

Pension Newsletter

Pension Benefit Guaranty Corporation
United States Government Agency

Fall 2006



A Quieter Year for PBGC

By Interim Director Vince Snowbarger

I am happy to report that the past year has been a quieter time for PBGC. There have been fewer pension plan terminations than in any of the preceding five years and, as a result, PBGC has had to take responsibility for the pensions of only 40,000 people in 2006—about one-seventh the number the agency took in during 2005.

PBGC also stands to get some financial relief from the pension reform bill passed by Congress and signed into law by President Bush. The biggest benefit will be a substantial increase in the amount of premium revenue PBGC expects to collect in coming years. This is not to say that PBGC's financial problems have gone away. The agency's financial position is improving, but PBGC continues to owe billions more in benefits than it currently has the funds to pay. Over time, however, we are hopeful that the new funding rules and other protections in the pension reforms will help return the insurance program to solvency and enable it to meet all of its benefit obligations.



Vince Snowbarger

While we work to implement the new law, our highest priority remains to provide you with the best customer service possible. PBGC's Customer Contact Center is ready to assist you with your requests and can be reached by telephone toll-free every weekday between 8 a.m. and 7 p.m. Eastern time (see p. 4). Our online service—My Pension Benefit Account (MyPBA)—is yet another way for you to conduct business with PBGC and is available around the clock, seven days a week (see p. 2). To use MyPBA, simply go to the Workers & Retirees page of PBGC's Web

site (www.pbgc.gov) and find the section labeled "Access Your Pension Account." From there you can open an account or log in to your existing account. Our Web site can also provide you with the latest news about PBGC, copies of our publications, and specific information about your pension plan.

We always welcome your ideas for how we can improve our service to you. Please feel free to call our toll-free telephone number or send us an e-mail at mypension@pbgc.gov with your suggestions.

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Electronic Deposit: Safe, Secure and On Time

If you are continuing to receive a monthly benefit check from PBGC by mail, consider signing up to have your payment deposited electronically to your bank account. When PBGC sends your payment electronically, your benefit amount is transferred to your account on the same date every month and your funds are available sooner than if you have to cash or deposit a mailed check.

Many recent hurricane victims experienced the advantages of electronic deposit. Retirees in the devastated areas could access their benefit funds quicker than those receiving mailed checks. Electronic deposits are safe, secure and simple. And they eliminate the risk of lost or stolen pension checks or postal delays. To begin receiving your benefit payments electronically, use MyPBA or call our Customer Contact Center.

Your Information Is Secure

PBGC has taken measures to ensure your personal data is secure when you use online services at our Web site, www.pbgc.gov. PBGC employs a security system when we process information received from any form on the site. We do not store any personal data from people on the site. This makes identity theft or computer fraud through use of our Web site highly unlikely to occur.

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.

Use “MyPBA,” PBGC’s Online Pension Service

With “MyPBA”, PBGC’s online pension service, you can update your personal information, including your

- ◆ electronic direct deposit (EDD) information,
- ◆ your federal tax withholdings,
- ◆ your contact information (postal or e-mail address, or phone number), and
- ◆ your beneficiary.

MyPBA offers a number of advantages to you:

- ◆ It’s easy to use.
- ◆ It’s fast, free, and available 24 hours a day, seven days a week.
- ◆ Online transactions are safe, confidential and completely secure.
- ◆ Forms are processed faster online. There is no waiting for forms in the mail.

To get started, go directly to:

www.pbgc.gov/mypba.

Have a Problem With “MyPBA”?

If you are unable to create an account with PBGC’s online service, MyPBA, you may have an inaccurate pension plan name or PBGC case number. Or, your pension plan may not yet be eligible for an online account.

When this occurs, you will receive a message that MyPBA could not match your plan name or number or that your plan is not eligible for an account. You will then be requested to call our Customer Contact Center for assistance. Before you call, have ready any materials or letters you received from PBGC with your pension plan name or case number.

If you have created an account and are having difficulty logging in with a new temporary user ID and password, make certain you are entering your user ID and password **exactly** as shown in the e-mail you received from PBGC. The user ID is all capital letters. The password is a combination of letters and numbers.

