employees who are inducted into the armed forces, as defined by current law, subsequent to July 1, 1950.

B. Military leaves shall be granted by the Company upon evidence that the employee is to be inducted into the armed forces.

C. This policy is not applicable to those employees who are members of a military reserve organization and who are called to temporary active duty for a training or refresher course of limited and definite duration.

### II. Exit Interview

A. All employees taking military leave will be required to have a military exit interview.

B. The exit interview will be conducted by the Personnel Department except that in the case of salesmen the District Manager will conduct the exit interview.

C. In addition to the information requested from the employee, the interviewer will clearly inform the employee as to whether he is a temporary or permanent employee. This information will be recorded on the military exit interview form. The employee will also be informed as to his reinstatement rights and benefits under existing laws and company policy.

D. Temporary employees are those who:

1. Have less than three months' service with the Company as of the date of beginning military leave, or

2. Are temporarily employed to fill the position of an employee who has entered the armed forces (and have signed a waiver), or

3. Are employed for a specific, brief, non-recurring period (and have signed a waiver).

### III. Pre-induction Examinations and Interviews

A. Employees will receive time off with pay for pre-induction examinations and/or interviews by informing in advance his immediate supervisor and the office maintaining his official personnel records. (Personnel Dept., Controller's Office, or Plant Manager's Office at Baby Products Plant.)

### IV. Benefits During Military Leave of Absence

#### A. Military Leave Payments

1. Salary employees with six months to one year of service with the Company will receive one-quarter of a month's salary upon commencing military leave. Wage employees with the six months to one year of service will receive 40 hours' pay at average earnings upon commencing military leave.

2. Salary employees with one or more years of service with the Company will receive one-half of a month's salary upon commencing military leave. Wage employees with one or more years of service will receive 80 hours pay at average earnings upon commencing military leave.

#### B. Vacation Payments

1. Employees who begin military leave between January 1 and June 30 will be paid the full vacation payment to which they would be entitled if they had worked until June 30.

2. Employees who begin military leave between June 30 and January 1 will be paid earned vacation payments for the current vacation year—such payment to be prorated, as specified in Standard Personnel Practice

# 12, Sections I, F, 6 and II, F, 6. The vacation year is from July 1 to June 30th.

**C. Holiday Pay**

1. Holiday pay will be paid to all employees on military leave providing the holiday falls within the first two weeks of such leave.

**D. Seniority**

1. Seniority rights of employees, other than temporary, inducted into the armed forces and entitled to reinstatement under the Selective Service Act shall be accumulated during such leave.

**E. Group Insurance**

1. Group life insurance coverage shall terminate two months after beginning date of military leave.

2. Group insurance coverage other than group life insurance shall terminate one month after beginning date of military leave.

**F. Retirement Plan**

1. In the event a member of the Retirement Plan is granted a military leave of absence, no contributions shall be made by the member during such leave of absence and no further retirement income benefits shall accrue to the member during such pe-

riod. If the member returns to active employment, he may elect to make up the contributions he would have made during such period, such contributions to be based on assumed earnings as determined by the Company for such period. If the member makes such an election he shall be entitled to future service benefits for such period.

**V. Reinstatement**

A. Employees, other than temporary, on military leave will upon termination of military service be reinstated in the Company if they:

1. Apply for their jobs within ninety days after completion of military service, and

2. Satisfy other current requirements as set forth in the Selective Service Act.

B. Such employees if still qualified to perform the duties of their former position will be restored to a position of like seniority, status, and pay.

C. Such employees will be entitled to participate in insurance and other benefits in accordance with the procedures and policies applicable to employees returning from any leave of absence.

**SOCONY-VACUUM OIL COMPANY, INC.**

**I. APPLICABILITY OF PLAN**

It has long been the policy of the Company to treat at least the first six months of employment as temporary or probationary. Therefore, six months or more of continuous active regular employment with the Company immediately prior to entering military service is a condition of applicability. Except as provided in Section V (b) hereof this Plan applies to every employee with such employment service who enters military service on or after September 1, 1948.

For the purposes of this Plan the term "military service" shall include both mandatory and voluntary service, as hereinafter limited and defined, in the Army, Navy, Marine Corps, Coast Guard, Air Forces or National Guard.

Service will be considered mandatory and shall be covered by this Plan if an employee is drafted or is a member of a reserve unit or the National Guard and is ordered into active training or service which he cannot decline and still maintain his status in the reserve unit or National Guard.

Voluntary service shall be covered by this Plan only if it meets all of the following conditions:

1. It is the first enlistment or military service in the armed forces of the United States which for the purposes of this Plan include Army, Navy, Marine Corps, Coast Guard, Air Forces or National Guard or their reserve components.

2. The term of such voluntary service is the minimum obtainable by the

volunteer and in no event is to exceed three years.

3. The employee so volunteering is of draft age and is liable for selective service under the applicable laws and regulations at the time of his entering into voluntary service.

