



**Protecting America's Pensions**

**2006**

**PREMIUM PAYMENT PACKAGE  
PENSION BENEFIT GUARANTY CORPORATION**

**This Package Contains:**

PBGC Form 1  
Schedule A  
PBGC Form 1-EZ  
2006 Instructions

To All Plan Administrators:

We are enclosing the 2006 Premium Payment Package containing forms and instructions for your final premium payment to the Pension Benefit Guaranty Corporation (PBGC) for the 2006 plan year. There are two important items to note for 2006: changes in the flat-rate premium (and potentially also in the variable-rate premium), and the phasing in of mandatory electronic premium filing.

Under recently enacted legislation, the per-participant flat-rate premium for 2006 is \$30 for single-employer plans and \$8 for multiemployer plans. In addition, at the time this booklet went to press, Congress was considering other legislation that might further change flat-rate premiums and change variable-rate premiums as well. (Note that, without new legislation, the Required Interest Rate for the variable-rate premium for the 2006 premium payment year will be 85 percent of the annual yield on 30-year Treasury securities for the month preceding the month in which the plan's 2006 plan year begins.) Check the PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)) for changes to applicable rules and interest rates before you file.

Note that if you made an estimated flat-rate premium filing for a large plan using the old flat rate of \$19 or \$2.60 per participant, you should make an amended estimated filing as soon as possible to bring your estimated payment up to the new \$30 or \$8 level. You may use the Form 1-ES that shows the old premium rates: just cross out the old rate and write in the new rate.

The PBGC expects to phase in mandatory electronic filing of premiums during 2006. For plans with 500 or more participants for the prior plan year, the requirement to file electronically — through the PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)) — is expected to apply to filings that are made on and after July 1, 2006, for 2006 and later plan years. (Electronic filing is expected to be required for all plans beginning with the 2007 plan year.) The effective date and applicability provisions will not be definite until the PBGC publishes the final rule on mandatory electronic filing in the Federal Register, which the PBGC anticipates doing in early 2006. The final rule will be posted on the PBGC's Web site. Instructions for electronic filing are included in this booklet (see page 45).

The PBGC's electronic filing application, called My Plan Administration Account (My PAA), offers alternative methods for electronic filing, which saves time and reduces the risk of errors. One method provides data entry and editing screens in My PAA to electronically create a filing, route it to others for review and e-signature, notify each other of the next required action, and track the filing's progress through submission to the PBGC. Another method provides an "upload" feature that enables you to electronically submit filings created with compatible private-sector software. With either method, filings reach the PBGC in seconds rather than in days, electronic receipts confirming receipt by the PBGC are provided upon submission, and payments can be sent via My PAA (ACH, electronic check, or credit card) or separately by paper check or wire transfer. To use My PAA, view its features, or get updated information about the e-filing methods available, go to the PBGC's home page ([www.pbgc.gov](http://www.pbgc.gov)), click on the "Practitioners" tab and then click on "Online premium filing (My PAA)" under the "Premium filings" heading. We encourage you to start to prepare now for premium e-filing by setting up your My PAA account (your user ID and password) as soon as possible.

We continue to look for ways to help you, and your suggestions are always welcome. In addition, the PBGC's Web site contains information you may find useful, including current and prior premium filing instructions, interest rates, information on disaster relief, and regulations.

For all premium-related inquiries, please call our toll-free practitioner number, 1-800-736-2444, and select the "premium" option, or e-mail us at [premiums@pbgc.gov](mailto:premiums@pbgc.gov). If you have a complaint about the service you have received or still need assistance after calling our practitioner number, please contact our Problem Resolution Officer at 1-800-736-2444, ext. 4136 (202-326-4136 for local calls) or by e-mail at [practitioner.pro@pbgc.gov](mailto:practitioner.pro@pbgc.gov).



Bradley D. Belt  
Executive Director  
Pension Benefit Guaranty Corporation

## CONTACTS

1. PBGC's Web site, [www.pbgc.gov](http://www.pbgc.gov), contains pension plan information of interest to the plan administrator and practitioner, such as electronic premium filing, current and prior premium filing booklets, frequently asked questions, interest rates, regulations, etc.
2. Submit **electronic premium filings** (including electronic amended filings) through "My Plan Administration Account" ("My PAA") on PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)). Follow instructions in My PAA for submitting premium payments.
3. For a **paper premium filing** (including a paper amended filing):
  - a. If you use **mail**, send your form(s) to:

Pension Benefit Guaranty Corporation  
Dept. 77430  
P.O. Box 77000  
Detroit, MI 48277-0430
  - b. If you use a **delivery service**, send your form(s) to:

Pension Benefit Guaranty Corporation  
JPMorgan Chase Bank, N.A.  
9000 Haggerty Road  
Dept. 77430  
Mail Code MI1-8244  
Belleville, MI 48111
  - c. 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(s).
  - d. If you pay by **electronic funds transfer**, send the payment to:

JPMorgan Chase Bank, N.A.  
ABA: 071000013  
Account: 656510666  
Beneficiary: PBGC  
Reference: "EIN/PN: XX-XXXXXXX/XXX  
PYC: MM/DD/YY"
4. For all **premium-related correspondence (other than premium filings)**, including premium filing questions (for electronic or paper filings), requests for **exemption** from the requirement to file electronically, requests for booklets or forms, address changes, requests for refunds (that are not submitted with premium filings), and requests for reconsideration of premium penalty assessments:
  - a. If you **mail** your correspondence, address it to:

Pension Benefit Guaranty Corporation  
Dept. 77840  
P.O. Box 77000  
Detroit, MI 48277-0840
  - b. If you send your correspondence by **delivery service**, address it to the same address as in 3.b. above.
  - c. Call: 1-800-736-2444 or (202) 326-4242
  - d. Fax: (202) 326-4250
  - e. E-mail: [premiums@pbgc.gov](mailto:premiums@pbgc.gov)
5. For current interest rate information:

Call: (202) 326-4041  
Internet: [www.pbgc.gov](http://www.pbgc.gov)

or write to:

Pension Benefit Guaranty Corporation  
CPAD, Suite 240  
1200 K Street, NW  
Washington, DC 20005-4026
6. For assistance on coverage determination or plan termination:

Call: 1-800-736-2444 or (202) 326-4242  
E-mail: [standard@pbgc.gov](mailto:standard@pbgc.gov)

or write to:

Pension Benefit Guaranty Corporation  
IPD/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 practitioner telephone numbers listed in items 4 and 6 (1-800-736-2444 or (202) 326-4242), please contact the Problem Resolution Officer (Practitioners):

Call: 1-800-736-2444, ext. 4136  
(202) 326-4136

E-mail: [practitioner.pro@pbgc.gov](mailto:practitioner.pro@pbgc.gov)

or write to:

Pension Benefit Guaranty Corporation  
Problem Resolution Officer (Practitioners), Suite 610  
1200 K Street, NW  
Washington, DC 20005-4026
8. For assistance with Participant Notice questions:

Call: (202) 326-4161  
E-mail: [pnotice@pbgc.gov](mailto:pnotice@pbgc.gov)
9. For questions on our Premium Compliance Evaluation Program:

Call: (202) 326-4161, ext. 6309  
E-mail: [pce@pbgc.gov](mailto:pce@pbgc.gov)
10. For vendors requesting approval of automated forms, send a sample (including 3 original forms) to:

Pension Benefit Guaranty Corporation  
Vendor Review Office, FOD/CCD, Suite 670  
1200 K Street, NW  
Washington, DC 20005-4026
11. For software developers requesting approval of XML files produced by private-sector software for use in My PAA, follow submission instructions on PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)).

TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to any telephone number in this booklet.

**Note:** We cannot accept collect calls.

# Pension Benefit Guaranty Corporation Customer Service Plan for Plan Administrators

## *What is Our Mission?*

The Pension Benefit Guaranty Corporation (PBGC) encourages a stable, adequately funded system of private pension plans and provides responsive, timely, and accurate services to plan sponsors, participants in insured plans, and pension practitioners.

## *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 (premium invoices), 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.

## *Our Service Pledge*

*Our customers deserve our best effort as well as our respect and courtesy.*

- On the first call from you, our customer, we will say —
  - what we can do immediately and what will take longer,
  - when it will be done, and
  - who will handle your request.
- We will call you if anything changes from what we first said, give you a status report and explain what will happen next.
- We will have staff available from 8:00a.m.-5:00p.m. Eastern Time to answer your calls. If you leave a message, we will return the call within one workday.
- We will acknowledge your letter within one week of receipt.

## *Survey Results and Service Improvement Efforts*

The most recent customer satisfaction surveys of premium filers tell us we've improved our forms and instructions, and filing premium forms is fairly easy to do, but receiving refunds still takes too long. We learned that we can best improve customer satisfaction by focusing on premium statements of account (premium invoices), specifically, getting these to our customers timelier, making the statements themselves clearer, and providing prompter responses to inquiries. We have rewritten our premium statement of account cover letters and begun sending them more promptly. We are also developing a new premium accounting system that we expect to support faster resolution of questions and timelier statements of account and premium refunds. In response to your many requests, we are expanding our electronic premium filing system to accommodate third-party software and multi-year filings. Further, we have increased both training and monitoring at our call center in order to provide the best possible service when you call us. We hope that these efforts will mean a positive experience for you whenever and however you interact with PBGC.

Since almost half of all pension plans have an October 15 premium filing deadline, PBGC experiences its peak premium processing season in October through December. Refunds requested during this period will take longer to process due to the increased number of filings received. We continue to seek ways to make our processes more responsive to the needs of the practitioner community.

If you have any questions or complaints, please contact us by telephone, fax, or e-mail at one of the numbers or addresses listed on page ii.

**PAPERWORK REDUCTION ACT NOTICE**

We need this information to determine the amount of premium due to the PBGC under Title IV of ERISA and to monitor single-employer plans' compliance with the Participant Notice requirement in ERISA section 4011 and 29 CFR Part 4011. 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.

Shown below is the estimated burden associated with the preparation and submission of a final premium filing — either electronically or by completing and filing Form 1-EZ or Form 1 (and, for single-employer plans that are not exempt from the variable-rate premium, Schedule A). The burden estimates are expressed in hours (for filings done in-house) and in dollar cost (for filings contracted out). (The PBGC assumes that 95% of the burden is contracted out.) The burden estimates are averages for the plans in each of the listed categories. These times will vary depending on the circumstances of a given plan.

PLAN TYPE	AVERAGE BURDEN
<u>Single-Employer Plans</u>	
Plans With Under 500 Participants	
Exempt from variable-rate premium .....	1.0 hour or \$275
Not exempt but fully funded .....	2.0 hours or \$550
Underfunded .....	4.5 hours or \$1,238
Plans With 500 or More Participants	
Exempt from variable-rate premium .....	1.0 hour or \$275
Not exempt but fully funded .....	2.0 hours or \$550
Underfunded .....	5.5 hours or \$1,513
<u>Multiemployer Plans</u> .....	0.5 hour or \$138

If you have comments concerning the accuracy of these burden estimates or suggestions for making the forms or the electronic filing process simpler, please send your comments to Pension Benefit Guaranty Corporation, Legislative & Regulatory Department, 1200 K Street, NW, Washington, DC 20005-4026.

