

## Selected Bibliography

- Ackerman, Laurence J., "Arbitration—A Facet of Pension Planning and Pension Administration," *The Journal of the American Society of Chartered Life Underwriters*, Vol. VI, No. 3, 1952, pp. 244-255.
- , and McKain, Walter C., Jr., "Retirement Programs for Industrial Workers," *Harvard Business Review*, Vol. XXX, No. 4, July-August, 1952, pp. 97-108.
- Baker, Helen, *Retirement Procedures Under Compulsory and Flexible Retirement Policies* (Princeton, N. J.: Princeton University—Industrial Relations Section), 1952, 65 pp.
- Bevan, J. A., et al., "Discussion of Pension Trusts," *Transactions of the Society of Actuaries*, Vol. V, 1953, pp. 63-67.
- Black, Kenneth, Jr., *Group Annuities* (Philadelphia: University of Pennsylvania Press), 1955, 280 pp.
- , "Group Annuities Under the Immediate Participation Guarantee Contract," *The Journal of the American Society of Chartered Life Underwriters*, Vol. VIII, No. 2, 1954, pp. 135-145.
- Blagden, H. E., "Actuarial Note: A New Mortality Basis for Group Annuities," *Transactions of the Society of Actuaries*, Vol. II, No. 4, 1950, pp. 322-327. Also Discussion, pp. 328-330 by R. M. Peterson and H. R. Bassford.
- Blanchard, Fessenden S., *Where to Retire and How* (New York: Dodd, Mead and Company), 1952, 299 pp.
- Boyce, Carroll W., *How to Plan Pensions: A Guidebook for Business and Industry* (New York: McGraw-Hill Book Company), 1950, 479 pp.
- Bronson, Dorrance C., "Pensions—1949," *Transactions of the Society of Actuaries*, Vol. I, 1949, pp. 219-255. Also Discussion, pp. 256-294.
- , et al., "Discussion of Pensions," *Transactions of the Society of Actuaries*, Vol. II, 1950, pp. 476-484.
- Buck, George B., Jr., et al., *Pensions and Profit Sharing* (Washington: Bureau of National Affairs, Inc.), 1953, 272 pp.
- Carlson, Julia, *Employee-Benefit Plans in the Electric and Gas Utility Industries* (Washington: Federal Security Agency—Division of Research and Statistics), Bureau Memorandum No. 73, 1952, 150 pp.
- Chancellor of the Exchequer, *Report of the Committee on the Taxation Treatment of Provisions for Retirement* (London: Her Majesty's Stationery Office), 1954, 159 pp.
- Cochran, Howe P., *Scientific Employee Benefit Planning* (Boston: Little, Brown and Company), 1954, 354 pp.
- Collective Bargaining Handbook for Workers Security Programs* (Detroit: UAW-CIO Social Security Department), 1949, 60 pp.
- Couper, Walter J., and Vaughan, Roger, *Pension Planning* (New York: Industrial Relations Counselors, Inc.), 1954, 245 pp.
- Crabbe, R. J. W., and Poyser, C. A., *Pension and Widows' and Orphans' Funds* (Cambridge: Cambridge University Press), 1953, 240 pp.

## 224 Selected Bibliography

- Daoust, Joseph H., "Area Pension Plans," *Labor Law Journal*, January, 1954, pp. 47-58.
- Dean, Arthur H., "Accounting for the Cost of Pensions—A Lien on Production" (in two parts) *Harvard Business Review*, Vol. XXVIII, No. 4, July, 1950, pp. 25-40; No. 5, September, 1950, pp. 102-122.
- Dearing, Charles L., *Industrial Pensions* (Washington: Brookings Institution), 1954, 310 pp.
- Duncan, Robert M., "A Retirement System Granting Unit Annuities and Investing in Equities," *Transactions of the Society of Actuaries*, Vol. IV, 1952, pp. 317-343.
- Eisner, S. L., et al., "Discussion of Group Retirement Plans," *Transactions of the Society of Actuaries*, Vol. III, 1951, p. 119.
- Employee Benefit Plan Review*, Monthly (Chicago: Charles D. Spencer and Associates).
- Employee Welfare and Benefit Programs*, Research Technical Report 7, Industrial Relations Center, University of Minnesota, November, 1950, 49 pp.
- Enriching the Years* (Albany: New York State Joint Legislative Committee on Problems of the Aging), 1953, 199 pp.
- Equitable Society Pension Forums for Group Annuity Clients, Proceedings of the* (New York: Equitable Life Assurance Society of the United States), 1953, 57 pp.
- Federal Reserve Bank of New York, "Private Pension Plans," *Monthly Review of Credit and Business Conditions*, December, 1953, pp. 185-188.
- Friedson, Abe, and Zisman, Joseph, *Nineteen Employee-Benefit Plans in the Airframe Industry* (Washington: Federal Security Agency—Division of Research and Statistics), January, 1951, 63 pp.
- Fuerth, D. S., "Legal Aspects of the Group Annuity Business," *Insurance Law Journal*, October, 1950, pp. 714-721.
- Goldstein, Meyer M., "Current Problems on Pension Plans," *The Journal of the American Society of Chartered Life Underwriters*, Vol. VI, No. 3, pp. 234-243.
- Greenough, William C., *New Approach to Retirement Income* (New York: Teachers Insurance and Annuity Association of America), 1951, 55 pp.
- Guertin, A. N., et al., "Discussion of Annuitant Mortality Trends," *Transactions of the Society of Actuaries*, Vol. IV, 1952, pp. 345-353.
- , et al., "Discussion of Employee Welfare Plans," *Transactions of the Society of Actuaries*, Vol. I, 1949, pp. 568-574.
- Hall, Harold R., *Some Observations on Executive Retirement* (Boston: Harvard University Graduate School of Business), 1953, 298 pp.
- , "Executives' Financial Preparation for Retirement," *Harvard Business Review*, Vol. XXXI, No. 1, January-February, 1953, pp. 83-96.
- Hanover Pension Bulletin* (New York: Hanover Bank) Monthly.
- Henderson, C. R., "A Better Pension Program," *Harvard Business Review*, Vol. XXX, No. 1, January-February, 1952, pp. 62-74.
- Hennington, H. H., et al., "Discussion of Retirement Plans," *Transactions of the Society of Actuaries*, Vol. IV, 1952, pp. 160-165.
- Hohaus, R. A., "Reinsurance of Retirement Plans," *Transactions of the Actuarial Society of America*, Vol. XXVI, 1925, pp. 480-506.
- , "Group Annuities," *Record of the American Institute of Actuaries*, Vol. XVIII, Part I, No. 37, 1929, pp. 51-72.

