Pension Reform Law signed by the President

Seven years after the first pension reform bill was introduced Congress passed a pension reform law. The new law is called the Employee Retirement Income Security Act of 1974. The President signed it into law on Labor Day.

The purpose of the Act is to insure that employees who are covered by private pension plans receive benefits from those plans. The law sets up minimum standards which all private pension plans must meet, and will be administered jointly by the Labor Department and the Treasury Department.

Some of the provisions of the law are as follows:

1. Employee rights — Plan administrators will be required to furnish each participant a summary of the plan and certain financial data. Upon written request, a plan administrator is to furnish more detailed information relative to instruments under which the plan is operated, benefits accrued, and the non-forfeitable pension benefit rights.

2. Participation and vesting — The minimum standards provide that employees in covered groups are eligible after age 25 and one year of service (or three years if immediate vesting). Credit given for three years of past service upon attainment of age 25. The law provides a choice of three minimum vesting schedules: a. Full vesting after ten years of credited service. b. Graded vesting between five and fifteen years service. c. Vesting under a "rule of 45" which means that the employee begins to vest when his age and years of service equal 45, provided he has had five years of service.

3. Joint and Survivor Annuities — Where a retirement plan provides that a participant may take his benefits in the form of an annuity, as most do, it also must provide for a joint and survivor annuity, provided the participant has been married for one year prior to death and does not elect in writing to give up the survivor annuity.

4. Plan Termination Insurance — The law sets up a Pension Benefit Guaranty Corporation which will guarantee the payment of all nonforfeitable benefits in case of plan terminations.

The law also covers funding standards and fiduciary responsibilities.

The effective date of the Act varies with the provisions of the Act. The effective dates of some of the provisions are:

- a. Reporting and disclosure—January 1, 1975 (Generally)
- b. Participation, Vesting and Funding—Plan years beginning after December 31, 1975 (Generally)
- c. Administration and Enforcement—January 1, 1975 (Generally)
- d. Fiduciary Responsibility—January 1, 1975 (Generally)
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THE ECONOMY

L. L. MITCHELL

All of us are aware that our economy is in a sad state. We hear every day of runaway inflation that goes on unabated. None of us need to be remonstrated of this for it is apparent each time we go to the market place for any purchase you care to name.

Unemployment, now beyond acceptable levels, is rising even though the experts say this will pass. This becomes a bit hard to believe as we read the news on the cut backs of planned construction in the utility industry, to name only one. Housing starts are getting lower and lower and this not only affects the construction worker but those working in areas which supply the pipe, the lumber, the wire, etc. which go into the home. Fewer homes bid up the prices of those available and fewer homes affect appliance sales; all this appears to me to provide a snowballing of the recession with runaway inflation as an added compounding factor.

President Ford has called his summit conference to develop a consensus on the means of getting us back on the track. So far, no consensus has been developed. Yet some positive action must be taken now.

I'm sure all of us know that we are not going to get out of this mess with an overnight cure. However, it would appear that government policies tried over the past three or four years have

(Continued on page two)
Illegal wage chiseling

WASHINGTON — Employers illegally underpaid some 357,000 workers by $96.6 million in back wages and overtime during the fiscal year that ended on June 30, the Labor Dept. reported. The total underpayment was about $12 million higher than the figure for the 1973 fiscal year, although the number of underpaid workers was slightly smaller. In 1973, some 365,000 workers were underpaid by $86.4 million.

The pay chiseling was disclosed by the Wage & Hour Division of the Labor Dept's Employment Standards Administration whose compliance officers check employers for their adherence to a number of federal statutes governing wages.

Of the $96.6 million held back from the defrauded workers, only $49,926,000 was reimbursed to about two-thirds of them. Last year, $40,723,000 was restored to two of every three workers found to be underpaid.

The major reason for the difference between the total money found due to employes and the amount actually paid is employers' refusal to pay back wages in cases unsuitable for litigation by the Labor Dept.,” the Wage & Hour Division noted in a release accompanying the figures.

Another reason for the difference is the statute of limitations which generally limits recovery of back wages to a two-year period prior to the Labor Dept's filing of a complaint against an employer.