**Reminder to Single-Employer Plans About Reportable Events**

The plan administrator or contributing sponsor may have to notify the PBGC about certain events:

20% reduction in active participants	Transaction involving a change in contributing sponsor or controlled group
Failure to make minimum funding payments	Liquidation or dissolution of a contributing sponsor or a controlled group member
Inability to pay benefits when due	Declaration of an extraordinary dividend or stock redemption
Excess distributions to a substantial owner within a 12-month period	Loan default
Transfer of 3% or more of benefit liabilities outside the controlled group	Bankruptcy, insolvency, or similar settlements with creditors
Application for minimum funding waiver	

In most cases, notice is required within 30 days after the plan administrator or contributing sponsor knows or has reason to know that an event has occurred. In certain cases involving privately-held companies or controlled groups whose pension plans have aggregate unfunded vested benefits of more than \$50 million, the contributing sponsor (but not the plan administrator) must notify the PBGC 30 days before the effective date of certain events. See section 4043 of ERISA and PBGC's regulation on Reportable Events and Certain Other Notification Requirements (29 CFR Part 4043). (From time to time, we also publish technical guidance on our Web site, [www.pbgc.gov](http://www.pbgc.gov) about reportable events filing obligations.) Failure to give PBGC timely notice may result in assessment of penalties under section 4071 of ERISA.

**NOTE: Small plans are not exempt from the reportable events rules**, although there are waivers and other special rules for small plans in some cases.

**NOTE:** The PBGC provides Form 10 and Form 10-ADV for notifying PBGC of reportable events. These forms are available on the PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)) and can be downloaded.

## **Reminder to Plan Administrators About 2006 Participant Notice Requirement**

The plan administrator of a single-employer plan may be required to issue a Participant Notice for the 2006 plan year — informing participants about the plan’s funding status and the limits on the PBGC’s guarantee of benefits — if a variable-rate premium (VRP) is payable for the 2006 plan year. The PBGC will issue a Technical Update in mid-2006 describing the requirements for the 2006 Participant Notice and reflecting any legislative changes for 2006.

The premium forms for the 2007 plan year (the next plan year) will include a certification about the Participant Notice for the 2006 plan year (this plan year). (This plan year’s premium forms include a certification about the Participant Notice for the 2005 plan year.)

The 2006 Participant Notice is due two months after the due date for the 2005 Form 5500 series, including extensions. Thus, the 2006 Participant Notice is due during the 2006 plan year. For calendar year plans, the 2006 Participant Notice must be given by October 2, 2006, if the 2005 Form 5500 due date is August 1, 2006; by November 15, 2006, if the 2005 Form 5500 due date is September 15, 2006; or by December 18, 2006, if the 2005 Form 5500 due date is October 16, 2006. (Due dates that fall on a weekend or Federal holiday are extended to the next business day.)

**EXEMPTIONS:** A plan that meets the Deficit Reduction Contribution (DRC) Exception Test for the 2005 plan year or for the 2006 plan year is exempt from having to provide a Participant Notice for the 2006 plan year. Most new and newly-covered plans are also exempt from the Participant Notice requirement.

For more information about the Participant Notice requirement, including information about the DRC Exception Test, see section 4011 of ERISA, the PBGC’s regulation on Disclosure to Participants (29 CFR Part 4011), and the PBGC’s Technical Update on the 2006 Participant Notice (to be issued in mid-2006). The Technical Update will include a worksheet to help plan administrators determine whether they must issue the 2006 Participant Notice.

Further information related to Participant Notice requirements is available on the PBGC’s Web site ([www.pbgc.gov](http://www.pbgc.gov)).

### **Small Plan Alert**

Although there are special rules regarding Participant Notices for small plans, **small plans are not exempt from the Participant Notice requirements.**

## Help Us Post Your Premium Filings Promptly And Accurately

The best way to ensure accurate and timely filings is to submit your premium filing online using the My Plan Administration Account (My PAA) application that is on the PBGC's Web site. If your plan had 500 or more participants for the prior plan year, any 2006 premium filing that you submit on or after the effective date for mandatory premium e-filing (expected to be July 1, 2006) must be filed electronically. Electronic filing will be mandatory for all plans for plan years beginning after 2006. Electronic filing means your filing is posted faster and more accurately. Instructions for e-filing your premiums are included in this booklet (see p. 45).

The PBGC may grant exemptions from the e-filing requirement for good cause in appropriate circumstances. See B.3.g., pp. 12-13. If you are not required to e-file for 2006, or you have an exemption, and you are sending us a paper filing, please use the premium filing addresses in item 3. under CONTACTS, p. ii.

In addition, please remember:

- A. Do NOT combine the premiums for two or more plans into one payment.**
- B. Include EIN/PN and PYC on all payments and correspondence.**
- C. Send correspondence other than premium filings to the correspondence addresses** in item 4. under CONTACTS, p. ii.
- D. Notify PBGC of EIN/PN changes.** EIN/PN changes should be reported in your premium filing.

### Additional Tips

If you make an amended premium filing that shows an overpayment of more than \$500, provide a statement explaining the specific circumstances or events that caused the overpayment and made the amended filing necessary. See B.6.d., p. 16, for more information.

When providing refund payment instructions, please keep in mind that not all banks accept Automated Clearing House (ACH) or electronic funds transfers.

If you are filing for a large plan, remember that an overpayment claimed as a credit on your estimated filing must also be claimed on your final filing.

Remember that paper premium forms must be signed and dated. Failure to sign and date your filing can delay processing of your filing (including any refund that may be due). Processing can also be delayed if you fail to submit a separate payment for each plan. Please do not combine payments for two or more plans in one check or electronic funds transfer.

We also remind you not to place correspondence in the envelope with paper premium forms. The forms are processed electronically, and correspondence placed in the same envelope may be significantly delayed in reaching its intended destination. Use the address in item 4. under "CONTACTS," p. ii, to send us correspondence other than your premium filing.

In addition, a paper filing should be sent without a cover letter. If you need to submit additional information with your filing, it should be in an attachment (and you should check the attachment box in item 19 of Form 1-EZ or item 18 of Form 1).

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## Part A INTRODUCTION AND DEFINITIONS

### 1. What's New

The PBGC expects to publish in early 2006 a final rule making electronic filing mandatory for 2006 premium filings made on or after July 1, 2006, for large plans (plans that were required to pay premiums for 500 or more participants for the plan year preceding the premium payment year). See the PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)) for premium filing instructions for large plans. See Part G for an explanation of how to e-file. The PBGC may grant exemptions from the electronic filing requirement for good cause in appropriate circumstances (see Part B.3. of this booklet).

Electronic filing is expected to become mandatory under the final rule for all plans beginning with the 2007 plan year. Thus, this may be the last year that we will send paper forms and related instructions. Starting in 2007, we expect to revise our communications to you to be more in line with the electronic submissions that you will be preparing each year.

If you make a paper premium filing for a large plan after electronic filing becomes mandatory (expected to be July 1, 2006), you must indicate in new item 3.d. on Form 1 or Form 1-EZ whether the PBGC has granted the plan an exemption from electronic filing. If not, you must attach an explanation.

For 2005 only, we added a check box to the Participant Notice information item on Form 1-EZ and Schedule A for you to use to notify the PBGC of the plan's participation in the PBGC's Participant Notice Voluntary Correction Program (VCP) announced in the Federal Register May 7, 2004 (at 69 FR 25792). That check box is no longer needed and has been removed from the 2006 forms.

In item 1 of Schedule A, the separate check boxes for large and small plans using the Alternative Calculation Method (ACM) have been eliminated.

We have corrected the instructions for item 6(a) on Form 1-EZ and Form 1 to make it clear that the effective date (not the adoption date) should be entered for a retroactively adopted new plan that elects to use the adoption date as the first day of its plan year.

Under recently enacted legislation, the per-participant flat-rate premium for 2006 is \$30 for single-employer plans and \$8 for multiemployer plans.

Congress is also considering other legislation that might further change flat-rate premiums and change variable-rate premiums as well (including the definition of the Required Interest Rate that is used to determine the variable-rate premium). See the definitions of "Flat-rate premium," "Variable-rate premium," and "Required Interest Rate" (A.7., pp. 4-6) for more information.

In 2004, we launched an electronic premium filing system called My Plan Administration Account (My PAA). The data entry and editing screens in My PAA enable practitioners to electronically create, sign, and submit premium filings and payments to PBGC for plan years beginning in 2004 or later years. In 2005, we added another electronic filing method to MyPAA: direct uploading of premium filings prepared with private-sector software. E-filing has many advantages over paper submissions, including improved data accuracy, easier filing preparation, and confirmation that the filing and payment were received by PBGC. In addition, use of My PAA's premium information editing screens enables you to share electronic access to filings (which eliminates manual routing and mailing) and facilitates e-mail notification of required actions to other e-filing team members. Please see Part G, p. 45, for more information about how to e-file premiums for 2006. For additional details or to set up an account within My PAA, please access PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)) and go to the page that provides new users with more information and the ability to sign up for My PAA.

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### 2. Introduction

Payment of premiums to the Pension Benefit Guaranty Corporation (PBGC) is required by sections 4006 and 4007 of the Employee Retirement Income Security Act, as amended (ERISA), and the PBGC's premium regulations (29 CFR Parts 4006 and 4007). There are two kinds of premiums: the flat-rate premium, which applies to all plans, and the variable-rate premium, which applies only to single-employer plans.

Every plan covered under section 4021 of ERISA must make a premium filing each year, typically in the

tenth month of the year. Large plans (those with 500 or more participants for the prior plan year) must pay the flat-rate premium earlier in the year. The PBGC expects to publish in early 2006 a final rule making electronic filing mandatory for 2006 premium filings made on or after July 1, 2006, for large plans (plans that were required to pay premiums for 500 or more participants for the plan year preceding the premium payment year). (See Part G of this booklet). The PBGC may grant exemptions from the electronic filing requirement for good cause in appropriate circumstances (see Part B.3. of this booklet). For smaller



plans, electronic filing remains optional for 2006. Electronic filing is expected to be required for all plans for plan years beginning after 2006 under the final rule.

This booklet contains 2006 paper premium filing forms and filing instructions. Plans filing on paper will use Form 1 or Form 1-EZ (whichever applies to the plan); single-employer plans that file Form 1 must also file Schedule A. These three forms are included in this booklet. The table on page 11 shows which form(s) to file, and the instructions in this booklet tell how to complete Form 1, Form 1-EZ, and Schedule A and how to pay the premium due. Plans filing electronically may use

the instructions in this booklet as guidance for preparing their electronic filings. (Filing instructions for large plans paying an estimate of the flat-rate premium are contained in a separate booklet.)

Your premium filing will be considered improper if it is not made in accordance with the premium regulations and instructions, if you do not make any required premium payment, or if your filing is otherwise incomplete.

Subparts 3 through 9 of this Part A tell you the definitions of special terms that are used in these instructions.

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### 3. Definitions Relating to Laws

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended (29 U.S.C. 1001 et seq.).

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Premium regulations**” means the PBGC’s regulations on Premium Rates and Payment of Premiums (29 CFR Parts 4006 and 4007). The premium filing procedures (including instructions, forms, and the My PAA electronic filing application) are prescribed under and implement the premium regulations.

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### 4. Definitions Relating to Parties

“**We**” or “**us**” refers to the Pension Benefit Guaranty Corporation.

“**You**” or “**your**” refers to the administrator of a pension plan.

“**Plan sponsor**” means the employer(s), employee

organization, association, committee, joint board of trustees, or other entity that maintains a plan.

“**Plan administrator**” means:

- a. the person specifically so designated by the terms of the instrument under which the plan is operated; or
- b. if an administrator is not so designated, the plan sponsor.