- , "Further Remarks on Group Annuities," *Record of the American Institute of Actuaries*, Vol. XXIII, Part II, No. 48, 1934, pp. 328-359.
- Holzman, Robert S., *Guide to Pension and Profit Sharing Plans* (Mount Vernon, N. Y.: Farnsworth Publishing Company), 1953, 64 pp.
- Houseman, Raymond F., "Some Practical Aspects of The Calculation of Employer Contributions Under Group Annuities of the Deposit Administration Type," *Transactions of the Society of Actuaries*, Vol. IV, 1952, pp. 231-245.
- Ilse, Louise Walters, *Group Insurance and Employee Retirement Plans* (New York: Prentice-Hall), 1953, 438 pp.
- Improving Social Security* (Washington: United States Chamber of Commerce), 1953, 128 pp.
- Jenkins, W. A., and Lew, E. A., "A New Mortality Basis for Annuities," *Transactions of the Society of Actuaries*, Vol. I, 1949, pp. 369-466.
- Johnson, George E., "The Variable Annuity," *The Journal of the American Society of Chartered Life Underwriters*, Vol. VII, No. 1, 1952, pp. 67-73.
- Journal of Commerce, The* (New York), Annual editions on employee benefit plans.
- Justin, Jules J., "Pension Plans—Check List for Administrators," *Harvard Business Review*, Vol. XXVIII, No. 6, November, 1950, pp. 114-122.
- Kimball, Ingalls, "Industrial Pensions," *Annals of The American Academy of Political and Social Science*, Vol. 161, 1932, pp. 33-39.
- Latimer, Murray Webb, *Industrial Pension Systems in the United States and Canada* (New York: Industrial Relations Counselors, Inc.), 1932, 2 vols.
- Mathiasen, Geneva, ed., *Criteria for Retirement; A Report of a National Conference on Retirement of Older Workers* (New York: Putnam's Sons), 1953, 233 pp.
- McGill, Dan M., "Insurance and Pension Costs As a Barrier to the Employment of Older Workers," *Proceedings of the Second Conference on The Problem of Making a Living While Growing Old*, sponsored jointly by Temple University Bureau of Economic and Business Research and Pennsylvania Department of Labor and Industry, 1953, pp. 136-148.
- Montgomery, Doris, "Pensions—In the American Manner," *Journal of the American Society of Chartered Life Underwriters*, Vol. V, No. 1, pp. 16-27.
- Murphy, R. D., "Mortality Among Annuitants," *Journal of the American Society of Chartered Life Underwriters*, Vol. II, No. 4, pp. 354-362.
- , "Significant Annuity Developments," *Life Insurance Trends at Mid-Century* (David McCahan, Editor), Philadelphia: University of Pennsylvania Press, 1950, pp. 84-99.
- Myers, J. W., "Governmental and Voluntary Programs for Security," *Harvard Business Review*, Vol. XXVIII, No. 2, March, 1950, pp. 29-44.
- Myers, R. J., et al., "Forums on Old Age Benefits," Discussion, *Transactions of the Society of Actuaries*, Vol. II, 1950, pp. 108-132.
- Negotiated Pension Plans* (Washington: Bureau of National Affairs, Inc.), 1949, 248 pp.
- O'Neill, Hugh, *Modern Pension Plans, Principles and Practices* (New York: Prentice-Hall), 1947, 382 pp.
- Owen, A. S., "Pension Schemes and Funds—The Problem of Transfers of Employment," *Journal of the Insurance Institute of London*, Vol. XLI, Session 1952-1953, pp. 7-24.
- Pension Plans and Common Stock* (New York: Morgan Stanley and Company), 1950, 52 pp.

