

which their retirees will be able to maintain, and a few mentioned the consequent company image in the community.

As was noted in the discussion of pension costs, most plans adopted by respondent companies require a minimum number of service years, generally 10 or 15. If coupled with a mandatory retirement policy this means that a person hired at 50 or 55 receives no pension at all. Even where there is no mandatory retirement age, workers in all but one organization interviewed cease to accrue pension benefits at age 65. Moreover, substantial pension benefits generally require many more service years than the minimum.

The net result of these aspects of the various pension plans is that new employees over 45 are unlikely to build the pension benefits necessary to maintain a satisfactory retirement living standard, presuming that social security will provide their only other significant source of income. Where other sources of retirement income are provided, as with military retirees, considerations of pension eligibility do not apply. Two companies specifically cited eligibility for only minimum benefits (or noneligibility) as one of their principal reasons for preferring not to hire older applicants. Several other respondents indicated that pension eligibility of older applicants was evaluated in the screening process but was not considered a major stumbling block in hiring them.

6. Employer and Union Practices

Opportunities for older applicants can be vitally affected by certain company and union practices. These appear to reflect what management and labor believe to be the best course in the light of their experience with older workers and within their particular economic and social environments. The frequent result, however, is the restriction of opportunities for older applicants even though older employees are accepted or preferred for the work concerned.

a. Promote-From-Within and Seniority Practices Lessen Opportunities for the Older Applicant

Probably the most serious restrictions are caused by the company practice of promotion from within and union stipulation of preferential treatment of employees according to their seniority. Regardless of whether these practices stem from management philosophy or union contract clause, they have the effect of limiting the vast majority of job openings to the junior positions in a given function or company. As a result, the experience