

1999

**ESTIMATED PREMIUM PAYMENT PACKAGE  
PENSION BENEFIT GUARANTY CORPORATION**



This Package Contains:  
PBGC Form 1-ES  
and Instructions

To All Plan Administrators:

Enclosed are the forms and instructions for your 1999 estimated premium payment to the Pension Benefit Guaranty Corporation. We have made only a few minor clarifying changes this year; none of them are substantive.

Last year, I shared with you PBGC's three priorities:

- to safeguard PBGC's solvency,
- to make PBGC a premier service organization, and
- to promote defined benefit pension coverage for American workers.

We have made great progress. PBGC's 1997 surplus was \$3.5 billion thanks to a strong economy that resulted in high investment returns and low pension claims. However, we must remain vigilant. Similarly, while our customer service survey shows that more than half of practitioners rate PBGC service as "above average" or "outstanding," we are committed to improving our timeliness, responsiveness, and follow-up in dealing with our customers. Finally, I have made promoting defined benefit pension plans PBGC's highest priority this year.

As a plan administrator of a defined benefit pension plan, you understand the important role that the defined benefit system plays in providing workers with predictable, secure benefits for life. Despite the value of defined benefit pension plans, the number of these plans has been declining. We have been talking with pension professionals such as yourselves to identify ways to reverse that trend.

We welcome your ideas for strengthening and expanding defined benefit plans. We also welcome any thoughts you have on PBGC's programs and procedures. To make it easy for you to communicate with me directly, I have established a virtual town hall. You can e-mail me at [Strauss.David@PBGC.gov](mailto:Strauss.David@PBGC.gov). I look forward to hearing from you.

A handwritten signature in black ink that reads "David M. Strauss". The signature is written in a cursive, flowing style.

David M. Strauss  
Executive Director  
Pension Benefit Guaranty Corporation

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## **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, 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**

Three years ago, we established customer service standards based on what customers told us in focus groups. These have been refined to meet customer expectations based on additional customer feedback.

*Our customers deserve our best effort as well as our respect and courtesy.*

- With only one call from you, 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 told you, give you a status report and explain what will happen next.
- We will have staff available from 8:00am-5:00pm Eastern Time to answer your calls. If you leave a message, we will return your call within one work day.
- We will acknowledge your letters within one week of receipt.

### **Survey Results and Service Improvement Efforts**

In 1997 PBGC conducted the initial customer satisfaction survey of pension practitioners to see how well we meet the customer service standards. The results tell us we need to continue to improve our service delivery to meet your expectations. We are committed to doing this. This means improving our timeliness, responsiveness and follow-up in dealing with customers. Our target is to have 75% of our customers consider our service above average or outstanding.

We also will continue to compare how we deliver services to our customers with other organizations in government and business that perform similar services. This "benchmarking" is a way of continually improving service delivery by actively looking for those who do it better and following their example.

### **Questions or Complaints**

If you have a premium-related question or request, please contact us at (202) 326-4242.

If you still need assistance after calling (202) 326-4242 or have a complaint about the service you received, please contact:

Pension Benefit Guaranty Corporation  
Problem Resolution Officer (Premiums)  
1200 K Street, NW (Suite 670)  
Washington, DC 20005-4026  
Phone: (202) 326-4136  
Email: [premiums.pro@pbgc.gov](mailto:premiums.pro@pbgc.gov)

When you write to us, include a telephone number where you can be reached and we will respond to you by telephone.

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## CONTACT POINTS

1. PBGC has established a web site on the Internet at the following address:

**<http://www.pbgc.gov>**

It 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. Mail Form 1 and Form 1-ES (including amended premium filings) to:

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

or use a delivery service to send Form 1 and Form 1-ES to:

First National Bank of Maryland  
110 South Paca Street  
Mail Code: 109-320/Lockbox #64880  
Baltimore, MD 21201

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. If you pay by wire transfer, send the payment to:

First National Bank of Maryland  
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))

3. For all premium-related inquiries, 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:

*Call* ..... (202) 326-4242  
*Fax* ..... (202) 326-4250

or write to:

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

4. For current interest rate information:

*Call* ..... (202) 326-4041  
*Internet*..... <http://www.pbgc.gov>

or write to:

Pension Benefit Guaranty Corporation  
CPAD  
1200 K Street, NW  
Washington, DC 20005-4026

5. To contact the National Technical Information Service, which provides the Required Interest Rates and other PBGC interest rates for a fee through a subscription service:

*Call* ..... (800) 363-2068  
*Fax* ..... (703) 605-6880  
*Order #*..... SUB-9244

6. For assistance on coverage determination or plan termination:

*Call* ..... (202) 326-4000

or write to:

Pension Benefit Guaranty Corporation  
Insurance Operations Department  
Technical Assistance Branch - Suite 930  
1200 K Street, NW  
Washington, DC 20005-4026

7. If you have a complaint about the service you have received or still need assistance after calling our general premium telephone number listed in item 3 (202-326-4242), please contact the Problem Resolution Officer (Premiums):

*Call* ..... (202) 326-4136  
*Email* ..... [premiums.pro@pbgc.gov](mailto:premiums.pro@pbgc.gov)

or write to:

Pension Benefit Guaranty Corporation  
Problem Resolution Officer (Premiums)  
1200 K Street, NW - Suite 670  
Washington, DC 20005-4026

8. Any vendor requesting approval of automated forms may send a sample (including 3 original forms) to:

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

9. 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.

