PBGC
Protecting America's Pensions

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

May 7, 2010

[redacted]

Re: [redacted] Case # 20002500, Golden Casting Corporation Hourly Plan (the "GC Plan")

Dear [redacted]

We are responding to your appeal of PBGC's November 7, 2008 revised determination of your benefit under the GC Plan. For the reasons given below, we are denying your request to receive an unreduced benefit starting at age 58. We have increased your monthly benefit, however, from $450.54 to $488.22, as is also explained below. The $488.22 amount is payable at Normal Retirement as a Straight Life Annuity ("SLA"), and thus your payments will be different if you elect a different benefit start date or a different benefit form.

PBGC's Benefit Determination and Your Appeal

PBGC's November 7, 2008 revised determination letter stated you are entitled to a monthly benefit of $450.54 based on your benefit starting on February 1, 2015 in the form of a SLA. The Benefit Statement PBGC enclosed with the November 7, 2008 letter shows that your "Earliest PBGC Allowable Retirement Date" is November 1, 2008 and you would receive a monthly benefit of $281.58 if you started your benefits on that date in the SLA form.

PBGC's letter further noted that PBGC had found an error in its original determination dated September 11, 2008, which had informed you that "you were eligible for an early unreduced benefit beginning February 1, 2008."[1] PBGC's revised determination stated that you were not entitled to an early unreduced benefit because, when the GC Plan terminated, you did not meet the requirement of being an active employee at age 58 with 30 years of credited service.

On November 21, 2008, you appealed the November 7, 2008 determination letter. Your appeal letter enclosed an excerpt from the Golden Casting Pension Agreement entitled "Article

[1] PBGC's original September 11, 2008 determination stated that you were entitled to a monthly benefit of $578.40 starting on February 1, 2015. The Benefit Statement enclosed with this letter further showed that you were entitled to a monthly benefit of $576.74 starting at your Earliest Unreduced Retirement Date of February 1, 2008. The calculations of these amounts are not shown in the determination letter or in the Benefit Statement. The Appeals Board concluded that the benefit amounts in the September 11, 2008 determination and Benefit Statement are incorrect, and, accordingly, you are not entitled to those amounts.

XIV Pension Plan." We forwarded your appeal to the Benefit Administration and Payment Department ("BAPD"). After receiving your November 21, 2008 appeal, BAPD's authorized representative sent you a letter dated December 2, 2008. This letter, after referring to the Collective Bargaining Agreement provision you submitted, concluded that you are ineligible for an early unreduced benefit for the following reason:

> PBGC has determined that to be eligible for an early unreduced retirement you had to be an active employee when you attained age 58 with 30 years of service. After a review of your records, PBGC has determined that you did not attain age 58 until January 2008. The Golden Casting Hourly Pension Plan was taken over by PBGC on September 30, 2003. Therefore, you would have had to be 58 before then to be considered an active employee.
>
> You did not meet the age requirement when your employment was terminated because the pension plan was terminated on September 30, 2003 . . . . Therefore, you are not eligible for an early unreduced retirement.

PBGC's December 2, 2008 letter stated that, if you still do not agree with PBGC's determination and want review by the Appeals Board, you may file a written statement of the specific reason why you believe PBGC's determination is wrong within 45 days. In your appeal dated December 9, 2008, you said:

> I can't find any contract language that says I have to be employed by Golden Casting, at age 58. But, if they were still in operation, I would be still working there. I have attained the age and years of service required. Personally, I don't understand why I should have to fight, or there should be an argument over this, when I have paid my dues and given my years of service. I am not trying to get something that I didn't earn. I appreciate your concern and attention to this matter.

Background

History of the Plan Sponsor and Pension Plan

The sponsor of the GC Plan, Golden Casting Corporation ("Golden Casting"), operated a foundry in Columbus, Indiana, that produced castings, primarily for heavy duty diesel engines. Golden Casting was a subsidiary of American Bailey, Inc., who had purchased the foundry from its previous owner, Textron Corporation ("Textron"), on September 8, 1990. The GC Plan covered Golden Casting's hourly (unionized) employees.