Wage and hour compliance is enforced under the following laws: the Fair Labor Standards Act, which sets minimum wage and overtime and child-labor standards; the Equal Pay Act, which provides for equal pay among men and women doing substantially the same work; the Age Discrimination in Employment Act, which protects workers between 40 and 65 from job discrimination because of their age; the federal wage garnishment law, which limits the amount which can be garnished from an employee's paycheck to 25 percent of his earnings after social security and income tax deductions, the Farm Labor Contractor Registration Act and a number of acts protecting employes who work on federally funded contracts. Two million, six hundred and twenty thousand three, hundred and eighty-three.

Underpayments for overtime worked made up nearly half of the wages withheld in fiscal year 1974. Under the Fair Labor Standards Act, $46,304,358 in overtime pay was held back from 207,000 workers. The figures compare to underpayments of $41,891,011 to 199,693 workers under the FLSA in 1973.

Violations of the Equal Pay Act accounted for $20.6 million in underpayments to 32,000 workers. The totals do not include the recent $7 million equal-pay settlement with the American Telephone & Telegraph Co.

Violations of the minimum wage provisions of the Fair Labor Standards Act accounted for $18,251,000, and involved 119,000 workers. Underpayments of $4,234,000 were found under government contracts.

Valley Labor Citizen

YOUR Business Manager's COLUMN

THE ECONOMY

L. L. MITCHELL

(Continued from page one)

proven to be no answers and have added to the problem, so the problem does not lie in continuing this course of action. High interest rates have only added to inflation, and it would seem that the Federal Reserve Board could reverse this trend without any need for prolonged debate over new legislation. Many eminent economists urge this. Instead, Chairman Arthur Burns testified before the Joint Economic Committee that he personally favored letting the rates go up as high as 20 per cent if need be. This may be the ticket for Mr. Burns who no doubt is not faced with a problem of borrowing money or buying on credit, but it certainly is no answer for the worker who has to use credit for major capital purchases. It doesn't seem to be an answer for most businesses either.

Mr. Simon, Secretary of Treasury, wants to tax gasoline to the tune of 10 per gallon as a rationing device to regulate the shortages. He advocates a price of 750 per gallon to dampen our ardor for driving. This may be fine for the oil companies, and I would suppose Mr. Simon could buy all he needed at that price. What solution do those who have no way to get to their jobs but by auto use to meet this cost problem? Where does a working person's budget absorb 75c a gallon gasoline? Reduce what? Food? Rent?

What I'm saying, is that despite the show being put on by the administration with summit conferences, etc. the same advisors who created the mess we're in with game plans and phases of whatever number are not going to do a turn about. Their heads are made up and unless Congress acts or President Ford makes some changes in the Cabinet and in the former Nixon planners who still remain as though no change had occurred, things will get worse instead of better.

Immediate attention must be given to the hard money policy, the unemployment level and tax reform if we hope to begin to unravel the ball of twine we've built. Certainly other areas of concern must be considered such as the national budget and our priorities of spending government funds.

The well being of workers, who with their families are the majority of citizens in this Nation, must be kept in mind as our new President forms whatever programs and policies he considers are needed to stem a recession while slowing down inflation. We will watch closely and our well wishes go to him for success in this most serious endeavor.
October Buying Calendar: Anti-Freeze, fuel, food gougues

By Sidney Margolius Consumer Expert for Utility Reporter

You have three immediate problems for October: (1) to get anti-freeze for your car early enough to avoid price gouging; (2) to prepare against still higher fuel prices; (3) to adjust food shopping to defend yourself against a new wave of price hikes.

A new factor in the anti-freeze market is profiteering as building up as the windshield washer fluid is getting inadequate rust inhibitor. Strength, freedom from sediments, and dealers predict prices of as much as $10 in the U.S. later this winter. If you have bounced from $2.50 to $3.50 a gallon last year to $4 to $6. One service station quoted as price of $7. Prices in Canada as high as $19 a gallon are being rumored, and some $10 in the U.S. later this winter. If you left in last year’s anti-freeze, you are lucky. Just have it checked for strength, freedom from sediments, and adequate rust inhibitor.

