

Introduction

Pension Benefit Guaranty Corporation (PBGC)

PBGC is a federal corporation created under the Employee Retirement Income Security Act of 1974 to guarantee your pension benefits. We currently guarantee the benefits earned by some 44 million American worker and retirees.

The benefits provided by **The Pension Plan of Bethlehem Steel Corporation and subsidiary companies** are **insured** by PBGC. Your pension plan terminated **December 18, 2002** and PBGC became trustee on **April 30, 2003**.

Our headquarters are in Washington, D.C., and we have field offices staffed with authorized representatives to provide pension services to many of our Participants. Your Field Benefit Administrator is:

Knight, Incorporated PBGC Authorized Representative

You may call our **Customer Service Center at 1-800-453-9584** (toll free) or for the TTY/TDD users, call the federal relay service at 1-800-877-8339 and ask to be connected to 1-800-453-9584. We are available Monday through Friday 8:00 AM to 5:00 PM Eastern Time, anytime you have questions and to reach your Field Benefit Administrator
Or you may write to us at:

**Pension Benefit Guaranty Corporation
P.O. Box 151750
Alexandria, VA 22315-1750**

To help us provide the best possible service to you, please keep us informed of any address changes. Include your plan name (Bethlehem Steel Corporation) case number (19660300), social security number and daytime telephone number when you write us.

Our Website address: **www.pbgc.gov/bethlehem**

Bethlehem Steel Pension Plan

**Presented by
Pension Benefit Guaranty Corporation**



FALL 2003

WHO ARE WE?

We are the Pension Benefit Guaranty Corporation (PBGC)...

- Established in 1974 as a wholly owned Federal Corporation
- Administers mandatory insurance program to protect pension benefits for participants in private- sector defined benefit plans -- plans that promise workers a specific monthly benefit for life at retirement based on age, salary, and years of service

Pension Benefit Guaranty Corporation

- Provides protection for nearly 44 million workers and retirees in more than 32,000 private-sector defined benefit pension plans
- Assumes control of terminated underfunded defined benefit plans and administers and pays their benefits

Pension Benefit Guaranty Corporation

- Currently oversees more than 3,250 terminated pension plans with over 830,000 participants and beneficiaries
- Pays retirement benefits based on the provisions of each plan

How Are We Financed?

- (1) Premiums paid by plan sponsors of ongoing covered plans
- (2) Assets from trusteeed plans

Bethlehem Steel Pension Plan

Estimated funding status of Your Plan

55% underfunded (\$4.2 billion)

Total assets = \$3.5 billion

Total liabilities = \$7.7 billion

How Are We Financed?

- (3) Recoveries from employers that terminate underfunded plans, and
- (4) Investment income

Pension Benefit Guaranty Corporation

PBGC is financially
sound with sufficient
assets to pay benefits far
into the future

Plan Administration

All services will be provided by
PBGC as Trustee

Call 1 (800) 453-9584

Services Provided through PBGC's

1 (800) 453-9584

Request:

- Benefit Estimates & Retirement Applications
- Address Changes
- Tax Withholding Changes
- Electronic Direct Deposit
- General Information/Questions

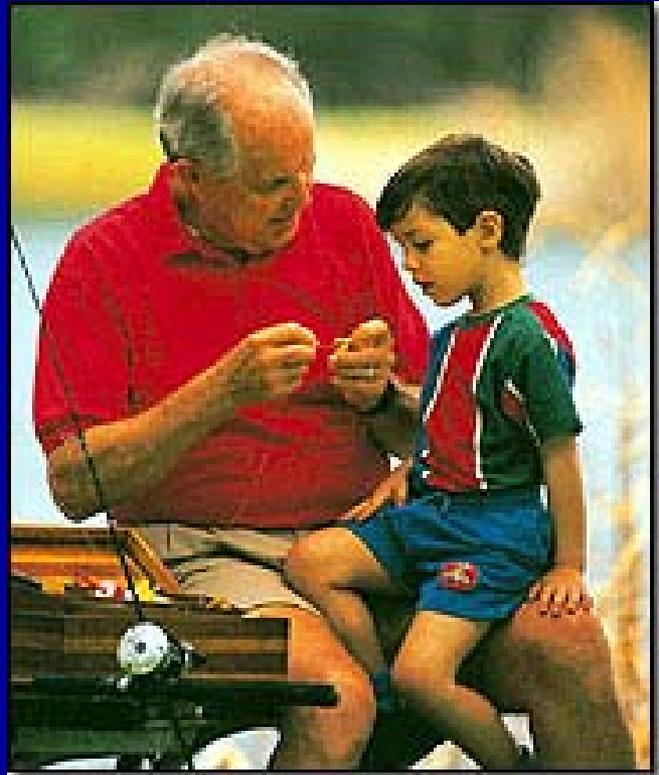
Tax Withholdings

Pension Benefits - Taxable Income

- Federal - You may elect to:
 1. Have no taxes withheld
 2. Indicate a specific dollar amount
 3. Use tax table for withholdings

 - State - No State/Local taxes withheld
- Call 1 (800) 453-9584 to request forms

Retirees/Surviving Spouses



Retirees/ Surviving Spouses

➤ Benefit Payments:

- Checks and Electronic Direct Deposits (EDD) will continue without interruption

Where Will Your Check Come From?

➤ STATE STREET CORPORATION (PBGC's Paying Agent)

- As of September 1, 2003, State Street Corporation began making your payments
- Checks mailed directly to you, 3 business days before 1st of the month
- Electronic Direct Deposit (EDD) - transferred to your financial institution on the 1st of the month

Form of Benefit

Will the benefit form I chose at retirement prior to PBGC becoming trustee remain the same?

Yes

For example: If you chose the Joint and 50% Survivor Annuity with Surviving Spouse Benefit, that form is still in effect

No form can be changed once you are retired

Retirees/Surviving Spouses Information PBGC Needs From You

The completed Payee Information Form



Payee Information Form

PBGC Form 701

Approved OMB 1212-0055

Expires 04/30/06

Pension Benefit Guaranty Corporation.

P.O. Box 151750 Alexandria Virginia 22315-1750

For assistance, call 1-800-400-7242

(Proof documents NOT required)

Non-Retirees



(Non-Retirees)

To Complete Our Records We Need...

Completed General Information Form

AND

Photocopies of Proof Documents

- Participant's birth certificate
- Spouse's birth certificate, if applicable
- Marriage or Death certificate, if applicable

NOTE: This form does not start benefit payments. You must request and complete an application package

When Can I Start My Benefit?

- When eligible according to your plan provisions
- Even before PBGC's processing is completed (Benefits will be paid on an estimated basis)
- Even if working for another company unless the plan does not allow it
- Even if not yet receiving Social Security benefits

How Will I Know My Benefit Amount?

➤ **Before Process is Complete**

- Request Benefit Estimate
Call 1(800) 453-9584

➤ **After Process is Complete**

- PBGC will mail a final benefit determination letter which will indicate your benefit amount

When Do I Apply For My Benefits?

- Approximately 4 months before you're ready to start benefits, request application package
- Return completed package no earlier than 90 days before your benefit start date
 - Signature on certain forms cannot be more than 90 days old

Normal Forms of Benefits

If eligible for immediate retirement as of
December 18, 2002

➤ Single Participants:

Straight Life Annuity with 5 years Certain Payments and
Surviving Spouse Benefit

➤ Married Participants:

Joint and 50% Survivor Annuity

- 50% of benefit payable to spouse at
participant's death
- Automatic, unless waived by both
- 5 years Certain Payments and Surviving Spouse Benefit

Normal Forms of Benefits

If not eligible for immediate retirement as of Dec. 18, 2002

- Single Participants: Straight Life Annuity

- Married Participants: Joint and 50% Survivor Annuity
 - 50% of benefit payable to spouse at participant's death
 - Automatic, unless waived by both

PBGC Optional Forms Of Benefits

Non-Retirees

- Straight Life Annuity
- Certain and Continuous Annuities for 5, 10, 15 years
- Joint and 50%, 75%, or 100% annuity
- Joint and 50% survivor “pop-up” annuity

Will My Spouse Receive A Benefit If I Die Before I Retire?

Yes

50% of your benefit will be paid
to your spouse at your earliest
retirement eligibility date

Will PBGC Pay Benefits In A Lump Sum?

Generally, No

The Value of your Benefit must be \$5,000 or less on Date of Plan Termination December 18, 2002

Retirees / Non-Retirees

Your Final Benefit Determination

When Will I Know My Final Benefit Amount?

When all audits, reviews, and benefit calculations are completed

About 3 years from the date we took over on April 30, 2003

However:

- Retirees will continue to be paid
- Non-Retirees can start benefits when eligible

What If Information Used to Reach Final Benefit is Incorrect?

Call 1 (800) 453-9584
to resolve discrepancy

or

File an Appeal
Within 45 days from letter
(Instructions included with letter)

To Contact Us

Call: 1 (800) 453-9584

Write: Pension Benefit
Guaranty Corporation
P. O. Box 151750
Alexandria, VA 22315-9923

E-mail: mypension@pbgc.gov

Webpage: www.pbgc.gov

Problems?

Call: Problem Resolution Officer
1 (800)453-9584 ext. 4014

Write: Office of the Problem Resolution Officer
Pension Benefit Guaranty Corporation
1200 K Street, NW
Washington, DC 20005-4026

Email: PARTICIPANT.PRO@pbgc.gov

Health Benefits Under the 2002 Trade Act

- Provides Income Tax Credit = 65% of health insurance premium, also known as the “Health Coverage Tax Credit” (HCTC)
- Who may be Eligible?
 - Individuals receiving a PBGC benefit who are age 55 or older
 - Eligible Individuals may apply for an Advance Health Coverage Tax Credit starting August 1, 2003.

