GRADUATE SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS
University of Pittsburgh

DISCRIMINATION AGAINST THE ELDERLY EMPLOYEES OVER 65 IN THE RETIREMENT POLICY OF THE UNIVERSITY OF PITTSBURGH

BY:
Theophilus Olufemi Oyesile
July 23, 1977

for

Public Policy Seminar on Aging
GSPIA 296F
Spring Term 1977
Dr. Bennet Rich

CONTENT

SUBJECT		PAGE
1.	Introduction and Historical Background	1
2.	Operational Definition of Terms	2
3.	Problem Statement	4
4.	Methodology	8
5.	Data and Analysis	
	(a) National Policies on Aging and Retirement	
	(b) State's Policies	
	(c) University's Policy	15
	(d) Impact of Compulsory Retirement	20
	(e) Costs/Benefit Analysis of Mandatory Retirement	22
6.	Conclusion and Recommendations	23
	(a) Elimination of the age limit in the University Policy	
	(b) Discontinue Discriminatory Policy	
	(c) Creation of Incentive for Voluntary Gradual Retirement	

PREFACE

The purpose of writing a preface to this Policy Seminar Paper is threefold. First, because the paper is in partial fulfillment of the requirement for a Master's degree in Public Administration in place of a thesis. Secondly, to express my satisfaction for the choice of a Policy Seminar on Aging and last, but not least, to give honour to whom it is due.

When I decided to take a policy Seminar on Aging my friends wondered what I would gain from the Studies of Aging Policy focused only on America. The Assistant Dean, before she signed the Special Permission form for registration, almost discouraged me because of the impediments. However, I had to telephone Dr. Rich twice before finally convincing him to accept my registration for the Seminar. I am happy that I persisted and wish to express my special thanks to Dr. Rich for being so demanding and understanding. The Seminar covered a wide range of the problems of Aging in America. I wrote the outline for this paper twice before it was approved by the professor. These, coupled with Dr. Rich's requirements, have enabled me to research deeply into retirement problems applicable to my own country, Nigeria. In view of the international nature of GSPIA, I think that the policy Seminar on Aging should be more flexible so as to allow foreign students the opportunity of researching the aging problems in their own countries.

My advisor, Dr. Robert Norman, deserves my special thanks for his contributions to my success so far. His patience and encouragement have been most invaluable in planning my program which made writing this paper possible. My gratitude also goes to a friend, Mr. Jerry Groves, whose

advice and assistance reading through my manuscripts have been most helpful. My coming to Pittsburgh was made possible by Professor I. S. Audu, the then Vice Chancellor of A.B.U. and the generous award of a Study Fellowship by the University; I am very grateful. My special thanks also to all those who supported me morally, financially, and took care of my family during the two-year sojourn in Pittsburgh. There are so many that I cannot mention all their names. My mother, brothers and sisters have been particularly helpful. I wish to mention the Lojodes, Bayo Soyemi, Alani Oloyede, Luke Aghedo and George Korgba who have from time-to-time supplied me necessary information and materials from Nigeria for the writing of term papers, etc.

I would not have had the courage to go through this course but for my wife Victoria Ajoke Oyesile. She gave me confidence and encouragement. Her efforts in keeping the family together, making the children happy and bearing the family's burden single handedly is praise worthy. I am also thankful to everyone I have met in Pittsburgh. They have made life worth living for me here and have all been pleasant.

T. Olu Oyesile

DISCRIMINATION AGAINST THE ELDERLY EMPLOYEES OVER 65 IN THE RETIREMENT POLICY OF THE UNIVERSITY OF PITTSBURGH

INTRODUCTION:

As the title suggests, this study is focused on what is generally perceived as the prejudicial outlook or treatment of the elderly over sixty-five in the service of the University of Pittsburgh. There are different kinds of discrimination on the basis of age common to all organizations, retirement, employment and fringe benefits are some.

The mandatory retirement age for faculty and staff members in the University of Pittsburgh is seventy and sixty-five, respectively. After these ages further employment will be on a temporary, part-time or year-to-year basis; even when the employee is considered capable of performing his/her duties efficiently. The aging process is not an abrupt phenomenon, it occurs gradually and the individual is a better judge as to when to quit. The myth that intelligence declines with age is outmoded because the protagonists or formulators of the ideas based their opinion on past generations with limited educational opportunities and health programs. The life expectancies have now improved with decline in mortality and fertility.

It is the intention of this paper to examine the area of mandatory retirement, to discuss its advantages and disadvantages with a view to making recommendations. For many retirement, whether by choice or force, can create emotional shock with a lasting psychological effect. The realization of having nothing to do when one is still capable can create emotional crises; especially with people who have enjoyed and derived satisfaction from their profession. "One out of

every four suicides committed in the United States are committed by people over sixty-five years of age."[1] The causes are not far fetched; these include frustration, senility, loss of loved ones, discrimination, isolation, etc., to mention just a few. According to Tunstall, the real personality crises begin before retirement, because to the prospective retiree and his family, it is a burden and therefore most unwelcome.[2]

A retirement policy that removes choice from the employee and subjects him/her to poverty in the midst of plenty has outlived its usefulness. The University of Pittsburgh endorsed such policies that follow fair and equal standards and protects the rights and privileges of individuals. It is therefore necessary to abolish a mandatory retirement age which is, in fact, discrimination. If the compulsory policy is repealed, unemployment will be reduced;[3] other social, economic and political problems will also decline.

OPERATIONAL DEFINITION OF TERMS

DISCRIMINATION: The act of making a difference in the treatment or favor on a basis other than individual merit. Discrimination is a prejudicial outlook, action or treatment of the elderly who have been forced to retire from the service

---

[1] Kenneth Donaldson, Statement to the Joint Hearing of the Special Committee on Aging, U.S. Senate, 94th Congress, Washington, DC, 1975. p 54.

[2] Jeremy Tunstall, Old and Alone; A Sociological Study of Old People. (London: Rontledge and Kegan Paul Redwood Press, 1971). p 235.

[3] The demography on unemployment does not include the elderly on retirement. The labour force reckons only the working ages from 16 to 65. The capable senior citizens want to be counted in. They will increase the employment figures.

of the University. The different treatment on the basis of classification of class, e.g., faculty and staff.

RETIREMENT: The process by which one is stripped of some roles in society. . The separation of an individual from the role he performs in employment. The limits may be imposed biologically, psychologically or legally through public policy. Here retirement refers to and includes the former employees of the University who have left their jobs at the mandatory retirement age, but now work on a part-time or temporary basis. Retirement respresents a stage of life with its own pattern of living and behavior

ELDERLY: Relating to or characteristic of later years of life. Some people are regarded as elderly not because of their age but due to poverty and sickness. For the purpose of this paper elderly or oldster will refer to the University employees retired after the mandatory age of retirement and all others from 55 years of age and above.

THE UNIVERSITY: The term "University" refers to the University of Pittsburgh with all the four regional campuses. The University is "an integral part of the system of higher education in Pennsylvania and designated a "state-related" University. The state relatedness is a venture in joint public-private support of education."[4] Any change in the University policy must take into account the inter-governmental linkages and its position as a public open system of organization.

---

[4] Wesley W. Posvar, Handbook for Faculty, University of Pittsburgh, 1974. p.3.

PROBLEM STATEMENT

Retirement represents a stage of life with its own pattern of living and behavior. A retired person is perceived as a burden to the society. Retirement has become an an institutionalized status as a result of the universal industrialization. It is the basic requirement whereby the elderly are replaced by new workers. The basic assumption that the young must succeed the old brought about a public policy on mandatory retirement. "It is a system presumed to be a non-work career with leisure time as a reward for past services." Carp refers to retirement "as withdrawal from the scene of actions. Since withdrawal implies little or no contribution to the group's welfare, the quitter loses power. Those who remain in control institutionalize this change by giving it a devalued status and call it retirement."[5]

A University professor at the age of 65 is divested of his administrative responsibilities if he continues to age 70; after a long career of teaching and research, he/she is given praise and Hosanna, and is viewed by his colleagues to be in an unstructured situation. He does not have students to train, nor the supportive staff to help him; professional colleagues, an office in the University and sometimes the library facilities are curtailed. Such situations compel the victim, who is still capable to seek other jobs. Sometimes he finds more rewarding employment elsewhere but will still miss his university job. Some unlucky professors

---

[5] Francis M. Carp. Reitrement, (New York: Behavioral Publications Inc. 1972) pps. 25-33.

become frustrated and withdrawn. The new experience can be bitter or blessed depending on how one accepts this new role. It can be full of satisfying activities and friends or it can be one of loneliness, brooding and resentment.

"In 1970, the median age in the USA was 28, the projected median age for 1980 will be above 30. By the year 2000 and 2030 it will be 35 and 40, respectively. In 1975, over 22.5 million people were over 65, 8.5 million are 75 and 1.9 million were over 85 years of age. The latest population projections suggest that the numbers in all these categories will be considerably larger by the end of this century; and will continue to grow."[6] As the population of the elderly increases the demand for old age benefits multiply, and the working population decreases because of declines in fertility. Life expectancy has improved considerably belying the mandatory retirement age.

