



Pension Newsletter

Pension Benefit Guaranty Corporation

Fall 2004

Protecting America's Pensions for 30 Years

by Executive Director Bradley D. Belt

As PBGC's 12th Executive Director, one of my priorities is to ensure that PBGC consistently provides top-quality service to you, our customers. After 30 years in operation, we believe that PBGC's customer service ranks among the best in the government. You are telling us this in your answers to our surveys, and we appreciate your comments and honest feedback. We are proud of our service, both for its quality and for the difference it makes in people's lives.

Our mission is to protect American workers' hard-earned pensions, and it's as important to us as it is to you. With \$280 million in monthly pension payments to more than 500,000 retirees, we understand what our protection means to you. We also understand the meaning of good service, and we want to make it easier and simpler for you to work with us. My PBA (www.pbgc.gov/mypba), our new online service for participants in trusted plans, is one way we are doing that. We just opened My PBA to all

retirees currently receiving benefits from us. With this around-the-clock service, you can quickly sign up for or update your PBGC account for address changes, direct deposit and tax withholding. We plan to add additional features in coming months to provide you the best service possible.



Bradley D. Belt

Recently you may have read news reports that

PBGC does not have the money to pay participants their guaranteed benefits. At the mid-point of our 2004 fiscal year, the assets we had on hand fell considerably short of the total benefits we owe to participants. This is a cause for concern. Over the near term PBGC can safely pay benefits to retirees in trusted plans. Over the longer term PBGC faces a financial challenge that Congress must take action to fix, and the Administration is committed to strengthening the insurance program so that PBGC can continue to protect pension benefits.

We always welcome feedback from our customers. Please feel free to call our toll-free telephone numbers listed

on the last page of this newsletter, or send us an e-mail at mypension@pbgc.gov. We also encourage you to visit our Web site at www.pbgc.gov for the latest news, developments, useful publications and other information about the pension insurance program.

Editor's Note: Secretary of Labor Elaine L. Chao, Chairman of PBGC's Board of Directors, announced the appointment of Bradley D. Belt as PBGC Executive Director on April 21, 2004. Mr. Belt, who was sworn into office on April 26, brings an extensive range of experience in the private, public and non-profit sectors to his new position.

Customer Contact Hours Extended

Starting October 1, 2004, PBGC is extending the hours of operation for our Customer Contact Center. You may now reach the contact center (by calling the appropriate number on the back page of this newsletter) between the hours of 8 a.m. and 7 p.m., Eastern time, Monday through Friday.

When and How PBGC Pays Benefits

PBGC benefits are paid by check or electronic direct deposit (EDD). You should expect to receive your check or have access to your EDD payment by the first business day of the month. If your EDD payment is not available on the first of the month, you should first check your bank to verify if the payment was received as financial institutions may sometimes have slight delays in posting payment transfers.

If the bank has not received the payment, you should contact our Customer Contact Center immediately. If your payment is by check, you should allow for postal

delays and contact the center if the check is not received within ten days of the first of the month. We encourage everyone to use electronic direct deposit to ensure timely, safe and convenient delivery of their payments.

Most PBGC benefits are paid monthly. However, PBGC pays benefits once a year when the monthly benefit is \$50.00 or less. For example, if the monthly benefit is \$25, PBGC will issue a payment for \$300 each year. The payment covers the month it is made and the next 11 months. If the retiree dies during that 12-month period, the portion of the payment for the months

after the death do not have to be returned to PBGC. However, the death must be reported to PBGC as soon as possible. If a retiree's benefit is \$20.00 or more, the retiree may elect to receive the payment monthly instead of yearly by calling our contact center.

Are You 55 or Older and Need Help with Health Insurance Costs?

If you are receiving a PBGC benefit, are age 55 or older and not eligible for Medicare Part A or receiving either Medicare Part B or Medicaid, you may be eligible for the Health Coverage Tax Credit (HCTC). HCTC, a program administered by the Internal Revenue Service (IRS), provides a tax credit for 65 percent of an eligible individual's "qualified health insurance" premium.

You may obtain information about this program, including what is considered qualified health insurance, by calling the HCTC Customer Contact Center's toll-free telephone number at 1-866-628-4282 (for TTY/TDD users, call 1-866- 626-4282) or by going to the IRS Web site at www.irs.gov—IRS Keyword: HCTC.

Tax Information You Should Know

PBGC is required to withhold federal taxes from your benefit payments unless you inform us otherwise. You have three 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 totals more than \$1,440 for the 2004 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 My PBA, our online service, or by calling our Customer Contact Center. If you do not want to change your current method of tax withholding, you do not have to do anything.

