

tributions in funds with insufficient reserves "even where it is necessary to do so during the life of the agreement."¹³⁰

Other pooled funds have had analogous problems. UMW pension beneficiaries have been subject to fluctuating eligibility requirements, size of benefits and retirement age. In May 1967 the fund announced an increase from \$100 to \$115 per month for past and current retirees. "Hoffa was determined to produce an impressive-sounding benefit schedule from the start 'even though the employer's contribution rate was low.'"¹³¹ The IBEW, as a result of a union-authorized actuarial study, in the early 1950's raised its employer and class A membership contributions sharply, increased the service requirement and intensified its investment program.¹³²

That the cause of funding instability lies in the structure of enterprises typically covered by the pooled fund rather than in the pooled fund advice as such is supported by the termination experience of the large industrial unions who have had to bargain with small companies. There, too, a union like the Steelworkers has had to tailor its standards to the "small employer's" ability to pay and acquiesce in plans "with limits on the amount of the company's regular contribution and with limited liability in the event of termination of the plan." If the plan should actually terminate as some have "the number and amount of pension benefits which can be paid out * * * will be limited by the amount of pension reserves accumulated since the inception of the plan."¹³³

There has been a renewal of union interest in the funding question caused undoubtedly by the Studebaker termination, the maturing of the union pension experience which makes termination more immediately relevant and a resurgence of public interest in the security of pension funds. Some unions are apparently concluding that collective bargaining is not equipped to deal with every contingency in which pension rights are imperiled by terminations. The UAW is an important force behind a proposed program of Federal reinsurance of pensions.¹³⁴ At the same time there seems to be a union consensus against mandatory public standards for funding especially marked in the multiemployer plan circles. The Martin E. Segal Co., which probably takes a view representative of the pooled funds interest, entertains doubts as to whether the complex of risks are insurable.

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Not all contract terms affecting retirement are contained in the pension plan. Life insurance for retired employees is commonly part of the health insurance program. Hospital and surgical care less commonly but nevertheless significantly is continued at a reduced scale after re-

¹³⁰ *Ibid.* Discussion additionally based on U.S. Senate Committee on Labor and Public Welfare, *Welfare and Pension Plans Investigation*, *op. cit.*, final report, pp. 113-114, 119-120, 124-126, 175-177; Melone, *Collectively Bargained Multiemployer Pension Plans*, *op. cit.*, pp. 111-117; Deering, *Industrial Pensions*, *op. cit.*, pp. 89-100; Merton Bernstein, *Future of Private Pensions* (Glencoe, N.Y.: Free Press, 1964), pp. 260-262; BNA, *Pensions and Profit Sharing*, *op. cit.*, p. 215.

¹³¹ Ralph and Estelle James, "Hoffa's Manipulation of Pension Benefits," *Industrial Relations*, May 1965, p. 47.

¹³² "Pension Plan of the AFL Electrical Workers, 1954," *Monthly Labor Review*, November 1954, pp. 1234-1236.

¹³³ Steelworkers, *Report of Officers*, *op. cit.*, p. 82.

¹³⁴ See testimony of Reuther and Lesser in Senate Committee on Finance, *Federal Reinsurance, etc.*, *op. cit.*, pp. 46-62; Segal, *Private Pensions and Public Policy in California*, *op. cit.*, pp. 75-78.