## 226 Selected Bibliography

- Pension Plans Under Collective Bargaining; A Reference Guide for Trade Unions* (Washington: American Federation of Labor), 1952, 105 pp.
- Permanent and Total Disability Benefit Provisions in Industrial Retirement Plans* (Washington: United States Department of Health, Education, and Welfare—Social Security Administration), June, 1950, 44 pp.
- Peterson, Ray M., "Group Annuity Mortality," *Transactions of the Society of Actuaries*, Vol. IV, 1952, pp. 246-307.
- , "Certainties and Uncertainties in Pension Planning," *The Journal of the American Society of Chartered Life Underwriters*, Vol. VIII, No. 1, 1953, pp. 5-28.
- "Portable Pensions," *The Economist*, Vol. CLXVI, No. 5715, March 7, 1953, pp. 651-653.
- Prentice-Hall Pensions and Profit-Sharing Service* (New York: Prentice-Hall).
- Preparing Employees for Retirement* (New York: American Management Association), (Personnel Series, No. 142), 1951, 27 pp.
- Rae, William M., "The Ultimate Inflexibility of a Self-Insured Pension Plan," *The Journal of the American Society of Chartered Life Underwriters*, Vol. IX, No. 1, 1954, pp. 86-90.
- Recent Pension Plans: Collectively Bargained Programs Established in New York State Between July 1951 and January 1953* (Albany: New York Department of Labor—Division of Research and Statistics), Publication No. B-68, June, 1953, 60 pp.
- Robbins, Rainard B., *Impact of Taxes on Industrial Pension Plans* (New York: Industrial Relations Counselors, Inc.), 1949, 82 pp.
- , *Pension Planning in the United States* (New York: Teachers Insurance and Annuity Association of America), 1952, 197 pp. (Edited by W. C. Greenough)
- , "The Effect of Social Security Legislation on Private Pension Plans," *Journal of the American Association of University Teachers of Insurance*, Vol. V, No. 1, 1938, pp. 47-56.
- Rowe, Evan K., and Paine, Thomas H., "Pension Plans Under Collective Bargaining," *Monthly Labor Review* (Part I—Extent and Nature of Vested Rights in Pension Plans and Their Relationship to the Problems of Labor Mobility), March, 1953, pp. 237-248; (Part II—Compulsory Retirement), May, 1953, pp. 484-489; (Part III—Types and Amount of Benefits), July, 1953, pp. 714-722.
- Sedgwick, R. Minturn, "A New Pension Plan," *Harvard Business Review*, Vol. XXXI, No. 1, January-February, 1953, pp. 70-82.
- Sibson, Robert E., *Survey of Pension Planning* (Chicago: Commerce Clearing House), 1953, 184 pp.
- Simons, Gustave, "Payroll Flexibility Through Employee Trusts," *Harvard Business Review*, Vol. XXVI, No. 4, July, 1948, pp. 441-453.
- "Social Contribution by the Aging," *The Annals of the American Academy of Political and Social Science*, entire issue, January, 1952, Vol. CCLXXXIX.
- Social Security Bulletin* (Washington: United States Department of Health, Education, and Welfare—Social Security Administration), Monthly.
- Solenberger, Willard E., "Pension Programming from a Labor Viewpoint," *The Journal of the American Society of Chartered Life Underwriters*, Vol. VIII, No. 2, 1954, pp. 125-134.
- Strong, Jay V., *Employee Benefit Plans in Operation* (Washington: Bureau of National Affairs), 1951, 348 pp.

- Study of Industrial Retirement Plans* (New York: Bankers Trust Company), 1953, 145 pp.
- Survey Report of Private Employee Benefits in Distribution Covering Retail, Wholesale, Service, Combination Businesses* (Washington: United States Chamber of Commerce), 1954, 31 pp.
- TPF-C Pension Tax Manual* (Philadelphia: Towers, Perrin, Forster and Crosby), 4th Edition, 1949, and Supplement.
- Trowbridge, Charles L., "Fundamentals of Pension Funding," *Transactions of the Society of Actuaries*, Vol. IV, 1952, pp. 17-43. Discussion by Cecil J. Nesbitt, *et al.*, pp. 657-683.
- Turner, Arthur N., *Employment and Retirement in an Aging Population—A Bibliography* (Boston: Harvard University Graduate School of Business Administration), 1951, 50 pp.
- Van Eenam, Weltha, and Penman, Martha E., *Analysis of 346 Group Annuities Underwritten in 1946-50* (Washington: Federal Security Agency), 1952, 56 pp.
- Warters, D. N., "Group Insurance on Level Premium Plans," *Transactions of the Actuarial Society of America*, Vol. XLVIII, 1947, pp. 95-115. Also Discussion, pp. 296-300 by W. R. Williamson and J. H. Smith.
- "What is Actuarial Soundness in a Pension Plan," Proceedings of Panel Meeting, *Journal of the American Association of University Teachers of Insurance*, Vol. XX, No. 1, March, 1953, pp. 35-69.
- Zisman, Joseph, *Fifty Employee-Benefit Plans in the Basic Steel Industry* (Washington: Federal Security Agency—Bureau of Research and Statistics), Bureau Memorandum No. 65, November, 1947, 103 pp.
- , and Carlson, Julia, *Seventy-three Employee-Benefit Plans in the Petroleum Refining Industry* (Washington: Federal Security Agency), Bureau Memorandum No. 70, April, 1951, 264 pp.

# INDEX

- Accrued liability
  - Aggregate cost method, 145, 151-157
  - Attained age level premium funding, 143, 149, 150, 152-157
  - Attained age normal, 145
  - Definition, 126
  - Entry age normal, 143, 144, 145, 149-157
  - Freezing, 130, 144, 145, 204
  - Single premium funding, 142, 148, 149, 152-157
- "Active life fund"
  - (See Deposit Administration plan)
- Actuarial consultant
  - Combination plan, 125
  - Deposit Administration plan, 187, 190, 197, 203, 204, 207
  - Fees, 187, 188, 190
  - IPG, 112, 197, 203, 204, 207
  - Responsibility for cost estimates, 203
  - Self-administered Trusteed plan, 116, 117, 120, 203, 204, 207
- A F of L, 26, 27
- Age requirements
  - As to coverage, 33, 34, 138
  - As to disability benefits, 62
  - As to early retirement, 50
  - As to normal retirement, 48, 49
  - As to vesting, 59, 60
- Age set-backs
  - Group permanent optional retirement, 79, 80, 81
  - To offset mortality improvement, 92, 162
  - To reflect differences in male and female mortality, 162, 165
- Aged
  - Economic status, 4
  - Number of, 1
  - Participation in labor force, 2, 3
  - Responsibility for, 5
- American Annuitants Table, 92
- American Men (5), Table, 81
- Annuity forms
  - (See Benefits, retirement)
- Annuity Table, 1949, 81
- Annuity table, static, 93
- Arbitrary Rule
  - (See Coverage of pension plans)
- Automatic retirement age, 48, 49, 52
- Auxiliary fund
  - Combination plan, 121-125
  - Group Permanent plan, 78, 79, 81, 82, 84
- Bankers Trust Company, 32, 33, 36, 59, 60, 65, 67
- Bell System, 38
- Benefit of survivorship, 143, 149
- Benefits, death
  - Combination plan, 121, 122
  - Deferred Group Annuity plan, 61, 90, 91
  - Deposit Administration plan, 104
  - General, 61, 62
  - Group Permanent plan, 77, 78, 80, 121
  - Individual Contract plan, 71, 72, 73
  - Self-administered Trusteed plan, 61, 114, 115
- Benefits, disability
  - Deferred Group Annuity plan, 91, 202
  - Deposit Administration plan, 105, 202, 204
  - General, 50-52, 62, 63, 114, 202, 204
  - Group Permanent plan, 80, 81, 202
  - Individual Contract plan, 73, 74
  - IPG plan, 114, 202, 204
  - Self-administered Trusteed plan, 63, 115, 116, 202, 204
- Benefits, retirement
  - Annuity forms
    - Cash refund, 46, 54
    - Instalment refund, 46, 54