You May Qualify for Help with Health Insurance Costs

Individuals receiving PBGC benefits who are between the ages of 55 and 65 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).

Consider Having a Power of Attorney

At some time, you may want to choose someone to deal with PBGC on your behalf. You can do this by submitting a power of attorney form. This form allows you to authorize another person to act as your agent to do specific things, such as apply for pension benefits or respond to PBGC's request for information or documents.

PBGC's Power of Attorney form is available:

- ♦ online at www.pbgc.gov/docs/715.pdf, or
- ♦ by calling PBGC's Customer Contact Center.

When calling, please have your Social Security number, plan name and PBGC case number ready. Note that this form cannot be used during periods of incapacity, which requires a durable power of attorney. Call our Customer Contact Center for information on a durable power of attorney.

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 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 is more than \$1,480 for the 2006 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, 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.

Help PBGC Find People Owed More than \$97 Million in Benefits

Since we started our Pension Search Directory a decade ago, we have located more than 22,000 people owed more than \$107 million in pension benefits. The average amount owed has been \$5,688. Currently, we are seeking information on more than 37,000 people owed more than \$97 million.

We need your help to find these people. They could be your relatives, co-workers, neighbors or friends, and you can help

them claim a benefit they may have forgotten about. The best part is helping them find their benefit. 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/workers-retirees. Scroll down to the section headed "Pension Search: Help us find missing participants" and click on the words "Search

a list of plan participants we are looking for." The Pension Search page allows you to search the list by the person's name, by the name of the company the person worked for, or by state. Should you find someone, 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.

Problem Resolution Officer Resolves Complaints

PBGC's Problem Resolution Officer (PRO) is available to assist you when you have a complaint that you have not been able to resolve. You should contact the PRO only after having made **two attempts** to resolve your problem through normal channels such as the Customer Contact Center or the PBGC personnel specifically assigned to your plan. **Please do not contact the PRO for general inquiries.**

The PRO provides an additional avenue to have concerns about your pension addressed. For example, you may contact this office regarding difficulties with your pension benefits, with problems starting or receiving your benefits in a timely manner, or with the type of service you received from PBGC. Depending on the nature and complexity of your problem, the PRO will normally resolve the issue within 48 hours.

You may contact the PRO by e-mail at: **participant.pro@pbgc.gov**, by phone at 1-800-400-7242 ext. 4014, or by writing to: Problem Resolution Officer, Pension Benefit Guaranty Corporation, Room 12527, 1200 K Street NW, Washington, D.C. 20005.

Report the Death of a Person Receiving Benefits

When a person receiving benefits from PBGC dies, the death must be reported to us in order that we may stop payments and determine if the deceased has a beneficiary entitled to benefits. To report the death of a person receiving or due a pension benefit from PBGC, call our Customer Contact Center. You will need the following information:

- ✓ The deceased participant's name, social security number and address.
- ✓ Your relationship to the deceased participant.
- ✓ Your phone number and address.
- ✓ The date of death.

After you call with this information, we will send a letter requesting a copy of the death certificate. If there are further benefits payable, we will send the forms to initiate payments. If you have received payments issued to the deceased participant after the date of death, you should return those payments to the following address:

Pension Benefit Guaranty Corporation, Benefits Administration and Payment Department, PO Box 62133, Baltimore, MD 21298-8457

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

Let us know when you have a change in address, name or telephone number by using our online service, MyPBA, which is available at **www.pbgc.gov/mypba**, or by calling our Customer Contact Center at 1-800-400-7242. You may also 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 Customer Contact Center is available to receive your calls Monday-Friday, 8:00 a.m. to 7:00 p.m. Eastern time, by dialing: 1-800-400-7242.

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 telefónica 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 coordinadora de servicios en español para la PBGC son Orfanny Vanegas y Linette Henry. Si usted necesita ayuda, llame al 1-800-400-7242, o escriba a: PBGC, Contacto de Habla Hispana, PBGC, P.O. Box 151750, Alexandria, VA 22315-1750.