LABOUR MARKET SEGMENTATION

AND

DIFFERING RETIREMENT ARRANGEMENTS

by

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A THESIS

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ABSTRACT

Labour market segmentation theory was developed as an explanation for ongoing poverty among some groups of people. According to this theory, the problem is in the structure of the work world, rather than in individual characteristics. The research in this paper examines the relevance of this theory for retirement arrangements. An investigation of 154 retirement arrangements within 132 companies, and interviews with 486 retirees, yielded evidence that there are differences not only in the resulting pension amounts, but also in the types of plans, and the terms therein, offered to workers, by segment. Thus, the segmentation that began in the labour force is extended into retirement. As well as making a contribution to labour market segmentation theory by providing empirical evidence of the differences in retirement arrangements for the various segments, this study offers an alternative method for the operationalization of the segments.

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CHAPTER ONE

INTRODUCTION

For many people, the expectation of a comfortable living during retirement is fulfilled; for others, the reality is likely to be one of living the rest of their lives at, or near, the poverty level. In 1980, 54% of the aged in Canada qualified for the income-tested Guaranteed Income Supplement (Dulude, 1981, p.35).

Two recent studies of retirement in Thunder Bay (Stafford and White, 1983,1987) showed that those individuals who belonged to private pension plans received benefits from their plans which varied all the way from less than $100 per month to more than $2,000 per month. Pensions can, of course, vary a great deal when one considers the many variables that contribute to the calculation of a person's benefit. But even when employees belonged to the same plan vast differences were revealed. Differences were evident when plans covering higher status occupations were compared with plans covering lower status occupations, even when these plans were administered by the same company. Further differential treatment occurred when a particular group of employees in a firm was not covered by a plan, while others were. One outstanding contrast appeared in cases where the employee was covered only at the discretion of the employer. In some instances, there was no coverage for any of the employees. In fact, it is estimated that in Canada 55.7 per cent of paid workers in the labour force have no private pension plan membership (Statistics Canada, 1982). And if the workers do not belong to a plan, the likelihood is that they are in a low-income category (Dulude, 1978, p.26). This means that investment income for such persons is also limited.

The recognition of economic disadvantage as a reality for some people, or groups of people, has long been a source of concern and interest to sociologists and economists. The suspicion is that workers are subject to different career opportunities and rewards, based on differing employment practices.

During the last two decades, an effort has been made by scholars to explain these seemingly discriminatory practices using Labour Segmentation theory; the main thesis in this theory is that, somehow, our work world is divided into segments and that workers are likely to be treated differently, depending on the segment in which they reside during their work life. Furthermore, there is very little mobility from one segment to another so that once a worker has been admitted to a particular labour segment, the likelihood is that the majority of that worker's work years will be spent in that particular segment. In fact, Nan Maxwell found that a person starting out in a periphery or secondary sector has about a 75% chance of staying there (Maxwell, 1983, p.58).

With this approach, the problem is seen to lie in the structure. This differs from previous economic and sociological explanations of persistent poverty in which the fault was, somehow, attributed to the individual. Although the focus of sociologists has been on occupations while the perspective of economists has been that of the interplay between supply and demand for labour, the dominant theme of their theories has been that socio-economic success or failure, was directly related to the social and educational characteristics of the individual workers. (Parsons, 1940; Davis & Moore, 1945; Becker, 1964; and Blau and Duncan, 1967) According to these ideas, it follows that increased training will generate higher wages. It may have been the "war on poverty" in the United States in the 1960's that threw new doubt on these theories. This attempt to solve the problem by providing education and training resulted, billions of dollars later, in a whole new population of trained, educated poor and unemployed minorities (Phillips & Phillips, 1983, p.78). Thus, since it seemed that orthodox theory was inadequate to explain these persistent labour market differences, some theorists began to argue that one could better understand these differences as the results of socially structured systems which operate beyond the control of the individual. These systems operate to produce labour segments which impact on the workers in different ways.

There is no real consensus about where and how these segments occur, and the problem is variously seen as residing in the capitalist economy itself with its division into two sectors a "core" sector and a "periphery" sector (Averitt, 1968; Beck et al, 1978, 1980; Edwards et al, 1975; Gordon, 1972; Gordon et al, 1982) or in a dual labour market situation where there are good jobs and bad jobs which they label primary and secondary, respectively (Doeringer & Piore, 1971; Edwards, 1979).

Empirical work in search of evidence for this theory has produced rather inconsistent results, and has focused mainly on the labour market itself with very little attention to the retirement situation. However, proponents of this theory believe that segmentation also has implications for fringe benefits. It is thought that workers who work in core industries are more likely to receive not only higher wages, but better fringe benefits as well, while those in the peripheral industries are thought to lack these advantages. (Tolbert et al, 1980; Harrison & Sum, 1979)

One of the most outstanding examples of a fringe benefit is, of course, a pension which may be paid to a worker in retirement. However, benefit levels and, indeed, all arrangements pertaining to retirement, are influenced by many criteria which are likely to differ from one company to another and may vary from segment to segment. It has only been in recent years that these plans have begun to be assessed, and to be regulated by government legislation. Consequently, it may be these differences in retirement policies and pensions that reveal, more than the actual labour situation, the differences in the way these segmented workers are regarded and treated.

It is the thesis of this paper that the labour segment within which one happens to be situated not only affects one's work life, but carries over into the retirement period, and produces real and unequal consequences. Accordingly, the main thrust of this thesis is an examination of the data and interview results in a recent study of retirement in Thunder Bay (Stafford & White, 1987) to explore the consequences, by segment, for a sample of 486 retirees in their retirement from 132 companies which involved a total of 154 retirement arrangements. In so doing, it is hoped to make a contribution to the work on Labour Market Segmentation by providing some evidence of segmentation in the retirement situation. However, the thesis also addresses the question of methodology, and at that level, proposes, and uses, a somewhat different method for the operationalization of both firms and occupations than has heretofore been utilized. It is the hope of this writer that the categorizations contained herein may prove sufficiently feasible to be used in further research.

CHAPTER TWO

THEORY AND REVIEW OF THE LITERATURE

Because of the lack of consensus about where and how the segments occur, the development of labour segmentation theory has proceeded along two different tracks. The one orientation sees segmentation occurring in the economy itself as firms, in their ever-increasing search for profits, developed in new ways. The other viewpoint sees segmentation occurring within the labour market structure. Very little has been written about any relationship between the two.

Robert T. Averitt, an American economist, was one of the first to analyze and write about what he called the Dual Economy in 1968. He noted that the American economy had evolved from a form of business organization such as described by Adam Smith, where the enterprise was run by an owner-manager who worked alongside the hired help. As the business grew, the owner began to devote full time to financial and managerial duties, separating himself from the workers. Thus the capitalist class that so concerned Karl Marx had emerged. Eventually, in the largest firms, ownership became separated from control and the corporate form was born.

At this stage, according to Averitt, large firms sought, through conglomerate diversification, to free themselves from relying on one specific product. This evolution to a more oligopolistic, national- and international-market oriented capitalism brought about profound changes in business organization. However, since not all firms have made the transition to the monopoly sector, the two types have coexisted, and we have the Dual Economy. Averitt identified these two types as "centre" and "periphery" firms.

More specifically, the "centre" firms are described as those that are large in size and influence. Averitt sees them as being large in terms of assets, income, expenditures, sales and employment, their organization is bureaucratic, the production processes are vertically integrated and activities are diversified into many industries, regions and even nations. They have a tendency to substitute capital for labour. These centre firms serve national and international markets and believe they have 'eternal life' (Averitt,1968,p.7). Financial support is readily available from internal and external sources. Consequently, they react to economic forces differently than the periphery firms. The rule of survival in times of economic crisis for these economic giants is not to cut expenses, but to incorporate successive strategies of firm expansion such as increased sales perhaps through location in other areas.

The periphery firm, on the other hand, is seen as relatively small in size and is usually dominated by a single individual or family. Their sales take place in restricted markets, they are likely to produce a single line of goods and they assume a short-run attitude, all of which indicates a limited potential.

These two economies, then, create differing implications for employment. Centre firms are regarded as "good" employers (Averitt p.127); they can offer greater promotion opportunities and training programs to provide the needed expertise, they are more likely to be unionized, they have low worker turnover (Averitt, 1968; Beck et al, 1980) and sophisticated internal labour markets (Doeringer & Piore, 1971). This means that workers can expect relatively high wages, better working conditions and fringe benefits (Tolbert et al, 1980).

On the other hand, periphery firms are seen to lack almost all of the advantages of core firms. These firms, so we are told, are characterized by undeveloped internal labour markets, low job-skill needs, minimal on-the-job training, high worker turnover, a lack of unionization and low wages (Tolbert et al, 1980; Beck et al,1978,1980), as well as an absence of fringe benefits, all of which is seen to discourage job attachment (Harrison & Sum, 1979).

Whereas dual economists focus on industrial structure as the basis for sectoral distinctions, other theorists view the duality as existing in the labour market while largely ignoring the industrial differences. Although there is a recognition of an external labour market where such things as pricing, allocating and training are controlled by economic variables, they believe it is the internal labour market which causes the segmentation of the labour force, as labour is allocated according to a set of administrative rules and procedures (Doeringer & Piore, 1971, p.2). These theorists say that in the transition from the entrepreneurial family firm to the large corporation a segmentation occurred in the labour market with hierarchical power vested in top management who determine the rules and establish the structure. Edwards (1979) attributes the differences in the treatment of workers in the two segments to a different system of control. He theorized that as the corporate form emerged, the system of control changed from one of simple control in the entrepreneurial firm, where the system of control tended to be informal and unstructured, to one of hierarchical and bureaucratic control which relies on formal rules and procedures. The basic hypothesis is that there are two sectors which have been designated as "primary" and "secondary", although subsequently, some writers have theorized that two divisions are inadequate and that there should be two distinctions within the primary segment. Piore proposes an upper and a lower tier (Piore in Edwards et al, 1975, pp.126,127), the upper tier being composed of professional and managerial jobs where formal education is an essential requirement. Others have designated them subordinate primary and independent primary (Reich et al, 1973; Edwards, 1979).

The primary sector is seen as offering jobs with relatively high wages, good working conditions, chances of advancement, equity and due process in the administration of work rules and employment stability. Alternatively, jobs in the secondary sector tend to be low-paying with poorer working conditions and little chance of advancement. There is likely to be a highly personalized relationship between workers and supervisors which leaves plenty of room for favoritism and is conducive to harsh work discipline. This sector is also characterized by considerable instability in jobs and a high turnover in the labor force. (Edwards et al, 1975, p. 126) It can be recognized from the foregoing descriptions that some writers have assumed that the secondary market exists in the peripheral sector and the primary market resides in the centre (or core) firms.

Another more radical model advanced by Gordon, Reich and others (Gordon, 1972; Edwards et al, 1975; Reich et al, 1973) sees segmentation arising from political and economic forces within (American) capitalism and existing because it is functional. These segments divide workers and thus prevent solidarity.

The empirical work that has been done in a search for evidence in support of, or against, labour segmentation theory has had mixed results and seems to have been mainly directed towards the labour market. That workers have been treated differently, by sector, in such areas as earnings (Beck et al, 1980; Rubery, 1978), career mobility (Tolbert, 1982), unequal opportunity (Kreckel, 1980), and segregation by sex (Bielby & Baron, 1984) has been documented. However, interest in researching for indications of segmentation on the basis of differing pension payments and retirement terms has been almost non-existant. It is apparently, for the most part, just an assumption that "good employers" not only pay good wages and offer greater promotion opportunities and training programs, but provide better fringe benefits as well (Tolbert et al, 1980).

The few studies of retirement that have been done have contributed some support for the theory, but in a very limited way. One study explored some of the pension rule structures of 146 firms and found that the criteria relating to plan participation, and the timing of retirement, treated earnings groups differently. This study excluded firms that do not provide any coverage and some sectors that have plans (e.g. governments), but the greatest limitation in this work was the use of census data (U.S.) with predictions of retirement benefits based on hypothetical classes of workers (O'Rand and MacLean, 1986).

The limitations of using census data can also be seen in a Canadian study of retirement. The results yielded some evidence that the retirement experience of both men and women differs, depending on the economic sector in which they spent their careers, but overall seemed to be inconclusive without more individualized information (McDonald & Wanner, 1987). And while Nan Maxwell had used a segmented labor market approach when she concluded that many of the inequities perpetuated by segmentation in the labor market are extended into retirement, she was really studying the supply and demand determinants of postretirement income for men. (Maxwell, 1983) Another test of economic resource levels among recently retired workers provided some suggestive information about the influence of industrial location as regards level of retirement income without really focussing on pensions and their rules (Leon, 1985). In addition to using census data for some of these studies, which does not provide pension plan rules or give occupation-related variables if the individual has already left the labor force, most of them were conducted in the United States where social security arrangements for pensioners differ from those in Canada, with differing implications for overall retirement income.

One of the problems with segmentation research has been the lack of consensus in the classification of firms or industries as core or periphery. Although there seems to be a fairly common perception that the labour market is divided into segments, with limited mobility from one segment to the other, there is no clear agreement about where and how these divisions occur. In their attempts at classifying firms by type of industry, scholars have seemingly been influenced by Averitt's (1968) work on key industries (pp.38-44). Averitt was the originator of this concept in which he saw American manufacturing industries as divided into a hierarchy of economic importance. In his analysis, he set out a series of loosely related criteria for categorizing them. He included industries such as machinery, steel, nonferrous metals, transportation equipment, aircraft, chemicals, rubber products, petroleum refining, electronics, automobiles and instruments as key industries (p.43). He added mass retailing companies such as Sears, Roebuck and A & P which he felt had entered manufacturing by way of vertical integration (pp.66-69). This scheme has apparently been the inspiration for many researchers in their operationalization efforts (Beck et al, 1978; Bibb & Form, 1977; Hodson, 1978, Tolbert et al, 1980; Tolbert, 1982) but the results have produced inconsistencies in the classifications with little evidence of sectoral differentiation (Zucker & Rosenstein, 1981). In other words, it is questionable whether firms should be assigned to a sector simply on the basis of the type of industry. Even though Averitt saw centre firms as operating within key industries, he warned that key industries should not be confused with centre firms, and noted that all of these enterprises could fall into centre and periphery slots. He declared that it is economic size, not industrial location, that defines firms in the centre economy (p.66).

Perhaps also because he limited his thinking to manufacturing, Averitt introduced the technical production mode as a factor in categorizing firms; he saw firms that were based on unit and small batch production as short-run oriented, while firms specializing in large batch and mass production had a longer run perspective (Averitt, 1968,p.32). This idea that the core sector firms tend to employ advanced technologies and the periphery firms use low levels of technology has become incorporated in the thinking of scholars, and various measures of productivity have been used when attempting to categorize the various industries. However, both concepts and measures of technology have been intensely debated and its relationship to the internal structure of the organization is in doubt as well (Baron & Bielby, 1980, p.749).

Other factors used in operationalizing firms have been characteristics related to economic size as suggested by Averitt. Researchers have used variables such as assets, wages, cost of fringe benefits and profits (Tolbert et al, 1980; Tolbert, 1982). They apparently reason that because core industries are likely to be large in terms of assets, profits, wages, etc., then all firms that display these characteristics must be core firms and conversely, all firms that pay low wages and lack unionization, etc. should be categorized as periphery firms. This has also been criticized as producing a circularity between the <u>defining</u> characteristics of economic segmentation and the outcomes which <u>result</u> from economic segmentation (Hodson, Kaufman, 1981); such labour market outcomes should be considered as dependent variables.

Another issue that has been debated is whether to use firms or industries, or just manufacturing industries as the unit of analysis. Kaufman et al (1981) discuss the problem, but the matter is far from settled. One wonders how data limited to industrial structure could represent the economy as a whole.

Kaufman and his associates were unhappy with the basic idea of an economic duality, and argued that researchers should move away from such a simplistic perspective. They subsequently worked out a sophisticated classification of industries into 16 sectors (Kaufman et al, 1981). Another study carried out in the Maritimes proceeded on the basis of three categories of firms: central, maritime marginal and marginal (Apostle et al, 1985).

Research on segmentation in the labor market has divided primary and secondary workers on much the same kind of bases as firms have been categorized. The implicit assumption that primary workers were those found in core companies, and secondary workers were limited to periphery companies (Edwards, 1979) has not been dealt with in the literature to any extent. Even though Edwards could see the limitations of this reasoning, (pp. 4, 21) he did not, apparently, pursue the implications. In the main, researchers have continued to categorize these divisions based on such things as wages, number of employees, volume of sales, and whether unionized or not. (Apostle et al, 1985; Parcel & Mueller, 1983).