Prior to the foundry's sale, Textron operated the business through the Golden Operations Division ("Golden Operations"), a division of Textron's CWC Casting Division. Golden Operations hourly employees participated in the Golden Operations Hourly Pension Plan ("Golden Operations Plan"), which provided them with pension benefits based on their service with Golden Operations up to the date of the sale. Sometime after the sale, Textron merged the Golden Operations Plan with another Textron plan, and the merged plan is currently ongoing.

Also, effective October 1, 1990, Golden Casting established the GC Plan. The benefit structure of the GC Plan, which provides a benefit based on service with both companies, mirrors the structure of the Golden Operations Plan. GC Plan's benefit formula further provides for an offset (referred to as the "Textron offset") for the benefit under the Golden Operations Plan.

Golden Casting filed a Chapter 11 Bankruptcy petition on May 14, 2003. PBGC entered into an agreement with Golden Casting effective January 1, 2005 that terminated the GC Plan, appointed PBGC as its trustee, and established September 30, 2003 as the GC Plan's termination date.

The GC Plan's Provisions

Section 3.01 of the formal GC Plan Document,[2] titled "Normal Retirement Benefits," provides that the pension benefit payable at Normal Retirement is as follows:

> 3.01 Normal Retirement Benefits. The Monthly Retirement income of each Participant, hereunder, shall be equal to:
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> (i) (a) $20.00 for Participants whose Severance from Service occurs prior to June 12, 1994, or
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> * * *
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> (d) $23.50 for Participants whose Severance from Service occurs after June 25, 1998; or
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> (e) $24.00 for Participants whose Severance from Service occurs after December 14, 2002;
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> * * *
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> multiplied by
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> (ii) the Participant's Credited Service;
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> and for a Participant who was a Participant of the [Golden Operations] Plan on or before September 8, 1990, reduced and offset by the accrued benefit under said Prior Plan as of September 8, 1990.

Section 1.29 of the GC Plan Document, which is titled "Normal Retirement Date," is the only provision in that document that specifically addresses benefit eligibility based on 30 years of Credited Service. Section 1.29 provides as follows:

[2] The formal GC Plan document that applies to your benefits is the "Golden Castings Corporation Hourly Pension Plan Amended and Restated Generally Effective as of October 1, 1997" ("GC Plan Document"). In Enclosure 1, we provide a copy of the GC Plan Document's provisions that relate to your appeal.

1.29 "Normal Retirement Date" shall mean the Participant's 65th birthday or the Participant's 58th birthday, so long as he has completed 30 years of Credited Service, if earlier.

As is discussed further below, section 1.29 is of central importance regarding the issue raised in your appeal.

With the exception of the 30-Year benefit and the disability retirement benefit, a GC Plan participant cannot start receiving an unreduced benefit before age 65.[3] Section 3.03(a) of the GC Plan Document provides that a Participant may elect an Early Retirement Benefit if he has attained his Early Retirement Date. Section 1.14 provides that the Early Retirement Date is "the Participant's 50th birthday, provided he has completed 10 Years of Service." If the Early Retirement Benefit commences before age 65, the benefit amount is "reduced by ½ of 1% for each complete calendar month by which the Participant is under Age 65 at the date his early retirement benefit commences."[4] GC Plan Document, section 3.03(a)(2).

Similarly, if a vested participant terminates employment before qualifying for a Normal, Early or Disability retirement benefit, the participant may receive either: (1) a deferred benefit starting on his Normal Retirement Date; or (2) an immediate or deferred benefit, as the case may be, starting upon the later of employment termination or age 50, which is "reduced by ½ of 1% for each complete calendar month by which the Participant is under Age 65 at the date his vested termination benefit commences." GC Plan Document, section 3.06.