Even anti-freeze solvent for your windshield washer fluid is getting scarce, although you don’t need much. While cutting gasoline prices a half a cent to a penny a gallon, now that the summer driving season is over, the oil companies are raising fuel oil prices again. Early buyers in some areas are finding deliveries cost 33 to 37 cents a gallon compared to the record-breaking 31 to 32 cents last winter, and the 19 to 20 cents that prevailed last fall before the big gougings started.

Thus, while there is no shortage, conserving oil is just as urgent to protect your own pocketbook. Weatherstripping yields quickest savings least expenditure, but even storm windows and more insulation earn back their cost sooner. At least six inches of insulation in the attic is decreed.

Especially conserve hot water, second biggest fuel eater.

Likely if the government continues to flounder in dealing with inflation, you and your family now must cope with new hikes on many staple foods. You are going to have to be more knowledgeable than our government officials to deal with this problem. With many meat prices recently going up, and alternatives such as beans and rice already at record levels, consumers now face higher tags on canned goods, milk, bread and eggs, and other staples.

How are people coping? For one thing, they’re cutting back on meat. You can see shoppers in the stores using a kind of finger control drawing invisible lines across packages to estimate how many portions they can get. Stores report that consumers recently have been using less meat. They are also buying more ground meat, and soy burger is being featured again.

Shoppers also are resisting impulse purchases, such as luxury foods and candies. More seem to have shopping lists, and they go right to the items they want. They’re also buying more private brands and larger sizes.

Retailers themselves are worried about this situation. Supermarket News reports, one said, “A consumer revolt is overdue.” He can’t understand why it hasn’t already happened. Another doesn’t expect organized boycotts but thinks shoppers will cut down on convenience foods.

—Low prices for poultry are a life saver. Turkeys are in heavy supply, and are an even better buy than chicken. Roasters at a nickle more a pound in some stores, offer a better value than broilers.

—Most fish we checked cost more than last year. Look for inexpensive local varieties. In frozen fillets, cod has become more expensive. Haddock is expensive, too. Perch fillets are better value, with tags even a little less than last year. Other relative values are frozen pollock, turbou, and whiting. Canned tuna is going down.

—Steak prices are going up more than the equivalent roasts and loins. Chuck steak is the price leader in many stores, selling at about last year’s tags, while chuck roast is up 15 cents. Similarly, round roasts cost less than round steak. In some stores pork loin roasts cost little more than half the price of some chuck. Bacon has jumped. Ham and calis (smoked shoulder) are a less costly alternative.

—Price tags on the new pack of some canned fruits and vegetables are

Materials, short, home-improvement prices soar

by Sidney Margolius Consumer Expert for Utility Reporter

The demand for home improvements is expanding as the high prices of home mortgages rates encourage moderate-income families to repair and renovate present homes instead of moving. But even as the need for home modernization grows, materials shortages and fantastic costs of even little items are rising and relentlessly, says a leading consumer expert on home improvements. This is John Cheverny, manager of the consumer-controlled and union-managed Ferndale Cooperative in Michigan. Ferndale specializes in home improvement.

Cheverny believes that some of the materials’ shortages are actually contrived, just as earlier, artificial shortages were created by the corporate meat industry and the oil industry. Cheverny’s experience is that the shortages of home improvement materials have been intensified by multi-national corporations who ship raw lumber from the West Coast to Japan. Corporate subsidiaries there process the raw lumber into panels and ship it back to the U.S. for sale here.

“Because of the large quantity of raw lumber expected, ‘shortages develop, and prices skyrocket,’ Cheverny told a TV reporter. He charges that “jobs shipped abroad, and artificial shortages creating high prices, mean a lower standard of living and feed the fires of both inflation and depression.”

Financing also has become a problem. Cheverny says the old FHA Title 1 home-improvement program has been devoured by the corporate FHA Title 1 loans at 12%, but want more, more, more, then credit unions have done a little better. Their rates are limited to 12% per annum. Some charge less. They often are able to advise on safe-guarding in signing contracts and sometimes even on comparative costs and the reputation of local contractors.

How can homeowners save on improvement jobs? “Finishing is the greatest money saver, Cheverny advises. By that he means staining, painting, putting down molding, and tiling ceiling or floors. These items are expensive because of the time involved. For example, shutters cost $45 unfinished. If stained, the cost jumps to $85. ‘If we do it, not only is it costly but the consumer, more often than not, is dissatisfied,’ Cheverny notes. Prefinished shutters and floor moldings are now used but are very expensive.