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### 5. Definitions Relating to Forms and Identifying Numbers

“**Form 1**” means the Annual Premium Payment Form 1 issued by the PBGC and includes, for single-employer plans, the Schedule A.

“**Form 1-EZ**” means the Annual Premium Payment Form 1-EZ for Single-Employer Plans Exempt from the Variable-Rate Premium, issued by the PBGC.

“**Form 1-ES**” means the Estimated Premium Payment Form 1-ES issued by the PBGC (in a separate booklet) for estimating the flat-rate premium for certain large single-employer plans and the total premium for certain large multiemployer plans.

“**Schedule A**” means the schedule to the Form 1 that is used by single-employer plans that are not exempt from

the variable-rate premium to report unfunded vested benefits and compute the variable-rate premium.

“**Form 5500 series**” means Form 5500, Annual Return/Report of Employee Benefit Plan, jointly developed by the Internal Revenue Service, the Department of Labor, and the PBGC. (Copies of this form may be obtained from the Internal Revenue Service or the Department of Labor.)

“**Schedule B**” means Schedule B to the Form 5500 series.

“**EIN**” means Employer Identification Number. It is always a 9-digit number assigned by the Internal Revenue Service for tax purposes.

“**PN**” means Plan Number. This is always a 3-digit number. The plan sponsor assigns this number to

distinguish among employee benefit plans established or maintained by the same plan sponsor. A plan sponsor usually starts numbering pension plans at “001” and uses consecutive Plan Numbers for each additional plan. Once a PN is assigned, always use it to identify the same plan. If a plan is terminated, retire the PN — do not use it for another plan.

assigned to the publicly traded securities of a plan sponsor (or member of the sponsor’s controlled group) under the securities numbering system of the Committee on Uniform Securities Identification Procedures. The first six digits of the CUSIP number identify the securities issuer, the next two digits identify the specific securities issue, and the last digit is a check digit.

“CUSIP number” means a nine-digit number

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## 6. Definitions Relating to Dates

“Premium payment year” means the plan year for which the premium is being paid.

“Premium Snapshot Date” means the last day of the plan year preceding the premium payment year (*e.g.*, 12/31/2005 for a calendar year plan’s 2006 premium payment year) except as follows:

a. For a new plan or newly covered plan, the premium snapshot date is the first day of the premium payment year, or the first day the plan became effective for benefit accruals for future service, if that is later.

(If a newly created plan covered under section 4021 of ERISA is adopted retroactively (*i.e.*, the adoption date of the plan is after its effective date), either the adoption date or the effective date may be used as the premium snapshot date. However, whatever date is used as the premium snapshot date must also be considered the first day of the plan year for purposes of prorating the premium (if you prorate) and for purposes of determining the premium due date. Thus, if you determine the plan’s Final Filing Due Date as the 15th day of the 10th full calendar month that begins on or after the first day of the premium payment year (*i.e.*, under B.2.b.(i), p. 8), you must use the first day of the premium payment year as the premium snapshot date. Similarly, if you prorate the plan’s first-year premium, you must use the premium snapshot date as the first day of the plan year (see B.5., p. 13).)

b. If the plan is the transferee plan in a merger or the transferor plan in a spinoff to a new plan and the transaction meets the conditions described in (i) and (ii) below, the premium snapshot date is the first day of the premium payment year. A plan merger or spinoff (as defined in the regulations under section 414(l) of the Code) is covered by this rule if —

- (i) a merger is effective on the first day of the transferee (the continuing) plan’s plan year, or a spinoff is effective on the first day of the transferor plan’s plan year, and
- (ii) the merger or spinoff is not *de minimis*, as defined in the regulations under section 414(l) of the Code

with respect to single-employer plans, or in the PBGC’s regulation under ERISA section 4231 (29 CFR Part 4231) with respect to multiemployer plans.

The following examples illustrate the determination of the premium snapshot date. Examples 1 and 2 illustrate the usual rule (where the premium snapshot date is the last day of the plan year preceding the premium payment year). Examples 3 and 4 illustrate the situation for a new plan (where the premium snapshot date is the first day of the premium payment year, or the first day the plan became effective for benefit accruals for future service, if that is later). Examples 5 and 6 illustrate the situation for plans involved in certain mergers and spinoffs (where the premium snapshot date is the first day of the premium payment year).

**Example 1** An ongoing plan has a plan year beginning September 1, 2006, and ending August 31, 2007. The premium snapshot date is August 31, 2006.

**Example 2** An ongoing plan changes its plan year from a calendar year to a plan year that begins June 1, effective June 1, 2006. For the plan year beginning January 1, 2006, the premium snapshot date is December 31, 2005. For the plan year beginning June 1, 2006, the premium snapshot date is May 31, 2006.

**Example 3** A new calendar-year plan is adopted December 10, 2005, effective January 1, 2006. The premium snapshot date is January 1, 2006.

**Example 4** A new calendar-year plan is adopted February 18, 2006, retroactively effective as of January 1, 2006. The plan administrator may select either January 1 or February 18, 2006, as the premium snapshot date; the date selected must also be used for purposes of prorating the premium for the plan’s first year.

**Example 5** Plan A has a calendar plan year and Plan B has a July 1 - June 30 plan year. Effective January 1, 2006, Plan B merges into Plan A (and the merger is not *de*

*minimis*). Plan A's premium snapshot date is January 1, 2006. (Since Plan B did not exist at any time during 2006, it does not owe a premium for the 2006 plan year.)

**Example 6** Plan A has a calendar plan year. Effective January 1, 2006, Plan A spins off assets and liabilities to form a new plan, Plan B (and the spinoff is not *de minimis*). Plan A's premium snapshot date is January 1, 2006. (Plan B's premium snapshot date also is January 1, 2006, since it is a new plan that became effective on that date.)

**"First Filing Due Date"** means the date by which the flat-rate premium must be paid by a plan whose participant count for the prior year was 500 or more. For most plans, it is the last day of the 2nd full calendar month following the close of the preceding plan year (the last day of February for calendar-year plans). A different rule applies for plans changing plan years. For more details, see B.2.a. (p. 8) and B.2.c. (p. 9).

**"Final Filing Due Date"** means the date by which:

- a. Flat-rate premiums must be paid by plans to which the First Filing Due Date doesn't apply,
- b. Variable-rate premiums must be paid by all single-employer plans, and
- c. Flat-rate reconciliation filings (if necessary) must be made by plans to which the First Filing Due Date applies.

For most plans, the Final Filing Due Date is the 15th day of the 10th full calendar month following the end of the plan year preceding the premium payment year (October 15 for calendar-year plans). Different rules apply for plans filing for the first time or changing plan years. For more details, see B.2.a. (p. 8), B.2.b. (p. 8), and B.2.c. (p. 9).

**"Filing Due Date"** means either the First Filing Due Date or the Final Filing Due Date.

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## 7. Definitions Relating to Premium Computations

**"Flat-rate premium"** means the portion of the premium determined by multiplying the flat-rate premium charge by the number of participants in the plan on the premium snapshot date. The per-participant flat-rate premium for plan years beginning in 2006 (see Note below) is \$30 for single-employer plans and \$8 for multiemployer plans.

**Note:** The 2006 per-participant flat premium rate of \$30 for single-employer plans and \$8 for multiemployer plans was established under recently enacted legislation. Congress is also considering other legislation that might further change flat-rate premiums. We will make updated information about the flat premium rate available as we get it: check our web site ([www.pbgc.gov](http://www.pbgc.gov)) or call or write us (at the address and phone numbers in item 4. under "CONTACTS" on p. ii) for more information.

**"Variable-rate premium"** means the portion of the single-employer premium based on a plan's unfunded vested benefits. The variable-rate premium for plan years beginning in 2006 under section 4006(a)(3)(E) of ERISA (see Note below) is \$9 for every \$1,000 (or fraction thereof) of unfunded vested benefits.

**Note:** As these instructions were being prepared, Congress was considering legislation that would change the manner of determining the variable-rate premium. We will make updated information about the variable-rate premium available as we get it: check our web site ([www.pbgc.gov](http://www.pbgc.gov)) or call or write us (at the address and

phone numbers in item 4. under "CONTACTS" on p. ii) for more information.

**"Participant"** in a plan means an individual (whether active, inactive, retired, or deceased) with respect to whom the plan has benefit liabilities.

- a. *Benefit liabilities* are all liabilities with respect to employees and their beneficiaries under the plan (within the meaning of Code section 401(a)(2)). Thus, benefit liabilities include liabilities for all accrued benefits, whether or not vested. In addition, a plan's benefit liabilities include liabilities for ancillary benefits not directly related to retirement benefits, such as disability benefits not in excess of the qualified disability benefit, life insurance benefits payable as a lump sum, incidental death benefits, or current life insurance protection. (See Treasury Regulation § 1.411(a)-7(a)(1).)

- b. An individual is not counted as a participant after all benefit liabilities with respect to the individual are distributed through the purchase of irrevocable commitments from an insurer or otherwise. In addition, a non-vested individual is not counted as a participant after (1) a deemed "zero-dollar cashout," (2) a one-year break in service under plan rules, or (3) death.

- i. *Cashouts.* If the plan has a separate cashout provision for zero benefits, terminated non-vested participants are deemed to be cashed out as of the date specified in the deemed cashout provision or, if no date is specified, as of the employment termination date. If the plan provides that zero benefit amounts will be deemed to be paid as soon as possible, terminated non-vested

participants also will be deemed to be cashed out as of the employment termination date.

If the plan does not have a separate cashout provision for zero benefits but does have a mandatory cashout of small benefit amounts (*e.g.*, benefits less than \$5,000), terminated non-vested participants are deemed to be cashed out in the same manner as terminated vested participants. If the plan is silent as to the timing of actual cashouts of terminated vested participants, the plan is deemed to read “as soon as practicable” and the terminated non-vested participants are deemed to be cashed out immediately upon termination of employment. If the plan specifies a date as of which actual cashouts of terminated vested participants take place (*e.g.*, on the first day of the next month), that rule also would apply to deemed cashouts of terminated non-vested participants. These rules do not apply if, despite plan language, the plan has an obvious pattern or practice of delaying distributions for long periods of time.

For example, suppose a calendar-year plan provides that if a participant terminates employment and the participant’s vested benefit has a value of less than \$5,000, the plan will pay the vested benefit to the participant in a lump sum as of the first of the month following termination of employment. Suppose further that no plan provisions specifically address payment of benefits upon termination of employment by non-vested participants. If a participant with a non-vested accrued benefit terminates employment on December 15, 2005, the participant will be included in the participant count as of December 31, 2005 (because the cashout is deemed to occur on January 1, 2006, the first of the month following termination of employment). If, as is typically the case for a calendar year plan, the plan’s premium snapshot date for 2006 is December 31, 2005, a flat-rate premium must be paid for this participant for 2006.

ii. *Breaks in service.* A terminated non-vested individual ceases to be a participant for premium purposes when the individual incurs a one-year break in service under the plan, regardless of the length of the individual’s absence from employment. For example, suppose that a calendar-year plan provides that a participant who performs 500 or fewer hours of service in a service computation period incurs a one-year break in service for that computation period. An individual might incur a one-year break in service under the plan before December 31, 2005 (the premium snapshot date for the 2006 premium) if the individual left employment on February 1, 2005, and did not perform more than 500 hours of service during a computation period ending on November 30, 2005, even though December 31, 2005, comes before the first anniversary of the individual’s separation from employment. This individual would not be included in the

participant count for 2006.

