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A SUMMARY OF RECENT COMMENTS ON RETIREMENT AGE
WITH SPECIAL REFERENCE TO ITS RELATION TO CHRONOLOGICAL AGE

INTRODUCTION

Various pressures have, from time to time, caused a revision in the thinking regarding the proper age at which retirement should be required. During World War I some pressure existed to hold older workers on the job. During the depression substantial effort was made to get older workers out of the labor market. During World War II the trend was reversed because of the need for workers, but the theory that job opportunities declined after individuals reach 40 years of age still persisted. Recently serious thought has been given to the problem of a compulsory chronological retirement age.

It is the purpose of this report to bring together some of the recent comments from a variety of sources on this problem. These do not purport to exhaust the subject, but merely to provide some indication of the current thinking. Each excerpt is footnoted to enable those interested to study the several comments in their whole text.

SPECIFIC QUOTATIONS FROM VARIOUS SOURCES

I. The British Government has announced that in the future civil servants will not be compulsorily retired at 60. Instead, this will be the minimum retirement age. If civil servants pass efficiency tests, they may work until 65 if they wish. If they do not reach an acceptable standard, they will be retired but without a stigma.(1)

II. Compulsory retirement at 68, supposed to have gone into effect in General Motors on January 1, has been deferred until July, and may then be postponed again. Tight manpower is one reason; new and more liberal social security rules that become effective in June also are a factor.(2)

III. When to Retire. While most of the men recognized that their best working years are over when they reach their 60's, few endorsed automatic retirement at 65. 44% believed in letting the retirement age vary with the individual; 24% favored 65 as the right age; 19% thought it was too high; and 9% favored something beyond 65.(3)

IV. All of them complained about social security restrictions on their working. "Social Security is making liars out of pensioners", was often heard. It was quite obvious that a sizeable number who refused to admit it were engaged in full-time work, concealing the fact in order to qualify for social security.(4)

V. At the National Conference on Aging called by the Federal Security Agency and held in Washington D.C. August 13 to August 15, 1950, the method of determining the time for retirement under a pension plan became a controversial subject. Most of those present were opposed to the "on the shelf" psychology for older persons.

(1) Personnel News. March, 1952.

(2) Business Week. March 8, 1952.

(3) Retirement Not Always Happy, Business Week, April 5, 1952.
(A Study of 483 retired persons in Cleveland, Ohio)

(4) Same.

There was a general belief that retirement should be geared to disability and that abrupt retirement was a bad thing for both the individual and society. Amid this background there were many present who expressed the view that a compulsory retirement age was never justified in a pension plan.(5)

VI. ...the impression may be created that there is more opposition to such provisions than would be revealed by a statistical review. Chandler circularized a questionnaire among a selected group of superior persons in 1947-1948 to ascertain their attitude toward retirement and old age. One question was, "What is your opinion concerning systems of compulsory retirement?" Of those who answered the question, 104 were in favor of such systems (though often with reservation) and 19 were against them.(6)

VII. In view of the obvious objections to compulsory age limits, one might expect that provisions for compulsory retirement at a stated age would rarely be found in pension plans--especially since one reason for the adoption of pension plans is to improve the welfare of the participants in their old age. The contrary, however, is true. Such provisions are found in nearly all private pension plans, the Federal Civil Service Retirement Law, and in most state retirement systems.

Sometimes there are provisions permitting some flexibility in the time of retirement up to a stated age--say age 70--when the worker must retire. Sometimes a firm has a custom of retiring most workers at a "normal" retirement age--say age 65--to which few exceptions are allowed. These latter provisions work out in practice about the same as under a plan with a mandatory retirement date.(7)

VIII. In response to a questionnaire sent to all persons receiving annuity payments from the Teachers Insurance and Annuity Association of America, a majority of those who replied stated that they had received some remuneration for personal services in the preceding year. Likewise, studies of retired YMCA secretaries show that most of them are employed after retirement from their jobs. Thus, retirement from a particular job in accordance with a pension plan does not necessarily remove the worker from the labor force. In fact, companies more readily employ a person who has an adequate pension. They hesitate to employ an elderly person without a pension for fear of embarrassment in retiring him without an adequate income.(8)

IX. As a result of interviews with a variety of older people, Havighurst determined that work may have one or more of the following meanings for people:

1. Pleasure from working with people
2. Self respect
3. Respect from others
4. Means of livelihood
5. New experience

(5) Johnson, George E. Is A Compulsory Retirement Age Ever Justified?
Journal of Gerontology, Vol. 6, No. 3. July 1951, p. 263.

