



2002-R
PREMIUM PAYMENT PACKAGE
PENSION BENEFIT GUARANTY CORPORATION

This Package Contains:

PBGC Form I
Schedule A
PBGC Form 1-EZ
2002 Instructions

To All Plan Administrators:

We are enclosing the forms and instructions for your premium payments to the Pension Benefit Guaranty Corporation for the 2002 plan year. This year, we revised the premium instruction booklet to make it easier to use.

We are issuing this revised "2002-R" premium booklet because of a statutory change enacted earlier this year after we began distribution of the original 2002 booklet. Under the new provision, for plan years beginning in 2002 or 2003, plans calculate unfunded vested benefits for purposes of the variable-rate premium using 100 percent (rather than 85 percent) of the annual yield on 30-year Treasury securities. The only differences between this "2002-R" booklet and the original 2002 booklet are revisions in "What's New" (p.1) and the definition of "Required Interest Rate" (p.5) to reflect this new interest rate.

Please note that PBGC's web site contains other pension-related information that you may find useful, including current and prior premium filing booklets, frequently asked questions, interest rates, information on disaster relief, and regulations. The web site also includes guidance on use of the 100 percent rate for purposes of reporting and disclosure requirements.

If you have a premium-related inquiry, please call our toll-free practitioner number at 1-800-736-2444. If you have a complaint about the service you have received or still need assistance after calling our practitioner number, please contact our Problem Resolution Officer for practitioners at 202-326-4136 or by e-mail at practitioner.pro@pbgc.gov.

We welcome your suggestions and seek to provide you with the best service possible.

A handwritten signature in black ink that reads "Steven A. Kandarian". The signature is written in a cursive, flowing style.

Steven A. Kandarian
Executive Director
Pension Benefit Guaranty Corporation

Pension Benefit Guaranty Corporation

Customer Service Plan for Plan Administrators

What is Our Mission?

The mission of the Pension Benefit Guaranty Corporation (PBGC) is to operate as a service-oriented, professionally managed agency that protects participants' pension benefits and supports a healthy retirement plan system. We encourage the continuation and maintenance of private pension plans, protect pension benefits in ongoing plans, provide timely payments of benefits in the case of terminated plans, make the maximum use of resources, and maintain premiums and operating costs at the lowest levels consistent with statutory responsibilities.

Who Are Our Customers and What Services Do We Provide?

As a plan administrator of a pension plan that pays premiums to PBGC, you are one of PBGC's principal customers. In administering the premium collection program, we:

- Collect premiums from covered plans;
- Issue annual premium forms and instructions packages;
- Answer questions from plan administrators, sponsors, and practitioners about premium payments;
- Process premium-related requests, including requests for refunds and administrative changes;
- Issue past due filing notices and statements of account (premium invoices), as appropriate;
- Make decisions on requests for reconsideration of agency determinations in the premium administration area.

Of course, our dealings with plan administrators, plan sponsors, and pension practitioners go beyond premium collections. Should a defined benefit pension plan terminate, as either a standard or a distress termination, you have dealings with the PBGC to bring the case to closure.

Our 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 8:00a.m.-5:00p.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.

Survey Results and Service Improvement Efforts

The most recent customer satisfaction surveys of pension professionals tell us our overall service quality has improved and we are doing better in meeting our service pledge—but that we need to do even better. The service areas we are focusing on are *timely premium refund processing* and *timeliness and follow-up in handling all pension practitioner issues*. Since almost half of all pension plans have an October 15 premium filing deadline, PBGC experiences its peak premium processing season in October through December. Refunds requested during this period will take longer to process due to the increased number of filings received. We continue to seek ways to make our processes more responsive to the needs of the practitioner community.

To deliver better service to you we have redesigned our Internet Home page, giving you easier access to information of interest to pension practitioners.

If you have any questions or complaints, please contact us by telephone, fax, or e-mail at one of the numbers or addresses listed on page v.

PAPERWORK REDUCTION ACT NOTICE

We need this information to determine the amount of premium due to the PBGC under Title IV of ERISA and to monitor single-employer plans' compliance with the Participant Notice requirement in ERISA section 4011 and 29 CFR Part 4011. You are required to give us this information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. OMB has approved this collection of information under control number 1212-0009. Confidentiality is that supplied by the Privacy Act and the Freedom of Information Act.

The estimated burden associated with completing and filing Form 1-EZ or Form 1 (and, for single-employer plans that are not exempt from the variable rate premium, Schedule A) is shown below. The burden estimates are expressed in hours (for filings done in-house) and in dollar cost (for filings contracted out). (The PBGC assumes that 95% of the burden is contracted out.) The burden estimates are averages for the plans in each of the listed categories. These times will vary depending on the circumstances of a given plan.

FORM AND PLAN TYPE	AVERAGE BURDEN
<u>Form 1 and Schedule A or Form 1-EZ (Single-Employer Plans)</u>	
Plans With Under 500 Participants	
Fully funded or exempt from variable rate premium.....	1.0 hour or \$200
Underfunded.....	1.7 hours or \$340
Plans With 500 or More Participants	
Fully funded or exempt from variable rate premium.....	1.0 hour or \$200
Underfunded.....	5.1 hours or \$1,020
<u>Form 1 (Multiemployer Plans).....</u>	0.5 hour or \$100

If you have comments concerning the accuracy of these burden estimates or suggestions for making the forms simpler, please send your comments to Pension Benefit Guaranty Corporation, Office of the General Counsel, Suite 340, 1200 K Street, NW, Washington, DC 20005-4026.

Reminder to Single-Employer Plans About Reportable Events

The plan administrator or contributing sponsor may have to notify the PBGC about certain events:

- 20% reduction in active participants
- Failure to make minimum funding payments
- Inability to pay benefits when due
- Excess distributions to a substantial owner within a 12-month period
- Transfer of 3% or more of benefit liabilities outside the controlled group
- Application for minimum funding waiver
- Transaction involving a change in contributing sponsor or controlled group
- Liquidation or dissolution of a contributing sponsor or a controlled group member
- Declaration of an extraordinary dividend or stock redemption
- Loan default
- Bankruptcy, insolvency, or similar settlements with creditors

In most cases, notice is required within 30 days after the plan administrator or contributing sponsor knows or has reason to know that an event has occurred. In certain cases involving privately-held companies or controlled groups whose pension plans have aggregate unfunded vested benefits of more than \$50 million, the contributing sponsor (but not the plan administrator) must notify the PBGC 30 days before the effective date of certain events. See section 4043 of ERISA and PBGC's regulation on Reportable Events and Certain Other Notification Requirements (29 CFR Part 4043). Failure to give PBGC timely notice may result in assessment of penalties under section 4071 of ERISA.

NOTE: The PBGC provides Form 10 and Form 10-ADV for notifying PBGC that a reportable event has occurred. These forms are available on the PBGC's Web site (www.pbgc.gov) and can be downloaded.

Reminder to Plan Administrators About 2002 Participant Notices

The plan administrator of a single-employer plan that pays a variable rate premium (VRP) for the 2002 plan year may be required to issue a 2002 Participant Notice about the plan's funding status and the limits on the PBGC's guarantee of benefits.

The 2002 Participant Notice is due two months after the due date for the 2001 Form 5500 series, including extensions (*i.e.*, during the 2002 plan year). For calendar year plans, the 2002 Participant Notice must be given by September 30, 2002, if the 5500 due date is July 31, 2002; by November 18, 2002, if the 5500 due date is September 16, 2002; or by December 16, 2002, if the 5500 due date is October 15, 2002. (Due dates that fall on a weekend or Federal holiday are extended to the next business day.)

EXEMPTIONS: A plan that meets the Deficit Reduction Contribution (DRC) Exception Test for the 2001 or 2002 plan year is exempt from having to provide the 2002 Participant Notice. Most new and newly-covered plans are also exempt.

Example 1: No VRP owed for 2002. A VRP was owed for Plan A for the 2001 plan year but not for the 2002 plan year. No Participant Notice is required for Plan A for the 2002 plan year.

Example 2: VRP owed for 2002 but DRC Exception Test met for 2001. A VRP was owed for Plan B for the 2002 plan year, and Plan B did not meet the DRC Exception Test for the 2002 plan year, but Plan B met the DRC Exception Test for the 2001 plan year. No Participant Notice is required for Plan B for the 2002 plan year.

Example 3: VRP owed for 2002 but DRC Exception Test met for 2002. A VRP was owed for Plan C for the 2002 plan year, and Plan C did not meet the DRC Exception Test for the 2001 plan year, but did meet the DRC Exception Test for the 2002 plan year. No Participant Notice is required for Plan C for the 2002 plan year.

Example 4: VRP owed for 2002 and DRC Exception Test not met for either 2001 or 2002. A VRP was owed for Plan D for the 2002 plan year, and Plan D did not meet the DRC Exception Test for either the 2001 plan year or the 2002 plan year. A Participant Notice must be issued for Plan D for the 2002 plan year.

For more information, see section 4011 of ERISA and the PBGC's regulation on Disclosure to Participants (29 CFR Part 4011). Early each year, the PBGC issues a Technical Update that includes a Model Participant Notice for that year and a worksheet to help plan administrators determine whether they must issue a Participant Notice for that year. The regulation and Technical Updates are available on the PBGC's Web site, www.pbgc.gov.

Help Us Post Your Premium Filings Promptly And Accurately

- A. Submit Only One Payment with One Filing.** Do not combine the premiums for two or more plans into one payment.
- B. Include EIN/PN and PYC on all Payments and Correspondence.**
- C. Send Premium Filings Only to the Premium Filing Addresses** in 2. below.
- D. Send Other Correspondence to the Correspondence Addresses** in 3. below.
- E. Notify PBGC of EIN/PN Changes.** The best way to tell us about this change is on your premium form, which includes space for this information.

CONTACTS

1. PBGC's Web site, www.pbgc.gov, contains pension plan information of interest to the plan administrator and practitioner, such as current and prior premium filing booklets, frequently asked questions, interest rates, regulations, etc.
 2. **Where to send premium filings** (including amended filings)
 - a. If you **mail** your premium forms, address them to:
Pension Benefit Guaranty Corporation
P.O. Box 64880
Baltimore, MD 21264-4880
 - b. If you send your premium forms by **delivery service**, address them to:
ALLFIRST Bank
110 South Paca Street
Mail Code:109-320/Lockbox #64880
Baltimore, MD 21201
 - c. If you pay by **check**, write the plan's EIN/PN and the date the premium payment year commenced (PYC) on the check and send the check with your form.
 - d. If you pay by **electronic funds transfer**, send the payment to:
ALLFIRST Bank
Baltimore, Maryland
ABA: 052000113
Account: 425-5265-5
Beneficiary: PBGC
Reference: (give plan's EIN/PN and the date the premium payment year commenced (PYC) in the format "EIN/PN: XX-XXXXXXX/XXX
PYC: XX/XX/XX")
 3. For all **premium-related correspondence other than premium filings**, including requests for booklets or forms, premium filing questions, address changes, requests for refunds (that are not submitted via premium filing forms), and requests for reconsideration of premium penalty assessments:
 - a. If you **mail** your correspondence, address it to:
Pension Benefit Guaranty Corporation
P.O. Box 64916
Baltimore, MD 21264-4916
 - b. If you send your correspondence by **delivery service**, address it to the same address as in 2.b. above.
 - c. Or **call** us at: 1-800-736-2444
or (202) 326-4242
 - d. Or **fax** us at: (202) 326-4250
 - e. Or **E-mail** us at: premiums@pbgc.gov
 4. For current interest rate information:
Call: (202) 326-4041
Internet: www.pbgc.gov
or write to:
Pension Benefit Guaranty Corporation
CPAD, Suite 240
1200 K Street, NW
Washington, DC 20005-4026
 5. For assistance on coverage determination or plan termination:
Call: 1-800-736-2444
(202) 326-4242
E-mail: standard@pbgc.gov
or write to:
Pension Benefit Guaranty Corporation
IOD/Technical Assistance Branch, Suite 930
1200 K Street, NW
Washington, DC 20005-4026
 6. If you have a complaint about the service you have received or still need assistance after calling our practitioner telephone numbers listed in items 3 and 5 (1-800-736-2444 or (202) 326-4242), please contact the Problem Resolution Officer (Practitioners):
Call: (202) 326-4136
E-mail: practitioner.pro@pbgc.gov
or write to:
Pension Benefit Guaranty Corporation
Problem Resolution Officer (Practitioners), Suite 610
1200 K Street, NW
Washington, DC 20005-4026
 7. Any vendor requesting approval of automated forms may send a sample (including 3 original forms) to:
Pension Benefit Guaranty Corporation
Vendor Forms Review Office, FOD/CCD, Suite 670
1200 K Street, NW
Washington, DC 20005-4026
 8. For TTY/TDD users, call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to the appropriate number listed above.
- Note:** We cannot accept collect calls.

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Part A INTRODUCTION AND DEFINITIONS

1. What's New

This year, we have revised the premium instruction booklet to make it easier to use. Most definitions have been moved to Part A. Part B now contains basic premium filing information: who must file; when, where, and what to file; how to prorate your premium for a short plan year; how to correct a filing; how underpayments and overpayments are handled; and recordkeeping and audits. Parts C, D, and E give item-by-item instructions for Form 1-EZ, Form 1, and Schedule A respectively. Part F contains special instructions for plans in distress or involuntary terminations.

We have also renumbered some of the items on page 2 of Form 1 (without changing the position of the items on the page) for greater consistency of numbering between Form 1 and Form 1-EZ. For filers requesting a refund by electronic funds transfer, we have added to Form 1-EZ and Form 1 a box that you can use if you want the refund credited to a sub-account number within your bank account. There are also new boxes on Form 1-EZ and Schedule A for a

2. Introduction

PBGC premium forms are used to pay premiums to the Pension Benefit Guaranty Corporation (PBGC) as required by sections 4006 and 4007 of the Employee Retirement Income Security Act, as amended (ERISA), and the PBGC's premium regulations (29 CFR Parts 4006 and 4007). There are two kinds of premiums: the flat rate premium, which applies to all plans, and the variable rate premium, which applies only to single-employer plans.

Every plan must file Form 1 or Form 1-EZ, whichever applies to the plan. Some plans must also file Schedule A with Form 1. These three forms are included in this booklet. The table on page 10 shows

3. Definitions Relating to Laws

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended (29 U.S.C. 1001 et seq.).

"Code" means the Internal Revenue Code of 1986, as amended.

4. Definitions Relating to Parties

"We" or **"us"** means the Pension Benefit Guaranty Corporation.

"You" or **"your"** means the administrator of a pension plan.

"Plan sponsor" means:

- a. the employer(s), in the case of a single-employer pension plan;
- b. the employee organization, in the case of a plan established or maintained by an employee organization; or

certifying actuary's telephone number.

For the plan year beginning in 2002, you may now make your premium filing using a photocopy of the premium form (with your original signature).

In addition, this 2002-R premium booklet reflects a statutory change related to the Required Interest Rate that was made earlier this year after we issued the original 2002 premium booklet. The Job Creation and Worker Assistance Act of 2002 ("JCWAA") temporarily increased the interest rate used to determine variable rate premiums from 85 percent to 100 percent of the annual yield on 30-year Treasury securities. This higher interest rate applies to plan years beginning in 2002 or 2003. (See the definition of "Required Interest Rate" in Part A.7., p. 5.). All forms are unchanged from the original 2002 package.

See the PBGC's web site (under "Legal Information & FOIA" - "Laws & Regulations" - "Technical Updates") for guidance on use of the 100 percent rate for purposes of reporting and disclosure requirements.

which form(s) to file, and the instructions in this booklet tell how to complete Form 1, Form 1-EZ, and Schedule A and how to make the premium payment due. In addition, some large plans must also file Form 1-ES, which is issued in a separate booklet.

Your premium filing will be considered improper if it is not made in accordance with the premium regulations and the instructions on the form(s) and in this booklet, if it is not accompanied by the required premium payment, or if it is otherwise incomplete.

Subparts 3 through 9 of this Part tell you the definitions of special terms that are used in these instructions.

"Premium regulations" means the PBGC's regulations on Premium Rates and Payment of Premiums (29 CFR Parts 4006 and 4007). The premium forms and instructions are issued under and implement the premium regulations.

c. in the case of a plan established or maintained by two or more employers and one or more employee organizations, the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan.

"Plan administrator" means:

- a. the person specifically so designated by the terms of the instrument under which the plan is operated; or
- b. if an administrator is not so designated, the plan sponsor.

Part A.5 Definitions Relating to Forms and Identifying Numbers

5. Definitions Relating to Forms and Identifying Numbers

“**Form 1**” means the Annual Premium Payment Form 1 issued by the PBGC and includes, for single-employer plans, the Schedule A.

“**Form 1-EZ**” means the Annual Premium Payment Form 1-EZ for Single-Employer Plans Exempt from the Variable Rate Premium, issued by the PBGC.

“**Form 1-ES**” means the Estimated Premium Payment Form 1-ES issued by the PBGC (in a separate booklet) for estimating the flat rate premium for certain large single-employer plans and the total premium for certain large multiemployer plans.

“**Schedule A**” means the schedule to the Form 1 which is used by single-employer plans that are not exempt from the variable rate premium to report unfunded vested benefits and compute the variable rate premium.

6. Definitions Relating to Dates

“**Premium payment year**” means the plan year for which the premium is being paid.

“**Premium Snapshot Date**” means the last day of the plan year preceding the premium payment year (e.g., 12/31/2001 for a calendar year plan’s 2002 premium payment year) except as follows:

a. For a new plan or newly covered plan, the premium snapshot date is the first day of the premium payment year, or the first day the plan became effective for benefit accruals for future service, if that is later.

(If the adoption date of a newly created plan covered under section 4021 of ERISA is after its effective date (*i.e.*, the plan is adopted retroactively), either the adoption date or the effective date may be used as the premium snapshot date. If you determine the plan’s Final Filing Due Date under B.2.b.(i), p. 7 (the 15th day of the 10th full calendar month that begins on or after the first day of the premium payment year), you must use the first day of the premium payment year as the premium snapshot date. If you prorate the plan’s first-year premium, you must use the premium snapshot date as the first day of the plan year (see B.5., p. 12).)

b. If the plan is the transferee plan in a merger or the transferor plan in a spinoff and the transaction

“**Form 5500 series**” means Form 5500, Annual Return/Report of Employee Benefit Plan, jointly developed by the Internal Revenue Service, the Department of Labor, and the PBGC. (Copies of this form may be obtained from the Internal Revenue Service or the Department of Labor.)

“**Schedule B**” means Schedule B to the Form 5500 series.

“**EIN**” means Employer Identification Number. It is always a 9-digit number assigned by the Internal Revenue Service for tax purposes.

“**PN**” means Plan Number. This is always a 3-digit number. The plan sponsor assigns this number to distinguish among employee benefit plans established or maintained by the same plan sponsor. A plan sponsor usually starts numbering pension plans at “001” and uses consecutive Plan Numbers for each additional plan. Once a PN is assigned, always use it to identify the same plan. If a plan is terminated, retire the PN — do not use it for another plan.

meets the conditions described in (i) and (ii) below, the premium snapshot date is the first day of the premium payment year. A plan merger or spinoff (as defined in the regulations under section 414(l) of the Code) is covered by this rule if

(i) a merger is effective on the first day of the transferee (the continuing) plan’s plan year, or a spinoff is effective on the first day of the transferor plan’s plan year, and

(ii) the merger or spinoff is not *de minimis*, as defined in the regulations under section 414(l) of the Code with respect to single-employer plans, or in the PBGC’s regulation under ERISA section 4231 (29 CFR Part 4231) with respect to multiemployer plans.

The following examples illustrate the determination of the premium snapshot date. Examples 1 and 2 illustrate the usual rule (where the premium snapshot date is the last day of the plan year preceding the premium payment year). Examples 3 and 4 illustrate the situation for a new plan (where the premium snapshot date is the first day of the premium payment year, or the first day the plan became effective for benefit accruals for future service, if that is later). Examples 5 and 6 illustrate the situation for plans involved in certain mergers and spinoffs (where the premium snapshot date is the first day of the premium payment year).

Example 1 An ongoing plan has a plan year beginning September 1, 2002, and ending August 31, 2003. The premium snapshot date is August 31, 2002.

Example 2 An ongoing plan changes its plan year from a calendar year to a plan year that begins June 1, 2002. For the plan year beginning January 1, 2002, the premium snapshot date is December 31, 2001. For the plan year beginning June 1, 2002, the premium snapshot date is May 31, 2002.

Example 3 A new calendar-year plan is adopted December 10, 2001, effective January 1, 2002. The premium snapshot date is January 1, 2002.

Example 4 A new calendar-year plan is adopted February 18, 2002, retroactively effective as of January 1, 2002. The plan administrator may select either January 1 or February 18, 2002, as the premium snapshot date; the date selected must also be used for purposes of prorating the premium for the plan's first year.

Example 5 Plan A has a calendar plan year and Plan B has a July 1 - June 30 plan year. Effective January 1, 2002, Plan B merges into Plan A (and the merger is not de minimis). Plan A's premium snapshot date is January 1, 2002. (Since Plan B did not exist at any time during 2002, it does not owe a premium for the 2002 plan year.)

Example 6 Plan A has a calendar plan year. Effective January 1, 2002, Plan A spins off assets and

liabilities to form a new plan, Plan B (and the spinoff is not de minimis). Plan A's premium snapshot date is January 1, 2002. (Plan B's premium snapshot date also is January 1, 2002, since it is a new plan that became effective on that date.)

"First Filing Due Date" means the date by which the flat rate premium must be paid by a plan whose participant count for the prior year was 500 or more. For most plans, it is the last day of the 2nd full calendar month following the close of the preceding plan year (the last day of February for calendar-year plans). A different rule applies for plans changing plan years. For more details, see B.2.a. (p. 7) and B.2.c. (p. 8).

"Final Filing Due Date" means the date by which:

- a. Flat rate premiums must be paid by plans to which the First Filing Due Date doesn't apply,
- b. Variable rate premiums must be paid by all single-employer plans, and
- c. Flat rate reconciliation filings (if necessary) must be made by plans to which the First Filing Due Date applies.

For most plans, the Final Filing Due Date is the 15th day of the 10th full calendar month following the end of the plan year preceding the premium payment year (October 15 for calendar-year plans). Different rules apply for plans filing for the first time or changing plan years. For more details, see B.2.a. (p. 7), B.2.b. (p. 7), and B.2.c. (p. 8).

"Filing Due Date" means either the First Filing Due Date or the Final Filing Due Date.

7. Definitions Relating to Premium Computations

"Flat rate premium" means the portion of the premium determined by multiplying the flat rate premium charge by the number of participants in the plan on the premium snapshot date. The per-participant flat rate charge for plan years beginning in 2002 is \$19 for single-employer plans and \$2.60 for multiemployer plans.

"Variable rate premium" means the portion of the single-employer premium based on a plan's unfunded vested benefits. The variable rate premium for plan years beginning in 2002 is \$9 for every \$1,000 (or fraction thereof) of unfunded vested benefits.