<u>Discussion</u>

The GC Plan terminated without sufficient assets to provide all benefits PBGC guarantees under Title IV of the Employee Retirement Income Security Act ("ERISA"), and PBGC became its trustee. The terms of the plan, the provisions of ERISA, and PBGC regulations and policies determine your entitlement, if any, to a guaranteed benefit. Because of legal limits under ERISA and PBGC's regulations, the benefits that PBGC guarantees may be less than the benefits a pension plan would otherwise pay.

1. The Crucial Issue in Your Appeal

PBGC records establish that you had more than 30 years of Credited Service and were age 53 when the GC Plan terminated on September 30, 2003. As is discussed below, the crucial issue in your appeal is which of the following two interpretations of the GC Plan's 30-year benefit provision is correct:

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[3] The disability retirement benefit is available to a participant who has attained age 40, completed 15 or more years of service, is permanently and totally disabled, and terminates employment before his or her Normal Retirement Date. The disability retirement benefit is payable immediately upon termination of employment in an unreduced amount. GC Plan Document, sections 1.13 and 3.05.

[4] Section 3.03(b) of the GC Plan Document also provides that, if a participant has completed the 10-year service requirement for early retirement but separates from employment before age 50, he is entitled to a benefit upon attaining age 50 in the amount described in section 3.03(a).

Interpretation 1: a GC Plan participant with 30 years of Credited Service cannot start receiving an unreduced benefit before age 65 unless he or she terminates employment after attaining age 58; or

Interpretation 2: a GC Plan participant with 30 years of Credited Service could terminate employment before age 58 and (after deciding to delay his benefits) apply for and receive an unreduced benefit starting at age 58.

PBGC's November 7, 2008 determination is based on Interpretation 1, while your appeal asserts you should receive an unreduced benefit based on Interpretation 2.

The interpretation of the GC Plan's 30-year benefit provision is crucial to your appeal because, under ERISA, PBGC's guarantee is limited to benefits that are "nonforfeitable" as of the pension plan's termination date ("DOPT").[5] This means that, for PBGC to guarantee a particular type of benefit under a pension plan, the participant must meet the conditions for that type of benefit as of DOPT. Accordingly, if Interpretation 1 applies, PBGC cannot guarantee an unreduced benefit starting at age 58 because you did not, and could not, meet the condition at DOPT of terminating Golden Casting employment at age 58 or later.[6]

ERISA and PBGC regulations, however, permit a benefit to be guaranteed if the only condition not satisfied at DOPT is a "required waiting period." See ERISA section 4001(a)(8), which is quoted in footnote 5. Thus, under Interpretation 2, PBGC would guarantee an unreduced 30-year Benefit for you because, as of DOPT, the only condition you had not satisfied would be the requirement to wait until age 58 before starting your unreduced benefit payments.

For the reasons discussed below, the Appeals Board decided that Interpretation 1 (rather than Interpretation 2) is correct, and thus PBGC in your case cannot guarantee an unreduced 30-year benefit.

[5] ERISA defines a "nonforfeitable benefit" as:

> a benefit for which a participant has satisfied the conditions for entitlement under the plan or the requirements of . . . [ERISA] (other than submission of a formal application, retirement, completion of a required waiting period, or death in the case of a benefit which returns all or a portion of a participant's accumulated mandatory employee contributions upon the participant's death).

ERISA § 4001(a)(8). See also 29 Code of Federal Regulations ("CFR") § 4001.2 (definition of "nonforfeitable benefit").

PBGC regulations further provide that a guaranteed benefit, among other conditions, must be nonforfeitable as of the plan's termination date. 29 CFR § 4022.3. Additionally, 29 CFR § 4022.4(a)(3) provides that "in the case of a requirement that a participant attain a particular age, earn a particular amount of service, become disabled, or die" the participant must satisfy the requirement on or before the Plan's termination date.

