

It must be emphasized, however, that joint administration has been successful in many plans. In these cases, employers are quite interested in the management of the plan, and they feel that they are being adequately and properly represented by their chosen representatives. Also, a generalization of labor's attitude toward benefit levels or investment policy is not justified. The writer is aware of at least one plan in which the employees' representatives advocated more conservative benefit levels than those desired by management, and many plans where joint declarations of the desire for conservative benefit levels were made. The joint board, then, is not an inherently unsound development in pension administration. However, it does require that both management and labor be constantly aware of their responsibilities. The joint board can serve as a valuable educational process for both management and labor. Management may be able to better acquaint labor leaders with the financial aspects of pension programming. On the other hand, management may gain better insights into labor's view of the role of pensions in the collective bargaining process.

*Loss of Employer Identity in Plan.*—Employers surrender their individual identities when they participate in a multiemployer plan. There is not the direct association between the employer and the pension plan. Therefore, some employers feel that the full employee relations value of establishing a pension plan is not realized under a multiemployer arrangement.

There is also the argument that the lack of employer identity with the plan encourages employees to view the plan as a "union plan." There are many employers, but only one union, participating in the plan; and therefore, it is easy for employees to identify the pension benefit with the union. Whether this in fact occurs depends largely on the circumstances surrounding the particular plan.

*Impairment of Employee Loyalty.*—One of the purposes of a pension plan, from a management point of view, is to encourage employees to render long and faithful service to a particular employer. It is hoped that the establishment of a pension plan will reduce employee turnover and thereby increase productivity.

Multiemployer plans do not encourage loyalty to a particular employer. Quite the contrary, the proponents of these plans offer as an important advantage the ability of employees to preserve service credits earned with any covered employer. To some employers, this concept of transferable credits nullifies one of the basic purposes of a pension plan.

*Inequity in Employer Costs.*—It has already been noted that in most plans, all participating employers contribute to the fund at a uniform rate. However, most employers in the plan do not have identical pension cost characteristics. The employers with the less favorable cost factors benefit from this pooling arrangement. On the other hand, the uniform rate is excessive for the low-cost employers.

The basis for determining past service credits may also give rise to a cost inequity. In some plans, employment in the industry is the basis for past service credits. But, some of the firms for which this service has been rendered are now defunct. These pension costs must be borne by the participating employers. Essentially the same argument applies for those plans which grant past service credits based on union membership.