A few writers have looked at the possibility of segments based on divisions by race and sex (Beck et al, 1980; Bielby & Baron, 1984; Reich et al, 1973; Edwards, 1979, pp. 194-197), and while there seems to be a differential allocation of these people to the periphery sector, it has been found that the monopoly-competitive distinction cannot be reduced to differences in race or sex (Beck et al, 1980).

There has been some slight recognition of a greater complexity in segmentation. Mok suggested a four-part model in which the secondary sector is further differentiated. His depictions of differentiation are on vertical and horizontal axes that are both related to job structure. Again, they are divided by factors like high wages and low wages, and then related to motivation in production (Loveridge & Mok, 1979). Barry Bluestone (1971), on the other hand, asserts that differences in wages cannot be explained by differences in production. The assumption of primary jobs in the core sector and secondary jobs in the periphery was found wanting by Evan Jones who stated that there is no close relation in this division. He concluded that the core and periphery both exhibit work force hierarchies involving primary and secondary segments (Jones, 1983).

Consequently, research on any part of labour segmentation theory has tended to produce rather ambiguous and inconsistent results, with an outstanding lack of attention to the retirement situation and the distinct possibility that a study of retirement arrangements and their consequences might produce some useful evidence in support of labour segmentation theory and clarify some of the above problems.

Although there were a few private pensions around as early as the nineteenth century, it was not until after World War II that they became prevalent. In the meantime, welfare capitalism became popular with the corporate capitalists following the First World War, and into the 1920's, in an effort to combat unionism. In their concern about how to create a sense of loyalty, and therefore stability, the corporations began providing a number of welfare benefits and services, including pensions (Edwards, 1979, p. 91). It was hoped that these benefits would persuade workers of the corporation's genuine concern for their well-being and, in the process, undermine worker militance and create a stronger dependence. However, these efforts were not successful, and welfarism failed to survive the Depression (Edwards, 1979, p. 97). Pensions did not, however, completely disappear and with the advent of some possible tax advantages to the companies following World War II, and a desire to control the mobility of workers, the number of pensions grew.

Edwards' notion of differing systems of control has implications here for the differing types of retirement arrangements that might result. According to his ideas, we would expect that pensions and retirement arrangements in the core sector would have more formalized rules, and those in the periphery would lack the structure, if, indeed, there were any arrangements at all. Doeringer and Piore (1971) also recognized the importance of formal rules in their analysis of internal labour markets and noted that how well they worked depended upon their rigidity. Of particular significance in the matter of retirement arrangements are exit rules.

Exit rules (Piore's term) can accomplish a number of things. In the case of pensions, and their promise of deferred compensation, they can create stability in the work force by making it a financial disadvantage for a worker to retire too soon or to move to another company, but they can also create the framework for getting rid of older workers, through regulations governing compulsory retirement, and, in some instances, offering special incentives for early retirement. Conversely, the absence of exit rules could result in a greater flexibility or in more arbitrarily generated conditions, causing a lack of stability. To the theorists, the stability was seen to exist in the primary rather than the secondary sector (Piore, 1975) or in the core, rather than the periphery (Tolbert et al, 1980). Consequently, we would expect that pensions would be more prevalent in core firms than in periphery firms, and the terms of the plans would be much more favourable among primary than among secondary workers. In addition, the core firms will exhibit more formal rule structures in their retirement arrangements with the periphery firms showing a lack of formal rules.

But what is needed, since the literature has yielded so little information, is some evidence that there is a difference in the way workers are treated on the question of retirement arrangements. It is also apparent that there have been many problems with the methods being used to acquire any evidence in support of, or against, this theory. Both of these problems will be addressed in the following chapters.

CHAPTER THREE

METHODOLOGY

Results from the Stafford and White study (1987) were used to test the thesis that the labour segment within which one happens to be situated not only affects one's work life, but carries over into the retirement period, and produces real and unequal consequences. This study involved a survey of the pensions and retirement policies of 132 companies in Thunder Bay as well as interviews with 486 individuals who were retirees or potential retirees from the companies studied. Since several of the companies had more than one type of retirement arrangement, the 132 companies yielded a total of 154 retirement arrangements.

Questionnaires were developed for use at both of these levels. The company questionnaires included questions on all aspects of the pension plan, the flexibility of the time of retirement and any retirement programs (See Appendix I).
A separate questionnaire was used for companies which had no pension plan arrangements, eliminating all questions pertaining to pension plans, but leaving questions about retirement arrangements (See Appendix II).

Retiree questionnaires included questions about work histories, demographics and retirement consequences (See Appendix III). Other questions attempted to test the retirees' knowledge of crucial aspects of retirement arrangements. They were worded slightly differently, depending on whether the person was already retired, since it was then after the fact, or whether still in the labour force and thinking about retiring in the near future. A question testing the respondent's knowledge of survivor benefits prior to retirement was eliminated from the questionnaire for those already retired (See Appendix IV).

It was decided to include a cross-section of all types of firms in the study. To limit the study to manufacturing industries only, or even to industries only, seemed unrealistic if the results were to be considered in any way reflective of the general situation.

A random sampling of firms was made using a combination of Scott's Directory, a Thunder Bay Economic Development Corporation directory and the yellow pages of the Thunder Bay telephone directory. Since the goal was to interview approximately 200 respondents among core firms and 150 from periphery firms, it was necessary to include enough firms to yield that size sample. In addition, the sample of 161 respondents from a previous study of six core firms by Stafford and White (1983) was included.

Personnel managers (or the persons most knowledgeable about retirement arrangements) were contacted and asked for their co-operation in granting interviews about their company retirement pensions, policies and programs, and assistance in providing lists of (ex)employees who were within five years on either side of retirement. In several instances, the personnel manager referred the interviewer to the company insurance agent for some of this information. It was discovered during the pre-testing that if a company had no pension plan, a personal interview with an official of the company was neither necessary nor desirable. In fact, it seemed much more reasonable just to solicit the information needed in a telephone conversation, and avoid the necessity of trying to find a time that the (company) official would set aside in order to have a personal interview when the interview time needed was so brief. On the other hand, if the company had a plan, the interview time required could run to an hour, depending on how well informed the personnel manager was, or longer, if they had more than one plan. Where it was available, a printed brochure of the details of the plan(s) was obtained. This provided a good double-check of the information, if it was up-to-date, as it was discovered that all company officials had not kept abreast of changes in the plans. In several instances, union officials were invited, by the company official, to be present at the interview. The provision of the lists of potential respondents could lengthen the interview time still further, depending on how it was handled.

The companies provided the names of retirees or potential retirees in different ways. In some cases, they gave the names of the total sample, making it necessary, in some instances, to randomize the selection. In other cases their lists were selective. A few companies contacted a potential sample by telephone to secure permission to release their names, and one employer sent a letter to those whose names were submitted, telling them about the study, advising them that they would be contacted and that they were free to decline if they wished. Where there were multiple plans, officials were asked for names of people belonging to each plan. Five companies that provided information about their retirement arrangements refused to release any names of employees/retirees.

All potential respondents were contacted by telephone to arrange a time for an interview. In a few isolated cases where it proved impossible or unlikely to be able to meet with them personally, the interview was conducted by telephone. Respondents were, of course, free to decline if they did not wish to participate in the study, and about 10% did decline. This sometimes meant the loss of a possible candidate with no one to fill the blank; in other cases where the list was longer it was possible to make another random choice.

Besides using statistical data, some attention was also paid to additional remarks made during the interview process by company personnel, as well as the retiree respondents.

The need for a better operationalizing scheme for the division of firms into segments has already been discussed. The main method used to categorize sectors in the economy in the past has been by type of industry. These industries have been slotted into the core or periphery sectors as the result of varying characteristics, many of which are related to economic size. But research has shown that there is no homogeneity within industries, and we cannot, therefore, assume that all firms in a certain type of industry would belong in the same segment. And so, if we reason that a certain type of firm could be in either the core or the periphery segment (and Averitt suggested this possibility), how do we classify them?

To classify on the basis of firm characteristics can also produce problems. Besides the circularity problem already discussed, in the case of high or low wages, if the majority of workers in a firm are women, the wages may tend to be low, even though the company may be operating as a core company thus producing an incorrect classification. Where the unionization factor is used as one of the classifying characteristics (Apostle et al, 1985), the same kinds of problems are seen. Unionization may be more likely to be characteristic of core companies, but unions do also exist in periphery companies. Labour economists, in analyzing unions, have tried to divide them into two or more classifications (Averitt, pp.130-131), the most common of which is a division separating craft unions from industrial unions. Strictly speaking, a craft union should include only workers in a particular type of skilled work, and an industrial union should include only workers in a single industry. However, Averitt notes that the majority of large industrial unions cover several industrial categories, e.g. the United Automobile Workers' union which has covered not only the automobile manufacturing industry, but also has included such industries as farm machinery and aircraft manufacturing. In actual fact, Averitt states that a craft union is made up of skilled workers in one or more closely related trades, and an industrial union may organize all workers in a plant, regardless of their skill or function.

Another mode of classification is by size. A few unions are large, but many are small. There are correspondences between large unions, key industries and centre firms, but Averitt points out that both the centre and periphery are organized by craft and industrial unions, and the enormous Teamsters and Carpenters unions have but slight centre affiliation (Averitt, p.131).

A third method of classifying union types is that of centralized unions versus decentralized ones. The idea here, according to Averitt (p.131), is that where the unionized firm sells in local markets, the local union usually preserves its independence from the national office. If the industry's product sells in national and/or international markets, the collective bargaining agreements are generally determined at the national level, leaving the local union to supervise the settlement.

While these distinctions may assist in our understanding of the relationship of unions to the core and periphery, Averitt warns that the correspondence is not perfect with any of these demarcations. The unionization factor would, therefore, appear to be rather a risky one for classification purposes.

In addition, classification on the basis of size of any type (expenditures, assets, profits) is not satisfactory as a defining characteristic. Barry Bluestone states that there is nothing inherent in the size of a firm which accounts for better wages although some (large) firms have an economic climate which gives them the ability to raise wages (Bluestone, 1971). Size is particularly unsatisfactory in a place like Thunder Bay where there are likely to be small branches of large corporations. Even though the employees may be few and the assets small in this location, the company may still have access to great corporate strength, and therefore may operate differently from one that is restricted to a local or regional market with limited resources.

Take the retail industry, for example. Firms such as Sears, Woolworth's or A & P are bound to operate in a manner different from a locally owned shoe store, and yet they are all in the retail industry. The former may, indeed, be large in terms of many things, but they weren't always the giants in the retail world that they are to-day. I submit that these 'large' characteristics are the results of basic structural changes, and it is to these changes that we must look for the defining characteristics of the economic sectors.

I would argue that the categorizations of core and periphery sectors have not been <u>basic</u> enough, and that it is the dynamics of the changes that take place in the transformation of a periphery company into a core company that should be the defining characteristics of these two economies. The basic changes are what creates the difference, and I would suggest that there are three of them.

In his analysis Averitt saw periphery firms as being owned by a single individual or family (p.7). He also stated that as the corporate form began to emerge, ownership became separated from control, and that by 1963 private ownership had completely disappeared among the 200 largest U.S. (nonfinancial) corporations (p.4). This basic difference in the two economies has, to a large extent, been overlooked in research in the dual economy in the obsession with using the type of industry and a selection of firm characteristics in the classification of core and periphery sectors. Averitt also noted that when a firm was striving to move into the centre economy, it had to go through three distinct financial stock and bond offerings culminating in sufficient commercial funding (p.87). Thus, I would suggest that the first of the basic dynamics would be the change from a privately owned company to one that is publicly listed.

Another basic dimension is the size of the potential market. A periphery firm's sales are thought to exist in restricted markets producing a limited potential but one of the strategies that is used as a firm seeks to expand is to increase the market size by moving into national and international markets (Averitt, pp.51,87). I would therefore suggest that when a firm serves a national or an international market as opposed to a more local market, it is a potential candidate for the core sector, and that this should be considered as another of the basic dynamics in the move to the core sector, and used as the second classifying characteristic.

The third classifying dimension in the evolution of the

North American economy includes the diversification variable. Whereas a periphery company produces a single line of technically related products, the corporations seek to free themselves from being confined to a specific product or a particular industry, and diversify into many products and industries by both merger and acquisition (Averitt pp.7,14). This, then, is another important strategy of firm expansion, and is the third dimension on which the firm classification takes place.

Based on the foregoing points, firms which (1) were publicly listed, (2) served a national or an international market and (3) had diversified interests were classified as core, even though, in Thunder Bay, they may have had relatively few employees. Firms that were locally or privately owned, with a restricted market area and little or no diversification became the sample in the periphery.

In most instances there was no difficulty in classifying on this basis, especially if a company exhibited all three characteristics. In the few instances where a company was not clearly one or the other, its classification was based on it exhibiting at least two of the three criteria. For instance, this could happen if a company was publicly listed and served a national or an international market but showed little or no diversification. A few companies were eliminated because of the difficulty in classification, a 50% franchise arrangement being an example. One public sector group was included with the core employers, since it most resembled that group, being a large, multiproduct, publicly owned, decentralized corporation.

While we may believe that differences in the way workers are treated may differ by firm segment, it is not as straightforward as that, as we have seen. Labour market segmentation is probably, at least in part, occupationally based. Some writers have seen three segments and others have recognized that there are both primary and secondary workers within the core as well as in the periphery. Piore's analysis of the internal labour market has highlighted the existence of a hierarchy of workers within firms. On the basis of the assumption, then, that there are both primary and secondary workers in core and periphery firms, the sample was further divided to expose any differences in those categories. It is hypothesized that differences may exist in the segments as illustrated in the diagram below:

		FIRMS	
		Core	Periphery
	Primary	High wages Excellent pens. Formal Rules	High wages No pensions No formal rules
OCCUPATIONS			
	Secondary	Low wages Poorer pensions Formal rules	Low wages No pensions No formal rule

Occupations in the labour market were ranked according to the status of the occupation as recommended by Pineo, Porter and McRoberts (1977). All those classified below a foreman were allocated to the secondary segment while all others above and including foreman were ranked as primary. This seemed to be somewhat of a natural division, as men who had become foremen spoke of becoming 'staff' at that time, and so were then eligible for the staff rather than the hourly pension plan, and as others moved into some kind of supervisory position, they became eligible for membership in a plan for the first time. This is consistent with Edwards' analysis in which he saw authority vested in layers of foremen and supervisory personnel as firms expanded and sought to maintain control.

> "Hierarchical control was based on the concept that each boss - whether a foreman, supervisor, or manager - would re-create in his shop the situation of the capitalist under entrepreneurial control." (Edwards, 1979, p.31)

The results were then organized into Core Primary, Core Secondary, Periphery Primary and Periphery Secondary segments with some attention to male/female differences.

CHAPTER FOUR

DATA AND ANALYSIS

In this chapter the data is examined first from information received from the companies, and secondly, from information received from the retirees. The analysis of the company data will try to determine what the differences are between the core and periphery segments in the provision of retirement arrangements; the investigation of the retiree data will locate retirees in their work segment and try to determine the consequences of the differential location for their situation in retirement.

In both the core and the periphery there were companies which appeared to treat specific classes of workers differently regarding pension and retirement arrangements, both as regards coverage and as regards the particular plan types and their terms. Consequently, the examination of the company data proceeds by looking at these sub-areas separately and then summarizing the results.

The retiree results are also dealt with in a number of sub-areas. Some of the relevant characteristics of the respondents will be documented followed by a section covering the pension benefit and a discussion of those results. Two areas that seemed to create further differences in the results were those of unionization and sex. Consequently, each of these is dealt with briefly. And because company pensions cannot provide the entire picture of the retirement situation, it is necessary to have some discussion of the total retirement income. The implications of these results will be summarized.

A final section deals with the existence of formal rules or flexibility in both the core and the periphery. As well as looking at stated policies, an attempt is made to determine whether the existence of formal rules causes differential treatment of the retirees.

COMPANY RETIREMENT ARRANGEMENTS

Of the 132 companies that were included in the survey, 37 were classified as core and the remainder as periphery. Among the core group there was a total of 57 different arrangements for the various employee categories, and in the periphery there were 97, for a total of 154 retirement arrangements. These arrangements covered an estimated 21,800 employees, approximately 15,000 of whom were connected to a core firm, and 6,800 to a periphery firm.

The hypothesis that core companies are more likely to furnish pensions for their employees was certainly supported, as 95% of the arrangements classified as core provided some kind of pension plan, whereas only 29% of those in the periphery did so. However, merely to know that a pension is provided can be misleading unless we know more details. In both segments there were companies which appeared to treat different classes of workers differently regarding pension and retirement arrangements.

