



# Pension Newsletter

Pension Benefit Guaranty Corporation

Summer/Fall 2002

## PBGC Is Here to Protect Your Pension

by Executive Director Steven A. Kandarian

PBGC's fundamental purpose is to protect the basic pension benefits that you earned under your defined benefit plan. We remain committed to fulfilling that mission and providing you with premier customer service.

Today PBGC protects the pension benefits of nearly 600,000 people who, like you, experienced the uncertainty and concern of seeing their pension plans ended. We know that you have high expectations of us, and we strive to exceed them.

Should you want informa-

tion about your pension or need assistance, there are several ways to reach PBGC. You may write to us at: PBGC, P.O. Box 19153, Washington, DC 20036-9153; call us using our toll-free number (1-800-400-7242); or send us an e-mail message at [mypension@pbgc.gov](mailto:mypension@pbgc.gov).



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We encourage your suggestions and comments. To provide you with the most up-to-date service, we continue to expand the information and services available via PBGC's Web site

([www.pbgc.gov](http://www.pbgc.gov)). Please visit the site, where you will find our

Customer Service Pledge, specific information about several large plans PBGC has taken over, useful publications, downloadable forms and other information about how PBGC protects your pension.

On a final note, PBGC remains in a strong financial position with a substantial surplus at the end of fiscal year 2001. Even with PBGC's recent assumption of several large, underfunded plans, the Corporation has maintained its financial strength and commitment to high-quality customer service. All of us at PBGC remain dedicated to protecting your hard-earned pension benefits.

## PBGC Moving to E-Government

Last fall PBGC upgraded its Web site ([www.PBGC.gov](http://www.PBGC.gov)) with an improved design and multiple access points to make it easier for you to find desired information. Other features of the new site include:

- More user-friendly language;
- A glossary explaining PBGC pension terminology;
- A list of plans trusted by PBGC;
- Plan-specific pages for large trusted plans;

- A retirement planning section; and
- A contact page listing all commonly used PBGC e-mail addresses.

The new [www.PBGC.gov](http://www.PBGC.gov) is the first step in PBGC's transformation to an electronic government (or "e-Gov") agency. Under the Government Paperwork Elimination Act, all federal agencies must provide their customers with electronic alternatives to paper forms, and use and accept electronic signa-

tures by October 2003.

Specifically, this will allow you to fill out and submit PBGC forms online (for example, the application to receive pension benefits). These electronic business transactions will provide an improved level of customer service by allowing you to conduct business with PBGC anytime, anywhere. Eventually, you will be able to access your own personalized accounts on [www.PBGC.gov](http://www.PBGC.gov).

## PBGC Offers Optional Forms of Benefit Payments

As of May 1, 2002, PBGC offers several optional forms of pension benefit payments. "This heralds important and innovative changes for everyone who will receive a pension benefit from PBGC," said Joseph Grant, PBGC's chief operations officer. "It is one of the most significant steps that PBGC has ever undertaken and is a huge step in terms of cus-

tomers service." Key provisions of this change include:

**Optional annuity benefit forms.** Participants in a pension plan taken over by PBGC who are applying for their benefit on or after May 1 will have the opportunity to elect one of eight optional annuity benefit forms in addition to the automatic forms that their plans provide. Previously, PBGC

allowed people to receive benefits only in plan-automatic forms.

**Payments owed to deceased persons.** If you die and PBGC owes you money, we will pay the person that you selected to receive continuing annuity benefits (e.g., joint-and-survivor benefits). If your benefits do not continue upon your death, we will pay the person you named on our forms. Lacking that, we will pay your benefit in the following order: your spouse, your children, your parents, your estate and your next of kin. You can designate or change your beneficiary by calling PBGC's Customer Service Center and requesting a "Designation of Beneficiary" form.

### Your Benefit Choices

You may elect to receive your benefits in one of the following forms:

- A straight-life annuity that provides you with fixed monthly benefit payments for your lifetime. No survivor benefit will be paid after your death.
- A 5-year, 10-year or 15-year certain-and-continuous annuity that provides you with fixed monthly benefit payments for your lifetime. If you elect this type of life annuity and die before the end of the 5-, 10- or 15-year time period you selected, your designated beneficiary will receive the same monthly benefit for the remainder of the period. Note that the 5-, 10- or 15-year period starts when your benefit payments start, not when you die. If you die after the end of the period, benefit payments end upon your death.
- A joint-and-survivor annuity that provides you with fixed monthly benefit payments for your lifetime and, upon your death, continues payments to your spouse or other beneficiary for the rest of his or her life. The monthly benefit your spouse or other beneficiary

receives is 50, 75 or 100 percent - depending on your choice - of the amount you were receiving while you were alive. If your beneficiary dies before you, your monthly benefit will not change.

- A joint-and-50% survivor "pop-up" annuity that differs from the joint-and-survivor annuity described above in that, if your spouse or other beneficiary dies before you, your monthly benefit "pops-up" to the straight-life annuity amount for the rest of your life.
- The "automatic" form of benefit offered to you under your plan. If you are married when your benefit payments begin, your spouse must provide written consent for you to elect any form of benefit other than the automatic form your plan would pay to a married participant.

