



1998

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

This Package Contains:
PBGC Form 1-ES
and Instructions

To All Plan Administrators:

This package has the forms and instructions you will need for 1998 estimated premium payments to the Pension Benefit Guaranty Corporation. We have made a few changes, such as allowing payment by wire transfer, which we hope will improve the payment process.

As PBGC's tenth Executive Director, I want to share with you PBGC's priorities. First, PBGC intends to safeguard its solvency. PBGC has only recently begun operating in the black after more than 20 years of a deficit. Our financial situation has improved significantly, but we are vulnerable to a number of constantly moving variables such as changes in interest rates and economic conditions. We intend to stay prepared.

Our second priority is to make PBGC a premier service organization, both for the workers and retirees we protect and for you who pay our premiums. At a time when many Americans believe government is removed and unresponsive, we at PBGC want to provide the best service possible.

Our third priority is to promote defined benefit pension coverage for American workers, as PBGC's mandate in the Employee Retirement Income Security Act (ERISA) directs.

Ensuring that premium obligations are met is vital to PBGC's solvency and to our role in maintaining confidence in the defined benefit system overall. We would like to hear about any guidance you need on premiums, as well as your concerns and suggestions for improvements to our programs and procedures. We intend to work closely with you to keep the insurance program financially strong and to meet your needs as well as those of the people whose benefits we protect.

David M. Strauss
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 seek to 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.

Priority Areas and Actions for Improving Services

To develop customer service standards, PBGC first asked frontline employees what premium payers want and expect from PBGC. We used that information to conduct several focus groups of premium payers that identified problems, concerns, and expectations of importance to those we are in business to serve—the premium payers. The customer service standards PBGC commits to were derived directly from what our customers told us. Based on that same customer feedback, we have also made changes to how premium penalties are calculated.

We will periodically survey our customers to see how well we are meeting these customer service standards. If you are contacted as part of the survey, please take a few minutes to respond so that we know how we are doing and can make necessary changes and improvements to serve you better.

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.

Standards — This is our pledge to you, our customer:

- We will mail the PBGC Form 1 package seven months in advance of each plan's filing due date.
- We will return your phone call within 24 hours. If we cannot immediately resolve the issue you called about, we will tell you when you can expect it to be resolved, and we will give you the name and number of the responsible person.
- When you ask for reconsideration of the imposition of a premium penalty, we will acknowledge receipt of your request within 1 week. We will tell you when to expect a response and include the name and number of a contact person.
- A Problem Resolution Officer will serve as the focal point for complaints from premium payers and their representatives.

Questions or Complaints

If you have a premium-related question or request, please contact us at (703) 827-3676.

If you have a complaint about the service you have received or still need assistance after calling (703) 827-3676, 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

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

CONTACT POINTS

1. 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))

2. For general premium-related inquiries, including requests for forms, assistance on filing forms or electronic payments, and address changes:

Call (703) 827-3676
Fax (703) 827-3762

or write to:

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

3. For requests for reconsideration of a premium penalty assessment (on a statement of account) or for requests for refunds (that are not submitted via premium filing forms), 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 through a subscription service:

Call (703) 605-6060
Fax (703) 321-9467
Order # SUB-9244

or write to:

U.S. Department of Commerce
National Technical Information Service
5285 Port Royal Road
Springfield, VA 22161

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 2 (703-827-3676), please contact the Problem Resolution Officer (Premiums):

Call (202) 326-4136
Email..... 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 number is toll free; all other telephone numbers are not toll free and collect calls cannot be accepted.

INSTRUCTIONS FOR 1998 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 1998 are shown in the following table.

Premium Payment Year Begins	Form 1-ES Filing Due Dates
01/01/98	03/02/98
01/02 - 02/01/98	03/31/98
02/02 - 03/01/98	04/30/98
03/02 - 04/01/98	06/01/98
04/02 - 05/01/98	06/30/98
05/02 - 06/01/98	07/31/98
06/02 - 07/01/98	08/31/98
07/02 - 08/01/98	09/30/98
08/02 - 09/01/98	11/02/98
09/02 - 10/01/98	11/30/98
10/02 - 11/01/98	12/31/98
11/02 - 12/01/98	02/01/99
12/02 - 12/31/98	03/01/99

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 1998 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—generally, the 15th day of the 8th full calendar month following the month in which the premium payment year begins. (For the first full plan year following a change in plan year, the Final Filing Due Date is the 30th day after the adoption date of a plan amendment changing the plan year, if later.)

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 consolidations are both 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). 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, and 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)). 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 date and type of each transfer (the three types of transfers are explained above). 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 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 1997 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: (703) 827-3676
TTY/TTD: (800) 877-8339 — request connection to (703) 827-3676

For plan years beginning after 1993, 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 1998 Form 1-ES or copies of the 1998 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: (703) 827-3676
Fax: (703) 827-3762
TTY/TTD: (800) 877-8339 — request connection to (703) 827-3676

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 1998 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

Miami 33169
111 NW 183rd Street
Suite 504
(305) 651-6464

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
Cambridge Street
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 1998 Estimated Premium Payment Package (25 copies of Form 1-ES and 1 set of instructions)
- Send 1998 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: (703) 827-3762

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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