If a non-vested individual incurs a break in service in a service computation period that coincides with the plan year preceding the premium payment year, we treat the individual as not being a participant for purposes of determining the premium for the premium payment year. For example, suppose a calendar-year hours-of-service plan requires more than 500 hours of service in a service computation period to avoid a break in service, and a non-vested participant in the plan earns 440 hours of service in the service computation period ending December 31, 2005. The PBGC would treat the individual as not being a participant for purposes of the plan’s 2006 premium. (For more detail, see the amendment to the premium regulations’ definition of “participant,” published in the Federal Register on December 1, 2000, at 65 FR 75160.)

c. *Beneficiaries and alternate payees.* Beneficiaries and alternate payees are not counted as participants. However, a deceased participant will continue to be counted as a participant if there are one or more beneficiaries or alternate payees who are receiving or have a right to receive benefits earned by the participant.

“**Significant Event**” means any of the following events:

- (1) an increase in the plan’s actuarial costs (consisting of the plan’s normal cost under section 412(b)(2)(A) of the Code, amortization charges under section 412(b)(2)(B) of the Code, and amortization credits under section 412(b)(3)(B) of the Code) attributable to a plan amendment, unless the cost increase attributable to the amendment is less than 5 percent of the actuarial costs determined without regard to the amendment;
- (2) the extension of coverage under the plan to a new group of employees resulting in an increase of 5 percent or more in the plan’s liability for accrued benefits;
- (3) a plan merger, consolidation, or spinoff that is not *de minimis* pursuant to the regulations under section 414(I) of the Code;
- (4) the shutdown of any facility, plant, store, etc., that creates immediate eligibility for benefits that would not otherwise be immediately payable for participants separating from service;
- (5) the offer by the plan for a temporary period to permit participants to retire at benefit levels greater than that to which they would otherwise be entitled;
- (6) a cost-of-living increase for retirees resulting in an increase of 5 percent or more in the plan’s liability for accrued benefits; and
- (7) any other event or trend that results in a material increase in the value of unfunded vested benefits.

“**Required Interest Rate**” (see Note below) under section 4006(a)(3)(E)(iii)(II) of ERISA is the “applicable percentage” (currently 85 percent) of the annual yield on 30-year Treasury securities for the calendar month preceding the calendar month in which the premium payment year begins. (The “applicable percentage” becomes 100 percent beginning with the first plan year to which the first new mortality tables issued under Code section 412(l)(7)(C)(ii)(II) apply. Under a proposed IRS rule published in the Federal Register on December 2, 2005 (at 70 FR 72260), such tables would not apply until 2007.)

**Note:** The Pension Funding Equity Act of 2004 (“PFEA”) temporarily changed the Required Interest Rate for a premium payment year beginning in 2004 or 2005 by substituting, for the annual yield on 30-year Treasury securities, the annual rate of interest determined by the

Secretary of the Treasury on amounts invested conservatively in long-term investment-grade corporate bonds. PFEA does not apply for plan years beginning in 2006. However, as these instructions were being prepared, Congress was considering legislation that could extend use of the PFEA rate for one more year. We will make updated information about the Required Interest Rate available as we get it: check our web site ([www.pbgc.gov](http://www.pbgc.gov)) or call or write us (at the address and phone numbers in item 4. under “CONTACTS” on p. ii) for more information.

On or about the 15th of each month, the PBGC publishes in the Federal Register a list of the Required Interest Rates for the preceding 12 months. In addition, for your convenience, the Required Interest Rate is posted on the PBGC’s Web site. The Required Interest Rate also can be obtained by calling (202) 326-4041.

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## 8. Definitions Relating to Plan Types

For purposes of determining whether a plan is a multiemployer plan or a single-employer plan, all trades or businesses (whether or not incorporated) that are under common control are considered to be one employer.

“**Multiemployer plan**” means a plan —

- a. to which more than one employer is required to contribute,
- b. which is maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and more than one employer, and
- c. which satisfies such other requirements as the Secretary of Labor may prescribe by regulation.

(The above definition does not apply to a plan that elected on or before September 26, 1981, with PBGC’s

approval, not to be treated as a multiemployer plan (see ERISA section 4303). Such a plan is treated as a single-employer plan.)

“**Single-employer plan**” means any plan that does not meet the above definition of multiemployer plan. A single-employer plan includes a “multiple employer” plan.

“**Multiple employer plan**” means a plan —

- a. to which more than one employer contributes, and
- b. that does not satisfy the definition of multiemployer plan, or that elected on or before September 26, 1981, with PBGC’s approval, not to be treated as a multiemployer plan (see ERISA section 4303).

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## 9. Definitions Relating to Plan Transactions

Plan “**mergers**” and plan “**consolidations**” are 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). However, there are important differences between the two kinds of transactions. 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. In particular, it need not pay the flat-rate

premium by the First Filing Due Date (no matter how many participants any of the transferor plans had for the prior year(s)) and its Final Filing Due Date is subject to the special rules for new plans. 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. The transferee plan may be a new plan that is created in the spinoff, or it may be a preexisting plan that simply receives part of the assets and/or liabilities of the transferor plan.

## Part B ABCs OF PREMIUM FILING

### 1. Who Must File

#### a. All Covered Plans Must File

The plan administrator of each single-employer plan and multiemployer plan covered under section 4021 of ERISA is required annually to file the prescribed premium information and pay the premium due in accordance with the PBGC's premium regulations and instructions. Most private-sector defined benefit plans that meet tax qualification requirements are covered. If you are uncertain whether your plan is covered under section 4021, you should promptly request a coverage determination. Contact us as described in item 6. under "CONTACTS" on p. ii.

A request for a coverage determination does not extend the due date for any premium that is finally determined to be due.

If your plan is covered under section 4021 of ERISA, you must make a premium filing even if no premium is owed. This may happen if your plan is a new plan that grants no past service credits, so that there are no benefit liabilities on the premium snapshot date. (A plan with no benefit liabilities has no participants for premium purposes (see the instructions for item 13 of Form 1-EZ (p. 24) or Form 1 (p. 30)) and no unfunded vested benefits.) The premium filing certifies that there are no participants and that no premium is owed.

#### b. One Plan, Or More Than One?

If several unrelated employers participate in a program of benefits wherein the funds attributable to each employer are available to pay benefits to all participants, then there is a single multiemployer or multiple-employer plan and the plan administrator must file and pay premiums for the plan as a whole. Separate filings and premiums cannot be submitted for each individual employer.

If several employers participate in a program of benefits wherein the funds attributable to each employer are available only to pay benefits to that employer's employees, then there are several plans (one for each employer) and the plan administrator must file and pay premiums separately for the plan of each individual employer.

If separate plans are maintained for different groups of employees, regardless of whether each has the same

sponsor or the sponsors are part of the same controlled group, then the plan administrator(s) must file and pay premiums separately for each plan.

#### c. When Filing Obligation Ceases

You must continue to make premium filings and pay premiums through and including the plan year in which any of the following occurs:

i. Plan assets are distributed in satisfaction of all benefit liabilities pursuant to the plan's termination. (For rules on exemption from the variable-rate premium for terminating plans that have not yet distributed assets, see Part C, item 12(d), p. 22.)

ii. A trustee is appointed for the plan under ERISA section 4042.

iii. The plan disappears by transferring all its assets and liabilities to one or more other plans in a merger or consolidation.

iv. The plan ceases to be a covered plan under section 4021 of ERISA. If this happens, notify us promptly to let us know that we should not expect further premium filings for your plan.

If a plan terminates and a new plan is established, premiums are due for the terminated plan as described above, and premiums are also due for the new plan from the first day of its first plan year (see B.2.b., p. 8).

**Example 1** A calendar year plan terminates in a standard termination with a termination date of September 30, 2005. On April 7, 2006, assets are distributed in satisfaction of all benefit liabilities. Since the terminating plan is undergoing a standard termination, no trusteeship is involved. The plan administrator must file and make the premium payments due for the 2005 and 2006 plan years. (The 2006 premium may be prorated. See B.5., p. 13.)

**Example 2** A plan with a plan year beginning July 1 and ending June 30 terminates in a distress termination with a termination date of April 28, 2006. On July 7, 2006, a trustee is appointed to administer the plan under ERISA section 4042. Premium filings and payments must be made for this plan for both the 2005 and 2006 plan years, because a trustee was not appointed until after the beginning of the 2006 plan year. (The 2006 premium may be prorated. See B.5., p. 13.)

## 2. When to File

**NOTE:** For disaster relief, see the instructions for the disaster relief check boxes on Form 1-EZ (p. 19) and Form 1 (p. 27).

### a. Filing Dates For Most Plans

There are two Filing Due Dates — the First Filing Due Date and the Final Filing Due Date.

For most plans:

i. The “**First Filing Due Date**” is the last day of the 2nd full calendar month following the close of the preceding plan year (*e.g.*, the last day of February for calendar-year plans), and

ii. The “**Final Filing Due Date**” is the 15th day of the 10th full calendar month following the end of the plan year preceding the premium payment year (*e.g.*, October 15 for calendar-year plans).

There are special due date rules for plans filing for the first time (see B.2.b., p. 8) and plans changing plan years (see B.2.c., p. 9).

The First Filing Due Date applies only to the flat-rate premium filings for certain large plans. Whether you need to make a flat-rate premium filing and payment by the First Filing Due Date depends on the number of plan participants for whom you were required to pay premiums for the plan year preceding the premium payment year (*i.e.*, for 2006 premiums, the 2005 participant count).

Plans that were required to pay premiums for 500 or more participants for the preceding plan year must pay the flat-rate premium (or an estimate) with required information by the First Filing Due Date. If an estimated filing is made, or if the plan’s total premium is not paid in full, the plan must make a final (reconciliation) filing with any required payment by the Final Filing Due Date. Only the flat-rate premium is due by the First Filing Due Date; the variable-rate premium for single-employer plans is due by the Final Filing Due Date. For large multiemployer plans (which pay only the flat-rate premium), the entire premium is due by the First Filing Due Date.

**Example** A new calendar-year plan was adopted and effective on January 1, 2005, and had 650 participants on that date. Since the plan was not required to pay premiums for 2004 (because it was not in existence then), it was not required to pay its 2005 flat-rate premium by the First Filing Due Date in 2005 (February 28, 2005). It was required to pay its 2005 flat-rate and variable-rate premiums by the 2005 Final Filing Due Date (October 17, 2005). As a new plan, its 2005 premium snapshot date was January 1, 2005 (the first day of the plan year). The 2005 flat-rate premium was based on a participant count of 650 as of January 1, 2005.

The number of participants decreases during 2005, and the participant count on December 31, 2005, is 450. For 2006, the participant count (450) is determined as of December 31, 2005, the plan’s 2006 premium snapshot date. The plan must pay a flat-rate premium for 450 participants by the First Filing Due Date (February 28, 2006) because it was required to pay premiums for 650 participants for the preceding year (2005), determined as of January 1, 2005, its 2005 premium snapshot date.

A plan required to pay premiums for fewer than 500 participants for the preceding year is required to make its premium filing and pay the entire premium due by the Final Filing Due Date.

The following table shows the Filing Due Dates for most plans for the 2006 premium payment year.

