

The Taft-Hartley Act, passed in 1947, required that all plans established subsequent to January 1, 1946, which involved negotiated employer contributions to a fund be administered jointly by employers and employees. Thus the great majority of multiemployer funds are jointly administered.

The bulk of negotiated single-company funds are established under collective-bargaining agreements which specify the benefits to be received upon retirement. Since the entire cost of the benefits (above employee contributions, if any) is borne by the corporation, investment of accumulated funds is left to the discretion of management. Virtually all multiemployer plans are established under collective-bargaining agreements which specify the amount of contributions to be made by employers and employees, and the benefits received upon retirement are dependent upon the size of the fund. Since the size of the fund is a function not only of contributions but also of investment yield, both union and employers are concerned with the management of the accumulated fund, especially as it may affect the level of benefits.

In summary, union funds are relatively old, administered solely by the union, and few in number. By contrast, multiemployer funds are newer, more numerous, and jointly administered by union and management.

SOURCES OF DATA

Until the passage, in 1958, of the Federal Welfare and Pension Plans Disclosure Act, consistent and comparable data on multiemployer and union pension funds were not available for all such funds.⁵ New York State, since 1956, has had a reporting and disclosure act which requires all jointly administered funds covering more than 25 workers in the State to file comprehensive annual reports on the financial condition of the fund, including a list of all securities held. Reports submitted are subjected to a desk audit to check their internal consistency, and State agencies are authorized to make field audits of the funds when necessary and at least once every 5 years. Therefore, information obtained from these records is ample for investigations of asset size and portfolio composition and sufficiently accurate for the generation of aggregate figures. However, while the State disclosure act has wide coverage of multiemployer funds, these funds are either national in scope or cover employees in New York State and adjoining areas. Thus funds of a local or areawide character in other parts of the country are excluded. Funds administered solely by unions are completely exempt from reporting requirements in New York.

Before the passage of Federal legislation, several other States had reporting acts which covered various types of plans—mostly those jointly administered.⁶ However, the reports filed with the Office of Welfare and Pension Plans of the Department of Labor include virtually all multiemployer and union pension funds in operation. The annual financial data on fund assets are in summary form and, unlike

⁵ For estimates back to 1945, based on estimates for 1957, from New York State reports, see Raymond W. Goldsmith, Robert E. Lipsey, and Morris Mendelson, *Studies in the National Balance Sheet of the United States*, Princeton University Press for NBER, 1963, vol. II, table III-5j-2, pp. 182-183.

⁶ See National Industrial Conference Board, *Management Record*, July-August 1958, pp. 246 ff., for a summary of State disclosure laws.