

differing goals that arise out of the needs of each work group. The effectiveness of a particular pension plan cannot be measured by its achievement of the goals of other plans or of social security. If we are to have a private society at any level of social or economic activities, private groups must be allowed to work toward their goals unencumbered by Government dictation.

It is generally recognized that there must be assurance that pension plans are not established for the benefit of a few favored persons. The suggestion that plans vest participants in their earned benefits after a reasonable period of service also appears to be based upon the desire that benefits (or tax advantages) do not go only to a favored few.

The Federal labor law requires that joint labor-management funds be jointly trusted. Some funds are operated in the same offices as are used for union activities. However, the employer trustees are as responsible for the efficient operation of a fund as are the union trustees, wherever the office may be located. Many jointly trusted funds are administered in other fashions. Some are operated by a contract administration firm. Some are operated in the offices used by an employer association representing management. Some are operated on a self-administered basis in facilities separate from either union or employer association offices.

There are positive advantages of union participation in the operation of plans. The typical jointly trusted plan is in a multiemployer industry in which each employer unit is relatively small. The labor union and an employer association, rather than any single employer, provide ongoing organizational structure. The only effective way of establishing and operating plans in many situations is through direct union involvement.

What should be the criterion for evaluating other alternatives to the present private pension structure? The National Foundation suggests that the one which appears to find general acceptance is whether an alternative will help the growth of the private pension system in terms of ultimate coverage for benefit purposes and of the benefits provided by each plan. Requiring employee contributions would necessitate detailed individual accounting. Maintaining a legal staff to represent beneficiaries would clearly increase administrative costs significantly.

One can only imagine the difficulties that might be caused if every imagined wrong could be investigated by a legal staff paid for by each fund or by a public agency. Perhaps an alternative that should be explored extensively is a disclosure procedure that would make available to all participants meaningful information about plan provisions and operations.

Many jointly trusted pension funds provide significant protection for workers who move from job to job because most of these plans cover many employers. There also is considerable activity among these plans directed toward the establishment of reciprocity arrangement within particular work classifications and it appears that there is a general trend toward more liberal vesting in particular plans. Although these considerations may not be sufficient to avoid the national community's preference for a mandatory vesting provision in all qualified plans, any legislative proposals in this area should consider the objective of encouraging the private pension system.

Funding requirements, if very stringent, could demand significant increases in employer contributions or result in reductions in planned