"Participant" in a plan means an individual (whether active, inactive, retired, or deceased) with respect to whom the plan has benefit liabilities.

a. *Benefit liabilities* are all liabilities with respect to employees and their beneficiaries under the plan (within the meaning of Code section 401(a)(2)). Thus, benefit liabilities include liabilities for all accrued benefits, whether or not vested. In addition, a plan's benefit liabilities include liabilities for ancillary benefits not directly related to retirement benefits, such as payment of medical expenses (or insurance premiums for such expenses), disability benefits not in excess of the qualified disability benefit, life insurance benefits payable as a lump sum, incidental death benefits, current life insurance protection, or medical benefits described in Code section 401(h). (See Treasury Regulation § 1.411(a)-7(a)(1)(ii).)

Part A.7 Definitions Relating to Premium Computations

b. An individual is not counted as a participant after all benefit liabilities with respect to the individual are distributed through the purchase of irrevocable commitments from an insurer or otherwise. In addition, a non-vested individual is not counted as a participant after (1) a deemed “zero-dollar cashout,” (2) a one-year break in service under plan rules, or (3) death.

i. *Cashouts.* If the plan has a separate cashout provision for zero benefits, terminated non-vested participants are deemed to be cashed out as of the date specified in the deemed cashout provision or, if no date is specified, as of the employment termination date. If the plan provides that zero benefit amounts will be deemed to be paid as soon as possible, terminated non-vested participants also will be deemed to be cashed out as of the employment termination date.

If the plan does not have a separate cashout provision for zero benefits but does have a mandatory cashout of small benefit amounts (*e.g.*, benefits less than \$5,000), terminated non-vested participants are deemed to be cashed out in the same manner as terminated vested participants. If the plan is silent as to the timing of actual cashouts of terminated vested participants, the plan is deemed to read “as soon as practicable” and the terminated non-vested participants are deemed to be cashed out immediately upon termination of employment. If the plan specifies a date as of which actual cashouts of terminated vested participants take place (*e.g.*, on the first day of the next month), that rule also would apply to deemed cashouts of terminated non-vested participants. These rules do not apply if, despite plan language, the plan has an obvious pattern or practice of delaying distributions for long periods of time.

For example, suppose a calendar-year plan provides that if a participant terminates employment and the participant’s vested benefit has a value of less than \$5,000, the plan will pay the vested benefit to the participant in a lump sum as of the first of the month following termination of employment. Suppose further that no plan provisions specifically address payment of benefits upon termination of employment by non-vested participants. If a non-vested participant terminates employment on December 15, 2001, the participant will be included in the participant count as of December 31, 2001 (because the cashout is deemed to occur on January 1, 2002, the first of the month following termination of employment). If, as is typically the case for a calendar year plan, the plan’s premium snapshot date for 2002 is December 31, 2001, a flat rate premium must be paid for this participant for 2002.

ii. *Breaks in service.* A terminated non-vested

individual ceases to be a participant for premium purposes when the individual incurs a one-year break in service under the plan, regardless of the length of the individual’s absence from employment. For example, suppose that a calendar-year plan provides that a participant who performs 500 or fewer hours of service in a service computation period incurs a one-year break in service for that computation period. An individual might incur a one-year break in service under the plan before December 31, 2001 (the premium snapshot date for the 2002 premium) if the individual left employment on February 1, 2001, and did not perform more than 500 hours of service during a computation period ending on November 30, 2001, even though December 31, 2001, comes before the first anniversary of the individual’s separation from employment. This individual would not be included in the participant count for 2002.

If a non-vested individual incurs a break in service in a service computation period that coincides with the plan year preceding the premium payment year, we treat the individual as not being a participant for purposes of determining the premium for the premium payment year. For example, suppose a calendar-year hours-of-service plan requires more than 500 hours of service in a service computation period to avoid a break in service, and a non-vested participant in the plan earns 440 hours of service in the service computation period ending December 31, 2001. The PBGC would treat the individual as not being a participant for purposes of the plan’s 2002 premium. (For more detail, see the amendment to the premium regulations’ definition of “participant,” published in the Federal Register on December 1, 2000, at 65 FR 75160.)

“**Significant Event**” means any of the following events:

(1) an increase in the plan’s actuarial costs (consisting of the plan’s normal cost under section 412(b)(2)(A) of the Code, amortization charges under section 412(b)(2)(B) of the Code, and amortization credits under section 412(b)(3)(B) of the Code) attributable to a plan amendment, unless the cost increase attributable to the amendment is less than 5% of the actuarial costs determined without regard to the amendment;

(2) the extension of coverage under the plan to a new group of employees resulting in an increase of 5% or more in the plan’s liability for accrued benefits;

(3) a plan merger, consolidation, or spinoff that is not de minimis pursuant to the regulations under section 414(I) of the Code;

(4) the shutdown of any facility, plant, store, etc., that creates immediate eligibility for benefits that

would not otherwise be immediately payable for participants separating from service;

(5) the offer by the plan for a temporary period to permit participants to retire at benefit levels greater than that to which they would otherwise be entitled;

(6) a cost-of-living increase for retirees resulting in an increase of 5% or more in the plan's liability for accrued benefits; and

(7) any other event or trend that results in a material increase in the value of unfunded vested benefits.

“Required Interest Rate” means the “applicable percentage” of the annual yield on 30-year Treasury securities for the calendar month preceding the calendar month in which the premium payment year begins. Under the recently enacted Job Creation and Worker Assistance Act of 2002 (JCWAA), the “applicable percentage” used to determine the variable rate premium is temporarily increased from 85 percent to 100 percent for plan years that begin in 2002 or 2003. No other premium-related valuation assumptions or methods are affected by this change. See the PBGC's web site (under “Legal Information & FOIA” - “Laws & Regulations” - “Technical Updates”) for guidance on use of the 100 percent rate

8. Definitions Relating to Plan Types

For purposes of determining whether a plan is a multiemployer plan or a single-employer plan, all trades or businesses (whether or not incorporated) that are under common control are considered to be one employer.

“Multiemployer plan” means a plan—

a. to which more than one employer is required to contribute,

b. which is maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and more than one employer, and

c. which satisfies such other requirements as the Secretary of Labor may prescribe by regulation.

(The above definition does not apply to a plan that

9. Definitions Relating to Plan Transactions

Plan **“mergers”** and plan **“consolidations”** are transactions in which one or more transferor plans transfer all of their assets and liabilities to a transferee plan and disappear (because they become part of the transferee plan). However, there are important differences between the two kinds of transactions. In a merger, the transferee plan is one that existed before the transaction. In a consolidation, the transferee plan is a new plan that is created in the consolidation. Thus, the plan that exists after a consolidation follows the premium filing rules for new plans. In particular, it need not

for purposes of reporting and disclosure requirements.

In addition, because the Treasury Department has ceased issuing 30-year securities, the Internal Revenue Service is now announcing a surrogate yield figure each month, based on the 30-year Treasury bond maturing in February 2031, which the PBGC is using to determine the Required Interest Rate. For your convenience, the Required Interest Rate is posted on the PBGC's web site. The Required Interest Rate also can be obtained by calling (202) 326-4041. The rate is determined by the month in which your plan year begins.

On or about the 15th of each month, the PBGC publishes in the Federal Register a list of the Required Interest Rates for the preceding 12 months. Because the JCWAA change occurred after the PBGC originally published the Required Interest Rates for January and February, it was necessary to correct the figures originally published. The correction was published on April 15, 2002 (at 67 FR 18255). The corrected figures are listed on the PBGC's web site.

For further information, contact us as described in item 4. under “CONTACTS” on p. v.

elected on or before September 26, 1981, with PBGC's approval, not to be treated as a multiemployer plan (see ERISA section 4303). Such a plan is treated as a single-employer plan.)

“Single-employer plan” means any plan that does not meet the above definition of multiemployer plan. A single-employer plan includes a “multiple employer” plan.

“Multiple employer plan” means a plan —

a. to which more than one employer contributes, and

b. that does not satisfy the definition of multiemployer plan, or that elected on or before September 26, 1981, with PBGC's approval, not to be treated as a multiemployer plan (see ERISA section 4303).

make an early premium payment with Form 1-ES (no matter how many participants any of the transferor plans had for the prior year(s)) and its filing due date is subject to the special rules for new plans. On the other hand, the transferee plan in a merger follows the normal rules for preexisting, ongoing plans.

In a **“spinoff,”** the transferor plan transfers only part of its assets and/or liabilities to the transferee plan, so that both the transferor and the transferee plan exist after the transaction. The transferee plan may be a new plan that is created in the spinoff, or it may be a preexisting plan that simply receives part of the assets and/or liabilities of the transferor plan.

Part B.1 Who Must File

Part B ABCs OF PREMIUM FILING

1. Who Must File

a. All Covered Plans Must File

The plan administrator of each single-employer plan and multiemployer plan covered under section 4021 of ERISA is required annually to file the prescribed premium form(s) and pay the premium due. Most private-sector defined benefit plans that meet tax qualification requirements are covered. If you are uncertain whether your plan is covered under section 4021, you should promptly request a coverage determination. Contact us as described in item 5. under “CONTACTS” on p. v.

A request for a coverage determination does not extend the due date for any premium that is finally determined to be due. If we determine that the plan is not a covered plan, we will review the plan’s premium payments to determine whether any refunds may be made.

It is the responsibility of the plan administrator to obtain and complete the applicable premium forms and make the premium payment each year.

If your plan is covered under section 4021 of ERISA, you must make a premium filing even if no premium is owed. This may happen if your plan is a new plan that grants no past service credits, so that there are no benefit liabilities on the premium snapshot date. (A plan with no benefit liabilities has no participants for premium purposes (see the instructions for item 13 of Form 1-EZ (p. 21) or Form 1 (p. 26)) and no unfunded vested benefits.) The premium filing certifies that there are no participants and that no premium is owed.

b. One Plan, Or More Than One?

If several unrelated employers participate in a program of benefits wherein the funds attributable to each employer are available to pay benefits to all participants, then there is a single multiple-employer plan and the plan administrator must file a Form 1 or Form 1-EZ (and, if applicable, Form 1-ES) and pay a premium for the plan as a whole. Separate filings and premiums cannot be submitted for each individual employer.

If several employers participate in a program of benefits wherein the funds attributable to each employer are available only to pay benefits to that employer’s employees, then there are several plans (one for each employer) and the plan administrator must file a separate Form 1 or Form 1-EZ (and, if applicable, Form 1-ES) and pay a separate premium for the plan of each individual employer.

If separate plans are maintained for different groups of employees, regardless of whether each has the same sponsor or the sponsors are part of the same controlled group, then the plan administrator(s) must file a separate Form 1 or Form 1-EZ (and, if applicable, Form 1-ES) and pay a separate premium for each plan.

c. When Filing Obligation Ceases

You must continue to file premium forms and pay premiums through and including the plan year in which any of the following occurs:

i. Plan assets are distributed in satisfaction of all benefit liabilities pursuant to the plan’s termination. (For rules on exemption from the variable-rate premium for terminating plans that have not yet distributed assets, see Part C, item 12(d), p. 20.)

ii. A trustee is appointed for the plan under ERISA section 4042.

iii. The plan disappears by transferring all its assets and liabilities to one or more other plans in a merger or consolidation.

iv. The plan ceases to be a covered plan under section 4021 of ERISA. If this happens, notify us promptly to let us know that we should not expect further premium filings for your plan.

If a plan terminates and a new plan is established, premiums are due for the terminated plan as described above, and premiums are also due for the new plan from the first day of its first plan year (see B.2.b., p. 7).

Example 1 A calendar year plan terminates in a standard termination with a termination date of September 30, 2001. On April 7, 2002, assets are distributed in satisfaction of all benefit liabilities. Since the terminating plan is undergoing a standard termination, no trusteeship is involved. The plan administrator must file and make the premium payments due for the 2001 and 2002 plan years. (The 2002 premium may be prorated. See B.5., p. 12.)

Example 2 A plan with a plan year beginning July 1 and ending June 30 terminates in a distress termination with a termination date of April 28, 2002. On July 7, 2002, a trustee is appointed to administer the plan under ERISA section 4042. Premium forms and payments must be filed for this plan for both the 2001 and 2002 plan years, because a trustee was not appointed until after the beginning of the 2002 plan year. (The 2002 premium may be prorated. See B.5., p. 12.)

2. When to File

NOTE: For disaster relief, see the instructions for the disaster relief check boxes on Form 1-EZ (p. 17) and Form 1 (p. 24).

a. Filing Dates For Most Plans

There are two Filing Due Dates — the First Filing Due Date and the Final Filing Due Date.

For most plans:

i. The **“First Filing Due Date”** is the last day of the 2nd full calendar month following the close of the preceding plan year (e.g., the last day of February for calendar-year plans), and

ii. The **“Final Filing Due Date”** is the 15th day of the 10th full calendar month following the end of the plan year preceding the premium payment year (e.g., October 15 for calendar-year plans).

There are special due date rules for plans filing for the first time (see B.2.b., p. 7) and plans changing plan years (see B.2.c., p. 8).

The First Filing Due Date applies only to the flat rate premium filings for certain large plans. Whether you need to make a flat rate premium filing and payment by the First Filing Due Date depends on the number of plan participants for whom you were required to pay premiums for the plan year preceding the year for which you make the filing (i.e., for 2002 premiums, the 2001 participant count).

Plans that were required to pay premiums for 500 or more participants for the preceding plan year must file a Form 1-ES by the First Filing Due Date and a Form 1-EZ or Form 1 by the Final Filing Due Date. For single-employer plans, only the flat rate premium is due by the First Filing Due Date; the variable rate premium is due by the Final Filing Due Date. For multiemployer plans (which pay only the flat rate premium), the entire premium is due by the First Filing Due Date.

Example A new calendar-year plan was adopted and effective on January 1, 2001, and had 650 participants on that date. Since the plan was not required to pay premiums for 2000 (because it was not in existence then), it was not required to pay its 2001 flat rate premium by the First Filing Due Date in 2001 (February 28, 2001). It was required to pay its 2001 flat rate and variable rate premiums by the 2001 Final Filing Due Date (October 15, 2001). As a new plan, its 2001 premium snapshot date was January 1, 2001 (the first day of the plan year). The 2001 flat rate premium was based on a participant count of 650 as of January 1, 2001.

The number of participants decreases during 2001, and the participant count on December 31, 2001, is 450. For 2002, the participant count (450) is determined as of December 31, 2001, the plan’s 2002 premium snapshot date. The plan must pay a flat rate premium for 450 participants by the First Filing Due Date (February 28, 2002) because it was required to pay premiums for 650 participants for the preceding year (2001), determined as of January 1, 2001, its 2001 premium snapshot date.

Plans required to pay premiums for fewer than 500 participants for the preceding year are required to file the Form 1-EZ or Form 1 and pay the entire premium due by the Final Filing Due Date.

The following table shows the Filing Due Dates for most plans for the 2002 premium payment year.

2002		
Filing Due Dates		
Premium Payment Year <u>Begins</u>	First Filing Due Date <u>(Form 1-ES)</u>	Final Filing Due Date <u>(Form 1 and Form 1-EZ)</u>
01/01/2002	02/28/2002	10/15/2002
01/02 - 02/01/2002	04/01/2002*	11/15/2002
02/02 - 03/01/2002	04/30/2002	12/16/2002*
03/02 - 04/01/2002	05/31/2002	01/15/2003
04/02 - 05/01/2002	07/01/2002*	02/18/2003*
05/02 - 06/01/2002	07/31/2002	03/17/2003*
06/02 - 07/01/2002	09/03/2002*	04/15/2003
07/02 - 08/01/2002	09/30/2002	05/15/2003
08/02 - 09/01/2002	10/31/2002	06/16/2003*
09/02 - 10/01/2002	12/02/2002*	07/15/2003
10/02 - 11/01/2002	12/31/2002	08/15/2003
11/02 - 12/01/2002	01/31/2003	09/15/2003
12/02 - 12/31/2002	02/28/2003	10/15/2003

* **NOTE:** If your filing is not made by this date, penalty and interest will be calculated from the last day of the month (for Form 1-ES) or the 15th of the month (for Form 1-EZ or Form 1) rather than the following business day - e.g., from Sunday 3/31/2002 rather than Monday 4/01/2002, or from Sunday 12/15/2002 rather than Monday 12/16/2002.

b. Plans Filing For The First Time

New and newly covered plans are not required to pay an estimated premium by a First Filing Due Date.

For a plan filing for the first time, the **“Final Filing Due Date”** is the latest of the following dates:

(i) The 15th day of the 10th full calendar month that begins on or after the first day of the premium payment year,

(ii) The 15th day of the 10th full calendar month that begins on or after the day on which the plan became effective for benefit accruals for future

Part B.2 When to File

service,

(iii) 90 days after the date of the plan's adoption, or

(iv) 90 days after the date on which the plan became covered under ERISA section 4021.

If the adoption date of a newly created plan covered under section 4021 of ERISA is after its effective date (*i.e.*, the plan is adopted retroactively), the first day of the premium payment year that you use for purposes of paragraph (i) above must also be used as the premium snapshot date.

The following examples show how the definition of the Final Filing Due Date works for plans filing for the first time.

Example 1 A new plan has a calendar plan year. The plan was adopted October 1, 2001, and became effective for benefit accruals January 1, 2002. The Final Filing Due Date for the 2002 plan year is October 15, 2002.

Example 2 A new plan is adopted on December 1, 2002, and has a July 1 - June 30 plan year. The plan became effective for benefit accruals for future service on December 1, 2002. The Final Filing Due Date for the plan's first year, July 1, 2002, through June 30, 2003, is September 15, 2003. (The 2002 premium may be prorated. See B.5., p. 12.)

Example 3 A newly created plan covered under section 4021 of ERISA has a calendar plan year. The plan was adopted on September 13, 2002, with a retroactive effective date of January 1, 2002. If the plan administrator elects to use January 1, 2002, as the premium snapshot date, the Final Filing Due Date for the 2002 plan year is December 12, 2002 (90 days after the date of the plan's adoption). If the plan administrator elects to use September 13, 2002, as the premium snapshot date, the Final Filing Due Date for the 2002 plan year is July 15, 2003 (the 15th day of the tenth full calendar month that begins on or after September 13, 2002, the first day of the premium payment year). (If September 13, 2002, is used as the first day of the premium payment year, the premium for the short plan year may be prorated. See B.5., p. 12.)

Example 4 A professional service employer maintains a plan with a calendar plan year. If this type of plan has never had more than 25 active participants since September 2, 1974, it is not a covered plan under ERISA section 4021. On October 15, 2002, the plan, which always had 25 or fewer active participants, has 26 active participants.

It is now a covered plan and will continue to be a covered plan regardless of how many active participants the plan has in the future. The Final Filing Due Date for the 2002 plan year is January 13, 2002, 90 days after the date on which the plan became covered. (The premium for the short plan year may be prorated. See B.5., p. 12.)

c. Plans Changing Plan Years

For a plan that changes its plan year, the Filing Due Dates for the short year are unaffected by the change in plan year. For the first plan year under the new plan year cycle:

(i) The "**First Filing Due Date**" is the later of the last day of the 2nd full calendar month following the close of the preceding plan year or 30 days following the date on which a plan amendment changing the plan year was adopted, and

(ii) The "**Final Filing Due Date**" is the later of the 15th day of the 10th full calendar month following the end of the plan year preceding the premium payment year, or 30 days after the date on which a plan amendment was adopted changing the plan year.

The following examples show how the definition of the Final Filing Due Date works for plans changing plan years.

Example 1 By plan amendment adopted on December 1, 2001, a plan changes from a plan year beginning January 1 to a plan year beginning June 1. This results in a short plan year beginning January 1, 2002, and ending May 31, 2002. The plan always has fewer than 500 participants. The Final Filing Due Date for the short plan year is October 15, 2002. The Final Filing Due Date for the new plan year beginning on June 1, 2002, is March 17, 2003. (The premium for the short plan year may be prorated. See B.5, p. 12.)

Example 2 By plan amendment adopted on November 3, 2002, and made retroactively effective to February 1, 2002, a plan changes from a plan year beginning on January 1 to a plan year beginning on February 1. The plan always has fewer than 500 participants. The Final Filing Due Date for the short plan year that began on January 1, 2002, is October 15, 2002. The Final Filing Due Date for the new plan year, which began February 1, 2002, is December 3, 2002, 30 days after the adoption of the plan amendment changing the plan year. (The premium for the short plan year may be prorated. See B.5, p. 12.)

Example 3 By plan amendment adopted on June 5, 2002, and made retroactively effective to April 1, 2002, a plan changes from a plan year beginning January 1 to a plan year beginning April 1. The plan always has 500 or more participants. The First Filing Due Date for the short plan year is February 28, 2002, and the Final Filing Due Date is October 15, 2002. The First Filing Due Date for the new plan year, which began April 1, 2002, is July 5, 2002, which is the later of the end of the second full calendar month after the close of the short plan year or 30 days after adoption of the plan amendment. The Final Filing Due Date is January 15, 2003. (The premium for the short plan year may be prorated. See B.5, p. 12.)

e. Saturday, Sunday, And Federal Holiday

i. Filing Due Dates. In computing any period of time described in the premium regulations and these instructions, the day of the event or default from which the period of time begins to run is not counted. The last day of the period is counted, unless it falls on a Saturday, Sunday or Federal holiday, in which case the period runs until the end of the next day which is not a Saturday, Sunday, or Federal holiday.

Example Plans with plan years beginning on March 1, 2002, normally would have a Final Filing Due Date of December 15, 2002. Because that day is a Sunday, the due date is Monday, December 16, 2002.

ii. Interest and Penalty Charges. When computing late payment interest and penalty charges, Saturdays, Sundays, and Federal holidays are included.

f. Postmark Date Is Controlling

We will consider that you filed Form 1-EZ or Form 1 and made your premium payment (if by check, with the Form 1-EZ or Form 1) on the date on which the mailing envelope is postmarked by the United States Postal Service. If the envelope does not contain a legible Postal Service postmark (regardless of whether it contains a postmark made by a private postage meter), we will consider that you filed the form and made your payment on the date that is three days before the date on which we received it.

g. Relationship Between Form 1-EZ or Form 1 And Form 5500 Series

i. Due Dates. For most plans, the deadline for filing the Form 1-EZ or Form 1 and the Form 5500

series will coincide. This occurs when a corporate plan sponsor applies for the 2½-month extension for filing its Form 5500. Note: Extensions of time to file the Form 5500 series beyond the Form 1-EZ or Form 1 filing deadline do not extend the Filing Due Dates for the PBGC forms.

Example A calendar year plan has a Final Filing Due Date for the Form 1 of October 15. The corporate plan sponsor applies for the 2½-month Form 5500 extension. This would make the due date for the Form 5500 series (which is normally July 31 for a calendar year plan) also October 15.

ii. Plan Years Covered By Forms. Although the filing deadlines for the premium forms and for the Form 5500 series typically coincide, and the participant counts for the premium forms and for the Form 5500 series are generally determined as of the same date, *i.e.*, the last day of the plan year preceding the year of the filing, there is a critical difference between the two filings. The Form 1-EZ or Form 1 is filed for the current plan year and the Form 5500 series is filed for the previous plan year. (For example, if the plan sponsor of a plan whose plan year begins February 1 applies for the 2½-month extension for filing Form 5500, the 2002 Form 1-EZ or Form 1 and 2001 Form 5500 must be filed by November 15, 2002.)