Health Benefits Under the 2002 Trade Act

- If you have questions about the HCTC or want to apply for the Advance Health Coverage Tax Credit,
- Call the HCTC Customer Contact Center at:
1-866-628-HCTC (1-866-628-4282)
TDD/TTY callers, please call 1-866-626-HCTC (1-866-626-4282)
- You can also visit the HCTC Web Site at:
<http://www.irs.gov> (IRS keyword: HCTC)
(Program Administered by the IRS)

REMINDER!!



Keep your mailing address
current with PBGC

Guaranteed Benefits



Bethlehem Steel Pension Plan

Date of Plan Termination (DOPT): 12/18/02

Date of PBGC Trusteeship: 04/30/03

What is Not Covered by PBGC?

- Health care benefits
- Unpaid leave
- Defined contribution plans –
401(k) plans, profit-sharing plans, etc.
- Life Insurance

Vesting Schedule

- 100% vested if attained age 65 while in service
- If service ended BEFORE January 1, 1989
 - 0-9 years of service 0% vested
 - 10 years of service 100% vested
- If service ended ON or AFTER January 1, 1989
 - 0-4 years of service 0% vested
 - 5 years of service 100% vested

When Can You Retire?

Unreduced Retirements:

Age 65 - Normal Retirement

30 Year Retirement *

62/15 Retirement *

* Requirements must have been met by the earlier of the date you ended employment and December 18, 2002.

When Can You Retire?

Deferred Vested Retirement:

At Date of Termination of Employment, age 40 and have 15 years of service:

- Full benefit at age 62
- May start payment as early as age 60
- If payments start before age 62, monthly amount is reduced

When Can You Retire?

Deferred Vested Retirement:

Otherwise, with 5 years of service:

- Full benefit at age 65
- May start payment as early as age 60
- If payments start before age 65, monthly amount is reduced

When Can You Retire?

**Shutdown Retirements:
(also provides unreduced benefits)**

➤ 70/80 Retirement

➤ Rule-of-65 Retirement

When Can You Retire?

- Permanent Incapacity
 - Must have met the Permanent Incapacity requirements by Date of Plan Termination – December 18, 2002
 - Must have 15 years of service

How are Benefits Determined?

Based on the provisions of
your plan - subject to the
limits set by law

Data Used to Calculate Your Benefit

- Age at Retirement
- Years of Service
- Earnings History
- Form of Benefit

PBGC Limits

- Accrued at Normal Limitation
- Maximum Guaranteed Benefit
- Phase-In Limitation

Accrued at Normal

Limits your benefit to the amount the Bethlehem plan would pay you at age 65 as a Straight Life Annuity

In general, the \$400 supplement to age 62 is not payable.

Key exceptions:

- Spouse or Co-Pensioner Option – small portion of supplement may be payable
- Permanent Incapacity Retirement - all of supplement may be payable

What is the PBGC Maximum Guaranteed Benefit?

\$3,579.55 per month at age 65 as a Straight Life Annuity for plans terminating in 2002

What Determines Your Maximum Guaranteed Benefit?

- Your Age
- Your Spouse's/Beneficiary's Age
- Your Form of Benefit
- Your eligibility for Social Security Disability on Date of Plan Termination
- Date of Plan Termination

PBGC Early Retirement Factors and Form Conversion Factors are determined at the later of your date of retirement and December 18, 2002 (DOPT)

Maximum Guaranteed Benefit Early Retirement Percentage

<u>Retiree/ Beneficiary Age at DOPT *</u>	<u>PBGC Early Retirement Percentage</u>	<u>PBGC Maximum Straight Life Annuity Benefit</u>
65	100%	\$3,579.55
60	65%	\$2,326.71
55	45%	\$1,610.80
50	35%	\$1,252.84
45	25%	\$ 894.89

* Uses years and months of age. If you retire after DOPT, Maximum Guaranteed Benefit considers your age at Date of Retirement (DOR).

Maximum Guaranteed Benefit Form Conversion Factors

Retiree/Beneficiary Age at later of <u>DOPT and DOR</u>	Straight Life with 5 Years <u>Certain Benefit</u>	Joint and 50% Survivor <u>Benefit *</u>
65	\$3,490.06	\$3,221.56
60	\$2,268.54	\$2,094.04
55	\$1,570.53	\$1,449.72
50	\$1,221.52	\$1,127.56
45	\$ 872.52	\$ 805.40

Maximum Guaranteed Benefit is reduced for years certain that remain at later of DOPT and DOR, and for the Surviving Spouse Benefit, if you are eligible.

* Assumes the Participant and Spouse are the same age

Maximum Guaranteed Benefit (MAX)

Example - Adjustment Required

Participant Data - Joint & 50% Survivor Benefit

Participant's Age at DOPT: 55

Spouse's Age at DOPT: 55

Maximum Guaranteed Benefit (MAX) Example - Continued

A) Bethlehem Plan Monthly Benefit:	\$2,400.00
B) PBGC 2002 MAX at age 65:	\$3,579.55
C) PBGC Early Retirement Factor:	.4500
D) PBGC Adjustment Factor for the Joint & 50% Survivor Benefit:	.9000
E) $B \times C \times D =$ $\$3,579.55 \times .4500 \times .9000 =$	\$1,449.72
F) PBGC Monthly Benefit: Smaller of \$2,400.00 and \$1,449.72 =	\$1,449.72

Phase-In

Any benefit improvement that has not been in effect for 5 full years as of the Date of Plan Termination will be pro-rated at the greater of \$20 and 20% for each full year the benefit improvement has been in effect.

What Increases In Your Plan Are Subject to Phase-In?

One example of a benefit improvement subject to Phase-In was the Steel Plans' Service Minimum Formula Benefit improvement in the year 2000. Phase-In provides greater of \$40 and 40% of the benefit improvement.

Pre-2000 Minimum Formula Rates

\$26.50 (first 15 yrs. of service)

\$28.00 (over 15 to 30 yrs. of service)

\$29.50 (over 30 yrs. of service)

2000 Minimum Formula Rates

\$52.50 (first 30 yrs. of service)

\$70.00 (over 30 yrs. of service)

Phase-In Example

Retiree is 55 yrs old and has a Straight Life Annuity with 5 years Certain with no Surviving Spouse Benefit

- 1) Maximum Guaranteed Benefit (MAX): \$1,570.53
- 2) Pre-2000 Plan Minimum Formula Monthly Benefit:
 $(\$26.50 \times 15) + (\$28.00 \times 15) + (\$29.50 \times 2) =$ \$ 876.50
- 3) 2000 Plan Minimum Formula Monthly Benefit:
 $(\$52.50 \times 30) + (\$70.00 \times 2) =$ \$1,715.00
- 4) Pre-2000 Benefit After MAX:
Smaller of \$1,570.53 (MAX) and \$876.50 = \$ 876.50

Phase-In Example (cont'd)

- 5) 2000 Benefit After MAX:
Smaller of \$1,570.53 (MAX) and \$1,715.00 = \$1,570.53
- 6) Benefit Increase from 2000 Minimum
Formula Improvement After MAX:
(5) - (4) =
\$1,570.53 - \$876.50 = \$ 694.03
- 7) \$40/40% Phase-In of 2000 Minimum
Formula Benefit Increase:
Greater of \$40.00 and 40% of \$694.03 = \$ 277.61
- 8) PBGC Guaranteed Monthly Benefit:
(4) + (7) =
\$876.50 + \$277.61 = \$1,154.11

Conclusion

- When your plan allows you to retire
- The benefits provided by your plan
- The benefits guaranteed by PBGC



**Pension Plan of Bethlehem Steel Corporation
and Subsidiary Companies; Steel Division – 1999 Plan,
Represented Hourly Employee Group**

Case Number: 19660300
Date of Plan Termination: December 18, 2002
Date of Trusteeship: April 30, 2003

Effective Date: July 31, 1999 – Represented Hourly Employee Group
January 1, 2001 – Conshohocken Represented Hourly
Employee Group

Plan Year: Calendar Year

Eligibility to Participate: Represented Hourly Employees
One year of employment and age 21

Years of Service: All continuous Service with the employer calculated to the
nearest month

Vesting: 100% after completion of 5 Years of Service

Average Monthly Earnings: High 5 consecutive calculation years in the last 10
calculation years divided by 60

Normal Retirement: Age 65 with at least 5 Years of Service

Unreduced Early Retirement: 62/15 – Age 62 to 65 with at least 15 Years of Service
or
30-Year – Under Age 62 with at least 30 Years of Service

Reduced Early Retirement: 60/15 – Age 60 to 62 with at least 15 Years of
Service Reduced from age 62

Age at Start of Pension	Percentage of Regular Pension
62	100%
61	91.45%

60	83.82%
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Shutdown Benefits:

70/80 Retirement and Rule-of-65

Payable under special circumstances such as permanent shutdown or prolonged layoff or disability

Rule-of-70 – Age 55 to 62 with at least 15 Years of Service and age plus Service is at least 70

Rule-of-80 – Less than age 55 with at least 15 Years of Service and age plus Service is at least 80

Rule-of-65 – Less than age 55 with at least 20 Years of Service as of the last day worked and age plus Service is at least 65 but less than 80 and no suitable long-term employment with the company