Plan Coverage

Four of the core companies each had three different plans and an additional twelve companies had two plans each. Three additional core companies had a category of people working for them who were covered by craft union type pension plans; one company had no plan for those below a supervisor, in addition to which one had a plan for management people for which they had refused to release any information.

In the periphery segment four of the companies had differing arrangements for different classes of workers, in addition to which 12 companies hired unionized workers from time to time as the need arose. These workers had their own union-sponsored plans. At least three of the companies in the periphery, while having plans available, offered them to employees only at the discretion of the employer, leaving some of these employees with no plan. One other company offered its plan to "key people"; this would also seem to involve the employer's discretion since some arbitrary decisions were apparently made as to who were "key people".

The following table shows the breakdown of the different classifications for plan membership in each segment. However, since the various firms were likely to create the divisions in slightly different ways, because some firms did offer one plan to all, and also because of some small amount of overlap, it is not possible to divide them strictly into primary and secondary worker plans. For instance, salaried personnel, as well as including management people, sometimes included all of the office staff, and in at least one instance, included security workers who just didn't fit into any of the other categories used by that particular company. Plans for office workers included one plan that combined office and mill workers which, as well as creating overlap of white and blue collar workers, also combined some primary with secondary workers. However, to some extent, these classifications are arranged in a hierarchical order.

Table 1

Classifications of Plan Membership, by Segment

	Core		Periphery	
One plan for all	14	(25%)	7	(7%)
Management and supervisory	7	(12)	7	(7)
Salaried personnel	12	(21)	4	(4)
Office, Office and Mill	4	(7)	-	-
Blue Collar	3	(5)	-	-
Union sponsored	10	(18)	8	(8)
Other	3	(5)	2	(2)
Part-time workers	1	(2)	-	-
No present plan	3	(5)	69	(71)
n =	57	(100%)	97	(100%)

From the foregoing table it appears that provision of a company pension plan in the periphery is often mainly for management people, and where there is a pension for secondary workers, it often consists of a union-sponsored one rather than one offered by the company itself.

Table 1 also shows that there was one specially-devised plan for part-time workers. In this plan, it was mandatory to have five years' service in order to be eligible for membership, which was quite different from the one-year continuous service eligibility period for full-time workers. This produced the possibility that many part-time workers in that company would never become eligible. However, part-time people in other companies were generally not eligible for membership. This was the stated case in 74% of core arrangements and in 54% of periphery plans. For the remainder of the arrangements (9% of core and 42% of periphery), the part-time people were treated the same as full-time workers, even though it probably meant that, in most cases, there was no pension.

Even for full-time workers the criteria for membership can vary. For instance, membership is sometimes voluntary; thirty-nine percent of periphery firms offered voluntary membership while only 8% of core firms offered this option, the balance making membership compulsory, or compulsory after a voluntary period. And to have a plan available for an employment category does not assure membership in the plan immediately after employment commences, although 12 plans in the core and 4 in the periphery did offer this feature. For most there is a waiting period depending on some combination of length of service and/or age, and some plans stipulate that the waiting period must be over a period of continuous service, which can mean that every time there is a lay-off employees must again serve the waiting period after being rehired. All of these manipulations can cut down on the number of years that an employee actually has membership in a plan.

Plan Types and Their Terms

Where there are plans available and workers become eligible there can also be many differences in the end result. These differences may be partly attributable to one's employment income, but they may also depend on such things as who makes contributions, and how much, how the benefit is calculated, length of time in the plan, the timing of retirement, vesting rules and perhaps most of all, the type of plan on which the pension is based. While some of these differences depend at least to some extent on employee decisions most of these differences are the result of the particular pension plan features. It is the pension plan features that we are concerned with at this point.

First let us consider briefly the different types of pension plans, for it is on this basis that the rest of the rules reside. Pension plans fall into a number of categories which include unit benefit, money purchase, profit sharing, flat benefit, and composite. In each of these types the benefit is computed on a different basis. Under the unit benefit formula, the member earns a unit of pension equal to a percentage of earnings for each year of participation in the plan. This means that the benefit formula is the most important aspect of this kind of plan. The three types of unit benefit plans that adjust to keep pace with changes in earning levels <u>final earnings</u>, <u>final average earnings</u> and <u>average best earnings</u> are sometimes considered to be the best kinds at present with average best earnings plans being the most popular (Denton et al, 1981, pp. 7,8). <u>Career average</u> plans, another type of unit benefit plan, have erosion built into them in times of inflation which causes them to produce a smaller pension unless they are constantly adjusted to allow for this factor.

<u>Money purchase</u> plans, on the other hand, define the contribution rates rather than the amount of pension. The pension is whatever amount these contributions with interest will provide or purchase. Here the most important aspect of the plan is the contribution rate. There are nearly as many money purchase plans in Canada as there are all other types combined. However, many of them are quite small. In fact, Coward (1981) states that money purchase plans account for only 5% of pension plan members, although more recent information indicates that they are increasing in popularity (Longhurst & Earle, 1987, p.54) and in 1988 they made up 14% of all plans (Financial Post, March 13, 1989, p.37).

A <u>flat benefit</u> plan is independent of earnings and is usually a dollar amount per month for each year of service, or simply a fixed dollar amount per month, independent of service. A profit sharing plan is essentially a money purchase plan except that employer contributions are related to profits. In a composite plan the pension benefit is based on some combination of categories.

The types of plans offered in this study are shown, by segment, in Table 2.

Table 2

Type of Pension Plan by Company Segment

	Core		Periphery	
Final earnings	1	(2%)	-	
Final average earnings	10	(18)	-	
Average best earnings	14	(26)	1	(4%)
Career average earnings	9	(17)	2	(7)
Money Purchase	10	(19)	13	(46)
Flat Benefit	8	(15)	6	(21)
Profit Sharing	-	-	4	(14)
Composite	1	(2)	2	(7)
Other	1	(2)	-	-
n =	54	(100%)	28	(100%)

Results indicate that those plans based on Final, or Best Earnings were the most prevalent in the core group (46%) with Average Best again the most popular, while the most popular type in the periphery was a Money Purchase Plan (46%). Final or Best Earnings types were almost nonexistent there.

Table 3 is presented to show the types of plans in which the various employee classification groups have membership. This

Table 3

Membership Classification by Plan Type and Segment

	Final Earnings		Final Avg. Earnings		Avg. Best Earnings		Career Avg. Earnings		Money Purchase		Profit Sharing		Flat Benefit		Composite		Other	
	Core	Periph	Core	Periph	Core	Periph	Core	Periph	Core	Periph	Core	Periph	Core	Periph	Core	Periph	Core	Periph
One Plan, All			3		7	1			4	5		1						
Management & Supervisory																		
Salaried																		
Office, Office & Mill																		
Blue Collar & Union																		
Other																		
P/T Workers																		

makes it fairly clear that Final Earnings types not only belong predominantly to the core segment, but that the primary workers in the core are more likely to belong to that type, although primary workers in the periphery are more likely to be in Money Purchase plans. Secondary workers tend to have membership mainly in Money Purchase and Flat Benefit types of plans in both the core and the periphery.

Employee contribution rates varied all the way from no contribution (42% of plans in the core and 43% in the periphery) to just under 7%; in a few instances the contributions were expressed in dollar amounts.

Company contributions varied, by segment, as shown in Table 4.

Table 4

Company Contributions, by Segment

	Core	Periphery
The whole amount	21 (40%)	10 (36%)
Amount equal to member contrib.	6 (11)	9 (32)
Amount greater than member contrib.	4 (8)	3 (11)
Amount less than member contrib.	2 (4)	-
Amount required to bring to formula	18 (34)	-
Flat amount per month	2 (4)	1 (4)
Nothing	-	2 (7)
Other	-	3 (11)
n =	53 (100%)	28 (100%)

The greatest differences here were in the types of contribution. The amount required to bring the pension up to formula was prevalent among core companies but non-existent in the periphery probably because of the lack of final and best earnings plans there. However, this does not necessarily illustrate any homogeneity amongst core companies, as the different formulas could vary a great deal. It can be further noted that in two of the periphery pension plans, the company made no contribution at all.

Benefit rates at normal retirement for those companies from whom we were able to get this information (four core companies and one of the periphery companies either did not know what the rate was or declined to disclose this piece of information), revealed the following differences:

Table 5

Benefit Rates at Normal Retirement by Company Segment

	Core		Periphery	
Less than 1%	1	(2%)		
1% - 1.99%	23	(43)	1	(4%)
2%	5	(9)	-	
More than 2%	1	(2)	1	(4)
Monthly pension ea. yr. service	6	(11)	5	(19)
Amount in fund	8	(15)	17	(63)
Other	9	(17)	3	(11)
n =	53	(100%)	27	(100%)

The main differences here, are that in a majority of periphery plans (63%) the benefit consists of the amount in the fund, whereas in the core the predominant method is a benefit calculated on a percentage basis. The percentage rate is usually part of a formula which incorporates final or average income and the number of years in the plan in the calculation of the benefit. These differences in the types of benefit are as would be expected given the types of plans that predominate in each segment. In some instances, the benefit rate as well as the contribution rate was on a sliding scale, depending on various things, but mostly the employment category. However, the final outcome of the benefit depends on a number of other factors as well.

Integration of plans with Canada/Quebec Pension Plan (C/QPP) or some other benefit usually has implications for the amount of pension at normal retirement age, as integration usually means a reduction in the amount of company pension when drawing the benefits with which the plan is integrated. If the company pension is reduced by an amount for CPP, Old Age Security (OAS) and even, in one case, for a profit sharing plan as well, the resulting company pension can be extremely small or even nonexistant. An examination of this feature showed that none of the benefits of periphery plans were reduced by CPP, OAS, or any other benefit amounts, in contrast to 44% of core companies in which there was a reduction of one or more of these benefits. (This is most likely to take place in a unit benefit plan.)

Three of the periphery pension plans, however, made reductions for any post-retirement earned income, and two of the core groups limited the amount of earned income possible for pensioners before their pension was reduced.

Another factor controlling the amount of benefit received was the form of payment chosen. In 89% of the plans in each segment members were offered a choice as to how their pension would be paid. These choices usually consisted of a pension for life only, life with a range of guaranteed terms which covered periods from five to fifteen years, and in some cases, a joint and survivor pension. This, of course, necessitates some knowledge on the part of the retiree of the different types of payment in order to make a wise choice, or at the least, some good counselling on the part of the personnel officer, for the form of payment chosen has implications not only for the retiree's pension but for that of the survivor as well. For instance, a pension for 'life only' produces the highest monthly payment but offers no benefit for a survivor. Those with a guaranteed period are reduced increasingly as the guaranteed period lengthens and a joint and survivor type, which gives the survivor a lifetime pension, generates the smallest monthly pension for the retiree.

Some of the companies mentioned a 'normal' form of payment even though there were several choices available. The most prevalent 'normal' form amongst core companies seemed to be for 'Life only' or 'Life with a guaranteed period of 60 months';

within periphery firms 'Life with a guaranteed period of 120 months' predominated as the 'normal' form. The Joint and Survivor type was the normal one in only seven of the core companies and one of the periphery firms, not a large percentage in either case. This type of payment usually offers the survivor a lifetime pension of perhaps 50% or 60%, or some other agreed upon percentage of the retiree's pension, and is considered the best type of survivor benefit.

Apart from the few core company plans that offered survivors a lifetime pension, spouses appeared to be in a more preferred position in periphery plans, at least as far as terms are concerned. There are fewer instances of no benefits at all and more instances of a refund of employee contributions plus the vested employer contributions and interest, obviously reflection of different vesting rules there.

Vesting arrangements varied a great deal from one company to another with vesting both beginning at different points, and being completed at different times. If the contributions are not vested, the likelihood is that there will be no benefit, or it will merely consist of a refund of the employee's contributions and perhaps some interest. However, immediate vesting was a factor amongst 33% of periphery firm arrangements, but only 9% of core arrangements. The most usual time for vesting to take place in core companies was the legal limit of 10 years and age 45.

The timing of retirement was another important factor when considering the amount of benefit received. One of the assumptions on which pensions are based is that the worker will retire at a certain age. A company is, therefore, likely to incorporate a 'normal' age of retirement into its pension terms. In the great majority of cases, this age will be 65, but it is not always the case, as can be seen from Table 6.

Table 6

Normal Retirement Age for Males by Company Segment

	Core	Periphery
60 years	2 (4%)	3 (3%)
61-64 years	3 (5)	1 (1)
65 years	48 (86)	41 (43)
No 'normal' age	3 (5)	51 (53)
n =	56 (100%)	96 (100%)

The lack of a 'normal' age was more prevalent in the periphery at 53% with only 5% of core firms stating that there was no 'normal' age for retirement. These instances were usually because there was no pension there, although there were two instances (one in each segment) where a plan had not incorporated a normal retirement age. In the case of females, the 'normal' retirement age varied slightly from the above in three of the core companies as there were four instances of companies offering normal retirement to females at age 60, and three instances of a company offering it in the 61-64 years bracket.

It is, of course, often possible to retire at an age other than the normal one. However, early retirement conditions are often fraught with many rules and the penalties may be too great to make it feasible, especially if it is too early. In other cases, though, there are terms in place that allow early retirement without a penalty under certain conditions which usually involve age and/or length of service, or a predetermined figure from a combination of these factors. Forty-six percent of core company plans allowed their employees to retire early without a penalty, whereas only 8% of periphery plans had such an arrangement. In a further 48% of core company plans, early retirement was only possible with some form of penalty, and even this involved having to work a minimum period or to a minimum age or some combination of the two before it could happen. The remaining 6% had no conditions in place for early retirement.

The penalty, in the case of defined benefit plans, which predominate in the core, usually involved a percentage reduction for every year or month that a person retired before the normal age. But for one group of core salaried employees the penalty for early retirement was so severe that it actually amounted to an incentive to stay until age 65, if possible. Their pension was a Career Average type, but if they stayed until they reached the age of 65, it was calculated on a Final Average basis!

Early retirees in periphery companies with pensions, on the other hand, do sometimes have company rules to contend with that have age and service criteria in place, but a large percentage of them (see Table 3) are in Money Purchase Plans wherein there are often no rules in place to restrict early retirement. Employees may retire whenever they wish, or whenever they feel there is enough money in their fund to produce an adequate pension. However, the money in these funds must be converted into an annuity which, in the case of early retirement, will be actuarially reduced. The rules, in these cases, belong to the insurance companies!

In some instances there were special bridging arrangements for early retirees. This involved paying an additional (monthly) amount to the retiree to "bridge" the time between the early retirement date and the time at which government pensions would become payable. These were more likely to be a feature of core company plans with 26% of them exhibiting such an arrangement. None of the periphery company plans had an automatic bridging arrangement, although in 33% of cases, it was an optional choice. The optional choice of bridging was also available in an additional 28% of core company plans.

Another very important feature in the life of a pension benefit is that of indexing in times of inflation. More than 81% of plans in the periphery were not indexed, as compared with 46% of core plans. Furthermore, regular indexing was a feature only of core groups, and only 6% of those companies offered it. Ad hoc adjustments, some based on excess interest, were featured in both segments, but were more common in core companies (39%), compared to only 19% of periphery plans.

Postponed retirement is not widely acceptable (many companies had never thought about the possibility), but is apparently much more likely to produce additional benefits in the periphery as opposed to the core when working either full-time (70% vs. 19%) or part-time (56% vs. 10%). This situation would reflect the lack of compulsory retirement times in the periphery as well as the existence of the (often) more flexible money purchase plans.

Summary

Data provided support for the theory that core company retirement arrangements are more likely to include pensions than are the arrangements in periphery companies. And because of compulsory membership terms, it is assured that greater percentages of core company retirees have membership in the plans available. However, different classes of workers within companies were treated differently by both segments. It was found that some sub-groups had pensions while others had none, and of those who had pensions, Final Average or Average Best plans which are purported to be the best kinds, predominated in the core but were almost non-existant in the periphery. These plans were also mainly for primary worker groups, although there was some overlap. Primary workers in the periphery more likely belonged to a Money Purchase plan. Plans for secondary workers were most usually sponsored by a union, and tended to be of the Flat Benefit type, although some other kinds (Money Purchase, Career Average and Final or Best Average) did exist for unionized people in the core. To belong to a plan in the periphery usually meant that you were in management or a salaried category, or you belonged to a union.

Both the company contributions and the benefits varied in kind and in rate, but these comparisons are not always relevant since it is the contribution rate that is important in the case of Money Purchase plans, and the benefit rate that is more revealing in Defined Benefit plans.

