For example, if persons age 60 are entitled to retire on an immediate pension at their own request after 20 years of service, could not it be held a discrimination because of age if employees 45 with 20 years' service are not given the same privilege? Also, should the Secretary increase the limit to 65 or above, claims to immediate pension could be presented by 45-year old employees with as little as 15 years of service since employees with that amount of service are entitled to pensions at age 65.

There is, of course, no way of knowing just how many people would attempt to take advantage of such an interpretation but it can be expected that many capable employees would take abnormally early pensions either to withdraw from the labor market or seek what may appear to be greener pastures. In either case, the cost to the employer would be substantial.

The Company is certain that the Bell System pension plans are well designed to serve its employees and its bsuiness. They have been modified and amended over the years to meet the changing requirements of the business and the needs of its employees. They are soundly and properly financed. The companies have an unconditional obligation to pay the pensions under the plans and they are in a position to do so.

Proposed Amendment

It is doubtful that the proposed bill is intended to have the effects outlined here. However, it is felt that an amendment is needed and to that end it is suggested that consideration be given to substituting for subparagraph (2) of Section 4(f) the following:

"(2) To observe the terms of a bona fide seniority system or any bona fide employee benefit plan such as retirement, pension, or insurance plans which is not a subterfuge to evade the purposes of this Act except that no such employee benefit plan shall excuse the failure to hire any individual; or".

Reference might also be made to the declared policy of the Government against age discrimination in employment under federal contracts as expressed in Executive Order 11141 dated February 12, 1964. This order bans discrimination on account of age but exclude retirement plans as well as situations where age is a bona fide occupational qualification.

TOWERS, PERRIN, FORSTER, & CROSBY, INC.,
Philadelphia, Pa., August 3, 1967.

Re H.R. 3651 and H.R. 4221.

Hon. JOHN H. DENT,
Chairman, Subcommittee on Labor,
Committee on Education and Labor,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DENT: According to the Congressional Record your Subcommittee is holding public hearings on H.R. 3651 and identical bill H.R. 4221, the "Age Discrimination in Employment Act of 1967." Although we do not plan to testify in person at the hearings on provisions of this bill, we should like to take this opportunity to file our comments relating to it.

We present our views not only as an employer administering our own employee benefit plans but also as consultants and actuaries in employee benefits, direct compensation, actuarial matters, organization, personnel administration and communications. We have been actively engaged in consulting work for almost 50 years, having done our first pension consulting as early as 1917. We presently serve over 800 clients.

Comment on section 4(f) (2)

We are pleased to note that section 4(f) (2) of the bill (page 6, line 9) exempts from unlawful employment practices the compulsory retirement of any employee under a retirement policy or system where such policy or system is not merely a subterfuge to evade the purposes of the act. However, we suggest that the exemption does not go quite far enough to encompass two other reasonable and long established practices of employers in the administration of their employee benefit plans.

(1) The Act should clearly state that it is not unlawful to require an employee to work a minimum number of years with the employer to become entitled to a pension at retirement and for the continuation of all or part of