

Pension Newsletter

Pension Benefit Guaranty Corporation
United States Government Agency

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The Pension Safety Net—Frayed But Functioning

By Executive Director Bradley D. Belt

Since our last newsletter to you, you may have heard that the Pension Benefit Guaranty Corporation assumed responsibility for a number of large plans including those of United Airlines, which alone cover 120,000 workers and retirees. With nearly \$10 billion of underfunding, United's pension plans represent the largest default in the 31-year history of PBGC. Problems with private pension plans are placing increasing strain on PBGC's pension insurance program, but we are working diligently to protect the retirement security of American workers. This is our mission, and we are proud and protective of it.

Still, there is no denying the serious financial challenges we face. While PBGC can continue to pay benefits for a number of years into the future, it is clear that the insurance program is short of the funds necessary to pay all the benefits we owe to more than one million participants of failed pension plans. This is certainly a concern that policymakers are taking very seriously. The Administration is committed to strengthening both the private pension system and the pension insurance program that serves as a safety net, and we are working with Congress to implement the necessary reforms. This process will take time, but I assure you every effort is

being made to correct the deficiencies in current law that have impacted the pension insurance program.



Bradley D. Belt

We are also working hard to provide you with the level of customer service that you expect and deserve. Our online service—My Pension Benefit Account (MyPBA)—is available to you 24 hours a day, 7 days a week, all year round, and we are continually working on ways to improve that service. As you'll see elsewhere in this newsletter, we have recently

added some new features to MyPBA for your convenience. In addition, we recently improved our Web site (www.pbgc.gov) to better serve you.

Your needs are very important to us. I encourage you to keep in touch with us, as your comments help us to serve you better. Please feel free to call our toll-free telephone number or send us an e-mail at mypension@pbgc.gov. I also encourage you to visit our Web site for the latest information about PBGC and the pension insurance program.

It's Easy.

Its Simple.

Use MyPBA!

MyPBA Offers New Services for You

PBGC recently added more capabilities to MyPBA, our online service for participants.

MyPBA services now include the ability to:

- Update home address, phone number, or e-mail address;
- Designate a beneficiary;
- Apply for direct deposit of pension checks or make changes to existing bank information; and
- Change federal tax withholding election.

Why use MyPBA?

- It is fast, easy to use and accessible 24 hours a day, 7 days a week;
- Online transactions are safe, and your information is confidential and completely secure;
- It's free. You don't even have to buy a stamp.

To start using MyPBA:

- Get access to any computer with Internet services;
- Have your e-mail address and plan name or PBGC case number available;
- Go to www.pbgc.gov/mypba;
- Click on the button "Apply for an Account" and follow the easy instructions for opening your account;
- Forgot your password? Simply click on the "Forgot your password?" link and follow instructions to reset the password.

Report the Death of a Person Receiving Benefits

When a person receiving benefits from PBGC dies, the death must be reported to us so that we can stop payments and determine if the deceased has a beneficiary entitled to benefits. To report the death of a person receiving or due a pension benefit from PBGC, call our Customer Contact Center. You will need the following information:

- ✓ The deceased payee's name, Social Security Number and address;
- ✓ Your relationship to the deceased;
- ✓ Your phone number and address; and
- ✓ The date of death.

After you call with this information, we will send a letter requesting a copy of the death certificate. If the deceased payee has a beneficiary, we will send the necessary forms to apply for benefits. If you have received payments issued to the deceased participant after the date of death, you must return those payments to the following address:

Pension Benefit Guaranty Corporation
Benefits Administration and Payment Department
PO Box 62133
Baltimore, MD 21298-8457

Información en Español

¡El compromiso de la PBGC es brindar el mejor servicio a nuestros clientes de habla hispana!

❖ Para recibir información en español, llame a nuestro Centro de Contacto del Cliente al 1-400-800-7242, y apriete el número 2 en su teléfono. Representantes de la PBGC que hablan español estarán listos para responder a sus preguntas.

❖ Todas las cartas y formas que explican los beneficios garantizados por la PBGC están disponibles en español.

❖ Las personas que deseen apelar una decisión de la PBGC pueden hacerlo en español. Además, si el cliente lo desea, la PBGC puede responder en español.

❖ La PBGC puede organizar reuniones para explicar los beneficios en español.

❖ Hay varias publicaciones de la PBGC en español, y todas están disponibles bajo el icono "en Español" a la cabeza de la página principal en www.pbgc.gov.

❖ La coordinadora de servicios en español para la PBGC es Orfanny Vanegas. Si usted necesita ayuda, llame al 1-800-400-7242, o escriba a: PBGC, Contacto de Habla Hispana, P.O. Box 151750, Alexandria, VA 22315-1750.

Come Visit Our New Web Site

PBGC recently unveiled a revamped Web site (www.pbgc.gov) that is easier to use and includes many new features. For example:

- ◆ The Web site features four key “Tabs”—Welcome, Workers and Retirees, Practitioners, and Media. The tabs help you to find the information you are looking for and to conduct business with us more easily.
- ◆ Information is organized by topic. Many pages include a set of links that act like a table of contents for the topic, providing you an overview of the content on the page and quick access to a particular area of interest.
- ◆ Each pension plan trusted by PBGC has its own Web page. Announcements posted on these pages are specific to that plan or group of plans, keeping you informed about your pension.