<b>2006 Filing Due Dates</b>		
Premium Payment <u>Year Begins</u>	<u>First Filing Due Date</u>	<u>Final Filing Due Date</u>
01/01/2006	02/28/2006	10/16/2006*
01/02 - 02/01/2006	03/31/2006	11/15/2006
02/02 - 03/01/2006	05/01/2006*	12/15/2006
03/02 - 04/01/2006	05/31/2006	01/16/2007*
04/02 - 05/01/2006	06/30/2006	02/15/2007
05/02 - 06/01/2006	07/31/2006	03/15/2007
06/02 - 07/01/2006	08/31/2006	04/16/2007*
07/02 - 08/01/2006	10/02/2006*	05/15/2007
08/02 - 09/01/2006	10/31/2006	06/15/2007
09/02 - 10/01/2006	11/30/2006	07/16/2007*
10/02 - 11/01/2006	01/02/2007*	08/15/2007
11/02 - 12/01/2006	01/31/2007	09/17/2007*
12/02 - 12/31/2006	02/28/2007	10/15/2007

\* **NOTE:** If your filing is not made by this date, penalty and interest will be calculated from the last day of the month (for large plans’ flat-rate premium payments) or the 15th of the month (for other premium payments) rather than the following business day — *e.g.*, from Sunday 10/15/2006 rather than Monday 10/16/2006, or from Sunday 4/30/2006 rather than Monday 5/1/2006.

### b. Plans Filing For The First Time

New and newly covered plans do not pay an estimated premium by a First Filing Due Date.

For a plan filing for the first time, the “**Final Filing Due Date**” is the latest of the following dates:

(i) The 15th day of the 10th full calendar month that begins on or after the first day of the premium payment year,

(ii) The 15th day of the 10th full calendar month that begins on or after the day on which the plan became effective for benefit accruals for future service,

(iii) 90 days after the date of the plan's adoption, or  
(iv) 90 days after the date on which the plan became covered under ERISA section 4021.

If the adoption date of a newly created plan covered under section 4021 of ERISA is after its effective date (*i.e.*, the plan is adopted retroactively), the first day of the premium payment year that you use for purposes of paragraph (i) above must also be used as the premium snapshot date.

The following examples show how the definition of the Final Filing Due Date works for plans filing for the first time.

**Example 1** A new plan has a calendar plan year. The plan was adopted October 1, 2005, and became effective for benefit accruals January 1, 2006. The Final Filing Due Date for the 2006 plan year is October 16, 2006.

**Example 2** A new plan is adopted on December 1, 2006, and has a July 1 - June 30 plan year. The plan became effective for benefit accruals for future service on December 1, 2006. The Final Filing Due Date for the plan's first year, December 1, 2006, through June 30, 2007, is September 17, 2007. (The 2006 premium may be prorated. See B.5., p. 13.)

**Example 3** A newly created plan covered under section 4021 of ERISA has a calendar plan year. The plan was adopted on August 16, 2006, with a retroactive effective date of January 1, 2006. If the plan administrator elects to use January 1, 2006, as the premium snapshot date, the Final Filing Due Date for the 2006 plan year is November 14, 2006 (90 days after the date of the plan's adoption). If the plan administrator elects to use August 16, 2006, as the premium snapshot date, the Final Filing Due Date for the 2006 plan year is June 15, 2007 (the 15th day of the tenth full calendar month that begins on or after August 16, 2006, the first day of the premium payment year). (If August 16, 2006, is used as the first day of the premium payment year, the premium for the short plan year may be prorated. See B.5., p. 13.)

**Example 4** A professional service employer maintains a plan with a calendar plan year. If this type of plan has never had more than 25 active participants since September 2, 1974, it is not a covered plan under ERISA section 4021. On October 18, 2006, the plan, which always had 25 or fewer active participants, has 26 active participants. It is now a covered plan and will continue to be a covered plan regardless of how many active participants the plan has in the future. The Final Filing Due Date for the 2006 plan year is January 16, 2007, 90 days after the date on which the plan became covered.

(The premium for the short plan year may be prorated. See B.5., p. 13.)

### c. Plans Changing Plan Years

For a plan that changes its plan year, the Filing Due Dates for the short year are unaffected by the change in plan year. For the first plan year under the new plan year cycle:

(i) The "**First Filing Due Date**" is the later of the last day of the 2nd full calendar month following the close of the preceding plan year, or 30 days following the date on which a plan amendment changing the plan year was adopted, and

(ii) The "**Final Filing Due Date**" is the later of the 15th day of the 10th full calendar month following the end of the plan year preceding the premium payment year, or 30 days after the date on which a plan amendment was adopted changing the plan year.

The following examples show how the definition of the Final Filing Due Date works for plans changing plan years.

**Example 1** By plan amendment adopted on December 1, 2005, a plan changes from a plan year beginning January 1 to a plan year beginning June 1. This results in a short plan year beginning January 1, 2006, and ending May 31, 2006. The plan always has fewer than 500 participants. The Final Filing Due Date for the short plan year is October 16, 2006. The Final Filing Due Date for the new plan year beginning on June 1, 2006, is March 15, 2007. (The premium for the short plan year may be prorated. See B.5, p. 13.)

**Example 2** By plan amendment adopted on January 3, 2007, and made retroactively effective to April 1, 2006, a plan changes from a plan year beginning on March 1 to a plan year beginning on April 1. The plan always has fewer than 500 participants. The Final Filing Due Date for the short plan year that began on March 1, 2006, is December 15, 2006. The Final Filing Due Date for the new plan year, which began April 1, 2006, is February 2, 2007, 30 days after the adoption of the plan amendment changing the plan year. (The premium for the short plan year may be prorated. See B.5, p. 13.)

**Example 3** By plan amendment adopted on July 5, 2006, and made retroactively effective to May 1, 2006, a plan changes from a plan year beginning February 1 to a plan year beginning May 1. The plan always has 500 or more participants. The First Filing Due Date for the short plan year is March 31, 2006, and the Final Filing Due Date is November 15, 2006. The First Filing Due Date for the new plan year, which began May 1, 2006, is August 4,



2006, which is the later of the end of the second full calendar month after the close of the short plan year or 30 days after adoption of the plan amendment. The Final Filing Due Date is February 15, 2007. (The premium for the short plan year may be prorated. See B.5, p. 13.)

**d. Saturday, Sunday, And Federal Holiday**

i. Filing Due Dates. In computing any period of time described in the premium regulations and these instructions, the day of the event or default from which the period of time begins to run is not counted. The last day of the period is counted, unless it falls on a Saturday, Sunday or Federal holiday, in which case the period runs until the end of the next day which is not a Saturday, Sunday, or Federal holiday.

**Example** Plans with plan years beginning on July 1, 2006, normally would have a Final Filing Due Date of April 15, 2007. Because that day is a Sunday, the due date is Monday, April 16, 2007.

ii. Interest and Penalty Charges. When computing late payment interest and penalty charges, Saturdays, Sundays, and Federal holidays are included.

**e. Filing Method and Filing Date**

The PBGC expects to publish in early 2006 a final rule making electronic filing mandatory for 2006 premium filings made on or after July 1, 2006, for large plans (plans that were required to pay premiums for 500 or more participants for the plan year preceding the premium payment year). (Payment may be made separately by paper check if desired.) PBGC may grant an exemption from the requirement to make a premium filing electronically for good cause in appropriate circumstances. See B.3.g., below.

If your plan is not subject to the electronic filing requirement (or if you have an exemption from the electronic filing requirement for this filing), you may make your premium filing and payment (if by check, with your premium form) by hand, mail, or commercial delivery service; electronic filing is optional. You can find detailed rules on filing methods and on how we determine your filing date (for electronic filings as well as for other filings) in Part 4000 of our regulations (available on the PBGC's Web site, [www.pbgc.gov](http://www.pbgc.gov)).

The discussion below describes the rules for filings other than electronic filings. See Part B.4.b.ii., p. 13 of these instructions for information on electronic funds transfers. See p. 45 for information about how to file electronically using My PAA, our electronic premium filing method.

Under our filing rules, your filing date is the date you send your filing, provided you meet certain requirements that are summarized below. If you do not meet these requirements, your filing date is the date we receive your submission. However, if we receive your submission after 5:00 p.m. (our time) on a business day, or anytime on a weekend or Federal holiday, we treat it as received on the next business day. (If you file your submission by hand, your filing date is the date of receipt of your hand-delivered submission at the proper address.)

Filings by mail. If you file your submission using the U.S. Postal Service, your filing date is the date you mail your submission by the last collection of the day, provided the submission: (1) meets the applicable postal requirements; (2) is properly addressed; and (3) is sent by First-Class Mail (or another class that is at least equivalent). (If you mail the submission after the last collection of the day, or if there is no scheduled collection that day, your filing date is the date of the next scheduled collection.) If you meet these requirements, we make the following presumptions:

*Legible postmark date.* If your submission has a legible U.S. Postal Service postmark, we presume that the postmark date is the filing date.

*Legible private meter date.* If your submission has a legible postmark made by a private postage meter (but no legible U.S. Postal Service postmark) and arrives at the proper address by the time reasonably expected, we presume that the metered postmark date is your filing date.

Filings using a commercial delivery service. If you file your submission using a commercial delivery service, your filing date is the date you deposit your submission by the last scheduled collection of the day for the type of delivery you use (such as two-day delivery or overnight delivery) with the commercial delivery service, provided that the submission meets the applicable requirements of the commercial delivery service and is properly addressed, and the delivery service meets one of the requirements listed below. If you deposit it later than that last scheduled collection of the day, or if there is no scheduled collection that day, your filing date is the date of the next scheduled collection. The delivery service must meet one of the following requirements:

*Delivery within two days.* It must be reasonable to expect your submission will arrive at the proper address by 5:00 p.m. on the second business day after the next scheduled collection; or

*Designated delivery service.* You must use a "designated delivery service" under section 7502(f) of the Internal Revenue Code (Title 26, USC). Our Web site, [www.pbgc.gov](http://www.pbgc.gov), lists those designated delivery services. You should make sure that both the provider and the particular type of delivery (such as two-day delivery) are

designated.

**f. Relationship Between Final Premium Filing And Annual Report (Form 5500 Series)**

i. Due Dates. For most plans, the deadline for the final premium filing and the annual report (Form 5500 series) will coincide. This occurs when a corporate plan sponsor applies for the 2½-month extension for filing its annual report (Form 5500). Note: An extension of time to file the annual report (Form 5500 series) beyond the final premium filing deadline does not extend the Filing Due Dates for PBGC premiums.

**Example** A plan whose plan year begins February 1 has a Final Filing Due Date of November 15. The corporate plan sponsor applies for the 2½-month extension for filing the annual report (Form 5500). This would make the due date for the annual report (Form 5500 series) (which is

normally August 31 for a plan whose plan year begins February 1) also November 15.

ii. Plan Years Covered By Filings. Although the filing deadlines for premiums and for the annual report (Form 5500 series) typically coincide, and the participant counts for premium purposes and for item 7 of the Form 5500 series are generally determined as of the same date (*i.e.*, the last day of the plan year preceding the year of the filing), there is a critical difference between the two filings. The premium filing is for the current plan year, and the annual report (Form 5500 series) is for the previous plan year. (For example, if the plan sponsor of a plan whose plan year begins February 1 applies for the 2½-month extension for filing the annual report (Form 5500), the 2006 final premium filing and 2005 annual report (Form 5500) must be filed by November 15, 2006.)

**3. What to File**

**a. General**

The PBGC expects to publish in early 2006 a final rule making electronic filing mandatory for 2006 premium filings made on or after July 1, 2006, for large plans (plans that were required to pay premiums for 500 or more participants for the plan year preceding the premium payment year). See Part G. (Payment may be made separately by paper check if desired.) PBGC may grant an exemption from the requirement to make a premium filing electronically for good cause in appropriate circumstances. See B.3.g., below.

