

INCOMING CIPHER MESSAGE

TO: 8

EYES ONLY -- EYES ONLY

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NYC-7 2 JULY 1964

TO FISCHER INFO SMITH WELLS
FROM KINYON INFO RICHARDSON AUGUSTINE
1352

EYES ONLY

REUR MUN 142 OF JUNE 29 -- CONCERNING QUESTIONS OF DEUTSCHE
RING ON THE PENSION PLAN. THE NUMBERS REFER TO YOUR QUESTION
NUMBERS.

1. VESTING WOULD BE CALCULATED TO THE FULL WHOLE MONTH AND
WOULD REQUIRE 12 MONTHS OF CREDITED SERVICE.
2. ACCELERATED VESTING HAS NO EFFECT ON THE PENSION BENEFIT
AS THIS IS BASED ON ACTUAL NUMBER OF YEARS IN THE REVISED PLAN.
3. TERMINATION BENEFIT IS IN ADDITION TO NORMAL SEVERANCE.
4. AN EMPLOYEE WHO IS QUALIFIED FOR A PENSION EITHER UNDER THE
PENSION PLAN OR AS AN OVERAGE RETIREE WILL RECEIVE SEVERANCE
ACCORDING TO THE NEW YORK SCHEDULE IF HE RETIRES
AT AGE 65 OR AFTER. HE WILL NOT RECEIVE NOTICE. WE HAVE NOT
CONSIDERED OR DISCUSSED SEVERANCE FOR RETIREMENTS BETWEEN
60 AND 65. THE GUILD PROBABLY ASSUMES IT WILL APPLY. HOW
DO YOU FEEL ABOUT THIS?
5. CORRECT.
6. CORRECT. CONTRIBUTIONS INTO THE PENSION FUND DISCONTINUE
(MORE)

PAGE 2- NYC -7 EYES ONLY

WHEN EMPLOYEE REACHES AGE 65.

7. THE PENSION IS BASED ON THE SALARY RECEIVED AND THE
LENGTH OF TIME FOR WHICH IT HAS BEEN RECEIVED. IT IS NOT BASED
JUST ON THE LAST SALARY. THE BEST EXPLANATION OF THIS
IS ON PAGE 11 EXAMPLE II OF OUR PRESENT PENSION BOOKLET. LAST
MINUTE PAY INCREASES DO NOT AFFECT THE AMOUNT OF THE
BENEFIT.

8. WE WILL HAVE TO APPLY A SUPPLEMENTARY PLAN TO THE DM
EXILES AS A MATTER OF EQUITY. SINCE EQUITABLE (OR ANY OTHER
AMERICAN COMPANY FOR THAT MATTER) DOES NOT WISH TO INSURE PEOPLE
PAID IN NON-DOLLAR CURRENCIES, IT WILL BE NECESSARY TO DEVELOP
THE DM PLAN WITH DEUTSCHE RING OR SOME OTHER EUROPEAN
INSURANCE COMPANY. THIS IS PROBABLY BEST ANYWAY BECAUSE GERMAN
SOCIAL SECURITY POSSIBILITIES WOULD MEAN A DM PLAN WOULD
PROBABLY NOT BE PRECISELY THE SAME AS THAT FOR THE DOLLAR
PAID EXILES. I THINK THAT THE DM PLAN SHOULD BE BUILT AROUND
THE GERMAN SOCIAL SECURITY PLAN SO THAT A COMBINATION OF
THE TWO WOULD PROVIDE BENEFITS SIMILAR TO THE DOLLAR PAID
SUPPLEMENTARY PLAN. I AGREE WITH YOU THAT EXILES WHO DECLINE
GERMAN SOCIAL SECURITY SHOULD BE EXCLUDED FROM PLAN.

9. THE COST OF LIFE INSURANCE FOR DM RETIREES WILL BE A PART
OF YOUR BUDGET THE SAME AS ALL OTHER PENSION AND INSURANCE
COSTS. HOWEVER, THIS YEAR GA WILL ALLOCATE THOSE FUNDS TO YOU
WHEN THE ACTUAL COSTS ARE KNOWN. I WOULD THINK THAT THE EASIEST
WAY TO DO THIS IS FOR YOU TO TAKE OUT AN ADDITIONAL
POLICY WITH THE GERMAN COMPANY THAT NOW CARRIES YOUR DM
PAID LIFE POLICY.

END MSG