Pension Benefits

Pension Plans and the Law
The Welfare and Pension Plans Disclosure Act is a federal law that requires administrators of pension plans and other employee benefit plans to submit information to the U.S. Department of Labor. The Act defines a pension plan as "any plan, fund, or program which is communicated or its beneficiaries, by the purchase of insurance or annuity contracts or otherwise, provides benefits at or after retirement." Simply stated, any plan that is designed to provide benefits at or after retirement is covered by this law with the exception of plans covering not more than 25 participants.

Attend Meeting and Make Proposals
L. L. Mitchell

The last time our Staff was reviewing a grievance problem for its merits as an issue for arbitration, I wondered how many members realized that were it not for the existence of the bargaining agreement there would be no legal grievance and there would be no legal process for resolving these problems. This does not mean there would be no job dissatisfaction but it does mean there would be no legal redress possible.

Now we have a number of these job problems daily but they are usually settled with discussion between the shop steward and the immediate supervisor. The reason? The facts are clear and the agreement provides the guidelines to settle the issue, which is the way it should be. I also ponder how many potential problems never occur because again the contract has provided the method of handling the situation, the supervisor follows it, and the problem never is raised.

No labor agreement will ever be perfect, but the provisions which it contains are based upon membership proposals to establish the ground rules in the framework of their desires and not from a unilateral decision of the boss. Through the process of collective bargaining the Union and the Employer arrive at an agreement which sets the guidelines in many areas where problems could exist, and establishes certain job rights which the employee can insist be followed. In this sense the grievance procedure is really a small percentage of the total problems which arise and there is a need to change the contract, or, if possible, to find another contractor.

Attend Meeting and Make Proposals
(Continued on Page Seven)
**Pension Benefits**

(Continued from Page One)

The primary purpose of a pension plan is to provide a pension or annuity to employees when they retire. The amount of the pension is determined by the retirement benefit formula.

There is no “typical” or “standard” pension plan benefit formula. Almost every plan will have some variation of its own, designed to serve some purpose peculiar to the particular situation. Wide variations are found in pension plans and actual practice reflects the virtually limitless nature of the possible combinations and variations.

Looking at basics, most of the retirement benefit formulas are modifications of one of the following four broad types:

1. Benefits related to both earnings and service. (Example—Percent of pay for each year of service from entrance to retirement.)
2. Benefits related to service, but not to earnings. (Example—total pension credit for twenty years to age 65, he is able to acquire credits for only fifteen years.)
3. Benefits related to earnings, but not to service. (Example—Percent of pay at time of retirement.)
4. Flat benefits with no relation to either earnings or service. (Example—A fixed dollar amount per month for each year of service to retirement.)

Of these four broad categories, variations on the first two are most common. However, not all plans will fall entirely within one of the above types. The P.G.&E. retirement plan, for example, would fall under the first type as its benefits are related to both earnings and service. It provides under one available formula forty percent of highest average pay during any period of sixty consecutive months, with thirty years of credited service. The forty percent shall be increased one half of one percent for each year in excess of thirty years and shall be reduced by one percent for each year less than thirty years.

**Career Average Earnings vs. Final Earnings**

When the benefit formula is related to a worker’s earnings, a question arises as to the period to be used to compute the amount of retirement benefits. Some plans use the “career average” base, which is the average pay during the years of the worker’s service. In other cases, the benefits are based on the worker’s annual pay during the final years of his participation in the plan. The period used is usually the five or ten years before retirement.

One problem with the final earnings formula is demotions of workers who are approaching retirement to lower paying jobs. Obviously, this would reduce the worker’s earnings and pension. Using a “highest years” average formula would assist in overcoming this problem.

**Service and Eligibility Provisions**

When the benefit formula is related to service it is remembered that eligibility becomes very important. Eligibility and earnings should always be considered in relation to each other—as part of a whole. A benefit formula which appears to be liberal can be greatly offset by a provision which limits the number of years of service that can be counted.

For example, a plan may require five years of service before the employee is even allowed to participate in the program. In effect, five years of the total service would be lost. This results in hardship to an older employee who was hired, say at age 45. Instead of being able to accumulate credits for twenty years to age 65, he is able to acquire credits for only fifteen years.

Another example would be where the plan has a limit on the number of years of service which can be credited towards retirement. For instance, when the formula provides a percentage of pay for each year of service up to a maximum of thirty years.

Another would be an age requirement before becoming eligible. An example would be that an employee cannot enter the plan until age 35.

