

Pension Newsletter

Pension Benefit Guaranty Corporation
United States Government Agency



Fall 2008

Building A More Secure PBGC

By Director Charles E.F. Millard

The Pension Protection Act of 2006 provided that PBGC be headed by a Director appointed by the President with the advice and consent of the United States Senate. Charles E.F. Millard is the first Director to be so appointed and confirmed.

Several years ago, news about the Pension Benefit Guaranty Corporation focused on our severe and growing financial problems. In fact, as of the end of September 2004 PBGC was reporting a financial deficit of \$23.3 billion, and there was grave concern about PBGC's future ability to protect and pay guaranteed benefits. Much has happened since then, including the enactment of laws to strengthen the private pension system and PBGC's financial standing. PBGC's financial condition also has improved significantly. As of the end of September 2007 our deficit had fallen to \$13.1 billion.

While this does not mean that PBGC is out of the woods yet financially, it is an encouraging sign for the future. Still, we have much work to do to assure PBGC's ability to carry on its mission far into the future. We at PBGC are mindful of that task. We are sparing no effort and overlooking no measure that would help us build a stronger, more secure pension insurance program. With that in mind, I am pleased to tell you that PBGC has recently adopted a new investment strategy that we believe will help to ensure that PBGC can meet its long-term obligations to you and the 1.3 million other



Charles E.F. Millard

Americans who now rely directly on PBGC for their pensions. This new strategy offers several advantages: it should generate higher returns, it reduces our investment risk through broader asset diversification, and it gives us a 57 percent likelihood of full funding within ten years, compared to 19 percent under the previous policy. This gives PBGC a much sounder foundation for the future.

I also encourage you to visit our Web site, www.pbgc.gov, to find the latest news about PBGC

and to take advantage of **MyPBA**, our online service for participants in trustee plans. **MyPBA** is a convenient way for you to conduct business with us electronically, and it's available all day every day of the year. You can find more information about **MyPBA** on our Web site at www.pbgc.gov/docs/mypba.pdf.

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 12531, Washington, D.C., 20005.

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KEEP THIS NEWSLETTER WITH YOUR IMPORTANT PENSION PAPERS

You Asked For It!

Each year, PBGC conducts customer satisfaction surveys to find out where it can make improvements to better serve customers like you. (The most recent surveys of callers to PBGC's Customer Contact Center and retirees receiving benefits from PBGC found both callers and retirees more satisfied than ever with PBGC service. The callers' score rose from 78 in 2007 to 80 and the retirees' score rose from 88 to 89; both scores represent new high-points for satisfaction with PBGC.) Survey respondents rate various aspects of PBGC service and also have the opportunity to provide feedback in their own words. These individual comments provide valuable insight, and PBGC is listening. Take a look at some of the comments workers and retirees have provided in recent years and how PBGC has responded:

Customer Comment: "Better coordinate their correspondence and clarify their letters."

PBGC Response: *PBGC revised the letters it sends workers and retirees to ensure that they receive clear and consistent information.*

Customer Comment: "Change their Web site. I went to the Web site and couldn't get in... I would have never called if the Web site could have provided the information I needed."

PBGC Response: *Upgraded My Pension Benefit Account (MyPBA) to simplify account set-up and made online estimates available to participants in additional selected plans.*

Customer Comment: "Easier navigation through Web pages."

PBGC Response: *Expanded "quick links" to help participants find the most commonly searched-for online content, added a site index, and created a link to MyPBA on PBGC's home page.*

Bottom line? PBGC is listening. If you are contacted to participate in a survey about PBGC's service, please consider taking a few moments to do so. Your feedback is valuable to PBGC!

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).

Newsletters on the Web

For your convenience, PBGC has posted previous editions of this newsletter on its Web site. Simply go to the "Workers & Retirees" page on the Web site (www.pbgc.gov) and click on the link at the bottom left corner of the page for "Current retirees newsletters" to see our listing of newsletters dating back to 1998. Some of the topics that have been covered include:

- PBGC Field Benefit Offices Work for You (Fall 2007)
- Social Security Information Is Available Online (Fall 2007)
- Your Pension and Divorce (Fall 2007)
- Don't Lose Out on Benefits (Fall 2007)
- Electronic Deposit: Safe, Secure and On Time (Fall 2006)
- Use "MyPBA," PBGC's Online Pension Service (Fall 2006)
- Consider Having a Power of Attorney (Fall 2006)
- Problem Resolution Officer Resolves Complaints (Fall 2006)

If You Write to PBGC...

PBGC receives around 14,000 pieces of mail each month. While we can process most mail efficiently, some mail does not arrive with enough identifying information to allow us to put it with the proper participant's file. If we cannot tell who the mail is about, our processing of the mail is delayed. For your sake and ours, when sending any correspondence to PBGC be certain to use this address: PBGC, Benefits Administration and Payment Department, PO Box 151750, Alexandria VA 22315-9923.

Also, please be sure to include the participant's full name, pension plan name, pension plan number, and the last four digits of the Social Security Number. Including this information on every document and sending it to the correct address will help us to process your mail in a timely manner.