Some additional features of core plans were also more advantageous. For instance, early retirement was more likely to happen without a penalty in the core, and core companies were the ones with special bridging arrangements for early retirement. For the long-run, the advantage also seemed to exist in the core, as companies there were more likely to provide some kind of indexing.

On the other hand, some features in periphery companies appeared more beneficial. None of these companies reduced pensions by an amount for C.P.P., O.A.S., or any other benefit, and immediate vesting was more often a feature of periphery companies.

As the reader can appreciate, company retirement arrangements can be very complex. The outcome can probably best be judged by looking at the reality of the retirement situation for the sample of respondents who have retired from (or expect to retire from) these companies.

RETIREE RESULTS

Characteristics of Respondents

Of the 486 respondents who were included in the sample, 263 were already retired at the time of the interview from companies (or unions) included in the study, and the remaining 223 were either planning to retire within the next five years, or eligible to do so if they wished.

As previously noted, all respondents whose occupations were coded as a foreman or higher were classified as primary workers, and all others as secondary workers. Categorization of the sample into the four segments yields the following breakdown of the sample size:

	Core	Periphery	TOTALS
Primary	143	68	211 (43%)
Secondary	198	77	275 (57%)
TOTALS	341 (70%)	145 (30%)	486 (100%)

The large majority (86%) had been employed full-time at their last place of employment; part-time and seasonal workers are not a large factor in this sample. The total is 23, including one seasonal worker. The division by sex of these part-time people is almost equal 11 are male and 12 are female.

None of the core primary people and only 3 of the periphery primary segment were in this category. Part-time workers were mainly a phenomenon of the secondary segments. Some of them were part-time because they worked a limited number of hours per week, and others were part-time because they worked only part of the year. Sometimes it was a matter of choice, but more often, in the case of these workers, it was suspected to be a discriminatory problem with the younger people being given more hours or, in the case of craft-type unions, older workers being by-passed for younger ones when union officials were calling members out to jobs, which resulted in them only working part-time throughout the year. Some of these union members estimated that they worked, on average, about nine months of the year. All but eight of them had previously worked full-time for various numbers of years, some as many as 35. Because the main thrust of this research is an investigation of how the retirement situation varies for different people and because part-time work is the reality for some people, these 23 respondents have been included as part of the sample.

Because pension amounts can relate to a person's employment history as well as to other variables, such factors as how long they had worked, their number of years in a plan, their timing of retirement, their educational level and their final employment income were all considered.

The length of full-time employment with the present or last employer (Table 7) is greater amongst primary than secondary workers, and somewhat greater in the core primary than the periphery primary. But even among the secondary workers there is very little evidence of instability in their work histories; fifty-seven percent of core secondary workers had worked for at least 25 years for their final employer, and 36% of periphery secondary retirees had worked a similar length of time.

Table 7

Length of F/T Employment with Present/Last Employer, by Segment

	Core Primary	Core Secondary	Periphery Primary	Periphery Secondary
Less than 15 years	6 (4%)	34 (17%)	15 (22%)	30 (39%)
15-24 years	25 (17)	51 (26)	14 (21)	19 (25)
25-29 years	14 (10)	40 (20)	9 (13)	8 (10)
30-34 years	30 (21)	26 (13)	9 (13)	9 (12)
35 or more years	68 (48)	47 (24)	21 (31)	11 (14)
n =	143 (100%)	198 (100%)	68 (100%)	77 (100%)

The somewhat longer tenure in the core than in the periphery may be a reflection of the greater presence of pensions there (after all, that was the purpose of instituting pensions) and, as well, probably indicates some job instability in the periphery. It must be pointed out here that many periphery secondary respondents belonged to a craft type union which acts as an employment agency, dispatching workers to whatever company has a need for them; often these jobs are of short duration. The consequence is that these people may work for many different employers during their work life. However, their pensions are not contingent upon continuity of employment with any one employer. Contributions are made by the employer of the moment or, in the case of two of the unions, contributions are made by the union member only, as part of the union fees, regardless of whether the member was working.

The total number of years of full-time employment during the work life of the sample indicates very little difference between core and periphery segments, but some difference between primary and secondary workers. Greater percentages of primary workers have worked more years at full-time employment. Core primary workers also had more years of plan membership than other segments.

Table 8

Level of Education, by Segment

	Core Primary	Core Secondary	Periphery Primary	Periphery Secondary
None	-	3 (2%)	1 (2%)	-
Some elementary	9 (6%)	29 (15)	1 (2%)	5 (7%)
Completed elementary	21 (15)	45 (23)	11 (16)	21 (27)
Some High School	61 (43)	83 (42)	24 (35)	33 (43)
Completed Hi School	25 (18)	21 (11)	18 (27)	10 (13)
Some Post-Sec Tech	14 (9)	13 (7)	7 (10)	6 (8)
Some University	8 (6)	4 (2)	4 (6)	2 (3)
University Degree	5 (4)	-	2 (3)	-
n =	143 (100%)	198 (100%)	68 (100%)	77 (100%)

The educational level for all respondents (Table 8) is somewhat better for primary than secondary workers, but has little variation from core to periphery. Contrary to Averitt's expectations (1968, p.86), core primary workers are not, apparently, better educated than their counterparts in the periphery (at least in this Thunder Bay sample). In addition, there is little difference in the amount of education of core secondary workers as opposed to periphery secondary workers; if anything, the periphery workers in each case are better educated than those in the core. In all segments the most often mentioned level of education was 'some high school' but in the primary segments there were more better educated, and fewer poorly educated, people than in the secondary segments, indicating a better overall level of education for the primary respondents.

Final employment income for all respondents, by segment, (Table 9), reveals very little evidence that core workers receive higher wages than periphery workers; in all segments there were individuals receiving both high and low wages with the periphery primary comparable to the core primary segment, and the two secondary segments also being similar. However, a much larger percentage of secondary workers than primary, in both economic segments, received an income of less than $25,000 per year with the median wage category for the Core Secondary segment being $20,000 - $24,999 and the median wage for the Periphery Secondary

Table 9

Final Employment Income, by Segment

	Core Primary	Core Secondary	Periphery Primary	Periphery Secondary
Less than $5,000	-	-	-	2 (3%)
$ 5,000 - $ 9,999	2 (1%)	12 (6%)	1 (2%)	6 (8)
$10,000 - $14,999	6 (4)	25 (13)	4 (6)	11 (14)
$15,000 - $19,999	6 (4)	42 (21)	5 (8)	20 (26)
$20,000 - $24,999	22 (16)	52 (26)	14 (21)	18 (23)
$25,000 - $29,999	26 (18)	33 (17)	8 (12)	8 (10)
$30,000 - $34,999	27 (19)	20 (10)	3 (5)	7 (9)
$35,000 - $39,999	23 (16)	10 (5)	7 (11)	3 (4)
$40,000 or more	29 (21)	3 (2)	24 (36)	2 (3)
n =	141 (100)	197 (100%)	66 (100%)	77 (100%)

segment slightly lower, being just barely in the $15,000 $19,999 category. More primary workers than secondary were in income brackets of $25,000 or more, per year, with the median wage in both segments in the $30,000 $34,999 category, indicating that the primary respondents received higher wages. In fact, there were more primary workers in the highest income bracket than in any other income category, in both the core and the periphery.

However, our ultimate question lies with how these individuals fared at retirement time.

Pension Plan Benefit

The results of the classification of this sample into plan membership are presented in Table 10.

Most retirees/employees from core firms did belong to a pension plan. Only 8 (4%) of core respondents said they did not belong to a plan, and these were secondary workers. In the

Table 10

Classification of Plan Membership, by Retiree Segment

	Core Primary	Core Secondary	Periphery Primary	Periphery Secondary
One plan for all	43 (30%)	69 (35%)	6 (9%)	13 (17%)
Management, Super.	33 (23)	3 (2)	7 (10)	-
Salaried	37 (26)	9 (5)	7 (10)	3 (4)
Office, Mill & Off.	11 (8)	19 (10)	-	-
Blue Collar	14 (10)	73 (37)	-	1 (1)
Union sponsored	3 (2)	14 (7)	8 (12)	25 (32)
Other	2 (1)	2 (1)	3 (4)	2 (3)
Part-time	-	1 (1)	-	-
No present plan		8 (4)	37 (54)	33 (43)
n =	143 (100%)	198 (100%)	68 (100%)	77 (100%)

periphery segment 54% of primary workers and 43% of secondary workers said they had no present plan membership and the majority of those that were in a plan, unless they were in management or salaried categories, were in a union-sponsored plan.

The consequences, by segment, for these respondents, can be seen as they reach the time of normal retirement. Monthly company pension amounts are shown in Table 11.

As expected, more retirees from core firms were in receipt of a pension than those retiring from periphery companies where approximately 50% had no pension. Even where there were pensions in the periphery they were small and generally poorer than those for core retirees. The periphery secondary people were in a particularly vulnerable position as their pensions were either non-existant or under $600 per month, with the majority being less than $200 per month. It can probably be assumed that those additional people who did not know their pension amount, would fall into these categories also. Eighty percent of the periphery primary sample also had no pension or one that paid them less

Table 11

Monthly Company Pension at Normal Retirement, by Segment*

	Core Primary	Core Secondary	Periphery Primary	Periphery Secondary
None	2 (1%)	20 (10%)	35 (51%)	38 (49%)
$1 - $99	3 (2)	26 (13)	2 (3)	13 (17)
$100 - $199	10 (7)	16 (8)	1 (2)	10 (13)
$200 - $399	16 (11)	46 (23)	12 (18)	7 (9)
$400 - $599	15 (11)	25 (13)	4 (6)	3 (4)
$600 - $799	22 (16)	16 (8)	3 (4)	-
$800 - $999	9 (6)	7 (3)	-	
$1000 - $1199	15 (11)	10 (5)	3 (4)	
$1200 - $1399	9 (6)	7 (3)	1 (2)	
$1400 - $1599	13 (9)	5 (3)	1 (2)	
$1600 - $1799	7 (5)	3 (2)	-	
$1800 and over	11 (8)	1 (1)	3 (4)	-
Don't Know	10 (7)	16 (8)	3 (4)	6 (8)
n =	142 (100%)	198 (100%)	68 (100%)	77 (100%)

*The amounts for those who are not yet retired or who are still in early retirement are projected amounts, sometimes with the help of their annual statement. Some, as evidenced from the results, were unable to say what the amount would be at normal retirement age. And even a few who were already in the retirement situation had not yet learned what their pension amount would be.

than $600 per month. However, there were a few better pensions here, some of which were in the very highest category.

While the core secondary respondents were also well represented in the lower categories (67% with none or less than $600 per month), some of them (25%) did receive pensions in the higher categories. On the other hand, only 32% of core primary people received a pension of less than $600 per month and 61% were in the higher categories.

Overall, the core primary people were in the most favourable position. However, whereas both primary segments had been in the best position as regards income, that was not the case with their company pension. Cross-tabulations of income and pension amounts indicated there was a significant relationship in the core primary segment. Low salaries produced low pensions and higher salaries tended to produce higher pensions. In the periphery segments with so many having no pension, there was no relationship to income. Even when considering only those with a pension who knew the amount, there was no significant relationship except that those with incomes of $40,000 or more did tend to have better pensions. In the periphery secondary sector even for those in the two highest income brackets, pensions were less than $100 per month. No matter how much the income in that segment, the pensions were all low.

In addition, there is little relationship between the amount of pension and education, although O'Rand mentioned education as one of the major predictors of workers' location in firms with pension plans (O'Rand, 1986, p.229). Even though the better educated primary workers are better off, in retirement, than their secondary counterparts, there is no evidence of a similar relationship between the core as a whole and the periphery as a whole. The fact that the periphery respondents are as well, or better, educated than those in the core segments is not reflected in their poorer pensions, or the fact that fewer of them are in pension plans.

Sometimes pensions may differ because of the number of years that the individuals belonged to the plans. For both of the core segments there is a relationship between the number of years in a plan and the amount of pension income, although the relationship is not as great for the core secondary retirees as it is for the core primary people. The number of years in a plan also bears some relationship to pension amount in the periphery primary segment, but for those respondents in the periphery secondary segment more years of plan membership did not increase the pension amount. Thirty or more years of membership still resulted in low pensions.

Even retirement at an older age did not generate a greater pension amount in any segment. However, the situation did differ from segment to segment. Core segment pensions were superior in spite of the fact that a greater percentage of them retired prior to age 65. Table 12 shows that in the core primary segment there was a greater percentage of pensions of more than $600 per month at every age of retirement than there were pensions of less than

$600 per month, with the greatest percentage (79%) occurring in the youngest age category. For the core secondary segment, only one age category (60-64) showed this phenomenon (48% as compared to 33% that were less than $600). Larger pensions also existed for the periphery primary segment at age categories less than 65. What all of this seems to indicate is that those people with better pensions retire before age 65.

Table 12

Percentage of Respondents Receiving a Pension of More Than $600 per Month, by Age of Retirement

	Core Primary	Core Secondary	Periphery Primary	Periphery Secondary
Less than 60	79	24	40	0
60 - 64	63	48	33	0
65	55	12	4	0
66 or more	57	12	8	0

In addition, those with lower pensions appeared to work as long as possible. Greater percentages of low pensions were paid in the two highest age brackets in all segments except the core primary. In the periphery secondary segment there were never any pensions greater than $600 per month at any age, and the majority had pensions of less than $200 per month at every age.

Respondents then, are left in an inequitable situation at retirement with the core primary in the most favourable position and the periphery secondary in the most precarious. That different categories of workers are provided with different types of plans suggests that it may be the plan type, coupled with the particular terms therein, that correlates with the vastly different results. The cross-tabulation of types of plans by membership classification (Table 3) shows us, for instance, that in the core the predominant kinds of plans, particularly for the primary workers but also for some secondary workers, are defined benefit types and Money Purchase plans. As previously noted, the Final or Average Best earnings types are likely to produce the best pensions, dependent of course on the amount of income earned and the length of time in the plan. This would explain why pension amount was related to income in these segments, with the relationship being greater in the primary than in the secondary segment where there were some Flat Benefit plans which would not relate to income.

These Final Average or Average Best plans in the core are also the ones most likely to generate an early retirement pension without a penalty and to extend special incentive offers eliminating penalties for early retirement. Seventeen core retirees mentioned a special incentive offer as their reason for retiring, as compared to none in the periphery, and only 4 of the 17 were from the secondary segment.

Although the Career Average type also depends on income earned and length of time in the plan, it would not be expected that a plan of this type would produce a good pension in times of inflation since the benefit is averaged over a person's work life. Consequently, this type of plan will not reflect final employment income unless, of course, it has been adjusted accordingly, and may, in fact, explain some of the lower pensions in the core segments.

Money Purchase plans exist in all four segments. They are a great mixture of terms. Since the outcome depends on the amount contributed, those plans with a greater contribution rate would seem to produce a better result. And while Money Purchase plans are purported to define the contribution rate, the rates are not always defined with precision. The contribution may be a percentage of income, a fixed amount, or it may be based on company profits (Profit Sharing plans ultimately become Money Purchase plans). There are some plans where the employee chooses the contribution amount, and there is opportunity, in some cases, for employee voluntary contributions. The employer may contribute in addition to the employee, or the employer may be the sole contributor. In any case, they are all limited by government legislation to a maximum amount based, to a large extent, on income. This leaves a fair bit of flexibility for greater contributions in plans for primary workers as opposed to plans for mainly secondary workers, and in many cases would tend to give the advantage to higher income individuals. And while we would expect that the greater the contributions, the greater the pension, this is not necessarily so since the benefit payable is dependent on current interest rates. Thus, people retiring within a few months of one another, with similarly contributed amounts, can end up with different pension amounts if interest rates change in the meantime. Consequently, there can be a vast difference in the outcome of Money Purchase plans; they can produce both generous and inadequate pension amounts.

The type of plan most commonly used for union-sponsored plans and blue collar worker plans which cover many of the secondary workers in both segments is a Flat Benefit plan. In the periphery there were also two composite plans, both of which incorporated the features of a flat benefit plan. A Flat Benefit type of pension is apparently deemed suitable for secondary workers. The benefit is usually small, although it does not need to be. The particular terms determine the result which is usually calculated on the length of time worked or the length of time in union membership. The monthly pension rates varied from $2.00 a month for every year of service to $21.00 a month for every year of service. And while the $2.00 rate covered retirees from a craft-type union and the $21.00 per month was for retirees who had worked for core companies, Flat Benefit plans in the core did not consistently have better terms than Flat Benefit plans in the periphery.