These eligibility requirements may also be combined to provide even greater limits, such as five years of service and being age 35. As you can see, the perils of retrospective service can be tremendous, and on the other hand, a 20 year old would have 15 years service before becoming eligible. The age requirement sets the limit of participation at 30 years maximum, and the service requirement eliminates the participation of those 60 years old and over.

The P.G.&E. retirement plan provides that an employee is eligible to become a participant in the plan at any time after he has become a regular employee and completed one year of service for eligibility. If an employee joins the Plan when he/she becomes eligible, the beginning of credited service begins on employment date.

In the next article on pension benefits we will discuss vesting and early retirement.

**APPROVED PENSION PLAN or QUALIFIED PENSION PLAN**—A plan approved by the Internal Revenue Service is an “Approved Pension Plan.” These plans are covered by the Employee Retirement Income Security Act of 1974 (ERISA). Changes in federal law will affect the operation of approved pension plans, and interpretation of the Internal Revenue Code.

PENSION PLANS and SAVINGS FUNDS PLANS are also affected by the Internal Revenue Code. If a plan qualifies under the code, the employer’s contributions credited to the employee would not be considered as part of his wages for purposes of calculating federal income tax. In addition, the earnings from interest on dividends on funds are exempt from taxation while the funds remain in the plan. The employee, however, generally is subject to income tax on these amounts when he actually begins to receive the benefit. The employer also derives a tax benefit from his contributions to a pension fund. These contributions are regarded as income to the business. The employer may then deduct the full amount of his contributions from his taxable income. In order to qualify for tax exemption, a plan must meet certain requirements set forth in Sections 401, 404 and 501 of the Internal Revenue Code and its regulations and interpretations. The requirements include the permanent status, coverage, legality binding, no discrimination features of the plan.

**Beneﬁts Provisions**

be those on which there is agreement and not just a proposal on which we go along. Be sure they are representative and they don’t conflict with a previous action. Let’s put our heads together, attend the unit meetings and keep those as proposals coming, but let’s keep them on the beam.

**Wage Increase for Retirement Plan Members**

On January 1, 1973, the Pacific Gas & Electric Company Retirement Plan became a non-contributory plan. This is a result of Local Union 1245’s Benefit Agreement with the P.G.&E.

Prior to 1969 members in the Retirement Plan contributed 3 percent of the first $5,600 of covered compensation and 5 percent of covered compensation in excess of $5,600. The Benefit Agreement, which was effective on January 1, 1969, provided a gradual reduction of contributions by members over a four-year period. For 1969 and 1970 the percentages were reduced to 1 1/2 percent of the first $5,600 and 2 1/2 percent of covered compensation in excess of $5,600; 1971 and 1972 the percentages were reduced to 1 3/4 percent of the first $5,600 and a maximum of covered compensation in excess of $5,600.

The result of the discontinuance of contributions is a wage increase that is not subject to taxation. Due to the final discontinuance of contributions on January 1, 1973, the members will, on the average, receive about 1 percent increase in take home money.

 Utility Reporter—February, 1973—Page Two
What Can We Do About Food Prices?

by BETSY WOOD, Co-Op Home Economist

My God! where are food prices heading? What can we do? The following are my comments made for a radio panel on food prices on the Jim Dunbar show last week.

How many food prices have risen dramatically in the last few weeks.

How much have wages risen?

In five years wages in the private sector are up about 40 percent. But of course this doesn’t include “public servants” or people who are out of work. Welfare payments have risen little or none in this time.

Will Phase 3 slow down food prices?

It doesn’t seem likely. Food is only one of three areas under scrutiny now so maybe the economic situation will force a change. Don’t hold your breath on Phase 3 as prices in Phase 2 did not come down significantly and in the meantime food prices have risen dramatically.

What’s left to eat, protein-wise?

In early January, I rechecked prices of protein foods and it seems the cost of 20 grams of protein or one-third the recommended dietary allowance of protein is:

- Under 5 cents: dry beans;
- 5 to 9 cents: non-fat dry milk, canned mackerel;
- 10 to 14 cents: cottage cheese, peanut butter;
- 15 to 19 cents: chicken, turkey, fresh bread;
- 20 to 24 cents: cheaper forms of ground beef, picnic ham, fish with heads and tails, and some hams.

(Continued on Page Seven)
Local 1245 members on the job at Citi

**Susanville**

Shown above, from left to right, are: Darlene Miller and Susan Ehleringer, Commercial Office clerks, and Barbara Reno, Office Supervisor and Unit Recorder.

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Shown above from left to right are: Jeannette Kennedy, Frameman, Front of Paul Filbrook, Cent. Ofc. Maintenance and Shop Steward.