Part B.3 What to File

3. What to File

a. General

You must make your final premium filing by the Final Filing Due Date using the following form(s):

Type of plan	Form(s) to use
Multiemployer plan	Form 1 alone
Single-employer plan that claims an exemption from the variable rate premium	Form 1-EZ alone
Single-employer plan that does not claim an exemption from the variable rate premium (even if the variable rate premium is zero)	Form 1 with Schedule A

In addition, the flat rate premium for a plan in any of these three categories must be paid by the First Filing Due Date if the plan had 500 or more participants for the plan year preceding the premium payment year. These filings may be made on an estimated basis using Form 1-ES (issued in a separate booklet). If all the information needed to file Form 1-EZ or Form 1 is known before the First Filing Due Date, you may file a Form 1-EZ or Form 1 instead of a Form 1-ES. If you file a Form 1-ES, you will still be required to file a Form 1-EZ or Form 1 by the Final Filing Due Date.

Form 1-ES, which is issued in a separate booklet, is used by plans that were required to report 500 or more participants on their 2001 PBGC Form 1 to make initial 2002 payments of the flat rate premium based on an estimated participant count. These plans use Form 1-EZ or Form 1 to make a subsequent reconciliation filing based on an actual participant count.

b. Exemption From Variable Rate Premium

A single-employer plan may claim an exemption from the variable rate premium only if it meets the requirements for one of the exemptions described in the instructions for item 12 of Form 1-EZ in Part C. Having a variable rate premium of zero is not the same as being exempt from the variable rate premium. To be exempt, the plan must meet the

requirements for one of the exemptions. Briefly, the exemptions in item 12 of Form 1-EZ are for:

- i. Plans with no vested participants;
- ii. Section 412(i) plans;
- iii. Fully funded small plans;
- iv. Plans terminating in standard terminations; and
- v. Plans at the full funding limit.

For a more complete description, see the instructions for item 12 of Form 1-EZ in Part C, p. 19.

c. Plans With A Variable Rate Premium Of Zero That Also Qualify For An Exemption

If your plan has a variable rate premium of zero and also qualifies for an exemption from the variable rate premium, you may either file Form 1-EZ (claiming the exemption) or file Form 1 and Schedule A (reporting a variable rate premium of zero). In general, it will be easier to file Form 1-EZ.

(For example, a new plan that has no benefit liabilities on the premium snapshot date will have no unfunded vested benefits and thus will also qualify for the exemption for plans with no vested participants and, if it is a small plan, for the exemption for fully funded small plans.)

d. Where To Obtain Forms

Forms are included in the Premium Payment Package. In addition, you may use forms downloaded from the PBGC Web site (www.pbgc.gov) or computer-generated forms provided by a vendor that has received PBGC approval for automated (computer-generated) versions of the forms. In addition, for premium payment years beginning in 2002, we will now accept photocopies of the forms. The forms you file must have original signatures.

It is your responsibility as plan administrator to obtain the necessary forms and submit filings on time. (You should ensure that you maintain an updated address with the PBGC so that we can mail your next Premium Payment Package to you. See Part C, item 2, or Part D, item 2, and B.6.e., p. 14.)

i. Premium Payment Package. We will mail a 2002 Premium Payment Package containing Form 1-EZ, Form 1, and Schedule A, and, as appropriate, a 2002 Estimated Premium Payment Package containing Form 1-ES, to the plan administrator of each plan for which a 2001 Form 1-EZ or Form 1 was filed. We will mail these forms to the address shown in item 2 of the 2001 Form 1-EZ or Form 1 seven months before the expected Filing Due Date.

If you are a plan administrator and you do not receive a Premium Payment Package and/or

Estimated Premium Payment Package, or if you need extra copies, contact us as described in item 3. under “CONTACTS” on p. v.

You may also obtain extra copies of the Premium Payment Package and/or Estimated Premium Payment Package and forms from the Pension and Welfare Benefits Administration of the U.S. Department of Labor (see addresses at the end of this Premium Payment Package).

If you are a pension practitioner serving many covered plans, you may wish to receive a bulk shipment of the Premium Payment Package and/or Estimated Premium Payment Package and forms. If so, complete the order blank at the end of this Premium Payment Package. Check the applicable box on the order blank.

ii. Computer-Generated Forms. There are some companies that will provide software that generates PBGC-approved forms. These forms have been given a 6-digit approval number that appears on each form. These forms are acceptable for submission. In addition, you may download premium forms from the PBGC Web site (www.pbgc.gov).

To achieve the best results when printing computer-generated or downloaded forms, use a laser or inkjet printer with resolution of 300 DPI (dots per inch) or higher. Please make sure that you have adequate toner in your printer cartridge. Thermal or

dot matrix (9 or 24 pin) printers are not recommended for printing the premium forms. Do not use any printing options, such as “Fit to Page,” that may tend to enlarge or reduce the size of the image. Please make sure no part of the form is missing after it is printed. Please also make sure the forms print with the proper number of pages: the Form 1-EZ, Form 1, and Schedule A require two pages each; the Form 1-ES requires one page.

Any vendor requesting approval of automated forms may send a sample to the address in item 7. under “CONTACTS” on p. v. Include 3 original forms produced by your software and a brief note requesting PBGC review of the forms.

iii. Forms For Prior Years. If you are filing for a previous year, you must use the proper year’s form(s). To obtain the form(s), you may use the Premium Payment Package Order Form at the end of this package or contact us as described in item 3. under “CONTACTS” on p. v.

e. How to Fill Out Forms

The premium forms are in Optical Character Recognition (OCR) format. This enables PBGC to process your plan information quickly and accurately. The OCR process requires that you print data clearly within the boxes provided on the forms.

4. Where to File

a. Where to File Forms.

i. Mail Service. Mail your premium forms with your premium payment (if you pay by check) to:

Pension Benefit Guaranty Corporation
P.O. Box 64880
Baltimore, MD 21264-4880

Do not use this address for any purpose except to mail your premium forms and your premium payment check(s).

ii. Delivery Service. Alternatively, if you use a delivery service that does not deliver to a P.O. Box, your premium forms, along with your premium payment (if you pay by check), may be hand-delivered to:

ALLFIRST Bank
110 South Paca Street
Mail Code: 109-320/Lockbox #64880
Baltimore, MD 21201

b. Where to Send Payments.

i. Checks. If you pay by check, write the EIN/PN (from item 3(a) and (b) of Form 1-EZ, Form 1 or Form 1-ES) and the date the premium payment year commenced (PYC) on the check and send the check with your premium forms to the applicable address above.

ii. Electronic funds transfers. If you pay by electronic funds transfer, make the transfer to:

ALLFIRST Bank
Baltimore, Maryland
ABA: 052000113
Account: 425-5265-5
Beneficiary: PBGC

Reference: (give plan’s EIN/PN and the date the premium payment year commenced (PYC))

Report the EIN/PN from item 3(a) and (b) of Form 1-EZ, Form 1, or Form 1-ES and the date the premium payment year commenced (PYC), in the payment ID line of the electronic funds transfer in the format “EIN/PN: XX-XXXXXXX/XXX PYC: XX/XX/XX.”

Part B.5 Prorating Your Premium

5. Prorating Your Premium

a. **General.** You are allowed to pay a prorated premium for certain short plan years:

- a short first year of a new or newly covered plan;
- a short year created by a change in plan year;
- a short year created by distribution of plan assets pursuant to plan termination; or
- a short year created by the appointment of a trustee for a single-employer plan under ERISA section 4042.

The proration is based on the number of full and partial months in the short plan year. Alternatively, you may pay a full year's premium and either (1) request that the PBGC compute and pay a partial refund or (2) claim a credit in a future premium filing. (No premium proration is allowed where a plan disappears by merger or consolidation into another plan.) The short year need not have ended by the time you pay a prorated premium, but if the plan year turns out to be longer than you anticipated, you will have to make up any premium underpayment (which will be subject to interest and penalties).

b. **How to prorate the premium yourself.** To pay a prorated premium, you first determine the premium without proration, then subtract a credit that brings the premium down to the prorated amount:

(1) The premium amount you enter in item 14 of Form 1-EZ or Form 1 must be calculated as if there were no short-year proration. If you are using Form 1, refer to the amount in item 14(a) if your plan is a multiemployer plan or to item 14(d) if your plan is a single-employer plan.

(2) To determine the proration credit for the short plan year, multiply the premium in item 14 of Form 1-EZ or Form 1 by the following fraction:

$$\frac{12 \text{ minus number of months in short year}}{12}$$

In determining the numerator of the fraction, any partial month in the short plan year must be counted as a full month. See Note — Counting Months for Proration, below. If the adoption date of a newly created plan covered under section 4021 of ERISA is after its effective date (*i.e.*, the plan is adopted retroactively), the premium snapshot date you use (*i.e.*, either the adoption date or the effective date) must be used as the first day of the premium payment year for purposes of determining the number of months in the plan's first year.

(3) Enter the result from step (2) (plus any other available credits) in item 15(b) of Form 1-EZ or Form 1.

(4) Subtracting item 15(c) of Form 1-EZ or Form 1 (which includes the amount in item 15(b)) from item 14 of Form 1-EZ or Form 1 will have the effect of prorating the amount in item 14.

For example, suppose your plan year has been changed by amendment from a calendar year to a year beginning July 15. Assume that your premium, calculated as if there were no short-year proration, would be \$11,400. This is the amount you would enter in item 14 of Form 1-EZ or Form 1. If you choose to prorate your premium, you would determine your short-year credit by multiplying \$11,400 by 5/12. (The number of full and partial months in your short year — *i.e.*, January through July of 2002 — is 7, so the numerator of the fraction is 5 — *i.e.*, 12 minus 7.) This gives you a short-year credit of \$4,750, which you would enter in item 15(b) of Form 1-EZ or Form 1. Assuming you have no other credits, you would pay \$6,650 (*i.e.*, \$11,400 minus \$4,750) with your Form 1-EZ or Form 1.

Note — Counting Months for Proration

Each “plan month” (*i.e.*, each month in the plan year) generally begins on the same day of successive calendar months. For example, if the plan year begins on July 1, the first day of each successive calendar month is the beginning of a new plan month; similarly, if the plan year begins on January 15, the second plan month begins on February 15, the third plan month on March 15, etc. Thus, if a short final year begins on January 1 and ends on June 1, there would be 6 (full or partial) months in the short year. (The last (partial) month, beginning (and ending) on June 1, would count as a full month for purposes of prorating the premium.) Similarly, if a short first year begins on July 31 and ends on December 31, there would also be six (full or partial) months in the short year.

There are two special rules when a plan year begins at or near the end of a calendar month:

- If the plan year begins on the last day of a calendar month, successive plan months begin on the last day of successive calendar months. For example, if the plan year begins on November 30, successive plan months begin on December 31, January 31, the last day of February (the 28th or 29th), March 31, etc.
- If the plan year begins on the 29th or 30th of a calendar month other than February, the plan month beginning in February begins on the last day of

February. For example, if the plan year begins on November 29, successive plan months begin on December 29, January 29, the last day of February (the 28th or 29th), March 29, etc. If the plan year begins on December 30, successive plan months begin on January 30, the last day of February (the 28th or 29th), March 30, April 30, etc.

c. How to request a partial refund. To request a partial refund, write promptly, under separate cover, to the address in item 3.a. or 3.b. under “CONTACTS” on p. v. Enclose a copy of the Form 1-EZ or Form 1 that you filed. We will calculate the amount of your refund. If you want your refund paid by electronic funds transfer, you must include the bank routing number and account number with your request and indicate whether the account is a checking account or savings account.

d. For proration purposes, the short first year of a new plan is treated as beginning on the premium snapshot date, and the short first year of a newly covered plan is treated as beginning on the date when the plan becomes covered under section 4021 of ERISA.

e. For proration purposes, a terminating plan’s final (short) plan year is treated as ending on —

i. for a multiemployer plan that distributed all its assets pursuant to section 4041A of ERISA, the date the distribution is completed; or

ii. for a single-employer plan, the earlier of the dates described in (1) and (2) below:

(1) the date on which the distribution of the plan’s assets in satisfaction of all benefit liabilities was completed; or

(2) the date that a trustee for the terminating plan was appointed under ERISA section 4042.

f. Examples. The following examples illustrate the proration of premiums.

Example 1 A new plan is adopted on December 1, 2002, and has a July 1 - June 30 plan year. The plan became effective for benefit accruals for future service on December 1, 2002. The plan administrator may prorate the 2002 flat rate premium and pay for only seven months (December 2002 - June 2003). Alternatively, the plan administrator may pay a full year’s premium and either (1) claim a credit on a later premium filing or (2) request a refund for the period of July - November 2002.

Example 2 By plan amendment adopted on December 1, 2001, a plan changes from a plan year beginning January 1 to a plan year beginning June 1. This results in a short plan year beginning January 1, 2002, and ending May 31, 2002. The plan administrator may prorate the premium for the short plan year and pay for only five months (January - May 2002). Alternatively, the plan administrator may pay a full year’s premium and either (1) claim a credit on a later premium filing or (2) request a refund for the period of June - December 2002.

Example 3 On October 15, 2002, the plan administrator of a calendar year plan pays the plan’s premium for the plan year beginning January 1, 2002. The plan administrator expects a plan amendment to be adopted in November 2002, and made retroactively effective to February 1, 2002, changing from a plan year beginning on January 1 to a plan year beginning on February 1. In determining the premium for the plan year beginning January 1, 2002, the plan administrator may anticipate the adoption of the amendment and prorate the premium for the short plan year, paying for only one month (January 2002). (If the amendment is not adopted, an amended filing would have to be made, and the additional amount of premium owed would be subject to interest and penalty.) Alternatively, the plan administrator may pay a full year’s premium and either (1) claim a credit on a later premium filing or (2) request a refund for the period of February - December 2002.

Example 4 By plan amendment adopted on June 5, 2002, and made retroactively effective to April 1, 2002, a plan changes from a plan year beginning January 1 to a plan year beginning April 1. The plan has a short year beginning January 1, 2002, and ending March 31, 2002. The plan administrator may prorate the premium for the short plan year and pay for only three months (January - March 2002). Alternatively, the plan administrator may pay a full year’s premium and either (1) claim a credit on a later premium filing or (2) request a refund for the period of April - December 2002.

Example 5 A calendar year plan terminates in a standard termination with a termination date of September 30, 2001. On April 7, 2002, assets are distributed in satisfaction of all benefit liabilities. The plan has a short plan year ending April 7, 2002. The plan administrator may prorate the 2002 premium and pay for only four months of 2002.

Part B.6 How to Correct a Filing

Alternatively, the plan administrator may pay a full year's premium and request a refund for the period of May - December 2002.

Example 6 A plan with a plan year beginning July 1 and ending June 30 terminates in a distress termination with a termination date of April 28, 2002. On July 7, 2002, a trustee is appointed to

administer the plan under ERISA section 4042. The plan has a short plan year beginning July 1, 2002, and ending July 7, 2002. The 2002 premium may be prorated by taking a credit for 11/12 of the 2002 plan year (for the period of August 2002 - June 2003). Alternatively, a full year's premium may be paid and a refund requested for the period of August 2002 - June 2003.

6. How to Correct a Filing

a. Making Payment Without Filing Form

If you sent in your payment without filing the Form 1-EZ, Form 1, or Form 1-ES, as applicable, send the correct form to the address in item 2.a. or 2.b. under "CONTACTS" on p. v.

b. Filing Form Without Making Required Payment

If you sent us Form 1-EZ, Form 1, or Form 1-ES without making a required payment, you should send the payment as soon as possible to minimize late payment charges. If you make your payment by check, enclose your check with a copy of the original form and send them to the address in item 2.a. or 2.b. under "CONTACTS" on p. v. If you make your payment by electronic funds transfer, make the transfer as described in item 2.d. under "CONTACTS" on p. v.

Report the EIN/PN from item 3(a) and (b) of Form 1-EZ, Form 1, or Form 1-ES and the date the premium payment year commenced (PYC), in the payment ID line of the electronic funds transfer in the format "EIN/PN: XX-XXXXXXX/XXX PYC: XX/XX/XX."

c. Amended Filing—Premium Underpayment

If you discover after you have filed the 2002 Form 1-EZ or Form 1 that you have made an error in your participant count or in the calculation of the variable rate premium due, you must use a 2002 form to correct your filing. (Underpayment in an earlier year must be corrected using the form(s) for that specific year. See B.3.d.iii., p. 11, for information on obtaining an earlier year's form(s).) Check the box in the heading of the Form 1-EZ or Form 1 to indicate that this is an amended filing. (On prior years' forms without an "Amended Filing" box, print or type "Amended Filing" at the top of the form.) Fill in the Form 1-EZ or Form 1 and Schedule A as you would for your annual filing. Enter the corrected total premium in item 14 of Form 1-EZ or in item 14(a) or

14(d) of Form 1 (as appropriate). In item 15(b) of Form 1-EZ or Form 1, enter the sum of the credits you previously claimed in that item plus the amount you paid with your original filing. The amount due with the amended filing should appear in item 16 of Form 1-EZ or Form 1. This should equal the difference between the new total premium due and the new total credits. Submit your amended Form 1-EZ or Form 1 (and Schedule A, if applicable) with your payment as described in item 2. under "CONTACTS" on p. v.

d. Amended Filing—Premium Overpayment

If you discover after you have filed the 2002 Form 1-EZ or Form 1 that you overpaid your premium, follow the instructions in B.6.c. above, except that the difference between the new total premium and the new total credits should be entered in item 17 of Form 1-EZ or Form 1. Also, you must check the box in item 17 if you want this amount refunded. Send your amended Form 1-EZ or Form 1 (with Schedule A if appropriate) promptly to the address in item 2. under "CONTACTS" on p. v. If you want your refund paid by electronic funds transfer, you must provide the necessary information in item 17. If you are amending your filing to prorate the premium for the short first plan year of a newly created plan that is adopted with a retroactive effective date, make sure that the date used as the first day of the premium payment year for purposes of proration is the same as the premium snapshot date.

e. How To Correct An Address

See items 1 and 2 of Part C or Part D if you need to correct your address or the plan sponsor's address and are doing so at the same time you are making your premium filing.

However, to keep our records current and to ensure that your forms will be mailed to the correct address, you should provide us with your current address as soon as a change has occurred. You may do so by contacting us either in writing or by phone as described in item 3. under "CONTACTS" on p. v.

7. Underpayments And Overpayments

a. Underpayments

If you file a premium payment after the Filing Due Date, we will bill the plan for the appropriate Late Payment Charges. The charges include both interest and penalty charges. The charges are based on the outstanding premium amount due on the Filing Due Date. (PBGC also may assess penalties under section 4071 of ERISA for failure to provide premium-related information (see B.8., p. 16).)

i. Interest Charges

The Late Payment Interest Charge is set by ERISA and we cannot waive it. Interest accrues at the rate imposed under section 6601(a) of the Code (the rate for late payment of taxes) and is compounded daily. The rate is established periodically (currently on a quarterly basis) and the interest rates are published on or about the 15th of January, April, July, and October in the Federal Register. The rates are also posted on the PBGC's Web site (www.pbgc.gov).

Late Payment Interest Charges will be assessed for any premium amount not paid when due, whether because of an estimated participant count or an erroneous participant count or other mistake in computing the premium owed.

ii. Penalty Charges

The Late Payment Penalty Charge is established by us, subject to ERISA's restriction that the penalty not exceed 100 percent of the unpaid premium amount. In the past, the penalty has been 5 percent of the unpaid amount for each month (or portion of a month) it remains unpaid. Starting with 1996 plan years, the Late Payment Penalty Charge is lower for premium underpayments that are "self-corrected." The penalty rate is 1% of the late premium payment per month if the late payment is made on or before the date when the PBGC issues a written notification indicating that there is or may be a premium delinquency (e.g., a statement of account (premium invoice), a past-due-filing notice, or a letter initiating an audit). The normal penalty rate of 5% per month applies to payments made after the PBGC notification date.

iii. PBGC Waivers

Before the Filing Due Date, if you can show substantial hardship and that you will be able to pay the premium within 60 days after the Filing Due Date, you may request that we waive the Late Payment Penalty Charge. If we grant your request, we will waive the Late Payment Penalty Charge for up to 60 days.

To request a waiver, write separately to the address

in item 3.a. or 2.b. under "CONTACTS" on p. v.

Waivers of the Late Payment Penalty Charge may also be granted based on any other demonstration of reasonable cause. If you wish to request such a waiver, write to the address above after you receive a statement of account (premium invoice) assessing penalties. This address should also be used to submit requests for reconsideration of late payment penalties and requests for refunds (other than those that are part of a premium filing). Failure to obtain premium forms and instructions from the PBGC is not reasonable cause for a waiver.

iv. Minimizing Late Payment Charges — Final Filing

If you are having difficulty determining your plan's premium before the Final Filing Due Date, you can file your premium forms using an estimate. You can then make an amended filing, reflecting the actual figure (see B.6., p. 14, for procedure). This will minimize the assessment of Late Payment Charges to the plan.

v. Minimizing Late Payment Charges — First Filing

The premium owed for a plan year is based on the number of plan participants as of the premium snapshot date. However, plans may not have an accurate participant count before the First Filing Due Date. For this reason, the Form 1-ES permits plans to compute the amount owed on the basis of an estimated participant count. However, we remind you that for plans required to pay premiums for 500 or more participants for the prior plan year, the total flat rate premium, in the case of a single-employer plan, or the entire premium, in the case of a multiemployer plan, is due by the First Filing Due Date. If the full amount due is not paid by that date, the plan will be subject to late payment interest charges and may also be subject to late payment penalty charges.

No penalty will be charged (although interest will be charged) if you did not make an estimated premium payment because you erroneously reported fewer than 500 participants for the plan year preceding the premium payment year. In addition, you can avoid a late payment penalty charge (but not the interest) for the flat rate premium if the premium based on an estimated participant count that you pay with the Form 1-ES by the First Filing Due Date equals at least the lesser of:

(a) 90 percent of the premium amount due on the plan's Final Filing Due Date for the \$19 per-participant flat rate single-employer premium or the \$2.60 per-participant multiemployer premium, or

Part B.8 Recordkeeping Requirements; PBGC Audits

(b) an amount equal to the participant count for the year before this premium payment year multiplied by \$19 for single-employer plans and \$2.60 for multiemployer plans. This test will be met if the amount paid is sufficient using either the actual participant count for the plan year preceding the premium payment year or a smaller count that was erroneously reported.

For purposes of determining whether a penalty is due, the participant count “erroneously reported” refers to the premium filing (or last amended filing) for the plan year preceding the premium payment year made to the PBGC by the First Filing Due Date.

See the Form 1-ES instructions in the Estimated Premium Payment Package for more detail.

If you have an accurate participant count by the First Filing Due Date, you should pay the amount owed by that date. If you do so, you will avoid the interest and penalty charges. If you have all the information needed to file Form 1-EZ or Form 1 on or before the First Filing Due Date, you should file a Form 1-EZ or Form 1. If you file a Form 1-ES, you will still be required to file a Form 1-EZ or Form 1 by the Final Filing Due Date. (A single-employer plan that files a Form 1 with its first payment, but does not include the variable rate portion of the premium, will have to file another Form 1, identified as an “Amended Filing,” with that payment by the

Final Filing Due Date.)

b. Overpayments

If a premium is overpaid for a plan, and any part of another year’s premium or late payment charge is still owing for that plan, the overpayment will be applied toward paying the outstanding amount(s) due.