While skilled craftsmen often suggest that consumers seeking to cut costs finish the smaller, less-skilled jobs, Ferndale discourages them from attempting large areas of skilled finish work. “Frankly, the husband never really gets around to doing it,” Cheverny observes.

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Maroney Fisher

Utility Reporter—September, 1974—Page Three
Here are the answers to unfair charges.

Editor's note: Printed below is an article which answers the recent attacks on the Social Security system. Many of our members who are getting close to retirement age are planning their retirement years and have become very concerned about the monies they counted on from Social Security. The article is long, but very informative and should put to rest any fears you have about Social Security.

Washington, D.C.—For the last 39 years this nation has been embarked upon the great program of providing protection for Americans against the loss of income resulting from retirement, death and disability. It is known as Social Security.

During that time there have been intermittent attacks mounted against Social Security—mostly from writers for popular newspapers and magazines with nothing but a petty personal grievance to offer. These charges have not bothered to come down from their ivory towers to wrestle with the realities of such a massive program, the poverty and degradation that the absence of Social Security would create among more than 30 million current beneficiaries and an estimated 20 million Social insurance protection provided to more than 80 million wage earners.

Since 1935 these attacks have come against the system as regularly as the cicadas locusts which periodically infest the eastern U.S. And, like the locusts, these attacks create a tremendous amount of noise but, so far, have done too much irreparable damage.

Once again in the last few weeks and months, citizens have been treated to the monstrous and mindless hum of these self-appointed destroyers of the system. The first point to be made is that these attacks are not a legitimate subject for real concern because the men and women of Congress who have ultimate authority for Social Security are too well versed in the system—both in the details and in the facts—both in the management. The record of solid bipartisan support for the Social Security system is too overwhelming in Congress to be destroyed by such groundless attacks.

Secondly, even though the attacks are both baseless and doomed to failure, the cruel attempts to worry and upset the 30 million Social Security recipients warrant strong counterattack.

To help alleviate this fear and worry, Senior Citizens News is publishing a rebuttal to various articles which basically charge that Social Security is bankrupt, or nearly bankrupt; a form of taxation which is designed to unfairly burden the American worker; and a poor alternative to a system of either forced or voluntary savings by workers either through their own private pension plans or through the purchase of some sort of government bonds or other investments.

We attempt here to answer each one of these charges with facts that are available to every citizen—including the newspaper writers and the pseudo-intellectuals so bent on destroying the system—in the public record.

However, before defending the Social Security system, it will be helpful to briefly outline what Social Security does.

What Social Security Does

Social Security is a very big proposition. It pays monthly benefits to over 30 million Americans. It also pays part of the hospital bills and part of the physician's bills for over 21 million people through the two-part Medicare program.

Social Security is a retirement program for persons under age 72 and an annuity program for persons over age 72. It also provides for survivors, and it also pays contributions to the Social Security system and also provides monthly life insurance benefits when the breadwinner dies leaving a widow and young children. Social Security also provides a monthly disability insurance program and a health insurance program.

To help for such a varied and massive set of programs, Social Security collects contributions from nearly every American worker and from every American company and corporation—the total contribution split on a virtual basis. In the course of these efforts individuals contribute to the system, on a slightly different basis but with the same object in mind. These contributions now total slightly more than $75 billion a year. As these funds are collected contributions from nearly every American worker and from every American company and corporation—the total contribution split on a virtual basis. The Social Security is a very big proportion. It pays monthly benefits to over 30 million Americans. It also pays part of the hospital bills and part of the physician's bills for over 21 million people through the two-part Medicare program.

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The money in these funds is held in the form of U.S. Treasury Bonds which are guaranteed by the full force of the U.S. Treasury at the express order of Congress.

The next time some writer or speaker attempts to make this point—of the "worthlessness" of Uncle Sam's word to pay—simply offer to purchase that individual's total holdings in U.S. Savings Bonds at fifty cents on the dollar. If the individual makes these allegations, he will still be an absurdly easy proposition to obtain a bank loan for the purchase of Savings Bonds at half their value. For every banker knows that the U.S. Government will pay the full amount on the face of the Savings Bonds regardless of what the market price may be at the time.