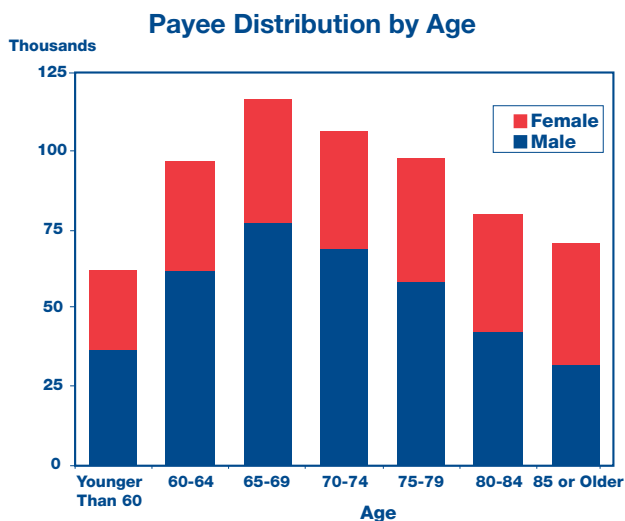
Finding Missing Property

You may know that PBGC has a searchable list (search.pbgc.gov/mp/) of participants in terminated defined benefit pension plans who have not been located and have forgotten pensions they may claim from PBGC. But did you also know that states have a similar-type service for property such as old checking accounts, safe-deposit box contents, and uncashed checks that the state considers to be unclaimed or abandoned under state law? The process through which unclaimed property is turned over to a state authority is known as escheatment—the property “escheats” to the state. Note that real estate does not escheat to a state.

Sometimes states will run newspaper advertisements listing owners of property that the state is now holding. But there is another way to find out if a state is holding your property—you can go to **MissingMoney.com**, which is a Web site that is endorsed by the National Association of Unclaimed Property Administrators (NAUPA). Searching on MissingMoney.com is free and allows you to search 39 states at once, and the site has contact information for all states. NAUPA also has a Web site (www.unclaimed.org/) with additional information about unclaimed property.

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. Current payees include nearly 71,000 people aged 85 or older.



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 automatically withholds at the rate specified for a married individual 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 \$1,560 for the 2008 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.

Hobbies May Carry Health Benefits

Before you retired, you probably looked forward to long stretches of unplanned time. Now that you're retired, you may wonder how you're going to fill up all that time. Researchers find that retired people who get involved in hobbies are happier and tend to live longer. For a list of hobbies that may help you to stay healthier longer, check out this link: www.retirementhobbies.com/.
(Source: *Changing Marketing.com-CM Library*)

Retirement Decisions Involve More than Money

Financial planning is what most people think about when pondering retirement. While pensions, IRA's, and 401(k) plans certainly deserve your interest, have you considered what your life will be like now that you won't be spending nearly 2,000 hours per year at work? Check out the Web site link at www.pueblo.gsa.gov/cfocus/cfretirement06/focus.htm for ideas and resources to help you think about some ways to fill your time, stay healthy, and choose appropriate housing arrangements during one of the biggest transitions of your life. (Source: *Federal Citizen Information Center*)

Useful Links on PBGC's Web Site

- Log in to **MyPBA** (PBGC's online service for participants): www.pbgc.gov/mypba
- "Online Transactions Are Easy with **MyPBA**": www.pbgc.gov/docs/mypba.pdf
- List of missing participants owed money by PBGC: search.pbgc.gov/mp/
- Find information about your pension plan (PBGC's list of trustee plans): www.pbgc.gov/planinformation.html
- Past issues of the retiree newsletter: www.pbgc.gov/retiree-newsletter.html
- Welcome to PBGC video: www.pbgc.gov/welcomevideo.html
- Information on the Health Coverage Tax Credit: www.pbgc.gov/hctc.html

Are You Aware of Pension Fraud?

To confidentially report pension fraud, waste, or mismanagement, contact the PBGC Office of Inspector General Hotline by:

Calling 1-800-303-9737;

Visiting our Web site at: <http://oig.pbgc.gov>;
or

Writing to: Pension Benefit Guaranty Corporation, Office of Inspector General, P.O. Box 34177, Washington, DC 20043-4177.

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

It is important to let us know when you have a change in address, name, e-mail address, 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. [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.] You may also write to us at: PBGC, P.O. Box 151750, Alexandria, VA 22315-1750. If you write us, please include **your full name, the pension plan name, the pension plan number, and the last four digits of your Social Security Number** on your correspondence. It also helps to include **your current e-mail address**.

Our Customer Contact Center is available to receive your calls Monday-Friday, 8:00 a.m. to 7:00 p.m. Eastern time. In order to avoid a wait, however, it is generally better to call after the third business day of each month and on Wednesday, Thursday, or Friday. If you do call during a busy time, you don't have to hold for the next available representative. Instead, you have the option to request that the next available representative call you back. Your request actually holds your place in line and you can generally expect to receive a call back within 10 minutes. Our system will automatically dial back the telephone number you indicate, but you must be using a touch-tone telephone. The representative will make three attempts to reach you in case you step away from your telephone momentarily.

We are always interested in your opinion of our service to you. When you call our Customer Contact Center, after your business is completed our representative will ask if you wish to participate in a short, anonymous survey about the quality of our service to you. If you choose to participate, you will be transferred to another line to answer a few questions about our service.

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](mailto:foreign_language_support_team@pbgc.gov), o escriba a: PBGC, Contacto de Habla Hispana, PBGC, P.O. Box 151750, Alexandria, VA 22315-1750.