You may designate which outstanding amount(s) of premium or late payment charge an overpayment is to be applied against (if it has not already been applied). If you do not so designate, we will apply the overpayment first to the outstanding premium, interest, and penalty (in that order) from the earliest plan year, then the next earliest plan year, etc.

An amount of overpayment that is not needed to pay amounts owed may be refunded upon request made within the period specified in the applicable statute of limitations (generally six years after the overpayment was made) or may be claimed as a credit on a Form 1-EZ, Form 1 or Form 1-ES filed within the same period. An overpayment on one plan cannot be applied to offset an underpayment on one or more other plans.

If you request payment of a refund by electronic funds transfer, we will make the transfer through the automated clearing house (ACH) system.

Please note that ERISA does not provide for us to pay interest on premium overpayments.

8. Recordkeeping Requirements; PBGC Audits

Plan administrators are required to retain all plan records that are necessary to support or validate PBGC premium payments. The records must include calculations and other data prepared by the plan’s actuary or, for a plan described in section 412(i) of the Internal Revenue Code, by the insurer from which the insurance contracts are purchased. The records are to be kept for six years after the premium due date.

Records that must be retained include, but are not limited to, records that establish the number of plan participants and that reconcile the calculation of the plan’s unfunded vested benefits with the actuarial valuation upon which the calculation was based. Records retained pursuant to this paragraph must be made available or submitted to the PBGC upon request.

We may audit any premium payment. If we determine upon audit that the full amount of the premium due was not paid, late payment interest charges under §4007.7 of the premium regulations and late payment penalty charges under §4007.8 of the premium regulations will apply to the unpaid balance from the premium due date to the date of payment. (See B.7.a., p. 15, for more information on penalties and interest for late payment of premiums.)

If, in our judgment, the plan’s records fail to establish the number of participants with respect to whom premiums were required for any premium payment year, we may rely on data we obtain from other sources (including the Internal Revenue Service and the Department of Labor) for presumptively establishing the number of plan participants for premium computation purposes. Similarly, if, in our judgment, the plan’s records fail to establish that the unfunded vested benefits were the amount reported in the premium filing, we may rely on data we obtain from other sources for estimating the amount of unfunded vested benefits for premium computation purposes.

In addition to penalties for late payment of premiums, we may assess under section 4071 of ERISA a penalty of up to \$1,100 per day for failure to furnish premium-related information by required due dates. (See 29 C.F.R. Part 4071.) However, under the PBGC’s penalty policy, the penalty rate is generally much less — \$25 per day for the first 90 days and \$50 per day thereafter, with lower rates for small plans. (See PBGC’s Statements of Policy on ERISA section 4071 penalties, 60 Fed. Reg. 36837 (July 18, 1995) and 61 Fed. Reg. 66388 (December 17, 1996).)

PART C ITEM-BY-ITEM INSTRUCTIONS FOR FORM 1-EZ

NOTE: *This part applies only to single-employer plans that claim an exemption from the variable rate premium. To claim an exemption, the plan must meet the requirements for one of the exemptions described in the instructions for item 12 of Form 1-EZ in this part. Having a variable rate premium of zero is not the same as being exempt from the variable-rate premium. (See B.3.a., p. 10, for the forms applicable to other types of filers.) If your plan qualifies for an exemption and also has a variable rate premium of zero, you may either file Form 1-EZ or file Form 1 with Schedule A. See B.3.c., p. 10.*

Check for Amended Filing

If you are amending your 2002 premium filing, check this box and complete the form as explained in B.6., p. 14.

Check for Disaster Relief

From time to time, when major disasters occur, the PBGC publishes a notice of disaster relief in the Federal Register, waiving late filing and payment penalties for certain plans. If your plan is covered by a PBGC disaster relief notice for this premium filing, follow the instructions in the disaster relief notice and check this box.

The “Item” numbers below refer to the item or line numbers on the Form 1-EZ.

Item 1 Name of Plan Sponsor

Enter the name and address of the plan sponsor.

Make sure you report the plan sponsor’s name and address correctly, especially if there has been a change in the last year. If the plan sponsor’s address or name has changed since your last filing, check the first box in the upper right hand corner of item 1.

It is very important that the address shown in item 1 be correct.

If your plan’s premium filings are prepared by a consultant, you may not need to receive your own copy of PBGC premium forms and instructions. If you do not want to receive premium forms and instructions next year, check the second box in the upper right hand corner of item 1. An election not to receive the forms and instructions does not relieve the plan administrator of the obligation to file.

Item 2 Name of Plan Administrator

If the name and address of the plan administrator is the same as that of the plan sponsor, check the second box in the upper right hand corner of item 2 and skip to item 3. Otherwise, enter the name and address of the plan administrator.

If the plan administrator’s address or name has changed since your last filing, check the first box in the upper right hand corner of item 2.

It is very important that the plan administrator’s name and address be correct, especially if there has been a change in the last year. This is the address we will use to mail your 2003 Premium Payment Package and, as applicable, 2003 Estimated Premium Payment Package.

Item 3 Plan Sponsor’s EIN/PN

Item 3(a) EIN For The Plan Sponsor

Enter the EIN for the plan sponsor.

In the case of a plan to which more than one employer contributes, enter the EIN of the plan sponsor identified in item 1. In the case of a controlled group plan, enter the EIN of the parent or, if there is no parent, of the largest employer.

Item 3(b) Plan Number

Enter the Plan Number (PN) for the plan.

Item 3(c) Does EIN/PN Match Form 5500?

In general, the EIN and PN entered in item 3(a) and (b) should be the same as the EIN and PN reported on the Form 5500 series for the plan year preceding the premium payment year.

If the EIN and PN entered in item 3(a) and (b) both match exactly the EIN/PN entered on the Form 5500 series for the plan year preceding the premium payment year, check the “Yes” box.

If either the EIN or PN is not exactly the same, check the “No” box, enter the EIN/PN used for the Form 5500 filing, attach an explanation, and check the box in item 18.

If your plan is a new plan that is not required to file the Form 5500 series for the plan year preceding the premium payment year because the plan did not exist, check the box labeled “2001 Form 5500 not required.”

Item 4 Change In EIN/PN

This item should be completed to report a change in EIN or PN since your last premium filing. The EIN of the plan sponsor or the plan’s PN may change for a number of reasons.

Part C.5 ITEM-BY-ITEM INSTRUCTIONS FOR FORM 1-EZ

Item 4(a) Change In EIN

Enter the previous EIN in the space provided.

Item 4(b) Change In PN

Enter the previous PN in the space provided.

Item 4(c) Effective Date

Enter the effective date of the change in EIN/PN.

Item 5 Plan Coverage Status

If the plan is covered under section 4021 of ERISA, check 5(a) “Covered.”

If you are not certain if the plan is covered, check 5(b) “Uncertain.” See B.1.a., p. 6.

If you check “Uncertain,” you should complete Form 1-EZ and pay the applicable premium as if the plan were covered. Attach a separate sheet to explain why you checked “Uncertain,” and check the box in item 18.

Item 6 Is This The First Premium Filing For This Plan?

Check the “No” box if you are filing for a second or subsequent time, and go to item 7. Check the “Yes” box if you are filing for the first time, and complete items 6(a), 6(b), and 6(c).

Item 6(a) Plan Effective Date

Enter the date on which the plan became effective with respect to benefit accruals for future service. This date is considered to be the first day of a new plan’s short first year for purposes of prorating the premium (see B.5., p. 12). If the adoption date of a newly created plan covered under section 4021 of ERISA is after its effective date (*i.e.*, the plan is adopted retroactively), you may enter in item 6(a) either the adoption date or the effective date, but the date that you enter here must also be used as the premium snapshot date.

Item 6(b) Plan Adoption Date

Enter the date on which the plan was formally adopted.

Item 6(c) Plan Coverage Date

Enter the date on which the plan became covered under section 4021 of ERISA. If you are unsure whether your plan is covered, check the “Uncertain” box in item 5 and leave item 6(c) blank.

Item 7 Transfers From Disappearing Plans

If a plan other than yours ceased to exist in connection with any transfer of assets or liabilities from that plan to your plan since the last premium filing, check the “Yes” box in item 7. In the case of a plan that is filing for the first time, this includes a transfer of assets or liabilities that was made to the plan when it was established, if the transferor plan ceased to exist in connection with the transfer. If you check “Yes,” enter in the spaces provided the EIN/PN of any plan that ceased to exist in connection with the transfer of any assets or liabilities to your plan. Also enter the type and effective date of the transfer.

- The types of transfers are explained in A.9., p. 5. For purposes of this item, “M” designates a merger, “C” designates a consolidation, and “S” designates a spinoff. Check the box under the appropriate letter for the type of transfer.

- The effective date of a transfer is determined based on the facts and circumstances of the particular situation. (For transfers subject to section 414(l) of the Code, report the date determined under 26 CFR 1.414(l)-1(b)(11).)

Example: The merger agreement between Plans A and B provides that participants of Plan A will cease accruing benefits under Plan A and begin coverage and benefit accruals under Plan B as of January 1, 2002, and that the obligation to pay benefits to Plan A participants will pass from Plan A to Plan B as of that date. The agreement also provides that Plan A’s assets will be transferred to Plan B’s account as soon as practicable. The transfer actually occurs on February 17, 2002. The effective date of the transfer is January 1, 2002.

If you need to report transfers from more than one plan, attach a separate sheet listing the EIN/PN of each additional plan and the effective date and type of each transfer. If you attach a separate sheet, check the box in item 18.

You do not need to report any transfer in this item unless the transferor plan ceased to exist in connection with the transfer — *i.e.*, transferred all of its assets and liabilities to your plan or to two or more plans including your plan. You also do not need to report a transfer in this item if you have no reasonable way of determining whether or not the transferor plan ceased to exist in connection with the transfer.

Note that premium proration is not available for “overlapping” premium payments resulting from a plan merger, consolidation, or spinoff.

NOTE: If we do not receive an expected premium filing from a plan, we normally contact the plan for an explanation. The purpose of item 7 is to avoid the need for such correspondence where the reason the plan is not filing is that it has disappeared as the result of a merger, consolidation or spinoff. However, the item 7 explanation can only have its intended effect if we receive it from the transferee plan before the disappearing plan's next expected premium filing due date. If the transferee plan does not expect to file until after that, the need for correspondence can be avoided by sending us the item 7 information earlier — in writing — as described in item 3. under "CONTACTS," p. v.

Item 8 Business Code

Enter the 6-digit code that best describes the nature of the employer's business. If more than one employer is involved, enter the business code for the predominant business activity of all employers. Choose one code from the list in Appendix B at the back of this package.

Item 9 Name of Plan

Enter the complete name of the plan as stated in the plan document. For example, "The ABC Company Pension Plan for Salaried Personnel."

Item 10 Name and Phone Number of Plan Contact

Item 10(a) Name of Plan Contact

Enter the name of the person we may contact if we have any questions concerning this filing. If Form 1-EZ is completed by a plan consultant, you may enter the consultant's name.

Item 10(b) Phone Number of Plan Contact

Enter the phone number of the plan contact named in item 10(a).

Item 11 Plan Year

Item 11(a)

Enter the beginning date of the plan year for which you are making the premium payment.

Item 11(b)

Enter the ending date of the plan year for which you are making the premium payment.

Item 11(c)

Check the box if the month and day on which the plan year begins is not the same as that shown on the last Form 1 or Form 1-EZ you filed with us. Attach a separate sheet with a brief explanation for the change, and check the box in item 18.

Item 11(d)

If you checked the box in item 11(c), enter the adoption date of the plan year change. If the change in the plan year beginning date reflects a 52/53-week plan year, rather than a change in plan year, enter all zeroes in item 11(d).

Item 12 Exempt Status

Each plan using Form 1-EZ must meet the requirements for one of the exemptions from the variable-rate premium that are described below. Check one box in item 12 to indicate the exemption that applies to your plan.

Item 12(a) Plans With No Vested Participants.

Your plan qualifies for this exemption if it has no participants with vested benefits as of the premium snapshot date. If you check this box, your signature in item 19 indicates that you are certifying that no participant was entitled to a vested benefit as of the premium snapshot date.

A new plan with no benefit liabilities on the premium snapshot date has no participants (for premium purposes) and thus no participants with vested benefits. Such a plan qualifies for this exemption.

Item 12(b) Section 412(i) Plans.

Your plan qualifies for this exemption if it is described in section 412(i) of the Code and regulations thereunder on the premium snapshot date. If you check this box, your signature in item 19 indicates that you are certifying that the plan was a plan described in section 412(i) of the Code and regulations thereunder on the premium snapshot date.

Item 12(c) Fully Funded Small Plans.

Your plan qualifies for this exemption if the plan has fewer than 500 participants as of the premium snapshot date and no unfunded vested benefits as of that date (valued at the Required Interest Rate described in A.7., p. 5) and an enrolled actuary so certifies in item 20.

Part C.12 ITEM-BY-ITEM INSTRUCTIONS FOR FORM 1-EZ

Item 12(d) Plans Terminating In Standard Terminations.

Your plan qualifies for this exemption if notices of intent to terminate in a standard termination were issued in accordance with section 4041(a)(2) of ERISA, setting forth a proposed termination date (*i.e.*, the 60- to 90-day prospective date) that is on or before the premium snapshot date. However, if the plan does not ultimately make a final distribution of assets in full satisfaction of its obligations under the standard termination, the right to claim this exemption will be revoked and the premium(s) that would otherwise have been required will be due retroactive to the applicable due date(s). (NOTE: See B.1.c., p. 6, for rules on when your premium obligation ends.)

Item 12(e) Plans At The Full Funding Limit.

Your plan qualifies for this exemption if, as provided below, the plan is at the full funding limit for the plan year preceding the premium payment year and an enrolled actuary so certifies in item 20. Note: The rules below are for PBGC premium purposes only. The rules for tax or other purposes may differ.

A plan may claim this exemption if, on or before the earlier of the Final Filing Due Date (see B.2., p. 7) or the date the Form 1-EZ is filed, the plan's contributing sponsor or contributing sponsors made contributions to the plan for the plan year preceding the premium payment year in an amount not less than the full funding limitation for that preceding plan year under section 302(c)(7) of ERISA and section 412(c)(7) of the Internal Revenue Code.

The determination of whether contributions for the preceding plan year were in an amount not less than the full funding limitation under section 302(c)(7) of ERISA and section 412(c)(7) of the Code for the preceding plan year is based on the method of computing the full funding limitation, including actuarial assumptions and funding methods, used by the plan (provided these assumptions and methods met all requirements, including the requirements for reasonableness, under section 412 of the Code) with respect to the preceding plan year. In the event of a PBGC audit, the plan administrator may be required to provide documentation to establish both the computation methods used and the conformance of those methods with the requirements of Code section 412. The PBGC will report to the Internal Revenue Service any plans using assumptions and methods that appear not to meet the requirements of Code section 412.

A plan may be entitled to this exemption if contributions were rounded down slightly from the amount of the full funding limitation. Thus, any contribution that is rounded down to no less than the next lower multiple of one hundred dollars (in the case of full funding limitations up to one hundred thousand dollars) or to no less than the next lower multiple of one thousand dollars (in the case of full funding limitations above one hundred thousand dollars) is deemed for purposes of this exemption to be in an amount equal to the full funding limitation. (NOTE: Relief may also be available where the plan's actuary rounded off de minimis amounts to determine the full funding limit. Whether the exemption applies in such circumstances would be determined under the rule discussed in the preceding paragraph, based on a review of the plan's practice with respect to the computation methods used.)

Generally, section 302(c)(7) of ERISA and Code section 412(c)(7) define the full funding limitation as the excess of a measure of the plan's liabilities over a measure of the plan's assets. PBGC Technical Update 00-4 (set forth below) explains how the PBGC full funding limit exemption works.

TECHNICAL UPDATE 00-4

August 25, 2000

PBGC'S FULL FUNDING LIMIT EXEMPTION FROM THE VARIABLE RATE PREMIUM

Introduction

This technical update explains how the PBGC full funding limit exemption ("PBGC FFL Exemption") from the variable rate premium ("VRP") works in light of the changes the Retirement Protection Act of 1994 ("RPA") made to the full funding limitation under section 412(c)(7) of the Internal Revenue Code of 1986 ("Code"). The RPA added a "90% override" to the full funding limitation. The 90% override provides that the full funding limitation is not less than the excess, if any, of 90% of the plan's current liability over the actuarial value of the plan's assets.

The PBGC has received inquiries about the proper treatment of credit balances in applying the 90% override for purposes of the PBGC FFL Exemption. This update clarifies what the correct result is under the statutory and regulatory framework of Title IV of ERISA.

Guidance

The 90% override does not require greater contributions for the PBGC FFL Exemption than are required for the plan to be at the full funding limitation under Code section 412(c)(7) for funding purposes. Accordingly, a plan qualifies for the PBGC FFL Exemption for a plan year if the sum of contributions to the plan for the prior year (including any interest credited under the funding standard account) and any credit balance in the funding standard account (including interest to the end of the plan year) is not less than the full funding limitation under Code section 412(c)(7).

For purposes of the preceding sentence -
the "full funding limitation under Code section 412(c)(7)" means the full funding limitation as calculated for minimum

funding purposes, *i.e.*, the sentence in the PBGC regulations providing that “[p]lan assets shall not be reduced by the amount of any credit balance in the plan’s funding standard account” is inapplicable;

the PBGC rules (see 29 CFR § 4006.5(a)(5)) on rounding down contributions and on counting only contributions made by the earlier of the VRP due date or VRP payment date continue to apply.

See the Appendix to this update for examples of how the PBGC FFL Exemption works.

Effective Date

This guidance is generally effective for PBGC premium purposes for plan years beginning after December 31, 1995.

Effect of Guidance

This guidance will have no effect on the vast majority of plans for which a VRP was paid (see Example 1 in the Appendix). Based on the PBGC’s analysis, there were only 100-200 plans since 1996 for which a VRP may have been paid solely as a result of applying the PBGC FFL Exemption in a manner inconsistent with this technical update (see Examples 2 and 3 in the Appendix). The plan administrator of such a plan may apply for a refund through the PBGC’s normal refund process (*i.e.*, by filing an amended Form 1, including Schedule A, for the applicable year or years). Refunds are subject to the six-year limitations period in ERISA section 4003(f)(5).

For questions about this update, contact Jane Pacelli at 202-326-4080, ext. 6775.

APPENDIX TO TECHNICAL UPDATE 00-4

The following examples show how the PBGC FFL Exemption works. All amounts in the examples include interest to the end of the plan year and assume that actuarial value of assets equals market value of assets.

Example 1

Plan A has a full funding limitation under Code section 412(c)(7) (prior to applying the override) of \$3,000, calculated as the excess of the plan’s accrued liability of \$30,000 over adjusted plan assets of \$27,000 (\$29,000 assets less \$2,000 credit balance). The plan’s 90% override full funding limitation is \$900, calculated as the excess of 90% of the plan’s current liability (\$29,900) over the plan’s full assets of \$29,000. Thus, the plan’s full funding limitation is \$3,000 (the greater of \$3,000 or \$900). Plan A will qualify for the PBGC FFL Exemption if employer contributions equal or exceed \$1,000, because the sum of the contributions and the credit balance will equal or exceed the \$3,000 full funding limitation.

The guidance in this technical update does not affect Plan A. Without this guidance, the actuary for Plan A would have calculated its full funding limitation (using full assets) as \$1,000 -- the greater of \$1,000 (\$30,000 - \$29,000) or \$900 (\$29,900 - \$29,000) -- and concluded that the plan would qualify for the PBGC FFL Exemption if employer contributions equaled or exceeded \$1,000 (the same result as under the guidance in this technical update).

Example 2

Plan B has a full funding limitation under Code section 412(c)(7) (prior to applying the override) of \$3,000, calculated as the excess of the plan’s accrued liability of \$30,000 over adjusted plan assets of \$27,000 (\$29,000 assets less \$2,000 credit balance). The plan’s 90% override full funding limitation is \$4,000, calculated as the excess of 90% of the plan’s current liability (\$33,000) over the plan’s full assets of \$29,000. Thus, the plan’s full funding limitation is \$4,000 (the greater of \$3,000 or \$4,000). Plan B will qualify for the PBGC FFL Exemption if employer contributions equal or exceed \$2,000, because the sum

of the contributions and the credit balance will equal or exceed the \$4,000 full funding limitation.

Without the guidance in this technical update, the actuary for Plan B might have calculated its full funding limitation (using full assets) as the greater of \$1,000 (\$30,000 - \$29,000) or \$4,000 (\$33,000 - \$29,000), and concluded that the plan would not qualify for the PBGC FFL Exemption unless employer contributions equaled or exceeded the \$4,000 full funding limitation.

Example 3

Plan C has a full funding limitation under Code section 412(c)(7) (prior to applying the override) of \$4,000, calculated as the excess of the plan’s accrued liability of \$31,000 over adjusted plan assets of \$27,000 (\$29,000 assets less \$2,000 credit balance). The plan’s 90% override full funding limitation is \$3,000, calculated as the excess of 90% of the plan’s current liability (\$32,000) over the plan’s full assets of \$29,000. Thus, the plan’s full funding limitation is \$4,000 (the greater of \$4,000 or \$3,000). Plan C will qualify for the PBGC FFL Exemption if employer contributions equal or exceed \$2,000, because the sum of the contributions and the credit balance will equal or exceed the \$4,000 full funding limitation.

Without the guidance in this technical update, the actuary for Plan C might have determined the full funding limitation to be \$3,000 -- the greater of the pre-override full funding limitation of \$2,000 (\$31,000 less full assets of \$29,000) and the 90% override full funding limitation of \$3,000 -- and concluded that the plan would not qualify for the PBGC FFL Exemption unless employer contributions equaled or exceeded the \$3,000 full funding limitation.

Item 13 Participant Count

Enter the total number of participants covered by the plan. This is the number on which the plan’s premium is based.

For post-2000 plan years, newly created plans that do not grant past service credits typically have a participant count of zero for premium purposes. See the definition of “participant” in A.7., p. 3.

Count the number of plan participants as of the premium snapshot date.

The participant count for premium computation purposes for the PBGC Form 1-EZ and the participant count for line 7 of the Form 5500 filed in the same year (*e.g.*, the 2002 Form 1-EZ and 2001 Form 5500) are generally determined as of the same date, *i.e.*, the last day of the plan year preceding the year of the filing. However, the two participant counts may differ. For example —

- For premium purposes, individuals who are earning or retaining credited service but with respect to whom a plan has no benefit liabilities are not counted as participants. But individuals who are earning or retaining credited service are considered to be participants for purposes of line 7 of the Form 5500, even if the plan has no benefit liabilities with respect to them.

