

and improvements are required. * * * ¹⁴ In multiemployer plans, there is an additional reason for joint administration. Pension bargaining in these cases is usually limited to the rate of contribution to the plan; the benefit levels are determined at a later date by the plan's board of trustees. It is unlikely that the union would agree to permit the employers to determine unilaterally the benefit levels supportable by the negotiated financial commitment.

Also, some labor leaders desire a voice in the determination of the investment policies of negotiated pension funds. Some union officials feel that pension assets should be invested in socially oriented projects. These projects include such things as low-cost housing, hospitals, outpatient clinics, retirement homes, and employee recreation and cultural centers. Negotiated single-employer funds hold little of this type of investment. However, substantial amounts are invested in projects of this type by multiemployer plans. This may reflect the increased capacity of labor to effect its views through joint administration.

In a private conversation, a union official of a local bargaining unit informed the writer that an equal say in pension matters was his primary objective in his recent negotiation of a multiemployer plan. Most of the union members were already covered under single-employer plans. However, he had no voice in the management of these plans. The union membership is composed largely of unskilled laborers, and there is little mobility of employees among participating employers. There was evidence that the pension benefit amounts of some employees were adversely affected by compulsory participation in the new plan. One employer, a division of a large national manufacturing firm, resisted joining the plan, and a 13-week strike ensued. The employer did not join the plan, but it was agreed that the company plan would be amended on behalf of those employees who were members of the union to provide benefits identical to those of the multiemployer plan. However, the employer did not agree to grant his employees pension credits for service with participating employers. Essentially, it became a negotiated single-employer plan whose benefit structure resembles the multi-employer plan.

The union leader acknowledged that optimum conditions for a multiemployer plan may not have prevailed. However, he felt that his increased control over pension matters enhanced his bargaining position generally and this advantage would eventually accrue to the direct benefit of the union membership.

The traditional criteria of a good pension program, then, became subservient to the role of a pension plan in the totality of the collective bargaining process. Obviously, there will be strong differences of opinion as to whether this attitude toward pensions is necessary or desirable. There appear to be cogent arguments on both sides.

Identification of Benefits With Union.—The benefits provided by negotiated multiemployer plans are usually financed solely by employers. Whether employees associate this benefit more closely with the union than with employers is a difficult question to answer. The individual employer's identity is lost in an association or industry plan. The administrative activities of the plan are usually performed in

¹⁴ American Federation of Labor, *Pension Plans Under Collective Bargaining: A Reference Guide for Trade Unions* (Washington, D.C., 1954), pp. 64–66.