[6] You state in your appeal that "if Golden Casting had remained in operation, I would be still working there." However, PBGC regulations (which implement the above-discussed ERISA's requirements) provide that PBGC cannot consider the service that you earned, or could have earned, after the pension plan's termination date for purposes of determining your entitlement to a guaranteed benefit. See 29 C.F.R. § 4022.3 and § 4022.4(a)(3).

2. *Analysis of the GC Plan's 30-Year Benefit Provision*

Based on its experience with terminated pension plans, the Appeals Board observes that it is fairly common for a pension plan to offer an immediate, unreduced benefit to participants who have earned 30 or more years of service. In some plans, there is no age requirement, and thus an immediate benefit is paid regardless of the participant's age when he or she terminates employment with 30 or more years of service. In other plans, however, the participant must satisfy an age requirement in addition to earning 30 years service, or the participant's age and service (when added together) must exceed a certain specified amount.

Usually, when the 30-year benefit provision includes an age requirement, the participant must meet both the service and age requirement before terminating employment to qualify for an unreduced benefit. Interpretation 1 (discussed above) is an example of such a benefit provision. There is nothing to prevent a pension plan, however, from providing a 30-year benefit under which the participant need only meet the service requirement before terminating employment. The participant then could meet the age requirement and start an unreduced benefit at a later date. Interpretation 2 is an example of this second type of benefit provision.

While the second type of a 30-year benefit is not common, some pension plans have structured benefits this way. Thus, it is necessary to examine carefully the pension plan's written provisions to determine the requirements for the benefit.

As stated above, section 1.29 of the GC Plan Document states that the participant's Normal Retirement Date is "the Participant's 65^{th} birthday or the Participant's 58^{th} birthday, so long as he has completed 30 years of Credited Service, if earlier." This is the only provision in the GC Plan Document that addresses the entitlement to a GC Plan benefit based on 30 years of Credited Service.

The definition of "Normal Retirement Date" in section 1.29 does not specifically link eligibility for an unreduced 30-year benefit to the participant's age when he or she terminates employment. On the other hand, this definition could be intended to refer to the date when a participant ordinarily would become entitled to an immediate unreduced benefit upon termination of employment.[7] Under this reading, a vested participant would not attain his Normal Retirement Date unless he terminated employment at either (1) age 65, or (2) at an age between age 58 and age 65 with at least 30 years of Credited Service. Thus, we concluded that the language in Section 1.29 does not conclusively establish whether Interpretation 1 or Interpretation 2 is correct.

Additionally, if the drafters of the GC Plan Document had intended that a participant with 30 years of Credited Service could terminate employment before age 58 and then start an

[7] As stated above under "Background," the GC Plan Document provides a right to an immediate unreduced benefit upon employment termination in only two instances – upon the participant's attainment of his "Normal Retirement Date" or his "Disability Retirement Date." On a third date that is defined in the GC Plan Document - the "Early Retirement Date" - a participant is entitled upon employment termination to an immediate benefit reduced for early commencement. Thus, all three "dates" can be read as referring to when a participant is entitled to an immediate benefit upon termination of employment.

unreduced benefit at age 58, we would expect that they would also provide the participant with an immediate early retirement benefit that is reduced for each month before age 58. The GC Plan, however, clearly provides that the reduction for any non-disability benefit that starts before age 58 is reduced from age 65. See GC Plan Document Sections 3.03 and 3.06. Thus, in your case, under Interpretation 2 the immediate benefit payable when you terminated employment at age 53 and 8 months (which would be reduced by 68%) is much less valuable than the (unreduced) benefit starting at age 58. We concluded that it is unlikely that the drafters of the GC Plan Document intended to structure benefits in this way. This, in turn, leads us to question whether Interpretation 2 reflects the drafter's intent.

In an attempt to clarify the meaning of the GC Plan Document, we sought a copy of the GC Plan's Summary Plan Description ("SPD"), which possibly would contain an explanation of the 30-year benefit provision. We were unable to locate an SPD, however, from the Department of Labor or from other sources. If you (or another person) provide us with a SPD, we would consider reopening your appeal, if the SPD would provide a basis for changing our decision.