Part C.14 ITEM-BY-ITEM INSTRUCTIONS FOR FORM 1-EZ

- There is a difference in the break-in-service rules that apply to Form 1-EZ and to line 7 of Form 5500. For purposes of line 7 of Form 5500, whether a non-vested individual is excluded from the participant count because of a break in service depends upon the plan language; under the provisions of most plans, the instructions for line 7 would require that a separated non-vested individual be counted as a participant until the individual has incurred five or more consecutive one-year breaks in service. For purposes of Form 1-EZ, on the other hand, a non-vested individual is excluded from the participant count because of a break in service when the individual has incurred a one-year break in service under the terms of the plan.

Item 14 Premium

Multiply the participant count you entered in item 13 by \$19 and enter the result in item 14. This is the total premium due.

Item 15 Premium Credits

Item 15(a) Amount Paid by Check or Electronic Funds Transfer With 2002 Form 1-ES

Enter any amounts you previously paid — by check or electronic funds transfer — for the 2002 plan year with Form 1-ES. Do not include any credits claimed in item 7 of Form 1-ES.

Item 15(b) Other credit

Enter the amount of any credit you are entitled to: (1) any available credit claimed in item 7 of your 2002 Form 1-ES, (2) any available credit from item 18 of your 2001 Form 1 or item 17 of your 2001 Form 1-EZ, (3) any short-year credit (as explained in B.5., p. 12), and (4) any other available credit. Attach an explanation of any credit claimed in item 15(b) (other than an amount entered in item 18 of your 2001 Form 1 or item 17 of your 2001 Form 1-EZ) and check the box in item 18.

Item 15(c) Total Credit

Add items 15(a) and 15(b) and enter the result in item 15(c) of the Form 1-EZ. This is the total credit.

Item 16 Premium Due The PBGC

If the amount you entered in item 14 exceeds the amount entered in item 15(c), subtract the amount entered in item 15(c) from the amount entered in item 14 and enter the result in item 16 of the Form 1-EZ. This is the amount you owe the PBGC.

You must pay the premium due by check or by electronic funds transfer. Indicate by checking one of the boxes in item 16 which method you are using.

If you pay by check, write the EIN/PN (from item 3(a) and (b)) and the date the premium payment year commenced (PYC) on the check and file the check with Form 1-EZ.

If you pay by electronic funds transfer, make the transfer as described in item 2.d. under “CONTACTS” on p. v. Report the EIN/PN from item 3(a) and (b), and the date the premium payment year commenced (PYC), in the payment ID line of the electronic funds transfer in the format “EIN/PN: XX-XXXXXXX/XXX PYC: XX/XX/XX.”

To ensure proper credit of your premium payment, the payment must be for the exact amount due for the plan. Do not combine payments for different plans in a single check or electronic funds transfer.

Item 17 Amount Of Overpayment

If the amount you entered in item 14 is less than the amount entered in item 15(c), subtract the amount entered in item 14 from the amount entered in item 15(c) and enter the result in item 17. This is the amount of your overpayment.

If item 17 shows an overpayment, you may request a refund by checking the first box in item 17. If you want your refund paid by electronic funds transfer, check either the second or the third box in item 17 to indicate whether the account to which the refund is to be credited is a checking account or savings account, and enter in the fourth and fifth boxes of item 17 the bank routing number and account number to which the refund is to be credited. If you want the refund credited to a sub-account within the main account, enter the sub-account number in the sixth box of item 17. See B.7.b., p. 16, for more information on overpayments.

Item 18 Additional Information

If you have used attachments to explain any of your answers, check the box in item 18. Be sure to show your plan’s EIN/PN and the date on which the premium payment year commenced (PYC) at the top of each sheet.

Item 19 Certification of Plan Administrator

The plan administrator must sign and date the certification in item 19. The form you file must bear your original signature in item 19, and we may return the filing if it does not. The certification has two parts. The first part is a general certification that

Part C.20 ITEM-BY-ITEM INSTRUCTIONS FOR FORM 1-EZ

Form 1-EZ has been correctly completed and that any information given to the enrolled actuary is true, correct, and complete. The second part is a certification regarding compliance with the Participant Notice requirements in ERISA section 4011 and the PBGC's regulation on Disclosure to Participants (29 CFR Part 4011).

For each plan year for which a variable rate premium is payable for a plan, the plan administrator must issue a notice to participants about the plan's funding status and the limits on the PBGC's guarantee, unless the plan is exempt from the notice requirement under ERISA and the Disclosure to Participants regulation. The Participant Notice is due no later than two months after due date (or extended due date) for the Form 5500 series for the prior plan year. For purposes of determining whether the Participant Notice was timely issued, if any due date (or extended due date) falls on a Saturday, Sunday, or legal holiday, the applicable due date is the next business day.

The certification relates to the Participant Notice requirement for the plan year preceding the premium payment year. You must check box (a), (b), or (c). If you check box (c) (*e.g.*, because a required Participant Notice was not issued or was issued late), you must attach an explanation and check the box in item 18.

NOTE: If your plan had no variable rate premium for the plan year preceding the premium payment year, the Participant Notice requirement did not apply for that year and you can check box (a). Other exemptions are described in the Disclosure to Participants regulation. Note in particular that the regulation contains an exemption for certain new and newly-covered plans.

Item 20 Certification of Enrolled Actuary

If the box in item 12(c) or 12(e) is checked, an enrolled actuary must certify in item 20 that the plan qualifies for the applicable exemption. The signature of the enrolled actuary must be filed in original form.

Part D.1 ITEM-BY-ITEM INSTRUCTIONS FOR FORM 1

Part D ITEM-BY-ITEM INSTRUCTIONS FOR FORM 1

NOTE: *This part applies only to multiemployer plans and to single-employer plans that do not claim an exemption from the variable rate premium.*

Unless the plan meets the requirements for one of the exemptions described in the instructions for item 12 of Form 1-EZ in part C, it is not exempt. Having a variable rate premium of zero is not the same as being exempt from the variable-rate premium. (See B.3a., p 10, for the forms applicable to other types of filers.) If your plan qualifies for an exemption and also has a variable rate premium of zero, you may either file Form 1-EZ or file Form 1 with Schedule A. See Part B.3.c., p. 10.

Check for Amended Filing

If you are amending your 2002 premium filing, check this box and complete the form(s) as explained in B.6., p. 14.

Check for Disaster Relief

From time to time, when major disasters occur, the PBGC publishes a notice of disaster relief in the Federal Register, waiving late filing and payment penalties for certain plans. If your plan is covered by a PBGC disaster relief notice for this premium filing, follow the instructions in the notice and check this box.

The “Item” numbers below refer to the item or line numbers on the Form 1.

Item 1 Name of Plan Sponsor

Enter the name and address of the plan sponsor.

Make sure you report the plan sponsor’s name and address correctly, especially if there has been a change in the last year. If the plan sponsor’s address or name has changed since your last filing, check the first box in the upper right hand corner of item 1.

It is very important that the address shown in item 1 be correct.

If your plan’s premium filings are prepared by a consultant, you may not need to receive your own copy of PBGC premium forms and instructions. If you do not want to receive premium forms and instructions next year, check the second box in the upper right hand corner of item 1. An election not to receive the forms and instructions does not relieve the plan administrator of the obligation to file.

Item 2 Name of Plan Administrator

If the name and address of the plan administrator is the same as that of the plan sponsor, check the second box in the upper right hand corner of item 2 and skip to item 3. Otherwise, enter the name and address of the plan administrator.

If the plan administrator’s address or name has changed since your last filing, check the first box in the upper right hand corner of item 2.

It is very important that the plan administrator’s name and address be correct, especially if there has been a change in the last year. This is the address we will use to mail your 2003 Premium Payment Package and, as applicable, 2003 Estimated Premium Payment Package.

Item 3 Plan Sponsor’s EIN/PN

Item 3(a) EIN For The Plan Sponsor

Enter the EIN for the plan sponsor.

For plans that meet the definition of a multiemployer plan, enter the EIN assigned to the joint board of trustees. In the case of a plan to which more than one employer contributes (other than a multiemployer plan), enter the EIN of the plan sponsor identified in item 1. In the case of a controlled group plan, enter the EIN of the parent or, if there is no parent, of the largest employer.

Item 3(b) Plan Number

Enter the Plan Number (PN) for the plan.

Item 3(c) Does EIN/PN Match Form 5500?

In general, the EIN and PN entered in item 3(a) and (b) should be the same as the EIN and PN reported on the Form 5500 series for the plan year preceding the premium payment year.

If the EIN and PN entered in item 3(a) and (b) both match exactly the EIN/PN entered on the Form 5500 series for the plan year preceding the premium payment year, check the “Yes” box.

If either the EIN or PN is not exactly the same, check the “No” box, enter the EIN/PN used for the Form 5500 filing, attach an explanation, and check the box in item 18.

If your plan is a new plan that is not required to file the Form 5500 series for the plan year preceding the premium payment year because the plan did not exist, check the box labeled “2001 Form 5500 not required.”

Item 4 Change In EIN/PN

This item should be completed to report a change in EIN or PN since your last premium filing. The EIN of the plan sponsor or the plan’s PN may change for a number of reasons.

Item 4(a) Change In EIN

Enter the previous EIN in the space provided.

Item 4(b) Change In PN

Enter the previous PN in the space provided.

Item 4(c) Effective Date

Enter the effective date of the change in EIN/PN.

Item 5 Plan Coverage Status

If the plan is covered under section 4021 of ERISA, check 5(a) “Covered.”

If you are not certain if the plan is covered, check 5(b) “Uncertain.” See B.1.a., p. 6.

If you check “Uncertain,” you should complete Form 1 and pay the applicable premium as if the plan were covered. Attach a separate sheet to explain why you checked “Uncertain,” and check the box in item 18.

Item 6 Is This The First Premium Filing For This Plan?

Check the “No” box if you are filing for a second or subsequent time, and go to item 7. Check the “Yes” box if you are filing for the first time, and complete items 6(a), 6(b), and 6(c).

Item 6(a) Plan Effective Date

Enter the date on which the plan became effective with respect to benefit accruals for future service. This date is considered to be the first day of a new plan’s short first year for purposes of prorating the premium (see B.5., p. 12). If the adoption date of a newly created plan covered under section 4021 of ERISA is after its effective date (*i.e.*, the plan is adopted retroactively), you may enter in item 6(a) either the adoption date or the effective date, but the date that you enter here must also be used as the premium snapshot date.

Item 6(b) Plan Adoption Date

Enter the date on which the plan was formally adopted.

Item 6(c) Plan Coverage Date

Enter the date on which the plan became covered _____

under section 4021 of ERISA. If you are unsure whether your plan is covered, check the “Uncertain” box in item 5 and leave this date field blank.

Item 7 Transfers From Disappearing Plans

If a plan other than yours ceased to exist in connection with any transfer of assets or liabilities from that plan to your plan since the last premium filing, check the “Yes” box in item 7. In the case of a plan that is filing for the first time, this includes a transfer of assets or liabilities that was made to the plan when it was established, if the transferor plan ceased to exist in connection with the transfer. If you check “Yes,” enter in the spaces provided the EIN/PN of each plan that ceased to exist in connection with the transfer of any assets or liabilities to your plan. Also enter the type and effective date of each transfer.

- The types of transfers are explained in A.9., p. 5. For purposes of this item, “M” designates a merger, “C” designates a consolidation, and “S” designates a spinoff. Check the box under the appropriate letter for the type of each transfer.

- The effective date of a transfer is determined based on the facts and circumstances of the particular situation. (For transfers subject to section 414(I) of the Code, report the date determined under 26 CFR 1.414(I)-1(b)(11).)

Example: The merger agreement between Plans A and B provides that participants of Plan A will cease accruing benefits under Plan A and begin coverage and benefit accruals under Plan B as of January 1, 2002, and that the obligation to pay benefits to Plan A participants will pass from Plan A to Plan B as of that date. The agreement also provides that Plan A’s assets will be transferred to Plan B’s account as soon as practicable. The transfer actually occurs on February 17, 2002. The effective date of the transfer is January 1, 2002.

If you need to report transfers from more than 2 plans, attach a separate sheet listing the EIN/PN of each additional plan and the effective date and type of each transfer. If you attach a separate sheet, check the box in item 18.

You do not need to report any transfer in this item unless the transferor plan ceased to exist in connection with the transfer — *i.e.*, transferred all of its assets and liabilities to your plan or to two or more plans including your plan. You also do not need to report a transfer in this item if you have no

Part D.8 ITEM-BY-ITEM INSTRUCTIONS FOR FORM 1

reasonable way of determining whether or not the transferor plan ceased to exist in connection with the transfer.

Note that premium proration is not available for “overlapping” premium payments resulting from a plan merger, consolidation, or spinoff.

NOTE: If we do not receive an expected premium filing from a plan, we normally contact the plan for an explanation. The purpose of item 7 is to avoid the need for such correspondence where the reason the plan is not filing is that it has disappeared as the result of a merger, consolidation or spinoff. However, the item 7 explanation can only have its intended effect if we receive it from the transferee plan before the disappearing plan’s next expected premium filing due date. If the transferee plan does not expect to file until after that, the need for correspondence can be avoided by sending us the item 7 information earlier — in writing — as described in item 3. under “CONTACTS,” p. v.

Item 8 Business Code

Enter the 6-digit code that best describes the nature of the employer’s business. If more than one employer is involved, enter the business code for the predominant business activity of all employers. Choose one code from the list in Appendix B at the back of this package.

Item 9 Name of Plan

Enter the complete name of the plan as stated in the plan document. For example, “The ABC Company Pension Plan for Salaried Personnel.”

Item 10 Name and Phone Number of Plan Contact

Item 10(a) Name of Plan Contact

Enter the name of the person we may contact if we have any questions concerning this filing. If Form 1 is completed by a plan consultant, you may enter the consultant’s name.

Item 10(b) Phone Number of Plan Contact

Enter the phone number of the plan contact named in item 10(a).

Item 11 Plan Type

Check the applicable box to show plan type. See A.8., p. 5, for an explanation of the distinction

between multiemployer and single-employer plans.

Item 11(a) Multiemployer Plans

Check item 11(a), “Multiemployer Plan,” if the plan is a multiemployer plan.

Item 11(b) Single-Employer Plans

Check item 11(b), “Single-Employer Plan,” if the plan is not a multiemployer plan.

Item 12 Plan Year

Item 12(a)

Enter the beginning date of the plan year for which you are making the premium payment.

Item 12(b)

Enter the ending date of the plan year for which you are making the premium payment.

Item 12(c)

Check the box if the month and day on which the plan year begins is not the same as that shown on the last Form 1 or Form 1-EZ you filed with us. Attach a separate sheet with a brief explanation for the change, and check the box in item 18.

Item 12(d)

If you checked the box in item 12(c), enter the adoption date of the plan year change. If the change in the plan year beginning date reflects a 52/53-week plan year, rather than a change in plan year, enter all zeroes in item 12(d).

Item 13 Participant Count

Enter the total number of participants covered by the plan. This is the number on which the plan’s premium is based.

For post-2000 plan years, newly created plans that do not grant past service credits typically have a participant count of zero for premium purposes. See the definition of “participant” in A.7., p. 3.

Count the number of plan participants as of the premium snapshot date.

The participant count for premium computation purposes for the PBGC Form 1 and the participant count for line 7 of the Form 5500 filed in the same year (*e.g.*, the 2002 Form 1 and 2001 Form 5500) are generally determined as of the same date, *i.e.*, the last day of the plan year preceding the year of the filing. However, the two participant counts may differ. For example —

- For premium purposes, individuals who are earning or retaining credited service but with respect to whom a plan has no benefit liabilities are not counted as participants. But individuals who are earning or retaining credited service are considered to be participants for purposes of line 7 of the Form 5500, even if the plan has no benefit liabilities with respect to them.

- There is a difference in the break-in-service rules that apply to Form 1 and to line 7 of Form 5500. For purposes of line 7 of Form 5500, whether a non-vested individual is excluded from the participant count because of a break in service depends upon the plan language; under the provisions of most plans, the instructions for line 7 would require that a separated non-vested individual be counted as a participant until the individual has incurred five or more consecutive one-year breaks in service. For purposes of Form 1, on the other hand, a non-vested individual is excluded from the participant count because of a break in service when the individual has incurred a one-year break in service under the terms of the plan.

Item 14 Premium

Item 14(a) MULTIEMPLOYER Premium

For a multiemployer plan, multiply the participant count in item 13 by \$2.60 and enter the result in item 14(a). This is the total multiemployer plan premium.

Item 14(b) SINGLE-EMPLOYER Flat Rate Premium

For a single-employer plan, multiply the participant count in item 13 by \$19 and enter the result in item 14(b). This is the single-employer plan flat rate premium.

Item 14(c) SINGLE-EMPLOYER Variable Rate Premium

For a single-employer plan, enter in item 14(c) the amount in item 5 of Schedule A. This is the single-employer plan variable rate premium.

Item 14(d) SINGLE-EMPLOYER Total Premium

For a single-employer plan, add items 14(b) and 14(c) and enter the result in item 14(d). This is the total single-employer plan premium.

Item 15 Premium Credits

Item 15(a) Amount Paid by Check or Electronic Funds Transfer With 2002 Form 1-ES

Enter any amounts you previously paid — by check or electronic funds transfer — for the 2002 plan year with Form 1-ES. Do not include any credits claimed in item 7 of Form 1-ES.

Item 15(b) Other credit

Enter the amount of any credit you are entitled to: (1) any available credit claimed in item 7 of your 2002 Form 1-ES, (2) any available credit from item 18 of your 2001 Form 1 or item 17 of your 2001 Form 1-EZ, (3) any short-year credit (as explained in B.5., p. 12), and (4) any other available credit. Attach an explanation of any credit claimed in item 15(b) (other than an amount entered in item 18 of your 2001 Form 1 or item 17 of your 2001 Form 1-EZ) and check the box in item 18.

Item 15(c) Total Credit

Add items 15(a) and 15(b) and enter the result in item 15(c) of the Form 1. This is the total credit.

Item 16 Premium Due The PBGC

If this is a multiemployer plan and the amount you entered in item 14(a) exceeds the amount entered in item 15(c), subtract the amount entered in item 15(c) from the amount entered in item 14(a) and enter the result in item 16 of Form 1. This is the amount you owe the PBGC.

If this is a single-employer plan and the amount you entered in item 14(d) exceeds the amount entered in item 15(c), subtract the amount entered in item 15(c) from the amount entered in item 14(d) and enter the result in item 16 of the Form 1. This is the amount you owe the PBGC.

You must pay the premium due by check or by electronic funds transfer. Indicate by checking one of the boxes in item 16 which method you are using.

If you pay by check, write the EIN/PN (from item 3(a) and (b) of Form 1) and the date the premium payment year commenced (PYC) on the check and file the check with Form 1.

If you pay by electronic funds transfer, make the transfer as described in item 2.d. under “CONTACTS” on p. v. Report the EIN/PN from item 3(a) and (b) of Form 1, and the date the premium payment year commenced (PYC), in the payment ID line of the electronic funds transfer in the

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format “EIN/PN: XX-XXXXXXX/XXX PYC: XX/XX/XX.”

To ensure proper credit of your premium payment, the payment must be for the exact amount due for the plan. Do not combine payments for different plans in a single check or electronic funds transfer.

Item 17 Amount Of Overpayment

If this is a multiemployer plan and the amount you entered in item 14(a) is less than the amount entered in item 15(c), subtract the amount entered in item 14(a) from the amount entered in item 15(c) and enter the result in item 17. This is the amount of your overpayment.

If this is a single-employer plan and the amount you entered in item 14(d) is less than the amount entered in item 15(c), subtract the amount entered in item 14(d) from the amount entered in item 15(c) and enter the result in item 17. This is the amount of your overpayment.

If item 17 shows an overpayment, you may request a refund by checking the first box in item 17. If you want your refund paid by electronic funds transfer, check either the second or the third box in item 17 to indicate whether the account to which the refund is to

be credited is a checking account or savings account, and enter in the fourth and fifth boxes of item 17 the bank routing number and account number to which the refund is to be credited. If you want the refund credited to a sub-account within the main account, enter the sub-account number in the sixth box of item 17.

See B.7.b., p. 16, for more information on overpayments.

Item 18 Additional Information

If you have used attachments other than the Schedule A to explain any of your answers, check the box in item 18. Be sure to show your plan’s EIN/PN and the date on which the premium payment year commenced (PYC) at the top of each sheet.

Item 19 Certification of Multiemployer Plan Administrator

If your plan is a multiemployer plan, then you, as plan administrator, must sign the Form 1 in this space. Your signature must be filed in original form. We may return your filing if it does not have your signature. Single-employer plans – see items 6 and 7 of Schedule A to Form 1.

Part E ITEM-BY-ITEM INSTRUCTIONS FOR SCHEDULE A

NOTE: *This part applies only to single-employer plans that do not claim an exemption from the variable rate premium. Unless the plan meets the requirements for one of the exemptions described in the instructions for item 12 of Form 1-EZ in part C, it is not exempt. Having a variable rate premium of zero is not the same as being exempt from the variable-rate premium. (See B.3.a., p. 10, for the forms applicable to other types of filers.) If your plan qualifies for an exemption and also has a variable rate premium of zero, you may either file Form 1-EZ or file Form 1 with Schedule A. See Part B.3.c., p. 10.*

This part explains how to fill out the Schedule A that must be attached to Form 1 for each single-employer plan that does not claim an exemption from paying the Variable Rate Premium. (Paying a zero variable rate premium is not the same as being exempt from the variable rate premium.)

You use Schedule A to determine the amount of the variable rate premium. For some plans, the amount will be \$0. The variable rate premium (even if it is \$0) must be entered on the Schedule A, item 5, and also on the Form 1, Item 14(c). You, and in some

cases an enrolled actuary, must certify that the variable rate premium is correct, even if the amount is \$0.

The variable rate premium is \$9 per \$1,000, or fraction thereof, of unfunded vested benefits as of the premium snapshot date. The vested benefits must be valued using the Required Interest Rate (see A.7., p. 5.)

We remind filers that, in the preamble to the October 5, 1988, proposed premium regulation, the PBGC stated:

Finally, the PBGC has received inquiries as to whether to include contingent benefits, such as “30-and-out” and disability benefits, in determining a plan’s vested benefits. Unless a participant has met the requirements for and become entitled to receive a contingent-type benefit, the benefit is not a vested benefit for premium purposes. Thus, 30-and-out benefits and disability benefits for which a participant is not immediately eligible as of the last day of the plan year preceding the premium payment year are not included in vested benefits as of that date.

53 F.R. 39200, 39201-202.

Note: Money amounts entered in items 2, 3, and 4 of Schedule A should be in dollars only (no cents). See rounding instructions under these items.

Item 1 Filing Method

You must check only one box to indicate which filing method you use to calculate the variable rate premium. There are three filing methods, which are described in detail below. You should check:

- Box (a) if you use the General Rule method;
- Box (b)(1) if you use the Alternative Calculation Method (ACM) and your participant count as reported in item 13 of Form 1 is less than 500;
- Box (b)(2) if you use the ACM and your participant count as reported in item 13 of Form 1 is 500 or more; or
- Box (c) if you use the modified ACM for plans in distress or involuntary terminations. In addition, if you use the modified ACM, -

- you must follow the instructions in Part F, which tell you how to modify the ACM instructions in this Part E for items 2 through 5 of Schedule A.

Any plan may use the General Rule method. The General Rule method requires a determination of vested benefits and assets and a determination of unfunded vested benefits by an enrolled actuary as of the premium snapshot date. (A more complete description of the General Rule method is at E.1.a., p. 30.)