According to the U.S. Census Bureau, at the age of 65, a man has an average of 13.4 more years of life expectancy while for women it is 17.5."[7] These figures will continue to improve because of the better living conditions. The percentage increase of people over 65 years of age will be as follows:

TABLE OF PERCENTAGE INCREASES OF ELDERLY OVER 65 YEARS

Years	Percentage	Years	Percentage
1960-1970	20.4	2000-2010	8.6
1970-1980	22.1	2010-2020	28.7
1980-1990	18.0	2020-2030	20.6
1990-2000	5.8	2030-2040	2.6

Extracted from Development on Aging Part 1 p. xx-xxiii.

---

[6] Developments in Aging Part 1, A report of the Special Committee on Aging, US Senate (Washington, DC, US Govt. Printing Office, 1977) p. xx.

[7] Jacob S. Siegel, Demographic Aspect of Aging and the Older Population. US Dept. of Commerce, Bureau of Census, Washington, DC, US Govt. Printing Office, 1976

The preceding table was extracted from Development on Aging Part 1 p. xx-xxiii.

The 1965 Older Americans Act declared an objective of "Freedom, independence and the free exercise of individual initiative in the planning and management of their own lives."[8] The Act includes the freedom to choose when to retire from active service or to continue in employment, full or part-time. These choices are denied the employees of most organizations that enforce the mandatory retirement age of 65. The University of Pittsburgh is not an exception. The focus of this paper is to examine the discriminatory policies which contradict the endorsed "Affirmative Action." It is assumed that:

1. The Mandatory retirement age of 65 for staff and 70 for faculty members is discriminatory. More so when a faculty member will be relieved of his/her administrative assignments, such as deanship, directorship, etc., on the 65th birthday; "the individual may continue as a faculty member until age 70."[9]
2. Health Insurance may be retained by a retiree but with reduced benefits. If the retiree is too old to work, then there is need for intensive medical attention. The reduced benefits will increase the inroads into the already reduced income.
3. Group Term Life Insurance: The University and the individual employee each pay one half of the premium on

---

[8] "Federal Action on Aging". Aging Magazine No. 47 of May, 1975.

[9] Handbook for Faculty: University of Pittsburgh, 1974. p. 30.

group term life insurance, but the employee retains only one fourth of the basic coverage after retirement; if enrolled five years, one half; 15 years, three fourths; if 20 years, full coverage if enrolled prior to July 1, 1962 provided the premiums are paid. The accidental death benefits terminate on retirement. The termination is discriminatory because a retiree who is re-hired on temporary jobs forfeits the death benefits; even if he dies a day or two after retirement in an accident. This is even more discriminatory when an employee in active service can retain the death benefits for a period of one year during a leave of absence.

4. Additional Group Term Life Insurance: Participation is mandatory for all full time employees who are under 65 years of age. On reaching 65, the coverage terminates regardless of the retirement status.

METHODOLOGY

The retirement ages and benefits of other organizations will be compared with the University. Samples will be drawn from the Federal Judges, Senate and Congress. The handbooks for staff and faculty members will be utilized together with journals and other books from the library. Handouts from class, lectures and discussions during the seminar will also be helpful. Personal observations and interviews, with raw data from the Personnel Division of the University, will be invaluable for the study. The impact of forced retirement will be analyzed on individuals, the society and the employer. The demography on University retirements with the benefits analysis will be examined for possible demand for continuation of employment by staff and faculty members.

Interviews with two retirees of the University, one on total disability and the other on mandatory retirement will be analyzed.

DATA AND ANALYSIS

"The current retirement age for faculty members, the teaching staff, professional librarians, and research associates as established by the trustees is 70. The Chancellor is authorized, in exceptional cases, to continue appointments on a year-to-year basis after age 70. It is the policy to relieve individuals of administrative assignments, such as deanships, directorships, campus presidencies, and departmental chairpersonships at the end of the term following the 65th birthday. The individual may continue as a faculty member until age 70."[10]

The compulsory retirement date for regular full-time members of the University staff is the first of the month following the sixty-fifth birthday. Persons over 65 years of age may hold part-time jobs at the University. The Personnel/ Affirmative Action Director and the appropriate Vice-Chancellor may jointly agree to allow one to continue full-time employment beyond his sixty-fifth birthday for the completion of a special project or other extenuating circumstances."[11] The above are the University's policies on retirement for faculty and staff. These policies as well as the employees' retirement income compare favourably with the Civil Service and other agencies or institutions of higher education; but it is assumed that these policies are discriminatory. The inconsistencies that exist in the Civil Service, government agencies and the University can be observed on the chart on

---

[10] Handbook for Faculty, University of Pittsburgh, p. 30.

[11] University of Pittsburgh, Staff Handbook for Clerical, Secretarial, Technical and Professional Personnel. (Division of Personnel & Affirmative Action. Winter 1974) p. 32.

page 10, also in appendix 1 and 2. Under the Civil Service and Foreign Service Systems, employees who perform duty at certain designated "unhealthful posts" may under certain circumstances, receive 1-5 years of retirement credit for each year of service at such posts.[12] In other agencies or the University, provisions are not made for employees working under the same designated posts.

---

[12] E. B. Stacats, Comptroller General, Federal Retiremement Systems, Key, Issues, Financial Data and Pensions Benefit, (Washington, DC, Govt. Press, 1974), p. 38.