Deferred Vested:

Age 40 at termination date with at least 15 Years of Service Reduced from age 62

Age at Start of Pension	Percentage of Regular Pension
62	100%
61	91.45%
60	83.82%

With at least 5 Years of Service and either (1) less than age 40 at termination date or (2) more than age 40 but with less than 15 Years of Service - Reduced from age 65

Age at Start of Pension	Percentage of Regular Pension
65	100%
64	90.72%
63	82.53%
62	75.28%
61	68.85%

Permanent Incapacity Benefit:

Regular Pension

Pre-Retirement Survivor Annuity:

Upon the death of a vested participant before retirement, the surviving spouse will receive a monthly benefit beginning sometime between the participant's earliest retirement date and normal retirement date which is not less than the benefit calculated as if the participant had terminated employment immediately before death, survived to earliest retirement date, commenced benefit payments in the Joint and 50% Survivor annuity form and then died immediately thereafter. This benefit is reduced by the amount of the Surviving Spouses' Benefit described below

Automatic 5 Year Term Certain:

Upon the death of the participant while in active employment and eligible for normal, 62/15, 60/15, or 30-Year retirement, his surviving spouse or beneficiary shall receive for a 5-Year period the amount of the regular pension less the amounts payable under any other survivor benefits

Surviving Spouses' Benefit:

The surviving spouse of a participant who dies with at least 15 Years of Service is eligible for a monthly benefit payable for life if the death occurs before retirement or after the participant's retirement (on other than a deferred vested retirement), provided the surviving spouse was married to the participant as of the date of retirement

Surviving Spouses' Benefit Amount:

For each month until the surviving spouse reaches age 60, the surviving spouse will receive 50% of the participant's pension, but not less than \$200.00 per month

For each month after the surviving spouse reaches age 60, the surviving spouse will receive 50% of the participant's pension reduced by 50% of the Social Security Widows benefit, but not less than \$150.00 per month

Normal Benefit Form:

All Retirements except a Deferred Vested Retirement

Unmarried:– A pension payable for your life plus during the first 60 months of payment, the amount paid to you or to your designated beneficiary after your death will be the regular pension benefit amount. Thereafter, the Surviving Spouses' Benefit will be payable

Married:– A reduced pension payable during your lifetime, with 50% of this amount continuing to your spouse following your death plus during the first 60 months of payment, the amount paid to you or to your designated beneficiary after your death will be the regular pension benefit amount. Thereafter, the Surviving Spouses' Benefit will be payable

Deferred Vested Retirement

Unmarried:– A pension payable for your life

Married:– A reduced pension payable during your lifetime, with 50% of this amount continuing to your spouse following your death

Optional Forms:

The Plan offered various additional survivor options. The PBGC will honor these options provided the participant made the election prior to the date of trusteeship, April 30, 2003

Benefit Options Offered by PBGC:

- Straight life annuity – a pension payable for your life.
- Certain-and continuous annuities for 5, 10, or 15 Years – provides you with fixed monthly benefit payments for your lifetime. If you die before the end of the time period you selected, your designated beneficiary will receive the same monthly benefit for the remainder of the period. If you die after the end of the period, benefit payments end upon your death

- Joint-and-survivor annuity – 50%, 75%, or 100% – provides you with fixed monthly benefit payments for your lifetime and, upon your death, continue payments to your spouse or other beneficiary for the rest of his or her life. The monthly benefit your spouse or other beneficiary receives is 50%, 75%, or 100% – depending on your choice – of the amount you were receiving while you were alive. If your beneficiary dies before you, your monthly benefit will not change
- Joint – and 50% – survivor “pop-up” annuity differs from the joint-and-survivor annuity described above in that, if your spouse or other beneficiary dies before you, your monthly benefit will “pop-up” to the straight-life annuity amount for the rest of your life

Lump Sums:

Can only be paid if the present value of your benefit is less than or equal to \$5,000. The PBGC will pay interest from the date of plan termination to the payment date

FORM OF BENEFIT CANNOT BE CHANGED ONCE BENEFITS START

Pension Plan of Bethlehem Steel Corporation and Subsidiary Companies; Steel Division – 1999 Plan, Non-Represented Salaried Employee Group

Case Number: 19660300
 Date of Plan Termination: December 18, 2002
 Date of Trusteeship: April 30, 2003

Effective Date: August 31, 1999 – Non-Represented Salaried Employee Group
 January 1, 2000 – Former BLP Salaried Plan Participants

Plan Year: Calendar Year

Eligibility to Participate: Non-Represented Salaried Employees
 One year of employment and age 21

Years of Service: All continuous Service with the employer calculated to the nearest month

Vesting: 100% after completion of 5 Years of Service

Average Monthly Earnings : High 5 consecutive calculation years in the last 10 calculation years divided by 60

Normal Retirement: Age 65 with at least 5 Years of Service

Unreduced Early Retirement: 62/15 – Age 62 to 65 with at least 15 Years of Service
 or
 30-Year – Under Age 62 with at least 30 Years of Service

Reduced Early Retirement: 60/15 – Age 60 to 62 with at least 15 Years of Service
 Reduced from age 62

Age at Start of Pension	Percentage of Regular Pension
62	100%
61	91.45%

60	83.82%
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Shutdown
Benefits:

70/80 Retirement and Rule-of-65

Payable under special circumstances such as permanent shutdown or prolonged layoff or disability

Rule-of-70 – Age 55 to 62 with at least 15 Years of Service and age plus Service is at least 70

Rule-of-80 – Less than age 55 with at least 15 Years of Service and age plus Service is at least 80

Rule-of-65 – Less than age 55 with at least 20 Years of Service as of the last day worked and age plus Service is at least 65 but less than 80 and no suitable long-term employment with the company

Deferred Vested:

Age 40 at termination date with at least 15 Years of Service Reduced from age 62

Age at Start of Pension	Percentage of Regular Pension
62	100%
61	91.45%
60	83.82%

With at least 5 Years of Service and either (1) less than age 40 at termination date or (2) more than age 40 but with less than 15 Years of Service - Reduced from age 65

Age at Start of Pension	Percentage of Regular Pension
65	100%
64	90.72%
63	82.53%
62	75.28%
61	68.85%
60	63.10%

Special Provision for former Participants in the BLP Salaried Plan:

A participant with 10 years of credited service may begin receiving the BLP Frozen Benefit at age 55. The benefit is actuarially reduced. Benefit payments under the Steel 1999 plan will be reduced to reflect the BLP Frozen Benefit payments received prior to the commencement of the Steel 1999 payments

Permanent Incapacity:

Before age 65 and at least 15 Years of Service and totally and permanently incapacitated for a period of at least 5 consecutive months

Regular Pension Benefit Amount:

Highest of:

1) Service Minimum Pension:

\$26.50 for each Year of Service up to 15
plus
\$28.00 for each Year of Service from 15 to 30
plus
\$29.50 for each Year of Service over 30

2) Percent Pension (1.155%,1.26%) (1.2%,1.5%,1.6%):

1.155% x Average Monthly Earnings x Years of Service up to 30,
plus
1.26% x Average Monthly Earnings x Years of Service over 30

Effective January 1, 2000

1.2% x Average Monthly Earnings x Years of Service up to 20,
plus
1.5% x Average Monthly Earnings x Years of Service from 20 to 30 Years
plus

1.6% x Average Monthly Earnings x Years of Service over
30

3) Total Retirement Benefit Pension:

1.5% x Average Monthly Earnings x Years of Service
adjusted by (a), (b) and (c) below

(a) Increased by 5% of the gross 1.5% amount prior to age
when Social Security deduction is applicable, and 5% of
the net 1.5% amount after such Social Security deduction
is applied

(b) For retirement under 30-year, Permanent Incapacity,
70/80 or rule-of-65 1.5% amount is reduced by 3% until
age 62 for each year prior to age 62

For other retirements, actuarially reduced permanently
for ages between 60 and 62

(c) Reduced at later of retirement and age 62 by .475% of
final average compensation not in excess of Social
Security Covered Compensation, multiplied by up to 35
Years of Service

Effective - August 31, 1999

- January 1, 2000 (Lukens Salaried)

1.575% x Average Monthly Earnings x Years of Service up
to 30, plus
1.6% x Average Monthly Earnings x Years of Service over
30

adjusted by (b) and (c) above

Note: must have been paid as a salaried employee for at least
60 months including the last 12 consecutive months prior to
retirement to be eligible for this benefit

4) Lifetime Minimum Pension:

\$2,000 per month for a participant who retires at age 58 or older and with at least 30 Years of Service

Frozen Accrued
BLP Benefit:

Regular Pension cannot be less than the accrued monthly benefit earned under the Lukens Salaried plan (BLP) as of December 31, 1999

Retirement Account
Balance offset:

Regular pension is reduced by the annuity value of the retirement balance as of June 30, 1996 plus credited earnings earned after that date unless the participant elects not to receive a distribution of the account

Permanent Incapacity
Benefit:

Regular Pension

Pre-Retirement
Survivor Annuity:

Upon the death of a vested participant before retirement, the surviving spouse will receive a monthly benefit beginning sometime between the participant's earliest retirement date and normal retirement date which is not less than the benefit calculated as if the participant had terminated employment immediately before death, survived to earliest retirement date, commenced benefit payments in the Joint and 50% Survivor annuity form and then died immediately thereafter. This benefit is reduced by the amount of the Surviving Spouses' Benefit described below