(6) Same, p. 263.

(7) Same, pp. 263-4.

(8) Same, p. 264.

6. Chance for creativeness
7. Means of preventing boredom
8. Unpleasant necessity

...The combination of attitudes is likely to determine how-a person will like a particular retirement procedure; for example, if a man thinks of his work primarily as a means of earning his bread and butter or as a heavy burden, he will look upon retirement as the happiest moment of his life provided he is economically secure. But if a man thinks of his work as a source of intrinsic enjoyment and as being of tremendous value, he is likely to struggle desperately against retirement.(9)

-X. "Because of the variability in the duration of human effectiveness, the Committee's conclusion that there should be a fixed retirement age was reached with some reluctance and with due appreciation of the fact that the ease of administration had entered into its thinking. However, in a system with a discretionary period, too frequently (1) past services are considered more than present effectiveness, (2) faculty sensibilities are injured, (3) the administration may make prejudiced decisions (and will always be thought to have done so); this allows a possible threat to good tenure practice and hence to academic freedom as well as to faculty morale, (4) faculty members will plan financially for retirement towards the end of the optional period and may often be required to retire earlier with consequent financial and psychological maladjustment, (5) custom will make either the beginning or the end of the optional period usual, hence tending to a fixed retirement age without the clarity of understanding provided by there being such a determination."(10)

XI. If you had the responsibility for writing a pension plan, you would have to consider some method for determining when each worker participating in the plan would cease work and start to receive his pension. You could use one of the many types of compulsory age provisions in current use, or you could use one of six other methods sometimes suggested, viz., the retirement age might be determined by:

1. The worker's biologic age
2. A tapering-off process
3. A work-qualification test
4. The worker
5. The employer
6. A committee

It will be observed that the first three involve no discretion, and the last three involve discretion.(11)

XII. Although some individuals are frequently retired on the advice of a doctor, the writer knows of no instance in which biological age is the test for retirement and benefits under a pension plan.(12)

(9) Same, pp. 264-5.

(10) Same, p. 265, quoted from a study conducted by a joint committee of the American Association of University Professors and the American Association of American Colleges.

(11) Same, pp. 265-6.

(12) Same, p. 267.

XIII. Although the tapering-off process can refer to one reduction in work, say to one-half of the usual workload, the expression generally refers to a series of changes in the workload starting before and continuing after the normal compulsory retirement age. A typical example might be as follows:

At Age	Reduce Work and Pay to
55	90%
60	80%
65	60%
70	40%
75	0%

The tapering-off process is frequently applied outside of regular pension plans by housewives, doctors, lawyers, and owners of small businesses, where it is practicable to let up gradually on the usual business activity. It is also followed in many industries where it is practicable to assign successively lighter duties to workers as they grow older. But the tapering-off process apparently has its limitations. It has seldom been incorporated as a part of a pension plan.(13)

...Henry James, who made a study of the tapering-off process in college retirement plans, reported one instance at Lehigh University - where a two stage tapering-off plan between ages 65 and 70 worked well but he also reported that an administrator from the University of Iowa said, "Our experience for the last 18 years has led us to believe that there is nothing good to be said about the tapering-off process; it has created quite a social and financial problem."(14)

XIV. ...A pilot on a major airline is retired and may receive a pension when he fails to meet certain rigid tests designed for the safety of the passengers and crew. In this instance, although the tests may not be accurate, their deficiency yields to the welfare of the public. It would seem possible to design qualification tests that are sufficiently accurate and unbiased for practical use in some occupations, but this method has been resorted to in a very small proportion of formal pension plans now in existence.(15)

XV. If the employee alone is given the option to determine when he is to retire, his desire to work in spite of physical ailments may embarrass the employer and endanger the other workers...

