



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

1498354

09/26/2003



Re: Appeal Peter J. Schmitt (PJS)
Employees Retirement Plan (PJS Plan)

Dear :

The Appeals Board reviewed your appeal of PBGC's September 21, 2001 determination of your benefit. For the reasons stated below, the Board changed PBGC's determination by finding that because you are not eligible for a vested pension benefit from the PJS Plan you are not entitled to receive a payment from PBGC.

PBGC determined that beginning September 1, 2011, your normal retirement date, you are entitled to a monthly benefit of \$263.72 if paid as a Straight Life Annuity, which provides no survivor benefit. PBGC's letter included a Benefit Statement showing how they determined the benefit amount.

Your December 12, 2001 appeal stated you agree with the \$439.54 monthly amount shown on your PBGC Statement as the benefit you accrued under the PJS Plan. However, you asked why your vesting percentage is only 60% when you have over 9 years of Credited Service and why, therefore, your final benefit is only \$263.72.

Documents in your PBGC file show you worked for PJS from September 11, 1978 until February 13, 1988. On the basis of these dates, you had 9 full years of Credited (vesting) Service when your employment ended.

PBGC files reveal that the PJS Plan provisions as amended effective January 1, 1977 and as in effect when your employment ended required a participant to have completed ten years of service in order to qualify for a nonforfeitable (vested) pension benefit. See **Enclosure**. As the Enclosure states, the PJS Plan did not provide for partial vesting for participants like yourself who were hired in 1978 and who left employment before earning ten years of vesting service. Thus, because the PJS Plan did not provide for pro rata vesting while you were a PJS Plan member, the Appeals

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Board found that you did not meet the PJS Plan's requirements for entitlement to a deferred vested pension. For this reason, the benefit you accrued under the PJS Plan is not vested.

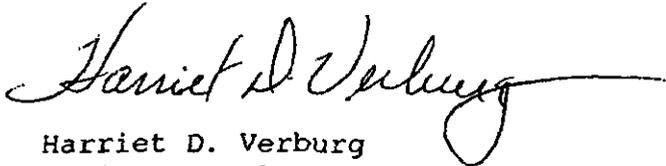
Decision

Having applied the PJS Plan provisions to the facts of your case, the Appeals Board found that you are not entitled to a vested pension benefit from the PJS Plan, and thus you are not entitled to a payment from PBGC.

This is the agency's final action on this matter and you may, if you wish, ask a court to review this decision. We regret this decision is not favorable, but the Appeals Board does not have the authority to change the terms of a participant's plan.

If you need other information from PBGC, please call the Customer Contact Center at 1-800-400-7242.

Sincerely,



Harriet D. Verburg
Chair, Appeals Board

Enclosure