FROM THE EDITOR . . .

Election Results

The following are the official results of the last DPR election (*elected):

Chairman-elect
Stanley W. Drigot* 261
John H. Nelson 39

Treasurer
Myron Linfield* 262
Wanda Sterner 41

Councillor
Dennis Chamot* 244
Lee Alphin# 1
Susan Collier# 1
Myron Linfield# 1
Gordon Nelson# 1
Norman Pinkowski# 1

Alternate Councillor
Denzel Dyer* 185
Susan Collier# 1
Janet Hearty# 1
Alan Nixon# 1

Member-at-Large
Jack Gilbert* 218
Attila Pavlath* 240
Bruck Monroe 47
Seymour Patinkin 79

Ballots sent: 580
Ballots returned: 306 (52.8%)

I'm not surprised by the similarities with ACS, just disappointed. The Establishment is the Establishment, whatever letters we are dealing with.

Membership

Getting back to ACS, you may recall that the date for the official membership count for divisions was moved up several months to July 1. This means that the number of Councillors a division is entitled to is determined by the count six months before the start of the year for which the representation begins. This is particularly important for the DPR, because our membership is too close to the cutoff for losing a Councillor. And we don’t get another shot at recruitment during the fall meeting because this is after the deadline.

It is now up to you. Our best recruiters have always been our members. If you like what we have been doing — in print, at meetings, and behind the scenes — please try to get some friends to join. The dues are still an extremely modest $4.00 per year, and inflation has made that more of a bargain than ever.

There is a membership application form in this issue. Feel free to make copies of it, and sign up your friends. In order to be on the safe side, applications should be in our hands no later than June 15. Thank you for your efforts.

— Dennis Chamot
SEVERANCE PAY LEGISLATION IN OTHER COUNTRIES

Amy Hunter
Office of Professional Relations
American Chemical Society

The payment of severance pay to employees who are terminated through no fault of their own has been a matter of concern to members of the ACS Committee on Professional Relations at least since 1971 when they began to investigate the conditions surrounding the multiple terminations of chemists and chemical engineers. In 1974 an addition was made to the ACS Professional Employment Guidelines (PEG) which stipulates that in the event of involuntary termination of employment, “the chemist should receive severance pay consisting of two week’s salary for each year of service beyond the minimum of four weeks’ advance notice. Additional notice in lieu of severance pay may be provided by mutual consent of both parties.”

As part of its ongoing interest in this aspect of employment termination conditions, the Committee on Professional Relations recently undertook a study of severance pay practices in other countries in order to determine the prevalence of legislative mandates or severance payments to employees terminated during plant shutdowns, layoffs, reductions-in-personnel and other related circumstance. Information was obtained from the labor or economic counselor of various embassies.

Results of the study indicate that severance pay requirements are common ingredients of labor legislation in many nations of the world. While the specific details of these laws vary from nation to nation in terms of scope of coverage, method of payment, finance and administration, these laws are all derived from the recognition that employees should be afforded some degree of compensation for the loss of their jobs because of adverse economic conditions over which they have no direct control. Also, since most severance payments are a function of age and/or years of service, the law may serve as a deterrent to employers that would otherwise prefer to terminate older or longer-service workers. Then, too, there is in the concept of severance pay recognition of an added value to the employee in that such payment is a recognition that the employee’s job has a value over and above that measured by salary alone, and is further a recognition of the time and effort the employee has put into the job.

Finland

Severance pay schemes in the countries surveyed cover a broad spectrum. At one end are those which limit payment to employees age 50 or older. In Finland, for example, an applicant for receipt of redundancy payments must be over 50 and under 65 at the time he became unemployed, and must have been employed for his last employer for at least 5 years. As with most redundancy payments systems, the employee must have become unemployed through no fault of his own. The size of the payment received is a function of the worker’s age and the duration of his employment with the employer, but is not related to the applicant’s salary or wage.

Finland’s Redundancy Payments System covers all employed persons whose chief livelihood is dependent upon wages, including employees of the State, municipality, the congregation, and private employers. Not covered are civil servants appointed by a public body, private entrepreneurs, and the persons not in the labor force.