Where the employee has the option to determine when he will retire, the interest of the other members of the work team usually suffers. It is a fact accepted by a considerable number of those responsible for administering organizations and institutions that if the employee can determine the time of his retirement, the efficiency of the organization will deteriorate...(16)

(13) Same, p. 267.

(14) Same, p. 268.

(15) Same, p. 268.

(16) Same, p. 269.

XVI. Before the inauguration of many retirement plans, the usual practice was for the employer to determine when the employment of a worker should cease. Therefore, when retirement plans were adopted it was sometimes thought that the former provisions should be incorporated in the retirement plan. Thus, under some pension plans retirement may be forced by the employer at any time, and under other plans employment may be forced by the employer in his discretion after a specified normal age. (17)

XVII. If the decision as to when a person should retire is exercised by an unbiased board, commission or committee, many but not all of the objections to deciding the matter of the option of the employee or employer are eliminated. This method has been used successfully by the United States Army for retiring officers. But the method has not come into wide use--possibly because of the difficulty of collecting a group that is truly unbiased. In the typical business or industry, it is difficult to select a group of men which is completely neutral and would not be accused of favoring either the employer or employee. (18)

XVIII. ...Insurance companies, the Old Age and Survivors' Insurance Bureau, and other statistical agencies can show pretty conclusively that retirement does not produce earlier deaths, i.e., on a statistical average. Those who have retired from employment, who have the benefit of a private pension or those who are receiving OASI benefits do live as long and in most instances longer than the expectancy for the general population. There is no evidence aside from the individual experiences of doctors and psychiatrists that early retirement brings with it earlier death or deterioration... (19)

XIX. The figures on reasons for retirement with which you are perhaps acquainted indicate that ill health and disability constitute the basis for retirement of about a third of those who are now retired. About a tenth of those retired, and these represent the figures collected by the Bureau of Old Age and Survivors' Insurance, retire voluntarily. Only half of those, however, do so because they want to enjoy more leisure. The rest are involuntary retirements. It is rather difficult to judge whether the retirement is involuntary but necessary from the point of view of the man's efficiency on the job or whether it is involuntary because it is the policy to retire everybody at a given age. One can say that people do not want to retire, judged by these figures, and, furthermore, there is pretty good evidence in the average age of people on the Railroad Retirement and on the OASI and under other company pension plans, that employees are retiring much later than the normal retirement age of 65. The average on the Railroad Retirement is about 68-1/4--and on OASI, 69. (20)

XX. ...The company that I represent (Wis. Electric Power Co.) is very definitely opposed to compulsory retirement at a particular age.

(17) Same, p. 270.

(18) Same, p. 270.

(19) Proceedings of a Conference on Problems of Older Workers. The University of Wisconsin Industrial Relations Center. June 1-2, 1951, pp. 91-92.

(20) Same, pp. 92-93.

The tendency is to have a provision for a pension early enough--and in our case it is possible for a person to retire at 55 and receive a pension. Of course, it is not going to be as big a pension as that of a person who stays until 65, but at any rate provisions are there providing a pension at 55. We have some employees that are 70 and some even over 70 who are performing very adequately. There is no pressure on those individuals to retire. The general feeling is that it's an individual case proposition and that compulsory retirement at a particular age would be to the disadvantage of the company as well as the employee.(21)

XXI. ...In 1900 approximately 65% of those over 65 were in our national labor force. In 1950 this percentage had dropped to 45%. Thus we note that, while the population is showing a startling increase in the number of aged, the labor force shows a very substantial decrease in the number of these aged people 65 years of age or over who are still employed in the labor market...(22)

XXII. ...Industrial accident ratings on the average are lower for workers 45 years of age and over than for younger workers. The older workers are also absent from the job less frequently. The lowest absentee rate--and this is an interesting figure--is found in the age bracket from 55 to 64. BLS statistics bear out these figures.(23)

Work Injury and Absentee Rates in Mfg. Industries by Age Group 1945 (23a)

Age Group	Disabling injuries		Absenteeism rate 2/
	Frequency rate 1/	Average days of disability:	
All age groups	9.7	14.7	3.4
Under 20	19.8	4.0	5.5
20-24	4.0	23.4	4.9
25-29	9.2	13.3	4.3
30-34	9.0	6.5	3.6
35-39	11.4	9.0	3.4
40-44	12.4	16.5	3.5
45-49	9.8	19.4	3.4
50-54	7.8	16.2	3.3
55-59	10.1	19.1	2.8
60-64	9.5	16.2	2.9
65-69	9.1	12.4	3.3
70-74	4.9	15.0	3.2

1/ Per million hours worked.