GENERAL RETIREMENT AND BENEFITS PROVISIONS FOR GOVT AND GOVT RELATED ORGANIZATIONS

RETIREMENT SYSTEM → / GENERAL PROVISIONS	CIVIL SERVICE RETIREMENT SYSTEM	FOREIGN SERVICE	FEDERAL JUDICIARY	TENNESSEE VALLEY AUTHORITY	D.C. JUDGES	UNIVERSITY OF PITTSBURGH. FACULTY	STAFF
A. 1. OPTIONAL 2. MANDATORY 3. [illegible] 4. DISCONTINUED SERVICE INVOLUNTARY SEPARATION NOTE: UNDER SOME SYSTEMS WHICH ARE BASED ON ANNUITIES ARE PAYABLE AT LOWER AGE SERVICE REQUIREMENTS	A. 1. AGE 62 AND 5 YEARS SERVICE, AGE 60 AND 30 YEARS SERVICE OR AGE AND 25 YEARS SERVICE AS A MEMBER OF CONGRESS. AGE 55 AND 20 YEARS SERVICE, EARLIER RETIREMENT WITH THE ANNUITY REDUCED IF UNDER AGE 60 2. AGE 50 AND 25 YEARS SERVICE BUT NOT APPLICABLE TO PARTICIPATING MEMBERS OF CONGRESS OR CONGRESSIONAL EMPLOYEES 3. ANY AGE AND 5 YEARS SERVICE* 4. AGE 50 AND 20 YEARS SERVICE OR ANY AGE AND 25 YEARS SERVICE. HOWEVER, THE ANNUITY IS REDUCED IF UNDER AGE 55 OR UNDER AGE 60 FOR MEMBERS OF CONGRESS	A. 1. AGE 50 AND 20 YEARS SERVICE 2. REGARDLESS OF LENGTH OF SERVICE, AMBASSADORS AND MINISTERS MUST RETIRE AT AGE 65 AND ALL OTHERS AT AGE 60 3. ANY AGE AND 5 YEARS SERVICE 4. ONLY FOR OFFICERS IN CLASSES 1, 2, AND 3, AGE 50 AND 20 YEARS OF SERVICE	A. 1. AGE 65 AND 15 YEARS SERVICE OR AGE 70 AND 10 YEARS SERVICE 2&4. NOT APPLICABLE 3. NO AGE OR SERVICE REQUIREMENTS	A. 1. AGE 65 REGARDLESS OF LENGTH OF SERVICE 2. AGE 60 REGARDLESS OF LENGTH OF SERVICE 3&4. ANY AGE AND 5 YEARS OF SERVICE	A. 1. AGE 50 AND 20 YEARS SERVICE OR AGE 60 AND 10 YEARS SERVICE 2. AGE 70 REGARDLESS OF LENG OF SERVICE 3. ANY AGE AND 5 YEARS OF SERVICE 4. NOT APPLICABLE	A. 1. Age 65. must inform at 55 INTENSION TO RETIRE. 2. Age 70. ALL ADMIN. RESPONSIBILITY WITHDRAWN AT 65. 3. Any age after 13 months SERVICE 4 ANY AGE BUT MUST AGREE WITH PITTS CALENDAR. MAY 15	1. Age 65 2. Age 65, BUT MAY BE HIRED ON PART TIME BASIS. 3 ANY AGE AFTER 13 MONTHS SERVICE 4 Any age. Must agree with College Calendar.
B. DEFERRED ANNUITY IS PAYABLE AT AGE 62 FOLLOWING YEARS OF EMPLOYMENT SEPARATION WITH THE INDICATED AGE AND TERM OF SERVICE REQUIREMENTS ARE SATISFIED 1. VOLUNTARY SEPARATION AND INELIGIBLE FOR AN IMMEDIATE ANNUITY 2. INVOLUNTARY SEPARATION AND NOT ELIGIBLE FOR AN IMMEDIATE ANNUITY	B. 1. BEGINS AT AGE 62 IF AT LEAST 5 YEARS OF COVERED SERVICE HAD BEEN COMPLETED 2. SAME AS B.1 ABOVE	B. 1. BEGINS AT AGE 60 IF AT LEAST 5 YEARS OF SERVICE HAS BEEN COMPLETED 2. SAME AS B.1 ABOVE	B. NOT APPLICABLE	B. 1. BEGINS BETWEEN AGES 55 AND 65 AT THE MEMBER'S OPTION, PROVIDED AT LEAST 10 YEARS SERVICE HAS BEEN COMPLETED. HOWEVER, THE ANNUITY IS REDUCED IF MEMBER IS UNDER AGE 65. 2. NOT APPLICABLE	B. 1&2. A MINIMUM OF 10 YEARS JUDICIAL SERVICE IS REQUIRED. ANNUITY BEGINS AT AGE 50 IF AT LEAST 20 YEARS OF SERVICE HAS BEEN COMPLETED, OR AT AGE 60 IF LESS THAN 20 YEARS OF SERVICE WAS COMPLETED	B. 1. ANNUITY TRANSFERABLE TO TIAA-CREF PARTICIPATING INSTITUTION. 2. NOT PAYABLE UNTIL 65, UNLESS PURCHASED	B. SAME AS FOR FACULTY/MEMBERS VOLUNTARY SEPERATION - EARLY RETIREMENT AGE BEFORE PAYMENT DUE. BLANKET COVER IN OPERATION FOR PERMANENT DISABILITY TOTAL DISABILITY PAYMENT 6 MONTHS AFTER DISABILITY UNTIL 65 OR PRIOR DEATH.
C. BENEFIT PROVISIONS MINIMUM SERVICE REQUIRED BEFORE ANY VESTING OF 1. RETIREMENT RIGHTS 2. SURVIVOR RIGHTS NORMAL RETIREMENT ANNUITY 3. GENERAL BENEFIT FORMULA ANNUAL ANNUITIES FOR 1. SURVIVING 2. A WIDOW 3. CHILDREN PROVISION FOR ADJUSTING ANNUITIES FOR COST OF LIVING INCREASES 1. RETIREE ANNUITIES 2. SURVIVOR ANNUITIES	C. 1. RETIREMENT RIGHTS BEGIN ACCRUE AFTER COMPLETING 5 YEARS OF COVERED SERVICE 2. BEGIN AFTER 18 MONTHS OF COVERED SERVICE 3. HIGHEST AVERAGE SALARY EARNED DURING ANY 3 CONSECUTIVE YEARS OF SERVICE MULTIPLIED BY 2 RETIREMENT WAS TOTAL YEARS OF SERVICE 1&2. 3. RETIREE'S ANNUITY IS GUARANTEED 4. [illegible] 5. [illegible] 6. SAME AS UNDER CIVIL SERVICE C.6 7&8. YES. PAID ON CPI	C. 1&2. SAME AS UNDER CIVIL SERVICE C.1 AND 2 3. HIGHEST AVERAGE SALARY EARNED DURING ANY 3 CONSECUTIVE YEARS OF SERVICE MULTIPLIED BY 2 RETIREMENT WAS TOTAL YEARS OF SERVICE 4. [illegible] 5. SAME AS UNDER CIVIL SERVICE C.6 6. SAME AS UNDER CIVIL SERVICE C.6 7&8. YES. PAID ON CPI	C. 1. DISABILITY RETIREMENT RIGHTS BEGIN ACCRUING IMMEDIATELY 2. BEGIN AFTER 5 YEARS OF CREDITABLE SERVICE 3. (a) MEMBERS RETIRING FROM SERVICE RECEIVE ELIGIBLE SALARY OF (b) MEMBERS PENSIONING FROM SERVICE RECEIVE SALARY EARNED AT TIME OF RETIREMENT 4. MEMBERS WHO ELECT TO PARTICIPATE IN SURVIVOR BENEFIT PLAN BETWEEN 6% AND 10% OF PART OF PLANT'S AVERAGE ANNUAL SALARY EARNED DURING AT 5 YEARS OF CREDITABLE SERVICE 5. NO PROVISION 6. (a) WITH A SURVIVING PARENT SAME TO $900 DEPENDING ON THE NUMBER OF CHILDREN (b) WITHOUT A SURVIVING PARENT MAXIMUM OF $450 PER CHILD 7&8. NO	C. 1. RETIREMENT RIGHTS FIRST ACCRUE AFTER COMPLETING 5 YEARS OF COVERED SERVICE 2. BEGIN ACCRUING IMMEDIATELY 3. 1.5 PERCENT OF AVERAGE HIGH SALARY MULTIPLIED BY YEARS OF SERVICE AND REDUCED BY A SOCIAL SECURITY OFFSET PLUS AN ANNUITY AMOUNTING TO THE ACTUARIAL EQUIVALENT OF THE BANKED CONTRIBUTIONS 4,5&6. SURVIVOR ANNUITIES ARE PAYABLE TO BENEFICIARIES DESIGNATED BY THE MEMBER (a) DEATH BEFORE RETIREMENT WITH THE SUM OF THE ACTUARIAL EQUIVALENT OF: (1) MEMBER'S CONTRIBUTIONS AND INTEREST (2) 50 PERCENT OF MEMBER'S SALARY AT TIME OF DEATH PLUS 5 PERCENT OF SALARY FOR EACH YEAR OF SERVICE UP TO A MAXIMUM OF 40 YEARS, EXCLUDING SICK LEAVE CREDIT (b) DEATH AFTER RETIREMENT: A MAXIMUM OF 100 PERCENT OF RETIREE'S ANNUITY TO ANNUITANT OR ALL BENEFICIARIES DESIGNATED. THE RETIREE MAY ELECT TO RETURN NET THE AMOUNT PROVIDED 7&8. YES (BASED ON CPI)	C. 1&2. BEGIN ACCRUING AFTER 5 YEARS SERVICE 3. BASED ON SALARY AT TIME OF RETIREMENT AND COMPRISED OF TWO PARTS (a) PERCENTAGE OF MEMBER'S SALARY EQUAL TO THE RATIO OF YEARS OF SERVICE TO 30 YEARS PLUS (b) AN AMOUNT COMPUTED UNDER THE CIVIL SERVICE GENERAL BENEFIT FORMULA BASED ON YEARS OF CREDITABLE SERVICE EXCLUDING SICK LEAVE AND SUBSTITUTING FINAL SALARY FOR HIGH 3 AVERAGE SALARY (THE SUM OF a AND b CANNOT EXCEED 80 PERCENT OF FINAL SALARY) 4&5. MAXIMUM OF 55 PERCENT OF SPOUSE'S AVERAGE SALARY EARNED DURING LAST 3 YEARS OF SERVICE 6. SAME AS UNDER CIVIL SERVICE C.6 7&8. YES (BASED ON CPI)	C. 1&2. TIAA/CREF INS. SYSTEM. 7½% EACH BY COLLEGE AND INDIVIDUAL EMPLOYEE PLUS INTEREST DIVIDENDS 3. SURVIVOR BENEFITS FIXED FOR MAXIMUM OF 2 YEARS AFTER DEATH OF MEMBER. 4.5.6 SUPPLEMENTAL ANNUITY CONTRACT OPTIONAL. B. VOLUNTARY ACCELERATED RETIREMENT.	BASED ON COMMON STOCK INVESTMENT

EXTRACTED FROM COMPTROLLER GENERAL'S REPORT TO THE CONGRESS ON FEDERAL RETIREMENT SYSTEMS. KEY ISSUES, FINANCIAL DATA AND BENEFITS PROVISIONS. Washington, DC, 1974, and the University of Pittsburgh Handbook for Faculty and Staff, 1974.

PRODUCTIVITY:

A retirement system is basically a program for providing a pension to retired employees for life. The amount of pension is generally based on length of service, salary on retirement or combination of both. Retirement is also expected to provide subsidiary benefits for death, disability and termination. The retirement benefits are expected to induce able and productive employees to remain in service through the peak of their productivity, mandatory retirement negates this principle. Population specialists say that "the United States has recently been a land of the young and the old. From an economic standpoint, the distribution of age represents a burden for a relatively small labour force made up of middle aged citizens providing for a disproportionately large number of retired as well as school age dependents."[13] Some of these retired citizens are still capable of contributing to the G.N.P. of the nation but due to the archaic retirement policies, many talents have been wasted. The demographic aspects of aging indicate that if an employee is still capable at 65, the possibility of his death before he is 74 years old is remote. This assumption is based on the death rates for the ten leading causes of death. (See pages 12 and 13.) Though younger employees look to the elderly retirement to open opportunities for employment and advancement, they also expect that the system will allow them the personal choice about when to retire and protect them against mandatory or involuntary retirement. "Employment of older workers is a vital part of our national problem of attaining full employment. Older workers are

---

[13] Jack Levin, Elementary Statistics in Social Research. (New York, Harper and Row, 1973) p. 84.

especially disadvantaged in competition for jobs in the labour market."[14] Their population is increasing daily.