We also examined the language of the GC Plan's Collective Bargaining Agreements ("CBAs"). We obtained a copy of the 1992-1995 CBA, and your appeal provided a page from an earlier CBA.[8] Both CBAs, in Article 14 (titled "Pension Plan"), contain the following identical language:

> Employees with ten (10) years or more of credited service who are fifty (50) years of attained age may retire early (with actuarial reduction). Employees with thirty (30) years of credited service and age fifty-eight (58) or above may retire early with full pension benefits (no actuarial reduction).

The Appeals Board concluded that this CBA provision is unclear as to whether Interpretation 1 or Interpretation 2 is correct. First, it is unclear whether the word "employees" in the CBA applies only to active employees, or whether it also applies to participants who had terminated employment with pension rights. Also, the term "retire early" is ambiguous, since it could apply either to (1) when the participant terminates employment with the right to an immediate pension benefit, or (2) to a date (possibly after termination of employment) when the participant elects to begin receiving a pension benefit. Thus, the CBA could be read as requiring a participant to retire from employment at age 58 (or above) with 30 years credited service to qualify for an unreduced benefit, which would be consistent with Interpretation 1. It also could be read as allowing a participant with 30 years of credited service to qualify for an unreduced pension starting at age 58, which would be consistent with Interpretation 2.

Finally, the Appeals Board looked at the provisions of the formal document for the Golden Operations Plan as restated effective July 14, 1989 ("GO Plan Document").[9] As discussed above, the Golden Operations Plan: (1) covers pension benefit before the 1990 sale of

[8] In Enclosure 2, we provide the CBA page you provided with your appeal. In Enclosure 3, we provide relevant pages from the 1992-1995 CBA.

[9] In Enclosure 4, we provide relevant pages from the GO Plan Document.

the foundry, and (2) has a benefit structure that basically is the same as the GC Plan. Moreover, the "Purchase and Sale Agreement" between Textron and Golden Casting required the creation of a "substantially identical" plan (*see* Enclosure 5).[10] This documents states:

> (c) Golden Hourly Plan; Adoption of an Hourly Plan. Effective from and after the Closing Date, Purchaser shall adopt a defined benefit pension plan (the "New Plan") which is substantially identical to the current Golden Operations Hourly Pension Plan (the "Old Plan"), except that Purchaser shall be the sponsor of the New Plan and that benefits due under the New Plan shall be offset by the corresponding benefits due under the Old Plan. The New Plan shall credit all service of participants under the Old Plan for all purposes under the New Plan.

The GO Plan Document, in contrast to GC Plan Document, clearly provides that a participant must terminate employment at age 58 or later to qualify for an unreduced benefit based on 30 or more years of Credited Service.[11] This is evident from Article IV, Section 1 of the GO Plan Document, which states:

> Normal Retirement. An Employee who attains age 65 or who completes 30 years of Credited Service and attains age 58, if earlier, while employed by the Employer shall have a non-forfeitable right to a normal Retirement Benefit.

Furthermore, under the GO Plan Document, a vested participant who does not qualify for either an age-58 Normal Retirement benefit or a disability benefit receives either a benefit that is unreduced starting at age 65, or that is reduced by ½ of 1% per month for each month before age 65. Thus, the GO Plan Document's provisions clearly are consistent with Interpretation 1, rather than Interpretation 2.

Since the GC Plan, as required under the Purchase and Sale Agreement, mirrors the provisions of the Golden Operations Plan, the Appeals Board found it likely that the drafters of the GC Plan Document intended that the substantive requirements for the 30-year benefit would be same under GC Plan as under the Golden Operations Plan. Indeed, if a change had been intended, we would expect that there would be a document that explicitly explained the change, or that the change would be evident in plan practice. We have found no explanation of a change, nor (as discussed below) does plan practice indicate that a change had occurred. Thus, we concluded that the most likely explanation is that the drafters of GC Plan Document, in writing the provision titled "Normal Retirement Date," unintentionally modified the GO Plan Document's language in a way that created an ambiguity concerning the requirements for the 30-year benefit.

