Treasury requirements,' (*c*) retention of right by company to skip contributions, (*d*) failure to fund for disability pensions, [and] (*e*) failure to fund for vested pensions." [113]

The UAW has gone farthest among the unions in insisting contractually on an explicit funding standard, specifically "an annual, actuarially determined contribution computed as sufficient to fully fund the cost of benefits based on current service, and in addition to fund, over a stated number of years, the cost of benefits based on past service." In a smaller number of cases the UAW has settled for a cents-per-hour contribution actuarially determined to support the level of pension benefits agreed to.[114]

As to funding medium the union preference has traditionally been for the self-administered trusteed plan over the insurance company fund on the grounds of "flexibility and the most effective application of allocated funds." [115] "Philosophical considerations" in the case of the AFL–CIO favor the self-administered plans:

> The insurance industry has generally been opposed to improvements in the Social Security Act * * *. It becomes somewhat anomalous if labor, after suffering setbacks in Congress due to insurance industry opposition, turns to collective bargaining and obtains improvements in benefits for retirees and then underwrites these benefits with an insurance carrier.[116]

But the characteristic union preference for the self-insured trust is "rapidly changing" according to the AFL–CIO's pension specialist as a result of the stronger competitive cost position of the insurance companies, reflecting the "vigorous campaign" of the insurance industry to capture an increased proportion of the pension market.

The unions have brought ambivalent moods to the funding question. On the one hand the unions support liberal funding assumptions to maximize that portion of the wage increase increment available for increasing retirement benefits and minimize the amount needed for funding pension credits. In contrast to "the actuary operating on conservative principles of loading his cost figures against all eventualities, and assuming the ultimate termination of plans and insisting on accelerated funding," [117] the unions take a more relaxed view relying "on the collective bargaining process which allows for periodic reviews and frequent changes in the light of later developments." It is not unknown for unions to shop around for an actuary who will be inclined to favor their more liberal assumptions.[118]

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[113] Steelworkers, *Insurance, Pensions, and SUB, op. cit.*, p. 38. See also testimony of Elliot J. Bredhoff in Senate Committee on Labor and Public Welfare, *Welfare and Pension Plans Investigation, op. cit.*, hearings, pt. 3, p. 1174; Steelworkers, *Officers Report, op. cit.*, p. 33; see to the same effect United Steelworkers of America, *Special Report on Insurance, Pensions, and Supplementary Unemployment Benefits*, 1960, pp. 43–45; Steelworkers, *Better Pensions, Better Insurance, Better SUB*, 1959, pp. 10–11.

[114] Willard E. Solenberger, "Pension Programing From a Labor Viewpoint," *Society of Chartered Life Underwriters*, spring 1954, vol. VIII, No. 2, pp. 131–132. See also testimony of Walter P. Reuther in Senate Committee on Finance, *Federal Reinsurance, etc., op. cit.*, p. 58.

[115] Testimony of Solenberger in Joint Economic Committee, *Private Pension Plans, op. cit.*, pp. 118–122.

[116] AFL–CIO, *Pension Plans Under Collective Bargaining, op. cit.*, pp. 38–39. See also "Developments in Pension and Welfare Programs," *Martin Segal Newsletter*, November 1962, p. 4.

[117] Barkin, "Labor's View, etc.," *op. cit.*, p. 28.

[118] J. P. Stanley, *The Function of an Actuary in a Pension Program*, Industrial Union Department (AFL–CIO), pension conference, Sept. 12, 1957 (mimeo), p. 4; Ray M. Peterson, "Actuarial Soundness in Pension Plans With Insurance Companies," *What Is Actuarial Soundness in a Pension Plan?* Industrial Relations Research Association, 1952, p. 36; James E. McNulty, Jr., *Decision and Influence Processes in Private Pension Plans* (Homewood, Ill.: Irwin, 1961), pp. 98–101.