2/ Number of days lost per 100 workdays.

XXIII. The increase of average life, however, has been accomplished through the reduction of fatal diseases in the early years of life. There has been no corresponding increase in the life

(21) Same, p. 101.

(22) Same, p. 103.

(23) Same, p. 106.

(23a) Selected Facts on the Employment and Economic Status of Older Men and Women. U.S. Dept. of Labor. Jan. 1952, p. 30.

expectancy of older persons, but the census life tables show that a male aged 65 had a further expectation of 11.51 years in 1900 to 1902 and 12.07 years in the period 1939 to 1941.⁽²⁴⁾

XXIV. It has been suggested that both from the viewpoint of the employee himself and from the viewpoint of society, industry may have to change its views concerning the wisdom of retiring employees at age 65. The social gain which may be achieved by continuation in productive work of those physically and mentally capable of adding to the gross national product may hold increased significance in the future when the costs of programs established today begin to reach their peak.⁽²⁵⁾

XXV. The types of older worker protective clauses found in the 2,425 agreements analyzed are summarized in the following tabulation:

Types of older worker protective clauses in⁽²⁶⁾
247 collective bargaining agreements

<u>Type of provision</u>	<u>Number of agreements</u> ^{1/}
<u>Hiring clauses</u>	
(No age limits; mandatory hiring of older workers; no discrimination for age; etc.)	23
<u>Retention clauses - on-the-job adjustment</u>	
Special transfer rights to light work	166
Pay and hours adjustments for older workers	113
<u>Joint study of jobs for older workers</u>	1
<u>Other</u>	5

^{1/} These agreements are non-additive, since some agreements contained clauses which fell into more than one category.

XXVI. Of 2,125,000 living workers, aged 65 or over, who were eligible for old-age insurance benefits under the Social Security Act as of January 1, 1950, 839,000--or about two-fifths--were not receiving such benefits. All but a small percentage of the latter group consisted of workers who had either continued in covered employment, or returned to work, after age 65.⁽²⁷⁾

XXVII. Of about 3 million workers who were eligible for old-age insurance benefits under the Social Security Act at the end of

⁽²⁴⁾ Proceedings of a Conference on Problems of Older Workers. The University of Wisconsin Industrial Relations Center. June 1-2, 1951, p. 121.

⁽²⁵⁾ Management Faces the Pension Problem. N.A.M. Economic Policy Division Series No. 32, Oct. 1950, pp. 15-16.

⁽²⁶⁾ Fact Book on the Employment Problem of Older Workers, U.S. Dept. of Labor, 1950, p. 18.

⁽²⁷⁾ Same, p. 7.

December 1950, about two-fifths were not receiving such benefits. All but a small percentage of the latter group were workers who had either continued in covered employment, or returned to work, after age 65. The percent of all eligible workers of different ages currently receiving old-age benefits as of December 1950 varied as follows:

<u>Age</u>	<u>Percent of total</u>
65-66	35
67-68	49
69-70	57 (28)
70 and over	82

XXVIII. Studies by the Social Security Administration indicate that most people work as long as they can and retire only because they are forced to do so. Special surveys of old-age insurance beneficiary retirements between 1940 and 1947 show that only about 5% of the men and women in those years left their jobs of their own accord, in good health, to enjoy a life of leisure. They also show that in given years from a fourth to a half of the beneficiaries had some employment after their entitlement. Of the beneficiaries studied between 1941 and 1949, those whose retirement incomes were lowest as a rule went back to work much more frequently than beneficiaries whose retirement incomes were more nearly adequate. The studies indicate that at least a fifth of the men who became entitled to insurance benefits in any year might remain at work in their regular jobs if their employers were willing to keep them or might take comparable jobs with other employers if their regular jobs were terminated. (29)