Thus we find the critics of Social Security telling the people of this country and their elected representatives that the U.S. Government is "worthless." This irresponsibility transcends mere difference of opinion and brings into question the very patriotism of those attacking Social Security on this basis.

Further, in case you believe this attack on the appropriateness of the Trust Funds holding Treasury Bonds is new, check the February 9, 1950 issue of The Wall Street Journal—the "bible" of world business. In that issue the editor printed an article titled "Bonds in the U.S. Pension Reserve: The Stale Fallacy That the Trust Funds Are a Fiction Still Crops Up Despite Authoritative Refutation."

This article makes the same point about the security of U.S. Federal Treasury Bonds. The Journal points out that to argue that Uncle Sam's word is "worthless" is a gross misrepresentation of the fact that Social Security is essentially a private insurance company. The Journal points out that to argue that Uncle Sam's word is "worthless" is a gross misrepresentation of the fact that Social Security is essentially a private insurance company. The Journal points out that to argue that Uncle Sam's word is "worthless" is a gross misrepresentation of the fact that Social Security is essentially a private insurance company.

This is not to say that the system is perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect. There are still areas that need improvement. However, the system is not perfect.
ATTACKS ON U.S. SOCIAL SECURITY

fund reserves would be sufficient to continue to pay all beneficiaries at full benefit levels for five years or more without any increase in the tax rate.

Indeed, if the same standards which some seek to apply to Social Security were applied to the Civil Service Retirement Fund, most local and State government retirement funds, and most private pension plans—as well as the overwhelming majority of private insurance firms—all would be bankrupt, which they surely are not.

Not Just A Tax— It's A Benefit Too

The second charge leveled against the system—that Social Security is simply a form of taxation—is designed to burden the American worker—clearly fails to take into consideration the history of the decision that went into designing the vehicle for collecting Social Security contributions as well as the very real distinctions between this so-called form of taxation and any other form of taxation.

Further, those who attack the system on the basis of the method of contribution fail to look at the benefit side of the coin.

Those who decry the Social Security contribution system urge as to compare it with contributions made to the Federal income tax. However, the truth is—as many as opponents hate to admit it—that this is a tax in only the most technical and legal sense, and even then a unique tax in many respects.

No other tax that we pay in this country rewards the payer with cash reimbursements in-kind services as does Social Security's FICA. When you pay tax on a gallon of gas, you are supposedly paying for new and better roads—but you don't actually get the road to which you contributed. When you pay into a Social Security fund not only the tax in cash but interest accrued on the tax from sound investment.

Similarly, when you pay your income tax each April 15, you can reasonably expect a strong, efficient, and (hopefully) honest national government. But you have no right or reason to expect any benefits.

However, when each worker contributes to the FICA he does so with every reasonable expectation of reaping cash returns or in-kind services based on these contributions—and not only on his own contributions—but also on the contributions of the worker’s name—in the form of benefits from Social Security either to himself if he reaches retirement age or to his survivors if he fails to reach that age.

And this protection to the breadwinner’s family in the event of untimely death is a valuable commodity resulting from this “tax.”

It’s Not A Regressive “Tax”!

The charge that the Social Security “tax” is the “most regressive and cruel tax of all” simply is not true. First, if Social Security contributions were a tax—and a tax only—it would indeed be regressive but not nearly as regressive as the sales tax or the income tax. But, we have more to consider—Social Security contributions are part of a contributory benefit system—in a sense, an insurance premium—it is not nearly as regressive as private insurance premiums.

For instance, if a worker earning $10,000 per year must pay a $1,000 per year premium on private life insurance, he is by definition paying one-tenth of his income for that premium. But another man, earning $100,000, who purchases the same policy for the same $1,000 per year premium is only paying one per cent of his income to reap the benefits. That is regressive.

The benefit-versus-contribution system of Social Security is a weighted system designed to provide a floor of protection for everyone but especially for those at the lower income levels, who are less likely to have been able to provide some other form of supplementary retirement income. As a result, the average monthly income over his working years was only $100 will receive at least 110 per cent of his working income back in benefits from Social Security, and both those below-average and survivors' benefits are added this jumps to approximately 180 per cent.

