

Service Anniversary Booklet

CONGRATULATIONS

on your

SERVICE ANNIVERSARY

Western Electric Company
INCORPORATED

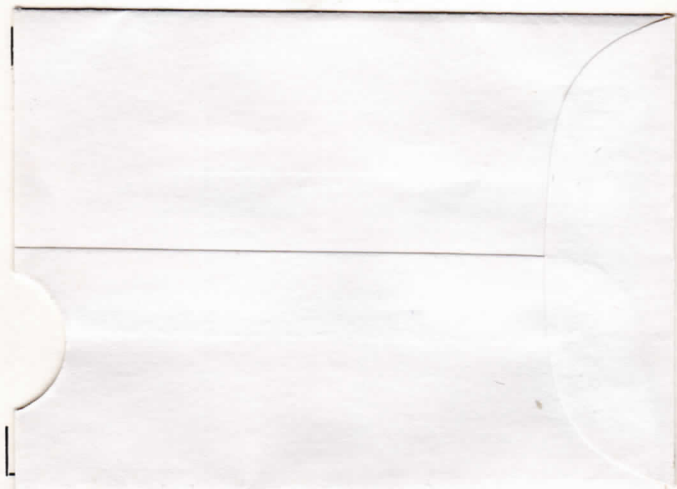


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EMPLOYEES' BENEFIT COMMITTEE



Carry This Card in Your Wallet for Ready Reference

**SUMMARY OF PROVISIONS OF THE "PLAN FOR
EMPLOYEES' PENSIONS, DISABILITY BENEFITS AND
DEATH BENEFITS" AND RELATED POLICIES OF
BENEFIT COMMITTEE**

The following information is furnished for ready reference only and is subject to all of the terms of the "Plan" as in effect on your service anniversary or as subsequently modified.

SICKNESS DISABILITY BENEFITS

(Payable in case of absence on account of physical or mental disability to work by reason of sickness, which includes accidental injury occurring outside of employment.)

If Term of Employment is	Duration of Benefits Will Be	
	Full Pay	Half Pay
6 mos. but less than 1 yr.	none	6 Weeks
1 " " " 2 years	"	9 "
2 " " " 5 "	4 Weeks	9 "
5 " " " 10 "	13 "	13 "
10 " " " 15 "	13 "	39 "
15 " " " 20 "	26 "	26 "
20 " " " 25 "	39 "	13 "
25 Years or more	52 "	None

Term of employment is computed to and including the calendar day preceding the day on which Sickness Benefits become payable.

When Benefits Begin

On eighth full consecutive calendar day of absence on account of sickness except that when you have received sickness benefits for any period and are again absent due to sickness within two weeks, any further benefits to which you are eligible shall begin on the first full day of absence instead of the eighth day. Successive sickness benefit periods are counted together in computing periods for which benefits are payable, except that sickness occurring after 13 continuous weeks of performance of duty is considered as a new sickness, with benefits payable for a full period of eligibility.

CONDITIONS GOVERNING PAYMENT OF SICKNESS BENEFITS

In order to be paid Sickness Benefits when absent eight full consecutive calendar days or more because of sickness you must have a term of employment of six months or more and must comply with the following requirements :

1. Notify your supervisor promptly of inability to work because of sickness.
2. Be under the care of a physician during the sickness absence.
3. Furnish, as requested, Physician's Certificate (or statement in a form satisfactory to the Company) that you are unable to work and are receiving proper medical care and treatment.
4. Receive visits from Company representative at home or elsewhere at such intervals as are deemed necessary and when circumstances prevent you from reporting to the Company physician.
5. Report to Company physician for examination when in the opinion of the Benefit Committee this is necessary.
6. If, during a period of Benefit payments, you wish to leave home you must first obtain written approval from the Benefit Committee through your supervisor to be absent from your residence for a specified time and furnish it satisfactory proof of disability while absent.

ACCIDENT DISABILITY BENEFITS

(Payable in case of accidental injury arising out of and in the course of employment by the Company. These payments include any Workmen's Compensation payments.)

Total Disability

(Physical or mental disability to perform any work for the Company by reason of accidental injury.)

If Term of Employment is	Duration of Benefits Will Be	
	Full Pay	Half Pay
Up to 15 Years	13 Weeks	Thereafter
15 but less than 20 years	26 "	during
20 " " " 25 "	39 "	total
25 Years or more	52 "	disability

Total disability accident benefits are subject to adjustment on account of related benefits, such as Disability Insurance Benefits under the Social Security Act.

