

New Repayment Policy

Although it has rarely happened, that anyone has repaid more than the actual amount of an overpayment, PBGC is making sure that, from May 29, 1998 on, if an overpayment of benefits occurs, no one will repay more than is owed.

To avoid benefit delays, PBGC usually bases payments on an estimate of earned benefits and sometimes overpayments or underpayments may result.

In the small percentage of cases where repayment is necessary, PBGC reduces future monthly payments, usually by no more than 10 percent of the monthly benefit a retiree is entitled to under the insurance program.

Under a May 29, 1998 policy change, once an overpayment has been repaid, PBGC will adjust the monthly benefit to reflect completion of repayment. If the full repayment occurred before May 29, 1998, the benefit will be adjusted as of May 29, 1998 to insure no further repayment is made. If you have fully repaid, you will be notified that your benefit will be adjusted.

Information at Your Fingertips

PBGC's web site, at www. pbgc.gov, gives you the latest information on what we're doing.

For example, there are answers to Frequently Asked Questions on benefit guarantees. Also, our Pension Search Directory lists people who are owed benefits but can't be located, and you may find someone you know.

If you do not have a computer or access to the Internet, check with your library, nearby college or community center to see if you can use a computer to sign on to the Internet.

Pension Newsletter

Pension Benefit Guaranty Corporation August 1998

PBGC Remains Financially Strong

PBGC's financial condition continues to improve. The agency's annual report to the President and Congress showed assets of \$15 billion. For the second straight year PBGC's program recorded a positive financial position.

"A financially strong, well-managed PBGC is part of this nation's strategy for providing Americans with retirement security. Workers know that with PBGC on their side they will receive the benefits they have earned," said Secretary of Labor Alexis Herman, who chairs

PBGC's Board of Directors.

"We must maintain a cushion that will be sufficient to protect the insurance program against any future economic downturns. With a financially strong insurance program, workers and employers can have confidence that pensions are secure," said PBGC Executive Director David Strauss.

During 1997, PBGC paid \$834 million in benefits to 205,800 people. Another 260,000 people will receive benefits from PBGC when eligible to do so.

One-Call Service

Based on what you have told us through surveys and focus groups, PBGC now pledges that with one phone call, we will tell you what can be done for you regarding your call, when it will be done, and the name of the person who will be handling your request.

We want everyone you deal with at PBGC to be attentive to your needs and provide you with excellent service.

How well PBGC lives up to these standards is measured every year by our Customer Satisfaction Survey.

Customer Service Standards

As customers, you deserve our best efforts. We are committed to always showing you respect and courtesy when you contact us. We further pledge that:

- ✓ With only one call from you, we will tell you-
 - what can be done immediately or what you should expect if it will take longer
 - when it will be done, and
 - who will handle your inquiry or request.
- ✓ If it will take longer than expected or anything changes from what we first told you, we will call you with a status report and tell you what will happen next.
- ✓ During normal business hours (8:00 a.m. 5:00 p.m. Eastern Time), we will have someone available to take your call, as necessary. However, anytime you leave a message, we will return your call within one work day.
- ✓ If you write us, we will acknowledge your inquiry within one week of receiving your request.

How Your Benefit is Determined

Several years may have passed since your pension plan was taken over by PBGC, so here is a refresher about PBGC's guarantee and how your benefit is determined under the insurance program.

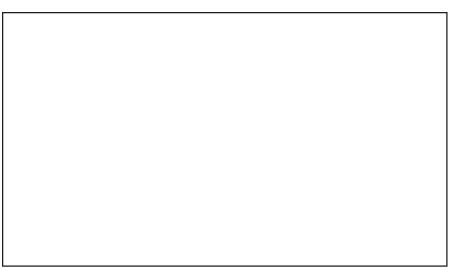
PBGC determines your benefit based on the provisions of your plan, and factors such as the number of years you worked, at what age you began receiving benefits, and if you have survivor benefits. Often, the normal retirement age is 65, but many plans allow for early retirement at age 55.

PBGC pays you the benefit you had earned at the time the plan terminated up to limits that are set by law. The most we can pay - the maximum guarantee - is for a single-life annuity beginning at age 65 and is permanently set for each pension plan based on the year your plan terminated. For example, the maximum monthly guarantee for plans terminated in 1995 is

\$2,573.86. This does not mean that a person whose plan ended in that year will get the full amount of \$2,573.86. Rather, people are entitled only to the benefit earned *under the provisions of their specific plan, up to limits set by law.*

In this respect, PBGC operates much like the Federal Deposit Insurance Corporation (FDIC), which insures individual bank accounts up to a limit set by law.

Meeting With Plan Participants



PBGC's Problem Resolution Officer Ondrea Gill (left) talks with several retirees of the Eli Witt Company pension plan that was taken over by the agency in 1997. PBGC holds meetings to help participants in many parts of the country learn more about how the pension insurance program works and answer questions.

DIRECT DEPOSIT A GOOD ALTERNATIVE

More than half of you enjoy the convenience of having your monthly benefit payment electronically deposited directly into your bank account. This electronic deposit ensures that your payment is posted on the same date every month and funds are available sooner than if you had to cash or deposit the check.

There are several other advantages to electronic deposit. It is safe, secure and simple to do! And, electronic deposit eliminates the risk of lost or stolen pension checks.

If you are still receiving a paper check, please use the enclosed self-mailing application to sign up for electronic deposit.

Keep Us Informed

It is very important for you to let PBGC know if you move, change your name, telephone number, marital status, or make any other changes that will help us to keep you updated and informed.

You can get a change of address form at your local post office and send it to us, or if you prefer, call our Customer Service Center.

How to Reach Us

You can write to us at: PBGC, P.O. Box 19153, Washington, DC, 20036-9153. You can also call our Customer Service Center toll-free at 1-800-400-7242. For TTY/TDD users, call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 1-800-400-7242.

To help us respond quickly to your requests, please have your social security number, address, and plan number and name available when you call.