Installer repairman Jerry Will is shown as he connects a phone service at the pole.

Shawn above are some of the members in attendance at the Susanville Unit meeting. This is a joint meeting with members from both Citizen's Utilities and Calif. Pec. Utilities.

This photo shows Mary Moon, left, and Sylvia Quern as they pose for our camera.

**Redding**

Shown above from front to rear are: Dorothy Hardman, Linda Marley, Judy Bauer, Dian Jackson, Jean Lavender and Vlena Gonzales. In the background are Jerry Watson, Dist. Mgr., Willie Stewart, Bus. Rep., and Blanche Holmes.

Shown above are Plant Accounting Clerks Dannie Gibson, Loretta Farmer, Lois Williams, Gail Johnson, Elinore Cole and Wilma Vaugh.
zens Utilities and California Pacific Utilities

Many of our members are not aware that we represent the employees of two different phone companies, in addition to 52 other employer groups.

The Citizen's Utilities Company is the largest of the two phone companies with 196 employees in the bargaining unit. Calif. Pacific Utilities — Lassen Division with three telephone employees, is the smaller of the two employer groups.

Citizen's Utilities has its headquarters in Redding where the accounting offices and computer operations dept. is located. They also have offices and service centers in Susanville, Alturas, Elk Grove, Burney and Rio Vista.

California Pacific Utilities Company has a phone office in Westwood.

It is very interesting to talk to these members as they have some of their own problems unique to the industry and some which are common to almost all of our brothers and sisters.

Burney

Gus Gaynor, left, and Mark Warnock, Microwave Techs, are shown using test equipment.

From front to rear are Dan Masters, wire chief, and plant clerks Johnette Elsemore and Sharon Jones.

Ruby McCarvin, Dottie Strait and Sheila Carlini are shown above in the Data Processing Dept. in Redding.

Rio Vista

Dick Meyers, Installer-Repairman, is shown working on one of the phones in the office.

Bill McCrory, line foreman, left, and Clay Hanneman, lineman, are shown holding a tap line.

Dan Cribur, lineman, is shown working in "bucket truck."

Elk Grove

Jim Wright, Central Ofc. Equipmentman, is shown at keypunch machine.

Shown in the above photo are Bud Young, wire chief, and Plant Clerks Sandy Zgraggen and Lillian Kneppel.
commercial clerks, are shown Margaret Knighton, left, and Martha Carnow, performing their routine duties. Ken Ledder, Microwave Tech., left, and Jim Fordyce, Central Ofc. Maintenance-man, are shown posing for feature story. Shown above from front to rear are Telephone Operators Betty Goulding, Donna Boyle and Alice Dewey. Shown above are some of those in attendance at the Alturas Unit meeting. Shown above is Warehouseman Dean Blevins as he stocks his shelves. Jerry Watson, Jr., Central Ofc. Maintenance-man, is shown performing regular duties of his classification. Shown above is John Dressler, Central Ofc. Maintencemanc in Westwood, Calif. Margaret Knighton, left, and Martha Carnow, commercial clerks, are shown performing their routine duties.
NEGOTIATING COMMITTEES MEET

(Continued from Page One)

Listed below are the committee and their members:


Bargaining Roundup

PACIFIC GAS AND ELECTRIC COMPANY

Gas Street Department
We have received new proposals from Company. Committee will be in the office on February 27, 1973, to study them.

Electric Operations (Substations)
We have received a counterproposal from the Company. Union's Committee will meet in the office on March 6, 1973 to go over them.

Gas Station Operators
Union has received final document from Company. Is now being checked out in preparation for signature.

Terminal Operators
Committee met on February 8, 1973, and went over Company's reply to Union's proposal. Union is preparing an answer.

General Construction Lines of Progression
Civil Gas & Hydro: No change since last reporting. Union is still waiting for Company's listing of classifications of equipment.

Field Office Operation and Process Centers: Committee will meet on February 29, 1973, to develop counterproposals.

Station Department, Electric Overhead and Underground Departments and the Davis Shop and Warehouse: Complete.

Nevensville Gas Local Center
No change since last reporting.

Technicians
Committee met on January 23, 1973. Presently is doing research in the field. Meeting will be held when research is completed.

Travelling Maintenance Crew
(Steam Department) Met and went over material supplied by Company. Union has a number of items needing clarification. When this is complete, this will be reported back to the Committee.

Sierra Pacific Power Company
Consolidation of Gas & Water Departments. Meeting will be held on March 8, 1973, to work on the problem areas.