Partial Disability

(Partial loss in earning capacity resulting from accidental injury.)

If Term of Employment is	Initial Periods	Amount of Benefits During Initial Periods	Amount of Benefits Thereafter
Up to 15 years	13 Weeks	100% of loss in earning capacity for periods indicated, including any period of total disability.	50% of loss in earning capacity.
15 but less than 20 years	26 "		Period of payments including
20 but less than 25 years	39 "		any period of total disability
25 Years or more.	52 "		not to exceed 6 years.

Medical and surgical expenses necessary for proper care and treatment will be paid for by the Company without cost to an injured employee but the Company will not be responsible for medical or surgical expenses incurred for a physician selected by the employee without prior authorization.

RETIREMENT AGE

RETIREMENT IS REQUIRED AT THE END OF THE MONTH IN WHICH YOU REACH AGE 65. YOU WILL RECEIVE A SERVICE PENSION IF YOU HAVE THEN COMPLETED A FULL 15 YEARS OF SERVICE.

PENSION ELIGIBILITY REQUIREMENTS

Service Pensions

Class	Age		And Term of Employment is
	Men	Women	
A	65	65	15 years or more

Upon meeting the above age and service requirements, you may request your pension as a matter of right or be retired on pension at the end of the month in which your 65th birthday occurs as required by the Retirement Age Rule.

Class	Age		And Term of Employment is
	Men	Women	
A	60 through 64	55 through 64	20 years or more

You may also request your pension as a matter of right or be retired on pension at the discretion of the Benefit Committee upon meeting the above age and service requirements.

Class	Age		And Term of Employment is
	Men	Women	
B	55 through 59	50 through 54	25 years or more
C	Under 55	Under 50	30 years or more

Meeting the age and service requirements for Class B or C pension does not mean that your request will be granted as a matter of right, as under Class A pension. You may be retired on Class B or C pension only at the discretion of the Benefit Committee.

Disability Pensions

Class	Age		If Term of Employment is
	Men	Women	
D	Age not a factor		15 years or more

If you become totally disabled by sickness or injury outside of employment, you will be granted a Disability Pension payable for so long as you are prevented by disability from resuming active service with the Company. If you are totally disabled and qualify for a Class A, B, or C Service Pension, the Service Pension will be granted instead of the Disability Pension.

AMOUNT OF PENSION

The amounts of pensions payable depend upon rate of pay, length of service, and entitlement to Social Security Benefits, and are as follows:

Regular Formula for Service Pensions

While entitled to Social Security Old Age Insurance Benefits. (O.A.I.B.)

The monthly amount which, when added to one-quarter of the employee's O.A.I.B., will equal 1% of average monthly rate of pay for final 5 years of employment multiplied by the number of years of service.

Example — One-quarter O.A.I.B. is \$34; Term of employment is 40 years; Average monthly wage for last 5 years is \$600; Thus \$206 plus \$34 = \$240 (40% of \$600)

During the period before entitlement to O.A.I.B.

The monthly amount equal to 1% of average monthly rate of pay for final 5 years of employment multiplied by the number of years of service.

Regular Formula for Disability Pensions

While entitled to Social Security Disability Insurance Benefits (D.I.B.) and before age of eligibility to Social Security Old Age Insurance Benefits (O.A.I.B.)

The monthly amount which when added to one-quarter of the employee's D.I.B. will equal 1% of average monthly rate of pay for final 5 years of employment multiplied by the number of years of service.

While not entitled to a D.I.B. or after age of eligibility to an O.A.I.B.

The monthly amount equal to 1% of average monthly rate of pay for final 5 years of employment multiplied by the number of years of service.

Minimum Pension Amounts—Service and Disability Pensions

When, in calculations under the regular formula, 1% of the employee's average monthly rate of pay for final 5 years of employment multiplied by years of service is less than the appropriate monthly amount shown below, the latter will be substituted

in determining the pension before taking Social Security into account:

While pensioner is under age 65—	\$85
While pensioner is age 65 or older, and	
—term of employment is 40 years or more—	\$125
—term of employment is 30 but less than 40 years—	\$120
—term of employment is 20 but less than 30 years—	\$115
—term of employment is 15 but less than 20 years—	
a proportion of \$115 based on the relation of actual years and months of service to 20 years.	
For example, if an employee has 15 years of service, minimum pension would be 15/20 (75%) of \$115, or \$86.25	

Exceptions—

These minimum amounts may not apply in the case of part-time employees or for Disability Pensions where service is less than 20 years.

