



Pension Newsletter

Pension Benefit Guaranty Corporation

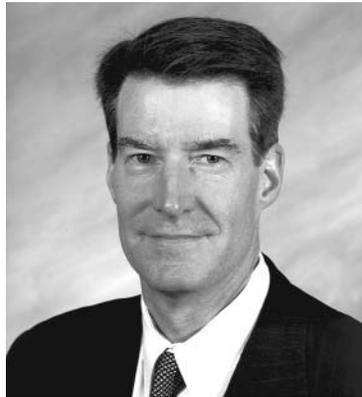
Spring/Summer 2004

\$200 Million in Pensions Every Month

by Executive Director Bradley D. Belt

As I begin my tenure as PBGC's 12th Executive Director, I want to assure you that, while the head of the agency may change, its operation and commitment to customer service will not. After almost 30 years in existence, PBGC plays a bigger role in people's lives than ever before. For example, we now pay more than \$200 million in pension benefits each month to about 500,000 retirees. Five years ago, we were paying \$75 million per month to 215,000 retirees. All told, PBGC is currently responsible for the pensions of about 1 million people, including 500,000 like you who earned a pension from a previous employer and are entitled to receive payments from PBGC when you become eligible. And the numbers keep growing—we are taking responsibility for the pensions of about 15,000 additional people every month.

As you may have read in news reports, PBGC currently is operating in a deficit, with \$35 billion in assets to cover \$46 billion in liabilities. This is a serious problem, and changes in the law are necessary to address it. Our challenge is not unlike that confronting Social Security: We have sufficient assets to satisfy our obligations over the near term, but over the long term we have a shortfall between what we owe and what we can pay. Congress and the Administration have indicated they will address PBGC's financial challenge as part of comprehensive pension reform to be introduced and debated during the next two years. I want to assure you that



Bradley D. Belt

I am committed to finding a solution that gives the PBGC sufficient resources to meet its obligations.

We know how important PBGC's pension protection is to you. From our meetings and other contacts with our customers, we also understand the level of service you expect of us, and we are striving not only to meet your expectations, but to

exceed them. We always welcome your suggestions for how we can improve our service.

Editor's Note: Secretary of Labor Elaine L. Chao, Chairman of PBGC's Board of Directors, announced the appointment of Bradley D. Belt as PBGC Executive Director on April 21, 2004. Mr. Belt, who was sworn in to office on April 26, brings an extensive range of experience in the private, public and non-profit sectors to his new position.

New Online Service Coming

Starting this August, you will be able to use our Web site, www.pbgc.gov, to update your telephone number, residence and e-mail address. The completely secure service, called "My Pension Benefit Account" (My PBA), will be available around the clock. You may also use this service to verify your current address and other information PBGC has on file for you to assure that you receive all correspondence from us in a timely manner.

Planning to Retire Soon?

If you are planning to retire soon, the following information may help you in starting your pension benefit.

Eligibility to Retire: You can start your PBGC benefit when you are eligible under your plan's provisions. For example, your plan states how many years you must work and at what age you can begin receiving benefits. Often, the normal retirement age is 65, but most plans allow for early retirement at 55. To ensure that you start receiving your benefit when you intend, phone our Contact Center or visit our Web site to contact us about 3 months before you want your benefit payments to begin.

Guarantee Limits: PBGC pays you the benefit you earned under your plan's provisions up to limits set by law. Our maximum guarantee – the most we can pay – is permanently fixed for your plan based on the year the plan ended. For example, the maximum guarantee for any

plan we take over in 2004 is \$3,698.86 per month for a single-life annuity beginning at age 65.

The maximum guarantee is lower if you retire at a younger age or choose a benefit that provides survivor payments. For a plan that ends in 2004, for example, the maximum guarantee is \$2,629.89 for a 62-year-old retiree whose benefit includes a 50 percent survivor benefit for a spouse of the same age.

Form of Benefit: You can choose from several annuity forms that PBGC provides. One of your most important decisions will be to choose who, if anyone, will receive survivor benefits and how much your survivor will be entitled to receive. PBGC pays most benefits as monthly annuities. However, if the total value of your benefit is less than \$5,000, we may make a one-time lump sum payment of your entire benefit.

Designate Your Beneficiary

Why do you need to inform PBGC about your beneficiary? If you die before you retire and you are married when you die, your spouse may be due survivor benefits. PBGC may also owe you money, such as a lump-sum benefit, which we will pay to your designated beneficiary. If you have not already designated a beneficiary using PBGC's General Information Form, you should now fill out our Designation of Beneficiary Form even if you named a beneficiary before PBGC took over your plan. You can also use this form to change your beneficiary any time before you retire. You may obtain the form by calling our Contact Center or printing it from our Web site at <http://www.pbgc.gov/forms/apply.htm>.

Should you die, your spouse, a relative, or another responsible person should notify PBGC of your death by calling our Contact Center so we can inform your spouse about any survivor benefits due.

Get Help with Health Insurance Costs

Certain PBGC benefit recipients who are age 55 or over and are covered by qualified health insurance may be eligible for the Health Coverage Tax Credit (HCTC), a program administered by the Internal Revenue Service (IRS). HCTC is a new tax credit that can pay nearly two-thirds of eligible individuals' qualified health plan premiums.