Retirees Remain Happy Customers

PBGC’s recent score on the widely used American Customer Satisfaction Index (ACSI) is the highest among benefit-paying agencies, outranking both Social Security and Veterans Affairs. The ACSI determines satisfaction with PBGC’s services based on confidential telephone interviews with retirees receiving monthly benefits from PBGC.

Retirees gave the highest marks to how PBGC pays benefits: efficiently, predictably, and accurately. PBGC also scored well in customer care, updating information, written communication, and its benefit application process. One retiree commented, “I am happy with PBGC. They are doing everything they said they would do and are supposed to do.”

You May Qualify for Help with Health Insurance Costs

If you are receiving a PBGC benefit, you may be eligible for a tax credit that helps pay for qualified health insurance. If you are between the ages of 55 and 65 and not eligible for Medicare, you can use the Health Coverage Tax Credit (HCTC) to pay 65 percent of the cost of your qualified health insurance. The HCTC, administered by the Internal Revenue Service, is available as an advance tax credit for monthly health coverage payments or as a refundable credit you claim on your federal tax return.

If you are eligible for HCTC, you may also be able to apply for National Emergency Grant (NEG) Gap Filler funds, which are available in certain states to help individuals pay for qualified health coverage until they begin receiving the advance tax credit through the HCTC Program. Contact the U.S. Department of Labor at 1-877-US-2JOBS (1-877-872-5627) and ask if your state has a NEG Gap Filler Program. For more information about the HCTC, visit the IRS Web site at www.irs.gov (IRS Keyword: HCTC), or call the HCTC Customer Contact Center at 1-866-628-4282 (TTD/TTY: 1-866-626-4282).

Important Tax Information

PBGC is required to withhold federal taxes from your benefit payments unless you inform us otherwise. You have three withholding options: 1) no withholding; 2) withholding a fixed dollar amount; or 3) automatic withholding based on your marital status and number of exemptions. If you haven’t made an election, PBGC uses automatic withholding based on an assumed marital status of “married with three exemptions.”

Automatic withholding may result in no federal tax being withheld if your benefit payment is too small after taking into account your marital status and number of

exemptions. For example, if you are married with three exemptions, tax will be withheld only if your monthly benefit is more than \$1,458.33 for the 2005 tax year.

Different withholding rules apply if PBGC determines your Social Security number is wrong or invalid, or if your mailing address is outside the United States or its territories. You may change your tax withholding election by using MyPBA, our online service, or by calling our Customer Contact Center. If you do not want to change your current tax withholding election, you do not have to do anything.

Consider Having a Power of Attorney

At some time, you may want someone to deal with PBGC on your behalf. You can do this by sending us a power of attorney form. This form allows you to authorize another person to act as your agent to do specific things, such as apply for pension benefits, respond to PBGC's request for information or documents, or make routine changes (such as changing your address).

PBGC's Power of Attorney form is available:

- online at www.pbgc.gov/docs/715.pdf, or
- by calling PBGC's Customer Contact Center.

When calling, please have your Social Security Number, plan name and PBGC case number ready. Note that this form cannot be used during a period of incapacity, which requires a durable power of attorney. Call our Customer Contact Center for information on a durable power of attorney.

PBGC Information in Spanish

Para nuestros clientes de habla hispana, PBGC ha creado una página en español en su sitio Web. La página, la cual está disponible al hacer clic en el icono "en Español" de la página principal de PBGC en www.pbgc.gov, permite que los usuarios vayan directamente a la información en español. Entre las publicaciones de PBGC traducidas al español se incluyen *Su Pensión Garantizada*, *Formas de Beneficio Opcionales de PBGC*, *Buscar su Pensión Perdida*, *Su Derecho a Apelar*, *La forma más segura de recibir su dinero*, hojas de hechos y hojas informativas.

"Para muchos, el inglés no es su lengua materna," dijo el Director Ejecutivo de PBGC, Brad Belt, al anunciar la página nueva. "Para nuestros clientes de habla hispana, PBGC tomó otro paso importante hacia un mejor servicio y ha logrado hacer que la información esté fácilmente accesible a ellos."

Keep Us Informed. Call 1-800-400-7242

If you move or change your name or telephone number, PBGC needs to know this information to best serve you. You can let us know by using our online service, MyPBA, available at www.pbgc.gov/mypba, or by calling our Customer Contact Center, which now has one toll-free number for all calls. If calling is not convenient, you can write to us at: PBGC, P.O. Box 151750, Alexandria, VA 22315-1750. TTY/TDD users may call the Federal Relay Service toll-free at 1-800-877-8339 and ask to be connected to PBGC's toll-free number.

Our Customer Contact Center is available to receive your calls Monday-Friday, 8:00 a.m. to 7:00 p.m. Eastern time, by dialing: 1-800-400-7242.

Address Service Requested