XXIX. About 66,300 railroad employees, aged 65 and over, were in active service at the end of 1949, whereas almost 190,000 former employees, aged 65 and over, were on the annuitant rolls. The average age of railroad workers awarded full age annuities during 1949- was 67.7 years or almost 3 years above the maximum age of 65 years, at which workers become eligible for such annuities. This experience is particularly significant because the average monthly annuity was about \$83 a month. (30)

XXX. The close correlation of pension plans and failure to use workers over 65 regardless of their ability to handle their usual jobs is in my mind the most significant finding of the Minneapolis study (2-year study of the utilization of older manpower in the Minneapolis area). Its truth is borne out by our finding that of the non-pension firms, 93% keep on "most or all" hourly employees, and 87% keep on "most or all" salaried employees after 65; but of the pension firms, only 33% keep on "most or all" hourly paid and only 26% keep on "most or all" salaried employees after 65. This is all the more telling when we remember that pension plans are much more

(28) Selected Facts on the Employment and Economic Status of Older Men and Women. U.S. Dept. of Labor, Jan. 1952, p. 28.

(29) Same, pp. 28-9.

(30) Same, p. 29.

prevalent among the larger firms, which account for the majority of employees.(31)

XXXI. Older workers are getting a break at Norfolk, Va. With skilled help hard to get, the Navy shipyard has lifted its age limit for certain skills from 62 to 70 years.(32)

XXXII. In the automobile industry, which is largely on a piece-work basis, earnings reached their peak amongst workers in the age group between 50 and 55 years. A Works Progress Administration study of construction workers in seven major U.S. cities showed that the average age of workers whose output of work was considered excellent was 47-1/2 years, while the average age of those in an inferior grade was 41. A study of New England plants in 1938 found "no tendency for output and earnings to diminish materially with age except possibly above 60".(33)

XXXIII. Dr. Slichter proposed that employers be given an incentive to keep workers 65 or older at their jobs. He suggested that the employer be given one-third of the amount the worker would have received in social security retirement payments.(34)

XXXIV. The Second Gerontological Congress stressed the swing by industry away from a fixed retirement age (65 or any other) to a more flexible retirement plan.

Wilbur J. Cohen, technical advisor to the Social Security Administration, has pointed out that the United States has completely reversed its employment and retirement policies in the past 15 years. They are now aimed at keeping as many older workers on the job as possible.(35)

XXXV. Some economists even advocate raising the age at which social security and other retirement benefits become available. Pointing to census figures which show that the proportion of elderly in the population has been steadily increasing since the turn of the century and to the rapidity of medical advance which indicates it will continue to increase for some time to come, they are beginning to question any program which encourages older people to leave the labor force.(36)

XXXVI. Nobody really knows how many elderly persons would continue to work if they could, as no extensive studies of retirees ever have been made. However, records of actual retirement ages in companies where a choice exists, indicate that most people prefer

(31) Fox, Harland, Utilization of Older Manpower, Harvard Business Review, Nov. 1951, p. 43.

(32) Business Week, Nov. 10, 1951.

(33) The Problem of the Older Worker, Labour Gazette, Sept. 1947, p. 1254.

(34) Christian Science Monitor, May 13, 1950.

(35) Sheldon, C.A., Problem of Old Age, Minnesota Welfare, March 1952, p. 15.

(36) Close, Kathryn, Retirement--Boon or Menace, The Survey, April 1952, p. 160.

to stay on the job after pensions are available. Two years ago Business Week conducted a survey among steelworkers and auto workers in Pittsburgh and Detroit, finding that 60 percent of those eligible for retirement wanted to keep on working. Social Security records show that since the beginning of the OASI program, the average age when its beneficiaries have retired has never been under 68... (37)

XXXVII. ...Professor Slichter estimates that the non-institutionalized persons over 65 receiving some form of government subsidy are depriving the rest of the population of 1.2% of the national product and that this burden may rise to 2%. If everybody retired at 65, then 4% of the effort of the remaining labor force would have to go to their support, according to Professor Slichter's figures. (38)

XXXVIII. Some firms with an automatic retirement age in their policy have waived it for the time being, presumably because of personnel shortages. Thus the Allis-Chalmers Manufacturing Company, with 68 as the compulsory retirement age, has postponed the operation of this provision until January 1, 1954. Under the retirement program covering 37,000 people, provided for in its fifteen labor contracts with eight separate unions--CIO, AFL and independent--voluntary retirement can begin at 65, but so far few men have taken advantage of this except for reasons of health. (39)