To avoid the expense that might be involved in using the General Rule method, you may wish to consider using the Alternative Calculation Method (ACM). The ACM requires only an adjustment of amounts determined as of the first day of the plan year preceding the premium payment year that are required to be reported in the plan’s Form 5500, Schedule B. (A more complete description of the ACM is at E.1.b., p. 31.)

If your plan is terminating in a distress or involuntary termination, you may instead use the modified ACM for such plans. The modified ACM uses the Schedule B for the termination plan year or,

Part E.1 ITEM-BY-ITEM INSTRUCTIONS FOR SCHEDULE A

if unavailable, for the preceding plan year. (A more complete description of the modified ACM is at E.1.c., p. 31.) If you use the modified ACM, you must follow the instructions in Part F, which tell you how to modify the ACM instructions in this Part E for items 2 through 5 of Schedule A.

Your plan may be eligible for more than one filing method. However, you may select only one filing method. Under some filing methods, it may take more time to complete the Schedule A than under others. Some methods require the services of an enrolled actuary. We urge you to review the descriptions of the three filing methods carefully before completing Schedule A in order to take advantage of the filing method that best suits your needs.

a. General Rule . Under the General Rule, an enrolled actuary determines the amount of unfunded vested benefits as of the premium snapshot date, in accordance with ERISA section 4006(a)(3)(E)(iii) and generally accepted actuarial principles and practices. The actuary may either perform a valuation as of the premium snapshot date, or adjust the results of a valuation done as of a different date to reflect any differences in plan assets, population, and provisions between the different valuation date and the premium snapshot date so that the adjusted results satisfy all of the requirements for the General Rule method. A plan's unfunded vested benefits equal the excess of: (1) the plan's current liability (within the meaning of ERISA section 302(d)(7)) determined by taking into account only vested benefits and valued at the Required Interest Rate described in A.7., p. 5, over (2) the actuarial value of the plan's assets determined in accordance with ERISA section 302(c)(2) without a reduction for any credit balance in the plan's funding standard account. (Section 302(d)(7)(C)(ii) of ERISA and Code section 412(I)(7)(C)(ii) require that a plan's current liability be determined using specified mortality tables; *e.g.*, you must use the 1983 Group Annuity Mortality table from Revenue Ruling 95-28, 1995-14 I.R.B. 4, for healthy lives.)

(1) General Requirements: The determination under the General Rule must reflect the plan's population and provisions as of the premium snapshot date. Population data may be based on an actual census or a representative sample of the plan's population. The enrolled actuary must make the determination using the same actuarial assumptions and methods used by the plan for purposes of determining the

minimum funding contributions under section 302 of ERISA and section 412 of the Code for the plan year in which the premium snapshot date falls, except to the extent that other actuarial assumptions are specifically prescribed by these instructions or are necessary to reflect the occurrence of a Significant Event (as described in A.7., p. 4) between the date of the funding valuation and the premium snapshot date. (If the plan does a funding valuation as of the premium snapshot date, no separate adjustment for Significant Events is needed.)

Under this rule, the determination of the unfunded vested benefits may be based on a plan funding valuation performed as of the first day of the premium payment year, provided that -

(i) the actuarial assumptions and methods used are those used by the plan for purposes of determining the minimum funding contributions under section 302 of the Act and section 412 of the Code for the premium payment year, except to the extent that other actuarial assumptions are specifically prescribed by these instructions or are required to make the adjustment described in paragraph (ii) below; and

(ii) if an enrolled actuary determines that there is a material difference between the values determined under the valuation and the values that would have been determined as of the premium snapshot date using the assumptions and methods for the plan year in which the premium snapshot date falls, the valuation results are adjusted to reflect appropriately the values as of the premium snapshot date using those assumptions and methods. (This adjustment need not be made if the unadjusted valuation would result in greater unfunded vested benefits.)

(2) Certification Requirement (in addition to plan administrator certification): In all cases under the General Rule, an enrolled actuary must certify to the determination of the variable rate premium. In addition—

(i) in the case of a large plan (500 or more participants), if the enrolled actuary—determines that the actuarial value of plan assets equals or exceeds the value of all accrued benefits (valued at the Required Interest Rate described in A.7., p. 5, of these instructions); and—elects to report the value of accrued benefits in lieu of the value of vested benefits in item 2(b) of Schedule A, the enrolled actuary must certify to having done so

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in item 7(a) of Schedule A.

(ii) If

—the interest rate used by the plan to value current liability was not greater than the Required Interest Rate described in A.7., p. 5; and

—the enrolled actuary reports the value of vested benefits at the plan’s interest rate in item 2(b) of Schedule A,

the enrolled actuary must certify to the above in item 7(b) of Schedule A.

(3) Size Requirement: Plans with any number of participants may use this method.

(4) Schedule A Filing Method: Check the box for item 1(a).

b. *Alternative Calculation Method*. This method is a simplified method intended to approximate the more precise determinations of the General Rule. It uses two formulas to calculate unfunded vested benefits as of the premium snapshot date.

The first formula adjusts the value of vested benefits for participants in pay status and deferred vested participants, as reported on Schedule B of the Form 5500 as of the first day of the plan year preceding the premium payment year, using the Required Interest Rate prescribed by ERISA. The Required Interest Rate that applies to your plan is determined as described in A.7., p. 5.

The second formula adjusts the resulting unfunded vested benefits figure for the passage of time from the first day of the plan year preceding the premium payment year to the premium snapshot date. The adjustment is necessary because, for premium purposes, unfunded vested benefits are determined as of the premium snapshot date. See the item-by-item instructions for items 2(b) and 4, below, for the two formulas.

If the Alternative Calculation Method is used by a plan that has 500 or more participants as of the premium snapshot date, an enrolled actuary must adjust the unfunded vested benefits to reflect the occurrence of any Significant Event (as described in A.7., p. 4) between the first day of the plan year preceding the premium payment year and the premium snapshot date.

(1) General Requirements: To use the Alternative Calculation Method, a plan must file a Form 5500 and Schedule B, for the plan year preceding the premium payment year, that has —

(i) vested benefit values reported in items 2b(1), 2b(2), and 2b(3);

(ii) the interest rate, reported in item 6a(1), used to determine the vested benefit values;

(iii) the assumed retirement age reported in item 6b; and

(iv) assets reported in item 1b(2) or 2a.

(2) Certification Requirements (in addition to plan administrator certification): For plans with 500 or more participants, an enrolled actuary must certify in item 7(c) that the unfunded vested benefits have been adjusted for the occurrence, if any, of a Significant Event and that the adjustment is consistent with generally accepted actuarial principles and practices.

(3) Size Requirements: Plans with any number of participants may use this method. However, plans with 500 or more participants that use this method must report unfunded vested benefits that reflect the occurrence, if any, of Significant Events listed in A.7., p. 4.

(4) Schedule A Filing Method: Check the applicable box under item 1(b). If your plan has fewer than 500 participants, check the box for item 1(b)(1). If your plan has 500 or more participants, check the box for item 1(b)(2).

c. *Modified Alternative Calculation Method For Plans Terminating In Distress Or Involuntary Terminations*. Under this special rule, plans terminating in distress or involuntary terminations may use a modified version of the Alternative Calculation Method. If you use this filing method, you must follow the instructions in Part F that tell you how to modify the ACM filing instructions when completing Schedule A.

(1) General Requirements: The following plans may use this method:

—Plans that issue notices of intent to terminate in a distress termination in accordance with ERISA section 4041(a)(2) setting forth a proposed termination date that is on or before the premium snapshot date; or

—Plans for which the PBGC has initiated proceedings for an involuntary termination and has sought a termination date on or before the premium snapshot date.

Some plans terminating in distress or involuntary terminations may not have filed the Schedule B for

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the plan year preceding the premium payment year and therefore would not be able to use the Alternative Calculation Method to calculate unfunded vested benefits. This filing method allows such plans to calculate unfunded vested benefits under a variation of the Alternative Calculation Method that uses vested benefit values and asset values from an earlier Schedule B than under the Alternative Calculation Method. The Schedule B used under this special rule must be for the plan year that includes (in the case of a distress termination) the proposed date of termination or (in the case of an involuntary termination) the termination date sought by the PBGC, or, if no Schedule B is filed for that plan year, the Schedule B for the preceding plan year. The Schedule B must have the entries required for the Alternative Calculation Method, as described in these instructions. (NOTE: Item references in the Alternative Calculation Method instructions are to the 2001 Schedule B. If the Schedule B you are using under this special rule is for an earlier year with different item numbers, use

the corresponding item numbers listed in Part F.)

NOTE: This method assumes (in the case of a distress termination) that the PBGC has not disapproved the termination or (in the case of an involuntary termination) that the PBGC’s petition for involuntary termination has not been denied, dismissed, or withdrawn. If any of these events occurs, the plan will be treated as an ongoing plan and must file amended premium forms using another permitted filing method. If additional premiums are due, interest and penalties will be charged retroactive to the original due date(s).

(2) Certification Requirement (in addition to plan administrator certification): Same as for Alternative Calculation Method.

(3) Size Requirement: Same as for Alternative Calculation Method.

(4) Schedule A Filing Method: Check the box on Schedule A, item 1(c).

Item 2 Present Value Of Vested Benefits

Round entries that include cents down to the next lower whole dollar amount.

and beneficiaries not receiving payments. For **ACM** filers, this must be the same as the retirement age actuarial assumption reported on the 2001 Form 5500, Schedule B, item 6b.

Determination Date

General Rule filers: Enter the date as of which the value of vested benefits was determined for premium purposes. The determination date must be the premium snapshot date.

ACM filers: Enter the date as of which the vested benefits for the 2001 Form 5500, Schedule B, item 2b, were valued. That date must be the first day of the 2001 plan year. If it is not, you cannot use the Alternative Calculation Method.

Required Interest Rate

Enter the Required Interest Rate (see A.7., p. 5).

General Rule filers use the Required Interest Rate to value vested benefits for premium purposes. **ACM** filers use the Required Interest Rate to determine the adjusted present value of vested benefits.

Assumed Retirement Age

Enter the assumed retirement age used to determine the present value of vested benefits for participants

Accrual Factor

General Rule filers: Leave this item blank.

ACM filers: The accrual factor refers to the benefit accrual adjustment factor of 1.07 that you use in the “Item 2(b) Procedure.” Enter 1.07.

Item 2(a) Plan Value of Vested Benefits

General Rule filers: Make no entries in either the “Value” column or the “Interest Rate” column of item 2(a).

ACM filers: Fill out items 2(a)(1), 2(a)(2), and 2(a)(3) as follows:

In the “Value” column, enter the present value of vested benefits for retirees and beneficiaries receiving payments, determined as of the first day of the 2001 plan year. The amount entered must be the same as the amount reported on the 2001 Form 5500, Schedule B, item 2b(1), in the Vested Benefits column, “Operational information as of beginning of this plan year-‘RPA ’94’ current liability for retired participants and beneficiaries receiving payments.”

Item 2(a)(1) Plan Value Of Vested Benefits — Those Receiving Payments (**ACM** filers only)

In the “Interest Rate” column, enter the plan interest rate used to determine the present value of

vested benefits. The interest rate must be the same as the current liability interest rate reported on the 2001 Form 5500, Schedule B, item 6a(1).

Item 2(a)(2) Plan Value of Vested Benefits — Those Not Receiving Payments (ACM filers only)

In the “Value” column, enter the present value of vested benefits for participants not receiving payments, determined as of the first day of the 2001 plan year. This includes all active vested participants and separated participants with deferred vested benefits. The amount entered must be the sum of the following two amounts reported on the 2001 Form 5500, Schedule B:

- a. Item 2b(2), in the Vested Benefits column, “Operational information as of beginning of this plan year-‘RPA ’94’ current liability for terminated vested participants,” and
- b. Item 2b(3), in the Vested Benefits column,

“Operational information as of beginning of this plan year-‘RPA ’94’ current liability for active participants.”

In the “Interest Rate” column, enter the plan interest rate used to determine the present value of vested benefits. The interest rate must be the same as the current liability interest rate reported on the 2001 Form 5500, Schedule B, item 6a(1).

Item 2(a)(3) Total Plan Value of Vested Benefits (ACM filers only)

Enter the total amount of the present value of vested benefits determined with the plan’s actuarial assumptions. This is the total of item 2(a)(1) plus item 2(a)(2). The amount entered must be the same as the amount on the 2001 Form 5500, Schedule B, item 2b(4) in the Vested Benefits column, “Operational information as of beginning of this plan year-‘RPA ’94’ current liability: Total.”

Item 2(b) Adjusted Value of Vested Benefits

General Rule filers: Report in item 2(b) the value of the plan’s vested benefits, determined in accordance with the requirements set forth in the instructions for item 1 of Schedule A above. The value for retirees and beneficiaries receiving payments goes in item 2(b)(1), the value for participants not receiving payments in item 2(b)(2), and the total value (the sum of items 2(b)(1) and 2(b)(2)) in item 2(b)(3). The following two Relief Rules apply only to General Rule filers. (ACM filers: see instructions following the two Relief Rules for General Rule filers.)

Relief Rule for General Rule Filers Accrued Benefit Relief Rule For Large Plans

This is a special rule providing relief from determining vested benefits for certain plans that had 500 or more participants on the premium snapshot date and that are using the General Rule filing method.

If an enrolled actuary determines that the Total Value of Plan Assets in item 3(d) equals or exceeds the value of all benefits accrued under the plan (using plan assumptions, except that the benefits must be valued at the Required Interest Rate), the enrolled actuary need not determine the values of the plan’s vested benefits. The actuary may instead report in item 2(b) the values of accrued benefits adjusted only for the Required Interest Rate.

If you use this rule, the enrolled actuary must check box (a) in item 7.

Relief Rule for General Rule Filers Interest Adjustment Relief Rule

If you use the General Rule filing method and the Required Interest Rate for your plan is equal to or greater than the plan interest rate, the value of benefits you enter in item 2(b) may be determined using the plan interest rate instead of the Required Interest Rate.

If you use this relief rule for item 2(b), the enrolled actuary for the plan must check box (b) in item 7.

ACM filers: Follow the instructions for items 2(b)(1), 2(b)(2), and 2(b)(3) below.

Item 2(b)(1) Adjusted Value of Vested Benefits — Those Receiving Payments

Enter the adjusted present value of vested benefits for retirees and beneficiaries receiving payments, determined by adjusting the amount in item 2(a)(1) of Schedule A to value the benefits using the Required Interest Rate. To adjust the value of the benefits, you must follow the instructions in the “Item 2(b) Procedure” below.

Item 2(b)(2) Adjusted Value of Vested Benefits — Those Not Receiving Payments

Enter the adjusted present value of vested benefits for participants not receiving payments, determined by adjusting the amount in item 2(a)(2) of Schedule A to add benefit accruals for the plan year preceding the premium payment year and to value the benefits using the Required Interest Rate. The adjustment for benefit accruals is 7% of the amount in item 2(a)(2). To add the benefit accruals and to

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adjust the value of the benefits using the Required Interest Rate, you must follow the instructions in the “Item 2(b) Procedure” below.

Item 2(b)(3) Total Adjusted Vested Benefits

Enter the total adjusted vested benefits. This amount is the total of item 2(b)(1) plus item 2(b)(2).

Item 2(b) Procedure for ACM filers — How To Compute Adjusted Vested Benefits

Relief Rule for ACM filers If the Required Interest Rate for your plan entered in item 2 is equal to or greater than the plan interest rate entered in items 2(a)(1) and 2(a)(2), you do not have to use the formula below to calculate the adjusted value of vested benefits. However, you must adjust the amount entered in item 2(a)(2) by multiplying it by 1.07, the benefit accrual adjustment factor. Enter in item 2(b)(1) the same amount you entered in item 2(a)(1), and enter in item 2(b)(2) the adjusted item 2(a)(2) amount.

If you use this interest adjustment relief rule for item 2(b), by signing the certification in item 6 you are certifying that the plan interest rate used to value the vested benefits entered in items 2(a)(1) and 2(a)(2) was equal to or less than the Required Interest Rate.

Procedure for ACM filers Use the formula below to compute the adjusted value of vested benefits that you must enter in item 2(b)(1), item 2(b)(2) and item 2(b)(3). Enter all interest rates in the formula as in the following example: Enter 6.75 percent as “6.75,” not as “.0675.”

The formula adjusts the values of vested benefits for retired participants and beneficiaries receiving benefit payments and for other participants not receiving benefits that you entered in item 2(a)(1) and item 2(a)(2) of PBGC Schedule A. This information comes from your 2001 Form 5500, Schedule B. The formula adjusts your plan values to reflect the Required Interest Rate. The formula also adjusts for benefit accruals during the plan year preceding the premium payment year. You may wish to use the spaces provided as a work sheet.

One part of the formula, the expression “.94^(RIR - BIR),” may result in a fractional exponent and will result in a negative exponent when your plan’s current liability interest rate is higher than the Required Interest Rate. You may use an optional procedure to substitute a factor for this expression. See “Procedure — How To Use Substitution Factors for the term “.94^(RIR - BIR)”” below.

Formula for Total Adjusted Vested Benefits (item 2(b)(3)):

$$VB_{adj} = VB_{Pay} \times .94^{(RIR - BIR)} + [VB_{Nonpay} \times .94^{(RIR - BIR)} \times ((100 + BIR) / (100 + RIR))^{(ARA - 50)}]$$

Note: The VB_{Nonpay} amount is the amount entered on Schedule A item 2(a)(2) multiplied by 1.07 (the benefit accrual adjustment factor) to reflect accruals during the preceding plan year.

a. **Item 2(b)(1) amount** - Adjusted Vested Benefits for retirees and beneficiaries receiving payments.

$$\text{Item 2(b)(1)} = VB_{Pay} \times .94^{(RIR - BIR)}$$

b. **Item 2(b)(2) amount** - Adjusted Vested Benefits for participants *not* receiving payments.

$$\text{Item 2(b)(2)} = VB_{Nonpay} \times .94^{(RIR - BIR)} \times ((100 + BIR) / (100 + RIR))^{(ARA - 50)}$$

c. **Definitions.**

1. VB_{adj} is the adjusted vested benefits amount (as of the first day of the plan year preceding the premium payment year) under the Alternative Calculation Method \$ _____
2. VB_{Pay} is the amount entered on item 2(a)(1) \$ _____
3. VB_{Nonpay} is the amount entered in item 2(a)(2) multiplied by 1.07 \$ _____
4. RIR is the Required Interest Rate entered in item 2 _____ %
5. BIR is the current liability interest rate entered in items 2(a)(1) and 2(a)(2) in the “Interest Rate” column _____ %
6. ARA is the assumed retirement age entered in item 2 _____ years

Procedure for ACM filers How To Use Substitution Factors for the term “.94^(RIR - BIR)”

You may use “substitution factors” in the Alternative Calculation Method interest rate adjustment formula to replace the term “.94^(RIR - BIR).” The use of the “substitution factors” is *not* required; it is *optional*.

The use of the “substitution factors” may slightly overstate the present value of vested benefits and may overstate the amount of the variable rate premium. The PBGC has rounded all substitution factors up or down to produce the higher value of vested benefits. The impact of this rounding is minimal. At most, the rounding would overstate the value of vested benefits by less than 1%.

The substitution factors are in Appendix A. Use the substitution factor in Table A when RIR is equal to or greater than BIR rounded to the nearest hundredth. Use the substitution factor in Table B when BIR, rounded to the nearest hundredth, is greater than RIR.

Item 3 Value Of Plan Assets

Item 3(a) Value Of Plan Assets As Of Determination Date

year or later, whether or not made. Adjust all receipts and disbursements for interest.

All filers: Enter the determination date you entered in item 2.

ACM filers: Enter the value of assets as reported on the 2001 Schedule B, item 1b(2), *if* the date reported on the 2001 Schedule B, item 1a, is the first day of the 2001 plan year. *But*, if that date is *not* the first day of the 2001 plan year, enter the value of assets as of the first day of the 2001 plan year, as reported in item 2a of the same Schedule B. Round an entry that includes cents up to the next higher whole dollar amount.

General Rule filers: Enter the actuarial value of the plan’s assets determined in accordance with ERISA section 302(c)(2) without a reduction for any credit balance in the funding standard account. Round an entry that includes cents up to the next higher whole dollar amount. You may not include in item 3(a) contributions for the premium payment

Item 3(b) Contribution Receivables In Item 3(a)

Form 5500 for 2001, this amount is the sum of items 1b(1)(a) and 1b(2)(a) on Schedule H, current value of plan assets, receivables for employer and participant contributions as of the beginning of the plan year. For plans that do not file Schedule H for 2001, you must calculate the contribution receivables amount (keep a record of your calculations).

All filers: Enter the sum of employer and employee contribution receivables that were included in the item 3(a) amount. Round an entry that includes cents down to the next lower whole dollar amount.

For plans using the **ACM** that file Schedule H to

Item 3(c) Discounted Paid Contributions

the July 10, 1989, final premium regulation, 54 F.R. 28944, 28949.)

All filers: For plans with fewer than 500 participants, this item is optional; you may go to item 3(d). If you do not complete this item, you may understate the adjusted value of assets you will report in item 3(d). If this would affect the amount of the variable rate premium that the plan owes, you may wish to complete item 3(c).

The contributions must be discounted back to the determination date entered in item 3.

General Rule filers: Discount the contributions using the plan asset valuation rate, on a simple or compound basis in accordance with the plan’s discounting rules.

Enter in item 3(c) the discounted value of those employer and employee contributions paid for plan years before the premium payment year that either were reported in item 3(b) (because they were included as receivables in the item 3(a) amount) or were not included (as receivables or otherwise) in the item 3(a) amount. Round an entry that includes cents up to the next higher whole dollar amount. Do not include in item 3(c) any contributions that are for the premium payment year or any contributions that have not been paid on or before the earlier of the due date for the variable rate premium or the date that premium is paid.

ACM filers: Discount the contributions using the formula in the “Item 3 Procedure” below.
Procedure for ACM filers Item 3 Procedure - How To Discount Contributions

You must use the formula below to discount each contribution included in item 3(c) from the date paid back to the date entered in item 3(a). The sum of the discounted contributions is entered in item 3(c).

We remind filers that the plan year for which a contribution is made is the plan year for which the contribution is credited to the funding standard account as “the amount considered contributed by the employer to or under the plan for the plan year” pursuant to section 412(b)(2)(A) of the Code and section 302(b)(2)(A) of ERISA. (See the preamble to

Each “discounted contribution” (DC) is computed by dividing the contribution paid by the “discount interest rate factor” for the discount period. The computation of the “discount interest rate factor” is based on the Required Interest Rate (RIR) entered in item 2. Thus, for example, if the RIR is 6.30%, the “discount interest rate factor” is 1.0630. The “discount period” (DP) is the number of days from the date the contribution was paid back to the date entered in item 3(a). As part of the exponent in the formula, the “discount period” adjusts the “discount

Part E.4 ITEM-BY-ITEM INSTRUCTIONS FOR SCHEDULE A

interest rate factor” for periods of different durations. One year is 365/365 or 1. (The formula assumes a 365-day year.)