DEATH RATES FOR TEN LEADING CAUSES OF DEATH FOR AGES 65 AND OVER IN 1973 IN U.S.A.

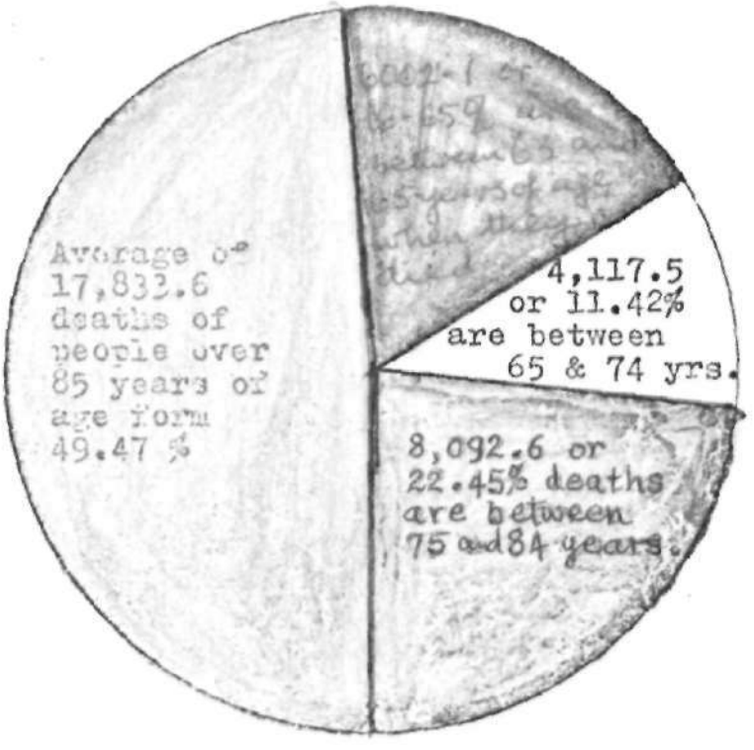
No.	Elderly Death Causes	63-65	65-74	75-84	85 & Over	TOTAL
1.	Disease of the heart	2,643.2	1,461.6	3,609.2	8,382.1	16,09
2.	Malignant Neoplasms	946.7	768.1	1,187.9	1,435.3	4,33
3.	Cerebrovascular Disease	839.3	355.1	1,233.5	3,197.9	5,62
4.	Influenza & Pneumonia	210.3	82.1	295.6	910.4	1,49
5.	Arteriosclerosis	146.	32.4	190.6	890.2	1,25
6.	Accidents	255.4	755.	321.1	808.4	2,13
7.	Diabetes	126.3	85.4	179.7	245.9	63
8.	Bronchitis	97.7	79.4	126.2	133.2	43
9.	Cirrhosis of the Liver	37.9	44.6	28.8	19.9	13
10.	Infection of the Kidney	22.9	11.1	32.2	81.6	14
11.	Other Causes	676.4	442.7	887.8	1,728.7	3,73
	TOTAL	6,002.1	4,117.5	8,092.6	17,833.6	36,04
	PERCENTAGES	16.65%	11.42%	22.45%	49.47%	

SOURCES: Demographic Aspects of Aging and the Older population in the United States. Published by the US Department of Commerce, Bureau of Census, May, 1976.

From the above figures it could be observed that 49.47% of the elderly die after 85 years of age. A University faculty or staff member retired compulsorily at 65 or 70 has an average life expectancy of 15 years more. What are most of these people expected to do with the rest of their lives?

[14] White House Publication, Towards a National Policy on Aging. Vol II, White House Conference on Aging. (Washington, DC US Govt. Printing Office 1971) p. 12.

The pie chart below is based on the average percentage of death rates on the ten leading causes of deaths in USA.



According to the above chart, the assumption is that between 65 and 74, employees are still capable of performing the duties or profession that had supported the over 30 years. The death rate for the ten leading causes of death is lowest in this age group. Compulsory retirement contributes largely to social and health problems among the elderly. The former active employee degenerates into poverty and sickness for inactiveness. According to Senator Frank Church, "Approximately everyday

about 5000 Americans celebrate 65th birthdays
" 3600 " die aged 65 and over
average increase 1400 Americans daily swells the elderly population." [15] The new comers into the aged group (about 500,000 a year) are different from those already there. The new group joins with

---

15 Frank Church, Chairman, National Committee on Aging, Development in Aging Part I, Washington DC., The U.S. Government Printing Office, 1976, p. XVIII.

new ideas, vigor and dynamism. These are the new breed of elderly who are too young to retire to a life of inaction and isolation. They should be protected from archaic mandatory retirement.

In Pennsylvania, the state in which the University is located, the fastest growing population is the 75 and over age group. Currently, it constitutes 482,011 persons and represents almost 38% of the total elderly population (according to the 1970 census). In spite of this growing population, the state is ranked 37th in the life expectancy tables. That is 36 other states in the USA have longer life expectancies than Pennsylvania. The following figures show the age range of the elderly in Pennsylvania:

* Age Group	Population		Percentage
65-69	441,329		35%
70-74	348,786		27%
75-79	246,383 }	482,011	19%
80-84	235,628 }		19%

If the mandatory retirement age is abolished from the Age Discrimination in Employment Act of 1967, some of these senior citizens in Pennsylvania will be employed, thereby reducing the unemployment problem. Under Title IX of the Older Americans Act, only 700 persons between 55 and 64 years of age were employed in the employment projects in twenty-two Pennsylvania counties.

---

* Extracted from Data Packet No. 1, Demographic Information, Second Edition of "The Elderly in Pennsylvania. 1976".

THE UNIVERSITY'S RETIREMENT POLICY

The University employs 6137 persons made up of 2,200 faculty members and 3937 staff, clerical, secretarial, technical and professional personnel. The disparity in the retirement age policy between the faculty and staff amounts to discrimination. Also relieving an individual from administrative assignments after 65 years is indistinguishable from age discrimination. The Age Discrimination in Employment Act (ADEA), P.L. 90-202 of 1967, prohibiting arbitrary age discrimination, covers only those between the ages of 40 to 65 years. The University, therefore, is acting within the confines of the law by fixing 65 years. However, discrimination in retirement can also be identified in the retirement benefits which is a contributory system with Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). Under this system the individual contributes 7 and 1/2% of income and the University subscribes the same amount toward security of income for the employee and or the survivors. The contributions are invested to provide an income, "a pooling of resources by many people in order that each may be protected against the financial risk of 'living too long'. It operates in compliance with the Employee Retirement Income Security Act of 1974 (ERISA) [16]

The average number of employees retiring wi hin the last five years is forty-five. The figure will increase in the next five years because the elderly age group is the fastest growing population nationally and statewide. In the next five years the following are the figures for both faculty and staff:

---

[16] TIAA/CREF "Annual Report 1976", pp. 3 and 4.

FACULTY			STAFF		
Year	No. to Retire	Percentage	Year	No. to Retire	Percentage
1977	18	0.81%	1977	38	0.96%
1978	16	0.72%	1978	34	0.86%
1979	22	1%	1979	51	1.29%
1980	17	0.77%	1980	53	1.35%
1981	24	1.09%	1981	55	1.4%

Despite the University policy on retirement there are 8 faculty and 69 staff members over and above the retirement ages. These individuals are employed on a temporary or year-to-year basis. There are two who are 82 years of age and are considered capable.[17]

A number of the retirees and prospective ones within the next three years were interviewed. The sample was drawn at random and none agreed to be quoted, with the exception of Dr. J. McLean who is on total disability retirement which was at his own request when he was 61 years of age in 1975.[18] He expected to be on the disability benefits until he is 65. He has found the disability payment far less than his earnings as a professor. He had to pay so much money on medical treatment that it nearly consumed all his savings. This has made total disability retirement more uncomfortable. The total disability benefits provides "60 percent of the first $1500 of monthly contract salary plus 40 percent of such monthly contract salary above $1500; but not more than $1500."[19]

---

[17] The figures and information were obtained from the Personnel Director's office.

[18] Dr. Joseph McLean was interviewed on Friday, July 8, 1977. He permitted the interview to be utilized only in this term paper.

[19] University Handbook for Faculty, p. 61.

The discriminatory aspect of the disability benefits is that it stops six months before the age of 65 because the benefits are not payable for the first six months of total disability nor beyond age 65.

In 1976, thirty staff members retired and nine of them were rehired on year-to-year basis on lower salaries on the same job just because they have become 65 years of age. There are a number of older workers who would like to work but cannot find jobs because at 65 they have dropped out of the labour force. Some sought jobs for a while but without success; they became frustrated and no longer actively seek employment. Most of my sample consists of staff retirees and a few faculty members. The analysis of the interviews revealed that 79% of the retirees would have liked to continue to work. One said, "I am still capable at 70. I worked until the last date. I was never found to be tardy nor inefficient. My age has robbed me of my job. I have to get another job otherwise I will rot in no time." Almost all those interviewed agreed that to retire them when they were still capable amounted to discrimination. One prospective retiree expressed happiness that he was approaching retirement. "I will be self-employed; no longer under pressure to leave for work early in the morning and fight through traffic in the evening. Every day will be like vacation for the next three months."[20] Another said "I hate to think that I am retired and waiting for death. I am not out of it yet.