The fund is financed entirely by employers. The employers pay in to the Redundancy Payments Fund an amount, annually confirmed by the Ministry of Social Affairs and Health, equal to some percentage of the wages paid by the employer during the respective year. This amount has generally been about 0.05-0.1% of the wages. Administration of the fund is divided between two departments — one for wage earners and one for salary earners. Members of the boards of these two departments are appointed by the Administrative Council, the highest decision-making power of the Redundancy Payments Fund. Upon recommendation by the labor market organizations, all work of the fund is supervised by the Ministry of Social Affairs and Health, which appoints the members of the Administrative Council, again upon recommendation by the labor market organizations.

Israel

In Israel, any person who has been employed for one continuous year, or for two consecutive seasons in the case of a seasonal employee, by the same employer at the same place of employment is entitled to receive severance pay from his employer upon dismissal. No minimum age for eligibility is specified in the law.

The Israeli law delineates certain circumstances which do not affect the employee’s right to severance pay. For example, dismissal of an employee shortly before the end of the first year of employment shall, unless proven otherwise, be considered to have been intended to avoid the obligation to pay severance pay and therefore does not affect the employee’s right to such pay. Death or bankruptcy of the employer entitles employees to severance pay, and, when an employee dies, the employer must pay severance pay to his survivors.

Certain types of resignations are, for the purposes of severance pay, deemed to be dismissal. These include resignation due to ill health of the employee or ill health of the member of the employee’s family, resignation of a woman within nine months of giving birth in order to care for the child, some resignations which result from an employee’s transfer of residence, resignation by reason of an appreciable deterioration in the conditions of employment, resignation of a seasonal employee because continuous seasonal employment has not been assured him, resignation because of an employee’s election as head or deputy head of a local authority, and resignation to enlist in the armed services, the Israeli Police or Prison Service. Further, when an employee has been employed under a contract for a specific period, and that period comes to an end, the employee is entitled to severance pay unless the employer offers to renew the contract.

The rate of severance pay is, for salaried employees, one month’s pay per year of service, and, for wage-earners, two weeks’ pay per year of service. The Minister of Labor may, however, after consultation with the Minister of Finance and the approval of the Labor Affairs Committee of the Knesset, increase the rate of severance pay for wage-earners.

The Minister of Labor, again after consultation with the Minister of Finance and the approval of the Labor Affairs Committee of the Knesset, directs employers, by order, to deposit in a benefit fund amounts prescribed in the order, with a view to ensuring the accumulation of the severance pay which employers are likely to have to pay under the law. The Minister of Labor is charged with the implementation of the law and may make regulations as to any matter relating to such implementation. Regulations are made only after consultation with the employees’ organization representing the greatest number of employees in Israel and with representative national organizations of employers which, in the opinion of the Minister of Labor, are concerned in the matter.

Norway

The Norwegian Agreement on Terminal Compensation, made in 1966 between the Norwegian Federation of Trade Unions and the Norwegian Employers’ Federation, is similarly restrictive in that it applies only to employees given notice after the age of 50. The employee must also have been employed in the same enterprise for 10 successive years immediately prior to the notice, or for 20 years, provided no interruption lasted more than five years, and his period of employment immediately prior to the notice is at least 3 successive years. The size of the terminal compensation payment depends in this case only on the age of the employee. Again, employees dismissed for cause are not eligible for the payment.

While the Finnish scheme covers nearly all employed persons, the Norwegian agreement is limited to scope in employees over 19 years of age who are employed in enterprises registered as members of the Norwegian Employers’ Federation (NAF). Other enterprises may join in, however, subject to certain regulations. As in Finland, the scheme is financed entirely by employer contributions, amounting in this instance to 0.1% of the gross wages paid to employees. In charge of administering the system is a board of directors made up of members from the NAF and the Norwegian Federation of Trade Unions (LO), with the technical administration in the hands of the National Insurance Institution and the local insurance offices.

At the opposite end of the spectrum of severance pay laws are those which cover nearly every employee in the nation. Two excellent examples are the laws of Israel and of Great Britain.
Great Britain

Britain’s Redundancy Payments Act of 1965 requires an employer to make a lump sum compensation payment, called a redundancy payment, to an employee who is dismissed because of a redundancy and who meets other prescribed conditions. Employers must also make such payments to employees who are laid off or kept on short-time for several weeks. The amount of the payment is related to age, salary, and the employee’s length of service with the employer.