Citizens Utilities Company of California
Benefit Committee. As of February 13, 1973, charges have been filed with the National Labor Relations Board alleging a violation of Section 8(a)(5) of the National Labor Relations Act, charging failure to negotiate in good faith.

X-RAY ENGINEERING—DIVISION OF PEABODY GALION

Wage and contract negotiations:
The committee consists of Alan Dolby, Ted Finkenbinder, Dave Reese, Bus. Rep. and Asst. Bus. Mgr. Larry Foss is acting as coordinator of the committee. Three bargaining sessions have been held, wherein verbal proposals were exchanged. Union has submitted a proposal in writing and the next meeting will be held when the company responds.

Local 1245 Members Benefit By Vision and Hearing Services

On October 1, 1967 Local Union 1245 contracted for Vision and Hearing Care Services of Bay Area Union Professional Center. Since that time, services to Local 1245 members and their families show the following result:

<table>
<thead>
<tr>
<th>Eye Examination (only)</th>
<th>No Glasses</th>
<th>Need for Glasses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members</td>
<td>2747</td>
<td>680</td>
</tr>
<tr>
<td>Dependents</td>
<td>3586</td>
<td>1721</td>
</tr>
<tr>
<td>Total</td>
<td>6333</td>
<td>2401</td>
</tr>
</tbody>
</table>

On a comparative basis, using an overall average eye examination fee of $15.00 per person, the membership and their families realized a savings of approximately $91,995.00.

Also on a comparative basis, using an overall average of $13.00 differential regarding the cost of glasses, the savings amounted to approximately $48,516.00.

The total estimated savings realized by Local 1245 members and families amounts to $140,511.00.

A number of people examined were found to have some form of eye pathology such as cataracts, glaucoma, macular degeneration, diabetes, etc. Many of these people were not aware of these conditions until examined; and proper action was recommended for treatment.

In keeping with our continuous efforts to provide special benefits for members and their families, Local 1245 would like to remind the membership that eye examinations at no charge and prescription glasses at special rates are available through the Bay Area Union Professional Center.

$15,500 at Stake in State Fed. Scholarship Contest

All graduating seniors in California's public and private high schools have been invited to compete for 31 $500 scholarships at stake in the California Labor Federation's 23rd Annual Scholarship Competition.

Brochures announcing the 1973 competition were sent to the principals of all California high schools by John F. Henning, executive officer of the California AFL-CIO, along with a supply of application forms.

In a message to the state's high school seniors, Henning pointed out that the contest is sponsored by the California AFL-CIO in the belief that a "fundamental understanding of the labor movement's role" will prove useful to high school seniors both as individuals and as citizens.

"Trade unionists have long recognized the vital link between education and income, between education and the fullness of life itself," he said.

"Barriers to education serve only to deprive our society of its citizens' potential contribution. The survival and strengthening of educational opportunities is a part of the day of labor's role and contribution to the development of our nation," Henning invited all California high school seniors graduating in 1973 "to study the history of the labor movement, the obstacles workers have faced and the solutions they have sought through economic and social policies," and wished them every success in the competition.

Deadline for returning applications to compete in the contest, which must be accompanied by the student's transcript, is March 16, 1975.

The competitive examination for the scholarships will be held in all schools in which applicants have applied on April 13, 1973.

The contest brochures, which should now be available in all California high schools, spell out the contest rules and the basis for the awards. They also contain a suggested reading list and other hints for preparing for the examination.

Judges for the 1973 competition will be: Jack Blackburn, Coordinator for Labor Programs at the Center for Labor Research and Education at the Institute of Industrial Relations at UCLA; Jeffery Johnson, Assistant Professor of Social Science at Pasadena City College; Michael B. Lehmann, Assistant Professor of Economics at the University of California; Leland S. Russell, Chairman of the Joint Study Committee on Guidance of the California Association of Secondary School Administrators; and Manuel Vezicni, Associate Professor of Modern Languages at the Polytechnic State College at Pomona.

The competition is one of the annual projects of the State AFL-CIO Standing Committee on Education, chaired by Federation Vice President Thomas A. Small, which includes Federation Vice Presidents Steve Edney, John L. Dales, Edward Shedlock, Richard Groulx, and Ray Wilson.

Further information may be obtained by writing to Albin J. Gruhn, President, California Labor Federation, AFL-CIO, 995 Market Street, Suite 310, San Francisco, Ca. 94103.

LOOK FOR YOUR CARD NUMBER

More participants of the neg. com. orientation are shown above. Shown from left to right are Jack McNally, Lee Thomas and Mert Watters.
The Safety Scene

Hunter Saves Life of Sub-Foreman

Shown above are Jerry Hunter, T&D driver, and Herman Griffin, Line Sub-Foreman for PG&E. Jerry Hunter saved brother Griffin’s life.

