

One of these is that younger employees, in general, place little value on the long-range prospect of receiving a pension. They understandably would expect their wages to be competitive and are unlikely to accept, for long, lower and noncompetitive wages to help support a pension plan, whether this is an employer's idea alone or whether it represents an agreement between a union and an employer.

It is true, of course, that national stabilization policies during and after World War II, and possibly to a lesser extent up to the present, have permitted improvements in benefits and pensions when wage increases thought to be of equivalent cost would have been barred. Although this fact no doubt has been partly responsible for spreading the idea that pensions are a substitute for wages, it does not alter the basic economics of pensions unless the resulting scale of pensions has become too high. In any event, the individuals concerned who have not been accorded a valid claim to a pension are not justified in claiming that wage increases were withheld from them to provide for pensions, because employers and unions did not in fact have the alternative of increasing wages.

A second consideration is that the expense to a business of hiring and training a series of short-service employees may equal or exceed the cost of providing pensions for employees who would fill the available jobs until retirement. Under these conditions, granting such transient employees pension rights in addition would unduly increase the total remuneration of such employees.

A third consideration having a bearing on the matter of early pension vesting, from an economic viewpoint, is that in most industries the preponderance of employees who work for short periods and then leave are young women who marry and leave to raise families. Business, while it usually does not provide them with a claim on a pension based on their past earnings (and neither does social security), does provide for their support through pensions and death benefits attributable to their husband's wages.

FIDUCIARY RESPONSIBILITIES

There can be little debate with the concept that those charged with the administration of pension and benefit plans and associated funds should observe high standards of fiduciary responsibility. That there have been a few exceptions is deplorable, and it may be that a Federal law on the subject will be helpful in deterring future departures from proper conduct, especially among individual trustees. However, if such legislation is considered necessary, it should be framed so as not to impose substantial unnecessary burdens on the great majority of plans which will operate satisfactorily in any event, on the mere chance that such laws may present an additional obstacle to the very few who will choose to be lax or dishonest.

GREATER DISCLOSURE TO EMPLOYEES

It may be that some plans have not acquainted employees with the qualifications which may limit their rights to pensions or other future benefits. A requirement that this be done might be helpful in preventing unwarranted expectations.