## 230 Index

### Benefits, retirement—*Continued*

#### Annuity forms—*Continued*

Joint and last survivor, 54, 55, 56

Joint life annuity, 54

Life annuity certain and continuous, 46, 54, 61

Modified cash refund, 55, 62, 91

Social Security adjustment option, 52, 55, 56

Straight-life or pure annuity, 45, 53, 86, 91

Automatic retirement age, 48, 49, 52

#### Benefit formulas

Career average, 37, 38, 40

Definite benefit, 36-41, 78, 86, 104, 114, 142, 143

Final average, 38, 103, 140, 142

Money-purchase, 35, 36, 43, 46, 47, 142

Combination plan, 121, 122

Deferred Group Annuity plan, 86-89

Deferred retirement, 52, 53

Deposit Administration plan, 103, 104

Early retirement, 50-52, 62, 91, 103

Group Permanent plan, 78, 79

Individual Contract plan, 70-73, 121

Maximum benefits, 41, 42

Minimum benefits, 40-42, 103

Multiple retirement ages, 49

Normal annuity form, 45, 62, 71, 79, 80, 91, 104, 114

Normal retirement age, 48, 49, 52, 104, 114

Optional annuity forms, 55, 71, 79, 91, 104, 122

Relationship to service, 37, 39, 40, 41

Self-administered Trusteed plan, 114, 115

Staggered retirement, 49

Variable retirement ages, 104, 114, 140

### Benefits, withdrawal

Combination plan, 122

Deferred Group Annuity plan, 89, 90

Deposit Administration plan, 104

### Benefits, withdrawal—*Continued*

Employee contributions, 56-59

Form, 57-59

Group Permanent plan, 57, 79, 80

Individual Contract plan, 57, 71

Self-administered Trusteed plan, 58, 115

Types of vesting, 58, 59

Vesting requirements, 59, 60

Bethlehem Steel, 38

Black, Kenneth, Jr., 84, 177

Bronson, D. C., 108

"Business necessity"

(See Termination of plan)

Capital gains and losses, 93, 110, 112, 174, 176, 177, 178, 180

"Cash out" or transfer

(See Change of funding medium)

#### Change of funding medium

Deferred Group Annuity plan, 206

Deposit Administration plan, 108, 109, 206

General, 64

Individual Contract plan, 206, 207

IPC, 113, 206

Self-administered Trusteed plan, 205, 206

#### Charges

Actuarial fees, 187, 188, 190

Termination, 109, 113, 206, 207

Trustee fees, 180-190

Withdrawal, 71, 72, 79, 80, 82, 95, 96, 104

CIO, 25, 26

Civil Service Retirement System, 11, 12

#### Combination plan

Actuarial consultant, 125

Annuity options, 122

Auxiliary fund, 121-125

##### Benefits

Death, 121, 122

Retirement, 121, 122

Withdrawal, 122

Conversion, 122-124

Employee contributions, 122

Flexibility, 125

Funding, 123-125

Premium rates, 123, 124

Trustee, funding of, 121

- Combination plan—*Continued*
  - Use with group permanent, 78, 79, 81, 82, 84
  - Valuation factors, 123, 124
  - Vesting, 122
- Combined Annuity Table, 91
- Commingling of assets, Self-administered Trusteed plan, 114
- Commissioner of Internal Revenue, 22, 30-32, 134, 136
- Common stock investments, 171, 172, 175, 176, 180, 194, 198, 209
- Common trust fund, 170, 175
- Compensation
  - Effect on benefits, 34, 37, 38, 40, 42, 103, 140
  - Impact on funding, 140, 142, 143, 145
- Complete funding, 141
- Conditional vesting, 58, 59
- Contingency reserves, 93, 94, 99, 109-112, 138, 169, 183, 198, 199
- Continuous service, 38, 39
- "Conventional" plan, 32, 33, 48, 59
- Coverage of pension plans
  - Arbitrary Rule, 30
  - Bases of exclusion
    - Age, 33, 34
    - Amount of pay, 32
    - Length of service, 32, 33
    - Type of employment, 31
  - Discretionary Rule, 30
  - Number of employees, 28, 84
  - Prohibition against discrimination, 21, 22, 30, 31
- Credibility, 83, 99
- CSO Mortality Table, 81, 122
- Current service cost
  - (See Funding-Normal Cost)
- Dean, Arthur H., 200
- Dearing, Charles L., 16
- Deferred Group Annuity plan
  - Allocation of past service contributions, 88, 89
  - Benefits
    - Death, 61, 90, 91
    - Disability, 91, 202
    - Guarantees, 195-197
    - Retirement, 86, 89
    - Withdrawal, 89, 90
- Deferred Group Annuity plan—*Continued*
  - Change of funding medium, 206
  - Contingency reserves, 93, 94, 99, 138
  - Coverage, 84
  - Deferred retirement credit, 98
  - Dividends, 98-100, 138
  - Employee certificate, 85
  - Employee contributions, 86, 90
  - Employer withdrawal credit, 95-98
  - Expenses, 93, 96, 138, 180-186, 190, 206
  - Experience account, 98-100, 169
  - Flexibility, 88, 196, 202-205
  - Funding, 87-89, 142, 159, 196, 197, 204, 205
  - Good health requirement, 97, 98
  - Investment earnings, 175-178
  - Loading, 87, 93, 96, 138, 183, 191
  - Master contract, 85
  - Modification of the contract, 100
  - Mortality, 168, 169
  - Normal annuity form, 91
  - OASI offset, 42, 43, 142
  - Optional annuity forms, 91
  - Past service liability, 87-89
  - Premiums
    - Minimum annual, 85
    - Rate factors, 87, 92, 93
    - Rate guarantees, 94, 95, 168, 169
  - Reinstatement, 101
  - Servicing of pensioners, 207, 208
  - Special administrative charge, 85
  - Statutory requirements, 84, 85
  - Termination, 100, 101, 196, 197
  - Turnover, 87, 191
  - Underwriting requirements, 85
  - Vesting, 86, 89, 90, 91, 101
- Deferred retirement
  - Effect on benefits, 52, 53, 192
  - Effect on pension plan cost, 192, 197, 198, 203, 204
- Deferred Wage Concept, 15, 16, 65, 66
- Definite benefit formulas
  - (See Benefits, retirement)
- "Definitely determinable" benefits, 22, 74, 75
- "Deposit account"
  - (See Deposit Administration plan)