Forced retirement is an issue yet to be resolved in the society and one that will command more attention in the future. Those who were opposed to forced retirement believed unanimously that it violates the individuals' right to work. The

---

[20] Interviews with staff and faculty members on the University campus.

protagonists argue that it removes older workers with obsolete skills and replaces them with younger, better trained and well equipped workers with less pay and anxieties.

Ironically, the Age Discrimination in Employment Act (ADEA) alone probably has contributed largely to the perpetration of employers' age discrimination practices by adopting the use of chronological age criteria as the legal tool in management decisions involving the removal of an employee. The ADEA provided for individuals below 65 years. Beyond that age the Act offers the employee no protection whatsoever, nor a recourse if he is dismissed or denied his benefits on the basis of age. However, there are moves now by many groups of the elderly to remove the age limit from the Act. The state of Maine has now passed the bill to remove this age limit.[21]

RETIREMENT BENEFITS

The University participates in the Teachers Insurance and Annuity, Association and College Retirement Equities Fund (TIAA/CREF) to provide retirement benefits for its employees. As at the end of 1976, 3086 non-profit educational or research institutions participated in the system with about 400,000 persons.[22] The individual contributes 7-1/2% to 10% of his/her salary and this is matched by the University. The program is to provide retirement pensions for the participants and protection against the financial risks of old age.

Under the plan, a participant may forfeit benefits purchased by the employer's contributions if the employee leaves his job before a specified number of years. The

---

[21] The news was carried on the CBS RV news program on Saturday, July 9, 1977, at 7:35 a.m.

[22] Annual Report, 1976, p.1

Employee Retirement Income Security Act of 1974 (ERISA) is to protect the interests of workers and their beneficiaries who depend on benefits from employee's pension and welfare plans. In spite of the legislation, the TIAA-CREF has some loopholes which this paper considers discriminatory. The annuities payable to men and women are different because women are known to live longer than men. A man on retirement, at the age of 68 may earn $501 while the women get $440.00 per month. "This is because mortality rates at all ages are substantially less for women than men. At the age of 65 for example, the expectation of life is about four years longer on the average for women than for men."[23]

The TIAA-CREF has decided to change annuity rates with effect from March 1, 1977. "This change, which reduces slightly the contractual (guaranteed mimimum) amount of annuity income purchased by future premiums, does not have any effect on benefits purchased by premiums and dividends credited to contracts prior to March 1, 1977. The new rates reflect the improvement in longevity among TIAA/CREF annuitants that has occurred in recent years."[24] The annuitants and the University have no control over the TIAA. The change is discriminatory. If the annuitants were living shorter than expected, there would not be complaints nor reductions in the annuity payable. The survivor's benefits may not reflect the earlier death of an annuitant. Life income with ten year guaranteed period reduces the survivor's benefits to 2/3 of the annuity for 10 years. This is effective on the assumption that the spouse is of the same age.

---

[23] TIAA/CREF, Your Retirement Annuity, (New York; TIAA/CREF Publications, 1976), p. 16

[24] TIAA/CREF Annual Report for 1976 on Annuity Rate Change (New York, 1976), p. 6

HEALTH SERVICES

The University offers professional resources provided by the hospitals of the University Health Center in Pittsburgh. All the staff take this advantage. A retiree on annuity may not enjoy some of these facilities because a current identity card is required and because they are only provided for all full-time members. A retiree, though on annuity subscribed to by the University is ruled out of enjoying such health facilities such as the Annual Medical Evaluation. The bill of $40 for full-time faculty members is paid by the University while the elderly over 65 are excluded.

THE IMPACT OF MANDATORY RETIREMENT

The Age Discrimination in Employment Act of 1967, was to enhance the employment of the elderly based on their skill, ability and experience rather than chronological age. It was also designed to help employers and employees resolve the impact of aging. Ironically, the Act was more discriminatory because it catered to people below 65 years of age. "Just because you are 65, does not mean you are through with life. If you have a degree of potential, you are as you have always been. Mandatory retirement is wasteful, degrading, discriminatory, and fundamentally un-American."[25] The Act has created unemployment among the elderly over 65. Some employers have siezed the opportunity to relieve capable elderly on higher salaries, of their posts in order to hire younger personnel on lower wages. Mandatory retirement has increased

---

[25] Miss Elizabeth J. Donovan, "96 year-old Fights for Aged" (Pittsburgh Press, Tuesday, June 7, 1977), p. C1.

the rate of unemployment. The elderly in this sense are the worst hit. Some of them have lost hope of being in the job market again. The increase in the population of the elderly has swollen the demand on Social Security benefits "which may not eliminate the poverty problems of loss of adequate income."[26]

The average retired person who depends on Social Security checks is not subject to Federal Income Tax. He and his dependents make demands on the Food Stamp Program, Medicare, housing, etc., to mention a few. Their population grows daily. They are fast becoming a force to be reckoned with politically, economically, and socially. A number of associations have been established to fight the cause of the elderly. These include the National Council of Senior Citizens; Area Agency on Aging, American Association of Retired Persons; and Federal, State, and Local Committees on Aging, etc.

As a result of the loss in the earning and purchasing power of members of these associations caused by mandatory retirement, national economy has been affected. People who could still be employed have been forced out of jobs at the age of 65. This is discriminatory, more so when there are senators, judges, and members of the legislatures who are above the mandatory retirement age as is shown below:

*	65-69	70-75	76 & Over
Senators	8	8	5
Judges	15	13	11
Congress Members	28	15	22
	51	36	38

The above figures show that the legislators who enacted the Age

*Extracted from the Congressional Directory of the 95th Congress, 1st Session. (Washington, DC 1977), pp. 234-937.

[26]"Retirement in America", (Pittsburgh Press, June 8, 1977), p.B1.

Discrimination in Employment Act (ADEA) of 1967, probably have among them members who were more than 65 and have not been mandatorily retired. A number of the judges who decided on litigation concerning ADEA were probably over 70 and had not been on mandatory retirement. A number of bills to remove the age 65 upper limit on coverage under the ADEA were introduced in the House of Representatives in 1976, most of them identical to bills introduced in 1975 that were still pending.[27]

There is a tremendous push now, not only from the elderly, but from the Subcommittee on Equal Opportunity, of the House Committee on Education and Labour, to remove age limits from the Age Discrimination in Employment Act to cover persons 65 and over. It is likely that before the end of the present session, positive action will be taken. The total number of retirees in the United States as of 1973, was 63.39 million persons. 31.09 million about 49% were retired mandatorily while 32.3 million of 51% were on voluntary or total disability retirement.[28] (Figures were not available for 1976 because employers were reluctant to volunteer the information for fear of possible legal complications or because the records were not available or due to difficulty in retrieving the data).[29]

The University's mandatory retirees who are still capable, will no doubt seek new jobs. Faculty members may receive unsolicited job offers in other universities, government or

---

[27] ADEA Report No. 94-998 of June, 1976, Other 16 bills to remove age 65 upper limit include. H.R. 11819--Findley (R. Ill.) with 2 sponsors, H.R. 15518--Hawkins (D. Cal.) with 12 sponsors; to mention just a few. p. 27.

[28] W. J. Usery, Secretary of Labor, Age Discrimination in Employment Act, 1967, (Washington, DC, U.S. Dept. of Labor. Jan. 19, 1977), p. 36.

[29] ADEA, p. 26.

private enterprises as consultants, etc. Blue collar workers, on the other hand, have little or no option but to actively seek jobs wherever they can find one. At the moment, only 69 staff members over 65 years have been re-hired by the University on temporary, year-to-year or part-time employment. Such employees' fringe benefits have been considerably reduced. This is because they are already retired and drawing retirement benefits. An employee who exceeds the mandatory retirement age may continue to subscribe to the TIAA/CREF but the University's contribution of 7-1/2% terminates on the 65th birthday. If the employee wishes, he may take over both contributions to provide higher benefits for himself when he becomes 70 years of age.

Though there is no evidence of differences in self-perceived deterioration in the brain function of an employee at 65, especially the faculty members, yet the policy of the University relieves them of their administrative responsibilities. If a professor at 65 could lecture students, set and grade tests and term papers without adverse reports from the consumers of the service, the deprivation of such a person of his/her administrative responsibility amounts to discrimination on the basis of chronological age. This is also contrary to the affirmed policy of equal employment opportunity of the University.