Redundancy, as defined by the Act, means that: (1) the employer has ceased, or intends to cease, to carry on the business, or (2) the employer has ceased, or intends to cease, to carry on the business in the place at which the employees were contracted to work, or (3) the requirements of the business for employees to carry out work of a particular kind have ceased or diminished or are expected to diminish, or (4) the requirements of the business for employees to carry out work of a particular kind, at the place at which they were contracted to work, have ceased or diminished or are expected to cease or diminish.

To be eligible for receipt of redundancy payments, an employee must have worked for at least 104 continuous weeks with his employer. Service up to the attainment of age 18 does not count. All classes of employees are covered, with a few exceptions, such as self-employed persons, domestic servants, employees on a fixed-term contract of a particular kind, male employees 65 or older, and female employees 60 or older.

The Redundancy Payments Fund is financed by an allocation from contributions paid under the Social Security Act of 1975 to employers in respect of employer earnings. The current allocation is 0.2% of earnings. Any employer who has to make a redundancy payment as required by the Act may claim a 50% rebate from the Fund. Any employee who is unable to secure his due redundancy payment from his employer may apply for a payment directly from the Fund.

Other countries surveyed which have some kind of law or provision concerning severance pay for terminated or redundant employees include Austria, Colombia, Costa Rica, France, Greece, India, Nigeria, Panama, Sweden, Switzerland, Venezuela, and West Germany. Abbreviated information for several of these countries is hereby provided in capsule form.

Colombia — In Colombia, severance compensation is part of employee benefits under Social Security. When just cause for dismissal cannot be cited, the employer must pay dismissal indemnities in accordance with the employee’s length of service. For one year or less of continuous employment, the indemnity is 45 days’ wages, with a progressive upward scale to 10 years of service.

France — Each employer in France is called upon to contribute every month to a special semi-Governmental fund. When an employee is asked to terminate his employment due to economic factors, he does receive, each month, 90% of his salary for up to a year.

Greece — The legislation under which compensation is paid to workers whose employment is terminated as a consequence of personnel reduction is Law No. 2112 of 1920, as amended by subsequent legislation in 1930 and 1955. Compensation depends on the duration of the last period of employment, and is calculated as follows:

- 2 months—1 year: 1 month’s pay
- 1-4 years: 2 months pay
- 4.6 years: 3 months pay
- 6.8 years: 4 months pay
- 8-10 years: 5 months pay
- 10 years: 6 months pay

An additional one month’s pay is given in compensation for each additional year of employment in excess of 10, up to a maximum of 24 month’s pay.

Panama — Panama’s Labor Code of 1972 not only provides for severance pay but also protects the rights of employees by creating a certain “stability” after 2 years of work for the common employee and 5 years for employees in positions of confidence. Severance pay is based upon a progressive schedule which is related to the number of months/years worked. Causes for termination of work are clearly established in Article 210 of the Labor Code. Up to 2 years you can fire an employee — 5 years in the case of special employees—for any reason and if not justified in the sense of Article 210, then the worker is entitled to his severance pay. After 2 or 5 years, as the case may be, you may only fire him with just cause as provided in Article 213. In any event he would also be entitled to severance pay. Also, if a worker has rendered services to the same employer for 10 or more consecutive years, the employee will be entitled to receive a “prima de antiguedad,” a special payment which consists of one week’s pay for each year of service. This is applicable only to males 40 or older and females 35 or older.

Sweden — The relevant legislation in Sweden is the Security of Employment Act of 1974. The fundamental provision of the Act is that there must be reasonable cause for notice served by an employer. Employers and employees alike must give at least one month’s advance notice. An employee who has worked for the same employer for a certain minimum period is entitled to a longer period of notice if he is 25 or older. The period of notice rises successively with the age of the employee, from two to six months.