XXXIX. ...Though there are differences in individual contracts, under the typical Textile Workers' arrangement, 65 is the age at which a pension becomes available if the employee wishes to retire. From 65 to 68 he alone decides whether or not he will remain on the job. Between the ages of 68 and 72, however, he must apply each year for permission to continue working, his eligibility being determined in the light of his work record by a joint union-management committee. After 72 the decision is management's alone. (40)

XL. ...But if generalizations are to be made, special attributes can also be listed for the aging--loyalty, experience, judgment, stability. In fact, some employers regard these qualities as so essential to their operation that they offer aging employees incentives to stay on.

At the Cleveland tool-making concern mentioned earlier, pensions are paid in addition to the wage or salary if the employee keeps on working after he is 65. Elsewhere, a huge glass-manufacturing industry, which inaugurated a collectively bargained pension plan three years ago, allows pension credits to accumulate after retirement age at a pace which encourages continued employment. In England and Denmark, where workers are in short supply, the governments have adopted incentive systems which sweeten old age insurance benefits for eligible persons who keep on working. (41)

(37) Same, p. 161.

(38) Same, p. 161.

(39) Same, p. 162.

(40) Same, p. 162.

(41) Same, p. 163.

XLI. A few companies are making efforts to lessen the shock of retirement by easing their old-timers out gradually through reduced work periods. At the Wrigley Chewing Gum Company persons who continue on the job after 65 must take a month's leave of absence the first year, two months the second year and so on. (42)

XLII. A recent study of the policy of 39 Wisconsin cities regarding the compulsory retirement of teachers indicated that 3 set the compulsory age at 60, 33 at 65, 1 at 68 and 2 at 70.

XLIII. Industry has tended to establish arbitrary age criteria for selection, placement and retirement of its employees. It is quite clear, however, that successful placement, selection and retirement programs depend upon the correlation of individual capabilities with physical requirements of the job. It is recommended, therefore, that industry undertake to establish selection and placement techniques which relate the applicant's capabilities (physical and mental) to the task he is expected to perform, and that retirement programs be designed with flexibility and consideration of the desires and abilities of the workers. It is specifically the recommendation of the division that these programs be designed without reference to age as a basic consideration... (43)

XLIV. The Wisconsin Statutes, 1951, make this reference to retirement age for those covered by the Wisconsin Retirement Fund:

66.906 COMPULSORY RETIREMENT; ANNUITIES. (1) Compulsory retirement. Any participating employe, except an appointed state officer, who shall have attained age 65 or more on the effective date shall be retired at the end of his first month as a participating employe and any participating employe who attains the age of 65 shall be retired at the end of the month in which such age is attained, unless in either case:

(a) At such time, the amount of the retirement annuity to which a person who was an employe of any municipality on the effective date is entitled shall be less than 25 per cent of the final rate of earnings of such employe, in which event such employe shall be retired at the end of the first month in which the amount of such annuity equals or exceeds 25 per cent of such final rate of earnings; or,

(b) Written notice is received by the board certifying that the governing body of the municipality by which such employe is employed has, because of some special qualification of the employe, specifically authorized such employe to continue in employment for a period not to exceed one year beyond such date, or not to exceed one year beyond the date of expiration of any previous certification date, or until the end of the current term if chosen for a definite term, in which event such employe shall be retired at the expiration of the period designated in the last certification for such continuance on file with the board. The employment of a participating employe who is an appointed state officer less than 65 years of age on January 1, 1948 or a state employe who is the head of a state department, board

(42) Same, p. 164.

(43) Proceedings of the Governors' Conference on the Problems of the Aging. Sacramento, Cal. Oct. 1951, pp. 62-3.

or commission may be continued only upon receipt by the board of such a written notice from his appointing officer, board or commission who or which shall act as the governing body under this paragraph for the sole purpose of granting such continuances.