Although there were no Flat Benefit plans covering primary worker groups as such, there were a few primary people in both the core and the periphery who were covered by flat benefit plans. Consequently, membership in these plans could explain some primary segment low pensions. In these union-sponsored plans, pension amounts for primary workers were only slightly better than secondary pensions in the periphery and no better than secondary pensions in the core. The median pension amount for those in union-sponsored plans in the core primary, core secondary and periphery primary segments stands at between \$200 and \$399 per month, while in the periphery secondary segment it was between \$100 and \$199 per month. That unionized people in the periphery secondary segment received smaller pensions than those in the other segments would seem to indicate that the particular terms of their Flat Benefit plans produced poorer benefits. The possibility that unionization may itself impinge differentially on the segments would seem to justify a closer look at the unionization factor.

The Effects of Unionization

Although there was a slightly higher percentage of unionized respondents in the core than in the periphery, the differences between them were minimal. The real differences were between the primary and the secondary segments. Unionization was principally a feature of the secondary segments, with the membership being more extensive in the core secondary than in the periphery secondary (see Table 13).

Table 13

Respondents Unionized/Not Unionized, by Segment

	Core Primary	Core Secondary	Periphery Primary	Periphery Secondary
Unionized	41 (29%)	137 (70%)	10 (15%)	43 (57%)
Not unionized	102 (71)	59 (30)	58 (85)	33 (43)
n =	143 (100%)	196 (100%)	68 (100%)	76 (100%)

An examination of the unionization factor reveals a rather complicated relationship between segments, and it seems to have different effects on income and pension amounts. In both of the primary segments, membership in a union did not seem to result in a higher pension; a larger percentage of non-unionized persons had pensions greater than $600 per month than those who were unionized. In the core secondary segment more respondents in unions had better pensions while for periphery secondary people there was virtually no difference.

Table 14

Pension Results for Unionized Respondents

	Core Primary	Core Secondary	Periphery Primary	Periphery Secondary
Pension LT $600/Mth.	51%	65%	100%	100%
Pension GT $600/Mth.	49%	36%	-	-

Table 15

Pension Results for Non-Unionized Respondents

	Core Primary	Core Secondary	Periphery Primary	Periphery Secondary
Pension LT $600/Mth.	27%	83%	50%	100%
Pension GT $600/Mth.	73%	17%	50%	-

Even though unionized people had higher incomes in all of the segments except in the core primary, only in the core secondary segment did the unionized people have better pensions. Thus, while unions may have bargained for better wages, and while there may be a greater likelihood of a pension plan if one is unionized, there does not seem to have been the same emphasis put on bargaining for better pension terms, particularly in the periphery segments. The unions in the core companies seem to have done better for the secondary retirees.

Male-Female Differences

Twenty-three per cent of the sample was female, as compared to 77% that was male; however, a disproportionate number of females were in the secondary segments. Whereas the ratio of females to males in the secondary sector was approximately one to three, the ratio in the primary segments was one to eight.

The breakdown of pension amounts by male/female categories

(Table 16) shows that greater percentages of women than men were without a pension. Where there were pensions, the amounts were predominantly clustered at the lower levels in spite of the fact that the women were better educated than the men at all but the very highest level. Even though there were a few better pensions for women in the core primary segment, the median pension amount ($200-$399) was two categories below the median amount of $600-$799 for males there and while 62% of males had pensions of $600 or more per month, only 34% of women had pensions greater than $600.

In the core secondary segment, even though the median amount was in the same category for males and females (again at $200-$399), 44% of males received a pension above the median amount, but only 20% of females received better than the median amount. (Of those few women in the periphery segments who did receive a pension, the sample was too small to permit comparisons.)

Table 16

Monthly Company Pension by Segment and Sex

	Core Prim.		Core Second.		Periph. Prim.		Periph. Second.	
	Male	Female	Male	Female	Male	Female	Male	Female
	%	%	%	%	%	%	%	%
None	1 (1)	1(7)	7(5)	13(25)	30(50)	5(63)	25(42)	13(72)
$1-$99	1 (1)	2(13)	21(14)	5(10)	2(3)	-	11(19)	2(11)
$100-199	8 (6)	2(13)	10(7)	6(12)	1(2)	-	10(17)	-
$200-399	14(11)	2(13)	34(23)	12(23)	11(18)	1(13)	7(12)	-
$400-599	15(12)	-	20(14)	5(10)	3(5)	1(13)	3(5)	-
$600-799	22(17)	-	13(9)	3(6)	3(5)	-	-	
$800-999	8(6)	1(7)	6(4)	1(2)	-			
$1,000-1,199	13(10)	2(13)	9(6)	1(2)	3(5)			
$1,200-1,399	8(6)	1(7)	7(5)		1(2)			
$1,400-1,599	12(9)	1(7)	5(3)		1(2)			
$1,600-1,799	7(6)		3(2)		-			
$1,800+	11(8)		1(1)		3(5)			
Don't know	7(6)	3(20)	10(7)	6(12)	2(3)	1(13)	3(5)	3(17)
n =	127	15	146	52	60	8	59	18

To the extent that their plans related to income, pensions for females would tend to be lower, since incomes for females were lower than those for males. In all segments, the median incomes for females were two categories, or approximately $10,000 per year, less than those for males. And there did appear to be some relationship to income, as well as to the number of years in the plan in the core primary segment, with a much weaker relationship in the core secondary segment. Again, this difference would be accounted for by the types of plans in which females had membership in the core primary, as compared to the core secondary segment where the relationship would be tempered by the existence of flat benefit and career average type plans.

The lack of pension plans for women may be at least partially explained by the lack of unionization among female workers. Their unionization existed mainly in the core secondary sector where 48% were unionized. This was the sector where there seemed to be somewhat of an equalizing effect for males and females. The terms of the flat benefit plans that are prevalent in unionized secondary worker plans do tend to both equalize, and mitigate against high pension amounts.

<u>Total Retirement Income</u>

Retirement income, of course, usually comes from several sources. Besides any possible company pension, there is a monthly amount for the OAS paid by the federal government to all upon attaining the age of 65 and fulfilling certain residency requirements, as well as the CPP which is also government-sponsored. The OAS is a flat amount paid to everyone fulfilling the above requirements, but the CPP is work-related. One must have been in the work force and have contributed to the CPP in order to qualify for a pension from that source. Contributions are a percentage of income beyond a minimum amount and up to a maximum amount, regardless of whether the worker was employed full or part-time. Consequently, those workers who had worked consistently and were paid a good wage could count on collecting the maximum amount of CPP. Those who had worked only part of the time, or who were paid a low wage could expect something much less than a full pension. Thus, low wage workers were again penalized. In the same way, those with low incomes had little opportunity to produce other retirement income for themselves.

An attempt was made to estimate total family retirement income by adding all sources of income in retirement for the respondent as well as the respondent's spouse, if there was one.

First, other retirement income is shown, by segment, in Table 17. At the time of these calculations, a full Canada pension plus OAS amounted to slightly less than $800 per month. The spouse's government pension(s) were added in if the spouse had attained age 65 and was drawing them, or if the spouse was within one age category of the respondent. However, these results should be viewed with some caution. In some cases where the spouse was still working and had no plans to retire, her/his employment income was included. Many retirees noted that they would not have been able to manage on their retirement income without this additional help. On the other hand, some respondents may not have disclosed the true amount of their investment income. As indicated from the results, the people in the periphery had more other income than those in the core, perhaps because they knew they couldn't rely on a company pension. This was particularly true of the periphery primary segment.

Table 17

Other Retirement Income, by Segment

	Core Primary	Core Secondary	Periphery Primary	Periphery Secondary
$200-399	-	-	-	1 (1%)
$400-599	28 (19%)	45 (23%)	1 (2%)	4 (5)
$600-799	30 (21)	60 (30)	6 (9)	20 (26)
$800-999	30 (21)	53 (27)	9 (13)	25 (33)
$1,000-1,199	23 (16)	20 (10)	4 (6)	10 (13)
$1,200-1,399	11 (8)	9 (4)	7 (10)	4 (5)
$1,400-1,599	12 (8)	6 (3)	13 (19)	3 (4)
$1,600-1,799	8 (6)	2 (1)	10 (15)	3 (4)
$1,800+	-	3 (2)	15 (22)	7 (9)
Don't know	1 (1)	-	3 (4)	-
n =	143 (100)	198 (100)	68 (100)	77 (100)

But even with all other income included, there were large percentages of people, particularly in the secondary segments, who could expect a yearly family income of less than $15,000, while in the primary segments 48% of core and 50% of periphery respondents had incomes of $25,000 and over. Only 12% of the periphery secondary sample and 24% of the core secondary sample were in those categories. An estimate of the total family retirement income derived from a combination of the company pension and other retirement income is shown in Table 18.

Table 18

Estimated Total Family Retirement Income, by Segment

	Core Primary	Core Secondary	Periphery Primary	Periphery Secondary
Less than $15,000	19 (13%)	65 (33%)	6 (9%)	35 (45%)
$15,000-24,999	46 (33)	76 (38)	25 (37)	30 (39)
$25,000-39,999	51 (36)	37 (18)	21 (31)	9 (12)
$40,000 and over	17 (12)	11 (6)	13 (19)	-
Don't know	9 (6)	9 (5)	3 (4)	3 (4)
n =	142 (100)	198 (100)	68 (100)	77 (100)

Segmentation, it seems, is extended into retirement, and many retired secondary workers as well as a few primary retirees are consigned to live their retirement years in poverty, while others can look forward to a comfortable living.

Summary

These findings showed that, as hypothesized, more core firm retirees received a company pension than those who worked in the periphery segments. In addition, the indications are that differences do exist, by segment, at least as far as wages and the possibility of a pension is concerned. Monthly pension amounts were also fairly consistent with the hypothesis, although a number of periphery primary workers did appear to have good pensions and some of the core workers did have poor pensions. This may be at least partly attributable to a problem that surfaced in the categorization of firms. They were classified into core and periphery according to characteristics that prevailed at the time of the interview. However, these classifications can be a relatively short-term thing as one company that had been core in the recent past had been unloaded by the parent company and was operating as a periphery type. Conversely, a few companies that until recently had been small, periphery operations had been purchased by national or international firms and become part of a conglomerate. Consequently, even though the companies that had been periphery but had become core now have better pensions, and the one that had belonged to the core with a good pension now supplies none (which supports the theory), the new situations were not reflected in their pension amounts.

Wages, in both the core and the periphery, were better for the primary respondents, but were not appreciably greater in the core segments than in the periphery. The better paid primary people in both segments had better levels of education than did the secondary respondents, but the poorer pensions in the periphery did not reflect the fact that they were as well educated as the core sample.

It was generally only in the core primary segment that the amount of company pension showed any relationship to the amount of earned income, or to the length of time in the plan, even though the work histories in all segments showed that large percentages of the respondents had very stable work records.

The periphery secondary people were in a particularly vulnerable position, and those in the core primary segment, especially the males, were in the most preferred position as regards a company pension.

These results strongly suggested that it is the type of plan with the particular characteristics therein that produces the inequality in pension income. Primary retirees in both segments were in a better position, both as regards pension amounts and wages, than their secondary counterparts. Just as poorer wages are seen as suitable for secondary workers, so also plans with poorer features (or no plans at all) are seen as suitable for these secondary people. It is the combination of these two conditions that keeps these segmented workers in an impoverished situation during their retirement years. Higher wages, even without the possibility of a good pension, can provide the means for other retirement income; low wages and no possibility of a good (or any) pension provide a very uncertain future.

Whereas some previous work had found no evidence that unionization exerted any influence on retirement income (Maxwell, 1983a, p.15) this research demonstrates that unionization provided some positive effects for those in the core secondary segment, but otherwise provided no evidence of better pensions, although there was a better possibility that some kind of a pension would be provided.

Fewer women had union membership and consequently fewer women had pensions. Women were generally in a more precarious situation than the males in all segments, with poorer pensions and poorer wages, as well. They came closest to having equality with the men as regards pension amount in the core secondary segment, where their unionization rate was the greatest, and where, in many cases, pension amounts did not relate to (final) income.

FORMAL RULES OR FLEXIBILITY

Formal rules can, of course, pertain to many things. More formal rules did prevail in core companies in a number of areas such as compulsory membership and the normal retirement age; there were also more rules about early retirement times. One of the most crucial aspects to retirement is the time at which one can, or must, retire. This may be crucial not only to the retiree but for the company as well, and formal rules help to make it clear when this can or must take place. Some analysis of situations with and without rules may help to clarify how the presence or absence of formal rules may impinge differentially on the segments.

The rules in the core more often stated that the 'normal' age of retirement was 65 (Table 6) and they more often stated that retirement was compulsory by that age (Table 19). Many periphery companies also stated that the normal age of retirement was 65, but the majority said that there was no normal age, and generally indicated a greater flexibility.

Table 19

Flexibility of Retirement Time, by Company Segment

	Core		Periphery	
Compulsory and possible only at 65	-		1	(1%)
Flexible up to age 65	36	(63%)	8	(8)
Flexible with other limitations	18	(32)	19	(20)
Completely flexible	2	(4)	45	(46)
Discretion of Management	-		7	(7)
No policy	1	(2)	17	(18)
n =	57	(100%)	97	(100%)

Results obtained from this sample showed that the greatest number of retirees in the core segments did retire at age 65, and only 5% of (decided) employees remained past that age in either segment (see Table 20).

Table 20

Age of Retirement, by Segment

	Core Primary	Core Secondary	Periphery Primary	Periphery Secondary
Less than 55	3 (2%)	5 (3%)	1 (1%)	-
55-59	16 (11)	16 (8)	4 (6)	2 (3%)
60	6 (4)	16 (8)	-	3 (4)
61-64	43 (30)	44 (22)	21 (31)	10 (13)
65	67 (47)	106 (53)	23 (34)	35 (45)
66-69	6 (4)	5 (3)	9 (13)	17 (22)
70 or more	1 (1)	3 (1.5)	4 (6)	4 (5)
Undecided	1 (1)	3 (1.5)	6 (9)	6 (8)
n =	143 (100%)	198 (100%)	68 (100%)	77 (100%)

The most frequently stated reason for retiring in the core segments was "compulsory retirement age" (55 retirees in the primary and 78 in the secondary segment).

In the periphery segments a large portion of respondents also retired at age 65, even though the majority of employers had stated that there were no rules in place regarding a 'normal' retirement age. However, only four of the primary respondents and eight in the secondary segment mentioned a compulsory retirement age. Even though there were often no stated rules, some employers (and some employees too) assumed that the time for retirement is age 65. This notion is helped along with the availability of OAS and CPP at that time.

That more of the core retirees began their retirement early can also be at least partly attributed to formal rules regarding early retirement (no penalty and special bridging arrangements), although poor health was also a factor, especially with the secondary segment people. However, some in the core did mention a special incentive offer by the company. Apparently it is quite possible to change the rules in place if they are not accomplishing what management wants. However, these rules do not necessarily extend to everyone, and may arbitrarily be made only to employees in a certain category (e.g. management) even though all employees are covered by the same plan. Thirteen primary respondents mentioned a special incentive offer, as compared to only four in the secondary segment, the implications being that some in the core primary segment retired under different rules than those in the secondary sector. Rules in the core can also apparently be overruled. One personnel officer stated that theoretically (according to the rules) you could take deferred retirement and an actuarially increased pension, but that in reality this had always been denied. Occasionally in the core a much more arbitrary method was reported - that of demotion - when the respondent was unwilling to take early retirement.

In the periphery, where the flexibility belongs to the employer as well as to the employee, this means that retirement is often "negotiated" on an individual basis. And if the employer decides that a worker should be gone by age 65, or even sooner, even though there are no formal rules to assist in this process, there are tricks that may help to convince employees that it is time. One favourite manoeuver (according to retirees) is for the employer to "pile on" more work, and perhaps even decree that you should do it in fewer hours. Harassment of older employees by name calling was another tactic. One company officer stated that they "look at" people who are 62 and, in fact, the two early "retirees" from that company had both been laid off. Demotions were used here also when a worker was reluctant to exit from the work force. The lack of formal rules does leave room for harsh and unequal treatment of workers and retirees. For persons to be forced to retire sooner than they had anticipated, and in some cases before government pensions are available, can create a great hardship.

However, the flexibility did sometimes work to the retiree's advantage. Some respondents reported a caring family atmosphere, and certainly 19% of primary workers and 27% of secondary workers stayed past age 65, some even into their seventies. To be allowed to continue to work while collecting OAS and perhaps CPP sometimes assisted poor workers to accumulate a little investment income for the first time in their lives. This was a luxury not afforded to those who had to contend with compulsory retirement rules.

It would appear that some formal rules are more rigid than others. Compulsory retirement rules, for instance, would appear to be pretty firmly in place. However, rules regarding early and late retirement appeared to be changeable to suit the occasion.