Severance pay of full wages is payable in connection with layoffs lasting more than two consecutive weeks or totaling more than 30 days during one and the same calendar year. The Act contains important rules concerning the order in which an employer can give notice to employees due to lack of work or the order in which he can lay them off. Basically, employees are to be given notice or laid off on the principle of “last in first out.” An employee given notice is entitled, for a period of one year following the termination of his employment, to first option on new jobs with his former employer. Before giving notice of dismissal, an employer must have tried to find the employee alternative work in the firm. This duty of transfer applies both to cut-backs and personal dismissals.

Switzerland — According to Swiss Civil Law, severance pay is limited to employees at least 50 years old who have been engaged in an enterprise for at least 20 years. This pay may be fixed by written convention or collective agreement and must in normal cases be at least equivalent to the salary for 2 months.

Venezuela — Articles 37 and 39 of the Labor Law of Venezuela discuss seniority allowance and unemployment allowance. Under Article 37, a worker is entitled to receive from the employer for each year or fraction of a year exceeding 8 months of uninterrupted work, half of the wages earned by him in the immediately preceding month. The indemnification established in this Article is a deemed and acquired right and this benefit cannot be forfeited whatever the cause of termination of the labor contract may be.

In addition to the above benefit, the worker is entitled under Article 39 to receive an unemployment aid as follows:

- 3-6 months’ service: 5 days’ wages
- 6 months’ service: 1 year’s service
- 1 year’s service: 10 days’ wages
- 15 days’ wages per year of service.

This payment, too, is an acquired right and shall not be forfeited irrespective of the cause of termination of the labor contract.

West Germany — Germany has a well-developed system of worker participation and codetermination. Plant closings, staff cuts, and reductions or alterations in the rate of production require the consent of the works council. In the event of major redundancy, the employer must formulate, jointly with the works council, a social plan providing employment elsewhere in the firm, retraining, or — if this is not possible — severance pay for the worker concerned. (The works councils represent labor’s interest in the daily operation of every aspect of a company’s business.)

It should be noted that these laws concerning severance pay are generally not a substitute for unemployment insurance programs. In addition to such laws, several of these countries also have other provisions in their labor legislation which serve to protect employment, such as mandated periods of advance notice of termination, laws against unjustified dismissal, the principle of “last in, first out” in deciding which employees to terminate, and provisions concerning retraining employees.

Although only the highlights of other countries’ severance pay legislation have been presented here, it is hoped that this information will provide, at the least, food for thought, and more importantly, a stimulus for further information gathering and discussion of the possibilities for crafting such legislation in the United States.

SUPPORT YOUR DIVISION—SIGN UP A FRIEND!
AGE AND THE CHEMIST*
The Committee On Employment and Professional Relations of the New York Section, ACS

Is There a Problem?

Since it appears that other forms of discrimination are yielding to social progress and/or to legal pressures, we would like to believe that age discrimination in employment is a receding problem. However, data compiled by F. W. Kirsch, Chairman of the ACS Task Force on Discriminatory Employment Practices show that, at least in regard to termination practices, there may be an adverse trend for older employees in the chemical profession. From these and similar data, Dr. Kirsch concluded that increasing age affords chemical professionals no protection and for those 50 or more years old, age may somewhat enhance their probability of termination in a mass layoff.

There is also evidence that older chemists, once unemployed, take longer to find reemployment. The ACS Task Force reported in 1975 that the percent of those aged over 45 increased exponentially with the length of unemployment, until 60% of those unemployed over 12 months were 45 or more years old.

We do not wish to leave the false impression that unemployment of older chemists is high in a statistical sense at present. A recent ACS survey shows the following unemployment percentages as a function of age: 2.0% for 25-29, 1.1% for 30-34, 1.3% for 35-39, 0.9% for 40-49, 1.0% for 50-54, 1.1% for 55-59 and 0.7% for 60-64. Nonetheless, the distress of those older chemists who are unemployed, and the on-the-job problems of employed chemists stemming from age discrimination, makes the subject worthy of serious attention by the ACS.

Is the Older Chemist Less Valuable?

Much damage to the image of the older scientific professional was probably done by the publication in the early 1970's by Lehman, who seemed to show research scientists peaking at astonishingly early ages.