Surviving
Spouses' Benefit:

The surviving spouse of a participant who dies with at least 15 Years of Service is eligible for a monthly benefit payable for life if the death occurs before retirement or after the participant's retirement (on other than a deferred vested retirement), provided the surviving spouse was (1) married to the participant on the later of date of retirement and age 65; or (2) if married after age 65 and after retirement, such surviving spouse was married to the participant for at least 3 years at the time of death

Surviving

For each month until the surviving spouse reaches age 60,

Spouses' Benefit Amount:

the surviving spouse will receive 50% of the participant's pension, but not less than \$140.00 per month

For each month after the surviving spouse reaches age 60, the surviving spouse will receive 50% of the participant's pension reduced by 50% of the Social Security Widow's benefit, but not less than \$90.00 per month

Normal Benefit Form:

All Retirements except a Deferred Vested Retirement

Unmarried:— A pension payable for your life plus during the first 60 months of payment, the amount paid to you or to your designated beneficiary after your death will be the regular pension benefit amount. Thereafter, the Surviving Spouses' Benefit will be payable

Married:— A reduced pension payable during your lifetime, with 50% of this amount continuing to your spouse following your death plus during the first 60 months of payment, the amount paid to you or to your designated beneficiary after your death will be the regular pension benefit amount. Thereafter, the Surviving Spouses' Benefit will be payable

Deferred Vested Retirement

Unmarried:— A pension payable for your life

Married:— A reduced pension payable during your lifetime, with 50% of this amount continuing to your spouse following your death

Optional Forms:

The Plan offered various additional survivor options. The PBGC will honor these options provided the participant made the election prior to the date of trusteeship, April 30, 2003

Benefit Options Offered by PBGC:

- Straight life annuity – a pension payable for your life

- Certain-and continuous annuities for 5, 10, or 15 Years – provides you with fixed monthly benefit payments for your lifetime. If you die before the end of the time period you selected, your designated beneficiary will receive the same monthly benefit for the remainder of the period. If you die after the end of the period, benefit payments end upon your death
- Joint-and-survivor annuity – 50%, 75%, or 100% – provides you with fixed monthly benefit payments for your lifetime and, upon your death, continue payments to your spouse or other beneficiary for the rest of his or her life. The monthly benefit your spouse or other beneficiary receives is 50%, 75%, or 100% – depending on your choice – of the amount you were receiving while you were alive. If your beneficiary dies before you, your monthly benefit will not change
- Joint – and 50% – survivor “pop-up” annuity differs from the joint-and-survivor annuity described above in that, if your spouse or other beneficiary dies before you, your monthly benefit will “pop-up” to the straight-life annuity amount for the rest of your life

Lump Sums:

Can only be paid if the present value of your benefit is less than or equal to \$5,000. The PBGC will pay interest from the date of plan termination to the payment date

FORM OF BENEFIT CANNOT BE CHANGED ONCE BENEFITS START

Pension Plan of Bethlehem Steel Corporation and Subsidiary Companies; Steel Division – 1999 Plan, Represented Office and Technical Workers

Case Number: 19660300
 Date of Plan Termination: December 18, 2002
 Date of Trusteeship: April 30, 2003

Effective Date: July 31, 1999

Plan Year: Calendar Year

Eligibility to Participate: Represented Office and Technical Workers
 One year of employment and age 21

Years of Service: All continuous Service with the employer calculated to the nearest month

Vesting: 100% after completion of 5 Years of Service

Average Monthly Earnings: High 5 consecutive calculation years in the last 10 calculation years divided by 60

Normal Retirement: Age 65 with at least 5 Years of Service

Unreduced Early Retirement: 62/15 – Age 62 to 65 with at least 15 Years of Service
 or
 30-Year – Under Age 62 with at least 30 Years of Service

Reduced Early Retirement: 60/15 – Age 60 to 62 with at least 15 Years of Service
 Reduced from age 62

Age at Start of Pension	Percentage of Regular Pension
62	100%
61	91.45%
60	83.82%

Shutdown
Benefits:

70/80 Retirement and Rule-of-65

Payable under special circumstances such as permanent shutdown or prolonged layoff or disability

Rule-of-70 – Age 55 to 62 with at least 15 Years of Service and age plus Service is at least 70

Rule-of-80 – Less than age 55 with at least 15 Years of Service and age plus Service is at least 80

Rule-of-65 – Less than age 55 with at least 20 Years of Service as of the last day worked and age plus Service is at least 65 but less than 80 and no suitable long-term employment with the company

Deferred Vested:

Age 40 at termination date with at least 15 Years of Service
Reduced from age 62

Age at Start of Pension	Percentage of Regular Pension
62	100%
61	91.45%
60	83.82%

With at least 5 Years of Service and either (1) less than age 40 at termination date or (2) more than age 40 but with less than 15 Years of Service - Reduced from age 65

Age at Start of Pension	Percentage of Regular Pension
65	100%
64	90.72%
63	82.53%
62	75.28%
61	68.85%
60	63.10%

Permanent Incapacity: Before age 65 with at least 15 Years of Service and totally and permanently incapacitated for a period of at least 5 consecutive months

Regular Pension Benefit Amount: Highest of:

1) Service Minimum Pension:

\$26.50 for each Year of Service up to 15
plus
\$28.00 for each Year of Service from 15 to 30
plus
\$29.50 for each Year of Service over 30

Effective 8/01/2000

\$52.50 for each Year of Service up to 30
plus
\$70.00 for each Year of Service over 30

Effective 8/01/2002

\$56.25 for each Year of Service up to 30
plus
\$75.00 for each Year of Service over 30

2) Percent Pension 1.155%:

1.155% x Average Monthly Earnings x Years of Service up to 30,
plus
1.26% x Average Monthly Earnings x Years of Service over 30

3) Total Retirement Benefit Pension:

1.5% x Average Monthly Earnings x Years of Service adjusted by (a), (b) and (c) below

(a) Increased by 5% of the gross 1.5% amount prior to age when Social Security deduction is applicable, 5% of the net 1.5% amount after such Social Security deduction is applied

(b) For retirement under 30-year, Permanent Incapacity, 70/80 or rule-of-65, 1.5% amount is reduced by 3% until age 62 for each year prior to age 62

For other retirements, actuarially reduced permanently for ages between 60 and 62

(c) Reduced at later of retirement and age 62 by 45% of Social Security Benefit

Note: must have been paid as a salaried employee for at least 60 months including the last 12 consecutive months prior to retirement to be eligible for this benefit

Permanent Incapacity Benefit:

Regular Pension

Pre-Retirement Survivor Annuity:

Upon the death of a vested participant before retirement, the surviving spouse will receive a monthly benefit beginning sometime between the participant's earliest retirement date and normal retirement date which is not less than the benefit calculated as if the participant had terminated employment immediately before death, survived to earliest retirement date, commenced benefit payments in the Joint and 50% Survivor annuity form and then died immediately thereafter. This benefit is reduced by the amount of the Surviving Spouses' Benefit described below

Automatic 5 Year Term Certain:

Upon the death of the participant while in active employment and eligible for normal, 62/15, 60/15, or 30-Year retirement, his surviving spouse or beneficiary shall receive for a 5-Year period the amount of the regular pension less the amounts payable under any other survivor benefits

Surviving Spouses' Benefit:

The surviving spouse of a participant who dies with at least 15 Years of Service is eligible for a monthly benefit payable for life if the death occurs before retirement or after the participant's retirement (on other than a deferred vested retirement), provided the surviving spouse was (1) married to the participant on the later of date of retirement and age 65; or (2) if married after age 65 and after retirement, such surviving spouse was married to the participant for at least 3 years at the time of death

Surviving Spouses' Benefit Amount:

For each month until the surviving spouse reaches age 60, the surviving spouse will receive 50% of the participant's pension, but not less than \$190.00 per month

For each month after the surviving spouse reaches age 60, the surviving spouse will receive 50% of the participant's pension reduced by 50% of the Social Security Widows benefit, but not less than \$140.00 per month

Normal Benefit Form:

All Retirements except a Deferred Vested Retirement

Unmarried:— A pension payable for your life plus during the first 60 months of payment, the amount paid to you or to your designated beneficiary after your death will be the regular pension benefit amount. Thereafter, the Surviving Spouses' Benefit will be payable

Married:— A reduced pension payable during your lifetime, with 50% of this amount continuing to your spouse following your death plus during the first 60 months of payment, the amount paid to you or to your designated beneficiary after your death will be the regular pension benefit amount. Thereafter, the Surviving Spouses' Benefit will be payable

Deferred Vested Retirement

Unmarried:— A pension payable for your life

Married:– A reduced pension payable during your lifetime, with 50% of this amount continuing to your spouse following your death

Optional Forms:

The Plan offered various additional survivor options. The PBGC will honor these options provided the participant made the election prior to the date of trusteeship, April 30, 2003

Benefit Options

Offered by PBGC:

- Straight life annuity – a pension payable for your life
- Certain-and continuous annuities for 5, 10, or 15 Years – provides you with fixed monthly benefit payments for your lifetime. If you die before the end of the time period you selected, your designated beneficiary will receive the same monthly benefit for the remainder of the period. If you die after the end of the period, benefit payments end upon your death
- Joint-and-survivor annuity – 50%, 75%, or 100% – provides you with fixed monthly benefit payments for your lifetime and, upon your death, continue payments to your spouse or other beneficiary for the rest of his or her life. The monthly benefit your spouse or other beneficiary receives is 50%, 75%, or 100% – depending on your choice – of the amount you were receiving while you were alive. If your beneficiary dies before you, your monthly benefit will not change
- Joint – and 50% – survivor “pop-up” annuity differs from the joint-and-survivor annuity described above in that, if your spouse or other beneficiary dies before you, your monthly benefit will “pop-up” to the straight-life annuity amount for the rest of your life

