

April, 1982

Vol. 38, No. 2

More Than \$2,000,000 In Benefits Paid Last Year To Adams-Millis Employees

By Jean Harrison
Employee Benefits Manager

Pension, life insurance and health care benefits totaling more than \$2,000,000 were paid last year to Adams Millis employees and their dependents and beneficiaries.

Employee Welfare Benefit Plan

The largest amount paid in benefits was that of \$1,509,508 health care provided for employees and their eligible dependents. This was an average benefit of \$621 paid for each employee covered under the plan and represented a 22 percent

increase over 1980's average of \$509 per employee. Sixty percent of the cost of providing these benefits was borne by Adams-Millis and 40 percent by the employees. In addition, the Company bore the \$76,417 expense of processing the some 13,000 claims filed during the year.

The health care plan, more properly known as The Employee Welfare Benefit Plan, is a self-funded plan providing health and

accident medical care and major medical expense benefits for employees and their dependents.

Group Life Insurance Plan

A total of \$163,500 was paid in death benefits to beneficiaries under the Group Life Insurance Plan in 1981. Of the thirty-three claims filed the largest single benefit paid was \$20,000.

Benefits under the life plan are funded through insurance contracts with The Equitable Life Assurance Society of the U.S. As with the health care plan, both the Company and the employees contribute to the cost of the group life insurance coverage.

Pension Plan

Terminating and retiring employees and beneficiaries received payments amounting to

\$316,476 from the Pension Plan during the year. On December 31, 1981, 142 retired employees and beneficiaries were receiving monthly benefit payments ranging from \$39 to \$1,495.

The Pension Plan is a non-contributory, defined benefit plan providing retirement benefits at normal retirement age 65, at early retirement age 55 with completion of fifteen or more years of creditable service, and at disability retirement at any age upon completion of ten or more years of creditable service. The amount of the monthly benefit provided is determined by the participant's earnings and

length of service with the Company.

The Company contribution to the Pension Plan amounted to \$538,691 in 1981; no employee contributions were made as none are required. The Plan's assets, totaling \$7,676,285, on December 31, 1981, are held in a trust fund by North Carolina National Bank as trustee. NCNB manages approximately two-thirds of the assets and Sterling Management of Charlotte, N.C., manages the remaining one-third. These assets can be used solely to provide benefits for the employees who participate in the Plan.

Tommy Beck Checks Quality Control Daily

Tommy Beck's work as Quality Control Manager for the Men's and Boy's Division of Adams-Millis Hosiery Company takes him to all plants in the Division, where he regularly checks quality control procedures.

Each morning, after he reports to his office in High Point, where complaints and reports have come to him through the inter-plant messenger service, he then schedules his day's work, which takes place primarily in the Knitting Departments of the various plants.

"This is where the closest scrutiny has to be done," Tommy said. "A knitting machine is so complicated and operates at such high speeds that the slightest malfunction can result in less than perfectly knitted goods."

The list of quality control checks in a Knitting Department include excessive stretch or too-little stretch in the sock because of the machine being improperly

gauged; excessive knotting in the yarn can occur if the yarn is improperly processed; the wrong kind of yarn can be threaded into a machine, needles break, jacks break, the yarn can be improperly waxed and of course the possibility of human error always is present.

"The possibilities for less than perfect knitting can seem endless when you start listing them," Tommy said. "But in spite of this, Adams-Millis produces hundreds of thousands of perfect socks every week. This is accomplished because we have experienced employees who are intent on performing their jobs correctly."

"But, as in any industry which also must require production goals as well as top quality products, we have to monitor our production constantly. There is no doubt in my mind that Adams-Millis can increase the quantity

Continued To Page 2

Quality Control Means Savings For Company



Robert M. Bundy, Jr.

Adams-Millis currently is in an effort to increase and maintain Quality Control in every department of the Corporation. Robert M. Bundy, Jr., President of Adams-Millis Hosiery Company, said a substantial decrease in the percentage of irregulars produced in Adams-Millis plants could mean a savings of at least a half million dollars annually.

"Companies throughout the United States are having to take stock in their production," Mr. Bundy said, "to find ways of maintaining production goals, but at the same time decreasing the quantity of imperfect goods that come through."

Competition from foreign producers and increased demand for

first-quality products are just two of the factors necessitating more emphasis on quality control, as well as the cost such imperfect goods represent to a company, Mr. Bundy added.

"The economy today makes it imperative for every company to scrutinize as closely as possible every factor of its production," Mr. Bundy emphasized. "At Adams-Millis, we always have prided ourselves on producing a high percentage of first-quality goods. Now we want to increase this percentage. I know we can—it will take dedicated effort on the part of all of us, but if we all recognize the importance of this effort, I think we will welcome it as an exciting challenge."

Plants 1 And 8 Win Awards For No Disabling Accidents

Adams-Millis Hosiery Company's Plant 1 in High Point and Plant 8 in Franklinton recently were given special awards for completing the year 1981 with no disabling accidents. Bill Millis is Plant Manager of Plant 1 and Rick Norwood of Plant 8.

William B. Mewborne, Jr., President and Chief Operating Officer of Adams-Millis Corporation, presented the awards at a recent meeting of Plant Managers in the Administrative Offices in High Point. This award

is given annually by Adams-Millis Corporation to those plants achieving this safety record.

Also at this meeting, six plants were recognized by Liberty Mutual Insurance Company for completing more than 200,000 consecutive manhours without a disabling injury. Plant 1 and Plant 8 also received this award, with Plant 1 having completed 359,338.8 manhours without a disabling accident, and Plant 8 completing 232,404.7 manhours.

Other plants receiving the

Liberty Mutual award were: Plant 4 in Kernersville, Roger Triplett, Plant Manager; Plant 6 in Hickory, James Clarke, Plant Manager; Plant 7, High Point, Joe Duncan, Plant Manager; and Plant 11, Mt. Airy, Van Joyce, Plant Manager who since has been promoted to Group Manager.

Plant 4 completed 508,448.8 manhours; Plant 6 completed 493,285.2 manhours; Plant 7 completed 390,924.2 manhours; and Plant 11 completed 275,676.3 manhours.



Tommy Beck making Quality Control check of Adams-Millis sock.