If your plan is not subject to the electronic filing requirement (or if you have an exemption from the electronic filing requirement for this filing), and you choose to make a paper filing, you must make your final premium filing by the Final Filing Due Date using the following form(s):

Type of plan	Form(s) to use
Multiemployer plan	Form 1 alone
Single-employer plan that claims an exemption from the variable rate premium	Form 1-EZ alone
Single-employer plan that does not claim an exemption from the variable-rate premium (even if the variable-rate premium is zero)	Form 1 with Schedule A

(The flat-rate premium for a plan that was required to pay premiums for 500 or more participants for the plan

year preceding the premium payment year must be paid by the First Filing Due Date. These filings may be made on an estimated basis. If you know all the information needed to make a final filing before the First Filing Due Date, you may make a final filing instead of an estimated filing. If you make an estimated filing, you will still be required to make a final filing by the Final Filing Due Date.)

**b. Cover letters**

Paper premium forms should be sent **without** a cover letter. If you need to submit additional information with your filing, it should be in an attachment (and you should check the attachment box in item 19 of Form 1-EZ or item 18 of Form 1).

**c. Exemption From Variable-Rate Premium**

A single-employer plan may claim an exemption from the variable-rate premium only if it meets the requirements for one of the exemptions described in the instructions for item 12 of Form 1-EZ in Part C. Having a variable-rate premium of zero is not the same as being exempt from the variable-rate premium. To be exempt, the plan must meet the requirements for one of the exemptions. Briefly, the exemptions in item 12 of Form 1-EZ are for:

- i. Plans with no vested participants;
- ii. Section 412(i) plans;
- iii. Fully funded small plans;
- iv. Plans terminating in standard terminations; and
- v. Plans at the full funding limit.

For a more complete description, see the instructions for item 12 of Form 1-EZ in Part C, p. 22.

**d. Plans With A Variable-Rate Premium Of Zero That Also Qualify For An Exemption**

If your plan has a variable-rate premium of zero and also qualifies for an exemption from the variable-rate premium, you may either file Form 1-EZ (claiming the exemption) or file Form 1 and Schedule A (reporting a variable-rate premium of zero). In general, it will be easier to file Form 1-EZ.

(For example, a new plan that has no benefit liabilities on the premium snapshot date will have no unfunded vested benefits and thus will also qualify for the exemption for plans with no vested participants and, if it is a small plan, for the exemption for fully funded small plans.)

**e. Where To Obtain Forms**

Forms are included in the 2006 Premium Payment Package. You may also use forms downloaded from the PBGC Web site ([www.pbgc.gov](http://www.pbgc.gov)) or computer-generated paper forms provided by a vendor that has received PBGC approval for automated (computer-generated) versions of the forms. In addition, for premium payment years beginning after 2001, we will accept photocopies of the forms. The forms you file must have original signatures.

It is your responsibility as plan administrator to obtain the necessary forms and submit filings on time. (You should ensure that you maintain an updated address with the PBGC so that we can mail premium instructions to you. See Part C, item 2, p. 19, or Part D, item 2, p. 27, and B.6.e., p. 16.)

i. 2006 Premium Payment Package. We will mail a 2006 Premium Payment Package containing Form 1-EZ, Form 1, and Schedule A, and, as appropriate, a 2006 Estimated Premium Payment Package, to the plan administrator of each ongoing plan for which a 2005 final premium filing was made, unless you have indicated that you do not want paper forms and instructions sent to you. We mail these packages to the plan administrator's address shown in the 2005 final premium filing. Our target dates for mailing premium instructions are seven months before the expected Final Filing Due Date for final premium instructions and two months before the expected First Filing Due Date for estimated premium instructions.

If you are a plan administrator and you do not receive final premium instructions and/or instructions for estimated premiums, or if you need extra copies, contact us as described in item 4. under "CONTACTS" on p. ii.

You may also obtain extra copies of the 2006 Premium Payment Package and/or Estimated Premium Payment Package and forms from the Employee Benefits Security Administration of the U.S. Department of Labor (see addresses at the end of this Premium Payment

Package).

If you are a pension practitioner serving many covered plans, you may wish to receive a bulk shipment of the 2006 Premium Payment Package and/or Estimated Premium Payment Package and forms. If so, complete the order blank at the end of this Premium Payment Package. Check the applicable box on the order blank.

ii. Computer-Generated Forms. There are some companies that will provide software that generates PBGC-approved forms. These forms have been given a 6-digit approval number that appears on each form. These forms are acceptable for submission. In addition, you may download premium forms from the PBGC Web site ([www.pbgc.gov](http://www.pbgc.gov)).

To achieve the best results when printing computer-generated or downloaded forms, use a laser or inkjet printer with resolution of 300 DPI (dots per inch) or higher. Please make sure that you have adequate toner in your printer cartridge. Thermal or dot matrix (9 or 24 pin) printers are not recommended for printing the premium forms. Do not use any printing options, such as "Fit to Page," that may tend to enlarge or reduce the size of the image. Please make sure no part of the form is missing after it is printed. Please also make sure the forms print with the proper number of pages: the Form 1-EZ, Form 1, and Schedule A require two pages each.

Any vendor requesting approval of automated forms may send a sample to the address in item 10. under "CONTACTS" on p. ii. Include 3 original forms produced by your software and a brief note requesting PBGC review of the forms.

iii. Forms For Prior Years. If you are filing for a previous year, you must use the proper year's form(s). To obtain the form(s), you may use the Premium Payment Package Order Form at the end of this package or contact us as described in item 4. under "CONTACTS" on p. ii.

**f. How to Fill Out Forms**

The premium forms are in Optical Character Recognition (OCR) format. This enables PBGC to process your plan information quickly and accurately. The OCR process requires that you print data clearly within the boxes provided on the forms.

**g. Exemption From the E-Filing Requirement**

If you are subject to the requirement to file electronically, the PBGC may grant an exemption from the electronic filing requirement for good cause in appropriate circumstances. The PBGC will weigh each request for exemption on the basis of the particular facts and

circumstances presented. In order to provide the PBGC adequate time to review and respond to an exemption request, the request should be submitted as early as possible, preferably at least 60 days before the filing due date. If for some reason an exemption request is not submitted before the filing due date and a paper filing is made, an exemption request should accompany the paper filing.

If the PBGC has granted you an exemption from electronic filing for the 2006 final premium declaration, you may make your filing using the paper form(s) included with this booklet. Check the box in item 3(d) of Form 1 or Form 1-EZ to indicate that you have an exemption.

If you do not have an exemption but you choose to make a paper filing in anticipation of an exemption, you may make your estimated filing using the paper form(s)

included with this booklet, but you must check the box in item 3(d) of Form 1 or Form 1-EZ to indicate that you do not have an exemption, and you must provide an explanation. Either indicate when you submitted the exemption request to which the PBGC has not yet responded, or attach your exemption request. If you do not receive the anticipated exemption, your paper filing will not satisfy the electronic filing requirement.

Failure to comply with the electronic filing requirement without an exemption is subject to penalty under section 4071 of ERISA.

Addresses for exemption requests (and for questions regarding exemption requests) are in item 4. under "CONTACTS" on page ii.

Addresses for paper filings and related premium payments are in item 3. under "CONTACTS" on page ii.

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#### 4. Where to File

##### a. Where to File Paper Forms.

i. *Mail Service.* Mail your paper premium form(s) with your premium payment (if you pay by check) to:

Pension Benefit Guaranty Corporation  
Dept. 77430  
P.O. Box 77000  
Detroit, MI 48277-0430

Do not use this address for any purpose except to mail your premium form(s) and your premium payment check(s).

ii. *Delivery Service.* Alternatively, if you use a delivery service that does not deliver to a P.O. Box, your paper premium form(s), along with your premium payment (if you pay by check), may be hand-delivered to:

Pension Benefit Guaranty Corporation  
JPMorgan Chase Bank, N.A.  
9000 Haggerty Road  
Dept. 77430  
Mail Code MI1-8244  
Belleville, MI 48111

##### b. Where to Send Payments.

i. *Checks.* If you pay by check, write the EIN/PN (from item 3(a) and (b) of Form 1-EZ or Form 1) and the

date the premium payment year commenced (PYC) on the check and send the check with your premium form(s) to the applicable address above.

ii. *Electronic funds transfers.* If you pay by electronic funds transfer, make the transfer to:

JPMorgan Chase Bank, N.A.

ABA: 071000013

Account: 656510666

Beneficiary: PBGC

Reference: "EIN/PN: XX-XXXXXXX/XXX  
PYC: MM/DD/YY"

Report the EIN/PN from item 3(a) and (b) of Form 1-EZ or Form 1 and the date the premium payment year commenced (PYC) in the payment ID line of the electronic funds transfer in the format "EIN/PN: XX-XXXXXXX/XXX PYC: MM/DD/YY." Since we process these payments electronically, strict adherence to this format is required for accurate and timely application of your payment. Any deviation from the prescribed format may result in our sending you a bill for premium, interest, and penalty if our automated system cannot apply your payment.

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#### 5. Prorating Your Premium

a. *General.* You are allowed to pay a prorated premium for certain short plan years:

- a short first year of a new or newly covered plan;
- a short year created by an amendment that changes the plan year (but note that an amendment is not

considered to change the plan year if the plan merges into or consolidates with another plan or otherwise ceases its independent existence either during the short plan year or at the beginning of the full plan year following the short plan year);

- a short year created by distribution of plan assets pursuant to plan termination; or

● a short year created by the appointment of a trustee for a single-employer plan under ERISA section 4042.

The proration is based on the number of full and partial months in the short plan year. Alternatively, you may pay a full year's premium and either (1) request that the PBGC compute and pay a partial refund or (2) claim a credit in the next year's premium filing. (No premium proration is allowed where a plan disappears by merger or consolidation into another plan.) The short year need not have ended by the time you pay a prorated premium, but if the plan year turns out to be longer than you anticipated, you will have to make up any premium underpayment (which will be subject to interest and penalties).

b. How to prorate the premium yourself. To pay a prorated premium, you first determine the premium without proration, then subtract a credit that brings the premium down to the prorated amount:

(1) The premium amount you enter in item 14 of Form 1-EZ or Form 1 must be calculated as if there were no short-year proration. If you are using Form 1, refer to the amount in item 14(a) if your plan is a multiemployer plan or to item 14(d) if your plan is a single-employer plan.

(2) To determine the proration credit for the short plan year, multiply the premium in item 14 of Form 1-EZ or Form 1 by the following fraction:

$$\frac{12 \text{ minus number of months in short year}}{12}$$

In determining the numerator of the fraction, any partial month in the short plan year must be counted as a full month. See Note — Counting Months for Proration, below. If the adoption date of a newly created plan covered under section 4021 of ERISA is after its effective date (*i.e.*, the plan is adopted retroactively), the premium snapshot date you use (*i.e.*, either the adoption date or the effective date) must be used as the first day of the premium payment year for purposes of determining the number of months in the plan's first year.

(3) Enter the result from step (2) (plus any other available credits) in item 15(b) of Form 1-EZ or Form 1.

(4) Subtracting item 15(c) of Form 1-EZ or Form 1 (which includes the amount in item 15(b)) from item 14 of Form 1-EZ or Form 1 will have the effect of prorating the amount in item 14.

