

THE ACADEMY OF ELECTRICAL CONTRACTING

Paper presented by

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So You Are Ready To Retire!
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So you are ready to retire!

1. Are you part of an organization that has compulsory retirement?
2. How do you feel about retirement?
3. Are you hepped up on taking life easy?
4. What preparations have you made for retirement?

ARE YOU PART OF AN ORGANIZATION THAT HAS COMPULSORY RETIREMENT?

While the common retirement age has generally been set at 65, it is not compulsory for a considerable number of retirees, but rather is a company policy. This policy may be applicable to the executives as well as the other employees. I am in favor of such an arrangement because it gives an opportunity to the younger people to get into the "swim of things". Also, without such an arrangement, there would be an excess of people who cannot operate at their full potential.

HOW DO YOU FEEL ABOUT RETIREMENT?

Now, a man might think he would like to chase women--but the good ones are not attainable and the poor ones create a lack of interest. Besides, as you grow older, what would you do if you caught the one you would like to have?

We like to think we can continue the operation of the business even after we retire. We like to do that through our children. But, under present conditions, we cannot orient our children to doing the things we want them to do. They will live a life of their own, but it is hoped they have an interest in the work we are doing and will develop the business still further.

We are in an industry that is constantly growing, and with the right kind of talent, our businesses can continue to multiply and develop and be of a profitable nature even after we retire. However, it is our duty to study the problems and develop the activities so the companies will prosper and continue to grow. We must develop the things necessary for our loyal employees and see that they, too, are interested in the business and interested in developing ideas that will function with our companies.

Along the line of loyal employees, I might say there are various pension plans you may wish to make a part of your company operation. We, at our company, have developed our own Profit Sharing Plan which we have enclosed as a matter of information only.

Some of us may not wish to retire and may wish to continue on with our regular work. There are others, however, who will want to retire but will not know what to do, and we must take into consideration the items in which they can participate and not be bored while doing them. One very important item is having hobbies. In a number of cases, the hobbies become activities that develop other businesses or activities which help a person have a normal life. We are assuming, of course, good health is present and a man can do what he wants when he wants to. I have read an article about Willard Rockwell. He has taken some of his hobbies and developed them into businesses. For example, he had a desire

to go fishing, but didn't want to go alone. So, he developed a fishing arrangement whereby his friends could also be interested. As the interest grew, there was room for others to participate. This venture resulted in a whole new business.

The same thing is true with hunting. By developing a place to practice marksmanship, he was able to develop a spot for others to do likewise and this, then, became a profitable operation. It behooves us to give a lot of thought to what we are going to do when we retire. We do not want to just fall into it unprepared and mope around doing nothing.

ARE YOU HEPPEP UP ON TAKING LIFE EASY?

It is true that going fishing is fun, but if it were done on a full time basis, I wonder how much fun it would be. You can go to horse races or you can gamble at Las Vegas; but this, too, would only be a part time operation.

I hear so many say that they intend to do a lot of traveling. This is great if your health is good, but if you have any problems, you are not able to devote full time to this activity.

I hear so many men say they can retire easily because they have so many odds and ends to do around their home and property. However, it is surprising how a lot of those things get done quickly and there is nothing left to do.

As far as investments are concerned--these will not occupy your full time since they can be handled by the services you get from banks and other institutions which provide you with information that has already been developed for others and might be applicable to you.

WHAT PREPARATIONS HAVE YOU MADE FOR RETIREMENT?

Have you developed special interests other than your business?

Some people do go along in life and are active in various organizations. This is one way to kill some time. However, you generally find that the organizations want you to solicit funds--and to most of us, the solicitation of funds is an ordeal we would rather not participate in. Lucky is the man who has developed interests in addition to the work he has done all of his life.

There is considerable room for research in the area of retirement even though there are many people researching. So far as I can see, there has not been development in a program that fits the needs of a man who has worked hard in his particular profession but who has not developed outside interests--a man who needs to be kept busy--who needs something to hold his interest.

The health field seems to offer some areas of endeavor. If you are known to hospital and other health institutions, you can devote time in these facilities; and, at the same time, keep yourself happy doing good for those less fortunate.

It seems to me that a man wishing to retire should hold on to the principle thing he knows and to develop whatever he can as a continuing operation. I often think how nice it would be if a group of men with common interests could sit down and develop a program that might keep them busy to the extent they desire and to create continuing happiness during their retirement.