Lump Sums:

Can only be paid if the present value of your benefit is less than or equal to \$5,000. The PBGC will pay interest from the date of plan termination to the payment date

FORM OF BENEFIT CANNOT BE CHANGED ONCE BENEFITS START

Pension Plan of Bethlehem Steel Corporation and Subsidiary Companies; 1998 Plan Represented Railroads Hourly Employee Group

Case Number: 19660300
 Date of Plan Termination: December 18, 2002
 Date of Trusteeship: April 30, 2003

Effective Date: July 31, 1999 – USWA Represented Railroads Hourly Employee Group
 Various Dates – Other Represented Railroads Hourly Employee Group

Plan Year: Calendar Year

Eligibility to Participate: Represented Railroad Employees
 One year of employment and age 21

Years of Service: All continuous Service with the employer calculated to the nearest month

Vesting: 100% after completion of 5 Years of Service

Average Monthly Earnings: High 5 consecutive calculation years in the last 10 calculation years divided by 60

Normal Retirement: Age 65 with at least 5 Years of Service

Unreduced Early Retirement: 62/15 – Age 62 to 65 with at least 15 Years of Service
 or
 30-Year – Under Age 62 with at least 30 Years of Service

Reduced Early Retirement: 60/15 – Age 60 to 62 with at least 15 Years of Service
 Reduced from age 62

Age at Start of Pension	Percentage of Regular Pension
62	100%

61	91.45%
60	83.82%

Shutdown Benefits:

70/80 Retirement and Rule-of-65

Payable under special circumstances such as permanent shutdown or prolonged layoff or disability

Rule-of-70 – Age 55 to 62 with at least 15 Years of Service and age plus Service is at least 70

Rule-of-80 – Less than age 55 with at least 15 Years of Service and age plus Service is at least 80

Rule-of-65 – Less than age 55 with at least 20 Years of Service as of the last day worked and age plus Service is at least 65 but less than 80 and no suitable long-term employment with the company

Deferred Vested:

Age 40 at termination date with at least 15 Years of Service Reduced from age 62

Age at Start of Pension	Percentage of Regular Pension
62	100%
61	91.45%
60	83.82%

With at least 5 Years of Service and either (1) less than age 40 at termination date or (2) more than age 40 but with less than 15 Years of Service - Reduced from age 65

Age at Start of Pension	Percentage of Regular Pension
65	100%
64	90.72%
63	82.53%
62	75.28%
61	68.85%

60	63.10%
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Permanent Incapacity: Before age 65 with at least 15 Years of Service and totally and permanently incapacitated for a period of at least 5 consecutive months.

Regular Pension Benefit Amount: Higher of:

1) Service Minimum Pension:

USWA Represented

\$22.50 for each Year of Service up to 15
 plus
 \$24.00 for each Year of Service from 15 to 30
 plus
 \$25.50 for each Year of Service over 30

Other Represented

\$21.50 for each Year of Service up to 15
 plus
 \$23.00 for each Year of Service from 15 to 30
 plus
 \$24.50 for each Year of Service over 30

2) Percent Pension (1.1%, 1.2%):

1.1% x Average Monthly Earnings x Years of Service up to
 30
 plus

1.2% x Average Monthly Earnings x Years of Service over
 30

Deductions for Public Pension: The amount of the pension otherwise payable will be reduced when a participant becomes eligible for a Railroad Retirement disability or old-age annuity by

- (a) 100% of the participant's Tier II benefit for participants with service dates after 03/01/1974; 50% for all others
- (b) the amount of the participants' dual benefit windfall

Permanent Incapacity Benefit:

Regular pension

Pre-Retirement Survivor Annuity:

Upon the death of a vested participant before retirement, the surviving spouse will receive a monthly benefit beginning sometime between the participant's earliest retirement date and normal retirement date which is not less than the benefit calculated as if the participant had terminated employment immediately before death, survived to earliest retirement date, commenced benefit payments in the Joint and 50% Survivor annuity form and then died immediately thereafter. This benefit is reduced by the amount of the Surviving Spouses' Benefit described below

Surviving Spouses' Benefit:

The surviving spouse of a participant who dies with at least 15 Years of Service is eligible for a monthly benefit payable for life if the death occurs before retirement or after the participant's retirement (on other than a deferred vested retirement), provided the surviving spouse was married to the participant as of the date of retirement

Surviving Spouses' Benefit Amount:

For each month until the surviving spouse reaches age 60, the surviving spouse will receive 50% of the participant's pension, but not less than \$150.00 per month

For each month after the surviving spouse reaches age 60, the surviving spouse will receive 50% of the participant's pension reduced by 50% of the Railroad Retirement Widows benefit, but not less than \$100.00 per month

Normal Benefit Form:

All Retirements except a Deferred Vested Retirement

Unmarried:— A pension payable for your life plus the Surviving Spouses' Benefit

Married:– A reduced pension payable during your lifetime, with 50% of this amount continuing to your spouse following your death plus the Surviving Spouses’ Benefit

Deferred Vested Retirement

Unmarried:– A pension payable for your life

Married:– A reduced pension payable during your lifetime, with 50% of this amount continuing to your spouse following your death

Optional Forms:

The Plan offered various additional survivor options. The PBGC will honor these options provided the member made the election prior to the date of trusteeship, April 30, 2003

Benefit Options

Offered by PBGC:

- Straight life annuity – a pension payable for your life
- Certain-and continuous annuities for 5, 10, or 15 Years – provides you with fixed monthly benefit payments for your lifetime. If you die before the end of the time period you selected, your designated beneficiary will receive the same monthly benefit for the remainder of the period. If you die after the end of the period, benefit payments end upon your death
- Joint-and-survivor annuity – 50%, 75%, or 100% – provides you with fixed monthly benefit payments for your lifetime and, upon your death, continue payments to your spouse or other beneficiary for the rest of his or her life. The monthly benefit your spouse or other beneficiary receives is 50%, 75%, or 100% – depending on your choice – of the amount you were receiving while you were alive. If your beneficiary dies before you, your monthly benefit will not change
- Joint – and 50% – survivor “pop-up” annuity differs from the joint-and-survivor annuity described above in that, if

your spouse or other beneficiary dies before you, your monthly benefit will “pop-up” to the straight-life annuity amount for the rest of your life

Lump Sums:

Can only paid if the present value of your benefit is less than or equal to \$5,000. The PBGC will pay interest from the date of plan termination to the payment date

FORM OF BENEFIT CANNOT BE CHANGED ONCE BENEFITS START

Pension Plan of Bethlehem Steel Corporation and Subsidiary Companies; 1998 Plan Non-Represented Salaried Railroads Employee Group

Case Number: 19660300
 Date of Plan Termination: December 18, 2002
 Date of Trusteeship: April 30, 2003

Effective Date: August 31, 1999 – Non-Represented Salaried Railroads
 Employee Group
 January 1, 2000 – Former BLP Participants

Plan Year: Calendar Year

Eligibility to Participate: Non-Represented Salaried Railroads Employees
 One year of employment and age 21

Years of Service: All continuous Service with the employer calculated to the
 nearest month

Vesting: 100% after completion of 5 Years of Service

Average Monthly Earnings: High 5 consecutive calculation Years in the last 10
 calculation Years divided by 60

Normal Retirement: Age 65 with at least 5 Years of Service

Unreduced Early Retirement: 62/15 – Age 62 to 65 with at least of 15 Years of Service
 or
 30-Year – Under Age 62 with at least 30 Years of Service

Reduced Early Retirement: 60/15 – Age 60 to 62 with at least 15 Years of Service
 Reduced from age 62

Age at Start of Pension	Percentage of Regular Pension
62	100%
61	91.45%

60	83.82%
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Shutdown
Benefits:

70/80 Retirement and Rule-of-65

Payable under special circumstances such as permanent shutdown or prolonged layoff or disability

Rule-of-70 – Age 55 to 62 with at least 15 Years of Service and age plus Service is at least 70

Rule-of-80 – Less than age 55 with at least 15 Years of Service and age plus Service is at least 80

Rule-of-65 – Less than age 55 with at least 20 Years of Service as of the last day worked and age plus Service is at least 65 but less than 80 and no suitable long-term employment with the company

Deferred Vested:

Age 40 at termination date with at least 15 Years of Service Reduced from age 62

Age at Start of Pension	Percentage of Regular Pension
62	100%
61	91.45%
60	83.82%

With at least 5 Years of Service and either (1) less than age 40 at termination date or (2) more than age 40 but with less than 15 Years of Service - Reduced from age 65

Age at Start of Pension	Percentage of Regular Pension
65	100%
64	90.72%
63	82.53%
62	75.28%
61	68.85%
60	63.10%

Special Provision for former Participants in the BLP Salaried Railroads Plan:

A participant with 10 years of credited service may begin receiving the BLP Frozen Benefit at age 55. The benefit is actuarially reduced. Benefit payments under the Railroad 1998 plan will be reduced to reflect the BLP Frozen Benefit payments received prior to the commencement of the Railroad 1998 payments

Permanent Incapacity:

Before age 65 with at least 15 Years of Service and totally and permanently incapacitated for a period of at least 5 consecutive months