COST/BENEFIT ANALYSIS OF MANDATORY RETIREMENT

At 65 an employee who is still capable of performing his duties could continue to earn a living with the satisfaction involved. With mandatory retirement, the income is reduced considerably and forcing the retiree to rely on Social Security and the annuity from the private pension scheme. While working, Social Security contributions are taken out of an employee's

wages up to $16,500. The amount increases to keep up with changes in average covered income levels. This will enable the contributor to enjoy higher benefits later.[30]

Mandatory retirement exposes the unwilling retiree to mental, psychological and physical breakdown on which the cost of cure or treatment is born by the State or Federal Government. The productivity of a capable retiree is lost; this could have been included in the Gross National Product. The experience and expertise of the older worker is usually lost. A new younger employee will need some time to catch up. The annuity payable to a mandatory retiree could be diverted to other national issues. Those who want to work cannot, while more affluent persons with unlimited unearned income can still draw their full Social Security benefits. The violation of individual rights by mandatory retirement cannot be assessed in terms of dollars.

CONCLUSIONS AND RECOMMENDATIONS

The Older Americans Act (OAA) in 1965, created the Administration on Aging (AOA) with ten objectives which included: (a) "Adequate income in retirement in accordance with the American standard of living; (b) Opportunity for employment with no discriminatory personnel practices because of age; (c) Retirement in health, honour, dignity, after years of contribution to the economy; and (d) Freedom, independence and the free exercise of individual initiative in planning and managing their own lives.[31] These are four of the ten objectives

---

[30] Dept. of HEW, Your Social Security, (Washington, DC, HEW Publication No. (SSA) 77-0035, 1977), p. 15.

[31] Federal Action for Aging, "Aging No. 247", May 1975, p. 14.

of the OAA, but its powers are limited because of the contradictory and discriminatory regulations of the ADEA. "The public service practice of rather high mandatory age requirements is more consistent than industrial practice with the society's need to keep people in productive employment as long as they are capable. As life expectancy increases, the support of an increasing proportion of non-producing older citizens would also burden the relatively smaller group of younger people."[32] According to demography, the fastest growing population group is the elderly, because of the increased longevity resulting from improved health care, industrialization, modern scientific discoveries and decrease in fertility. It is expected that there would be an explosion or higher increase in the group when the war babies attain the elderly age between 2010 and 2020.[33] Then they may be stronger and healthier than the present generation because life expectancy continues to increase. The question then is what is the legitimate age to retire? Since all men and women are not the same physically, (organizations are different as well as occupational involvements), it is difficult to fix a chronological age for retirement. The ADEA met very stiff opposition because it has failed to meet the needs of a majority of people and organizations. The Civil Service has set mandatory retirement at 70 years. Police and Firemen at 60; the judiciary has no fixed age, it is voluntary at 70 and 10 years of service, whereas the University set 65 and 70 for

---

[32] O. Glenn Stahl, Public Personnel Administration, 6th edition, (New York, Harper and Row Publishers, Inc., 1971), p. 344.

[33] "The Greying of America", Newsweek, (February 28, 1977), pp. 50-65.

for staff and faculty, respectively. The employee that is still capable will therefore be forced to retire from one job and seek another leading to the problem of "double dippers"[34] in the Civil Service. The intellectual life has been mostly spent in urban centres with adequate facilities for an average standard of living. The average University professor possesses the knowledge to realize when to quit rather than being forced out. The academic environment has its hazards but cannot be equated with the coal mines or battery attendants in the coke mills of the steel industries. The working schedule in the University provides an opportunity for housing in a "clean air" environment, away from industrial polution. The health program and the advantages of teaching hospitals within the reach of University employees is an incentive for longevity. The employees can easily obtain information and are constantly aware of the "host care" that prevention is better than cure. Both science and experience indicate that the aging process and its effects show such wide variance among individuals as to destroy the logic of age as the sole factor determining whether a person should retire or continue to work. There is evidence that arbitrary retirement results in hardship, poverty and sickness for substantial numbers of elderly individuals. Because of the mandatory retirement age policy which has been proved to be discriminatory; the University needs to take the lead to abolish this practice.

It may be argued that (a) The mandatory retirement age enables an employee to have a period of rest at the end of his service while he is still physically able to enjoy it; (b) that

---

[34] "Double Dippers" are people earning Federal pensions either from the armed forces or the Civil Service and still employed full-time in the Civil Service or in any of the agencies.

a planned chronological age is simple to administer because it offers the basis for impartial decisions about individual retirement and (c) The relationship between the employer and employee provides basis for negotiation.

For any retirement policy to be satisfactory, it must be acceptable to both the management and the employees. The employee's performance and productivity on the job should be adequate and the continuation should contribute to the worker's welfare without undue demands on his health. Since the employee has the right to a voluntary retirement at a given age, the University's system should remain flexible without subjecting the workers to the anxieties of a mandatory retirement and deprivation of administrative assignments after their 65th birthday.

RECOMMENDATIONS

The University administration headed by the Chancellor as the Chief Academic and Administrative officer is "an equal opportunity employer, does not practice discrimination in any form, ...The University enforces policies in accordance with Federal regulations. The Pennsylvania Human Relations Act amended in 1973, prohibits discrimination because of race, color, religion, creed, age, sex, marital status or national origin."[35]

In order that the University may conform absolutely with the tenets of these acts it could:

(1) Abolish the deprivation of the faculty member of his/her administrative responsibility on the basis of age.

(2) "Eliminate the age 65 limit in Age Discrimination in Employment Act, and support measures which would lead to sustained full employment."[36]

---

[35] University of Pittsburgh Staff Handbook for Clerical, Secretarial Technical and Professional Personnel, p. 3.

[36] "Mandatory Retirement", Senior Citizen's News. NCSC, Inc. Washington, DC, Vol 4 No. 190 of June, 1977.

(3) Introduce a flexible retirement policy which conforms with the Older Americans Act that provides freedom, independence and the free excercise of individuals in planning and managing their own lives. The faculty and staff would also have a comparable retirement policy.

(4) Evidence abounds that age is no barrier to administrative decision-making. Supreme Court judges make decisions on life and death even though a number of them are older than 70 years. There are a number of U.S. ambassadors whose ages range between 69 and 76. they have not been found inefficient. President Tito of Yugoslavia is 82. The late Mao Tse Tung of China ruled his country effectively even when he was over 70. History abounds with people who contributed scientifically and industrially to world's development at an elderly age. These include Sir Winston Churchill, John Leslie, Sir Ronald Gould, Mitsujiro Shii, etc., to mention just a few.[37]

The individual is a better judge on his/her feelings as to the possibility of continuing on the job or retirement. For the purpose of uniformity, a medical authority or opinion may be sought for confirmation of continuity on tenure after 70 years of age.

The fringe benefits and pensions should refl :t the abolition of age limit. Also, additional group term insurance should be amended to cover those at the moment on temporary appointment as a result of the mandatory retirement that affected them.

---

[37] Biography Register, Dept. of State. U.S. Arms Control and Disarmament Agency. (Washington, DC, U.S. Gov't Printing Office) 1973.

Finally, the University policy authorizes the Chancellor, in exceptional cases to approve the appointment of a faculty member to continue on a year-to-year basis after 70. The Personnel Director and the appropriate Vice Chancellor may jointly agree to allow a staff member to continue the full-time employment beyond 65 for the completion of a special project or other extenuating circumstances. With due respect to the Chancellor, the policy is subject to misinterpretation. He has the authority over 2200 faculty members while the Personnel Director and the Vice Chancellor may take such decisions over 3937 staff. The policy in itself is discriminatory. Any employee refused continuation may demand justification if granted to his colleague regardless of the criteria. A further study into the policy may be necessary.

The department of Defense has a comprehensive retirement policy for the civilian employee in the Federal Government. The System includes trial and gradual retirement options. The System assists both the employer and the employee to adjust to retirement with management planning for the manpower needs[38] of the organization, and the employee's satisfaction.

The University may adopt the system with modification to suit its environment. This will alleviate the burdens of the Chancellor, the Personnel Director and the appropriate Vice-Chancellor. Also the system will facilitate development of alternatives permitting a more gradual detachment with provision of adequate benefits for a happy retirement. An ad-hoc

---

[38] Carl W. Clewlow, Deputy Assistant Secretary Defense. Development in Aging Part 2, (Washington, DC, U.S. Gov't Printing Office, 1977), p. 71.

committee made of collegues[39] may be established to determine each exceptional case on its merits. Such a panel will act on the basis of a more reasoned appraisal of the individual's continued usefulness rather than one or two men decision, or arbitrary indicator of chronological age.

---

[39] O. Glen Stahl, p. 345.

BIBLIOGRAPHY

ADEA, "Age Discrimination Report No. 94-998 of June 1976" Washington, DC, U.S. Gov't Printing Office, 1976.

Aging, Special Committee on Aging, U.S. Senate, S. RES. 373, March, 1976.

Atchley, Robert C., The Sociology of Retirement. New York: Halsted Press Division, 1976.

Blackburn, John D., Pensions, the National Income and the National Wealth in Employment Income and Retirement Problems of the Aged. ed. J. M. Kreps, Durham, North Carolina: Duke University Press, 1963.

Carp, Francis M., Retirement. New York: Behavioral Publications, Inc., 1972.

Church, Frank, Development in Aging Part 1 A Report of Special Committee on Aging, U.S. Senate. Washington, DC: U.S. Gov't. Printing Office, 1977.