Rules are created, apparently, to facilitate the ability of capitalists and/or managers to obtain the desired (retirement) behaviour from workers. And where the rules aren't working, or where there are no rules, other means are used to retain control of the situation.

It was difficult to know how the number of primary workers manoeuvered into retirement compared with the number of secondary workers. A lot of primary workers mentioned 'stress' as a factor in their leaving, but it was not always possible to know whether the stress had been arbitrarily generated or not. More primary workers did receive special incentive offers and more secondary workers were laid off. It was perhaps mainly the method that differed.

Summary

For the most part, the retirement arrangements in core companies did operate under the guise of formal rules. Compulsory retirement rules were firmly in place, as well as, in some cases, early retirement rules. However, when these rules were not achieving the desired effect new rules were instigated, although these new rules did not always apply equally to primary and secondary workers.

Although there were not as many rules, or more flexible rules, regarding retirement time in the periphery, employers often used various tactics to precipitate a retirement decision on the part of employees there. However, this flexibility also meant that some employers allowed workers to stay on past the age of 65. The control here was in the flexibility that allowed the employer to rule arbitrarily to suit the occasion. Consequently, differential treatment was more likely than equality.

CHAPTER FIVE

CONCLUSION

The findings of this study have supported, to some extent, the theories advanced in Labour Market Segmentation theory. Most core companies do provide pensions, and most periphery companies do not. Furthermore, pensions from core companies are generally better than those pensions that exist for peripheral company retirees.

Moreover, although a few people in the periphery segments did receive pensions, the results have generally supported the hypothesis for this study. The primary respondents in the core received better pensions, as well as higher wages, than did the secondary respondents. Where pensions existed in the periphery the primary retirees were better off; their wages were also higher.

These results differed somewhat from the previous findings and expectations of researchers who operationalized both firms and the labour market on different bases. The methods used herein with the different classification of firms and with both the core and the periphery being separated into primary and secondary segments has revealed that not all workers within companies are treated equally when it comes to retirement arrangements. Even though core company pensions are generally better than those from periphery companies, all core company retirees do not receive good pensions; the core primary retirees maintain the best position. Where secondary workers are provided with pensions, the plans are, to a great extent, different types of plans, with inferior terms, to those provided for primary workers. Plans in the.periphery also tend to have poorer terms, although some periphery primary retirees do have good pensions. It is the poorer plans, coupled with lower wages, that extend the segmentation into retirement.

The study also confirmed that segmented workers were treated differently when it came to the presence or absence of rules. Rules predominated in the core and a more flexible approach was used in the periphery to assure that workers in the various segments retired when management wished them to.

This study has also shown that it is not necessarily the better educated people who are eligible for good pensions through working for core companies; those employed by core companies are not better educated.

Other significant results obtained have shown that unionization is a feature mainly of the secondary segments, rather than the core, and that women work disproportionately in the secondary sectors, rather than in the periphery.

That females in all segments are more likely to be without a pension altogether, or to have a smaller amount than the males, indicates different treatment accorded to females than to males. However, even though the matter of sex appears to be a substantial factor, because there are some males in the same low categories and because there were, in fact, some women in each segment, it does not seem to be appropriate to conclude that females are in a separate segment. At the same time, labour segmentation theory fails to explain this phenomenon.

Neither does this theory explain why any of the segmented workers are treated differently. We know simply that they are in different situations and are treated differently. That some types of plans are deemed more suitable for some segments than others would seem to indicate better treatment for some classes of workers than others. This seems to say that they are regarded differently. Beck et al (1980, p.126) spoke about the "differential evaluation of individual characteristics". To attempt to explain it as custom (Doeringer & Piore, 1971, p.22) tells us that it is firmly embedded in the structure, but does nothing to get at the basis of the problem. Clearly more work is needed on this subject.

In the meantime, labour segmentation theory has provided a valuable tool for the analysis of retirement arrangements. It has revealed that there are segments in the work world and that the segmented workers are treated differently not only while in the work force, but also in the retirement situation, with very real and unequal consequences.

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APPENDICES

QUESTIONNAIRE FOR EMPLOYER (OR UNION) WITH PENSION PLAN

. How many people do you employ/are members of this union?

Male | Female

Full-Time

Part-Time

INFORMATION ON EACH PENSION PLAN

2.(a) This plan is: (1) contributory

(2) non-contributory

(b) The workers covered by this Plan are:

(1) unionized

(2) not unionized

. Eligibility conditions for membership in plan:

Male		Female
(1)	Minimum age (please specify)_______________	(1)....
(2)	Length of service (please specify) ________	(2)..
(3)	Upon commencement of full-time employment	(3)..
(4)	Maximum age (please specify) ______________	(4)..
(5)	Minimum and Maximum age (please specify) _________________	(5)..
(6)	Combination of years of service and age (please specify) __________________	(6)..
(7)	A particular employment category (please specify) _________________	(7)..
(8)	Other (please specify) ______________	(8)..

Part-time workers, if applicable, are:

Male			Female
....	(1)	Subject to same eligibility conditions	(1)...
	(2)	Subject to different eligibility conditions (please specify) ___________________	(2)..
	(3)	Not eligible	(3)..

Seasonal workers, if applicable, are:

Male		Female
(1)	Subject to same eligibility conditions	(1)..
(2)	Subject to different eligibility conditions (please specify) ______________	(2)..
(3)	Not eligible	(3)..

Membership in this plan is:

(for full-time workers)		(for part-time workers if applicable)
(1)	Compulsory	(1)..
(2)	Voluntary	(2)..

Type of Plan:

Unit benefit

Final earnings

Final average earnings (please specify period)

____

Average best earnings (please specify period)

____

Career average earnings

Level percentage earnings

Money purchase

Profit sharing

Flat benefit

Composite (please specify) ____________

Other

8. Employee contribution rates:

Rate Male			Rate Female
	(1)	Less than 3%	(1)..
	(2)	3.00% - 3.99%	(2)..
	(3)	4.00% - 4.99%	(3)..
	(4)	5.00% - 5.99%	(4)..
	(5)	6.00% - 6.99%	(5)..
	(6)	7.00% - 7.99%	(6)..
	(7)	8.00% - 9.99%	(7)..
	(8)	10% and over	(8)..
	(9)	Dollar amounts	(9)..
.	(10)	Other	(10)..

This plan is:

(1) Integrated with Canada Pension Plan

(2) Integrated with Old Age Security

(3) Integrated with other benefits

(4) Not integrated with anything

GO TO #11

10. Employee contributions towards Canada Pension Plan are:

(1) Included in the above rates

(2) In addition to the above rates

11. This plan has provision for:

(1) Indexing based on the Consumer Price Index

(2) Indexing based on the Consumer Price Index to maximum amount

(3) Excess interest method

(4) Ad hoc indexing adjustments

(5) Other (please specify) ____________________

.... (6) No indexing

GO TO #13

12. Employee contributions towards indexing are:

(1) Included in the above rates

(2) In addition to the above rates (please specify amount) ________________

(3) Other (please specify) ________________

13. The Company contribution to the pension is:

(1) The whole amount

(2) An amount equal to member's contribution

(3) A percentage of member's earnings greater than member's contribution (please specify) ________________

(4) A percentage of member's earnings less than member's contribution (please specify) ________________

(5) The amount required to bring pension up to formula

(6) Other (please specify) ________________

.... (7) Nothing

14. If this plan assumes a Normal Retirement Age, what is that age considered to be?

Male			Female
	(1)	Less than 60 years	(1)..
	(2)	60 years	(2)..
	(3)	61 - 64 years	(3)..
	(4)	65 years	(4)..
	(5)	66 - 69 years	(5)..
	(6)	70 years	(6)..
....	(7)	over 70 years	(7).....
....	(8)	no normal retirement age	(8)......

15. In this plan, retirement is:

Male Female

(1) Compulsory and possible only at age 65

(2) Compulsory and possible only at age other than 65 (please specify) ________________
____

Male Female

(3) Flexible up to but not after compulsory retirement age (please specify) _______
____

(4) Flexible as to time

...... (5) Other (please specify) ________________

16. Sometimes it is felt that a gradual transition to full retirement is preferable to a sudden one. (a) In your company/union, if an employee wishes, is it possible to:

	Yes	No
Work part-time beyond the normal age of retirement?		
Retire early and then work part-time		

(b) As an alternative measure, do you provide additional vacation time for older workers?

(1) Yes (please specify) ________________________________

(2) No

17. What are the benefit rates on normal retirement?

Male		Female
	(1) Less than 1%	(1)...
	(2) 1% - 1.99%	(2)..
	(3) 2%	(3)..
	(4) More than 2%	(4)..
	(5) Monthly pension for each year of service (please specify) ________________________	(5)..
.....	(6) Other (please specify) __________________	(6)..

18. These benefits are reduced by:

(1) All or part of CPP, if applicable

(2) Old Age Security

(3) Company Profit Sharing Benefits

(4) Other (please specify) ________________________________

(5) Nothing

19. If you use a special pension formula for calculating benefits, please specify in the space below:

____

____

____

20. The benefits at Normal Retirement age for eligible retirees are:

(1) a pension payable for life only

(2) a pension normally payable for life, but guaranteed for 60 months

(3) a pension normally payable for life, but guaranteed for 120 months

(4) a pension normally payable for life, but guaranteed for 180 months

(5) a joint and survivorship pension

(6) Member's choice (please specify) ____________________

(7) Other (please specify) ______________________________

21. Some plans incorporate provision for retirement earlier than "normal". These provisions become effective in different ways. In your company, is it:

(1) At the request of the employee only

(2) At the request of the employee with employer's consent

(3) Employer's option only

(4) Other (please specify) _____________________

(5) No provision

22. Qualifying conditions for early retirement also vary. At what point may your employees take early retirement?

Without Penalty		With Penalty
	(1) A minimum age (please specify) ____________	(1)..
	(2) Completion of a minimum period of service	(2)..
	(3) A minimum age and completion of a minimum period of service (please specify) ________________________	(3)..

Without Penalty		With Penalty
	(4) A predetermined figure from a combination of age and years of service (please specify) ________________	(4)..
	(5) Combination of the above (please specify) ________________	(5)..
	(6) Other (please specify) ________________	(6)..

23. Benefits on Early Retirement:

Without Penalty		With Penalty
	(1) Pension earned to date of retirement, actuarially reduced	(1)...
	(2) Pension reduced a percentage for each month or year that early retirement precedes normal retirement date (please specify) ________________	(2)..
	(3) Pension calculated in same way as for Normal Retirement based on number of years' pensionable service	(3)..
	(4) A deferred benefit beginning at normal retirement	(4)...
	(5) Other arrangements (please specify) ________________	(5)..

24. In the event of retirement being taken earlier than normal, do you provide any type of bridging arrangement?

(1) Yes (please specify) ________________

(2) No

(3) Optional choice (please specify) ________________

____

25. In the event of retirement being postponed beyond the normal retirement age, can additional benefits be accrued?

	Yes	No
By working full-time	....	....
By working part-time		

26. In the event of an employee being unable to continue working because of a disability, under what conditions would the employee be eligible for disability benefits?

(1) a minimum age (please specify) ____________________

(2) a minimum period of service (please specify) __________

(3) a combination of age plus years of service (please specify) ______________________________

(4) other (please specify) ______________________________

(5) no disability benefits GO TO # 28

27. The disability benefit would consist of:

(1) a disability pension calculated same as for normal retirement (earnings plus service) payable from time of disability

(2) a deferred pension payable at normal retirement age

(3) long-term income benefits

(4) a combination of (2) and (3)

(5) other

28. If employment of a member is terminated before retirement, what pension plan benefits are there to that person?

		Over age 45 + 10 years' service	Under age 45 + 10 years' service	Less than 10 years' service
Own contributions are returned	(1)			
Own contributions plus interest (please specify rate) _________	(2)			
Member and company contributions plus interest (please specify rate) _____________	(3)			
Deferred benefit payable at normal retirement	(4)			
Transfer of funds to new employer's pension plan	(5)			
Member's choice (please specify) __________________	(6)			
Other (please specify) __________ _______________	(7)			

29(a) What provisions are there for vesting with this plan?

(1) Immediate vesting

(2) After one year of service

(3) After five years of service

(4) After ten years of service

(5) After more than ten years of service

(6) Age 45 and ten years service

(7) Other (please specify) ____________________

(8) No vesting

(b) If there is no vesting at what point are the member's contributions locked in?

(1) Immediately

(2) After ten years of service

(3) Age 45 and ten years' service

(4) Other (please specify) ____________________

____

(c) Is there any portability with this plan?

(1) Yes (Please specify) ____________________

____

(2) No

30. If a member dies before retirement, what are the benefits for the spouse?

Less than 10 years' service		10 or more years' service
	(1) No death benefit	(1)........
	(2) Refund of employee contributions	(2)...
	(3) Refund of employee contributions plus interest (please specify rate) ________	(3)..
	(4) Refund of vested employer contributions	(4)..

30. Continued

(5) Refund of vested employer contributions plus interest (please specify rate) _________ (5)..

(6) Refund of employee contributions and vested employer contributions (6)..

(7) Refund of employee contributions and vested employer contributions plus interest (please specify) ____________________ (7)..

(8) Spouse's pension equal to half of participant's pension accrued to date of death (8)..

(9) Other (please specify) ____________________ (9)..

. (10) Spouse's choice (please specify) ____________ (10)..

31. If a member dies after retirement, what are the benefits for the spouse?

(1) No benefit

(2) A lifetime pension (please specify % of member's entitled pension) ________________

(3) Pension payments for balance of guaranteed term (specify length of term) _________________

(4) Employee contributions less the pension paid

(5) Employer and employee contributions less the pension paid

(6) Member's choice (please specify) ____________________

(7) Other (please specify) _____________________________

32. If the surviving spouse remarries, do payments cease?

(1) Yes

(2) No

33. Are you considering making any changes in the near future to this pension plan?

(1) Yes

(2) No

a) If yes, please specify. ____

34. Do you issue periodic statements to members informing them of their projected pension benefits?

(1) Yes (please specify period) ___________

(2) No

(3) Not yet, but plan to do so

---

35. Do you provide a program to help employees prepare for retirement?

(1) Yes

(2) No GO TO #35(g)

a) Does this program take place:

(1) During working hours

(2) Outside working hours

Is this program:

(1) In one session only

(2) In a block of time, i.e. a weekend or several consecutive days

(3) In a number of separate sessions

(4) Other (please specify) ___________________________

(5) Uncertain

Are spouses encouraged to attend?

(1) Yes

(2) No

d) Are part-time workers invited?

(1) Yes

(2) No

e) How long before retirement is this program offered?

(1) one year

(2) between one and five years

(3) five years or more

35. Continued

(f) Which aspects of retirement are covered by your program?

(1) Retirement income

(2) Retirement options

(3) Housing

(4) Health and Medical Aspects

(5) Retirement activities

(6) Social needs

(7) Budgeting and Income adequacy

(8) Legal planning

(9) Other (please specify) ____________________________

(g) If no, do you have any plans for establishing such a program in the near future?

(1) Yes

(2) No

36. Does your company give any other form of assistance to employees who are nearing retirement, such as:

(1) formal counselling sessions

(2) assistance in filling out forms such as application for O.A.S. and C.P.P.

(3) literature on retirement (please specify) _______________

____

(4) other (please specify) ___________________________________

(5) no form of assistance

37. Do you have any plans for initiating or broadening any forms of assistance in the near future?

(1) Yes (please specify) _____________________________________

(2) No

38. Your company supplies goods/services to a market which is:

(1) local

(2) regional

(3) national

(4) international

APPENDIX II

QUESTIONNAIRE FOR EMPLOYER WITH NO PENSION PLAN

How many people do you employ?

Male		Female
	Full-time	
	Part-time	

Please indicate below your reasons for not providing any pension coverage for your employees:

(1) employees not interested

(2) too expensive

(3) not enough employees to bother

(4) most employees are part-time

(5) never thought of it

(6) other (please specify) ______________________

____

Are any of your employees unionized?

(1) yes, all of them

(2) yes, some of them (please specify) __________

____

(3) no, none of them

If your company assumes a Normal Retirement Age, what is that age considered to be?

