What losses are suffered by plan members whose protection is not continued? Detailed information on the disposition of a significant number of terminated plans' assets is, unfortunately, not available. Two studies (both by the author) have attempted to overcome this lack of data by calculating the assets per both retired and active members at termination, and then making a judgment as to whether the assets were sufficient to meet the plan's obligations. Both studies concluded that some terminated plans were unable to meet their accrued obligations.[9]

An indication of a termination's consequences can be gained from the widely publicized 1964 Studebaker experience. According to a United Automobile Workers spokesman, approximately 7,600 Studebaker employees had retired or were eligible for either a retirement or vested benefit when the plan was terminated. About 3,600 were retired or were eligible for retirement and they received their full pension rights; the remaining 4,000 employees received only 15 percent of their accrued pension benefits. More than half the 7,600 employees were then deprived of most of their accrued rights. If the 2,900 employees on Studebaker seniority rolls are included in arriving at an estimated universe of workers having an equity in the fund, then about two-thirds of all Studebaker employees were deprived of most of their expected benefits.[10]

Whether so many prospective beneficiaries lost such a high proportion of expected benefits in other terminations remains open for further research. It is significant, however, that the Studebaker pension plan had been in existence for 14 years.[11] Moreover, the automobile workers' union has been extremely aware of the need for funding. Many pension plans are terminated long before 14 years and the members of very few plans would have received the able representation characteristic of the automobile workers' union. It seems likely, therefore, that many of the other terminated plans were not so well-funded as the Studebaker plan.

Conclusions

Despite the lack of detailed information, some conclusions seem warranted. Relatively few plans—covering relatively fewer workers—have been terminated. Probably a very small proportion of covered workers—perhaps no more than a few percent—have been affected. Most members of terminated plans have probably lost some benefits. Only fragmentary information exists as to the actual losses from terminations as a result of the failure of successor plans to grant full credit for the newly acquired member's past service. While more information is available on the consequences of complete terminations, it would be premature to generalize. However, if the Studebaker losses are typical of those of other complete terminations, then the members of terminated plans suffer substantial losses.

Barring a serious recession, it does not seem likely that the number of terminations will rise significantly in the future. There may be some small increase as pension plans spread. Only the financially stable

[9] See Krislov, *op. cit.*, pp. 20–21: and Joseph Krislov, *Terminations of Private Pension Plans*, analytical note 109, Bureau of Old-Age and Survivors Insurance, Social Security Administration, May 1960, pp. 4–5.
[10] See Senate Committee on Finance, *op. cit.*, p. 59.
[11] *Ibid.*