

7/28/2004 11:53:53 AM

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

JUL 22 2004



Re: The Grand Union Company Associates'
Retirement Plan ("Plan"), PBGC Case #194132

Dear

The Appeals Board has reviewed your appeal of PBGC's September 26, 2003 determination that you are entitled to a monthly benefit of \$312.18 as a Straight Life Annuity with no survivor benefits if payments start on August 1, 2019 (at age 65). With its determination letter, PBGC provided a benefit statement showing that it calculated your benefit using 13 years and 7 months of credited (or benefit) service. As discussed below, the Appeals Board changed the determination by finding that you earned 19 years and 3 months of credited service. PBGC's Insurance Operations Department, the organization responsible for determining and paying benefits, will send you a new determination.

Your appeal said that you believe you should have 19.537 years of credited service because: (1) you met the Plan's age 20 1/2 years requirement on January 24, 1975, and thus you were eligible to participate in the Plan on January 1, 1976; and (2) you worked full-time (never part-time) at a rate of 1,500 or more hours per year, without any breaks in service. You also noted that you were informed by Carolyn Burton, the Personnel Manager at the Waterford Distribution Center, where you worked, that the Company mistakenly forgot to enroll you in the Plan until January 1, 1983, but had corrected the erroneous date. To support your claim, you provided a copy of an excerpt from the Plan that states the requirements for Plan participation and a letter you received from the Company that shows you are entitled to a Straight Life Annuity of \$364.97 per month beginning at age 65 and \$145.99 per month if your payments start at age 55.

The files show you were born on and employed with the Company from August 3, 1973 through July 15, 1995. Prior to April 1, 1976, the Plan recognized only full-time employment after age 30 as credited service. Thus, under the terms of the Plan in effect when you were hired, you could not start accruing credited service until August 1, 1984, the first of the month after you turned age 30. However, the Plan was amended effective April 1, 1976 to allow employees who had met the Plan's age and service requirements to start accruing credited service beginning as of that date.

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Under the terms of the Plan, you receive one month of credited service each month from April 1976 through July 1995. Therefore, you earned 19 years and 3 months (19.25 years) of credited service.

We will forward a copy of this letter to PBGC's Insurance Operations Department, who will send you a new determination. Meanwhile, if you have questions or need additional information, please call PBGC's Customer Contact Center at 1-800-400-7242.

Sincerely,



Sherline M. Brickus
Member, Appeals Board

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