## Deposit Administration plan

Actuarial consultant, 187, 190, 197,  
203, 204, 207

Annuity forms, 104

## Benefits

Death, 104

Disability, 105, 202, 204

Guarantees, 195-197

OASI, 103

Retirement, 103, 104

Withdrawal, 104

"Cash out" of fund, 108, 109

Change of funding medium, 108,  
109, 206

Contingency reserves, 109, 110

Deferred retirement credit, 107

"Deposit fund," 102, 105

Dividends, 107, 108, 138

Employee contributions, 102, 104,  
107, 108, 193

Employer withdrawal credit, 107

Expenses, 106, 109, 110, 138, 182,  
184, 186, 187, 190

First-in, first-out principle, 107

Flexibility, 102, 103, 106, 109, 197,  
202-205

Funding, 102, 105, 144, 145, 159,  
197, 198, 204, 205

Investment earnings, 175-178

Liquidation charge, 109, 206

Loading, 105, 138, 191

Mortality, 168, 169

## Premiums

Rate factors, 105, 106

Rate guarantees, 106, 107, 168,  
169

Retirement age, 104

Salary projections, 140

Servicing of pensioners, 207, 208

Termination, 108, 109, 196

Transfer of fund, 108, 109, 206

Turnover, 103, 106, 107, 120, 139,  
191, 197, 204

Underwriting requirements, 102

Vesting, 102

## "Deposit fund"

(See Deposit Administration plan)

Depression, effect on economic secu-  
rity of the age, 4

deRoods, Albert, 16

Disability rates, 117, 118

## Discretionary Rule

(See Coverage of pension plans)

## Discrimination, prohibition against

As to benefits, 19-22, 30, 42-48, 75,  
82

As to contributions, 20-23, 30

As to coverage, 21, 22, 30-34, 63,  
64

## Dividends

(See Employer credits)

Dublin, Lotha, and Spiegelman, 162

## Employee contributions

Arguments against, 65

Arguments for, 65

Combination plan, 122

Current practice, 66, 67

Deferred Group Annuity plan, 86,  
90

Deposit Administration plan, 102,  
104, 107, 108, 193

Effect on OASI integration, 46-48

Effect on pension plan cost, 65, 193  
Effect on trust investment opera-  
tions, 174, 193

Group Permanent plan, 76, 79, 82

Individual Contract plan, 70

IPG, 193

Nondeductibility for income tax  
purposes, 66

OASI offset, effect on, 43

Rate of, 67, 68

## Refund of

Death, 61, 71, 90, 104, 115, 193

Withdrawal, 56-59, 71, 79, 90,  
95-97

Self-administered Trusteed plan,  
113-115, 174, 193

Under money purchase plans, 35,  
68, 74, 75, 114

## Employer credits

Deferred retirement credits, 83, 98,  
107, 192, 197, 198

Dividends or experience credits, 74,  
75, 83, 84, 98-100, 107, 108,  
113, 138

Withdrawal credits, 82, 83, 84, 95-  
98, 107

Employer's legal obligation to pro-  
vide pension benefits, 200, 201

Equitable Life Assurance Society of the United States, The, 167  
 "Erroneous actuarial computation," 64, 65, 135

#### Expenses

Actuarial fees, 187, 188, 190  
 Administrative, 180, 182-190  
 Check-writing fees, 188, 189  
 Commissions, 180-186, 190, 206  
 Comparison between insured and trustee plans, 189-191, 194, 206

Deferred Group Annuity plan, 93, 96, 138, 180-186, 190, 206

Deposit Administration plan, 106, 109, 110, 138, 182, 184, 186, 187, 190, 206

Employer administrative, 187, 189, 190

Funding of, 138, 183, 191

Group Permanent plan, 138, 181-183

Individual Contract plan, 138, 180, 190

Investment, 185, 188, 189, 190

IPG, 111, 112, 138, 182, 184, 187, 206

Legal fees, 190

Loading, 183, 191

Prorating of premium taxes, 190

Self-administered Trusteed plan, 121, 138, 188-191, 194, 203

Taxes, 180, 182-185, 190, 206

Trustee fees, 188-190

Experience account, 98-100, 107, 111, 112, 169

#### Federal OASI

Average monthly wage, 8, 9

Benefits, 6, 8, 9, 44

Coverage, 5-7

Currently insured status, 9

"Drop out" provision, 7, 9

Earnings limitation, 7, 8

Financing, 10, 11

Fully insured status, 7

Impact on private pensions, 27, 32, 42, 49, 68, 103, 108, 114, 142, 202

Integration of private pensions with Excess plan, 44-47

#### Federal OASI—Continued

Integration of private pensions—*Continued*

General, 32, 40-42, 51, 52

Offset plan, 42, 43

Stepped-up benefits plan, 47, 48

Integration with other Federal plans, 11

New start, 7

Old-age insurance benefit, 8

Primary insurance amount, 8

Social Security adjustment option, 52, 55, 56

Federal Reserve system, 4

Federal Security Agency, 36, 39, 42, 52, 59, 66, 67

Fellers, William W., 193

Five Per Cent Rule

(See Funding)