Male		Female
(1)	less than 60 years	(1)
(2)	60 years	(2)
(3)	61 - 64 years	(3)
(4)	65 years	(4)

Continued

Male		Female
(5)	66 - 69 years	(5)
(6)	70 years	(6)
(7)	over 70 years	(7)
(8)	no normal retirement age	(8)

In your company, retirement is:

Male		Female
(1)	Compulsory and possible only at age 65	(1)
(2)	Compulsory and possible only at age other than 65 (please specify) ______________	(2)
(3)	Flexible up to but not after compulsory retirement age (please specify) ______________	(3)
(4)	Flexible as to time	(4)
(5)	Other (please specify) ______________	(5)

. Sometimes it is felt that a gradual transition to full retirement is preferable to a sudden one. In your company, if a full-time employee wishes, is it possible to:

	Yes	No
Work part-time beyond the normal age of retirement?		
Retire early and then work part-time?		

As an alternative measure, does your company provide additional vacation time for older workers?

(1) Yes (please specify) ______________

(2) No

Does your company give any form of assistance to employees who are nearing retirement, such as:

(1) a retirement program

(2) formal counselling sessions

(3) assistance in filling out forms such as application for O.A.S. and C.P.P.

(4) literature on retirement (please specify) ______________________

(5) other (please specify) ______________________

(6) none

Go to #10

If yes to 8(1) above:

a) Does this program take place:

(1) during working hours

(2) outside working hours

) Is this program:

(1) in one session only

(2) in a block of time, i.e., a weekend or several consecutive days

(3) in a number of separate sessions

(4) other (please specify) ______________________

(5) uncertain

) Are spouses encouraged to attend?

(1) Yes

(2) No

d) Are part-time workers invited?

(1) Yes

(2) No

e) How long before retirement is this program offered?

(1) one year

(2) between one and five years

(3) five years or more

f) Which aspects of retirement are covered by your program?

(1) Retirement income

(2) Retirement options

(3) Housing

(4) Health and Medical aspects

(5) Retirement activities

(6) Social needs

(7) Budgeting and Income adequacy

(8) Legal planning

(9) Other (please specify) ______________________

____

10. If you do not presently have a retirement program, do you have any plans for establishing such a program in the near future?

(1) Yes

(2) No

. Do you have any plans for broadening or initiating any forms of assistance in the near future?

(1) Yes (please specify) ____________________________

(2) No

12. Is your company seriously considering providing pension coverage for your employees in the near future?

(1) Yes

(2) No

13. Your company supplies goods/services to a market which is:

(1) local

(2) regional

(3) national

(4) international

QUESTIONNAIRE FOR EMPLOYEE NOT YET RETIRED

Date of Interview:________________

Time of Anticipated Retirement_______________

Occupational history for the past 35 years, beginning with your most recent employment:

	Years	Employer	Occupation	F/T	P/T	Membership in Pension Plan* Yes	No
1.	19 - 19	....	.....				
2.	.....	....	....				
3.	.....	....	.....				
4.		....	....				
5.	.	....	....				
6.	.....	....	....	...	...	...	...

* Where there is membership in a Pension Plan, please indicate by the letter C or U whether the plan is Company or Union sponsored.

2(a) If you do not presently belong to a company plan, what is the reason?

.... (1) no plan

..... (2) not interested in joining

.... (3) not eligible - worked only part-time or seasonally

.... (4) no plan for my occupational category

.... (5) no plan for women employees

(6) other ineligibility (please specify)____________________

____

(b) Do you belong to a union?

(1) Yes

.... (2) No

(c) If you belong to a pension plan the contributions towards the plan are made by:

.... (1) employer only

.... (2) self only

.... (3) both employer and self

.... (4) other (please specify) -________________________________

.... (5) uncertain

3. What is your age now?

..... (1) Less than 55
..... (2) 55 - 59
..... (3) 60 - 64
...... (4) 65 - 69
...... (5) 70 - or more

4. Sex:

(1) Male
.... (2) Female

5. What is the highest level of education you have attained?

..... (1) None
...... (2) Some elementary
..... (3) Completed elementary
..... (4) Some high school
.... (5) Completed high school
.... (6) Some post-secondary technical training
.... (7) Some university
.... (8) Completed university degree

6. Marital Status:

.... (1) Married
..... (2) Single
..... (3) Widowed
.... (4) Divorced/Separated
...... (5) Common-Law

$\left.\begin{array}{l}\text{(2) Single}\\ \text{(3) Widowed}\\ \text{(4) Divorced/Separated}\\ \text{(5) Common-Law}\end{array}\right\}$ GO TO # 10

Spouse's occupational history for the past 35 years:

	Years	Employer	Occupation	F/T	P/T	Membership in Pension Plan Yes	Membership in Pension Plan No
	19 - 19	....	....	...	...	...	....
2.							
3.							
4.							
5.							
6.	....	....	....	...	...	....	...

8. Age of Spouse:

   (1) Less than 55

   (2) 55 - 59

   (3) 60 - 64

   (4) 65 - 69

   (5) 70 or more

What is the highest level of education attained by spouse?

   (1) None

   (2) Some elementary

   (3) Completed elementary

   (4) Some high school

   (5) Completed high school

   (6) Some post-secondary technical training

   (7) Some university

   (8) Completed university degree

10. Number of children still dependent on you

11. How do you spend your leisure time? Include hobbies and activities with clubs, organizations, and churches.

12. Living arrangements now:

You live:

   (1) Alone

   (2) With spouse only

   (3) With spouse and children

   (4) With children only

(5) With friends/relatives

(6) Other (please specify) ______________________________

____

13. You live in:

(1) Your own home

(2) Your own apartment

(3) A rented home

(4) A rented apartment

(5) A rented room

(6) Other (please specify) ______________________________

____

GO TO #16

14. Your home is:

(1) mortgaged

(2) not mortgaged

15. Your home/apartment is valued at:

(1) Less than $25,000

(2) $25,000 - $49,999

(3) $50,000 - $74,999

(4) $75,000 - $99,999

(5) More than $100,000

16. Have you moved to a different dwelling because of your anticipated retirement?

(1) Yes GO TO #18

(2) No

17. Do you plan, between now and two or three years following your retirement, to move to a different dwelling?

(1) Yes

(2) No GO TO #20

(3) Uncertain

18. If you plan to make a move (or already have because of retirement) would it be for:

(1) economic reasons

(2) social reasons

(3) health reasons

(4) company policy

(5) a better climate

(6) a combination of the above (please specify) ________________

____

(7) other (please specify) ________________________________

____

19. What type of dwelling do you plan to move to (or have already moved to)?

(1) your own home

(2) your own apartment

(3) a rented home

(4) a rented apartment

(5) a senior citizen apartment

(6) a rented room

(7) a mobile home

(8) other (please specify) ____________________________

____

20. What is your present yearly employment income before deductions? If on long term disability, please show final employment income here, and disability benefits under question #21.

Your Income	Spouse's Income (if applicable)

(1) Less than $5,000

(2) $ 5,000 - $ 9,999

(3) $10,000 - $14,999

(4) $15,000 - $19,999

(5) $20,000 - $24,999

(6) $25,000 - $29,999

(7) $30,000 - $34,999

(8) $35,000 - $39,999

(9) $40,000 or more

21. Other income this year:

	Average Monthly Income Yours	Spouse's
Old Age Security	$	$....
Canada Pension		
Disability Benefits		
Survivor's Benefits		
War Veterans Allowance		
Unemployment Insurance		
Workmen's Compensation		
Rental/Business Income		
Interest/Dividends		
Other		

22. At what age do you expect to retire?

(1) less than 55

(2) 55 - 59

(3) 60

(4) 61 - 64

(5) 65

(6) 66 - 69

(7) 70 or more

(8) undecided

23. Indicate below your reasons for retiring at that age. If there is more than one reason, place a 1 beside the most important, and a 2 beside the next most important.

(1) compulsory retirement age

(2) poor health

(3) too much stress on the job

..... (4) to have time to pursue other interests

.... (5) will have an adequate pension by then

.... (6) have to make way for younger workers

.... (7) company counselling encouraged it

.... (8) afraid I would miss my job if I retired too soon

.... (9) feel I am still adequate to do the job

.... (10) need wages as long as possible

.... (11) other (please specify)______________________________

____

24. Would you prefer to retire sooner than the time at which you are planning to retire?

(1) Yes

(2) No

(3) Uncertain

GO TO #26

25. If yes, state why you are not retiring sooner:

(1) company policy will not allow it

(2) retirement income would be inadequate

(3) needed to work longer to be eligible for any pension

(4) need wages a little longer

(5) didn't think of it

(6) other (please specify) ______________________________

____

26. Would you prefer to retire later than the time at which you are planning to retire?

(1) Yes

(2) No } GO TO #28

(3) Uncertain }

27. If yes, state why you are not planning to work longer:

(1) company policy regarding age of retirement

(2) health not good

(3) stress on the job

(4) company counselling advised against it

(5) should get out to make room for younger workers

(6) never thought of it

(7) other (please specify) ______________________________

____

28. Could you, if you wished, continue to work part-time at your present place of employment after retirement?

<u>Before Age 65</u> <u>After Age 65</u>

(1) Yes

(2) No

(3) Uncertain

QUESTIONS #29, 30, 31, AND 32 TO BE ANSWERED ONLY BY THOSE WHO PLAN TO TAKE RETIREMENT EARLIER THAN NORMAL.

29. If you/your spouse are planning to take early retirement, what will be the amount of your monthly pension at that time before deductions?

Your pension   Spouse's pension

(1) None GO TO #31

(2) $ 1 - 199

(3) 200 - 399

(4) 400 - 599

(5) 600 - 799

(6) 800 - 999

(7) 1,000 - 1,199

(8) 1,200 - 1,399

(9) 1,400 - 1,599

... (10) 1,600 - 1,799

...... (11) 1,800 +

.... (12) Don't know

30. The above pension is:

Self   Spouse

(1) payable until normal retirement age

(2) payable for a specified number of years (please specify) ____________
____

(3) payable for life

(4) other (please specify) ____________
____

(5) uncertain

31. Does the above pension amount include bridging because of:

(1) Canada Pension

(2) Old Age Security

(3) Company Profit Sharing

(4) Special Pension Plan allowance

(5) Combination of the above (please specify)____________

____

(6) Other (please specify)______________________________

(7) Don't know

(8) No bridging included

32. Other income at that time:

	Average Monthly Income	
	Yours	Spouse's
Old Age Sercurity	$ ..	$ ..
Canada Pension		
Disability Benefits		
Survivor's Benefits		
War Veterans Allowance		
Unemployment Insurance		
Workmen's Compensation		
Rental/Business Income		
Interest/Dividends		
Other		

33. AT NORMAL RETIREMENT AGE, your monthly company pension and that of your spouse, if applicable, before deductions, will be:

Your pension | Spouse's pension

(1) None GO TO # 37

(2) $ 1 - 99

(3) 100 - 199

(4) 200 - 399

(5) 400 - 599

(6) 600 - 799

(7) 800 - 999

(8) 1,000 - 1,199

(9) 1,200 - 1,399

(10) 1,400 - 1,599

(11) 1,600 - 1,799

(12) 1,800 +

(13) Don't know

34. Will this pension income be indexed to cost of living?

Yours | Spouse's if applicable

(1) Yes, on regular basis

(2) Some indexing on an ad hoc basis

(3) No indexing

(4) Uncertain

35. If you have a choice regarding terms of payment of your pension, what are your options?

(1) payable for life only

(2) payable for life but guaranteed for 60 months

(3) payable for life but guaranteed for 120 months

(4) payable for life but guaranteed for 180 months

(5) payable for life with a survivor option

(6) other (please specify) ____________________

(7) don't know

(8) no choice (please specify) ____________________

36. How do you expect to have your pension paid?

(1) payable for life only

(2) payable for life but guaranteed for 60 months

(3) payable for life but guaranteed for 120 months

(4) payable for life but guaranteed for 180 months

(5) payable for life with a survivor option

(6) other (please specify) ____________________

(7) don't know

37. If you do not anticipate receiving a monthly pension from your employer, will you receive at the time of your retirement?

(1) a lump sum payment of your contributions

(2) a lump sum payment of your contributions plus interest

(3) a lump sum payment of your own and company contributions plus interest

(4) other (please specify) ____________________

____

(5) uncertain

(6) no payment

38. Other retirement income at normal retirement age for you/your spouse (if applicable):

	Average Monthly Income		Indexed to C.O.L. where applicable		
	Yours	Spouse's	Yes	No	Don't know
Old Age Security	$.	$.			
G.I. Supplement					
Canada Pension					
Disability Pension					
Survivor's Benefits					
War Veterans Allowance					
Unemployment Insurance					
Workmen's Compensation					
Rental and Business Income					
Interest/Dividends*					
Other					

* See question below.

39. If you are unable to show any amount under Monthly Income from Interest/ Dividends in the above question, please indicate below approximately how much money you have invested/saved:

(1) Less than $1,000

(2) $ 1,000 - 9,999

(3) $10,000 - 24,999

(4) $25,000 - 49,999

(5) $50,000 - 74,999

(6) $75,000 or more

40. If you ever previously belonged to a company pension plan, when you changed jobs what benefits were there to you?

(1) none

(2) own contributions were returned

(3) own contributions plus interest were returned

(4) own and company contributions plus interest were returned

(5) deferred benefit payable at normal retirement

(6) transfer of funds to new employer's pension plan

(7) other (please specify) ______________________________

____

(8) don't know

41. How do you think your retirement income will satisfy your needs?

(1) very well

(2) adequately

(3) with some difficulty

(4) poorly

(5) totally inadequate

(6) don't know

42. After your retirement from this company, do you have:

(1) plans to work full-time

(2) plans to work part-time

(3) plans to seek full-time employment

(4) plans to seek part-time employment

(5) interest in working if something comes up

(6) no interest in working

(7) no plans at present

43. If yes to any of the above, is this:

(1) to fill an economic need

(2) because you want something to do

(3) because an interesting job was offered to you

(4) combination of (1) and (2)

(5) other (please specify) ______________________

44. Survivor's benefits in company pension plans vary considerably. If a member dies before retirement, does your plan provide for?

(1) a spouse's pension for life equal to participant's pension accrued to date of death

(2) a spouse's pension for life equal to a percentage of participant's pension accrued to date of death (please specify per cent............)

(3) a lump sum payment (please specify) ______________
____

(4) other (please specify) ______________________
____

(5) spouse's choice (please specify) ______________
____

(6) no benefit

(7) uncertain

(b) If a member dies after retirement, does your plan provide for:

(1) a spouse's pension for life in the same amount as member's entitled pension

(2) a spouse's pension for life equal to a percentage of member's entitled pension. The percentage is ....

(3) pension payments for balance of guaranteed term (please specify) ______________________________

(4) a lump sum payment (please specify) ______________

(5) other (please specify) ______________________

(6) member's choice (please specify) ______________

.... (7) no benefit

...... (8) uncertain

45. If the surviving spouse remarries, do payments cease?

.... (1) Yes

...... (2) No

.... (3) Uncertain

46. Do you receive periodically from your company:

...... (1) statements giving projected pension benefits

..... (2) statements giving some pension information but not projected pension

..... (3) no statements with pension information

.... (4) uncertain whether any statements were received

.... (5) uncertain whether projected pension benefits were included

47. Does your company provide a program to help prepare workers for retirement?

(1) Yes

(2) No

(3) Uncertain GO TO # 55

48(a) If yes, is this program held:

(1) in one session

(2) in a block of time, i.e. a weekend or several consecutive days

...... (3) in a number of separate sessions

.... (4) other (please specify)________________________________

..... (5) uncertain

(b) Does this program take place:

.... (1) during working hours

.... (2) outside working hours

... (3) uncertain

49. How long before anticipated retirement is this program offered to an employee?

..... (1) in the year prior to anticipate retirement

(2) between 1 and 3 years before anticipated retirement

(3) between 3 and 5 years before anticipated retirement

(4) more than 5 years before anticipated retirement

(5) other (please specify) ______________________

(6) uncertain

50. Did you/your spouse, if applicable:

Self | Spouse

(1) attend the entire program

(2) attend at least one of the sessions

GO TO # 52

(3) not attend any part of the program

(4) plan to attend the program in the future

51. If (3) above, what was the reason you/your spouse if applicable, did not attend?

Self | Spouse

(1) not well at the time

(2) was not invited

(3) not interested

(4) other (please specify) __________

GO TO # 55 ______________________________

52. If you did attend any part of the program, would you say that it was:

(1) very helpful

(2) somewhat helpful

GO TO #53

(3) not of much help

(4) no help

GO TO #54

(5) no opinion GO TO #55

53. If (1) or (2) above, what was it that you found helpful?

(1) information on retirement income

(2) information on company retirement options

(3) information on housing

(4) information on health and medical aspects

(5) information retirement activities

(6) information on social needs

(7) information on financial needs and budgeting

(8) information on the law and wills

(9) the manner in which it was presented

. (10) the program given well in advance to facilitate planning

(11) other (please specify)______________________________

54. If (3) or (4), why would you say it was not helpful?

(1) not enough information on retirement income

(2) not enough information on company retirement options

(3) not enough information on housing

(4) not enough information on health and medical aspects

(5) not enough information on retirement activities

(6) not enough information on social needs

(7) not enough information on financial needs and budgeting

(8) no information on legal planning

(9) did not like the way in which it was presented

. (10) advice given too late

. (11) other (please specify)______________________________

____

55. Does your employer offer any other kind of assistance to help you prepare for and adjust to retirement, such as:

(1) formal counselling sessions

(2) assistance in applying of O.A.S. and C.P.P.