These conclusions became entrenched in the folklore of personnel management and research management, while the specialized nature of Lehman's data base (pioneering chemists of the 19th and early 20th century) was forgotten. Thus, in 1975, two investigators who studied the characteristics of the inventors of that year's "IR-100" award-winning inventions commented with surprise that about 75% of them admit to being over 35. Why are innovators older than we expected? They're not only not burned out at 28 the way we're told scientists are!

Fortunately, as further studies have been conducted and published, the cumulative facts have begun to look much more favorable to the older professional employee. A massive series of studies by Pelz and Andrews, covering scientists of various degree levels, types of assignments, and in various types of laboratories show scientific productivity to be well maintained with increasing age. Their data shows evidence of a prevalent, rather brief, mid-career sag, followed by a second plateau of productivity.

The late Dr. William J. Sparks, former President of the ACS, published in 1961 an in-depth analysis and refutation of Lehman's thesis. Sparks then embarked on an original study in which he meticulously analyzed the patent data base of a large Esso research laboratory and found no adverse trend of patent filing with age; on the contrary, there were some indications that patent productivity increased as the researchers matured.

Sparks' conclusions are confirmed in another recently reported study of inventors. The average rate of issue of patents is about one every two years for inventors from age 29 through 59. Between age 59 and 69 the rate increases to over one patent per year.

A broader review of research findings covering not only professionals but other types of workers, also tends to refute the linkage of age to performance.

The responsibility of the employed professional to avoid technological obsolescence is well recognized by most chemists and by the ACS. A recent study of employed professionals (engineers) shows a strong statistical correlation of participation in continuing education with job advancement and job performance.

Avoiding Obsolescence—the Employers' Part of the Responsibility

The literature of research management reveals an increasing recognition of management's part of the responsibility for avoiding the technological obsolescence of their professional employees. This responsibility involves both the avoidance of dysfunctional attitudes and a deliberate program of action.

A recent survey in regard to the attitudes of managers toward older employees has afforded objective evidence of age bias. The managers were presented with hypothetical problems of personnel management, and were asked for their assessment and for recommended solutions to the problems; the hypothetical subjects were identified by age. The results of the study revealed that the older employees were viewed by the managers as less capable of responding creatively, enthusiastically, or efficiently to job demands, less interested in change, and less capable of coping with future challenges. Moreover, managers in this study revealed a bias toward recommending the transfer or discharge of an older worker rather than recommending assistance in solving a problem. The study also revealed a management bias towards not retraining or promoting an older worker, as compared to an equally qualified younger worker. To the extent that such age stereotypes and biases affect managerial actions, they are almost certain to have serious adverse consequences for older employees, including lowered morale, lowered motivation, career stagnation, and career obsolescence.

Professional employees must not be put in a predicament where they are held to older technology, made to feel that they are less versatile and less promotable, and then penalized for the decline in performance which psychologists have shown is likely to be engendered by such treatment.

In regard to positive action, the employer should encourage the continuing education of the chemist by allowing reasonable time and reimbursement for courses, meeting attendance, and home-study material. The older chemist must also be treated fairly in regard to opportunities for on-the-job training, continuing education, and opportunities to become involved in the latest technology. Demographic trends, inflation, and the raising of the mandatory retirement age to 70 will inescapably lead to a higher percentage of older employees. Management must plan and prepare for an equitable, ethical, legally correct, and productive use of their older professionals.

Legal Defenses Against Age Discrimination

The Federal Age Discrimination in Employment Act (ADEA) of 1967 prohibits arbitrary age discrimination in employment by private employers of 20 or more persons and by governmental employers regardless of the number of employees in the employing unit. Under the latest revision, persons 40 to 70 are protected from such discriminatory acts of private employers. There is no upper age limit for government employees.

The ADEA makes it unlawful for an employer to discriminate in hiring, discharge, promotion, salary or wages, or conditions of employment with a few logical exceptions such as where age is a bona fide job qualification. Since space in the present article does not permit a detailed explanation of the ADEA, we will concentrate on describing the mechanics of learning about and exercising one's rights under this law. Copies of the law and a pamphlet explaining it are available without cost from EEOC (Equal Employment Opportunity Commission).

