REQUIREMENTS FOR VESTING

As mentioned above, virtually all vesting provisions require the participants to meet certain age and/or service requirements. The possibility that an employee will receive a retirement benefit depends, of course, on the liberality of these requirements. In addition, vesting may be determined by the type of termination: i.e., whether the employee was laid off (an involuntary termination) or quit (a voluntary termination).

TABLE 5

Minimum service requirements [1]	Percent distribution	
	Plans	Workers
All plans with deferred full vesting	100.0	100.0
No service requirement	.1	.2
Less than 10 years	14.8	7.2
10 years	31.5	40.2
11 to 14 years	2.5	1.8
15 years	33.7	37.9
16 to 19 years	1.0	.8
20 years	11.9	7.0
21 to 24 years	.2	.5
25 years	3.4	3.6
26 to 29 years	.4	.3
30 years	.4	.5

[1] For those plans which require that a period of employment be served before participation in the plan begins, the minimum service requirement includes both the preparticipation service and the required plan membership service.

In addition to service requirements, minimum age requirements—usually 40 years—were specified by about three out of five plans. However, plans covering about half of the workers had no age requirements; they vested the benefits of all workers meeting their service requirement, which was usually 10 years. The number of workers covered by such plans has increased markedly in the last 3½ years, primarily because, as previously noted, the age requirement was abolished in the major plans negotiated by the Automobile Workers.

TABLE 6

Minimum age requirement [1]	Percent distribution	
	Plans	Workers
All plans with deferred full vesting	100.0	100.0
No age requirement	41.8	50.8
Age 40 and under	21.3	27.3
Age 45	9.7	7.4
Age 50	9.2	7.9
Age 55	15.2	5.7
Age 60 and over	2.7	.8

[1] Where plans specified alternative age requirements, depending on length of service, the youngest age was tabulated.

On the whole, service requirements for deferred full vesting were about the same in plans covering only salaried workers and in those covering only production workers; age requirements, however, were more prevalent in salary worker plans. Plans covering two out of three salary workers had age requirements. By contrast, only about half the members of plans covering production workers and half those in plans covering both salary and production workers were subject to age requirements.