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Pension Benefit Guaranty Corporation
1200 K Street, N.W., Washington, D.C. 20005-4026

June 27, 2003



Re: [redacted] Appeal [redacted]
Transue & Williams Stamping Company Retirement Plan
for Hourly Employees (the "Plan")

Dear [redacted]

The Appeals Board has reviewed your appeal of PBGC's September 30, 2000 determination, remailed December 30, 2002, of [redacted] benefit. As explained below, we are denying your appeal.

PBGC's Determination and Your Appeal

PBGC found:

- [redacted] Normal Retirement Benefit is \$423.30 per month if paid as a Straight Life Annuity starting at age 65, and
- His benefit will be reduced if started before age 65. For example, his benefit would have been \$179.48¹ per month if paid as a Straight Life Annuity starting at age 57.

In your March 7, 2003 appeal, you noted [redacted] was entitled to an *unreduced* benefit starting at age 57 under three February 2003 Appeals Board decisions. We explain below that the prior Appeals Board decisions you cite were incorrectly decided.

Data Relevant to Your Appeal

The following data is relevant to your appeal:

(1)	[redacted] date of birth:	[redacted]
(2)	Date of hire:	8/24/1962
(3)	The Plan's termination date:	6/24/1993
(4)	Vesting service earned through 6/24/1993:	31.4 years
(5)	[redacted] age on 6/24/1993:	52 years 3 months

¹ \$423.30 x (100% - 7.2% per year x 8 years before age 65).
See paragraph 5.3(b) on page 20 of the Enclosure to this letter.

Relevant Law and Regulations

The Plan terminated without assets sufficient to provide the benefits PBGC guarantees. Thus, under ERISA Title IV, PBGC may pay [redacted] only his guaranteed benefit.

Under ERISA section 4022(a), a guaranteed benefit must be "nonforfeitable" on a plan's termination date. A nonforfeitable benefit is "a benefit for which a participant has satisfied the conditions for entitlement under the plan or the requirements of [ERISA] other than . . . completion of a required waiting period."² Thus, [redacted] PBGC benefit depends on which Plan employment conditions he had satisfied as of the Plan's June 24, 1993 termination date.

Relevant Plan Provisions

In this letter we refer to the Plan document in effect on the Plan's termination date - the same document you excerpted with your earlier three appeals. The Appeals Board decisions on those three appeals cite from a later Plan document adopted after the Plan's termination date. Please note, although numbered differently, the later document also gives the same requirements summarized below. See Enclosures 1 and 2.

PBGC determined [redacted] benefit under section 4.5:

"(a) A Participant shall be eligible for a Deferred Vested Pension if his employment is terminated before death or Retirement after he has completed at least 10 years of Vesting Service." (underlining added)

Retirement is defined only for benefits other than the Deferred Vested Pension, in Section 2.3(b), as follows:

"Termination of employment for reason other than death after a Participant has fulfilled all requirements for a Normal, 57/30, Early or Disability Retirement Pension." (underlining added)

The unreduced pension you have requested is a "57/30 Retirement Pension." Section 4.2 provides:

"(a) A Participant with 30 or more years of Vesting Service who retires on or after attainment of age 57 shall be eligible for a 57/30 Retirement Pension. (underlining added)³

² See ERISA § 4001(a)(8), and 29 Code of Federal Regulations §§ 4001.2 and 4022.3.

³ The start date of the 57/30 Retirement Pension is given in section 4.2(b).

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Discussion

For the 57/30 Retirement Pension, Plan section 4.2(a) requires terminating employment (retiring) at age 57 or later. However, [redacted] age was only 52 on June 23, 1994. Thus, on the June 23, 1994 Plan termination date, [redacted] had not met the Plan's condition of working to or beyond age 57. Therefore, the law does not allow PBGC to pay [redacted] a 57/30 Retirement Pension.

The three February 2003 Appeals Board decisions you cited in your appeal were incorrectly decided. The Board based those decisions on Plan section 4.2(a), which you provided with those appeals. The Board decided those three appeals without considering the Plan's definition of Retirement in section 2.3(b). Therefore, the Board will not apply the February 2003 decisions to [redacted]

Where to Submit Any New Evidence

PBGC will always - even after an appeal is closed-consider any new specific evidence you present showing your client may be entitled to a different benefit. Please send any such information to:

PBGC Authorized Plan Representative
PO Box 151750
Alexandria VA 22315-1750

You may also contact PBGC's Authorized Plan Representative with any question about your benefit, at 1-800-400-7242.

Decision

Having applied the law and Plan provisions to the facts in your case, we are denying your appeal. This letter concludes your administrative remedies with respect to PBGC's December 30, 2002 determination. You may, if you wish, seek court review of PBGC's determination with respect to the issues you have raised. Thank you for your patience while we carefully reviewed your March 7, 2003 appeal.

Sincerely,

William D. Ellis

William D. Ellis
Appeals Board Member

Enclosures:

- 1) Excerpts from Plan document in effect on the Plan's June 24, 1993 termination date (15 pages)
- 2) Excerpts from Plan document dated June 1994 (18 pages)

cc: [redacted]