For example, suppose your plan year has been changed by amendment from a calendar year to a year beginning July 15, effective July 15, 2006. Assume that your premium for the plan year beginning January 1, 2006, calculated as if there were no short-year proration, would be \$11,400. This is the amount you would enter in item

14 of Form 1-EZ or Form 1 for the plan year beginning January 1, 2006. If you choose to prorate your premium for that year, you would determine your short-year credit by multiplying \$11,400 by 5/12. (The number of full and partial months in your short year — *i.e.*, January through July of 2006 — is 7, so the numerator of the fraction is 5 — *i.e.*, 12 minus 7.) This gives you a short-year credit of \$4,750 (for the five months of August through December of 2006), which you would enter in item 15(b) of Form 1-EZ or Form 1 for the plan year beginning January 1, 2006. Assuming you have no other credits, you would pay \$6,650 (*i.e.*, \$11,400 minus \$4,750) with the Form 1-EZ or Form 1.

Note — Counting Months for Proration

Each “plan month” (*i.e.*, each month in the plan year) generally begins on the same day of each successive calendar month. For example, if the plan year begins on July 1, the first day of each successive calendar month is the beginning of a new plan month; similarly, if the plan year begins on January 15, the second plan month begins on February 15, the third plan month on March 15, etc. Thus, if a short final year begins on January 1 and ends on June 1, there would be 6 (full or partial) months in the short year. (The last (partial) month, beginning (and ending) on June 1, would count as a full month for purposes of prorating the premium.) Similarly, if a short first year begins on July 31 and ends on December 31, there would also be six (full or partial) months in the short year.

There are two special rules when a plan year begins at or near the end of a calendar month:

● If the plan year begins on the last day of a calendar month, successive plan months begin on the last day of successive calendar months. For example, if the plan year begins on November 30, successive plan months begin on December 31, January 31, the last day of February (the 28th or 29th), March 31, etc.

● If the plan year begins on the 29th or 30th of a calendar month other than February, the plan month beginning in February begins on the last day of February. For example, if the plan year begins on November 29, successive plan months begin on December 29, January 29, the last day of February (the 28th or 29th), March 29, etc. If the plan year begins on December 30, successive plan months begin on January 30, the last day of February (the 28th or 29th), March 30, April 30, etc.

c. How to request a partial refund. To request a partial refund, write promptly, under separate cover, to the address in item 4.a. or 4.b. under “CONTACTS” on p. ii. Enclose a copy of the Form 1-EZ or Form 1 that you filed. We will calculate the amount of your refund. If you want

your refund paid by electronic funds transfer, you must include the bank routing number and account number (and any sub-account number) with your request and indicate whether the account is a checking account or savings account.

d. For proration purposes, the short first year of a new plan is treated as beginning on the premium snapshot date, and the short first year of a newly covered plan is treated as beginning on the date when the plan becomes covered under section 4021 of ERISA.

e. For proration purposes, a terminating plan's final (short) plan year is treated as ending on —

i. for a multiemployer plan that distributed all its assets pursuant to section 4041A of ERISA, the date the distribution is completed; or

ii. for a single-employer plan, the earlier of the dates described in (1) and (2) below:

(1) the date on which the distribution of the plan's assets in satisfaction of all benefit liabilities was completed; or

(2) the date that a trustee for the terminating plan was appointed under ERISA section 4042.

f. Examples. The following examples illustrate the proration of premiums.

**Example 1** A new plan is adopted on December 1, 2006, and has a July 1 - June 30 plan year. The plan became effective for benefit accruals for future service on December 1, 2006. The plan administrator may prorate the 2006 flat-rate premium and pay for only seven months (December 2006 - June 2007). Alternatively, the plan administrator may pay a full year's premium and either (1) claim a credit on the next year's premium filing or (2) request a refund for the period of July - November 2006.

**Example 2** By plan amendment adopted on December 1, 2005, a plan changes from a plan year beginning January 1 to a plan year beginning June 1. This results in a short plan year beginning January 1, 2006, and ending May 31, 2006. The plan administrator may prorate the premium for the short plan year and pay for only five months (January - May 2006). Alternatively, the plan administrator may pay a full year's premium and either (1) claim a credit on the next year's premium filing or (2) request a refund for the period of June - December 2006.

**Example 3** On October 15, 2006, the plan administrator of a calendar year plan pays the plan's premium for the

plan year beginning January 1, 2006. The plan administrator expects a plan amendment to be adopted in November 2006, and made retroactively effective to February 1, 2006, changing from a plan year beginning on January 1 to a plan year beginning on February 1. In determining the premium for the plan year beginning January 1, 2006, the plan administrator may anticipate the adoption of the amendment and prorate the premium for the short plan year, paying for only one month (January 2006). (If the amendment is not adopted, an amended filing would have to be made, and the additional amount of premium owed would be subject to interest and penalty.) Alternatively, the plan administrator may pay a full year's premium and either (1) claim a credit on the next year's premium filing or (2) request a refund for the period of February - December 2006.

**Example 4** By plan amendment adopted on June 5, 2006, and made retroactively effective to April 1, 2006, a plan changes from a plan year beginning January 1 to a plan year beginning April 1. The plan has a short year beginning January 1, 2006, and ending March 31, 2006. The plan administrator may prorate the premium for the short plan year and pay for only three months (January - March 2006). Alternatively, the plan administrator may pay a full year's premium and either (1) claim a credit on the next year's premium filing or (2) request a refund for the period of April - December 2006.

**Example 5** A calendar year plan terminates in a standard termination with a termination date of September 30, 2005. On April 7, 2006, assets are distributed in satisfaction of all benefit liabilities. The plan has a short plan year ending April 7, 2006. The plan administrator may prorate the 2006 premium and pay for only four months of 2006. Alternatively, the plan administrator may pay a full year's premium and request a refund for the period of May - December 2006.

**Example 6** A plan with a plan year beginning July 1 and ending June 30 terminates in a distress termination with a termination date of April 28, 2006. On July 7, 2006, a trustee is appointed to administer the plan under ERISA section 4042. The plan has a short plan year beginning July 1, 2006, and ending July 7, 2006. The 2006 premium may be prorated by taking a credit for 11/12 of the 2006 plan year (for the period of August 2006 - June 2007). Alternatively, a full year's premium may be paid and a refund requested for the period of August 2006 - June 2007.

## 6. How to Correct a Filing

### a. Making Payment Without Filing Form

If you sent in your payment without filing the Form 1-EZ or Form 1 as applicable, send the correct form to the address in item 3.a. or 3.b. under “CONTACTS” on p. ii.

### b. Filing Form Without Making Required Payment

If you sent us Form 1-EZ or Form 1 without making a required payment, you should send the payment as soon as possible to minimize late payment charges. If you make your payment by check, enclose your check with a copy of the original form and send them to the address in item 3.a. or 3.b. under “CONTACTS” on p. ii. If you make your payment by electronic funds transfer, make the transfer as described in item 3.d. under “CONTACTS” on p. ii.

Report the EIN/PN from item 3(a) and (b) of Form 1-EZ or Form 1 and the date the premium payment year commenced (PYC), in the payment ID line of the electronic funds transfer in the format “EIN/PN: XX-XXXXXXX/XXX PYC: MM/DD/YY.”

### c. Amended Filing — Premium Underpayment

If you discover after you have filed the 2006 Form 1-EZ or Form 1 that you have made an error in your participant count or in the calculation of the variable-rate premium due, you must use a 2006 form to correct your filing. (Underpayment in an earlier year must be corrected using the form(s) for that specific year. See B.3.e.iii., p. 12, for information on obtaining an earlier year’s form(s).) Check the box in the heading of the Form 1-EZ or Form 1 to indicate that this is an amended filing. Fill in the Form 1-EZ or Form 1 and Schedule A as you would for your annual filing. Enter the corrected total premium in item 14 of Form 1-EZ or in item 14(a) or 14(d) of Form 1 (as appropriate). In item 15(b) of Form 1-EZ or Form 1, enter the sum of the credits you previously claimed in that item plus the amount you paid with your original filing. The amount due with the amended filing should appear in item 16 of Form 1-EZ or Form 1. This should equal the difference between the new total premium due and the new total credits. Submit your amended Form 1-EZ or Form 1 (with Schedule A for single-employer plans, even

if no Schedule A data have changed) with your payment as described in item 3. under “CONTACTS” on p. ii.

### d. Amended Filing — Premium Overpayment

If you discover after you have filed the 2006 Form 1-EZ or Form 1 that you overpaid your premium, follow the instructions in B.6.c. above, except that the difference between the new total premium and the new total credits should be entered in item 17 of Form 1-EZ or Form 1. Also, you must check the box in item 17 if you want this amount refunded.

Send your amended Form 1-EZ or Form 1 (with Schedule A for single-employer plans, even if no Schedule A data have changed) promptly to the address in item 3. under “CONTACTS” on p. ii. If you want your refund paid by electronic funds transfer, you must provide the necessary information in item 17.

**Note:** If the overpayment shown on an amended filing (for any year) exceeds \$500, attach a statement explaining the specific circumstances or events that caused the overpayment and made the amended filing necessary. (For example, if your original filing’s participant count included employees at a division that is not covered by the plan, the statement would explain why the employees were erroneously counted as participants and how the error was discovered.) Check the box in item 19 on Form 1-EZ or item 18 on Form 1 to indicate that the statement is attached.

### e. How To Correct An Address

See items 1 and 2 of Part C (p. 19) or Part D (p. 27) if you need to correct your address or the plan sponsor’s address and are doing so at the same time you are making your premium filing.

However, to keep our records current and to ensure that your forms will be mailed to the correct address, you should provide us with your current address as soon as a change has occurred. You may do so by contacting us either in writing or by phone as described in item 4. under “CONTACTS” on p. ii.

## 7. Underpayments And Overpayments

### a. Underpayments

If you file a premium payment after the Filing Due Date, we will bill the plan for the appropriate Late Payment Charges. The charges include both interest and penalty charges. The charges are based on the outstanding

premium amount due on the Filing Due Date. (PBGC also may assess penalties under section 4071 of ERISA for failure to provide premium-related information (see B.8., p. 18).)

#### i. Interest Charges

The Late Payment Interest Charge is set by ERISA, and we cannot waive it. Interest accrues at the rate

imposed under section 6601(a) of the Code (the rate for late payment of taxes) and is compounded daily. The rate is established periodically (currently on a quarterly basis), and the PBGC publishes the interest rates on or about the 15th of January, April, July, and October in the Federal Register. The rates are also posted on the PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)).

Late Payment Interest Charges will be assessed for any premium amount not paid when due, whether because of an estimated participant count or an erroneous participant count or other mistake in computing the premium owed.

ii. Penalty Charges

The Late Payment Penalty Charge is established by us, subject to ERISA's restriction that the penalty not exceed 100 percent of the unpaid premium amount. Subject to this cap, the penalty is a percentage of the unpaid amount for each month (or portion of a month) it remains unpaid with a minimum penalty of \$25. The monthly rate is higher or lower depending on whether the premium underpayment is "self-corrected." The penalty rate is 1 percent of the late premium payment per month if the late payment is made on or before the date when the PBGC issues a written notification indicating that there is or may be a premium delinquency (*e.g.*, a statement of account (premium invoice), a past-due-filing notice, or a letter initiating an audit). A penalty rate of 5 percent per month applies to payments made after the PBGC notification date.

iii. PBGC Waivers

Before the Filing Due Date, if you can show substantial hardship and that you will be able to pay the premium within 60 days after the Filing Due Date, you may request that we waive the Late Payment Penalty Charge. If we grant your request, we will waive the Late Payment Penalty Charge for up to 60 days.

To request a waiver, write separately to the address in item 4.a. or 4.b. under "CONTACTS" on p. ii.

