

relative valuation of, various fringe benefits.²² It would seem that information of this type would be valuable to both labor and management in their attempts to maximize their objectives under these programs.

Some evidence of the value placed on vested benefits by employees may be gathered from the experience as to cash withdrawals under plans providing vested benefits. Most contributory plans that provide a vested benefit require that employees leave their contributions in the plan if employer contributions are to vest. Although little is available by way of published data, it is understood that cash withdrawals are heavy in spite of the forfeiture of employer contributions.

The experience reported with reference to cash withdrawals under the Canadian Public Service Superannuation Act is somewhat discouraging. As indicated in the following table, the proportion of male contributors who terminated employment for reasons other than age, disability or death, and who elected cash withdrawals, ranged from 92.8 percent at age 25 to 67.4 percent at age 58. The proportions of females electing cash withdrawals were 97.4 percent at age 25 and 43.5 percent at age 58. The high rates of cash surrenders at the younger ages are understandable, but the experience at the older ages is surprising. Thus it appears that employees all too often act to defeat the objective of the retirement plan.

GOVERNMENT OF CANADA.—EXPERIENCE UNDER THE PUBLIC SERVICE SUPERANNUATION ACT TO DEC. 31, 1957
[Persons with 5 or more years of pensionable service]

Age	Termination rate for reasons other than age, disability, or death		Proportion of contributors so terminating who elect cash withdrawal	
	Male	Female	Male	Female
	Percent	Percent	Percent	Percent
25	4.5	15.7	92.8	97.4
26	4.7	14.7	92.2	96.9
28	3.6	11.5	91.0	95.7
30	3.1	9.1	89.8	94.2
32	2.7	7.2	88.5	92.3
34	2.4	5.8	87.2	90.1
36	2.1	4.7	85.9	87.6
38	1.9	3.8	84.5	84.8
40	1.7	3.1	83.0	81.7
42	1.5	2.6	81.5	78.2
44	1.4	2.2	80.0	74.6
46	1.2	1.9	78.3	70.6
48	1.1	1.6	76.6	66.5
50	1.0	1.5	74.8	62.1
52	.9	1.3	73.0	57.6
54	.8	1.3	71.2	53.0
56	.8	1.2	69.3	48.3
58	.7	1.1	67.4	43.5

Source: "Report on Actuarial Examination," by E. E. Clarke, Chief Actuary, Department of Insurance, Aug. 21, 1959. App. 12. Odd years of age omitted. In, "The 2d Report of the Ontario Committee on Portable Pensions," p. 35.

The evidence suggests that management and labor might profitably devote some time to educational programs directed at improving employee understanding and appreciation of the nature and value of fringe benefit programs. Furthermore, the rather substantial costs of liberal vesting provisions will require a greater employee appreciation

²² An interesting, though rather limited, study in this area was recently completed as a doctoral dissertation at Indiana University. See Arben O. Clark, "Employee Perception and Attitude Toward the Pension Plans of Employing Organizations" (Bloomington, Ind.: Indiana University, unpublished doctoral dissertation, 1963).