



IMPORTANT INFORMATION ABOUT YOUR 2006 FLAT-RATE PREMIUM FILING

This notice is for plan administrators of pension plans covered by Title IV of the Employee Retirement Income Security Act of 1974 (ERISA).

Recently-enacted budget legislation has increased the per-participant flat-rate premium payable to the Pension Benefit Guaranty Corporation (PBGC) to \$30 for single-employer plans and \$8 for multiemployer plans. The change is effective for plan years beginning in 2006.

If you have not yet made a flat-rate premium filing for the 2006 plan year, be sure to pay at the new rate.

If you paid the 2006 flat-rate premium at the old rate (\$19 for single-employer plans and \$2.60 for multiemployer plans), you must make an amended filing by the filing due date to bring your payment up to the new \$30 or \$8 level.

The flat-rate premium due date for large plans (those with 500 or more participants for the prior plan year) is the last day of the second full calendar month in the plan year (February 28th for calendar-year plans). The change in the premium rates does not extend premium filing due dates.

Submit your flat-rate filing and payment (including any amendment) by the flat-rate premium due date to avoid interest and penalty. The PBGC may waive penalties in appropriate circumstances.

We encourage you to submit your premium filings (whether original or amended) electronically and hope that the e-filing option will make it easier for you to file timely. If, however, you use a paper 2006 Form 1-ES that shows the old premium rates, simply cross out the old rate and write in the new rate. The form can be downloaded from the PBGC's Web site (www.pbgc.gov).

The PBGC expects to phase in mandatory electronic premium filing. Our current schedule (which is subject to change) would require large plans to file electronically starting July 1, 2006, and extend this requirement to all plans, including small plans, starting January 1, 2007. When the effective date for mandatory electronic premium filing is definite, it will be posted under "What's New" in the Practitioner section of the PBGC's Web site. "What's New" is a new feature on the PBGC's Web site that shows the status of various items of interest to plan administrators, sponsors, and other practitioners. To access "What's New," visit the Web site at www.pbgc.gov, select the "Practitioners" tab, and click the "What's New" link (in the upper right corner of the page).

If you have any questions, please call the practitioner toll-free number at 1-800-736-2444 and select "2" for premiums, or e-mail us at premiums@pbgc.gov.