#### Flexibility

As to benefits, 103, 109, 114, 201, 202

As to contributions, 88, 106, 112, 125, 133, 142

As to coverage, 103, 109

As to investments, 171, 172

Combination plan, 125

Deferred Group Annuity plan, 88, 196, 202-205

Deposit Administration plan, 102, 103, 106, 109, 197, 202-205

Group Permanent plan, 202-205

Individual Contract plan, 205-208

IPG plan, 109, 110, 112, 197, 202-205, 209

Self-administered Trusteed plan, 114, 197, 198, 202-205, 209

#### Funding

"Accrual rate," 145

Accrued liability, 126, 142, 144, 145, 148-157, 196, 204, 205

#### Advance funding

Arguments against, 131, 133

Arguments for, 131-133

Definition, 130

Methods of, 148, 149, 152-157

Aggregate, 134, 145, 151-157

Attained age level premium, 87, 142, 143-145

Attained age normal, 145

Entry age normal, 145

## 234 Index

### Funding—Continued

#### Advance funding—Continued

##### Methods of—Continued

Money purchase, 145, 146

Single premium, 87, 102, 110,

111, 141, 142, 145, 146

“Aggregate cost ratio,” 145

Allocated funding, 159

Carry-over of employer contributions, 136

Combination plan, 123-125

Complete, 141

Deferred Group Annuity plan, 87-89, 142, 159, 196, 197, 204, 205

Deposit Administration plan, 102, 105, 144, 145, 159, 197, 198, 204, 205

Effect on security of benefits, 132, 196, 197

Employer's legal obligation to fund, 200, 201

Five Per Cent Rule, 134

Freezing of accrued liability, 130, 144, 145, 204

Group Permanent plan, 81-82, 143, 159, 196, 197, 204, 205

Individual Contract plan, 142, 143, 159, 196, 205

Initial accrued liability, 127, 130, 148-150, 152-157

Initial past service liability, 87, 88, 127, 130, 135, 136

IPG plan, 110, 111, 144, 145, 159, 197, 198, 204, 205

Minimum contributions, 136

Modification of actuarial assumptions, 155-157

Normal cost, 126, 136, 142-145, 148-157

Overfunding, 108, 198

Past service liability, 19, 20, 65, 87, 88, 134-136, 142-145, 204, 205

Past service rule, 87, 88, 134, 135

Pay-as-you-go, 113, 127, 130, 138, 141, 191

Rate of, 197, 198, 203-205

Self-administered Trusteed plan, 113, 143-145, 159, 197, 198, 203

### Funding—Continued

Significance of funding method, 126, 154-155, 157

Statutory restrictions on, 20, 87, 88, 133-136, 154, 197, 198, 204

Straight-Line Rule, 134-136, 145

Terminal, 129, 130, 201

Unallocated funding, 159

Underfunding, 197, 198

Unfunded accrued liability, 127, 196

Girard Diversified Pension Fund, 170

Good health requirement

Election of optional annuity form, 55, 80, 91, 115

“No evidence” insurance, 76

Nonmedical insurance, 70, 76

Original issue, 70

Withdrawal credits, 79, 82, 83, 97, 98

Group Annuity Table, 1951, 155, 157, 165, 166

Group life insurance, 61, 81, 84, 115

Group Permanent plan

Auxiliary or “side fund,” 78, 79, 81, 82, 84

Benefits

Death, 77, 78, 80, 121

Disability, 80, 81, 202

Guarantees, 195-197

Retirement, 78, 79

Withdrawal, 57, 79, 80

Conversion privilege, 79, 80, 82

Deferred retirement credit, 83

Dividends, 83, 84, 138

Effect of salary changes, 79

Employee contributions, 76, 79, 82

Employer withdrawal credit, 82-84

Expenses, 138, 181-183

Flexibility, 202-205

Funding, 142, 143, 159, 196, 197, 204, 205

Good health requirement, 79, 82, 83

Investment earnings, 175-178

Loading, 81, 82, 138, 183, 191

Master contract, 75, 76, 82

Mortality, 168

Normal annuity form, 80

OASI offset, 42

Group Permanent plan—*Continued*

## Premiums

Rate factors, 81, 82

Rate guarantees, 82, 123, 168

Servicing of pensioners, 207, 208

Short duration coverage, 79

Statutory requirements, 76

"Stop and go" provision, 83, 205

Substandard insurance, 76

Surrender charge, 79

Termination, 83, 84, 196, 197

Turnover, 191

Types of contract used, 77

Underwriting requirements, 76, 77,  
79, 80

## Human Depreciation Concept, 14, 15

## Individual Contract plan

## Benefits

Death, 71-73

Disability, 73, 74

Guarantees, 195-197

Retirement, 70-73, 121

Withdrawal, 57, 71

Change of funding medium, 206,  
207

Dividends, 74-75

Effect of salary changes, 71, 72

Employee contributions, 70

Expenses, 138, 180, 190

Flexibility, 205, 208

Funding, 142, 143, 159, 196, 205

Investment earnings, 175-177

Loading, 138, 183, 191

Mortality, 168

OASI offset, 45

## Premiums

Rate factors, 81

Rate guarantees, 74, 168

Servicing of pensioners, 207, 208

Size of employee group, 75

Trustee, functions of, 69, 70

Turnover, 191

Type of contract, 70

Vesting, 71

## Inflation

Effect on benefits, 38

Effect on savings, 3, 4

Common stocks as hedge against,  
172

Inland Steel Case, 25, 26

Insurance Department, New York, 81,  
171

## Interest

(See also Investment earnings)