Regular Pension Benefit Amount:

Highest of:

1) Service Minimum Pension:

\$26.50 for each Year of Service up to 15
plus
\$28.00 for each Year of Service from 15 to 30
plus
\$29.50 for each Year of Service over 30

2) Percent Pension (1.2%, 1.5%, 1.6%):

(1.155%, 1.26%) x Average Monthly Earnings x Years of Service up to 30,
plus
1.26% x Average Monthly Earnings x Years of Service over 30

Effective January 1, 2000

1.2% x Average Monthly Earning x Years of Service up to 20,
plus
1.5% x Average Monthly Earning x Years of Service from 20 to 30
plus
1.6% x Average Monthly Earnings x Years of Service over 30

3) Total Retirement Benefit Pension:

1.5% x Average Monthly Earnings x Years of Service
adjusted by (a), (b) and (c) below

(a) Increased by 5% of the gross 1.5% amount prior to age when Railroad Retirement deduction is applicable, and 5% of the net 1.5% amount after such Railroad Retirement deduction is applied

(b) For retirement under 30-year, Permanent Incapacity, 70/80 or rule-of-65, 1.5% amount is reduced until age 62 by 3% for each year prior to age 62

Effective January 1, 2000

the 3% per year reduction will only apply until age 60 if 30 Years of Railroad Retirement Act covered Service

For other retirements, actuarially reduced permanently for ages between 60 and 62

(c) reduced beginning at retirement, or if later,

- age 62 if the participant has less than 30 Years of covered Service under the Railroad Retirement Act, or
- at age 60 if the participant has 30 Years of covered Service under the Railroad Retirement Act

by the sum of (i) and (ii) below:

(i) .428% of final average compensation not in excess of Social Security Covered Compensation, multiplied by up to 35 Years of Service

(ii) .349% of Railroad Retirement Covered Compensation multiplied by up to 35 Years of Service while covered by the Railroad Retirement Act

Effective August 31, 1999

1.575% x Average Monthly Earnings x Years of Service up
to 30 plus
1.6% x Average Monthly Earnings x Years over 30,
adjusted by (b) and (c) above

Note: must have been paid as a salaried employee for at least
60 months including the last 12 consecutive months prior to
retirement to be eligible for this benefit

4) Lifetime Minimum Pension:

\$2,000 per month for a participant who retires at age 58 or
older and with at least 30 Years of Service

Frozen Accrued
BLP Benefit:

Regular Pension cannot be less than the accrued monthly
benefit earned under the Lukens Salaried plan (BLP) as of
December 31, 1999

Deductions:

The amount of the pension otherwise payable under the
Service Minimum, Percent, and Lifetime Minimum
formulas will be reduced when a participant becomes
eligible for a Railroad Retirement disability or old-age
annuity by (a) and (b)

(a) under the Percent Pension, .349% of the Railroad
Retirement Covered Compensation x Years of Service
while covered by the Railroad Retirement Act, up to 35
Years

(b) under the Service Minimum or Lifetime Minimum,
.366% of the Railroad Retirement Covered
Compensation x Years of Service while covered by the
Railroad Retirement Act up to 35 Years

Retirement Account
Balance offset:

Regular pension is reduced by the annuity value of the
retirement balance as of June 30, 1996 plus credited

earnings unless the participant elects not to receive a distribution of the account

Permanent Incapacity Benefit:

Regular pension

Pre-Retirement Survivor Annuity:

Upon the death of a vested participant before retirement, the surviving spouse will receive a monthly benefit beginning sometime between the participant's earliest retirement date and normal retirement date which is not less than the benefit calculated as if the participant had terminated employment immediately before death, survived to earliest retirement date, commenced benefit payments in the Joint and 50% Survivor annuity form and then died immediately thereafter. This benefit is reduced by the amount of the Surviving Spouses' Benefit described below

Surviving Spouses' Benefit:

The surviving spouse of a participant who dies with at least 15 Years of Service is eligible for a monthly benefit payable for life if the death occurs before retirement or after the participant's retirement (on other than a deferred vested retirement), provided the surviving spouse was (1) married to the participant on the later of date of retirement and age 65; or (2) if married after age 65 and after retirement, such surviving spouse was married to the participant for at least 3 years at the time of death

Surviving Spouses' Benefit Amount:

For each month until the surviving spouse reaches age 60, the surviving spouse will receive 50% of the participant's pension, but not less than \$140.00 per month

For each month after the surviving spouse reaches age 60, the surviving spouse will receive 50% of the participant's pension reduced by 50% of the Railroad Retirement Widows benefit, but not less than \$90.00 per month

Normal Benefit Form:

All Retirements except a Deferred Vested Retirement

Unmarried:— A pension payable for your life plus during the first 60 months of payment, the amount paid to you or to

your designated beneficiary after your death will be the regular pension benefit amount. Thereafter, the Surviving Spouses' Benefit will be payable

Married:– A reduced pension payable during your lifetime, with 50% of this amount continuing to your spouse following your death plus during the first 60 months of payment, the amount paid to you or to your designated beneficiary after your death will be the regular pension benefit amount. Thereafter, the Surviving Spouses' Benefit will be payable

Deferred Vested Retirement

Unmarried:– A pension payable for your life

Married:– A reduced pension payable during your lifetime, with 50% of this amount continuing to your spouse following your death

Optional Forms:

The Plan offered various additional survivor options. The PBGC will honor these options provided the member made the election prior to the date of trusteeship, April 30, 2003

Benefit Options

Offered by PBGC:

- Straight life annuity – a pension payable for your life
- Certain-and continuous annuities for 5, 10, or 15 Years – provides you with fixed monthly benefit payments for your lifetime. If you die before the end of the time period you selected, your designated beneficiary will receive the same monthly benefit for the remainder of the period. If you die after the end of the period, benefit payments end upon your death
- Joint-and-survivor annuity – 50%, 75%, or 100% – provides you with fixed monthly benefit payments for your lifetime and, upon your death, continue payments to your spouse or other beneficiary for the rest of his or her

life. The monthly benefit your spouse or other beneficiary receives is 50%, 75%, or 100% – depending on your choice – of the amount you were receiving while you were alive. If your beneficiary dies before you, your monthly benefit will not change

- Joint – and 50% – survivor “pop-up” annuity differs from the joint-and-survivor annuity described above in that, if your spouse or other beneficiary dies before you, your monthly benefit will “pop-up” to the straight-life annuity amount for the rest of your life

Lump Sums:

Can only be paid if the present value of your benefit is less than or equal to \$5,000. The PBGC will pay interest from the date of plan termination to the payment date

FORM OF BENEFIT CANNOT BE CHANGED ONCE BENEFITS START

Pension Plan of Bethlehem Steel Corporation and Subsidiary Companies; 1998 Bethlehem Lukens Plate Hourly Rated Employees

Case Number: 19660300
 Date of Plan Termination: December 18, 2002
 Date of Trusteeship: April 30, 2003

Effective Date: August 31, 1999

Plan Year: Calendar Year

Eligibility to Participate: Represented Hourly Employees at the Coatesville, Pennsylvania Plant
 One year of employment and age 21

Years of Service: All continuous Service with the employer calculated to the next full month

Vesting: 100% after completion of 5 Years of Service

Average Monthly Earnings: High 5 consecutive calculation years in the last 10 calculation years divided by 60

Normal Retirement: Age 65 with at least 5 Years of Service

Unreduced Early Retirement: 62/15 – Age 62 to 65 with at least 15 Years of Service
 or
 30-Year – Under Age 62 with at least 30 Years of Service

Reduced Early Retirement: Age 60 to 62 with at least 15 Years of Service
 Reduced from age 62

Age at Start of Pension	Percentage of Regular Pension
62	100%
61	91.45%
60	83.82%

Shutdown
Benefits:

70/80 Retirement and Rule-of-65

Payable under special circumstances such as permanent shutdown or prolonged layoff or disability

Rule-of-70 – Age 55 to 62 with at least 15 Years of Service and age plus Service is at least 70

Rule-of-80 – Less than age 55 with at least 15 Years of Service and age plus Service is at least 80

Rule-of-65 – Less than age 55 with at least 20 Years of Service as of the last day worked and age plus Service is at least 65 but less than 80 and no suitable long-term employment with the company

Deferred Vested:

Age 40 at termination date with at least 15 Years of Service Reduced from age 62

Age at Start of Pension	Percentage of Regular Pension
62	100%
61	91.45%
60	83.82%

With at least 5 Years of Service and either (1) less than age 40 at termination date or (2) more than age 40 but with less than 15 Years of Service - Reduced from age 65

Age at Start of Pension	Percentage of Regular Pension
65	100%
64	90.72%
63	82.53%
62	75.28%
61	68.85%
60	63.10%

Permanent Incapacity: Before age 65 with at least 15 Years of Service and totally and permanently incapacitated for a period of at least 5 consecutive months

Regular Pension Benefit Amount: Highest of:

1) Service Minimum Pension:

\$26.50 for each Year of Service up to 15
plus
\$28.00 for each Year of Service from 15 to 30
plus
\$29.50 for each Year of Service over 30

Effective 8/01/2000

\$52.50 for each Year of Service up to 30
plus
\$70.00 for each Year of Service over 30

Effective 8/01/2002

\$56.25 for each Year of Service up to 30
plus
\$75.00 for each Year of Service over 30

2) Percent Pension (1.155%,1.26%):

1.155% x Average Monthly Earnings x Years of Service up
to 30 plus
1.26% x Average Monthly Earnings x Years of Service over
30