I would like to be active with a group having a common interest and would like to develop a program for happy retirement. I have often thought of creating an interest among young men with the desire to do maintenance work. I have thought of organizing a company with various maintenance-type men. We would develop a program for home owners who are unable to do their own work, people who would welcome good mechanics who would take care of their needs. In so doing, those who participated would receive their earnings from the results in proportion to the amount of their participation. A knowledgeable person directing the work would then get his pleasure from seeing worthy people earning on the basis of what they know and what they can do.

It would be well if we would study all the possibilities before we are set to retire completely so that we do not have the boring aspects of being out of work with nothing left to do.

SACHS ELECTRIC COMPANY PROFIT SHARING PLAN

A. Effective date of Plan: May 31, 1960 REV: March 9, 1969

B. Summary of the Plan:

(1) Employee eligibility requirements:

Maximum or minimum age: None

Years of service: Three full years either with the Employer or with Sachs Electric Company.

Normal Employment: At least five months annually and twenty hours weekly.

Classification: Salaried office and warehouse personnel, not including hourly employees who are members of the International Brotherhood of Electrical Workers (IBEW) or any other union which has a pension, profit-sharing plan, or welfare plan for its members.

(2) Employee contributions: None.

(3) Employer contributions: A portion of the net profits of the employer, but not more than 15% of the total compensation paid or accrued during the year to all eligible employees participating in the Plan (including bonuses and the like, but not including contributions under this Plan), plus the maximum amount deductible under the "carry-over" provisions of the Internal Revenue Code relating to contributions in previous years of less than the maximum amount permissible.

(4) Basis or formula for determining the amount of each type of benefit, the requirements for obtaining such benefits and the vesting conditions: The contribution is expressed in terms of credit units. Each dollar of contribution in the first year of the Plan being equal to one (1) unit. The number of units allocable under each subsequent year's contribution is computed by dividing the value of the Trust Fund (without including the current contribution) by the total number of credit units then standing to the accounts of all members and then dividing that quotient into the dollar sum of the current contribution.

Each participating member is then entitled to such proportion of the total credit units allocable under the current year's contribution as his regular compensation (in no event exceeding \$50,000.00) bears to the total compensation of all participating members that year.

A participant's interest in this Trust becomes vested and nonforfeitable:

(a) After one year of continuous participation in the Plan 20%; after two years 40%; three years 60%; four years 80%; and five years 100%.

(b) Upon death, permanent total disability, or severance of employment at or after age 65, 100%.

Upon severance of employment, a participant's non-vested interest is forfeited and reallocated among the remaining participants in the same manner as the employer's distribution for the year in which the forfeiture occurs.

The vested (nonforfeitable) interest of a participant becomes fixed and due upon severance of employment whether such termination arises from discharge, resignation, death, or total disability. In the event of severance of employment caused by death or total disability, the vested sum becomes payable in the manner provided by the "Profit Sharing Plan Committee". In the event of severance of employment for causes other than death or total disability, the vested sum shall not become payable prior to the participant's attaining the "minimum payment age" which is fifty (50) years of age.

The sum payable upon severance of employment when payable shall be paid in the discretion of the "Profit Sharing Plan Committee" in equal semi-annual or annual installments not to exceed ten (10) years or a lump sum, as the Committee may determine.

There is available to the participant upon retirement, or severance of employment, subject to the fifty (50) years of age requirement, the outright purchase with the participant's share of an annuity contract on the life of the participant.

Employment is deemed continuous and not interrupted even though an employee is on leave of absence, is in the armed forces or has transferred employment to a corporation more than 50% of whose stock is owned by the employer.

- (5) Medium of funding: invested trust.
- Medium of contributions: cash, personal and real property.
- Kind of investment in fund: bonds, stocks, and other securities, instruments of indebtedness and such other investments as are provided in Paragraph 4 of the Trust Agreement.
- (6) Provision as to discontinuance or modification of the Plan: the employer may discontinue contributions or modify the Trust at any time.

Basis of distribution or payment of benefits upon liquidation or termination: the accounts of all participants will be fully vested and the amounts paid to the respective participants in cash or in assets of the Trust Fund or in immediate or deferred annuities.