On the other hand, an individual who earned sufficient monthly income on the average to pay the maximum in contributions to Social Security will receive a percentage return on his investment equal to only about half of his working “taxable” income. But this worker’s cash benefits—which is what is important at bill-paying time and which Social Security opponents would have us forget—will be about five times the minimum amount paid to any beneficiary.

Social Security, after all, is not designed as a get-rich-quick scheme or a free lunch program but a guaranteed base of income provided as a matter of right upon demonstration of actual retirement or disability. All of which brings us to the third attack on Social Security.

Some writers have attempted to prove that everyone would be much better off if we just did away with Social Security and either gave the option or forced each wage earner to participate in a bond-buying or other sponsored investment plan—supplemented with participation in private pension programs—in order to provide for the financial rigors of retirement.

To prove their point they cite some cases where, had the individual only had the “taxes” paid to Social Security available and combined with other income for investment during working years, that person could have earned more money than Social Security is now paying. However, in citing these cases, the authors either refuse to show or blithely ignore the special circumstances surrounding special cases (as an individual who had put off the decision to retire). Ignored first are the lessons of history that lead to enactment of the first Social Security Act. And it has been said that those who refuse to learn the lessons of history are forced to relearn it.

In the early 1920s—before the great crash—many Americans were living in unparalleled wealth. Surely many workers were mistreated and underpaid (a situation later alleviated by the rise of organized labor), but many workers were earning fair to excellent incomes.

Yet it was found even in that affluent time that if a well-paid worker suddenly died or became disabled or was forced to retire on account of age or company policy, the worker's family often found itself destitute. The fact was that, for one reason or another, the worker and his family either could not or could not afford to save for their retirement when it was decided to retire.

Clearly, if there were no Social Security today, such a situation would be even more likely to occur, what with runaway inflation and high costs and even higher taxes. For instance, a retired worker and his wife who today receive a total of $480 a month from Social Security benefits would have had to have had at least a month from whatever taxable investment system they had set up to duplicate that $480 in spendable income.

To receive such an income, the most economical method would be to purchase a policy in a company designed to provide a floor of protection for everyone but especially for those at the lower income levels, who are less likely to have been able to provide some other form of supplementary retirement income. As an example, an individual whose average monthly income over his working years was only $100 will receive about 110 per cent of his working income back in benefits from Social Security, and both those below-average and survivors’ benefits are added this jumps to approximately 180 per cent.

The President is not now allowed to touch Social Security trust fund monies. It would take special permission from Congress to grant him that authority. But what if the public were convinced that the trust funds were in danger from over-speculation in Social Security funds—bending under complaints and fearful letters from constituents, be willing to let the President manage the monies in the trust funds in whatever form he saw proper?

President Nixon’s record of spending government monies for purposes other than those for which they were collected—or for simply refusing to allow properly appropriated monies to be spent—provides us with the spectre of seeing Social Security funds denied needy retired people or used for the conduct of illegal military operations.

But, even if President Nixon’s record of handling Federal monies were exemplary, ought we allow any President ultimate control over monies entrusted to the government for safe-keeping to be given back to the people in the form of Federal monies. It is in this area that there are no records in which it has been demonstrated, general revenue tax monies but private funds held in trust for the American people by the government of the people.

An Attempt To Block Health Delivery Reform

That these troubousome, noisy, locust-like arguments against Social Security are coming to surface now also has to do with the temper of the country and the Congress to finally enact meaningful reform of our nation’s health delivery system. (Continued on page six)
The International Brotherhood of Electrical Workers offers its members a maximum of 12 Founders’ Scholarships annually for undergraduate study leading to bachelor’s degrees in specified fields. The number of scholarships awarded each year is determined by the number of qualified applicants. One scholarship is awarded for each qualified applicant, regardless of the number of registrations submitted. There is no limit to the number of consecutive years a scholarship winner may receive a scholarship. In 1974, 12 scholarships were awarded.

The IBEW Founders’ Scholarships honor a small group of skilled and dedicated wiremen and linemen who, in 1891, organized the International Brotherhood of Electrical Workers.