ANNUITANT'S PENSION

Any employee eligible to retire on and after October 31, 1963 on a Class A Pension may elect, at least 90 days before retirement, to receive a smaller monthly pension, so that at his death after retirement one third of the reduced pension will be paid to a person the employee has designated. The person to whom such a pension is paid is called an annuitant. Such a payment will be made for the remainder, if any, of the annuitant's lifetime after the employee's death, but will not begin before the annuitant becomes age 55. An employee may designate only one annuitant. An annuitant must be the employee's spouse or the employee's mother or father. If an election is made,

the employee may not rescind it under any circumstances, but it will be cancelled if either the employee or the person designated dies before the day the employee's pension is scheduled to begin.

If a man eligible to retire on a Class A Pension dies on or after October 31, 1963 and before he retires, his surviving wife will be entitled to receive an annuitant's pension for the remainder of her lifetime after 55 equal to the amount she would have received had he filed an election in her favor and retired immediately before he died.

The right to an annuitant's pension does not give the annuitant any other added rights under this Plan or other programs of the Company.

DEATH BENEFITS

Sickness and Accident Death Benefit payments may, under some circumstances, be adjusted by amount of any benefit of the same general character payable by law.

SICKNESS DEATH BENEFITS

(Payable on account of death due to sickness or accidental injury occurring outside of employment.)

Active Employees

Maximum amount will be 12 months' wages at time of death, regardless of term of employment.

***Employees Retired
on Service or Disability Pension***

	Maximum Amount Will Be
Retired on or after October 31, 1963	12 months' wages at time of retirement
	Not Less Than
Retired before October 31, 1963	12 months' wages reduced by 10% for each full year elapsed from retirement up to October 31, 1963, but not less than the annual pension.

ACCIDENT DEATH BENEFITS

(Payable on account of death due to accidents arising out of and in the course of employment by the Company.)

The maximum amount will be 3 years' wages, but not exceeding \$30,000 or the amount of the Sickness Death Benefit, whichever is greater, plus the necessary expenses of the burial not exceeding \$500.

WHO MAY BE BENEFICIARY

The maximum amounts of Sickness or Accident Death Benefits will be paid to persons who qualify under (a), (b), or (c) below.

- (a) Wife (if living with husband at time of his death).
- (b) Husband (if physically or mentally incapable of self-support) and actually supported in whole or in part by the deceased employee at the time of her death.

- (c) Children under the age of eighteen years (or over that age if physically or mentally incapable of self-support) who were actually supported in whole or in part by the deceased employee at the time of death.

If you do not leave a wife, husband or child as described above, part or all of the Death Benefit may be paid to other dependent relatives receiving or entitled to receive support from you. The amount and manner of payment will be determined by the Benefit Committee.

MANNER OF PAYMENT OF DEATH BENEFIT

Death Benefits will be paid in installments equal to monthly wages or monthly pension paid at the time of death. However, the Committee has the right to change this method of payment if circumstances warrant.

You may direct the Committee in writing to pay the Death Benefit in equal monthly installments over a period of not less than 2 nor more than 120 consecutive months. If you have filed such a directive, the Committee does not have the right to change the method of payment.

When less than the maximum Sickness Death Benefit is paid or payable, Committee may authorize payments toward burial expenses not exceeding \$500 and other expenses of last sickness and death. Total of all payments shall not exceed the maximum Sickness Death Benefit.

THE COMPANY IS INTERESTED in your safety both on and off the job. Company policy states that:

“No Job is so Important,
And No Service So Urgent,
That We Cannot Take Time
To Perform Our Work Safely.”

The Company is also interested in your health and expects you will make every reasonable effort to maintain good health for good attendance. However, if you should become sick or injured, the Company's Benefit Plan is there to help you meet the financial needs that arise at such times.

If you have any questions about any of the provisions of the Plan, your supervisor will be glad to discuss them with you.

PRESENTED

on behalf of the

WESTERN ELECTRIC COMPANY
Incorporated

by K. M. Foster

 Asst. Mgr.
(Vile)