No benefits under this Plan shall be granted or accrue in respect of any employee who is severed from military service under conditions which are other than honorable.

## II. Termination and Revision of Plan

This Plan is subject to termination or revision at any time without notice, and any such termination or revision shall be effective as to all employees whether or not then covered by this Plan on such date as shall be determined by the Company.

Without limitation of the foregoing the Company shall, prior to August 31, 1952, consider the then existing and prospective conditions in order to determine whether termination or revision be needed on September 1, 1952. Although the Company hopes to be able to continue benefits for the duration of the period during which compulsory military training is required it must be understood that no assurance of such continuation can be given now or hereafter.

In no event shall any pay or Metropolitan Plan benefits be granted in respect of military service after August 31, 1952, unless the Company so provides by revision or extension of this Plan. Wherever reference is made in this Plan to leave of absence in connection with pay or Metropolitan Plan benefits such reference shall be construed as limiting the leave of absence to August 31, 1952, in addition to any other limitations, in so far as the allowance of such benefits is concerned.

In view of the likelihood that the Company may not be able to continue certain benefits in respect of military service after August 31, 1952, it is recommended that every employee in military service subscribe for the maximum amount of such life insurance coverage as may be afforded by the Federal Government.

## III. Leave of Absence for Military Service

Leave of absence for a time not exceeding the duration of mandatory military service or voluntary military service as above limited shall be granted to any employee who enters such service. For members of a reserve unit or the National Guard the leave of absence for training service shall be extended to include reasonable time for travelling to and from training points. For all employees covered hereby the leave of absence shall be extended by such period as may normally be required for the demobilization and release or discharge of a man in good health as well as any period which is legally required for reinstatement of an employee in the employment in which he was engaged prior to entering military service.

In cases covered by this Plan in which employees serve with military forces for intermittent periods of full time military service, such periods shall be accumulated within each calendar year and treated as a single continuous period for determining benefits. Part time military service, e.g., on nights, weekends, etc., is not covered by this Plan.

## IV. Benefits

### A. Employee without Dependent

#### 1. Pay

For the first thirty days of the leave of absence the Company shall pay the employee's regular wage or salary in effect on the day of entry into military service after deducting (a) government pay and allowances of all kinds, (b) employee contributions to the Metropolitan Plan, and (c) any amounts required to be deducted by any applicable law. All deductions must be established to the satisfaction of the Company.

#### 2. Metropolitan Plan

(a) During the first thirty days of the leave of absence all regular coverage under the Metropolitan Plan shall continue.

(b) After said thirty days and during the balance of said leave of absence the group life insurance coverage shall be continued by the Company but the total and permanent disability and accidental death and

dismemberment coverages shall be discontinued and shall not be resumed until the employee's return to active service with the Company.

(c) After said first thirty days leave of absence the annuity coverage shall be placed in suspense without further purchase of annuities unless and until the employee returns to active service with the Company at which time the Company shall purchase annuities for the employee which would have been purchased during such leave of absence if the employee had continued in active service with the Company with no change in salary classification.

#### B. Employee with Dependent

##### 1. Pay

The term "Dependent" as used herein shall mean the spouse, any dependent child, and any other person treated by the Bureau of Internal Revenue as a dependent for an income tax exemption.

For the first thirty days of any leave of absence hereunder the Company shall pay to the employee or his dependent(s) in such proportion as the Company may determine the employee's regular wage or salary in effect on the date of entry into military service after deducting (a) government pay and allowances of all kinds, including those paid to or for family or dependents, (b) employee contributions to the Metropolitan Plan, and (c) any amounts required to be deducted by any applicable law. All deductions must be established to the satisfaction of the Company.

After said thirty days and during the balance of said leave of absence the Company shall pay to the employee or his dependent(s), in such proportions as the Company may determine fifty percent of the employee's regular wage or salary in effect on the date of entry into military service after deducting however from said fifty percent (a) government pay and allowances of all kinds including those paid to or for family or dependents, and (b) amounts required to be deducted under any applicable law.

##### 2. Metropolitan Plan.

(a) During the first thirty days of the leave of absence all regular cover-

age under the Metropolitan Plan shall continue.

(b) After said thirty days and during the balance of said leave of absence the group life insurance coverage shall be continued by the Company but the total and permanent disability and accidental death and dismemberment coverages shall be discontinued and shall not be resumed until the employee's return to active service with the Company.

(c) After said first thirty days leave of absence the annuity coverage shall be placed in suspense without further purchase of annuities unless and until the employee returns to active service with the Company, at which time the Company shall purchase the annuities for the employee which would have been purchased during such leave of absence if the employee had continued in active service with the Company with no change in salary classification.

