

Pension Newsletter

Pension Benefit Guaranty Corporation
United States Government Agency

Fall 2007



PBGC Will Not Let You Down

By Interim Director Charles E. F. Millard

It was a great honor when President Bush nominated me to be Director of PBGC earlier this year. I am very excited by this opportunity to work on the challenges faced by the world of pensions and retirement security. I look forward to working with the Congress and the pension community on behalf of President Bush to ensure that the federal pension insurance system remains solvent and strong.

My first few months on the job have given me a greater appreciation of PBGC's vital mission and its critical importance to your personal and individual retirement security.

As retirees from pension plans that could no longer keep their pension promise, you know the feeling of being let down. But you can rest assured that PBGC will not let you down.

As our customers, you are entitled to excellent service from us at all times. To this end, we aim to provide answers to your information requests within one business day. Most of your requests we can answer almost immediately, or before the day is out. And if it's something that will take some time to research, we will

update you and let you know when we expect to have your answer ready.



Charles E. F. Millard

To make sure our service to you is always prompt and courteous, we strive continually to improve our methods of contact. Our Customer Contact Center is open to receive your calls weekdays from 8 a.m. to 7 p.m. Eastern Time. And our services on the PBGC Web site, www.pbgc.gov, are designed to keep you abreast of news and information at the agency and allow you to conduct many transactions with us electronically. For example, our online service—My Pension Benefit Account (**MyPBA**)—is a convenient way for you to

conduct business with us, and it's available 24/7.

If you have any questions, or should you ever incur any problems with your pension, our Participant Problem Resolution Officer stands ready to assist you. The Problem Resolution Officer can be reached by phone at: 1-800-400-7242 ext. 4014, by e-mail at: participant.pro@pbgc.gov, or by writing to: Problem Resolution Officer, Pension Benefit Guaranty Corporation, 1200 K St., N.W., Room 12527, Washington, D.C., 20005.

Inside this issue

Page 2

PBGC Field Benefit Offices
Social Security Information Online
Help with Health Insurance Costs
Don't Lose Out on Benefits

Page 3

Your Pension and Divorce
Securing Your Privacy
Important Tax Information
Is 70 the New 50?

Page 4

PBGC Contact Center
Keep Us Informed
Información en Español

KEEP THIS NEWSLETTER WITH YOUR IMPORTANT PENSION PAPERS

PBGC Field Benefit Offices Work for You

Washington, D.C., is not the only location where PBGC conducts its business. Along with our headquarters site in the nation's capital, the agency operates ten Field Benefit Administration offices (FBA) around the country. Our FBA offices work to ensure that you receive your benefit payment uninterrupted every month.

Employees at our FBA offices conduct identical tasks as at headquarters. The work done by pension analysts at the FBA offices includes administration of pension plans and initiation of payments to new retirees and their beneficiaries. In addition, a number of the offices specialize in pension plans of certain industries such as steel or airlines.

Social Security Information Is Available Online

The Social Security Administration maintains a Web site (www.ssa.gov) where you may apply for benefits, replace your lost, stolen or damaged Medicare card, report a change in your address or phone number, locate a Social Security office in your area, and perform other transactions online. In addition, the site includes information on retirement planning, the Medicare Prescription Drug Plan, disability qualifications, and receiving help with these and other situations.

(Source: Social Security Administration)

Get Help with Health Insurance Costs

Individuals receiving PBGC benefits who are age 55 or older and not eligible for Medicare may be eligible for a tax credit that helps pay for qualified health insurance. If you are eligible, you can use the Health Coverage Tax Credit (HCTC) to pay 65% 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) 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 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).

Don't Lose Out on Benefits

Millions of older adults are eligible for various benefits from federal, state and local agencies—both private and public—but don't know about them, says Scott Parkin, a spokesperson for the National Council for the Aging. In response, the Council launched BenefitsCheckUp® (www.benefitscheckup.org), an online tool with information about some 1,150 different programs in all 50 states and the District of Columbia. "These include everything from energy assistance and property tax relief to things like the Golden Passport, which gives you a discount on admission to all national parks," Parkin says. "There's nothing quite like it."

(Source: WebMD, October 2005)

Your Pension and Divorce

If you are getting a divorce or a legal separation, a court may treat your pension benefit as an asset of the marriage that can be divided along with other marital property as part of a divorce settlement. PBGC will pay part or all of your pension benefits to your spouse, former spouse, or dependent children only under a qualified domestic relations order (QDRO). If you already had a QDRO when PBGC took over your plan, the agency will review the QDRO. If we have questions, we will contact all parties involved.