**Only the TTY/TDD & NTIS numbers are toll free; all other telephone numbers are not toll free and collect calls cannot be accepted.**

# INSTRUCTIONS FOR 1999 PBGC FORM 1-ES

## Paperwork Reduction Act Notice

We need this information to identify the plan and plan year for which an estimated premium is paid to the Pension Benefit Guaranty Corporation (PBGC) pursuant to Title IV of the Employee Retirement Income Security Act of 1974 (ERISA) and the PBGC's premium regulations (29 CFR Parts 4006 and 4007). 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-ES is one-half hour (for filings done in-house) or \$75 (for filings contracted out). (The PBGC assumes that 95% of the burden of filing Form 1-ES is contracted out.) These burden estimates are an average for the plans that file this form. The actual burden will vary depending on the circumstances of a given plan.

If you have comments concerning the accuracy of this time estimate or suggestions for making the form simpler, please send your comments to:

Pension Benefit Guaranty Corporation  
Office of the General Counsel  
1200 K Street, NW  
Washington, DC 20005-4026

## Introduction

A plan that was required to report 500 or more participants on its final PBGC Form 1 for the plan year preceding the premium payment year must file Form 1-ES and pay its estimated flat rate premium for the premium payment year. This payment must be made by the First Filing Due Date —generally, the last day of the second full calendar month following the close of the plan year preceding the premium payment year. (For the first full plan year following a change in plan year, the First Filing Due Date is the 30th day after the adoption date of a plan amendment changing the plan year, if later.)

If your due date would fall on a weekend or Federal holiday, your premium filing will be considered timely if you file by the next business day. A premium form or payment is considered filed on the U. S. Postal Service postmark date (if legible) or three days before receipt by PBGC (if there is no legible USPS postmark date).

The Form 1-ES filing deadlines for 1999 are shown in the following table.

1999 Form 1-ES Filing Due Dates	
Premium Payment Year <u>Begins</u>	Form 1-ES Filing Due <u>Dates</u>
01/01/1999	03/01/1999 *
01/02 - 02/01/1999	03/31/1999
02/02 - 03/01/1999	04/30/1999
03/02 - 04/01/1999	06/01/1999 *
04/02 - 05/01/1999	06/30/1999
05/02 - 06/01/1999	08/02/1999 *
06/02 - 07/01/1999	08/31/1999
07/02 - 08/01/1999	09/30/1999
08/02 - 09/01/1999	11/01/1999 *
09/02 - 10/01/1999	11/30/1999
10/02 - 11/01/1999	12/31/1999
11/02 - 12/01/1999	01/31/2000
12/02 - 12/31/1999	02/29/2000

\* **NOTE:** *If your filing is not made by this date, penalty and interest will be calculated from the last day of the preceding month (the First Filing Due Date) rather than the following business day — e.g., from Sunday 2/28/1999 rather than Monday 3/01/1999.*

## Penalty and Interest

If the estimated premium paid by the First Filing Due Date is less than 100 percent of the flat rate amount due for the premium payment year, there will be a charge for interest on the difference between the two amounts, and there may be a late payment penalty as well. You can avoid the penalty (but not the interest) if:

(1) the estimated premium payment you make by the First Filing Due Date is at least equal to the lesser of:

(a) 90 percent of the flat rate amount due for the premium payment year or

(b) an amount equal to the participant count for the plan year preceding the premium payment year multiplied by the 1999 flat rate (\$19 per participant for single-employer plans or \$2.60 per participant for multiemployer plans), and

(2) in addition, you pay any remainder of the flat rate amount due for the premium payment year by the Final Filing Due Date. See Part C of the 1999 Form 1 Premium Payment Package for a list of the final filing due dates for the 1999 premium payment year.

### Change of Address and Request to Stop Receipt of Premium Forms and Instructions

Be sure to check the address change box in item 1 or 2 if the plan sponsor's or plan administrator's name or address has changed.

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 box in item 1. An election not to receive the forms and instructions does not relieve the plan administrator of the obligation to file.

### Definitions

**"Plan sponsor"** means the employer (or, for a plan maintained by an employee organization, the employee organization) that maintains a single-employer plan or the association, committee, joint board of trustees, or other similar group that maintains a multiemployer plan.