Take Advantage of My PBA, Our Online Service

PBGC's around-the-clock online service, My Pension Benefit Account (My PBA), is now available to everyone receiving benefits from the agency. My PBA allows you to change your contact information, such as address or telephone numbers, and to sign up for electronic direct deposit or change your banking information.

Recently, PBGC added a new transaction feature to My PBA—changing information on your Federal tax withholding. All routine transactions with the agency on My PBA may be initiated from any Internet-connected computer at any location at any time of day or night.

My PBA may be accessed via our Web site at www.pbgc.gov/mypba. Follow the on-screen information to set up a personal account linked to your pension plan information.

Once registered and logged into your account, all of your transactions will be recorded into PBGC's computer system for future reference. PBGC plans to improve My PBA in the future to allow users to retrieve the agency's most frequently used forms. My PBA offers a convenient, speedy and confidential way for you to provide information to PBGC, without the need for phone calls, paper forms or postage fees.

When to Call the Problem Resolution Officer

If you are not satisfied with PBGC's response to your request after your first contact with the agency, we recommend that you contact us a second time to resolve your situation. If you continue to be dissatisfied after your second contact, you should then call our problem resolution officer.

The problem resolution officer provides an additional avenue to have pension concerns addressed. For example, you may contact this office regarding difficulties with your pension benefits, with problems starting or receiving your benefits timely, or with the type of service you received from PBGC.

The problem resolution officer should not be your first contact for service, nor should the office be contacted to file an appeal after a final benefit determination has been issued by PBGC. The problem resolution officer can be reached at 1-800-400-7242 ext. 4014.

Surveys Show Improved Satisfaction with PBGC Service

Recent surveys of retirees receiving monthly pension benefits from PBGC and of people who called the agency's Customer Contact Center showed a high level of satisfaction with PBGC services. The American Customer Satisfaction Index (ACSI) score for retirees receiving benefits is 84, the same score as in 2003, well above the government average of 71, and higher than any other federal agency paying benefits.

The agency's score improved significantly regarding whether retirees would look forward to contacting PBGC in the future should the need arise. In addition, the percentage of retirees who complained about PBGC's service

dropped appreciably from the previous year.

PBGC scored 78 for service from its Customer Contact Center, up one point from last year, also well above the federal government average as a whole. The agency's highest scores were for customer care, especially respect shown by staff and staff knowledge of the issue called about, and written communication, particularly helpfulness of correspondence. Our handling of requests for benefit estimates scored less well. PBGC is focusing on a number of efforts to further improve its services, particularly in regard to providing timely, accurate benefit estimates.

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 al Centro de Contacto al 1-800-400-7242, y apriete el número 2 en su teléfono. Representantes de la PBGC que hablan español estarán listos para responder a sus preguntas.
- Toda 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 tres publicaciones de la PBGC en español, y todas están disponibles en nuestro sitio de la Internet, www.pbgc.gov.
- La coordinadora de servicios en español para la PBGC es **Orfanny Vanegas**. Si Ud. necesita ayuda, llame al 1-800-400-7242, o escriba a: PBGC, Contacto de Habla Hispana, 1200 K St. NW, Room 9109, Washington, DC 20005-4026.

Keep Us Informed... But Use My PBA or Call Before Writing

If you move or change your name or telephone number, PBGC needs this new information to stay in touch with you.

Our online service, My PBA, is now available for you to use to quickly inform us of changes to your address or other contact information. You can also get fast, efficient service by calling our Customer Contact Center at the numbers listed below. Calling can save you the time and effort of writing and may provide immediate answers to your questions or needs.

In order to avoid a wait, it is best to call after the 10th of each month before 10 a.m. or after 3 p.m. Eastern time (the contact center's hours of operation are 8 a.m. to 7 p.m. Eastern Time, Monday through Friday). If calling is not convenient, you can write to us at: PBGC, P.O. Box 151750, Alexandria, VA 22315-1750.

Customer Contact Center Phone Numbers

Bethlehem Steel plan participants 1-800-453-9584

LTV Steel plan participants 1-800-707-7242

National Steel plan participants 1-800-707-7242

All other pension plan participants 1-800-400-7242

TTY/TDD users may call the Federal Relay Service toll-free at 1-800-877-8339 and ask to be connected to the toll-free number listed above for your plan.

WHO WE PAY

People receiving pension benefits from PBGC are distributed across all retiree age groups. In all age groups except the oldest, men outnumber women. The age group between 70 and 74 comprises the largest number of people receiving benefits. Current payees include nearly 50,000 people aged 85 or older.