3) Alternate Percent Pension:

1.3% x Average Monthly Earnings x Years of Service
actuarially reduced for payments beginning prior to age 65

4) Minimum Lifetime Pension:

For participants with at least 30 Years of Service, a monthly amount, based on age of retirement of

<u>Age at Retirement</u>	<u>Monthly Amount</u>
Prior to Age 55	\$1,200
Age 55 to Age 58	\$1,400
Age 59 to Age 61	\$1,500
Age 62 to Age 64	\$1,750
Over Age 64	\$2,000

Permanent Incapacity Benefit:

Regular pension

Pre-Retirement Survivor Annuity:

Upon the death of a vested participant before retirement, the surviving spouse will receive a monthly benefit beginning sometime between the participant's earliest retirement date and normal retirement date which is not less than the benefit calculated as if the participant had terminated employment immediately before death, survived to earliest retirement date, commenced benefit payments in the Joint and 50% Survivor annuity form and then died immediately thereafter. This benefit is reduced by the amount of the Surviving Spouses' Benefit described below

Automatic 5 Year Term Certain:

Upon the death of the participant while in active employment and eligible for normal, 62/15, 60/15, or 30-Year retirement, his surviving spouse or beneficiary shall receive for a 5-Year period the amount of the regular pension minus the amounts payable under any other survivor benefits

Surviving Spouses' Benefit:

The surviving spouse of a participant who dies with at least 15 Years of Service is eligible for a monthly benefit payable for life if the death occurs before retirement or after the participant's retirement (on other than a deferred vested retirement), provided the surviving spouse was married to the participant on the date of retirement

Surviving Spouses' Benefit Amount:

For each month until the surviving spouse reaches age 60, the surviving spouse will receive 50% of the participant's pension, but not less than \$230.00 per month

For each month after the surviving spouse reaches age 60, the surviving spouse will receive 50% of the participant's pension reduced by 50% of the Social Security Widows benefit, but not less than \$230.00 per month

Normal Benefit Form:

All Retirements except a Deferred Vested Retirement

Unmarried:— A pension payable for your life plus during the first 60 months of payment, the amount paid to you or to your designated beneficiary after your death will be the regular pension benefit amount. Thereafter, the Surviving Spouses' Benefit will be payable

Married:— A reduced pension payable during your lifetime, with 50% of this amount continuing to your spouse following your death plus during the first 60 months of payment, the amount paid to you or to your designated beneficiary after your death will be the regular pension benefit amount. Thereafter, the Surviving Spouses' Benefit will be payable

Deferred Vested Retirement

Unmarried:— A pension payable for your life

Married:— A reduced pension payable during your lifetime, with 50% of this amount continuing to your spouse following your death

Optional Forms:

The Plan offered various additional survivor options. The PBGC will honor these options provided the member made the election prior to the date of trusteeship, April 30, 2003

Benefit Options
Offered by PBGC:

- Straight life annuity – a pension payable for your life
- Certain-and continuous annuities for 5, 10, or 15 Years – provides you with fixed monthly benefit payments for your lifetime. If you die before the end of the time period you selected, your designated beneficiary will receive the same monthly benefit for the remainder of the period. If you die after the end of the period, benefit payments end upon your death
- Joint-and-survivor annuity – 50%, 75%, or 100% – provides you with fixed monthly benefit payments for your lifetime and, upon your death, continue payments to your spouse or other beneficiary for the rest of his or her life. The monthly benefit your spouse or other beneficiary receives is 50%, 75%, or 100% – depending on your choice – of the amount you were receiving while you were alive. If your beneficiary dies before you, your monthly benefit will not change
- Joint – and 50% – survivor “pop-up” annuity differs from the joint-and-survivor annuity described above in that, if your spouse or other beneficiary dies before you, your monthly benefit will “pop-up” to the straight-life annuity amount for the rest of your life

Lump Sums:

Can only be paid if the present value of your benefit is less than or equal to \$5,000. The PBGC will pay interest from the date of plan termination to the payment date

FORM OF BENEFIT CANNOT BE CHANGED ONCE BENEFITS START

EXAMPLE A BENEFIT CALCULATION

BETHLEHEM STEEL PENSION PLAN

PBGC Case Number: 19660300
Date of Plan Termination: December 18, 2002

Participant's Information

Social Security Number: xxx-xx-1234
Gender: Male
Date of Birth: 04/01/1951
Actual Retirement Date: 01/31/2001
Type of Retirement: 70/80
Form of Annuity: Automatic Five-Year Term
Certain then Joint and 50%
Survivor Option and Surviving Spouse's Benefit
Spouse Date of Birth: 06/01/1951

PBGC guarantees your benefits up to the limits allowed for by federal pension law. There are three limits in the law that cause your estimated PBGC monthly benefits to be less than the benefits you were receiving from the plan. The limits are explained below:

In any month, PBGC will only guarantee the amount that the plan would have paid to you had you retired at age 65 and elected a straight life annuity. Essentially, this means that PBGC does not guarantee the entire supplement unless you retired under the plan's Permanent Incapacity provisions. This is called the Accrued at Normal Limitation.

Your benefit could not be greater than the PBGC maximum monthly amount that was in effect on the date of plan termination. This limit is adjusted to reflect your age and your form of annuity.

Your plan increased benefits within the 5 years before the plan terminated, but PBGC only guarantees a part of the increase. For each FULL year that the benefit increase was in effect, PBGC guarantees 20% of the increase or \$20, whichever is greater.

Plan Benefit at Date of Plan Termination (DOPT)

(1) Regular Monthly Benefit at Date of Plan Termination: \$1,837.50
(2) Supplement Payable Until Age 62: \$400.00
(3) Regular Pension Payable after 02/01/2006: \$1,617.00

Participant's Pension Information used for Benefit Calculation

(4) Years of Service (YOS): 32
(5) Service Minimum Pension: \$1,837.50
(6) Percent Pension: \$1,115.10

(7)	Amount of Temporary Supplement:	\$400.00
(8)	Last Payment of Automatic Five-Year Term Certain:	01/01/2006
(9)	Last Payment of Supplement:	03/01/2013
(10)	Marital Status:	Married
(11)	Eligible for Surviving Spouse's Benefit:	Yes
(12)	Average Monthly Earnings (AME):	\$3,000.00

Calculation of Estimated PBGC Monthly Benefit

(13)	Monthly Benefit based on plan provisions in effect 12/18/1997: Greater of (a) and (b)	
	(a) $\$26.50 \times 15 + \$28.00 \times 15 + \$29.50 \times (\text{YOS}-30) =$	\$876.50
	(b) $1.155\% \times \text{AME} \times (\text{YOS to } 30) + 1.26\% \times \text{AME} \times (\text{YOS}-30) =$	\$1,115.10
(14)	Monthly Benefit based on plan provisions effective 08/01/2000: Greater of (a) and (b)	
	(a) $\$52.50 \times 30 + \$70.00 \times (\text{YOS}-30) =$	\$1,715.00
	(b) $1.155\% \times \text{AME} \times (\text{YOS to } 30) + 1.26\% \times \text{AME} \times (\text{YOS}-30) =$	\$1,115.10
(15)	Monthly Benefit based on plan provisions effective 08/01/2002: Greater of (a) and (b)	
	(a) $\$56.25 \times 30 + \$75.00 \times (\text{YOS}-30) =$	\$1,837.50
	(b) $1.155\% \times \text{AME} \times (\text{YOS to } 30) + 1.26\% \times \text{AME} \times (\text{YOS}-30) =$	\$1,115.10
(16)	Plan's Form Conversion Factor:	0.8800
(17)	Monthly Benefit Payable 2/01/2006 as a Joint&50%Survivor Option in effect 12/18/1997:	
	(13) x (16) = $\$1,115.10 \times .8800 =$	\$ 981.29
(18)	Monthly Benefit Payable 2/01/2006 as a Joint&50%Survivor Option based on plan provisions effective 08/01/2000:	
	(14) x (16) = $\$1,715.00 \times .8800 =$	\$1,509.20
(19)	Monthly Benefit Payable 2/01/2006 as a Joint&50%Survivor Option based on plan provisions effective 08/01/2002:	
	(15) x (16) = $\$1,837.50 \times .8800 =$	\$1,617.00

ACCRUED AT NORMAL LIMITATION

(20)	PBGC Accrued at Normal Limit based on plan provisions in effect 12/18/1997 =	\$1,115.10
(21)	PBGC Accrued at Normal Limit based on plan provisions effective 08/01/2000 =	\$1,715.00
(22)	PBGC Accrued at Normal Limit based on plan provisions effective 08/01/2002 =	\$1,837.50

- (23) Guaranteeable Supplement Payable 02/01/2006 based on plan provisions in effect 12/18/1997:
 Smaller of \$400 and (20) - (17)=
 Smaller of \$400 and \$1,115.10 - \$981.29 = \$ 133.81
- (24) Guaranteeable Supplement Payable 02/01/2006 based on plan provisions effective 08/01/2000:
 Smaller of \$400 and (21) - (18)=
 Smaller of \$400 and \$1,715.00 - \$1,509.20 = \$ 205.80
- (25) Guaranteeable Supplement Payable 02/01/2006 based on plan provisions effective 08/01/2002:
 Smaller of \$400 and (22) - (19)=
 Smaller of \$400 and \$1,837.50 - \$1,617.00 = \$ 220.50

LEVELIZE BENEFIT TO COMPARE TO THE MAXIMUM GUARANTEEABLE BENEFIT

The benefit of (\$981.29,\$1,509.20,\$1,617.00) is payable as a J&50%S survivor option from DOPT PLUS a certain period annuity of 37 Months from DOPT to 01/01/2006 which maintains the level amount of (\$1,115.10,\$1,715.00,\$1,837.50) PLUS a Temporary Supplement of (\$133.81,\$205.80,\$220.50) payable from 02/01/2006 to 03/01/2013. This benefit is levelized by converting the certain period annuity to a temporary life and then to a level-life annuity and by converting the temporary annuity to a level-life annuity and adding these benefits to the underlying J&50%S survivor annuity option. The factors used are in Reg.§2621.4(f) and actuarial equivalence of GAM83 50/50 Male/Female blend with interest rate of 6.00%.