Assumptions, 81, 82, 96, 106, 112,  
146, 155-156Effect on pension costs, 131, 137,  
138, 155-156, 169

International Harvester, 38

## Investment earnings

Capital gains and losses, 93, 110,  
112, 174, 176-178, 180

Commingling of funds, 170, 173-175

Common stocks, 171, 172, 175, 176,  
180, 194, 198, 209

Common trust fund, 170, 175

Comparison of insurance and trust  
company investment programs

Characteristics, 170-176

Yields, 176-180, 194

Federal income tax treatment, 23,  
172-173

Liquidity requirements, 173-176

Prudent Man statutes, 171, 172

Statutory investment restrictions,  
171, 172

Yield, 92, 93, 176-180, 194

## IPG plans

Actuarial consultant, 112, 197, 203,  
204, 207

## Benefits

Disability, 114, 202, 204

Guarantees, 195-197

Change of funding medium, 113,  
206

Contingency reserves, 109-112

Dividends, 113, 138

Employee contributions, 193

Expenses, 111, 112, 138, 182, 184,  
187, 206Flexibility, 109, 110, 112, 197, 202-  
205, 209Funding, 110, 111, 144, 145, 159,  
197, 198, 204, 205

Investment earnings, 175-178

Loading, 138, 191

Mortality, 168, 169

Mortality savings, 111

## Premiums

Rate factors, 112

## 236 Index

### IPG plans—*Continued*

#### Premiums—*Continued*

- Rate guarantees, 111, 112, 168, 169
- Salary projections, 140
- Servicing of pensioners, 207, 208
- Termination, 112, 113, 196
- Transfer of fund, 113, 206
- Turnover, 112, 120, 139, 191, 197, 204
- Underwriting requirements, 110, 111
- Valuation, 111, 112, 207

Jenkins, W. A., 92, 163, 164, 166

Labor agreement, pension obligations under, 129, 130, 200

Labor force, aged participation in, 2, 3

Labor Management Relations Act of 1947, 25

Labor, organized, attitude toward pensions, 24-27

Lew, E. A., 92, 163, 164, 166

Life expectancy, 2, 51, 161, 163-167

#### Loading

Deferred Group Annuity plan, 87, 93, 96, 138, 183, 191

Deposit Administration plan, 105, 138, 191

Functions of, 183, 191

Group Permanent plan, 81, 82, 138, 183, 191

Individual Contract plan, 138, 183, 191

IPG plan, 138, 191

McGill, Dan M., 12

Metropolitan Life Insurance Company, 163, 165

Michigan, University of, 4

Module plan, 77, 81

#### Money purchase plan

Benefit formula, 35, 36, 43, 46, 47

Employee contributions, 35, 68, 74, 75, 114

Funding, 87, 145, 146

Morale, employee, 18, 19, 43, 205

#### Mortality

Assumptions, 161, 162, 202-204

### Mortality—*Continued*

Difference in male and female mortality, 162-166

Discount for, 120, 124, 137, 197, 198

Effect on cost, 160-161, 167

Extrapolation, 165

Federal Civil Service Retirement System, 164, 165

Intercompany Group Annuity, 164, 165

Intercompany Group Life, 163, 164

Life expectancy, 2, 51, 161, 163-167

Margin of safety, 92, 161, 162, 169, 203

Rates, 118, 161-167

Savings, 99, 107, 111, 183

Self-administered retirement plan, 165, 167, 168

Significance of funding medium, 167-169

Trends, 2, 92, 93, 100, 163-167

U. S. White Population, 163, 165

White industrial policyholders, 163, 165

Multi-employer plans, 29, 30

Mutual Life Insurance Company of New York, The, 77

Myers, Robert J., 1

National Labor Relations Board, 25, 26

Negotiated or "pattern" plan, 32, 40, 41, 48, 59, 63, 108, 113, 116, 129, 130, 200-202

Non-Diversion Rule, 21, 64

Non-profit organizations, 74, 75

Normal annuity form

(See Benefits, retirement)

#### Normal cost

Aggregate cost method, 145, 151-157

As minimum contribution, 136

Attained age level premium funding, 143, 149, 150, 152-157

Attained age normal, 145

Definition, 126

Entry age normal, 143, 144, 145, 149, 150-157

Single premium funding, 142, 148, 149, 152-157

- Normal retirement age
  - Determination of funding requirements, 139, 140, 142
  - Entitlement to benefits, 48, 49, 52, 104, 114
  - Impact on cost, 167
- Old Age Assistance, 13
- Past service
  - Benefits, 39-41, 65, 87-89, 95, 101, 108, 127, 196, 197, 199
  - Liability, 19, 20, 39, 65, 87-89, 108, 127, 130, 134-136, 142-144, 152-154, 196, 197
  - "Loan," 95
- Past Service Rule
  - (See Funding)
- Penman, Martha E., 36, 42, 59, 66
- Pension plans, number of, 28, 30, 84
- Peterson, Ray M., 162, 164, 167
- Population trends, 1, 2
- Premiums
  - Combination plan, 123, 124
  - Deferred Group Annuity plan, 85, 87, 92-95, 138, 168, 169, 183
  - Deposit Administration plan, 105-107, 138, 168, 169
  - Group Permanent plan, 76, 81, 82, 138, 183
  - Individual Contract plan, 71, 74, 81, 138, 183
  - IPG plan, 111, 112, 168, 169
  - Loading, 81, 82, 87, 93, 105, 138, 183, 191
  - Rate factors, 81, 82, 92, 93, 105, 106, 112
  - Rate guarantees, 74, 82, 94, 95, 106, 107, 111, 112, 123, 168, 169
- Productivity, effect of pension plan on, 17-19
- Railroad Retirement System, 11, 12
- Rasor, E. A., 1
- Reserves, balance sheet, 20, 128, 129
- Security of benefits
  - Financial resources of employer, 199, 200
  - Segregated fund, 132, 196, 204
- Security of benefits—*Continued*
  - Third-party guarantee, 111, 132, 195, 199
- Self-administered Trusteed plan
  - Actuarial consultant, 116, 117, 120, 203, 204
  - Actuarial fees, 188-190
  - Annuity options, 53, 56, 114, 115
  - Benefits
    - Death, 61, 114, 115
    - Disability, 63, 115, 116, 202, 204
    - Retirement, 114, 115
    - Withdrawal, 58, 115
  - Capital gains and losses, 174, 176-178, 180
  - Change of funding medium, 205, 206
  - Common stock investments, 171, 172, 175, 176, 180
  - Common trust fund, 170-175
  - Contingency reserves, 138, 198
  - Deduction of OASI benefits, 42, 114, 201
  - Employee contributions, 113-115, 174, 193
  - Employer contributions, basis of, 116, 117, 120
  - Expenses, 121, 138, 188-191, 194, 203
  - Experience Table, 117
  - Flexibility, 114, 197, 198, 202-205, 209
  - Funding, 113, 143-145, 159, 197, 198, 203
  - Good health requirement, 115
  - Investment earnings, 172-173, 178-180
  - Lack of guarantees, 120, 196, 197
  - Mortality, 165, 167, 168
  - Mortality discount, 120
  - Normal annuity form, 114
  - Prudent Man statutes, 171, 172
  - Salary projections, 120, 140
  - Service Table, 117
  - Servicing of pensioners, 115, 188-190, 207, 208
  - Terminal reinsurance, 115
  - Termination, 121, 197, 198, 205
  - Trust indenture, 113
  - Trustee, functions of, 113, 116, 120, 196