On September 19, 1971, at approximately 10:45 a.m., Jerry Hunter saved the life of Herman Griffin by pulling him out of a ditch which was engulfed in flames.

The accident took place on Indian Home Rd. in Danville, Calif., Herman Griffin, a Line Sub-Foreman for PG&E in the East Bay Division, was finishing the third and final splice of this particular job when the accident happened. His torch, a tool used in making underground splices, apparently burned through a plastic gas service and caused the ditch to fill with flames.

Jerry Hunter, T&D driver out of PG&E’s Walnut Creek yard, stated that he was in the process of cleaning up the tools and equipment because Griffin was on the last splice, when he heard a “pop!” and turned around and saw a fireball. “Brother Griffin started yelling for me to help him out. I went over to the edge of the hole and pulled him out. The foreman was called out and he drove Brother Griffin to the hospital.”

Brother Griffin said that he made it up two steps of the ladder, but couldn’t get any farther and that in his opinion “if he hadn’t pulled me out it would have been too late. He saved my life.”

Brother Hunter is being recommended for the IBEW Life Saving Award by Business Manager L. I. Mitchell. His fast actions saved the life of his fellow worker and Union brother.

SURVEY ON KICKOUTS

As mentioned in the December issue of the Utility Reporter, the Local Unions are requesting any information relating to falls and kickouts on wood poles.

This request came about as a result of a meeting held with various employers, Local Unions and manufacturers in California. On October 4, 1972 the first of what will be a series of such meetings was called to discuss the question, “Do cellon treated poles present a greater hazard to the workman when climbing and working aloft than conventional treated poles?” Mr. E. E. Carlton, Supervising Engineer, Electrical Section, Division of Industrial Safety, chaired the meeting.

After a full day of discussion on the subject, of which a large portion was taken up with presentation of records and statistics by the employers, it was decided that all parties involved would return to their respective areas and attempt to gather more information. This decision to hold further meetings was due to the objections put forth by the Local Unions in regard to the records and statistics presented by the employers. In essence, the only incidents the majority of employers had any record of were those that either caused a lost-time injury, a doctor referral, or minor injury requiring an accident report.

Although only a short period of time had elapsed since the October 4, 1972 meeting, a second meeting was called by Mr. Roy Wilkins, Chief of the Division of Industrial Safety, for January 19, 1973.

It was not intended at this time to discuss further reports of falls and kickouts, but rather to develop goals and timetables to which the committee could direct itself. In attendance were representatives of the IBEW, Local Unions involved in the kickout problem:

Local No. 1245—Pacific Gas & Electric Company
Local No. 10.—Southern California Edison Company
Local No. 18.—Department of Water & Power, L.A.
Local No. 465—San Diego Gas & Electric

As in the case of the first meeting, Mr. Carlton (D.I.S.) chaired this meeting.

Mr. Carlton opened the meeting by making the following recommendations:

The committee's objective is to study and make recommendations for reducing falls from wood poles. Items to be included in this study are—the training program given climbers, the equipment used by the climbers, and the types of poles with which the climbers are experiencing trouble.

Following this, the committee discussed climbing equipment and the characteristics of the cellon treated pole itself. The discussion primarily related to a document presented by representatives of Local Union 47.

Have you seen the above form posted at your headquarters? The Occupational Safety and Health Act of 1970 provides that the Employer shall post this Summary of Occupational Injuries and Illnesses at all applicable established headquarters.

Through variances obtainable from the Department of Labor, Employers may have secured a temporary order, which when issued, might exclude your headquarters from the total meaning or effectiveness of the Act. In any event, notify your Business Representative if your headquarters bulletin board does not have one of these posted.

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As a part of the committee’s investigation, it was agreed that a new form of reported falls and kickouts would have to be gathered in order to develop a more meaningful set of statistics.

In line with this decision, Pacific Gas & Electric Company’s Claims and Safety Department developed a form, “Survey of Cutout Accidents,” which will be utilized by the committee for gathering this information. The length of time this form will be utilized has not been determined as yet. This will depend on how much cooperation in reporting kickouts is received from the field.

As this form is not intended to be a “squelch” sheet, or as a tool by which an individual could be ridiculed or embarrassed, but strictly for gathering information, Local 1245 recommends full cooperation on the part of our members.

If you have reason to believe that filling out one of these forms might have an adverse affect on you, fill it out any way and give it to your Business Representative. It will be handled in the strictest confidence.