The scholarships are worth $2,500 per year for up to four years of undergraduate study leading to the attainment of a bachelor’s degree. They may be used in any accredited college or university which offers a curriculum leading to a bachelor’s degree in the following fields of study:

- Aerospace
- Chemical
- Civil
- Electrical
- Engineering science
- Industrial
- Mechanical
- Other Fields of Study
  - Accounting
  - Architecture
  - Business administration
  - Economics
  - Industrial design
  - Industrial management
  - Industrial relations
- Metallurgy

The Founders’ Scholarship Program is an independent Scholarship Program for qualified IBEW members. It is open to sons and daughters of members, unless the sons and daughters themselves are qualified.

Eligibility
The IBEW Founders’ Scholarships are open to IBEW members who have been in continuous good standing for at least four (4) years by the time they begin college study or original member affiliation and who are local union charter members for a minimum of four (4) years. It is further required that apprentices shall have completed a full, formal apprenticeship as established in their trade and area.

Qualifications
Applications must be submitted to the IBEW Founders’ Scholarship Selection Committee at 1125 - 15th Street, N.W., Washington, D.C. 20005. The Student Registration Forms are available at any time and without giving any reason, provided, however, that Scholarship winners already in college must apply for reinstatement under the program.

Applications will be considered after all the records and recommendations are received. Each applicant must be recommended by the business manager of his local union, who should be familiar with his abilities and performance records. Preferably, references should be from persons of recognized standing and reliability with whom the candidate has associated, such as employers, supervisors, instructors, professionals, etc.

Application forms, transcripts, recommendations, records, and other supporting statements or papers must be received by the Selection Committee before Jan. 31, 1975. It is the responsibility of each candidate to see that all recommendations and letters of support are received and materials are received by the committee before the closing date.

Selection of Winners
The independent Scholarship Selection Committee is comprised of recognized professional, academic, and community representatives, who will examine the applications and recommend a winning candidate for IBEW Founders’ Scholarship consideration. The selection of winners will be made by the Scholastic Aptitude Test, transcripts of records for any college-level work already completed, the essay, resume, and any other evidence of maturity, initiative, ability, and demonstrated leadership potential. The judgments of the Selection Committee will be final, and the list of scholarship winners will be published in the IBEW Journal.

Awards
The $2,500 annual award can be used for all legitimate educational expenses. These include tuition, room and board, transportation costs, books, laboratory fees, library fees, and other costs of attendance. Full, complete payments will be made directly to the student’s educational institution. The student is expected to budget his grant in a manner that will assure completion of all degree requirements.

If an IBEW scholarship winner desires to accelerate his education by attending school during the summer, he will inform the IBEW, which will then arrange to transfer an appropriate portion of his scholarship funds to him. The remainder will be advanced from funds of the National Scholarship Fund and will be used to pay for the student’s vacation employment for a maximum of one (1) quarter of the year.

Responsibilities of Winners
Winners are expected to attend college on a full-time basis, with a full academic load of classes appropriate for their chosen curriculum and to begin study within 12 months of being notified of winning. Scholarship holders are required to send a copy of their official grade reports to the IBEW scholarship fund office as soon as they are available. Applicants must also submit a personal resume of their high school and college-level work, including notes on the marking system in use at any college, such as A, B, C, etc. The student must have taken the SAT, the General Scholastic Aptitude Test, or some other standardized test as soon as possible after his high school graduation.

Answers to attacks on Social Security
(Continued from page five)

This paper along with most others around the nation has reported on increasing citizen demands on Congress to enact a meaningful form of comprehensive health security legislation. Clearly the bill with the most public support—one supported reluctantly by the National Council of Senior Citizens for five years—is S-3, H.R. 22, commonly referred to as the Kennedy-Griffiths-Corman bill after the original prime sponsors.

Opposed to this bill—which would limit the role of the leech-like private health insurance companies—was President Nixon, who was indebted to major insurance companies for massive campaign contributions. Also opposed is a series of organizations whose primary financial backing comes from the insurance industry. The flood of ads by the private health insurance companies is to sell, among other types of insurance, high-profit health insurance to all citizens.

Since the success of the S-3 and H.R. 22 Comprehensive National Health Security program in the Social Security system, any accepted attack on that system would tend to reflect upon the wisdom of the Health Security measure.

