



Pension Newsletter

Pension Benefit Guaranty Corporation

Fall 2002

PBGC Is Here to Protect Your Pension

by Executive Director Steven A. Kandarian

During the past year, our nation has faced some of its most challenging times. Yet even in a period of international and economic uncertainty, PBGC remains on a sound financial footing. While PBGC recently assumed responsibility for several large, underfunded pension plans, the Corporation has maintained both its financial strength and commitment to providing you with high-quality customer service.

PBGC's fundamental purpose is to protect the basic pension benefits that you earned under your defined ben-

efit plan. We remain committed to fulfilling that mission.

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



Steven A. Kandarian

If you want information about your pension or need other 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 num-

ber (1-800-400-7242); or send us an e-mail message at mypension@pbgc.gov.

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

All of us at PBGC remain dedicated to protecting your hard-earned pension benefits.

PBGC Takes Over Several Large Pension Plans

Within the past year, PBGC took over large pension plans sponsored by LTV Corp., TWA, Republic Technologies, Inc., 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.

Each year, PBGC takes over from sponsoring companies an average of 160 pension plans that did not have enough funds to pay promised benefits to workers in retirement. Today

PBGC is responsible for the pensions of more than a half million people who participated in more than 3,000 plans.

The four LTV pension plans cover more than 82,000 former employees of the steel-making firm. When PBGC took in the LTV plans, they were the largest family of plans PBGC has taken over in its 28-year history. This fall PBGC will hold informational meetings for LTV employees in Pennsylvania, Ohio, Illinois, Indiana, Alabama and New York.



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) 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 about 8,000 people due some \$25 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 about 12,000

people owed \$27 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.

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

Law Limits PBGC Benefits

PBGC is limited by law on the amount of an individual's pension benefit it can guarantee. The limit is adjusted on January 1 of each calendar year, based on changes in the Social Security contribution and benefit base.

The benefit limit PBGC can guarantee is then based on the date (year) a pension plan is

taken over by the agency. For plans with a 2002 termination date, the maximum guarantee is \$42,954.60 yearly (\$3,579.55 monthly).

The maximum is adjusted downward for retirees younger than 65. For example, the maximum guarantee for a person who retires at 62 is \$33,934.08 yearly (\$2,827.84

What PBGC Guarantees

PBGC guarantees "basic benefits," which include (1) vested pension benefits at normal retirement age, (2) certain early retirement benefits, (3) disability benefits for disabilities that occurred before the plan was terminated, if your plan included such benefits, and (4) certain benefits for survivors of plan participants. PBGC does not guarantee health care, vacation pay, or severance pay.

There are three main limits on PBGC's guarantee. First, a maximum monthly benefit guarantee is set each year under provisions of ERISA. Second, if a plan was created or amended to increase benefits within five years before it terminated, the benefit increase may not be fully guaranteed. Third, temporary supplemental early retirement benefits are generally not guaranteed.

PBGC also pays benefits that exceed the guarantee limits if they are funded by plan assets or PBGC's recoveries from employers. The determination of what benefits are funded is made based on rules contained in the law.

monthly). For a person electing early retirement at 55, the guarantee is limited to \$19,329.60 yearly (\$1,610.80 monthly).

Tax Information You Should Know

PBGC is required to withhold federal taxes from your benefit payments unless you inform us otherwise. You have three 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 the 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 month-

ly benefit is more than \$1,280 (based on 2002 tax tables).

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 ter-

ritories. You may change your tax withholding election by calling the Customer Service Center at 1-800-400-7242. If you do not want to change your current method of tax withholding, you do not have to do anything.

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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.pueblo.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.

We Offer Translation Services

For your convenience PBGC now offers translation services in 148 languages ranging from German and French to Mandarin Chinese and Swahili. Should you wish the services of a translator when you call the agency, please tell our customer service representative the language you prefer. The representative will then contact PBGC's language translation service, and a translator will soon come on the line to assist your conversation.

Para nuestros lectores de habla hispana: Información en Español

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. Representantes de la PBGC que hablan español estarán listos para responder a sus preguntas.

La PBGC puede organizar reuniones para explicar los beneficios en español.

Si usted necesita ayuda, o tiene alguna pregunta, llame a nuestro Centro de Servicio al Cliente al 1-800-400-7242, o escriba a: PBGC, P.O. Box 19153, Washington, DC 20036-9153.

TTY/TDD users, call 1-800-877-8339 and ask to be connected to 1-800-400-7242.

PBGC Customer Service Pledge

Our customers deserve our best effort as well as our respect and courtesy.

On the first call from you, our customer, we will say:

- *what we can do immediately and what will take longer,*
- *when it will be done, and*
- *who will handle your request.*

We will call you if anything changes from what we first said, give you a status report and explain what will happen next.

We will have staff available from 8:00 a.m. - 5:00 p.m. Eastern Time to answer your calls. If you leave a message, we will return the call within one workday.

We will acknowledge your letter within one week of receipt.

Keep PBGC Informed

Should you move or change your name or telephone number, PBGC needs this new information to serve you best.

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, or call our Customer Service Center toll-free at 1-800-400-7242 to provide us with information about changes in your name, address, or phone number. Up-to-date information helps us stay in touch with you.

Address Service Requested

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