(1a) Justices and circuit judges. Each supreme court justice and circuit judge included under this fund who shall have attained age 70 or more on or before September 30, 1952, shall be retired at the end of his then current term unless he retires prior thereto, and each supreme court justice and circuit judge who attains age 70 thereafter shall be retired at the end of the month in which such age is attained. This restriction shall supersede the provisions of subsection (1) for supreme court justices and circuit judges.

XLV. The Wisconsin Statutes make this reference to the retirement age of game wardens employed prior to January 1, 1948.

23.14 (9) If any conservation warden retires after having attained the age of 55 and having served 25 years or more in such department, and in case any member shall be discharged after having attained the age of 55 and having served 25 years or more, the board shall order that such member be paid pension monthly of a sum equal to one-half of his average monthly compensation for the last 3 years preceding his retirement or discharge but such pension shall not exceed \$175 per month...

XLVI. ...If the nation's defense industries demand more and more men, it is obvious that the abilities and skills of thousands of men who have reached their sixty-fifth birthdays can be used. It is a strange policy indeed which would suppress this available labor supply by bribing men not to take jobs that pay them more than twelve dollars a week. When this antisocial practice is carried on in the name of social insurance, to which all employed people are compelled to contribute out of their earnings, insult is added to injury. Rep. W. Sterling Cole, of New York, has proposed an amendment to the Social Security Act, permitting people over sixty-five to earn \$100 a month without losing their annuities. But why should there be any limit at all? (44)

XLVII. Hardly a month goes by now without the announcement of a new survey of workers approaching retirement age. Life Insurance companies, business and trade associations, and State and Federal government departments, have led in making these surveys. In each instance they have shown that not more than only one in 4 of those nearing retirement age desire that their retirement should consist of rest and inactivity. They seek either an opportunity to continue in their regular employment or find other ways to keep actively engaged. ... (45)

(44) Editorial, Why Put a Limit on Earnings of Retired People?
Saturday Evening Post, April 5, 1952.

(45) Encouraging Effective Preparation for Retirement, Ebasco Services Incorporated, New York, 1952, p. 4-5.

XLVIII. The best argument for any early retirement, perhaps, is the chance it gives for getting a good start in your retirement career, for making a change while still young enough to be able to adjust, and for getting established more easily in a new way of life. You may have in mind some second career which may bring you satisfaction and even income in your later years. Retired people often set themselves up in small business which are not too competitive in their nature. For instance, a minor executive of a large corporation which manufactures electrical equipment disliked the hurly-burly of a large city and took advantage of an opportunity for early retirement to go back to his home town and open an electrical appliance store. Similarly a secretary, discouraged at her increasing difficulty to find a becoming hat as she grew older, took a course in millinery in her spare time, and eventually opened up a small shop where she designed hats for middle-aged and elderly women.

Though some economists today are beginning to talk about disability as the only justification for retirement at any age, to many an individual early retirement offers release from a life of routine and a chance to follow real interests. In a recent study of 300 retired professors, 27 per cent put down their most satisfying experience in retirement as "freedom from schedule and routine." (46)

XLIX. Executive opinion and company practice differ in several marked respects from the frequently expressed statements of outside observers as to what retirement practice should be. Most popular and academic writers on problems of the aged are strongly against compulsory retirement. Companies which have maintained compulsory retirement procedures over a substantial period of time believe, on the contrary, that such a policy is essential if a pension plan is to contribute to the well-being of the organization as well as to that of the superannuated worker. Selective retirement, widely supported by outside exponents, is rarely practiced even by companies which agree with the principle.

Actual company practice depends more upon the customary interpretation and administration of clauses in a pension plan than upon the specific, legal wording of the plan. Companies with almost identically worded clauses, establishing automatic retirement at normal retirement age and permitting exceptions only "with the consent and approval of management," were found, on one hand, to enforce retirement strictly at the normal retirement age and, on the other, to permit all past-65 employees to continue to work without any special check on their health or efficiency. (47)

(46) Close, Kathryn, Getting Ready to Retire, Public Affairs Pamphlet No. 182, New York, N.Y., 1952, pp. 4-5.

(47) Baker, Helen, Retirement Procedures under Compulsory and Flexible Retirement Policies, Princeton University Department of Economics and Social Institutions, 1952, Summary of Findings and Conclusions.