Clewlow, Carl W., Deputy Assistant Defense Secretary, Development on Aging Part II, A Report of Special Committee on Aging, U.S. Senate. Washington, DC: Gov't Printing Office, 1977.

Congressional Directory, Biography of Senators, Judges and Congressmen. Washington, DC, U.S. Gov't Printing Office, 1977.

Cottrell, Fred. Aging and the Aged. Dugugue, Iowa: Wm. C. Brown Co. Publishers. 1976.

Donaldson, Kenneth. Statement to the Joint Hearing of the Special Committee on Aging U.S. Senate, 94th Congress. Washington, DC: U.S. Gov't Printing Office, 1975.

Donovan, Elizabeth J., "Retirement in America", Pittsburgh Press. Tuesday, June 7, 1977.

Department of HEW. Your Social Security. Washington, DC: HEW Publications No. SSA-77-10035, 1977.

Kreps, Juanita, M. Employment, Income and Retirement Problems of the Aged. Durham, North Carolina: Duke University Press, 1963.

Bibliography (cont'd)

Leving, Jack. Elementary Statistics in Social Research. New York: Harper and Row, 1973.

Lowenthal, Marjorie F. and Associates. Aging and Mental Disorder in San Francisco. San Francisco: Jossay Bass Inc., Publishers, 1967.

McLean, Joseph. Personal Interview on Retirement on Total Disability. 1977.

Mitchell, William L. Lay Observation on Retirement. New York: Behavioral Publications, Inc. 1972.

Newsweek, "Greying in America", Feb. 28, 1977.

Pittsburgh Press, "Retirement in America" June 7, 8, and 9, 1977.

Posvar, Wesley W., Chancellor. Handbook for Faculty University of Pittsburgh. Pittsburgh, 1974.

Siegel, Jacob S., Demographic Aspect of Aging and Older Population, U.S. Dept. of Commerce, Bureau of Census. Washington, DC: U.S. Gov't Printing Office, 1976.

Stacts, E. B., Federal Retirement Systems, Keys and Issues, Financial Data and Benefits. Washington, DC: U.S. Gov't Printing Office, 1974.

Stahl, O. Glenn. Public Personnel Administration 6th Edition. New York: Harper and Row Publishers, Inc., 1971.

Senior Citizen News, "Mandatory Retirement", Washington, DC: NCSC. Inc. Vol. 4 No. 1190 of June, 1977.

Sussman, Marvin B., Retirement, Analytical Model for Sociological Study of Retirement. ed. Francis M. Carp. New York: Behavioral Publications. 1972.

TIAA-CREF. Annual Report of TIAA-CREF. New York, TIAA-CREF Publications, 1976.

Tunstall, Jeremy. Old and Alone; A Sociological Study of the Old People. London: Routledge and Kegan Paul Redwood Press, 1971.

Bibliography (cont'd)

University of Pittsburgh, Staff Handbook for Clerical, Technical and Professional Personnel: Pittsburgh Dicision of Personnel Affairs. 1974.

U.S. Department of State, Biography Register. Washington, DC, U.S. Gov't Printing Office, 1973.

Usery (Jnr) W. J., Secretary of Labor. Age Discrimination in Employment Act; A Report covering activities under the Act during 1976. Washington, DC: U.S. Dept of Labor, 1977.

White House Publication. Toward National Policy on Aging Vol. II, White House Conference on Aging. Washington, DC: U.S. Gov't Printing Office, 1971.