For an employee to obtain the benefits of this subsection (B), he shall, prior to entering military service or as soon thereafter as practicable, furnish the Company with the names, addresses and relationships of his dependents and such other particulars as the Company may require to satisfy the Company of the fact of dependency. The uncontrolled decision of the Company shall be conclusive on the question and duration of dependency.

#### C. Benefit Provisions Applicable to All Employees.

Should an employee continue in military service beyond any leave of absence hereunder, all Metropolitan Plan coverage shall cease.

An employee originally classified as without dependent may change his status to that of an employee with dependent and the Company on receipt of proof satisfactory to it of such change shall extend to such employee the appropriate benefits from and after the date of the change. Conversely an employee originally classified as with dependent shall promptly advise the Company of a change to the status of an employee without dependent whether such change arises from the improved condition of the former dependent or by reason of the loss of the dependent. Any failure so to ad-

wise the Company shall be considered as a fraud upon it; and without prejudice to other rights of the Company, such employee shall be severed from all connection with the Company and no longer entitled to any benefits under this Plan or in any other respect.

Benefits under the Metropolitan Plan shall be available only to those employees who are covered by the Metropolitan Plan at the time of their entry into military service and who do not withdraw from the Plan while in such service. If any employee covered by this Plan dies or withdraws from the Metropolitan Plan, his cash surrender value shall consist only of his own contributions toward his annuity credit.

Every employee shall, on the Company's demand, promptly furnish full particulars in respect of his governmental compensation, and on any failure so to do, his Metropolitan Plan coverage shall be terminated.

The benefits hereunder shall not be assignable or transferable by any employee or beneficiary directly or by operation of law or otherwise. The word "otherwise" shall include without limitation any execution, levy, garnishment, attachment, seizure by other legal process, receivership, devolution by death or in any other manner. The foregoing provision is a condition of the accrual of a benefit and of the several payments thereof, and in the event of any violation or noncompliance, no payment after such violation or noncompliance shall be made by the Company.

In determining the regular wage or salary for the purpose of pay benefits there shall be included any temporary allowance currently in effect for regular employees at the time of their entry into military service but only so long as such temporary allowance shall be continued for active employees.

Travelling expenses paid or reimbursed by the government shall not constitute a part of government pay or allowances for the calculation of benefits hereunder.

(a) If an employee covered by this policy desires to return to the active service of the Company after a leave

of absence hereunder, he shall have the seniority and reinstatement benefits provided for by law, and if he is not covered by any law in this respect he shall, nevertheless, have the same seniority and reinstatement benefits as he would have if he were covered by the Selective Service Act.

(b) A new employee engaged to fill a vacancy caused directly or indirectly by the absence of an employee in military service shall be engaged for temporary work and shall be so notified by letter at the time of his employment. He shall, however, during his employment be treated in the same manner as other regular employees in respect of all Company benefits for which he may become eligible except as to benefits under this Plan for which he shall not be eligible.

(c) Service during leave of absence hereunder shall be considered as time spent in the Company's service for the purpose of accumulating 20-years service under the Survivorship Benefit Plan for 20-Year Employees, if not otherwise excluded by the terms of such Plan, but an employee who shall die during such leave of absence shall not be considered as in the active service of the Company at time of death and shall not be eligible for the benefits of such Survivorship Benefit Plan.

(d) This Plan does not take away or create vacation rights. Leave of absence shall not be considered as a vacation or as working time for earning one. Time spent in military service shall, however, be considered as time spent in Company service to determine whether the employee is in the two week, three week or four week vacation class. At the time of entering upon a leave of absence for military service for a period in excess of one year every employee will receive accrued vacation either in time off with pay or pay in lieu of such time off. Upon reinstatement to active Company service following a leave of absence for military service which leave covered a continuous period in excess of one year the employee will be granted a vacation within the calendar year in which he returned as follows: Full vacation, according to

vacation class, if reinstatement occurs prior to June 30 of such calendar year; one half vacation according to vacation class if reinstatement occurs after June 30 of such calendar year. Employees whose leave of absence for military service is less than one year shall receive vacation in accordance with the effective Company vacation plan as arranged with local Company management.

#### **VI. Special Cases**

Volunteers and employees with reserve status not coming within the limitations set forth above, and employees whose services are requested by governmental authorities to assist in technical or other capacities, whether military or civilian, may be considered as special cases in the discretion of the Company. All such cases shall be referred to the Indus-

trial Relations Department at 26 Broadway, New York, N.Y. with recommendations for submission to the Board Committee on Pensions and Death Benefits for its action, which shall be final. The benefits for each special case shall be limited to those specifically approved for the case.

#### **VII. Conformity to Law**

Nothing herein contained shall be construed as depriving any employee of any privilege granted by law. This policy shall be interpreted so as to conform to any applicable law.

#### **VIII. Interpretation**

The office of the General Counsel of the Company is authorized to interpret this policy. Any such interpretation shall be conclusive. The Company's determination as to the facts in any case shall be conclusive.

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