- (26) Factor to convert a Temporary Annuity to Age 62 with 37 months Certain to a Temporary Annuity to age 62 with 0 months Certain: 1.1918
- (27) PBGC Level-Life Adjustment Factor based on a participant attained age 51 and 123 months temporary life annuity: 0.551
- (28) Levelized Benefit based on plan provisions in effect 12/18/1997:
 [(23) x (26) x (27)] + (17)=
 [133.81 x 1.1918 x .551] + \$981.29= \$1,069.16
- (29) Levelized Benefit based on plan provisions effective 08/01/2000:
 [(24) x (26) x (27)] + (18)=
 [205.80 x 1.1918 x .551] + \$1,509.20= \$1,644.35
- (30) Levelized Benefit based on plan provisions effective 08/01/2002:
 [(25) x (26) x (27)] + (19)=
 [220.50 x 1.1918 x .551] + \$1,617.00= \$1,761.80

MAXIMUM INSURANCE LIMITATION

- (31) PBGC Early Retirement Factor (from \$4022): 0.3850

(32)	PBGC Form Conversion Factor for J&50%S survivor option with a 37 month certain:	0.8889
(33)	Age difference factor for participant age 52 and spouse age 52:	1.0000
(34)	The form conversion factor for the Surviving Spouse's Benefit:	0.9300
(35)	PBGC Maximum Insurance Limit (Max): \$3,579.55 x (31) x (32) x (33) x (34) = \$3,579.55 x 0.3850 x 0.8889 x 1.0000 x 0.9300 =	\$1,139.27

PHASE-IN LIMITATION

The levelized benefits under each amendment are reduced to the Maximum Guaranteeable Benefit prior to phasing-in any increase. PBGC will guarantee the greater of \$40 or 40% of the increase in the benefit (limited to the Maximum Insurance Limit) provided by the plan provision effective 08/01/2000. None of the increase provided by the plan provisions effective 08/01/2002 is guaranteed since the amendment had been in effect less than one year prior to DOPT.

(36)	Levelized Benefit in effect 12/18/1997 limited to the Max: Smaller of (28) and (35) = Smaller of \$1,069.16 and \$1,139.27 =	\$1,069.16
(37)	Levelized Benefit effective 08/01/2000 limited to the Max: Smaller of (29) and (35) = Smaller of \$1,644.35 and \$1,139.27 =	\$1,139.27
(38)	Benefit Increase: (37) - (36) = \$1,139.27 - \$1,069.16 =	\$ 70.11
(39)	Phased-In Benefit Increase: Smaller of (38) and [Greater of \$40.00 and 40% x (38)] = Smaller of \$70.11 and (Greater of \$40.00 and \$28.04) =	\$ 40.00
(40)	Phased-In Levelized Estimated Benefit: (36) + (39) = \$1,069.16 + \$ 40.00 =	\$1,109.16

UNLEVELIZE THE GUARANTEED MONTHLY BENEFIT

(41)	Levelized Guaranteed Benefit:	\$1,109.16
(42)	Guarantee Ratio: (41) / (30) = \$1,109.16 / \$1,761.80 =	0.6296

- (43) PBGC Monthly Benefit Payable from DOPT to 03/01/2013:
(22) x (42) =
 $\$1,837.50 \times 0.6296 =$ \$1,156.89
- (44) PBGC Monthly Benefit Payable after 03/01/2013:
(19) x (42) =
 $\$1,617.00 \times 0.6296 =$ \$1,018.06

EXAMPLE B BENEFIT CALCULATION

BETHLEHEM STEEL PENSION PLAN

PBGC Case Number: 19660300
Date of Plan Termination: December 18, 2002

Participant's Information

Social Security Number: xxx-xx-2234
Gender: Male
Date of Birth: 03/01/1944
Actual Retirement Date: 06/30/2003
Type of Retirement: 30-Year
Form of Annuity: Automatic Five-Year Term
Certain and Surviving Spouse's Benefit
Spouse Date of Birth: 03/01/1943

PBGC guarantees your benefits up to the limits allowed for by federal pension law. There are three limits in the law that cause your estimated PBGC monthly benefits to be less than the benefits you were receiving from the plan. The limits are explained below:

In any month, PBGC will only guarantee the amount that the plan would have paid to you had you retired at age 65 and elected a straight life annuity. Essentially, this means that PBGC does not guarantee the entire supplement unless you retired under the plan's Permanent Incapacity provisions. This is called the Accrued at Normal Limitation.

Your benefit could not be greater than the PBGC maximum monthly amount that was in effect on the date of plan termination. This limit is adjusted to reflect your age and your form of annuity.

Your plan increased benefits within the 5 years before the plan terminated, but PBGC only guarantees a part of the increase. For each FULL year that the benefit increase was in effect, PBGC guarantees 20% of the increase or \$20, whichever is greater.

Plan Benefit at Date of Plan Termination (DOPT)

(1) Regular Monthly Benefit at Date of Plan Termination: \$2,027.68

Participant's Pension Information used for Benefit Calculation

(2) Years of Service (YOS): 35
(3) Service Minimum Pension: \$965.00
(4) Percent Pension: \$1,880.00
(5) Total Retirement Benefit Pension to Age 62: \$2,027.68
(6) Total Retirement Benefit Pension after Age 62: \$1,460.00

(7) Lifetime Minimum Pension:	\$2,000.00
(8) Last Payment of Automatic Five-Year Term Certain:	05/01/2008
(9) Marital Status:	Married
(10) Eligible for Surviving Spouse's Benefit:	Yes
(11) Average Monthly Earnings (AME):	\$4,000.00

Calculation of Estimated PBGC Monthly Benefit

(12) Monthly Benefit based on plan provisions in effect 12/18/1997:	
Greater of (a), (b), and (c)	
(a) $\$26.50 \times 15 + \$28.00 \times 15 + \$29.50 \times (\text{YOS}-30) =$	\$965.00
(b) $[(1.155\% \times \text{AME} \times 30) + (1.26\% \times \text{AME} \times (\text{YOS}-30))] =$	\$1,638.00
(c) Total Retirement Benefit prior to Age 62 =	\$2,023.09
Total Retirement Benefit after Age 62 =	\$1,417.50
(13) Monthly Benefit based on plan provisions effective 01/01/2000:	
Greater of (a), (b), (c), and (d)	
(a) $\$26.50 \times 15 + \$28.00 \times 15 + \$29.50 \times (\text{YOS}-30) =$	\$965.00
(b) $[(1.2\% \times 20) + (1.5\% \times 10) + (1.6\% \times (\text{YOS}-30))] \times \text{AME} =$	\$1,880.00
(c) Total Retirement Benefit prior to Age 62 =	\$2,027.68
Total Retirement Benefit after Age 62 =	\$1,460.00
(d) Lifetime Minimum Benefit =	\$2,000.00

ACCRUED AT NORMAL LIMITATION

(14) PBGC Accrued at Normal Limit based on plan provisions in effect 12/18/1997 =	\$1,638.00
(15) PBGC Accrued at Normal Limit based on plan provisions effective 08/01/2000 =	\$2,000.00

MAXIMUM INSURANCE LIMITATION

(16) PBGC Early Retirement Factor (from §4022):	0.6617
(17) PBGC Form Conversion Factor for 5 Year Certain and Continuous benefit:	0.9750
(18) The form conversion factor for the Surviving Spouse's Benefit:	0.9240
(19) PBGC Maximum Insurance Limit (Max):	
$\$3,579.55 \times (16) \times (17) \times (18) =$	
$\$3,579.55 \times 0.6617 \times 0.975 \times 0.9240 =$	\$2,133.86

PHASE-IN LIMITATION

The benefits under each amendment are reduced to the Maximum Guaranteeable Benefit prior to phasing-in any increase. PBGC will guarantee the greater of \$40 and 40% of the increase in the benefit (limited to the Maximum Insurance Limit) provided by the plan provision effective 01/01/2000.

(20) Benefit in effect 12/18/1997 limited to the Max:
Smaller of (14) and (19) =
Smaller of \$1,638.00 and \$2,133.86 = \$1,638.00

(21) Benefit effective 08/01/2000 limited to the Max:
Smaller of (15) and (19) =
Smaller of \$2,000.00 and \$2,133.86 = \$2,000.00

(22) Benefit Increase:
(21) - (20) = \$2,000.00 - \$1,638.00 = \$ 362.00

(23) Phased-In Benefit Increase:
Smaller of (22) and [Greater of \$40 and 40% x (22)] =
Smaller of \$362.00 and (Greater of \$40 and \$144.80) = \$144.80

(24) Phased-In Estimated Benefit:
(20) + (23) =
\$1,638.00 + \$144.80 = \$ 1,782.80