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[10] The Appeals Board obtained Enclosure 5, which is the section of the "Purchase and Sale Agreement" that relates to pension obligations, from Textron.

[11] The SPD for the Golden Operations Plan dated January 1, 1987 (excerpts provided in Enclosure 6) similarly is clear on this point, since it states: "Normal retirement benefits are payable if your employment with the Textron Companies ends at or after the earlier of (i) your sixty-fifth birthday or (ii) at age 58 and the completion of 30 years of Credited Service. This is your *normal retirement age* under the plan."

3. *The GC Plan's Practice*

When pension plan provisions are ambiguous, the Appeals Board often will examine the plan's practice, which may provide evidence of how the plan's provisions have been interpreted. The Board therefore searched PBGC's records to identify any GC Plan participant who had 30 or more years of Credited Service and who terminated employment before age 58. We found the following information concerning three individuals who had terminated employment before the GC Plan's termination date ("DOPT"):

- For one participant, who retired one month before DOPT, the former Plan administrator indicated on the GC Plan's "Pension Calculation" form that he qualified for "Early" retirement, rather than for "58-30" retirement. The former Plan administrator also had calculated and paid an early retirement benefit that was reduced from age 65;
- Another participant terminated employment five months before DOPT with more than 30 years service. He had not yet attained age 58 and was not in pay status at DOPT. Near the time he terminated employment, the GC Plan had provided him with a "Statement of Benefits" that showed: (1) his normal retirement date is at age 65; and (2) he could start benefits at a reduced amount anytime after age 50. There is nothing in his records to indicate that the former Plan administrator had considered this participant entitled to an unreduced benefit starting at age 58; and
- A third participant had terminated employment in 2000 with more than 30 years service, but at DOPT he had not yet attained age 58 and was not in pay status. Information in the records PBGC obtained from Golden Casting show that this participant is listed in the GC Plan's 2002 actuarial valuation as "LIFE DEFERRED" and that his Benefit Commencement Date is at age 65. There is nothing in the records to indicate that the former Plan administrator had considered this participant to be entitled to an unreduced benefit starting at age 58.

Additionally, PBGC records contain several benefit calculation worksheets completed by the former Plan administrator for participants who were actively employed at DOPT. These forms are similar to the one for the first participant discussed above. On those forms, participants with 30 or more years Credited Service and who were under age 58 had benefits calculated as "Early" retirees, rather than as "58-30" retirees. You are one of the participants with such a form, which we are providing as Enclosure 7.[12]

The Appeals Board did not accord great weight to the above-described plan practice, which occurred over a limited time period that was long after the applicable GC Plan provisions were drafted. Nevertheless, we concluded that this practice is consistent with Interpretation 1, rather than Interpretation 2. Accordingly, based on our analysis of relevant pension plan

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[12] In Enclosure 7, the former Plan administrator calculated a $196.51 monthly benefit for you, with payments beginning October 1, 2003 in the form of a SLA. This calculation used a larger Textron offset ($445.00) than PBGC used. Enclosure 7 also used an incorrect method for applying the Textron offset to an early retirement benefit, which is another reason why PBGC's determination of your benefit amount differs from the calculations in Enclosure 7.

documents and of the GC Plan's practice, the Appeals Board decided that Interpretation 1 (rather than Interpretation 2) applies to your benefits.

4. *The Amount of Your PBGC Benefit*

PBGC correctly used a benefit rate of $23.50 in calculating your guaranteed benefit. Although the GC Plan increased the benefit rate to $24.00 for participants who terminated employment after December 14, 2002, PBGC is unable to guarantee the increase to $24.00 because the increase occurred less than one year before the GC Plan terminated.[14]

The records PBGC obtained from Golden Casting show that you had 35.4 years of Credited Service based on your employment with both Golden Casting and Golden Operations. Thus, based on Section 3.01 of the GC Plan Document, your guaranteed benefit before the Textron offset is $831.90 [$23.50 x 35.4 = $831.90]. This is the amount PBGC calculated, which the Appeals Board did not change.