Persons above 40 who feel that they have been subjected to illegal age discrimination should visit their local EEOC office. They will be interviewed and advised as to whether their case appears to fall under the ADEA provisions. Documentation is extremely helpful in assessing an individual charge of age discrimination. Salary information, hire dates, performance reviews, commendation letters, policy memos, information on other workers who might have been subject to age discrimination by the same employer, information on the hiring of younger replacements, and other relevant information are very helpful to the EEOC. However, even if documentation is sparse the individual need not be intimidated from inquiring into his or her possible rights under ADEA. Once assured that he or she falls under the provisions of ADEA, the individual may wish to proceed with filing a charge, which is done at the same offices indicated above. The EEOC will notify the employer of the charge, often within two weeks and generally within 60 days of the filing, and the employer has 60 days to answer.

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the charge. The next action is to hold a conciliation meeting. Such a meeting often leads to a remedy such as hiring, reinstatement, or other alleviation of the discriminatory practice, or a monetary settlement.

In a selected number of cases, such as those where several aggrieved persons make charges or complaints against the same employer, EEOC may inspect the employment files of the employer, and if a pattern of discrimination is evident, Federal attorneys may press a case.

The EEOC currently advises the individual filing a Federal ADEA charge to also file a charge with the appropriate State agency.

Private legal action can also be taken, for which an attorney is of course necessary. Under the ADEA, one's right to private action is preserved by filing an ADEA charge (with EEOC) within 180 days of the alleged discriminatory act. It is not necessary to commit oneself to take private legal action nor engage an attorney in order to file a charge with EEOC and the State agencies mentioned above. Even if more than 180 days have elapsed, ADEA charges can still be filed; it is, in doubt, check with EEOC.

Information on recently-settled age discrimination cases and significant pending cases can be found in "Aging and Work," a journal available at most university libraries.

Present ACS Efforts on Behalf of Older Chemists

ACS continuing education activities are already powerful vehicles for maintaining chemists' skills throughout their careers.

The Professional Employment Guidelines (1978) specify termination conditions which would offer some protection to the older chemist, or at least to the chemist with long service with the employer. Recent multiple termination studies indicated rather poor compliance in particular with the 10-year service "tenure" and severance pay ACS guidelines. Continued pressure by ACS as well as publicity through C&EN is needed.

The Subcommittee on Member Assistance of the Committee on Professional Relations will investigate, by means of paid consultants, instances of unfair actions by employers in violation of the Guidelines. The aggrieved individual can request such assistance by contacting Mr. Earl Klinefelter, Manager, Office of Professional Relations, ACS, 1155 16th St., N.W., Washington, D.C. 20036 (202-872-4600). It should be remembered that many forms of age discrimination violations are matters of law and are best handled through the Federal and State agencies discussed above. Moreover, if the chemist elects to bring a private lawsuit charging a discriminatory practice, the ACS can assist by making a legal aid loan with lenient terms.

Strengthening ACS Efforts — Our Committee Recommendations

ACS actions to attack problems faced by chemists can take place at the level of the individual member, the local sections, and the national organization. In regard to questions of fair employment practices, including age discrimination, the Professional Employment Guidelines represent a carefully-developed consensus statement of current ACS policy. The latest revision (1978) is available on request from the National Office. Members should familiarize themselves with the Guidelines, and also should make sure that their personnel and research directors are familiar with this document, as a point of reference regarding chemists’ employment.

At the local section level, our committee has recommended, and from time to time will recommend, speakers on topics of professional development. Also at the local publication level, our committee recommends that it carry news releases on professional matters, which are sent from time to time by the National ACS Committee on Professional Relation.

With respect to matters on the national level, we endorse the recommendation recently (September 1979) submitted by the (National) Committee on Professional Relations, asking the ACS Council to take a position in favor of Federal severance pay legislation.

Summary

Age discrimination is a real problem for a significant number of chemists. Its justification does not hold up to objective examination. The individual chemist does have defenses as follows: ongoing education to avoid technical obsolescence; insistence that his or her employer aid in combating technical obsolescence; an awareness of the employer's stated policies and actual behavior regarding promotion, salaries, retirement, benefits, layoffs and severance; awareness of the employer's legal rights; awareness of the policies and facilities of the ACS in regard to equitable employment practices.

BIBLIOGRAPHY