When filling out your form to receive benefits it is necessary to designate your beneficiary, even if you elect a straight-life annuity. In addition, PBGC has changed the Benefit Application form. Please destroy applications you may have that are dated prior to May 1, 2002.

### *PBGC Adds Several Large Pension Plans*

In recent months, PBGC has taken over large pension plans sponsored by LTV Corp., Empire Steel Co., Outboard Marine Corp. and Singer Co. Other major companies whose pension plans were also recently taken over by the Corporation include Durango Apparel, Reliance Insurance and Payless/Cashways.

The three LTV pension plans cover some 82,000 former employees of the steelmaking firm and are the largest family of plans PBGC has taken over in its 28-year history. Informational PBGC meetings with LTV employees will be held in Pennsylvania, Ohio, Illinois, Indiana, Alabama and New York from September through November.

## Do You Know Someone Due Pension Benefits?

PBGC is responsible for locating all people in pension plans it takes over as well as in plans that end with sufficient funds to pay full promised benefits but unable to locate people due benefits. This can present challenges because some people may not have kept their company plan administrator informed of changes in name, address or employer.

PBGC uses information from family, friends and the public, including company records and telephone listings, to locate people due benefits. Several years ago, PBGC became the first government agency to use the Internet in such a search effort. Today, our Web site ([search.pbgc.gov](http://search.pbgc.gov)) lists names and last-known addresses of missing people, companies

where they earned their pensions, and the dates their pension plans ended.

We seek your help in locating people we have yet to find. You can search the Web site by last name, company or the state where an employer that sponsored a pension plan was headquartered.

To date, PBGC has found more than 10,000 people due some \$34 million in benefits. The agency works with newspapers, TV and radio stations for publicity in locating missing people. Despite these efforts, we are still looking for more than 13,000 people owed \$43 million in benefits. You can help by telling family members, friends and current and former co-workers that PBGC is looking for people who may be due benefits.

## Retrieving Lost or Misplaced Records

PBGC may require you to verify information by providing the agency with certain vital records such as birth, death or marriage certificates. If you have misplaced or lost such records, the Federal Consumer Information Center maintains a Web site ([www.gsa.gov/cic\\_text/misc/vital-records/alphabet.htm](http://www.gsa.gov/cic_text/misc/vital-records/alphabet.htm)) that lists state government contacts where you can obtain duplicates of the originals. Included are phone numbers and addresses to use when placing your order, as well as costs and other information.

Working together, we can reconnect people with their hard-earned pensions.

## Para nuestros lectores de habla hispana: 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 Servicios al Cliente 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.

- 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 tres publicaciones de la PBGC en español, y todas están disponibles en nuestro sitio de la Internet, [www.pbgc.gov](http://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, extensión 3143, o escriba a: PBGC, Contacto de Habla Hispana, 1200 K St NW, Room 8139, Washington, DC 20005-4026.



## PBGC Meets with Participants

*PBGC frequently conducts meetings in convenient locations with former employees of large pension plans taken over by the agency. In the above photo, PBGC Deputy Executive Director Joseph Grant discusses the agency's pension guarantees at a Waukegan, Ill., meeting with former employees of Outboard Marine Corp. PBGC will hold meetings later this year with former employees of LTV Corp., Empire Steel Corp. and Reliance Insurance.*

## Revised Appeals Brochure Available Soon

PBGC will soon issue a revised appeals brochure that will clarify the process for resolving questions about PBGC's benefit determinations. The brochure will explain your right to appeal PBGC's determination of your benefit if you can provide a specific reason why the determination is wrong.

The brochure also suggests that if you have a question about your benefit or how it was calculated, you should first call the Customer Service Center for an explanation rather than file an appeal. In addition, the brochure will remind you that you have 45 days from the date of your formal determina-

tion letter to file an appeal.

Should you need more time to resolve questions before the 45-day limit expires, you should request an extension from PBGC's Appeals Board. The revised brochure will be distributed with benefit determination letters sent in coming months.

## Keep PBGC Informed

Should you move or change your name or telephone number, please help PBGC serve you better by providing us this new information.

If you change your address, you can visit your local post office to pick up a change-of-address form (Postal Form 3576). Then simply fill it out and address it to: PBGC, P.O. Box 19153, Washington, DC 20036-9153.

To help us properly identify you and your records, we ask that you put the last four digits of your Social Security Number on the line

marked "account number."

You can also send an e-mail message to [mypension@pbgc.gov](mailto:mypension@pbgc.gov) or phone our Customer Service Center toll-free at **1-800-400-7242** to provide us with information about changes to your name, address or phone number. (TTY/TDD users can call the Federal Relay Service toll-free at 1-800-877-8339 and ask to be connected to 1-800-400-7242.)

Thanks for helping us serve you better!

Address Service Requested

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