Discounted Contribution (DC) =

$$\text{Contribution} / [(1 + (\text{RIR} / 100))^{(\text{DP} / 365)}]$$

where:

1. RIR is the Required Interest Rate entered in item 2 _____ %
2. DP is the discount period expressed as the number of days from the date the contribution was paid back to the date entered in item 3(c); for example, one year and 183 days would be 548 days _____

Example A calendar year plan paying its premium for the 2002 premium payment year received a \$1,000 contribution on July 2 of the premium payment year for the prior plan year. The discount

period is July 2 of the premium payment year to January 1 of the prior plan year, or 548 days. Assume that the RIR for the premium payment year is 6.30%. When Contribution = \$1,000, RIR = 6.30%, and the Discount Period (DP) = 548 days, the amount of the Discounted Contribution (DC) is computed as follows:

$$\text{DC} = \$1,000 / [(1 + (6.30/100))^{(548 / 365)}]$$

$$\text{DC} = \$1,000 / [(1 + 0.0630)^{(1.50137)}]$$

$$\text{DC} = \$1,000 / [(1.0630)^{(1.50137)}]$$

$$\text{DC} = \$1,000 / 1.096065$$

$$\text{DC} = \$912.35$$

If the discount period for a contribution includes a partial year, instead of using this formula for the entire period, you may use simple interest for the partial year and this formula for the full year(s), if any, in the discount period, and add the two results.

Item 3(d) Adjusted Value Of Plan Assets

All filers: Enter the combined amount of item 3(a), minus item 3(b), plus item 3(c).

Item 4 Adjusted Unfunded Vested Benefits

General Rule filers: The adjusted unfunded vested benefits is the excess, if any, of the Total Adjusted Vested Benefits entered in item 2(b)(3) over the Adjusted Value of Plan Assets entered in item 3(d).

If item 2(b)(3) is less than item 3(d), enter \$0; if not, subtract item 3(d) from item 2(b)(3), round up to the next \$1,000, and enter here.

An enrolled actuary must certify that the determination of unfunded vested benefits was made in a manner consistent with generally accepted actuarial principles and practices. The certification is made by signing and completing item 7.

ACM filers: The Adjusted Unfunded Vested Benefits is the excess, if any, of the Total Adjusted Vested Benefits entered in item 2(b)(3) over the Adjusted Plan Assets entered in item 3(d), further adjusted for the passage of time from the determination date entered in item 2 to the premium snapshot date. To determine Adjusted Unfunded Vested Benefits, use the “Item 4 Procedure” below. You may wish to use the space provided as a work sheet.

Plans with fewer than 500 participants compute the Adjusted Unfunded Vested Benefits by using Step 1

and Step 2 of the “Item 4 Procedure” below and entering the result (UVB_{adj}) in item 4.

Plans with 500 or more participants compute the Adjusted Unfunded Vested Benefits by using Step 1, Step 2 and Step 3 of the “Item 4 Procedure” below and entering the result (UVB_{adj}) in item 4.

Procedure for ACM filers Item 4 Procedure - How To Compute Adjusted Unfunded Vested Benefits Step 1. Unfunded Vested Benefits.

A. If item 3(d), Adjusted Value of Plan Assets, is equal to or greater than item 2(b)(3), Total Adjusted Vested Benefits, you have *no* Adjusted Unfunded Vested Benefits; enter \$0 in item 4 and go to item 5.

B. If item 3(d), Adjusted Value of Plan Assets, is less than item 2(b)(3), Total Adjusted Vested Benefits, you do have Adjusted Unfunded Vested Benefits. Compute the amount of Unfunded Vested Benefits as of the determination date entered in item 2 as follows:

1. Total Adjusted Vested Benefits from item 2(b)(3) \$ _____
2. *Minus:* Adjusted Value of Plan Assets from item 3(d) \$ _____
3. Unfunded Vested Benefits (1 minus 2) \$ _____
4. Go to Step 2

Step 2. Passage Of Time.

Adjust the Unfunded Vested Benefits entered above to reflect the passage of time from the determination date entered in item 2 using the following formula:

$$UVB_{adj} = (VB_{adj} - A_{adj}) \times (1 + RIR / 100)^Y;$$

where —

1. UVB_{adj} is the amount of the plan's Adjusted Unfunded Vested Benefits on which the variable rate portion of the premium will be assessed. NOTE: Round up to the next \$1,000 and enter in item 4 \$ _____
2. VB_{adj} is the value of the Total Adjusted Vested Benefits entered in item 2(b)(3) \$ _____
3. A_{adj} is the Adjusted Value Of Plan Assets entered in item 3(d) \$ _____
4. RIR is the Required Interest Rate entered in item 2 _____ %
5. Y is deemed to be equal to 1 (unless the plan year preceding the premium payment year is a short plan year, in which case Y is the number of days in the short plan year (counting both the first day and the last day of the short plan year) divided by 365, expressed as a decimal fraction of 1.0 with two digits to the right of the

decimal point) _____

If you have a plan with fewer than 500 participants, skip Step 3 below and go to item 5; otherwise, you must proceed to Step 3.

Step 3. Significant Event Adjustment.

If you have a plan with 500 or more participants, an enrolled actuary must certify to either A or B below by completing the certification in item 7 (including, in particular, box (c) of Item 7) of the Schedule A.

A. No Significant Event, as described in A.7., p. 4, occurred during the plan year preceding the premium payment year. If this is the case, enter UVB_{adj} from Step 2 above in item 4 of Schedule A.

B. One or more Significant Events have occurred during the plan year preceding the premium payment year, and the enrolled actuary has made appropriate adjustments to UVB_{adj} from Step 2 above to reflect the occurrence of the Significant Event(s) in accordance with generally accepted actuarial principles and practices. If this is the case, you may use the following worksheet:

1. Enter UVB_{adj} from Step 2 above \$ _____
2. Enter the adjustment to UVB_{adj} to reflect Significant Events (if negative, place in parentheses) \$ _____
3. Add 1 and 2, round up to the next \$1,000, and enter here and in item 4 of Schedule A \$ _____

Item 5 Variable Rate Premium

All filers: Enter in item 5 and on Form 1, item 14(c), the variable rate premium. You have two alternatives:

- a. If your plan has NO Adjusted Unfunded Vested Benefits shown in item 4, enter \$0 in item 5.
- b. Otherwise, multiply the adjusted unfunded vested benefit amount in item 4 by 0.009 and enter the result in item 5.

Item 6 Plan Administrator Certification

All filers: As plan administrator, you must sign and date the certification in the space provided. The form you file must bear your original signature, and we may return the filing if it does not.

The certification has two parts. The first part is a general certification that your premium forms and attachments have been correctly completed and that any information given to the enrolled actuary is true, correct, and complete. The second part is a certification regarding compliance with the Participant Notice requirements in ERISA section 4011 and the PBGC's regulation on Disclosure to Participants (29 CFR Part 4011).

For each plan year for which a variable rate premium is payable for a plan, the plan administrator

must issue a notice to participants about the plan's funding status and the limits on the PBGC's guarantee, unless the plan is exempt from the notice requirement under ERISA and the Disclosure to Participants regulation. The Participant Notice is due no later than two months after the due date (or extended due date) for the Form 5500 series for the prior plan year. For purposes of determining whether the Participant Notice was timely issued, if any due date (or extended due date) falls on a Saturday, Sunday, or legal holiday, the applicable due date is the next business day.

The certification relates to the Participant Notice requirement for the plan year preceding the premium payment year. You must check box (a), (b), or (c). If you check box (c) (e.g., because a required Participant Notice was not issued or was issued late),

Part F MODIFIED ALTERNATIVE CALCULATION METHOD FOR PLANS TERMINATING IN DISTRESS OR INVOLUNTARY TERMINATIONS

you must attach an explanation and check the box in item 18 of Form 1.

NOTE: If your plan had no variable rate premium for the plan year preceding the premium payment year, the Participant Notice requirement did not apply

for that year and you can check box (a). Other exemptions are described in the Disclosure to Participants regulation. Note in particular that the regulation contains an exemption for certain new and newly-covered plans.

Item 7 Enrolled Actuary Certification

General Rule filers: An enrolled actuary must personally sign, date and enter his or her enrollment number and address in the space provided on the certification in item 7. The signature of the enrolled actuary must be filed in original form. If the Accrued Benefit Relief Rule for item 2 was used, the enrolled actuary must check box (a) in item 7. If the Interest

Adjustment Relief Rule for item 2 was used, the enrolled actuary must check box (b) in item 7.

ACM filers: If the plan has 500 or more participants, an enrolled actuary must sign, date and enter his or her enrollment number and address in the space provided on the certification, and must check box (c) in item 7. The signature of the plan administrator must be filed in original form.

Part F MODIFIED ALTERNATIVE CALCULATION METHOD FOR PLANS TERMINATING IN DISTRESS OR INVOLUNTARY TERMINATIONS

If you check the box in item 1(c) of Schedule A to indicate that you are using the modified Alternative Calculation Method (ACM) for plans terminating in distress or involuntary terminations, you must follow the instructions in this Part F, which modify the instructions for items 2 through 5 of Schedule A in Part E for ACM filers. The date you enter in item 1 of Schedule A is referred to in this Part F as the “DOPT.”

The item-by-item instructions for items 2 through 5 of the Schedule A are the same as under the Alternative Calculation Method (See Part E of these instructions) subject to the modifications described below. However, under this Distress/Involuntary Termination Method, you will generally be using data from a Schedule B for a plan year earlier than the plan year preceding the premium payment year.

Most of the relevant item numbers on Schedule B for 1994 and earlier years are different from those on the 1995 through 2001 Schedule B, as indicated in the box below.

<u>Corresponding Schedule B Item Numbers</u>	
<u>1995 - 2001 Schedule B</u>	<u>1989-1994 Schedule B</u>
1a	8b (date)
1b(2)	8b (value)
2a	6c
2b	6d
2b(1)	6d(i)
2b(2) + 2b(3)	6d(ii) + 6d(iii)
2b(4)	6d(iv)
6a(1)*	12c(i)
6b**	12d

* Item 6c(1) on 1995 Schedule B’s.

** Item 6e on 1995 Schedule B’s.

If you are able to use the same Schedule B as under

the Alternative Calculation Method, which is the 2001 Schedule B for the 2002 premium payment year, the Distress/Involuntary Termination Method and the Alternative Calculation Method are almost identical; the only difference is that the Distress/Involuntary Termination Method may result in a smaller adjustment for accruals during the plan year preceding the premium payment year, since it would adjust only up to the DOPT. (See Modification 2 below.) Thus, if you use the Distress/Involuntary Termination Method with a Schedule B for the plan year preceding the premium payment year, you may ignore Modifications 1 and 3 below, and apply only Modification 2 to the Alternative Calculation Method.

The modifications, which are generally designed to reflect and to adjust for the fact that the Schedule B data were determined as of an earlier date, are as follows:

Modification 1.

Substitute the first day of the plan year of the Schedule B you are using for the first day of the Alternative Calculation Method Schedule B year.

Example A calendar year plan is paying its 2002 premium. The plan has a DOPT of September 1, 2001, and a premium snapshot date of December 31, 2001, and is using data from its 2000 Schedule B to calculate the variable rate portion of its premium. For this plan —

1. the determination date to be entered in item 2 must be January 1, 2000;
2. the Plan Value of Vested Benefits to be entered in the “Value” column of item 2(a), as well as the

Part F MODIFIED ALTERNATIVE CALCULATION METHOD FOR PLANS TERMINATING IN DISTRESS OR INVOLUNTARY TERMINATIONS

Adjusted Value of Vested Benefits to be entered in item 2(b), must be determined as of January 1, 2000;

3. the determination date to be entered in item 3 must be January 1, 2000;
4. the Value of Plan Assets to be entered in item 3(a) must be determined as of January 1, 2000;
5. the Contribution Receivables to be entered in item 3(b) are those that were included as receivables in the item 3(a) entry as of January 1, 2000;
6. the Discounted Paid Contributions to be entered in item 3(c) are those contributions for plan years prior to the premium payment year that were either included as receivables, or not included (as receivables or otherwise), in the item 3(a) entry as of January 1, 2000 (provided they were paid on or before the earlier of the date the 2002 premium is due or paid);
7. the Discounted Paid Contributions to be entered in item 3(c) must be discounted from the date paid back to January 1, 2000;
8. the Adjusted Value of Plan Assets to be entered in item 3(d) must be determined as of January 1, 2000;
9. the Adjusted Unfunded Vested Benefits to be entered in item 4 is determined as of December 31, 2001; and
10. if the plan has 500 or more participants, the Adjusted Unfunded Vested Benefits to be entered in item 4 must reflect any Significant Events occurring between January 1, 2000, and December 31, 2001.

Modification 2.

Substitute “the sum of 1 plus the product of .07 times the number of years (rounded to the nearest hundredth of a year) from the date of the Schedule B data to the DOPT” for “1.07” (the benefit accrual adjustment factor) in the Item 2(b) interest adjustment “Relief Rule” and the interest rate adjustment formula under the “Item 2(b) Procedure.”

To compute the number of years, count the number of days from and including the date of the Schedule B data to and including the DOPT and divide by 365.

Under the Alternative Calculation Method, the benefit accrual adjustment factor of 1.07 referred to under the “Item 2(b) Procedure” serves as a surrogate for accruals during the plan year preceding the premium payment year. This surrogate assumes that there has been exactly one year of accruals (*e.g.*, in the case of a calendar year plan paying its 2002 premium, accruals from January 1, 2001, through December 31, 2001). Under the Distress/Involuntary Termination Method, however, the accrual period will run from the date of the Schedule B data to the

DOPT.

Using the rule stated in Modification 2, and continuing with the hypothetical plan in Modification 1—

1. Determine VB_{Nonpay} in the “Item 2(b) Procedure” interest rate adjustment formula by multiplying the total of the amounts entered in the Vested Benefits column in items 2b(2) and 2b(3) of the 2000 Schedule B by the following benefit accrual adjustment factor (AC) instead of 1.07 —

$AC = 1 + (.07 \times (\text{the number of days from January 1, 2000 to September 1, 2001}) / 365)$

$AC = 1 + (.07 \times 1.67)$

$AC = 1 + .12$

$AC = 1.12$

2. If the plan is using the item 2(b) interest adjustment “Relief Rule,” the Schedule A item 2(b)(2) amount is determined by multiplying the Schedule A item 2(a)(2) amount by 1.12. If the plan cannot use the Relief Rule, the VB_{Nonpay} amount (c.3. under the “Item 2(b) Procedure”) is the amount entered in item 2(a)(2) of Schedule A multiplied by 1.12.

3. Enter the benefit accrual adjustment factor of 1.12 as the accrual factor on Schedule A, item 2.

Modification 3.

Use “the number of years (rounded to the nearest hundredth of a year) between the date of the Schedule B data and the premium snapshot date” as the value for the exponent “Y,” in the time adjustment formula under the “Item 4 Procedure” rather than the value described in the “Item 4 Procedure.”

To compute the number of years, count the number of days from and including the date of the Schedule B data to and including the premium snapshot date and divide by 365 in Step 2 of the “Item 4 Procedure.”

Under the Alternative Calculation Method, the exponent, “Y,” in the time adjustment formula in Step 2 of the “Item 4 Procedure” represents the length of time from the date of the Schedule B data to the premium snapshot date. Because that length of time is generally exactly one year under the Alternative Calculation Method, Y is defined simply as (generally) being “equal to 1.” The length of time under the Distress/Involuntary Termination Method will generally be longer than 1 year. Thus, using the rule stated in Modification 3, and continuing with the hypothetical plan in Modification 1, “Y” would equal 2 (the number of years between January 1, 2000, and December 31, 2001).

APPENDIX A

APPENDIX A Optional Substitution Factors for the term “.94^(RIR - BIR)”

You may use optional “substitution factors” in the Alternative Calculation Method interest rate adjustment formula to replace the term “.94^(RIR - BIR).” The use of the factors is not required; it is optional. The instructions for the formula and for use of the tables below are in Part E, item 2.

Use the substitution factor in Table A when RIR is equal to or greater than BIR rounded to the nearest hundredth. Use the substitution factor in Table B when BIR, rounded to the nearest hundredth, is greater than RIR.

TABLE A

When RIR is Equal To Or Greater Than BIR

If RIR minus BIR (rounded to the nearest hundredth) is:		The substitution factor is:	If RIR minus BIR (rounded to the nearest hundredth) is:		The substitution factor is:
<u>At Least</u>	<u>But less than</u>		<u>At Least</u>	<u>But less than</u>	
0.00	0.10	1.0000	3.00	3.10	0.8306
0.10	0.20	0.9938	3.10	3.20	0.8255
0.20	0.30	0.9877	3.20	3.30	0.8204
0.30	0.40	0.9816	3.30	3.40	0.8153
0.40	0.50	0.9756	3.40	3.50	0.8103
0.50	0.60	0.9695	3.50	3.60	0.8053
0.60	0.70	0.9636	3.60	3.70	0.8003
0.70	0.80	0.9576	3.70	3.80	0.7954
0.80	0.90	0.9517	3.80	3.90	0.7905
0.90	1.00	0.9458	3.90	4.00	0.7856
1.00	1.10	0.9400	4.00	4.10	0.7807
1.10	1.20	0.9342	4.10	4.20	0.7759
1.20	1.30	0.9284	4.20	4.30	0.7711
1.30	1.40	0.9227	4.30	4.40	0.7664
1.40	1.50	0.9170	4.40	4.50	0.7617
1.50	1.60	0.9114	4.50	4.60	0.7570
1.60	1.70	0.9057	4.60	4.70	0.7523
1.70	1.80	0.9002	4.70	4.80	0.7477
1.80	1.90	0.8946	4.80	4.90	0.7430
1.90	2.00	0.8891	4.90	5.00	0.7385
2.00	2.10	0.8836	5.00	5.10	0.7339
2.10	2.20	0.8781	5.10	5.20	0.7294
2.20	2.30	0.8727	5.20	5.30	0.7249
2.30	2.40	0.8673	5.30	5.40	0.7204
2.40	2.50	0.8620	5.40	5.50	0.7160
2.50	2.60	0.8567	5.50	5.60	0.7115
2.60	2.70	0.8514	5.60	5.70	0.7072
2.70	2.80	0.8461	5.70	5.80	0.7028
2.80	2.90	0.8409	5.80	5.90	0.6985
2.90	3.00	0.8357	5.90	6.00	0.6942

TABLE B

When BIR is Greater Than RIR

If BIR (rounded to the nearest hundredth) minus RIR is:		The substitution factor is:	If BIR (rounded to the nearest hundredth) minus RIR is:		The substitution factor is:
<u>At Least</u>	<u>But less than</u>		<u>At Least</u>	<u>But less than</u>	
0.00	0.10	1.0062	3.00	3.10	1.2114
0.10	0.20	1.0125	3.10	3.20	1.2190
0.20	0.30	1.0187	3.20	3.30	1.2265
0.30	0.40	1.0251	3.30	3.40	1.2341
0.40	0.50	1.0314	3.40	3.50	1.2418
0.50	0.60	1.0378	3.50	3.60	1.2495
0.60	0.70	1.0443	3.60	3.70	1.2573
0.70	0.80	1.0507	3.70	3.80	1.2651
0.80	0.90	1.0573	3.80	3.90	1.2729
0.90	1.00	1.0638	3.90	4.00	1.2808
1.00	1.10	1.0704	4.00	4.10	1.2888
1.10	1.20	1.0771	4.10	4.20	1.2968
1.20	1.30	1.0838	4.20	4.30	1.3048
1.30	1.40	1.0905	4.30	4.40	1.3129
1.40	1.50	1.0973	4.40	4.50	1.3211
1.50	1.60	1.1041	4.50	4.60	1.3293
1.60	1.70	1.1109	4.60	4.70	1.3375
1.70	1.80	1.1178	4.70	4.80	1.3458
1.80	1.90	1.1248	4.80	4.90	1.3542
1.90	2.00	1.1317	4.90	5.00	1.3626
2.00	2.10	1.1388	5.00	5.10	1.3710
2.10	2.20	1.1458	5.10	5.20	1.3795
2.20	2.30	1.1529	5.20	5.30	1.3881
2.30	2.40	1.1601	5.30	5.40	1.3967
2.40	2.50	1.1673	5.40	5.50	1.4054
2.50	2.60	1.1745	5.50	5.60	1.4141
2.60	2.70	1.1818	5.60	5.70	1.4229
2.70	2.80	1.1892	5.70	5.80	1.4317
2.80	2.90	1.1965	5.80	5.90	1.4406
2.90	3.00	1.2040	5.90	6.00	1.4495

APPENDIX B

APPENDIX B Codes for Principal Business Activity.

These industry titles and definitions are based, in general, on the North American Industry Classification System. They are designed to classify an enterprise by the type of activity in which it is engaged. You must use a code from the following list.

