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Revisions to the Pension and Profit Sharing Plans

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To the Employees of
Morgan Construction Company

It was two years ago that our Pension and Profit-Sharing Plans were inaugurated for the sole purpose of providing "a feeling of security which will greatly relieve the problems facing each of us in the evening of our lives."

As drawn, originally, the Plans incorporated a maximum of flexibility within the limitations of the Federal law. Since our Plans went into operation, various interpretations of the law have been made by the Treasury Department of the United States and in every instance where our Plans have been at variance with such interpretations our Plans have had to be modified for us to secure governmental approval.

It would be extremely difficult to summarize all the changes for many of them are insignificant, but we do want you to know of all the significant modifications which have had to be incorporated into the Plans.

Pension Plan

1. As originally drawn there were flexibilities in this Plan which might have protected your estate from
taxation. Now, with the requirement that beneficiaries must be nominated, the money must be paid to the named beneficiary, thereby subjecting your interest in the plan to taxation.

2. Should the Plan terminate within the first ten years of its operation, large beneficiaries are limited in the amounts which they can receive. This would largely affect executives but because executives receive benefits which are proportionately lower than is the case generally, we doubt if this restriction would involve any one.

**Profit Sharing Plan**

1. In the event of an employee retiring or severing his connection with the Company, under the original plan the Trustees, at their discretion, could make immediate payments or installments to the participant. You were notified last March that this change was to be made and an opportunity was afforded you to withdraw from the Plan. The Trustees are now required to spread such payments over a period of not less than five years. In cases of death, disability, or protracted illness this restriction does not apply. The introduction of this requirement into the Plan is a part of the “wage stabilization” program of the Federal government and had to be accepted by us.

2. Whereas in the original Plan, there was no restriction on the amount of money the Company put in, we have now been limited to a maximum contribution of $7.00 for every dollar contributed by the participants. You will recall that the Company has put in this new maximum in 1942 and again in 1944. There will be years ahead when we may not be able to contribute the maximum, but a formula has been set up which prescribes the amount to be contributed by the Company under varying earnings conditions.

**Both Plans**

Since both Plans have now received governmental approval, we can now increase participations in relationship to increased earnings. For this year participants in the Plans will participate to the extent of their largest earnings in 1941, 1942, or 1943. Obviously, it isn’t possible to include 1944 as a possible basis since the year is not yet completed.

We hope that you will agree that continuation of the Plans upon the basis of the revisions just reviewed is worth while.

**Pension Plan**

You will recall that all of the expense of the Pension Plan is borne by the Company except in those instances where participants took insurance. Upon such insurance there is a small annual premium. You will be notified soon of the amount now due.

You who participate under the Pension Plan for the first time in 1944 will be approached, an application form for an annuity policy will be filled out with your help, and an opportunity will be afforded you to add insurance at your expense should you so elect and if you are insurable.
Profit Sharing Plan

Under Federal Law, 80% of all eligible employees must participate if the plan is to operate. The Company has already advised you that for 1944 it is paying into this Plan $7.00 for every dollar contributed by participants. The amount of your contribution is shown on the gray slip which is attached. Payment of your contribution must be made before December 21, 1944.

Acknowledgment of Receipt of Notice

Please sign the attached receipt form which merely indicates that you have received this notice. This receipt should be given to the paymaster.

Should you have any questions regarding either of the Plans or the revisions the Trustees will be very glad to give you the answers.

MORGAN CONSTRUCTION COMPANY

By [Signature]

President

Worcester, Massachusetts
1 December 1944

Put this notice with your Pension and Profit Sharing Plan Booklet