The tax credit is not available to everyone. For example, persons entitled to Medicare Part A or receiving Medicare Part B or Medicaid may not receive the credit. You may obtain information about this program, including what is considered qualified health insurance, by calling the HCTC Customer Contact Center's toll-free telephone number at 1-866-628-4282 (for TTY/TDD users, call 1-866-626-4282) or by going to the IRS Web site at www.irs.gov—IRS Keyword: HCTC.

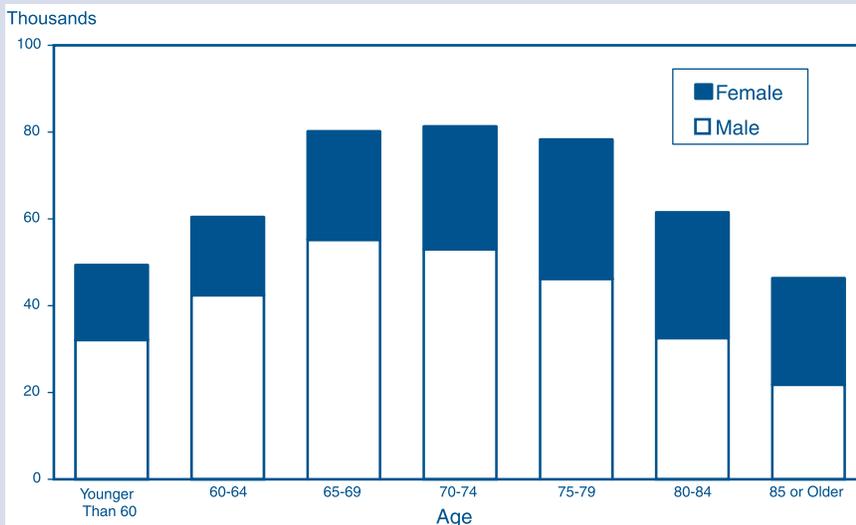
Many Services Available on PBGC's Web Site

Our Web site, www.pbgc.gov, provides a variety of services to you online. By accessing the Web site, you may:

- Find answers to frequently asked questions about PBGC and your pension. (www.pbgc.gov/faqs.htm)
- Send us questions about your benefits and receive a response within 24 hours. (Email mypension@pbgc.gov)
- Access our "Pension Search" to seek people you know who may be owed pension benefits from us. (www.pbgc.gov/search/srchname.cfm)
- Receive downloadable forms and documents. (www.pbgc.gov/forms/whatforms.htm)
- Conduct research on PBGC and defined benefit pension plans. (www.pbgc.gov/publications/default.htm)
- Receive specific information on a number of large pension plans such as Bethlehem Steel, LTV, Pan Am and Eastern Airlines. (www.pbgc.gov/plans/default.htm)

WHO WE PAY

People receiving pension benefits from PBGC are distributed across all retiree age groups. In all age groups except the oldest, men outnumber women. The age group between 70 and 74 comprises the largest number of people receiving benefits. Current payees include nearly 50,000 people aged 85 or older.



Información en Español

¡El compromiso de la PBGC es brindar el mejor servicio a nuestros clientes de habla hispana!

- Para recibir información en español, llame al Centro de Contacto al 1-800-400-7242, y apriete el número 2 en su teléfono. Representantes de la PBGC que hablan español estarán listos para responder a sus preguntas.
- Toda las cartas y formas que explican los beneficios garantizados por la PBGC están disponibles en español.
- Las personas que deseen apelar una decisión de la PBGC pueden hacerlo en español. Además, si el cliente lo desea, la PBGC puede responder en español.
- La PBGC puede organizar reuniones para explicar los beneficios en español.
- Hay tres publicaciones de la PBGC en español, y todas están disponibles en nuestro sitio de la Internet, www.pbgc.gov.
- La coordinadora de servicios en español para la PBGC es **Orfanny Vanegas**. Si Ud. necesita ayuda, llame al 1-800-400-7242, o escriba a: PBGC, Contacto de Habla Hispana, 1200 K St. NW, Room 9109, Washington, DC 20005-4026.

Keep Us Informed . . .

If you move or change your name or telephone number, PBGC needs this new information to stay in touch with you.

Retrieving Lost or Misplaced Vital Records

PBGC may require you to verify information by providing the agency with certain vital records such as birth, death or marriage certificates or a divorce decree. If you have misplaced or lost such records, the National Center for Health Statistics maintains a Web site (www.cdc.gov/nchs/howto/w2w/w2welcom.htm) that lists state government contacts to order duplicates of the originals. Included are phone numbers and addresses to use when placing your order, as well as costs and other information.

But Call Us Before Writing

Until our online service, My PBA, is available, for faster, more efficient service please call our Contact Center at the phone numbers listed below before writing us a letter. Calling can save you the time and effort of writing and may provide immediate answers to your questions or needs.

In order to avoid a wait, it is best to call after the 10th of each month before 10 a.m. or after 3 p.m. Eastern Standard Time (the Contact Center's hours of operation are 8 a.m. to 5 p.m. Eastern time).

If calling is not convenient, you can write to us at:
PBGC, P.O. Box 151750, Alexandria, VA 22315-1750.

Contact Center Phone Numbers

Bethlehem Steel plan participants	1-800-453-9584
LTV Steel plan participants	1-800-707-7242
National Steel plan participants	1-800-707-7242
All other pension plan participants	1-800-400-7242

TTY/TDD users may call the Federal Relay Service toll-free at 1-800-877-8339 and ask to be connected to the toll-free number listed above for your plan.

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