In fact, every industrialized nation in Europe has a Social Security system—many for much longer periods of time than we have had. These systems have worked, and worked well, even when also administering comprehensive health insurance for all citizens.

In recent weeks we have witnessed a series of brutal attacks upon the natural fears of those who depend upon the security of Social Security. But it has been a serious attack upon our society. It is a serious attack upon the significance of the mindless noise made by the cicada locusts which periodically infest our land.

Senior Citizens News
The photos on this page show many of the participants in the Annual Tracy Unit Pig Feed. A good time was had by all, a fact which can be seen by looking at the pictures. The committee worked very hard to put the picnic together and should be congratulated for their efforts.
IS THERE really safety in numbers as that old saw suggests?

The shy gal who insists on double dating obviously thinks so. And so does the guy who carries a four-leaf clover—a three-leafed is worthless as a protector from harm.

Whether or not you put much stock in these frivolous approaches to the safety-in-numbers game, the fact is there are numbers that play vital safety roles.

Being aware of these numbers could help you avoid an accident. Here's a quiz to test your safety-by-the-numbers knowledge.

All the numbers you need for the blanks are listed to the left and below. Cross them off as you use them. Answers are on page 7.

0. IS THERE really safety in numbers as that old saw suggests?

2/32. The shy gal who insists on double dating obviously thinks so. And so does the guy who carries a four-leaf clover—a three-leafed is worthless as a protector from harm.

1/4. Whether or not you put much stock in these frivolous approaches to the safety-in-numbers game, the fact is there are numbers that play vital safety roles.

1. Being aware of these numbers could help you avoid an accident. Here's a quiz to test your safety-by-the-numbers knowledge.

1 1/2. All the numbers you need for the blanks are listed to the left and below. Cross them off as you use them. Answers are on page 7.

2. 1. You should allow at least ____ car lengths of following distance between you and the vehicle ahead for every mile per hour of your speed.

2. 2. Small children should be instructed to dial ____ on the telephone to get the operator in an emergency.

3. 3. On a long car trip a driver should take a break about every miles or ____ hours, whichever comes first.

4. 4. A bicycle properly rigged for safety should have a light on the front that's visible from a distance of ____ feet and a rear reflector whose glow is visible for ____ feet.

5. 5. When following another vehicle at night, you should switch to your low beams when you're within about ____ yards of the rear of the other vehicle.

6. 6. Do not store an aerosol spray can near sources of heat or where the temperature exceeds ____ degrees.

7. 7. At night, drive at least ____ miles per hour slower than in daylight.

8. 8. The ____-prong electrical plug protects you from any stray current that may develop in a tool or appliance you may be using.

9. 9. When the tread pattern on a tire has been worn to a remaining depth of ____ of an inch, it's time to replace it.

10. 10. To be on the safe side your water heater's temperature should not exceed ____ degrees.

11. 11. In slow-moving, urban traffic, you should start your directional signals a minimum of ____ feet from the actual turn.

12. 12. When propping a straight ladder against a wall, the distance from the foot of the ladder to the bottom of the wall should be ____ the distance from the foot of the ladder to the point of support against the wall.

13. 13. Your car's brakes are in need of repair or adjustments if your brake pedal is less than ____ inches above the floor when you bring your car to a full stop.

14. 14. Using the trailer axle as a dividing point, a car trailer should be loaded so that ____ per cent of the total weight is in its front half for maximum stability of the trailer and the car.

15. 15. Mouth-to-mouth resuscitation should be administered at the rate of one breath about every ____ seconds for an adult and one breath about every ____ seconds for a small child.

16. 16. It's necessary to start artificial respiration as soon as possible, because brain damage will begin in about ____ minutes when the body is deprived of oxygen.

17. 17. You may be covering more ground than you think. You can find out how many feet per second your car is traveling by multiplying your speedometer reading by ____.

18. 18. Poison ivy plants always have ____ leaves in a group.

19. 19. If you only wear your safety belt when you're on a high-speed, highway trip, you should know that most accidents happen within ____ miles of home and that more than half the traffic accidents causing injury or death involve speeds of less than ____ m.p.h.

20. 20. Immediate first aid for a flame or chemical burn in the eye is flooding with water for approximately ____ minutes.

Family Safety