

In any event it is a proper function of the Government to review administrative decisions, whether on the basis of spot checks or upon appeals from individuals, in order to see that the benefits which a plan purports to provide are in fact paid.

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None of the legislation proposed here would inhibit the development of sound and imaginative private pension plans. On the contrary, by providing better assurance to all participants that they will be fairly treated and that their benefit expectations will be met, the Federal Government will be substantially improving the ability of private pension plans to fulfill their purpose. Deficiencies in the present arrangements, as well as inadequacies in the social security program, prevent retirees from receiving benefits which we could easily afford.

The first priority, of course, is to make substantial improvements in social security, and I have made detailed proposals to accomplish this in my testimony on H.R. 5710. We must utilize the social security program to assure everyone an adequate retirement income; the voluntary and diversified nature of the private plans precludes dependence upon them for other than supplementary benefits.

Those supplementary benefits, however, are needed to assure all Americans the standard of comfort, decency, and dignity that they have a right to expect after ceasing their active employment because of old age or disability. The varied conditions and needs of individuals require the flexibility available to private plans in order to enable all retirees, their families and survivors to maintain standards of living comparable to those enjoyed prior to retirement. In some cases, for example, retirement earlier than permitted under social security is a high priority goal; in others, there is need to provide benefits related to preretirement incomes above the limit recognized for social security purposes.

The combination of public and private pension plans would then truly be the mechanism for assuring the financial security of retirees and could become one of the major tools for meeting the long-range goal of achieving an equitable distribution of the increasing quantity of goods and leisure time available as the result of our advancing technology.