

reciprocal arrangements—in multiemployer plans depends on the size of the territory represented by the associated employers. “Nearly half the workers in multiemployer plans belonged to plans that were limited to a single craft, occupational group, or industry in a locality. Of the remainder, worker coverage was about equally divided between regional plans and industrywide national programs.”¹⁰⁸ The Martin E. Segal Co. which services many multiemployer plans estimates these plans “probably provide continuity of pension accrual for most of the job changes that are likely to occur.”¹⁰⁹ Reciprocity agreements among pooled plans further extends the vesting effect. By 1960 reciprocity arrangements were operative for 61 plans representing 8.3 percent of the plans, covering 764,000 workers representing 23.6 percent of workers covered by multiemployer plans. An additional 26 plans (3.5 percent) covering 95,900 workers (3 percent) were authorized to make reciprocity arrangements. The other side of the coin is that more than half of the multiemployer plans cover fewer than 1,000 workers—almost 35 percent cover fewer than 500 workers—and one-third of the workers were covered in six of the largest plans out of the total almost 800. Only a relatively small proportion of the workers have a substantial area of mobility within which their credits can be transferred.¹¹⁰

IX

Union interests in funding raise two categories of problems: (1) the standards for funding and (2) the conservatism or liberality with which the standards are applied. Funding standards are to an important degree predetermined by whether the fund unit is a single employer or multiemployer. If single employer, especially in large-scale, mass production, the financial commitment exacted from the employer is to provide a fixed level of pension benefits; the employer is free within legal constraints to determine the funding and other actuarial measures necessary to fulfill his contractual benefit commitment, as in United States Steel, for example. A more specific funding obligation is undertaken in the contract provision which requires the employer simply to contribute to a trust fund “on a sound actuarial basis” sufficient to pay the pensions agreed to, as in Continental Can, for example.¹¹¹ Steel industry employers have characteristically funded their pension obligations beyond contractual requirements but this has never fully satisfied the union. In recent years experience has led the steelworkers “to a wider understanding of the need * * * for sounder financial provisions to improve the pension security of terminated employees.”¹¹² Specifically the union experts warn against incorporating [sic] “(a) [the] United States Steel funding provision or its equivalent, giving company the right to determine manner of financing pension costs, (b) vague provisions regarding ‘meeting

¹⁰⁸ BLS, *Labor Mobility, etc., op. cit.*, p. 38; see also BLS, *Multiemployer Pension Plans, etc.*, pp. 9–11.

¹⁰⁹ Martin E. Segal Co., *Pension Plans and Public Policy in California*, report to the Assembly Interim Committee on Industrial Relations, State of California, December 1966, p. 60.

¹¹⁰ BLS, *Multiemployer Pension Plans, etc., op. cit.*, pp. 5, 10, 98; President's Commission on Corporate Pension Funds, *Public Policy and Private Pension Programs, op. cit.*, p. 43.

¹¹¹ United Steelworkers of America, *Pension and Insurance Agreement Between Continental Can and United Steelworkers of America*, October 1964, p. 15.

¹¹² United Steelworkers of America, *Report of Officers*, 12th Constitutional Convention, 1964, p. 81.