

Pension Newsletter

Pension Benefit Guaranty Corporation
United States Government Agency



Spring/Summer 2005

The Pension Safety Net—Bowed But Not Broken

By Executive Director Bradley D. Belt

Recently you may have heard that the Pension Benefit Guaranty Corporation has taken steps to assume responsibility for the pensions of 120,000 workers and retirees of United Airlines. With nearly \$10 billion of underfunding, United's pension plans represent the largest default in the 31-year history of the PBGC. Problems with private pension plans are placing increasing strain on the PBGC's pension insurance program, but our efforts to protect the retirement security of American workers continue without pause. This is our mission, and we are proud and protective of it.

Still, there is no denying the serious financial challenges we face. While the 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 provides a safety net for that system, and we are working with Congress to implement the necessary reforms. This



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process will take time, but I assure you that every effort is being made to correct the problem while there still is time.

We are also working hard to provide you with the kind of customer service that you expect and deserve. Our online service for participants in trusted plans—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. You can use it at any time to correct your address and telephone number so we can keep in touch with you. Other features will become available to you when you start receiving payments from the PBGC. In addition, as described elsewhere in this newsletter, we are making improvements to 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, listed on the last page of this newsletter, or send us an e-mail at mypension@pbgc.gov. I also invite you to visit our Web site for the latest information about PBGC and the pension insurance program.

New, Improved Web Site Coming

PBGC's Web site (www.pbgc.gov) will have a new look this summer. Improvements are based on the responses we received from surveys of people using the site. Our top goal is to make our information easier for you to use. When you visit our Web site, you will see clearly labeled tabs that lead to specific areas, such as information for workers and retirees, all organized in clear, meaningful categories. The goal is to help you find the information you want as quickly and as easily as possible, whether you're changing your address, seeking contact information, looking for updated information about your pension plan or just searching for general information about PBGC.

Information will be more user-friendly. Confusing terminology will be replaced with easy-to-understand language. Navigation of the site will be faster. Overall, the changes are designed with your convenience in mind. PBGC will continue to survey users of our Web site to monitor satisfaction after the launch of the new site.

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 un número de publicaciones de la PBGC en español, y todas están disponibles en una página especial en español en el Internet de PBGC en www.pbgc.gov/publications/spanish/publicaciones_new.htm.
- 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, 1200 K St. NW, Room 9109, Washington, DC 20005-4026.

Use MyPBA to Keep Us Informed

If you move or change your name or telephone number, PBGC needs this new information to stay in touch with you. You may do this quickly and easily by using our completely secure online service called "My Pension Benefit Account" (MyPBA), which is available around the clock on our Web site, www.pbgc.gov. Using MyPBA to update your information will assure that you receive all correspondence from us in a timely manner.

Help PBGC Find People Owed \$116 Million in Benefits

Since we started our Pension Search Directory nearly a decade ago, we have located more than 19,000 people owed more than \$94 million in pension benefits. The average amount owed per person has been \$6,184. Currently, we are seeking information on more than 32,000 people owed more than \$116 million.

We need your help to find these missing people. They could be your relatives, co-workers, neighbors or friends. If you know the person's name, the company they worked for, or even the state where the company was located, you can use our Pension Search Directory for assistance. Simply access our Web site at www.pbgc.gov/search. Scroll down to the option "Search for Your Pension," and click one of the links for the person's name, the company worked for or the state. Then follow the on-screen directions.

If you find someone you know, click on the name and answer the following questions with any information you can provide. This can be a current mailing address, dates of employment or the person's e-mail address. Then click on "submit" and we will take it from there.

PBGC Launches Spanish Language Web Site

For our Spanish-speaking customers, PBGC recently launched a Spanish-language page on its Web site. The page, accessible by clicking on the "en Espanol" icon on PBGC's home page at www.pbgc.gov, permits users to go directly to information in Spanish. PBGC publications translated into Spanish include *Your Guaranteed Pension*, *Your PBGC Benefit Options*, *Finding a Lost Pension*, *Your Appeal Rights*, *Your Application for Electronic Direct Deposit*, Fact Sheets and newsletters.

In addition, users can obtain information about filing an appeal of their benefit determination, change their address and phone number, and sign up for direct deposit of their benefit checks. "For many, English is not their first language. For our Spanish-speaking customers, PBGC took another important step toward better service by making information easily accessible to them," PBGC Executive Director Brad Belt said.

How to Qualify for Help with Health Insurance Costs

When you begin to receive PBGC benefits, you may be eligible for a tax credit that helps pay for qualified health insurance. If you are then between the ages of 55 and 65 and not eligible for Medicare, 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) 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).

Improving Our Service to You

Your call is important to us. Because of that, we recently upgraded our telephone system to improve your telephone experience with us. Now when you call us during our busy times and are asked to wait for a representative, you will be told how long your wait will be.

You now also have the option of requesting a callback from us. Instead of holding for the next representative, you may request that the next available representative call you back. Your request actually holds your place in line and you can generally expect to receive your callback within minutes. If you use a touch tone phone, our system will automatically dial the telephone number you keyed in.

Required Beginning Date to Receive Benefits

PBGC generally allows you to elect the date on which you want your annuity benefits to begin once you become eligible to retire. However, under Internal Revenue Service and PBGC rules, you must begin receiving benefits no later than April 1 of the calendar year after you reach age 70 ½. If you do not retire by that date, you may face severe tax consequences. Contact us about four months before you want to retire.


For example, if John were born October 19, 1934, he turned 70½ on April 14, 2005. John should request that his pension payments begin no later than April 1, 2006, in order to avoid taxes that might apply if he continues to wait.

Contact Center Phone Number

Effective August 1, PBGC's Customer Contact Center will have one toll-free number for all calls: 1-800-400-7242. 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 Contact Center is available to receive your calls Monday – Friday, 8:00 A.M. to 7:00 P.M., Eastern time.

1-800-400-7242

Address Service Requested


Pension Benefit Guaranty Corporation
P.O. Box 151750
Alexandria, VA 22315-1750
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Penalty for private use, \$300