**"Plan administrator"** means the plan administrator (person or entity) specifically designated as such by the terms of the plan or, if no plan administrator is so designated, the plan sponsor.

**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 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)), it may not use the alternative calculation method, 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 pre-existing plan that simply receives part of the assets and/or liabilities of the transferor plan.

### 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 3(c). 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 effective date and type of each transfer. The types of transfers are explained above. 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, 1999, 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, 1999. The effective date of the transfer is January 1, 1999.

If you need to report transfers from more than 1 plan, attach a separate sheet listing the EIN/PN of each additional plan and the effective date and type of each transfer.

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.

### Credits

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

You may designate which particular 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 off 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 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.

You may claim the amount of any available credit from line 18 of your 1998 Form 1 in item 7 of Form 1-ES. You may also include in item 7 the amount of any other credit you are entitled to claim, in which case you should attach an explanation.

(If your credits in item 7 of Form 1-ES are greater than your estimated premium in item 6, enter 0 in item 8.)

Clearly print or type information in the boxes.

The plan administrator must sign and date the certification at the bottom of the form. Beneath the signature line, print or type the name of the individual who signs and provide a daytime telephone number.

Indicate on line 8(b) whether you are paying your estimated premium by check or wire transfer. If you pay by check, write the plan's EIN/PN (from item 3(a) and (b) of the form) and the date the premium payment year commenced (PYC) on the check and send the check with Form 1-ES. If you pay by wire transfer, make the transfer to:

First National Bank of Maryland  
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), and the date the premium payment year commenced (PYC), in the payment ID line of the wire transfer in the format "EIN/PN: XX-XXXXXXX/XXX PYC: XX/XX/XX."

To ensure proper credit, you must file a separate Form 1-ES and make a separate estimated premium payment for each plan. Do not combine estimated premiums for different plans in one payment. Mail the completed Form 1-ES to:

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

If sent by courier, the form should be delivered to:

First National Bank of Maryland  
110 South Paca Street  
Mail Code: 109-320/Lockbox #64880  
Baltimore, MD 21201

For help with questions about filing Form 1-ES or making wire transfers, or with other premium-related questions or requests, contact:

Pension Benefit Guaranty Corporation  
P.O. Box 64916  
Baltimore, MD 21264-4916  
*Phone:* (202) 326-4242  
*TTY/TTD:* (800) 877-8339 — request connection to (202) 326-4242

The premium forms you file must be the forms issued by the PBGC, which are specially printed for use with electronic optical character recognition, or PBGC-approved forms created with software. You may not use a photocopy of the PBGC form. To obtain additional sets of the 1999 Form 1-ES or copies of the 1999 Estimated Premium Payment Package (or any other PBGC premium forms or instructions), contact:

Pension Benefit Guaranty Corporation  
P.O. Box 64916  
Baltimore, MD 21264-4916  
*Phone:* (202) 326-4242  
*Fax:* (202) 326-4250  
*TTY/TTD:* (800) 877-8339 — request connection to (202) 326-4242

If you are a pension practitioner serving many covered plans and wish to receive a bulk shipment of the Estimated Premium Payment Package and Form 1-ES, use the order blank on the inside back cover of this Estimated Premium Payment Package. PBGC's 1999 forms and instructions also are available through the offices of the Pension and Welfare Benefits Administration (PWBA) of the U.S. Department of Labor listed on the inside back cover.

Forms and instructions may be obtained 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

**DISTRICT OF COLUMBIA**

Washington 20006  
1730 K Street, NW  
Suite 556  
(202) 254-7013

**FLORIDA**

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

**GEORGIA**

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

**ILLINOIS**

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

**KENTUCKY**

Fort Wright 41011  
1885 Dixie Highway  
Suite 210  
(606) 578-4680

**MASSACHUSETTS**

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

**MICHIGAN**

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

**MISSOURI**

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

St. Louis 63101

815 Olive St., Rm. 338  
(314) 539-2691

**NEW YORK**

New York City 10019  
1633 Broadway  
Room 226  
(212) 399-5191

**PENNSYLVANIA**

Philadelphia 19104  
Gateway Building  
3535 Market Street  
Room M300  
(215) 596-1134

**TEXAS**

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

**WASHINGTON**

Seattle 98101-3212  
1111 Third Avenue  
Room 860  
(206) 553-4244

**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 1999 Estimated Premium Payment Package (25 copies of Form 1-ES and 1 set of instructions)
- Send 1999 Premium Payment Package (50 copies of Form 1 with Schedule A, 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: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Once you have completed the form above, mail it to:

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

or Fax your request to: (202) 326-4250

**Pension Benefit Guaranty Corporation**

**P.O. Box 64880**

**Baltimore, MD 21264-4880**

Address Correction Requested

**OFFICIAL BUSINESS**

Penalty for private use \$300

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Permit No.  
G-92