APPENDIX 4

RETIREMENT SYSTEM → / GENERAL PROVISIONS	CIVIL SERVICE RETIREMENT SYSTEM	UNIFORMED SERVICES	FOREIGN SERVICE	FEDERAL JUDICIARY	U.S. TAX COURT JUDGES	FEDERAL RESERVE BOARD	TENNESSEE VALLEY AUTHORITY	D.C. POLICE AND FIREMEN
A. UNDER ARE ANNUITIES PAYABLE FOR THE FOLLOWING TYPES OF RETIREMENT WHEN THE INDICATED MINIMUM AGE AND SERVICE REQUIREMENTS ARE SATISFIED: 1. OPTIONAL 2. MANDATORY 3. DISABILITY 4. DISCONTINUED SERVICE (INVOLUNTARY SEPARATION) NOTE: UNDER SOME SYSTEMS IMMEDIATE REDUCED ANNUITIES ARE PROVIDED AT LOWER AGE SERVICE REQUIREMENTS	A. 1. AGE 62 AND 5 YEARS SERVICE, AGE 60 AND 20 YEARS SERVICE OR AGE 60 AND 10 YEARS SERVICE AS A MEMBER OF CONGRESS, AGE 55 AND 30 YEARS SERVICE, EXCEPT THAT FOR MEMBERS OF CONGRESS THE ANNUITY IS REDUCED IF UNDER AGE 60 2. AGE 70 AND 15 YEARS SERVICE BUT NOT APPLICABLE TO PARTICIPATING MEMBERS OF CONGRESS OR CONGRESSIONAL EMPLOYEES 3. ANY AGE AND 5 YEARS SERVICE 4. AGE 50 AND 20 YEARS SERVICE OR ANY AGE AND 25 YEARS SERVICE, HOWEVER, THE ANNUITY IS REDUCED IF UNDER AGE 55 OR UNDER AGE 60 FOR MEMBERS OF CONGRESS	A. 1. ANY AGE AND 20 YEARS SERVICE 2. VARIES DEPENDING ON MEMBER'S AGE, RANK, PROMOTION RECORD, AND LENGTH OF SERVICE 3. NO AGE OR SERVICE REQUIREMENTS 4. NOT APPLICABLE	A. 1. AGE 50 AND 20 YEARS SERVICE 2. REGARDLESS OF LENGTH OF SERVICE, AMBASSADORS AND MINISTERS MUST RETIRE AT AGE 65 AND ALL OTHERS AT AGE 60 3. ANY AGE AND 5 YEARS SERVICE 4. ONLY FOR OFFICERS IN CLASSES 1, 2, AND 3, AGE 50 AND 20 YEARS OF SERVICE	A. 1. AGE 65 AND 15 YEARS SERVICE OR AGE 70 AND 10 YEARS SERVICE 2&4. NOT APPLICABLE 3. NO AGE OR SERVICE REQUIREMENTS	A. 1. AGE 65 AND 15 YEARS SERVICE 2. AGE 70 REGARDLESS OF LENGTH OF SERVICE 3. NO AGE OR SERVICE REQUIREMENTS 4. ANY AGE AND 15 YEARS SERVICE	A. SAME AS UNDER CIVIL SERVICE SYSTEM	A. 1. AGE 65 REGARDLESS OF LENGTH OF SERVICE 2. AGE 65 REGARDLESS OF LENGTH OF SERVICE 3&4. ANY AGE AND 5 YEARS OF SERVICE	A. 1. ANY AGE AND 20 YEARS SERVICE 2. AT 50, AT EMPLOYERS DISCRETION 3. (a) ANY AGE REGARDLESS OF LENGTH OF SERVICE IF DISABILITY IS SERVICE CONNECTED (b) ANY AGE AND 5 YEARS SERVICE IF DISABILITY IS NONSERVICE CONNECTED 4. NOT APPLICABLE
B. DEFERRED ANNUITY IS PAYABLE FOR THE FOLLOWING TYPES OF EMPLOYMENT SEPARATION WHEN THE INDICATED AGE AND SERVICE REQUIREMENTS ARE SATISFIED: 1. VOLUNTARY SEPARATION AND INELIGIBLE FOR AN IMMEDIATE ANNUITY 2. INVOLUNTARY SEPARATION AND INELIGIBLE FOR AN IMMEDIATE ANNUITY	B. 1. BEGINS AT AGE 62 IF AT LEAST 5 YEARS OF COVERED SERVICE HAD BEEN COMPLETED 2. SAME AS B.1 ABOVE	B. 1&2. NOT APPLICABLE	B. 1. BEGINS AT AGE 60 IF AT LEAST 5 YEARS OF SERVICE HAD BEEN COMPLETED 2. SAME AS B.1 ABOVE	B. NOT APPLICABLE	B. NOT APPLICABLE	B. SAME AS UNDER CIVIL SERVICE SYSTEM	B. 1. BEGINS BETWEEN AGES 55 AND 65 AT THE MEMBER'S OPTION, PROVIDED AT LEAST 10 YEARS SERVICE HAS BEEN COMPLETED. HOWEVER, THE ANNUITY IS REDUCED IF MEMBER IS UNDER AGE 65. 2. NOT APPLICABLE	B. NOT APPLICABLE
C. BENEFIT PROVISIONS MINIMUM SERVICE REQUIRED BEFORE ANY VESTING OF: 1. RETIREMENT RIGHTS 2. SURVIVORS RIGHTS NORMAL RETIREMENT ANNUITY 1. GENERAL BENEFIT FORMULA ANNUAL ANNUITY FOR SURVIVING 4. WIDOW 5. WIDOWER 6. CHILDREN PROVISION FOR ADJUSTING ANNUITIES FOR COST OF LIVING INCREASES 7. GIFT FREE ANNUITIES 8. CURRENT FOR ANNUITIES	C. 1. RETIREMENT RIGHTS FIRST ACCRUE AFTER COMPLETING 5 YEARS OF COVERED SERVICE 2. BEGIN AFTER 18 MONTHS OF COVERED SERVICE 3. HIGHEST AVERAGE SALARY EARNED DURING ANY 3 CONSECUTIVE YEARS OF SERVICE MULTIPLIED BY THE SUM OF 1.5 PERCENT TIMES FIRST 5 YEARS OF SERVICE, 1.75 PERCENT TIMES NEXT 5 YEARS OF SERVICE, AND 2 PERCENT TIMES ALL YEARS OF SERVICE OVER 10; FORMULA MAXIMUM IS 80 PERCENT OF HIGHEST SALARY, EXCLUDING CREDIT FOR UNUSED SICK LEAVE SEE TEXT FOR CONGRESSIONAL BENEFIT FORMULA. 4&5. SUBJECT TO A GUARANTEED MINIMUM, 55 PERCENT OF SPOUSE'S EARNED ANNUITY IF DEATH OCCURS BEFORE RETIREMENT, AND, DEPENDING ON ELECTION, A MAXIMUM OF 55 PERCENT AFTER RETIREMENT 6. VARIES DEPENDING ON NUMBER OF CHILDREN AND THE EXISTENCE OF A SURVIVING PARENT 7&8. YES, BASED ON CPI	C. 1. DISABILITY RETIREMENT RIGHTS BEGIN IMMEDIATELY 2. BEGIN AFTER 20 YEARS ACTIVE SERVICE; HOWEVER VA BENEFITS ARE AVAILABLE REGARDLESS OF MEMBER'S LENGTH OF SERVICE. 3. 2.5 PERCENT OF BASIC PAY AT TIME OF RETIREMENT MULTIPLIED BY YEARS OF SERVICE 4&5. SAME AS UNDER CIVIL SERVICE 4 & 5. 6. SAME AS 4&5 ABOVE, EXCEPT THAT THE ANNUITY IS PAYABLE TO AMONG ALL DEPENDENT CHILDREN AND IS PAYABLE ONLY IF THERE IS NO ELIGIBLE OR SURVIVING PARENT 7&8. YES, BASED ON CPI	C. 1&2. SAME AS UNDER CIVIL SERVICE C.1 AND 2 3. HIGHEST AVERAGE SALARY EARNED DURING ANY 3 CONSECUTIVE YEARS OF SERVICE MULTIPLIED BY 2 PERCENT TIMES TOTAL YEARS OF SERVICE; FORMULA MAXIMUM IS 70 PERCENT OF HIGHEST SALARY, EXCLUDING CREDIT FOR UNUSED SICK LEAVE 4. (a) DEATH BEFORE RETIREMENT: 50 PERCENT OF HUSBAND'S EARNED ANNUITY AND A GUARANTEED MINIMUM OF $1,800 (b) DEATH AFTER RETIREMENT: SAME AS 3 ABOVE EXCEPT PERCENT AGE MAY BE LESS, DEPENDING ON WHAT MEMBER ELECTED AT TIME OF RETIREMENT 5. SAME AS 3, 4a, 4b EXCEPT WIDOW MUST BE A DEPENDENT IF SPOUSE DIES BEFORE RETIREMENT 6. SAME AS UNDER CIVIL SERVICE C.6 7&8. YES (BASED ON CPI)	C. 1. DISABILITY RETIREMENT RIGHTS BEGIN ACCRUING IMMEDIATELY 2. BEGIN ACCRUING AFTER 5 YEARS OF CREDITABLE SERVICE 3. (a) MEMBERS RETIRING FROM SERVICE RECEIVE CURRENT SALARY OF THEIR OFFICE (b) MEMBERS RESIGNING FROM SERVICE RECEIVE SALARY EARNED AT TIME OF RETIREMENT 4. MEMBERS WHO ELECT TO PARTICIPATE IN SURVIVOR BENEFIT PLAN: BETWEEN 6.25 AND 37.5 PERCENT OF PARTICIPANT'S AVERAGE ANNUAL SALARY EARNED DURING LAST 5 YEARS OF CREDITABLE SERVICE 5. NO PROVISION 6. (a) WITH A SURVIVING PARENT: $360 TO $900 DEPENDING ON THE NUMBER OF CHILDREN (b) WITHOUT A SURVIVING PARENT: MAXIMUM OF $480 PER CHILD 7&8. NO	C. 1. DISABILITY RETIREMENT RIGHTS BEGIN ACCRUING IMMEDIATELY 2. BEGIN ACCRUING AFTER 5 YEARS OF SERVICE 3. CURRENT SALARY OF FORMER POSITION MULTIPLIED BY THE RATIO OF YEARS OF SERVICE TO 10 4. MEMBERS WHO ELECT TO PARTICIPATE IN SURVIVOR BENEFIT PLAN: BETWEEN 6.25 AND 37.5 PERCENT OF PARTICIPANT'S AVERAGE ANNUAL SALARY EARNED DURING LAST 5 YEARS OF CREDITABLE SERVICE 5. NO PROVISION 6. SAME AS UNDER FEDERAL JUDICIARY C.6 (a) AND (b) 7&8. NO	C. SAME AS UNDER CIVIL SERVICE SYSTEM	C. 1. RETIREMENT RIGHTS FIRST ACCRUE AFTER COMPLETING 5 YEARS OF COVERED SERVICE 2. BEGIN ACCRUING IMMEDIATELY 3. 1.3 PERCENT OF AVERAGE HIGH-3 SALARY MULTIPLIED BY YEARS OF SERVICE AND REDUCED BY A SOCIAL SECURITY OFFSET PLUS AN ANNUITY AMOUNTING TO THE ACTUARIAL EQUIVALENT OF THE MEMBER'S CONTRIBUTIONS 4,5&6. SURVIVOR ANNUITIES ARE PAYABLE TO BENEFICIARIES DESIGNATED BY THE MEMBER (a) DEATH BEFORE RETIREMENT: THE SUM OF THE ACTUARIAL EQUIVALENT OF (1) MEMBER'S CONTRIBUTIONS AND INTEREST (2) 50 PERCENT OF MEMBER'S SALARY AT TIME OF DEATH PLUS 5 PERCENT OF SALARY FOR EACH YEAR OF SERVICE UP TO A MAXIMUM OF 40 YEARS, EXCLUDING SICK LEAVE CREDIT (b) DEATH AFTER RETIREMENT: A MAXIMUM OF 100 PERCENT OF RETIREE'S ANNUITY TO ANYONE OR ALL BENEFICIARIES DESIGNATED; THE RETIREE DETERMINES THE AMOUNT PROVIDED 7&8. YES (BASED ON CPI)	C. 1. SERVICE DISABILITY RETIREMENT RIGHTS BEGIN ACCRUING IMMEDIATELY 2. BEGIN ACCRUING IMMEDIATELY 3. 2.5 PERCENT OF BASIC PAY AT TIME OF RETIREMENT MULTIPLIED BY YEARS OF SERVICE, EXCEPT YEARS OF SERVICE IN EXCESS OF 20 ARE COMPUTED AT A 3 PERCENT RATE; FORMULA MAXIMUM IS 80 PERCENT OF BASIC PAY, EXCLUDING CREDIT FOR UNUSED SICK LEAVE 4&5. (a) DEATH BEFORE RETIREMENT: 40 PERCENT OF SPOUSE'S BASIC SALARY (b) DEATH AFTER RETIREMENT: 40 PERCENT OF THE BASIS UPON WHICH THE SPOUSE'S ANNUITY HAD BEEN COMPUTED 6. VARIES DEPENDING ON THE NUMBER OF CHILDREN AND THE EXISTENCE OF A SURVIVING PARENT 7. NO, HOWEVER, WHEN SALARY INCREASES ARE AUTHORIZED FOR D.C. POLICE AND FIREMEN RETIREE ANNUITIES ARE INCREASED BY THE SAME PERCENTAGE 8. YES (BASED ON CPI)

UNIVERSITY OF PITTSBURGH

FACULTY

A.1 Age 65 must indicate at 55 intension to retire.

2 Age 70 all Admin. responsibility withdraw at 65.

3 Any age after 13 months service.

4 Any age but must agree with Pitts calendar. May 15.

B.1 Annuity transferable to ITAA-CREF participating Institution.

2 Not payable until 65 unless purchased.

C.

1&2 Contributory TIAA/CLEF ins. system. 7-1/2% each by college & individual employee, plus interest & dividend.

3 Survivor benefits fixed for maximum of 20 years after death of member.

4,5, & 6 Supplemental annuity contract optional.

D. Voluntary accelerated retirement.

STAFF

A.1 Age 65

2 Age 65, but may be hired on part-time basis.

3 Any age after 13 months service.

4 Any age. Must agree with college calendar, as for faculty.

B.1 Same as for faculty members.

2 Voluntary separation await retirement age before payment due.

3 Blanket cover in operation for permanent disability.

4 Total disability payment 6 months after disability until 65 or prior death.

5 All others same as faculty members. Based on common stock investments.