**Self-administered Trusteed plan—Continued**

- Trustee's fees, 188-190
- Turnover, 117, 138, 174, 191, 192, 198, 203
- Valuation of liabilities, 146, 207
- Vesting, 115, 192
- Service requirements
  - As to coverage, 32, 33, 138
  - As to disability benefits, 62
  - As to early retirement, 50
  - As to normal retirement, 33, 48
  - As to vesting, 59, 60
- Servicing of pension plans, 207, 208
- Squier, Lee Welling, 14
- Standard Annuity Table, 1937, 79, 87, 92, 93, 118, 131, 137, 146, 155-157, 162, 163, 165, 166
- State and local retirement systems, 12, 13
- Steel Industry Board, Report, 1949, 14, 15
- Straight-Line Rule  
(See Funding)
- Successive preferential classes, 65, 84, 121, 197

**Tax, Federal income**

- Deductibility of employer contributions
  - Advance funding, 133-136, 154
  - Early treatment, 19, 20
  - Impact on cost of pension plan, 23, 24, 131, 135
  - Inducement to establishment of pension plans, 19, 20, 23, 24
  - Limitations on, 19-22, 87, 88, 133-136, 154
  - Pay-as-you-go, 128
  - Terminal funding, 129
- Effect on savings, 3
- Exclusion of trust income, 23, 172, 173
- Insurance company investment earnings, 172, 173, 182
- Nondeductibility of employee contributions, 66
- Taxes, premium, 93
- Terminal reinsurance, 115, 129, 130
- Termination of plan
  - "Business necessity," 63, 64, 199

**Termination of plan—Continued**

- Deferred Group Annuity plan, 100-101, 196, 197
- Deposit Administration plan, 108, 109, 196
- Group Permanent plan, 83, 84, 196, 197
- IPG plan, 112, 113, 196
- Legal obligation to employer, 200, 201
- Self-administered Trusteed plan, 121, 197, 198, 205
- Trowbridge, Charles L., 141, 144
- Trustee
  - Combination plan, 121
  - Deferred Group Annuity plan, 85
  - Fees, 188-190
  - Individual Contract plan, 69, 70
  - Investment operations, 113, 120, 170-176, 178-180, 196
  - Self-administered Trusteed plan, 113, 116, 120, 196
- Turnover
  - Deferred Group Annuity plan, 87, 191
  - Deposit Administration plan, 103, 106, 107, 120, 139, 191, 197, 204
  - Effect on initial outlay, 192, 198, 203, 204
  - Effect of pension plan on, 18
  - Group Permanent plan, 191
  - Impact on pension costs, 131, 137-139, 154-157, 191
  - Impact on trust investment operations, 174
  - Individual Contract plan, 191
  - IPG plan, 112, 120, 139, 191, 197, 204
  - Rates, 117, 119
  - Self-administered Trusteed plan, 117, 138, 174, 191, 192, 198, 203
  - Tables, 117, 139
  - Turnover table, 117, 139  
(See also Turnover)
- Unit credit funding  
(See Funding, single premium)
- United Mine Workers of America, 14, 29

- Van Eenam, Weltha, 36, 42, 59, 66
- Variable retirement ages
  - (See Benefits, retirement)
- Venture capital, 133
- Vesting
  - Combination plan, 122
  - Deferred Group Annuity plan, 86, 89, 90, 91, 101
  - Deposit Administration plan, 102
  - Group Permanent plan, 79
  - Impact on funding, 132, 138, 139
- Vesting—*Continued*
  - Individual Contract plan, 71
  - Legal obligation of employer to provide vested benefits, 200, 201
  - Requirements for, 59, 60, 61
  - Self-administered Trusteed plan, 115, 192
  - Types, 58, 59
- Warters, D. N., 173

*The composition, makeup and plastic plates for this book were produced by Ruttle, Shaw & Wetherill, Inc., Philadelphia. The text type is Linotype Caledonia, leaded 2 points. The title page was set in Monotype Graphic Light #101. Graphic Light was used for Chapter Titles. The book was printed letterpress by Allen, Lane & Scott, Inc., Philadelphia, on Warren's #1854, basis 60, supplied by Schuylkill Paper Co., Philadelphia. It was bound by National Publishing Co., Philadelphia, in Holliston Record Buckram English Finish. Design by Guenther K. Wehrhan.*