In its benefit calculations, PBGC applied an offset of $353.40 for your Textron benefit. This amount is based on an October 1, 2003 valuation of the GC Plan benefits, which PBGC had obtained from Golden Casting. Documents the Appeals Board obtained from Textron (Enclosure 8), however, establish that the Golden Operations Plan has determined that you monthly benefit is $313.31, which is payable at age 65 as a SLA. The Appeals Board decided to accept that amount as your Textron offset. We note, however, that if your accrued benefit under the Golden Operations Plan benefit should change from $313.31, the Textron offset also should change.

Thus, your guaranteed GC Plan benefit after the Textron offset is $518.59 [$831.90 - $313.31 = $518.59]. Additionally, PBGC must adjust your benefit for the GC Plan's Qualified Pre-Retirement Survivor Annuity ("QPSA"). Consistent with the GC Plan's terms, your benefit amount is multiplied by 0.94 to take into account the QPSA. Thus, your guaranteed GC Plan benefit at Normal Retirement in the SLA form is $487.47 [$518.59 x 0.94 = $487.47]. Finally, as provided in section 4022(c) of ERISA, PBGC will pay a portion of your GC Plan benefits that are not guaranteed by PBGC. The amount PBGC may pay under ERISA section 4022(c) reflects PBGC's recoveries on its legal claims against pension plans sponsors. In your case, the section 4022(c) amount ($.75) increases your monthly PBGC benefit at Normal Retirement to $488.22 in the SLA form.

The Benefit Statement PBGC provided with its revised determination shows that you could receive a benefit of $281.58 starting on your "Earliest PBGC Allowable Retirement Date" of November 1, 2008. Based on our change to the Textron offset, we have increased this amount to $305.13. The $305.13 amount is calculated as follows: your guaranteed Normal Retirement Benefit (after the QPSA charge) of $487.47 is multiplied by an Early Retirement Factor of 0.625, which equals $304.67. The section 4022(c) amount applicable to your early retirement benefit ($0.46) then is added to this amount, which equals $305.13.

[14] See 29 U.S.C. § 4022(b)(1), (7) and 29 C.F.R. § 4022.25, which describe the limitation to PBGC's guarantee that is referred to as the "Phase-in Rule."

Decision

Having applied the law, regulations, and Plan provisions to the facts of your case, the Appeals Board denied your request to receive an unreduced benefit starting at age 58. We have increased your monthly benefit, however, from $450.54 to $488.22. The $488.22 amount is payable at Normal Retirement as a Straight Life Annuity ("SLA"), and thus your payments will be different if you elect a different benefit start date or a different benefit form.

This is PBGC's final decision on your appeal, and you may, if you wish, seek court review of this decision. If you need other information from PBGC, please call the Customer Contact Center at 1-800-400-7242.

Sincerely,

Charles W Vernon

Charles W. Vernon
Chair, Appeals Board

(8) Enclosures

1) Excerpts from the 10/1/1997 Golden Casting Corporation Hourly Pension Plan (16 pages)
2) Excerpt from the Golden Casting Collective Bargaining Agreement (CBA) you provided in your appeal (1 page)
3) Excerpts from the 1992-1995 Golden Casting CBA (5 pages)
4) Excerpts from the 1989 Golden Operations Hourly Pension Plan (7 pages)
5) Excerpts from the Purchase and Sale Agreement (4 pages)
6) Excerpts from Golden Operations Plan SPD dated 1/1/87 (4 pages)
7) Golden Casting Plan benefit calculation by the former Plan administrator (1 page)
8) Golden Operations Participant information obtained from Textron (4 pages)