

to ease the displacement effects of technological change or relocation. The payment of above-normal benefits to early retirees has been associated with provisions for mandatory retirement at the employer's request or under mutually acceptable conditions. Mandatory retirement which historically has been an employer demand has now been reinstated in response to the pressure of younger employees in situations of contracting employment. The recent special early retirement provisions negotiated by the Steelworkers, Auto, Rubber, and Packing-house Workers are illustrative of this tendency.¹⁰¹ The rank-and-file pressure in the UAW took the form of a "60 Now" club to press for compulsory retirement of older workers and as Charles Odell, the UAW's social security director said, "The 1964 gains were a result of genuine rank-and-file organization and pressure for even earlier retirement than was already possible. The leadership of the union skillfully turned this pressure into a major breakthrough."¹⁰²

The increasingly complex structure of options represents in effect a vesting equivalent inasmuch as the options are alternatives to the normal retirement benefit. The death benefit option in the form of a lump sum or a period certain guarantee "takes some of the 'sting' out of a pension that terminates shortly after it has begun because of death."¹⁰³ In the survivor options the employee chooses a reduction in normal retirement benefits for which he gets insurance protection for his surviving beneficiary.¹⁰⁴ The union pressure is on bringing the election of option closer to the "time of application for retirement * * *. An irrevocable election required to be made long in advance results in very few workers exercising the option."¹⁰⁵ Obviously the closer the election is to the date of retirement the greater is the likelihood of adverse selection and the more costly the option is.¹⁰⁶

Vesting provisions are in general much less frequent in multiemployer plans. "Slightly more than a fourth of multiemployer plans, covering two-fifths of the workers, provided a normal benefit only. Another fourth * * * added a disability retirement benefit."¹⁰⁷ Vesting is less frequent also because the multiemployer plans are younger and hence many are still in the stage of development where they are still giving priority to improvements in retirement benefits, with disability provisions probably next in line. The effect of vesting is achieved to the extent that employees carry their pension credits from firm to firm within the multiemployer unit including units with which the plan may have reciprocity. Since the attachment is to a multiemployer unit the employee's pension credits are not necessarily tied to the survival of a particular employer. However, this is limited vesting since the rights do not go beyond the pooled or reciprocal unit.

The scope of transferability—and portability in the event of re-

¹⁰¹ Max Kossoris, "Early Retirement: An Overview," *Industrial Relations*, May 1965, p. 6. This is part of a symposium on early retirement.

¹⁰² Charles Odell, "The Case for Early Retirement," *Industrial Relations*, May 1965, p. 19.

¹⁰³ Jack M. Elkin, "Standard and Optimal Forms of Retirement Forms of Retirement Benefits," *Newsletter from Martin E. Segal Co.*, January 1966, p. 3.

¹⁰⁴ See Harry L. Levin and Stanley S. Sacks, "Survivors Benefits in Collectively Bargained Pension Plans," *Monthly Labor Review*, July 1962, pp. 751-757; AFL-CIO, *Pension Plans Under Collective Bargaining*, op. cit., pp. 24-29.

¹⁰⁵ *Ibid.*, p. 27.

¹⁰⁶ See Solenberger, "New Challenges, etc.," op. cit., p. 56; Bankers Trust, *Study of Industrial Retirement Plans, 1965*, op. cit., p. 21; Skolnick, "Ten Years of Employee Benefit Plans," op. cit., p. 4.

¹⁰⁷ BLS, *Multiemployer Pension Plans, etc.*, op. cit., p. 30. See also Vane B. Lucas, Jr., "Private Pension Issues in Collective Bargaining," op. cit., p. 556.