Agriculture, Forestry, Fishing and Hunting	Special Trade Contractors	325100	Basic Chemical Mfg
Crop Production	235110 Plumbing, Heating, & Air Conditioning Contractors	325200	Resin, Synthetic Rubber, & Artificial & Synthetic Fibers & Filaments Mfg
111100 Oilseed & Grain Farming	235210 Painting & Wall Covering Contractors	325300	Pesticide, Fertilizer, & Other Agricultural Chemical Mfg
111210 Vegetable & Melon Farming (including potatoes & yams)	235310 Electrical Contractors	325410	Pharmaceutical & Medicine Mfg
111300 Fruit & Tree Nut Farming	235400 Masonry, Drywall, Insulation, & Tile Contractors	325500	Paint, Coating, & Adhesive Mfg
111400 Greenhouse, Nursery, & Floriculture Production	235500 Carpentry & Floor Contractors	325600	Soap, Cleaning Compound, & Toilet Preparation Mfg
111900 Other Crop Farming (including tobacco, cotton, sugarcane, hay, peanut, sugar beet & all other crop farming)	235610 Roofing, Siding, & Sheet Metal Contractors	325900	Other Chemical Product & Preparation Mfg
Animal Production	235710 Concrete Contractors		Plastics and Rubber Products Manufacturing
112111 Beef Cattle Ranching & Farming	235810 Water Well Drilling Contractors	326100	Plastics Product Mfg
112112 Cattle Feedlots	235900 Other Special Trade Contractors	326200	Rubber Product Mfg
112120 Dairy Cattle & Milk Production	Manufacturing		Nonmetallic Mineral Product Manufacturing
112210 Hog & Pig Farming	Food Manufacturing	327100	Clay Product & Refractory Mfg
112300 Poultry & Egg Production	311110 Animal Food Mfg	327210	Glass & Glass Product Mfg
112400 Sheep & Goat Farming	311200 Grain & Oilseed Milling	327300	Cement & Concrete Product Mfg
112510 Animal Aquaculture (including shellfish & finfish farms & hatcheries)	311300 Sugar & Confectionery Product Mfg	327400	Lime & Gypsum Product Mfg
112900 Other Animal Production	311400 Fruit & Vegetable Preserving & Specialty Food Mfg	327900	Other Nonmetallic Mineral Product Mfg
Forestry and Logging	311500 Dairy Product Mfg		Primary Metal Manufacturing
113110 Timber Tract Operations	311610 Animal Slaughtering and Processing	331110	Iron & Steel Mills & Ferroalloy Mfg
113210 Forest Nurseries & Gathering of Forest Products	311710 Seafood Product Preparation & Packaging	331200	Steel Product Mfg from Purchased Steel
113310 Logging	311800 Bakeries & Tortilla Mfg	331310	Alumina & Aluminum Production & Processing
Fishing, Hunting and Trapping	311900 Other Food Mfg (including coffee, tea, flavorings & seasonings)	331400	Nonferrous Metal (except Aluminum) Production & Processing
114110 Fishing	Beverage and Tobacco Product Manufacturing	331500	Foundries
114210 Hunting & Trapping	312110 Soft Drink & Ice Mfg		Fabricated Metal Product Manufacturing
Support Activities for Agriculture and Forestry	312120 Breweries	332110	Forging & Stamping
115110 Support Activities for Crop Production (including cotton ginning, soil preparation, planting, & cultivating)	312130 Wineries	332210	Cutlery & Handtool Mfg
115210 Support Activities for Animal Production	312140 Distilleries	332300	Architectural & Structural Metals Mfg
115310 Support Activities For Forestry	312200 Tobacco Manufacturing	332400	Boiler, Tank, & Shipping Container Mfg
Mining	Textile Mills and Textile Product Mills	332510	Hardware Mfg
211110 Oil & Gas Extraction	313000 Textile Mills	332610	Spring & Wire Product Mfg
212110 Coal Mining	314000 Textile Product Mills	332700	Machine Shops; Turned Product; & Screw, Nut, & Bolt Mfg
212200 Metal Ore Mining	Apparel Manufacturing	332810	Coating, Engraving, Heat Treating, & Allied Activities
212310 Stone Mining & Quarrying	315100 Apparel Knitting Mills	332900	Other Fabricated Metal Product Mfg
212320 Sand, Gravel, Clay, & Ceramic & Refractory Minerals Mining & Quarrying	315210 Cut & Sew Apparel Contractors		Machinery Manufacturing
212390 Other Nonmetallic Mineral Mining & Quarrying	315220 Men's & Boys' Cut & Sew Apparel Mfg	333100	Agriculture, Construction, & Mining Machinery Mfg
213110 Support Activities for Mining	315230 Women's & Girls' Cut & Sew Apparel Mfg	333200	Industrial Machinery Mfg
Utilities	315290 Other Cut & Sew Apparel Mfg	333310	Commercial & Service Industry Machinery Mfg
221100 Electric Power Generation, Transmission & Distribution	315990 Apparel Accessories & Other Apparel Mfg	333410	Ventilation, Heating, Air Conditioning, & Commercial Refrigeration Equipment Mfg
221210 Natural Gas Distribution	Leather and Allied Product Manufacturing	333510	Metalworking Machinery Mfg
221300 Water, Sewage & Other Systems	316110 Leather & Hide Tanning & Finishing	333610	Engine, Turbine & Power Transmission Equipment Mfg
Construction	316210 Footwear Mfg (including rubber & plastics)	333900	Other General Purpose Machinery Mfg
Building, Developing, and General Contracting	316990 Other Leather & Allied Product Mfg		Computer and Electronic Product Manufacturing
233110 Land Subdivision & Land Development	Wood Product Manufacturing	334110	Computer & Peripheral Equipment Mfg
233200 Residential Building Construction	321110 Sawmills & Wood Preservation	334200	Communications Equipment Mfg
233300 Nonresidential Building Construction	321210 Veneer, Plywood, & Engineered Wood Product Mfg	334310	Audio & Video Equipment Mfg
Heavy Construction	321900 Other Wood Product Mfg	334410	Semiconductor & Other Electronic Component Mfg
234100 Highway, Street, Bridge, & Tunnel Construction	Paper Manufacturing	334500	Navigational, Measuring, Electromedical, & Control
234900 Other Heavy Construction	322100 Pulp, Paper, & Paperboard Mills		
	322200 Converted Paper Product Mfg		
	Printing and Related Support Activities		
	323100 Printing & Related Support Activities		
	Petroleum and Coal Products Manufacturing		
	324110 Petroleum Refineries (including integrated)		
	324120 Asphalt Paving, Roofing, & Saturated Materials Mfg		
	324190 Other Petroleum & Coal Products Mfg		
	Chemical Manufacturing		

334610	Instruments Mfg Manufacturing & Reproducing Magnetic & Optical Media
Electrical Equipment, Appliance, and Component Manufacturing	
335100	Electric Lighting Equipment Mfg
335200	Household Appliance Mfg
335310	Electrical Equipment Mfg
335900	Other Electrical Equipment & Component Mfg
Transportation Equipment Manufacturing	
336100	Motor Vehicle Mfg
336210	Motor Vehicle Body & Trailer Mfg
336300	Motor Vehicle Parts Mfg
336410	Aerospace Product & Parts Mfg
336510	Railroad Rolling Stock Mfg
336610	Ship & Boat Building
336990	Other Transportation Equipment Mfg
Furniture and Related Product Manufacturing	
337000	Furniture & Related Product Manufacturing
Miscellaneous Manufacturing	
339110	Medical Equipment & Supplies Mfg
339900	Other Miscellaneous Manufacturing

Wholesale Trade

Wholesale Trade, Durable Goods	
421100	Motor Vehicle & Motor Vehicle Parts & Supplies Wholesalers
421200	Furniture & Home Furnishing Wholesalers
421300	Lumber & Other Construction Materials Wholesalers
421400	Professional & Commercial Equipment & Supplies Wholesalers
421500	Metal & Mineral (except Petroleum) Wholesalers
421600	Electrical Goods Wholesalers
421700	Hardware, & Plumbing & Heating Equipment & Supplies Wholesalers
421800	Machinery, Equipment, & Supplies Wholesalers
421910	Sporting & Recreational Goods & Supplies Wholesalers
421920	Toy & Hobby Goods & Supplies Wholesalers
421930	Recyclable Material Wholesalers
421940	Jewelry, Watch, Precious Stone, & Precious Metal Wholesalers
421990	Other Miscellaneous Durable Goods Wholesalers
Wholesale Trade, Nondurable Goods	
422100	Paper & Paper Product Wholesalers
422210	Drugs & Druggists' Sundries Wholesalers
422300	Apparel, Piece Goods, & Notions Wholesalers
422400	Grocery & Related Product Wholesalers
422500	Farm Product Raw Material Wholesalers
422600	Chemical & Allied Products Wholesalers
422700	Petroleum & Petroleum Products Wholesalers
422800	Beer, Wine, & Distilled Alcoholic Beverage Wholesalers
422910	Farm Supplies Wholesalers
422920	Book, Periodical, & Newspaper Wholesalers
422930	Flower, Nursery Stock, & Florists' Supplies Wholesalers
422940	Tobacco & Tobacco Product Wholesalers
422950	Paint, Varnish, & Supplies

422990	Wholesalers Other Miscellaneous Nondurable Goods Wholesalers
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Retail Trade

Motor Vehicle and Parts Dealers	
441110	New Car Dealers
441120	Used Car Dealers
441210	Recreational Vehicle Dealers
441221	Motorcycle Dealers
441222	Boat Dealers
441229	All Other Motor Vehicle Dealers
441300	Automotive Parts, Accessories, & Tire Stores
Furniture and Home Furnishings Stores	
442110	Furniture Stores
442210	Floor Covering Stores
442291	Window Treatment Stores
442299	All Other Home Furnishings Stores
Electronics and Appliance Stores	
443111	Household Appliance Stores
443112	Radio, Television, & Other Electronics Stores
443120	Computer & Software Stores
443130	Camera & Photographic Supplies Stores
Building Material and Garden Equipment and Supplies Dealers	
444110	Home Centers
444120	Paint & Wallpaper Stores
444130	Hardware Stores
444190	Other Building Material Dealers
444200	Lawn & Garden Equipment & Supplies Stores
Food and Beverage Stores	
445110	Supermarkets and Other Grocery (except Convenience) Stores
445120	Convenience Stores
445210	Meat Markets
445220	Fish & Seafood Markets
445230	Fruit & Vegetable Markets
445291	Baked Goods Stores
445292	Confectionery & Nut Stores
445299	All Other Specialty Food Stores
445310	Beer, Wine, & Liquor Stores
Health and Personal Care Stores	
446110	Pharmacies & Drug Stores
446120	Cosmetics, Beauty Supplies, & Perfume Stores
446130	Optical Goods Stores
446190	Other Health & Personal Care Stores
Gasoline Stations	
447100	Gasoline Stations (including convenience stores with gas)
Clothing and Clothing Accessories Stores	
448110	Men's Clothing Stores
448120	Women's Clothing Stores
448130	Children's & Infants' Clothing Stores
448140	Family Clothing Stores
448150	Clothing Accessories Stores
448190	Other Clothing Stores
448210	Shoe Stores
448310	Jewelry Stores
448320	Luggage & Leather Goods Stores
Sporting Goods, Hobby, Book, and Music Stores	
451110	Sporting Goods Stores
451120	Hobby, Toy, & Game Stores
451130	Sewing, Needlework, & Piece Goods Stores
451140	Musical Instrument & Supplies Stores
451211	Book Stores
451212	News Dealers & Newsstands
451220	Prerecorded Tape, Compact Disc, & Record Stores
General Merchandise Stores	
452110	Department stores
452900	Other General Merchandise

Stores	
Miscellaneous Store Retailers	
453110	Florists
453210	Office Supplies & Stationery Stores
453220	Gift, Novelty, & Souvenir Stores
453310	Used Merchandise Stores
453910	Pet & Pet Supplies Stores
453920	Art Dealers
453930	Manufactured (Mobile) Home Dealers
453990	All Other Miscellaneous Store Retailers (including tobacco, candle, & trophy shops)
Nonstore Retailers	
454110	Electronic Shopping & Mail-Order Houses
454210	Vending Machine Operators
454311	Heating Oil Dealers
454312	Liquefied Petroleum Gas (Bottled Gas) Dealers
454319	Other Fuel Dealers
454390	Other Direct Selling Establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)

Transportation and Warehousing

Air, Rail, and Water Transportation	
481000	Air Transportation
482110	Rail Transportation
483000	Water Transportation
Truck Transportation	
484110	General Freight Trucking, Local
484120	General Freight Trucking, Long distance
484200	Specialized Freight Trucking
Transit and Ground Passenger Transportation	
485110	Urban Transit Systems
485210	Interurban & Rural Bus Transportation
485310	Taxi Service
485320	Limousine Service
485410	School & Employee Bus Transportation
485510	Charter Bus Industry
485990	Other Transit & Ground Passenger Transportation
Pipeline Transportation	
486000	Pipeline Transportation
Scenic & Sightseeing Transportation	
487000	Scenic & Sightseeing Transportation
Support Activities for Transportation	
488100	Support Activities for Air Transportation
488210	Support Activities for Rail Transportation
488300	Support Activities for Water Transportation
488410	Motor Vehicle Towing
488490	Other Support Activities for Road Transportation
488510	Freight Transportation Arrangement
488990	Other Support Activities for Transportation
Couriers and Messengers	
492110	Couriers
492210	Local Messengers & Local Delivery
Warehousing and Storage	
493100	Warehousing & Storage Facilities (except lessors of miniwarehouses & self storage units)

APPENDIX B

Information

Publishing Industries

511110	Newspaper Publishers
511120	Periodical Publishers
511130	Book Publishers
511140	Database & Directory Publishers
511190	Other Publishers
511210	Software Publishers

Motion Picture and Sound Recording Industries

512100	Motion Picture & Video Industries (except video rental)
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Broadcasting and Telecommunications

512200	Sound Recording Industries
513100	Radio & Television Broadcasting
513200	Cable Networks & Program Distribution

513300	Telecommunications (including paging, cellular, satellite, & other telecommunications)
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Information Services and Data Processing Services

514100	Information Services (including news syndicates, libraries, & on line information services)
514210	Data Processing Services

Finance and Insurance

Depository Credit Intermediation

522110	Commercial Banking
522120	Savings Institutions
522130	Credit Unions
522190	Other Depository Credit Intermediation

Nondepository Credit Intermediation

522210	Credit Card Issuing
522220	Sales Financing
522291	Consumer Lending
522292	Real Estate Credit (including mortgage bankers & originators)
522293	International Trade Financing
522294	Secondary Market Financing
522298	All Other Nondepository Credit Intermediation

Activities Related to Credit Intermediation

522300	Activities Related to Credit Intermediation (including loan brokers)
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Securities, Commodity Contracts, and Other Financial Investments and Related Activities

523110	Investment Banking & Securities Dealing
523120	Securities Brokerage
523130	Commodity Contracts Dealing
523140	Commodity Contracts Brokerage
523210	Securities & Commodity Exchanges

523900	Other Financial Investment Activities (including portfolio management & investment advice)
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Insurance Carriers and Related Activities

524140	Direct Life, Health, & Medical Insurance & Reinsurance Carriers
524150	Direct Insurance & Reinsurance (except Life, Health & Medical) Carriers

524210	Insurance Agencies & Brokerages
524290	Other Insurance Related Activities

Funds, Trusts, and Other Financial Vehicles

525100	Insurance & Employee Benefit Funds
525910	Open-End Investment Funds (Form 1120-RIC)
525920	Trusts, Estates, & Agency Accounts
525930	Real Estate Investment Trusts (Form 1120-REIT)
525990	Other Financial Vehicles

Real Estate and Rental and Leasing

Real Estate

531110	Lessors of Residential Buildings & Dwellings
531120	Lessors of Nonresidential Buildings (except Miniwarehouses)
531130	Lessors of Miniwarehouses & Self-Storage Units
531190	Lessors of Other Real Estate Property
531210	Offices of Real Estate Agents & Brokers
531310	Real Estate Property Managers
531320	Offices of Real Estate Appraisers
531390	Other Activities Related to Real Estate

Rental and Leasing Services

532100	Automotive Equipment Rental & Leasing
532210	Consumer Electronics & Appliances Rental
532220	Formal Wear & Costume Rental
532230	Video Tape & Disc Rental
532290	Other Consumer Goods Rental
532310	General Rental Centers
532400	Commercial & Industrial Machinery & Equipment Rental & Leasing

Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)

533110	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)
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Professional, Scientific, and Technical Services

Legal Services

541110	Offices of Lawyers
541190	Other Legal Services

Accounting, Tax Preparation, Bookkeeping, and Payroll Services

541211	Offices of Certified Public Accountants
541213	Tax Preparation Services
541214	Payroll Services
541219	Other Accounting Services

Architectural, Engineering, and Related Services

541310	Architectural Services
541320	Landscape Architecture Services
541330	Engineering Services
541340	Drafting Services
541350	Building Inspection Services
541360	Geophysical Surveying & Mapping Services

541370	Surveying & Mapping (except Geophysical) Services
541380	Testing Laboratories

Specialized Design Services

541400	Specialized Design Services (including interior, industrial, graphic, & fashion design)
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Computer Systems Design and Related Services

541511	Custom Computer Programming Services
541512	Computer Systems Design Services
541513	Computer Facilities Management Services
541519	Other Computer Related Services

Other Professional, Scientific, and Technical Services

541600	Management, Scientific, & Technical Consulting Services
541700	Scientific Research & Development Services
541800	Advertising & Related Services
541910	Marketing Research & Public Opinion Polling
541920	Photographic Services

541930	Translation & Interpretation Services
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541940	Veterinary Services
541990	All Other Professional, Scientific, & Technical Services

Management of Companies (Holding Companies)

551111	Offices of Bank Holding Companies
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551112	Offices of Other Holding Companies
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Administrative and Support and Waste Management and Remediation Services

Administrative and Support Services

561110	Office Administrative Services
561210	Facilities Support Services
561300	Employment Services
561410	Document Preparation Services
561420	Telephone Call Centers
561430	Business Service Centers (including private mail centers & copy shops)

561440	Collection Agencies
561450	Credit Bureaus
561490	Other Business Support Services (including repossession services, court reporting, & stenotype services)

561500	Travel Arrangement & Reservation Services
561600	Investigation & Security Services
561710	Exterminating & Pest Control Services

561720	Janitorial Services
561730	Landscaping Services
561740	Carpet & Upholstery Cleaning Services
561790	Other Services to Buildings & Dwellings

561900	Other Support Services (including packaging & labeling services, & convention & trade show organizers)
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561900	Other Support Services (including packaging & labeling services, & convention & trade show organizers)
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562000	Waste Management and Remediation Services
562000	Waste Management & Remediation Services

Educational Services

611000	Educational Services (including schools, colleges, & universities)
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Health Care and Social Assistance

Offices of Physicians and Dentists

621111	Offices of Physicians (except mental health specialists)
621112	Offices of Physicians, Mental Health Specialists

621210	Offices of Dentists
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Offices of Other Health Practitioners

621310	Offices of Chiropractors
621320	Offices of Optometrists
621330	Offices of Mental Health Practitioners (except Physicians)

621340	Offices of Physical, Occupational & Speech Therapists, & Audiologists
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621391	Offices of Podiatrists
621399	Offices of All Other Miscellaneous Health Practitioners

Outpatient Care Centers

621410	Family Planning Centers
621420	Outpatient Mental Health & Substance Abuse Centers

621491	HMO Medical Centers	Museums, Historical Sites, and Similar Institutions			
621492	Kidney Dialysis Centers	712100	Museums, Historical Sites, & Similar Institutions	811210	washes) Electronic & Precision Equipment Repair & Maintenance
621493	Freestanding Ambulatory Surgical & Emergency Centers				Repair & Maintenance
621498	All Other Outpatient Care Centers	Amusement, Gambling, and Recreation Industries		811310	Commercial & Industrial Machinery & Equipment (except Automotive & Electronic) Repair & Maintenance
Medical and Diagnostic Laboratories		713100	Amusement Parks & Arcades		
621510	Medical & Diagnostic Laboratories	713200	Gambling Industries		
Home Health Care Services		713900	Other Amusement & Recreation Industries (including golf courses, skiing facilities, marinas, fitness centers, & bowling centers)	811410	Home & Garden Equipment & Appliance Repair & Maintenance
621610	Home Health Care Services			811420	Reupholstery & Furniture Repair
Other Ambulatory Health Care Services				811430	Footwear & Leather Goods Repair
621900	Other Ambulatory Health Care Services (including ambulance services & blood & organ banks)			811490	Other Personal & Household Goods Repair & Maintenance
					Personal and Laundry Services
Hospitals		Accommodation and Food Services			
622000	Hospitals	Accommodation		812111	Barber Shops
Nursing and Residential Care Facilities		721110	Hotels (except casino hotels) & Motels	812112	Beauty Salons
623000	Nursing & Residential Care Facilities	721120	Casino Hotels	812113	Nail Salons
Social Assistance		721191	Bed & Breakfast Inns	812190	Other Personal Care Services (including diet & weight reducing centers)
624100	Individual & Family Services	721199	All Other Traveler Accommodation		
624200	Community Food & Housing, & Emergency & Other Relief Services	721210	RV (Recreational Vehicle) Parks & Recreational Camps	812210	Funeral Homes & Funeral Services
624310	Vocational Rehabilitation Services	721310	Rooming & Boarding Houses	812220	Cemeteries & Crematories
624410	Child Day Care Services	Food Services and Drinking Places		812310	Coin-Operated Laundries & Drycleaners
		722110	Full-Service Restaurants	812320	Drycleaning & Laundry Services (except Coin-Operated)
		722210	Limited-Service Eating Places	812330	Linen & Uniform Supply
		722300	Special Food Services (including food service contractors & caterers)	812910	Pet Care (except Veterinary) Services
		722410	Drinking Places (Alcoholic Beverages)	812920	Photofinishing
				812930	Parking Lots & Garages
				812990	All Other Personal Services
Arts, Entertainment, and Recreation		Other Services			Religious, Grantmaking, Civic, Professional, and Similar Organizations
Performing Arts, Spectator Sports, and Related Industries		Repair and Maintenance		813000	Religious, Grantmaking, Civic, Professional, & Similar Organizations
711100	Performing Arts Companies	811110	Automotive Mechanical & Electrical Repair & Maintenance		
711210	Spectator Sports (including sports clubs & racetracks)	811120	Automotive Body, Paint, Interior, & Glass Repair		
711300	Promoters of Performing Arts, Sports, & Similar Events	811190	Other Automotive Repair & Maintenance (including oil change & lubrication shops & car		
711410	Agents & Managers for Artists, Athletes, Entertainers, & Other Public Figures				
711510	Independent Artists, Writers, & Performers				

PENSION AND WELFARE BENEFITS ADMINISTRATION OFFICES

In addition to being able to obtain PBGC premium forms and instructions from the PBGC (see item 3. under "CONTACTS" on p. v), you may obtain our forms and instructions through the following offices of the Pension and Welfare Benefits Administration (PWBA) of the U.S. Department of Labor:

CALIFORNIA

San Francisco 94119-0250
P. O. Box 190250
(415) 975-4600

Pasadena 91101
790 E. Colorado Boulevard
Suite 514
(626) 583-7862

FLORIDA

Plantation 33324
8040 Peters Road
Building H, Suite 104
(954) 424-4022

GEORGIA

Atlanta 30303
61 Forsyth Street SW
Suite 7B54
(404) 562-2156

ILLINOIS

Chicago 60606
200 West Adams Street
Suite 1600
(312) 353-0900

KENTUCKY

Fort Wright 41011-2664
1885 Dixie Highway
Suite 210
(859) 578-4680

MARYLAND

Silver Spring 20910
1335 East West Highway
Suite 200
(301) 713-2000

MASSACHUSETTS

Boston 02203
JFK Federal Building
Room 575
(617) 565-9600

MICHIGAN

Detroit 48226-3211
211 West Fort Street
Suite 1310
(313) 226-7450

MISSOURI

Kansas City 64105-2112
1100 Main Street
Suite 1200
(816) 426-5131

St. Louis 63101-1559

815 Olive Street
Room 338
(314) 539-2693

NEW YORK

New York City 10014
201 Varick Street
(212) 337-2228

PENNSYLVANIA

Philadelphia 19106-3317
The Curtis Center
170 S. Independence Mall West
Suite 870 West
(215) 861-5300

TEXAS

Dallas 75202-5025
Federal Building
525 Griffin Street
Room 707
(214) 767-6831

WASHINGTON

Seattle 98101-3212
1111 Third Avenue
Midcom Tower
Suite 860
(206) 553-4244

PBGC PREMIUM PACKAGES - BULK MAILING ORDER FORM

We will mail a bulk order of forms to those pension practitioners who need many copies. We will also provide forms for filing for previous plan years. Please check one or more of the following and record your name and address:

- Send 2002 Estimated Premium Payment Package (25 copies of the form and 1 set of instructions).
- Send 2002 Premium Payment Package (50 copies of the forms and 1 set of instructions).
- Send Estimated Premium Payment Package for filing year _____. Number of packages needed _____.
- Send Premium Payment Package for filing year _____. Number of packages needed _____.
- Stop sending bulk packages. They are no longer needed.

Name: _____

Address: _____

Fax this form to: (202) 326-4250

Or mail it to:

Pension Benefit Guaranty Corporation
P.O. Box 64916
Baltimore, MD 21264-4916

Pension Benefit Guaranty Corporation
P.O. Box 64880
Baltimore, MD 21264-4880
Address Correction Requested

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