

ASSOCIATED UNIVERSITIES, INC.

UPTON, L. I., N. Y.
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January 24, 1962

MEMO TO: I. I. Rabi
FROM: Charles F. Dunbar
SUBJECT: NRAO - Joseph L. Pawsey
Pension Plan

Jerry Tape turned over to me the letter of January 17, 1962 from Mr. F. W. G. White in regard to Dr. Pawsey's pension plan in Australia. I passed it along to Peter Rathvon, and he has prepared a memorandum, of which I enclose a copy. Peter is our resident expert on problems of this sort.

As you see, the matter is by no means simple. AUI can increase Dr. Pawsey's salary to take care of this contribution, and if the Trustees elected to waive the requirement that he participate in TIAA, the net increase in cost to the corporation would be a little over \$2,000. Dr. Pawsey could then maintain his rights in the Australian plan without any diminution in salary. Of course, approval by the Trustees and also by NSF would be necessary. Just how NSF would regard such a request, I do not know. Also I do not know how long we could persuade NSF to allow such an arrangement to continue, if it did prove to be possible. For example, suppose Dr. Pawsey decided to stay with us for five years instead of three. Before we come to any conclusion, I think we should find out from Dr. Pawsey how much he, individually, contributes to the Australian plan. With this information, we can do some more arithmetic and be prepared to discuss the whole matter with him when he comes to this country in March or April. By that time, we should have a definite proposal to make to him. You sent him full information about AUI's retirement plan with your letter of October 31, 1961.

With your permission, I should like to write to Dr. Pawsey direct. I assume that he has little or no information about our income tax laws, and there is always the possibility that he did not read carefully the material that was sent him about TIAA-CREF. The whole difficulty, as you see, is that whatever AUI pays to the Australian plan will be taxable income to Dr. Pawsey.

CFD:VN

cc: GFTape
LRBurchill ✓