PBGC recently updated its informational booklet to help your attorney and others who prepare domestic relations orders in a divorce or legal separation. The booklet, now entitled “Qualified Domestic Relations Orders & PBGC,” reviews the agency’s requirements for court orders that divide pensions. Included are model orders that may be used to draft domestic relations orders for plans for which we have responsibility.

The booklet also includes new information on PBGC’s benefit payment options, new model QDROs that may be used specifically for child support and for providing only a surviving spouse benefit, and information on how to obtain certain participant information from PBGC. The booklet may be found on PBGC’s Web site at www.pbgc.gov/docs/QDRO.pdf. You may also request a copy from our Customer Contact Center.

Securing Your Privacy!

In a recent change to strengthen the security and prevent theft of your personal information, PBGC now requires that, if you want someone other than your spouse to speak with our Customer Contact Center on your behalf, you **must** have a written authorization (or power of attorney) already on file with PBGC. A form for designating a power of attorney is available on our Web site at: www.pbgc.gov/docs/715.pdf. For more information, call the Contact Center at 1-800-400-7242.

Is 70 the New 50?

Americans are living longer, often enjoying good health late in life. With this in mind, the question is often asked: Is 70 the new 50?

According to data from the Senior Job Bank, America’s workforce is aging. By 2006 more than 15 percent of the U.S. labor force was 55 or older. By 2004 there were more than 33 million people aged 65 or older in America, representing 12.7 percent of the total population—about one out of every eight Americans. With every passing year, those numbers increase.

Senior citizens and aging baby boomers are the fastest growing demographic segment of the population. The stereotypes surrounding today’s seniors frequently do not apply. This is especially true of those who have led vigorous lives in various professions and enterprises and who continue with that same vigor in their retirement.

(Source: CNSNews.com, March 16, 2007)

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 relatively small. For example, if you are married with three exemptions, tax will be withheld only if your monthly benefit is more than \$1,520 for the 2007 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** (www.pbgc.gov/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.

From Routine to Urgent, PBGC's Contact Center Aims to Resolve Calls Quickly

The urgent call came into PBGC's Customer Contact Center. A disabled airline employee confined to a wheelchair had not received her benefit check and stood in danger of being evicted from the motel where she was living. "We rushed the transaction to ensure the woman received the check as soon as possible," said Henry, the customer service representative who took her call. After receiving the check, the retiree phoned the contact center to acknowledge that she had gotten the payment, and she followed up the call with a card of thanks. "It gave me an extremely good feeling to have helped the woman," Henry said. "It's very gratifying."

Henry's feelings are echoed by Carolyn, another customer service representative. "Every time I talk to a person and can resolve their issue, I get a good feeling," Carolyn said. "I'm more than happy to relieve the person of their concern by helping them."

Every day, the contact center receives hundreds of calls

from people in the pension plans that PBGC administers. Many of the calls are for routine requests, but others, like the airline retiree's call, are of critical importance to the caller. And with every call received, the contact center's goal is to resolve the person's request as quickly and accurately as possible.

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

It is important to let us know when you have a change in address, name, or telephone number. You can do this by using our online service, **MyPBA**, which is available at **www.pbgc.gov/mypba**, or by calling our Customer Contact Center toll-free at 1-800-400-7242. You may also write to us at: PBGC, P.O. Box 151750, Alexandria, VA 22315-1750. If you write in, please include at least your Social Security Number on your correspondence. 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.

To view our pamphlet about MyPBA click here

Información en Español

Para recibir la Hoja Informativa en español, llame a nuestro Centro de Contacto del Cliente al 1-800-400-7242. Para los usuarios del servicio TTY/TDD, llame al Servicio de Retransmisión Federal, al número telefónico gratuito, 1-800-845-6136, y pida que lo comuniquen con el 1-800-400-7242. Además hay varias publicaciones de PBGC en español y todas están disponibles bajo el icono "en Español" que se encuentra en la parte superior de la página principal de nuestro sitio Web, **www.pbgc.gov**.

Las coordinadoras de servicios en español para la PBGC son Orfanny Vanegas y Linette Henry. Si usted necesita ayuda, llame al 1-800-400-7242, envíe un mensaje a **foreign language support team@pbgc.gov**, o escriba a: PBGC, Contacto de Habla Hispana, PBGC, P.O. Box 151750, Alexandria, VA 22315-1750.