

Pension Newsletter

Pension Benefit Guaranty Corporation
United States Government Agency

Fall 2010



PBGC: What You Need to Know

By Director Joshua Gotbaum

You're receiving this because your company's pension plan didn't have the funds to pay your benefit. Fortunately, the federal government established the Pension Benefit Guaranty Corporation to protect your pension benefit. For more than 35 years, we've stepped in and provided pensions for people when their pension funds could not.

In the past year, we've provided pension payments to more than 740,000 people—retirees like you, and their surviving beneficiaries. We are prepared to make payments to some 740,000 others who are still working, once they're eligible to retire. We insure 44 million others, any one of whom might one day receive PBGC benefits.

Most of you have been receiving your pension from us for many years. You know that your check comes on time every month. I hope you also know that **if you have a question, our customer service staff will get you an answer.**

If you're new to PBGC, you should know that you will keep receiving a benefit payment without interruption. Your payments will keep coming while we figure out your benefits under the federal program. We are committed to making sure that you receive the full benefit you are entitled to under the law.



Joshua Gotbaum

As you know, pensions are complicated. It will take time to figure out your final benefit. The dedicated team at PBGC is ready to answer your questions about that process. And as soon we can, if we haven't already, we will explain the final payment amount you will receive from PBGC and how to get it.

If you can, please visit our website, www.pbgc.gov for news about PBGC, to learn more about how our benefit payments work, and to take advantage of **MyPBA**, our online service for participants in trusted plans. **MyPBA** is a quick and easy way for you to work with us, 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/mypba.pdf.

If you have especially difficult questions or problems with your pension, our participant Problem Resolution Officer stands ready to assist you.

The PRO can be reached:

- by phone at 1-800-400-7242 ext. 4014;
- by e-mail at Help@pbgc.gov; or
- by writing to:

Problem Resolution Officer
Pension Benefit Guaranty Corporation
1200 K St. NW
Washington, D.C. 20005-4026

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VIEW THIS AND PAST NEWSLETTERS ONLINE AT www.pbgc.gov/retireenewsletter

Want to Get This Newsletter by E-mail?

You no longer have to wait for the mail to deliver your printed PBGC newsletter. You can now get it via your computer.

How do you choose electronic “delivery” of your newsletter? Simply log on to your **MyPBA** account and change your method of receiving your newsletter from “paper” to “e-mail.” If you do not have a **MyPBA** account, call our Customer Contact Center at 1-800-400-7242 and tell the customer service representative that you prefer to receive your newsletter via e-mail. Once you’ve signed up for this option, we will send you an e-mail informing you when a new newsletter is posted to www.pbgc.gov.

If you would like to continue to receive your printed newsletter via U.S. mail, you don’t have to do a thing!

New Look Coming for PBGC.Gov

Keep an eye on our website, www.pbgc.gov—it’s changing for the better! Within the next few months, we will roll out a new look for PBGC.gov. All the same information will still be there, but organized better for your use. To give you a taste of what’s coming, this is what our new home page will look like:

The screenshot shows the new PBGC.gov website layout. At the top, there is a navigation bar with links for Sitemap, A-Z Index, Glossary, Contact Us, and Help. Below this is the PBGC logo and the text "Pension Benefit Guaranty Corporation A U.S. Government Agency". A search bar is located on the right side of the header. The main navigation menu includes links for HOME, WORKERS & RETIREES, PRACTITIONERS, RESOURCES, NEWS & MEDIA, and ABOUT PBGC. The main content area features a large banner with the headline "Protecting Retirement Incomes of Americans" and a "Learn More" button. Below the banner are several featured sections: "MyPBA Online Transactions", "Find My Plan", "For Practitioners", and "Frequently Asked Questions". Each section includes a small image and a brief description of the service.

Important Tax Information

PBGC must withhold federal taxes from your benefit payments unless you choose for us not to. You can change your withholding election yourself in **MyPBA** (www.pbgc.gov/mypba) or by calling our Customer Contact Center.

You can elect for PBGC to:

- 1) withhold no taxes;
- 2) withhold a fixed dollar amount; or
- 3) automatically withhold taxes 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 annual benefit is more than \$24,960 for the 2010 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.

On the Watch for Pension Fraud and Abuse

PBGC’s Office of Inspector General works to detect and prevent fraud, waste, abuse, and violations of law, as well as to promote the efficiency and effectiveness of PBGC’s operations.

Did You Know?