(3) literature on retirement

(4) other (please specify)________________________________

(5) uncertain

(6) none

56. Some people look forward to retirement with a great deal of anticipation; other are apprehensive. How do you feel about it?

(1) looking forward with great anticipation

(2) looking forward with some anticipation

(3) mixed feelings

(4) some apprehension

(5) a great deal of apprehension

57. If (1) or (2) above, what are the reasons for your satisfaction?

____

____

58. If (4) or (5) above, can you identify any reasons for your apprehension?

____

____

RETIREE QUESTIONNAIRE

Date of Interview: ________________

Date of Retirement: ________________

Occupational history for the past 35 years, beginning with your most recent employment:

	Years	Employer	Occupation	F/T	P/T	Membership in Pension Plan * Yes	No
1.	19 -19		......				
2.			....				
3.			....				
4.			....				
5.		.....	....				
6.	....	....	....	...	...	...	...

*Where there was membership in a Pension Plan, please indicate by the letter C or U whether the plan was Company or Union sponsored.

2(a) At the time of your retirment, if you did not belong to a company pension plan, what was the reason?

(1) no plan

(2) did not want to join

(3) not eligible - worked only part-time or seasonally

(4) no plan for my occupational category

(5) no plan for women employees

(6) other ineligibility (please specify) ________________

(b) Did you belong to a union? ..... (1) Yes

. (2) No

(c) If you belonged to a pension plan, the contributions towards the plan were made by:

.... (1) employer only

.. (2) self only

.... (3) both employer and self

.. (4) other (please specify)______________

(5) uncertain

What is your age now?

(1) Less than 55
(2) 55 - 59
(3) 60 - 64
(4) 65 - 69
(5) 70 or more

Sex

(1) Male
(2) Female

. What is the highest level of education you have attained?

.... (1) None
.... (2) Some elementary
..... (3) Completed elementary
..... (4) Some high school
.... (5) Completed high school
.. (6) Some post-secondary technical training
.. (7) Some university
. (8) Completed university degree

. Marital status:

.... (1) Married
..... (2) Single
...... (3) Widowed
...... (4) Divorced/Separated
...... (5) Common Law

$\left.\begin{array}{l}(2)\\(3)\\(4)\end{array}\right\}$ GO TO # 10

Spouse's occupational history for the past 35 years:

	Years	Employer	Occupation	F/T	P/T	Membership in Pension Plan Yes	No
1.	19 -19	....					
2.	....						
3.							
4.							
5.							
6.							

8. Age of Spouse:

(1) Less than 55

(2) 55 - 59

(3) 60 - 64

(4) 65 - 69

(5) 70 or more

What is the highest level of education attained by spouse?

(1) None

(2) Some elementary

(3) Completed elementary

(4) Some high school

(5) Completed high school

(6) Some post-secondary technical training

(7) Some university

(8) Completed university degree

10. Number of children still dependent on you.

11. How do you spend your time now that you are retired? Include hobbies and activities with clubs, organizations and churches.

____

____

____

12. Living arrangements just before you retired:

You lived:

(1) Alone

(2) With spouse only

(3) With spouse and children

(4) With children only

(5) With friends/relatives

(6) Other (please specify) ____________________

13. You lived in:

(1) Your own home

(2) Your own apartment

(3) A rented home

(4) A rented apartment

(5) A rented room

(6) Other (please specify) ____________________

GO TO #16

14. Your home was:

(1) mortgaged

(2) not mortgaged

15. Your home was valued at:

(1) Less than $25,000

(2) $25,000 - $49,999

(3) $50,000 - $74,999

(4) $75,000 - $99,999

(5) More than $100,000

16. Have you moved to a different dwelling because of your retirement?

(1) Yes GO TO #18

(2) No

17. Do you plan, in the next two or three years, to move to a different dwelling?

(1) Yes

(2) No

(3) Uncertain

GO TO #20

18. If you changed your dwelling place (or plan to) was/is it for:

(1) economic reasons

(2) social reasons

(3) health reasons

(4) company policy

(5) a better climate

(6) a combination of the above (please specify)

____

(7) other (please specify) _______________________

____

19. What type of dwelling did you move to (or plan to move to)?

(1) your own home

(2) your own apartment

(3) a rented home

(4) a rented apartment

(5) a senior citizen apartment

(6) a rented room

(7) a mobile home

(8) other (please specify) _______________________

20. What was your yearly employment income just prior to your time of retirement, before deductions? If you were on long-term disability, please show final employment income here, and disability benefits under question # 21.

Your income			Spouse's income (if applicable)
..	(1)	Less than $ 5,000	.....
...	(2)	$ 5,000 - $ 9,999	.....
....	(3)	$10,000 - $14,999	....
....	(4)	$15,000 - $19,999	.....
.....	(5)	$20,000 - $24,999	
	(6)	$25,000 - $29,999	

Your income	Spouse's Income (if Applicable)

(7) $30,000 - $34,999

(8) $35,000 - $39,999

(9) $40,000 or more

21. Other income just prior to retirement:

	Average Monthly Income	
	Yours	Spouse's
Old Age Security	$	$
Canada Pension		
Disability Benefits		
Survivor's Benefits		
War Veterans Allowance		
Unemployment Insurance		
Workmen's Compensation		
Rental/Business Income		
Interest/Dividends		
Other		

22. At what age did you retire?

(1) less than 55

(2) 55 - 59

(3) 60

(4) 61 - 64

(5) 65

(6) 66 - 69

(7) 70 or more

23. Indicate below your reasons for retiring at that age. If there is more than one reason, place a 1 beside the most important, and a 2 beside the next most important.

    (1) compulsory retirement age
    (2) poor health
    (3) too much stress on the job
    (4) to have time to pursue other interests
    (5) had enough pension to live on
    (6) had to make way for younger workers
    (7) company counselling encouraged it
    (8) felt I was adequate to do the job until then
    (9) was aftraid I would miss my job
    (10) needed wages as long as possible
    (11) other (please specify)____________
    (12) laid off ____________

24. Would you have preferred to retire sooner?

    (1) Yes
    (2) No
    (3) Uncertain } GO TO #26

25. If yes, state why you did not retire sooner:

    (1) company policy would not allow it
    (2) retirement income would have been inadquate
    (3) needed to work longer to be eligible for any pension
    (4) needed wages a little longer
    (5) didn't think of it
    (6) other (please specify) ____________

26. Would you have preferred to retire later?

    (1) Yes
    (2) No
    (3) Uncertain } GO TO #28

27. If yes, state why you did not work longer:

(1) company policy regarding age of retirement

(2) health not good

(3) stress on the job

(4) company counselling advised against it

(5) felt I should make room for younger workers

(6) never thought of working longer

(7) other (please specify) ______________________________

28. If you had wished to do so, would company policy have allowed you to remain at your place of employment on a part-time basis, thus making your retirement more gradual?

Before <u>Age 65</u> — After <u>Age 65</u>

(1) Yes

(2) No

(3) Uncertain

QUESTIONS #29, #30, #31 AND #32 TO BE ANSWERED ONLY BY THOSE WHO HAVE TAKEN RETIREMENT EARLIER THAN NORMAL. IF YOU RETIRED AT THE NORMAL AGE, OR IF YOU RETIRED EARLY AND HAVE SINCE REACHED THE NORMAL AGE OF RETIREMENT, PLEASE GO TO QUESTION #33.

29. If you/your spouse are presently on early retirement, your present company pension, before deductions is:

Your monthly pension — Spouse's monthly pension

..... (1) None - GO TO #31

(2) $ 1 - 199

(3) 200 - 399

(4) 400 - 599

(5) 600 - 799

(6) 800 - 999

(7) 1,000 - 1,199

(8) 1,200 - 1,399

.... (9) 1,400 - 1,599 ....

Your monthly pension   Spouse's monthly pension

(10) 1,600 - 1,799

(11) 1,800 +

(12) Don't know

30. The above pension is:

Self   Spouse

...... (1) Payable until normal retirement age.......

(2) Payable for a specified number of years (please specify)________

____

. (3) Payable for life

. (4) other (please specify)

____

. (5) uncertain

31. Does the above pension amount include bridging because of:

(1) Canada Pension

(2) Old Age Security

(3) Company Profit Sharing

..... (4) Special Pension Plan allowance

.... (5) Combination of the above (please specify)

____

.... (6) Other (please specify)________

____

..... (7) Don't know

..... (8) no bridging included

32. Other income at present:

	Average Monthly Income	
	Yours	Spouse's
Old Age Security	$	
Canada Pension		
Disability Pension		

	Average Monthly Income	
	Yours	Spouse's
Survivor's Benefits		
War Veterans Allowance		
Unemployment Insurance		
Workmen's Compensation		
Rental/Business Income		
Interest/Dividends		
Other		

33. AT NORMAL RETIREMENT AGE, your monthly company pension and that of your spouse, if applicable, before deductions, is/will be:

Your pension — Spouse's pension

(1) None GO TO # 37
(2) $ 1 99
(3) 100 - 199
(4) 200 - 399
(5) 400 - 599
(6) 600 - 799
(7) 800 - 999
(8) 1,000 - 1,199
(9) 1,200 - 1,399
. (10) 1,400 - 1,599
. (11) 1,600 - 1,799
. (12) 1,800 +
. (13) Don't know

34. Is this pension income indexed to cost of living?

Yours | Spouse's(if applicable)

.... (1) Yes, on a regular basis

(2) Some indexing on an ad hoc basis

(3) No indexing

(4) Uncertain

35. If you had a choice regarding the manner in which your pension was paid, what were your options?

(1) payable for life only

(2) payable for life, but guaranteed for 60 months

(3) payable for life, but guaranteed for 120 months

(4) payable for life, but guaranteed for 180 months

(5) payable for life with a survivor option

(6) other (please specify) ______________________________

(7) don't know

(8) no choice (please specify) _________________________

36. The method of payment of your pension is:

(1) payable for life only

(2) payable for life, but guaranteed for 60 months

(3) payable for life, but guaranteed for 120 months

(4) payable for life, but guaranteed for 180 months

(5) payable for life with a survivor option

(6) other (please specify) __________________________

(7) don't know

. If you are not receiving a monthly pension from your employer, did you receive at the time of your retirement:

(1) a lump sum payment of your contributions (please specify amount ____________________)

(2) a lump sum payment of your contributions plus interest (please specify amount _______________)

(3) a lump sum payment of your own and company contributions plus interest (please specify amount ____________________)

(4) other (please specify) _________________________________

(5) uncertain

(6) no payment

38. Other retirement income at normal retirement age, for you/your your spouse (if applicable):

	Average Monthly Income		Indexed to C.O.L. where applicable		
	Yours	Spouse's	Yes	No	Don't know
Old Age Security	$....	$...	1)	2)...	3)..
G.I. Supplement					
Canada Pension					
Disability Pension					
Survivor's Benefits					
War Veteran's Allowance					
Unemployment Insurance					
Workmen's Compensation					
Rental and Business Income					
Interest/Dividends*					
Employment					
Other					

*See question # 39.

39. If you are unable to show any amount under Monthly Income from Interest/Dividends in the above question, please indicate below approximately how much money you have invested/saved:

(1) Less than $1,000

(2) $ 1,000 - 9,999

(3) $10,000 - 24,999

(4) $25,000 - 49,999

(5) $50,000 - 74,999

(6) $75,000 or more

40. If you ever previously belonged to a company pension plan, when you changed jobs, what benefits were there to you?

(1) none

(2) own contributions were returned

(3) own contributions plus interest were returned

(4) own and ompany contributions plus interest were returned

(5) deferred benefit payable at normal retirement

(6) transfer of funds to new employer's pension plan

(7) other (please specify) ________________________________

(8) don't know

41. How do you find that your retirement income satisfies your needs?

(1) very well

(2) adequately

(3) with some difficulty

(4) poorly

(5) totally inadequate

(6) don't know

42. Since the time of your retirement, have you been (or are you):

... (1) working full-time

...... (2) working part-time

...... (3) looking for full-time employment

... (4) looking for part-time employment

..... (5) interested in working if something comes up

...... (6) not interested in working

.... (7) no plans at present

43. If yes, to any of the above, was/is this:

(1) to fill an economic need

(2) because you were bored and wanted something to do

(3) because the job sounded interesting

(4) combination of (1) and (2)

(5) other (please specify) ______________________________

44. Survivor's benefits in company pension plans vary considerably. If a member dies after retirement, does your plan provide for:

(1) a spouse's pension for life in the same amount as member's entitled pension

(2) a spouse's pension for life equal to a percentage of member's entitled pension. The percentage is ....

(3) pension payments for balance of guaranteed term (please specify term) ______________________________________

(4) a lump sum payment (please specify) ____________________

(5) other (please specify) _________________________________

(6) member's choice (please specify) _______________________

(7) no benefit

(8) uncertain

45. If the surviving spouse remarries, do payments cease?

.... (1) Yes

.... (2) No

...... (3) Uncertain

46. Before retirement, did you receive periodically from your company:

(1) statements giving projected pension benefits

(2) statements giving some pension information but not projected benefits

(3) no statements with pension information

(4) uncertain whether any statements were received

(5) uncertain whether projected pension benefits were included

47. Did your company provide a program to help prepare workers for retirement?

(1) Yes

(2) No

.... (3) Uncertain

GO TO # 55

48(a) If yes, was this program held:

.... (1) in one session

.... (2) in a block of time, i.e. a weekend or several consecutive days

.... (3) in a number of separate sessions

.... (4) other (please specify)______________________________

...... (5) uncertain

(b) Did this program take place:

...... (1) during working hours

.... (2) outside working hours

.... (3) uncertain

49. How long before retirement was this program offered to you?

.... (1) in the year prior to anticipated retirement

.... (2) between 1 and 3 years before anticipated retirement

.. (3) between 3 and 5 years before anticipated retirement

.... (4) more than 5 years before anticipated retirement

..... (5) other (please specify)__________________________

.... (6) uncertain

50. Did you/your spouse, if applicable

Self		Spouse	
	(1) attend the entire program	...	GO TO #52
	(2) attend at least one of the sessions		
	(3) not attend any part of the program .		

51. If (3) what was the reason you did not attend?

Self		Spouse	
	(1) not well at the time	....	GO TO # 55
	(2) was not invited	...	
	(3) not interested	..	
	(4) other (please specify)	...	

____

52. If you did attend any part of the program, would you say that it was:

(1) very helpful	GO TO #53
(2) somewhat helpful	
(3) not of much help	GO TO #54
(4) no help	
(5) no opinion	GO TO #55

53. If (1) or (2) above, what was it that you found helpful?

(1) information on retirement income
(2) information on company retirement options
(3) information on housing
..... (4) information on health and medical aspects
...... (5) information on retirement activities
..... (6) information on social needs
...... (7) information on financial needs and budgeting
...... (8) information on the law and wills
..... (9) the manner in which it was presented

. (10) program given well in advance to facilitate planning

(11) other (please specify) ______________________________

54. If (3) or (4), why would you say that it was not helpful?

(1) not enough information on retirement income

.... (2) not enough information on company retirement options

.... (3) not enough information on housing

(4) not enough information on health and medical aspects

(5) no information on retirement activities

(6) no information on social needs

(7) no information on financial needs and budgeting

(8) no counselling on legal planning

(9) did not like the way in which it was presented

. (10) advice given too late

.... (11) other (please specify)___________________________

55. As an alternative measure, did your employer offer any other kind of assistance to help you prepare for or adjust to retirement, such as:

(1) formal counselling sessions

(2) assistance in applying for O.A.S. and C.P.P.

(3) literature on retirement

(4) other (please specify) ____________________________

\- (5) uncertain

.... (6) none

56. Some people, when they are retired, feel quite satisfied with their situation. Others find it does not live up to their expectations. How do you feel about it?

(1) very satisfied

(2) generally satisfied

(3) neither satisfied nor dissatisfied

(4) somewhat dissatisfied

(5) very dissatisfied

57. If (1) or (2) above, what are the reasons for your satisfaction?

58. If (4) or (5) above, what are your reasons for your dissatisfaction?