It is a felony to knowingly and willfully falsify documents, conceal a material fact, or make a false statement to federal officials. Punishment for this offense is up to five years in jail and a fine. We take such offenses seriously and aim to prevent them from occurring. For example, in one case the office recovered more than \$15,000 from a retiree’s daughter who failed to report her father’s death to the PBGC and continued receiving his pension benefits.

If you suspect fraud or illegal activities have been committed against yourself, a family member, a friend, or PBGC, please contact the OIG Hotline: call 1-800-303-9737, write to OIG Hotline, P.O. Box 34177, Washington DC 20043-4177, or contact us via our website at <http://oig.pbgc.gov/investigation/details.html>.

Going the Extra Mile to Estimate Your Benefit

At PBGC, we strive to provide the best customer service possible. That means giving you the information you need about your pension benefits as quickly as we possibly can—but that's not always an easy task.

Our first step is to find and piece together all necessary company records, which can be difficult. This is our first information about your specific benefits. Sometimes these records can be hard to obtain and sort out, and some of the information we need may be missing or inconsistent.

Once we get all the information we need, we have to set up our systems to calculate your pension benefit according to the specific terms of your pension plan. PBGC insures over 29,000 different pension plans, and each has its own unique provisions. This means we have to analyze and process each plan individually.

This can be time-consuming and challenging work, but our aim is to provide you with an accurate estimate of your benefits as fast as possible.

Get Additional Help with Health Insurance Costs

Individuals receiving PBGC benefits who are age 55 or older and not enrolled 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 80% of the cost of your qualified health insurance premium. The HCTC, administered by the Internal Revenue Service, is available as a monthly 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 monthly 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 (Keyword Search: HCTC), or call the HCTC Customer Contact Center at 1-866-628-4282 (TTD/TTY: 1-866-626-4282).

Your Military Service and Your Pension

If you were serving in the military when your pension plan ended, you may be due a higher benefit from PBGC. The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) requires pension plans to grant pension service credit during your military service if, soon after leaving the military, you returned to work for the employer that sponsored the plan.

New regulations allow PBGC to recognize this service regardless of whether you returned to work before or after the plan ended. You could be affected by this change if:

- you were serving in the military when your plan ended; and
- you returned to work for the same employer shortly after leaving the military; and
- PBGC did not already include this service in your benefit calculation.

If you meet these requirements, PBGC will recalculate your retirement benefit including your military service up to the date the plan ended. Please call us at 1-800-400-7242 if you think you are affected by this change.

Electronic Deposit Assures Prompt Payment by the First of Every Month

Electronic Direct Deposit (EDD) allows PBGC to electronically transfer your monthly payment into your bank account without a paper check. With EDD, you no longer have to wait until the seventh of the month to receive your check in the mail, and then carry it to your bank. Instead, your money automatically appears in your bank account by the morning of the first of every month, even if you are away from home. You may sign up for EDD through **MyPBA** on our website, or by calling our Customer Contact Center at 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 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 foreignlanguagesupportteam@pbgc.gov, o escriba a: PBGC, Contacto de Habla Hispana, PBGC, P.O. Box 151750, Alexandria, VA 22315-1750.

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

It is important to let us know when you have a change in address, 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 a Wednesday, Thursday, or Friday.

If you do call during a busy time, you don’t have to hold for the next available representative. Instead, if you are using a touch-tone telephone, you can request that the next available representative call you back. You can generally expect to receive a call back within 10 minutes. The representative will make three attempts to reach you in case you step away from your telephone momentarily.

You Can Help Us Find People Owed Pension Benefits

PBGC continues to seek many people to whom we owe benefits, some of whom may have been in your plan. You may be able to help us and them. On the “Workers & Retirees” page of our website, PBGc.gov, under the heading “Pension Search,” you can find the link to “Search a list of the plan participants we are looking for.” If you go to that list, you can enter your plan name to see everyone in the plan we are seeking to locate. Or, you can enter a person’s name to check if we are seeking information on them. If you or someone you know is owed benefits, you can either notify the person(s) or call PBGC at 1-800-400-7242, and we will follow up. We know how important benefits are to retirees and their beneficiaries, and we appreciate your help in finding those to whom money is owed.

The New PBGc.gov Glossary Is Here!

As a new service to help you understand the technical pension terms you’ll find on our website, we recently introduced a **glossary** with simplified definitions of common PBGC-specific terms. Many of the glossary’s entries link to other PBGC web pages with related information. You can view the glossary from the [Workers and Retirees page](#) or the [New Visitors page](#).