Waivers of the Late Payment Penalty Charge may also be granted based on any other demonstration of reasonable cause. If you wish to request such a waiver, write to the address in item 4.a. or 4.b. under "CONTACTS" on p. ii after you receive a statement of account (premium invoice) assessing penalties. This address should also be used to submit requests for reconsideration of late payment penalties. Failure to obtain premium forms and instructions from the PBGC is not reasonable cause for a waiver.

iv. Minimizing Late Payment Charges — Final Filing

If you are having difficulty determining your plan's premium before the Final Filing Due Date, you can file your premium forms using an estimate. You can then make an amended filing, reflecting the actual figure (see B.6., p. 16, for procedure). This will minimize the assessment of Late Payment Charges to the plan.

v. Minimizing Late Payment Charges — First Filing

The premium owed for a plan year is based on the number of plan participants as of the premium snapshot date. However, plans may not have an accurate participant count before the First Filing Due Date. For this reason, the PBGC permits plans to compute the amount owed on the basis of an estimated participant count. However, we remind you that for plans required to pay premiums for 500 or more participants for the prior plan year, the total flat-rate premium, in the case of a single-employer plan, or the entire premium, in the case of a multiemployer plan, is due by the First Filing Due Date. If the full amount due is not paid by that date, the plan will be subject to late payment interest charges and may also be subject to late payment penalty charges.

No penalty will be charged (although interest will be charged) if you did not make a flat-rate premium payment by the First Filing Due Date because you erroneously reported fewer than 500 participants for the plan year preceding the premium payment year. In addition, you can avoid a late payment penalty charge (but not the interest) for the flat-rate premium if the premium (based on an estimated participant count) that you pay by the First Filing Due Date equals at least the lesser of:

- (a) 90 percent of the premium amount due on the plan's Final Filing Due Date for the flat-rate premium, or
- (b) an amount equal to the participant count for the year before the premium payment year multiplied by the applicable flat premium rate for the premium payment year. This test will be met if the amount paid is sufficient using either the actual participant count for the plan year preceding the premium payment year or a smaller count that was erroneously reported.

For purposes of determining whether a penalty is due, the participant count "erroneously reported" refers to the premium filing (or last amended filing) for the plan year preceding the premium payment year made to the PBGC by the First Filing Due Date.

See the Estimated Premium Payment Package for more detail.

If you have an accurate participant count by the First Filing Due Date, you should pay the amount owed by that date. If you do so, you will avoid the interest charge and any penalty charge. If you have all the information needed



to make a final filing on or before the First Filing Due Date, you may make a final filing. If you make an estimated filing, you will still be required to make a final filing by the Final Filing Due Date.

**b. Overpayments**

If a premium is overpaid for a plan, you may request that the overpayment be refunded or applied to the next year's premium for the plan.

If you request that an overpayment be applied to the next year's premium, you should claim the amount of the overpayment as a credit on the next year's premium filing for the plan.

A request for a refund must be made within the period specified in the applicable statute of limitations (generally six years after the overpayment was made).

If there are unpaid premiums, interest, or penalties for your plan for prior years, you may request the PBGC to apply all or part of an overpayment toward payment of those unpaid prior year amounts.

If you request payment of a refund by electronic funds transfer, we will make the transfer through the automated clearing house (ACH) system.

Please note that ERISA does not provide for us to pay interest on premium overpayments.

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**8. Recordkeeping Requirements; PBGC Audits**

Plan administrators are required to retain all plan records that are necessary to support or validate PBGC premium payments. The records must include calculations and other data prepared by the plan's actuary or, for a plan described in section 412(i) of the Internal Revenue Code, by the insurer from which the insurance contracts are purchased. The records are to be kept for six years after the premium due date.

Records that must be retained include, but are not limited to, records that establish the number of plan participants and that reconcile the calculation of the plan's unfunded vested benefits with the actuarial valuation upon which the calculation was based. Records retained pursuant to this paragraph must be made available or submitted to the PBGC upon request.

We may audit any premium payment. If we determine upon audit that the full amount of the premium due was not paid, late payment interest charges under §4007.7 of the premium regulations and late payment penalty charges under §4007.8 of the premium regulations

will apply to the unpaid balance from the premium due date to the date of payment. (See B.7.a., p. 16, for more information on penalties and interest for late payment of premiums.) If, in our judgment, the plan's records fail to establish the number of participants with respect to whom premiums were required for any premium payment year, we may rely on data we obtain from other sources (including the Internal Revenue Service and the Department of Labor) for presumptively establishing the number of plan participants for premium computation purposes. Similarly, if, in our judgment, the plan's records fail to establish that the unfunded vested benefits were the amount reported in the premium filing, we may rely on data we obtain from other sources for estimating the amount of unfunded vested benefits for premium computation purposes.

In addition to penalties for late payment of premiums, we may assess a penalty under section 4071 of ERISA for failure to furnish premium-related information by required due dates.

## PART C ITEM-BY-ITEM INSTRUCTIONS FOR FORM 1-EZ

**NOTE:** *This part applies only to single-employer plans that claim an exemption from the variable-rate premium. To claim an exemption, the plan must meet the requirements for one of the exemptions described in the instructions for item 12 of Form 1-EZ in this part. Having a variable-rate premium of zero is not the same as being exempt from the variable-rate premium. (See B.3.a., p. 11, for the forms applicable to other types of filers.) If your plan qualifies for an exemption and also has a variable-rate premium of zero, you may either file Form 1-EZ or file Form 1 with Schedule A. See B.3.d., p. 12.*

**Note For Plans With More Than One Plan Year Beginning in 2005 or 2006:** References in these instructions and on Form 1-EZ to the 2005 plan year (and to filings and notices for the 2005 plan year) should be considered to refer to your plan's most recent complete plan year. For example, a plan with a short plan year could have two plan years beginning in calendar 2006. When such a plan makes its premium filing(s) for its second 2006 plan year, the references in these instructions and on Form 1-EZ to the 2005 plan year (and to filings and notices for the 2005 plan year) should be considered to refer to the plan's first 2006 plan year (and to filings and notices for that plan year), because that is the plan's most recent complete plan year. Similarly, if your plan had two plan years beginning in calendar 2005, the references in these instructions and on Form 1-EZ to the 2005 plan year (and to filings and notices for the 2005 plan year) should be considered to refer to the plan's second 2005 plan year, which is the plan's most recent complete plan year.

### Check for Amended Filing

If you are amending your 2006 premium filing, check this box and complete the form as explained in B.6., p. 16.

### Check for Disaster Relief

From time to time, when major disasters occur, the PBGC grants disaster relief by waiving late filing and payment penalties for certain plans. Disaster relief notices are issued in Disaster Relief Announcements that are available on the PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)). If your plan is covered by a PBGC disaster relief notice for this premium filing, follow the instructions in the disaster relief notice and check this box.

The "Item" numbers below refer to the item or line numbers on the Form 1-EZ.

### Item 1 Name of Plan Sponsor

For a single-employer plan with one contributing sponsor, enter the name and address of the contributing sponsor.

For a single-employer plan with two or more contributing sponsors that are all in a single controlled group, enter the name and address of the parent of the controlled group or, if there is no parent, of the largest member of the controlled group (whether or not the parent or largest member is a contributing sponsor).

For a single-employer plan with two or more contributing sponsors that are not all in a single controlled group, first identify the controlled group, or contributing sponsor that is not in a controlled group, that has the most participants in the plan. If you identify a contributing sponsor that is not in a controlled group, enter the name and address of that contributing sponsor. But if you identify a controlled group, then enter the name and address of the parent of that controlled group or, if there is no parent, of the largest member of that controlled group (whether or not the parent or largest member is a contributing sponsor).

For a multiemployer plan, enter the name and address of the association, committee, joint board of trustees, or other entity that establishes or maintains the plan.

Make sure you report the plan sponsor's name and address correctly, especially if there has been a change in the last year. If the plan sponsor's address or name has changed since your last filing, check the first box in the upper right hand corner of item 1. It is very important that the address shown in item 1 be correct.

If your plan's premium filings are prepared by a consultant, you may not need to receive your own copy of PBGC paper premium instructions. If you do not want to receive paper premium instructions next year, check the second box in the upper right hand corner of item 1. An election not to receive the paper instructions does not relieve the plan administrator of the obligation to file.

### Item 2 Name of Plan Administrator

If the name and address of the plan administrator is the same as that of the plan sponsor, check the second box in the upper right-hand corner of item 2 and skip to item 3. Otherwise, enter the name and address of the plan administrator.

If the plan administrator's address or name has changed since your last filing, check the first box in the upper right hand corner of item 2. It is very important that the plan administrator's name and address be correct, especially if there has been a change in the last year. This is the address we will use to mail your 2007 premium

filing instructions.

### **Item 3 Plan Sponsor's EIN/PN, Electronic filing**

#### **Item 3(a) EIN For The Plan Sponsor**

Enter the EIN for the plan sponsor identified in item 1.

#### **Item 3(b) Plan Number**

Enter the Plan Number (PN) for the plan.

#### **Item 3(c) Does EIN/PN Match Form 5500?**

In general, the EIN and PN entered in item 3(a) and (b) should be the same as the EIN and PN reported on the Form 5500 series for the plan year preceding the premium payment year.

If the EIN and PN entered in item 3(a) and (b) both match exactly the EIN/PN entered on the Form 5500 series for the plan year preceding the premium payment year, check the "Yes" box.

If either the EIN or PN is not exactly the same, check the "No" box, enter the EIN/PN used for the Form 5500 filing, attach an explanation, and check the box in item 19.

If your plan is a new plan that is not required to file the Form 5500 series for the plan year preceding the premium payment year because the plan did not exist, check the box labeled "2005 Form 5500 not required."

#### **Item 3(d) Exemption from electronic filing**

This item is only for plans that are subject to mandatory electronic premium filing. The PBGC expects to publish in early 2006 a final rule making electronic filing mandatory for 2006 premium filings made on or after July 1, 2006, for large plans (plans that were required to pay premiums for 500 or more participants for the plan year preceding the premium payment year). If you are not subject to mandatory e-filing, you should leave this item blank.

If you are subject to mandatory e-filing, you are required to make your 2006 premium filing electronically unless the PBGC has granted the plan an exemption from electronic filing for good cause in appropriate circumstances.

If the PBGC has granted you an exemption from electronic filing for the 2006 final premium declaration, check the box to indicate that you have an exemption.

If you do not have an exemption but you choose to make a paper filing in anticipation of an exemption, check the box to indicate that you do not have an exemption, and provide an explanation. Either indicate when you submitted the exemption request to which the PBGC has

not yet responded, or attach your exemption request.

If you do not receive the anticipated exemption, your paper filing will not satisfy the electronic filing requirement. Failure to comply with the electronic filing requirement without an exemption is subject to penalty under section 4071 of ERISA.

### **Item 4 Change In EIN/PN**

This item should be completed to report a change in EIN or PN since your last premium filing. The EIN of the plan sponsor or the plan's PN may change for a number of reasons.

#### **Item 4(a) Change In EIN**

Enter the previous EIN in the space provided.

#### **Item 4(b) Change In PN**

Enter the previous PN in the space provided.

#### **Item 4(c) Effective Date**

Enter the effective date of the change in EIN/PN.

### **Item 5 Plan Coverage Status**

If the plan is covered under section 4021 of ERISA, check 5(a) "Covered."

If you are not certain whether the plan is covered, check 5(b) "Uncertain." See B.1.a., p. 7.

If you check "Uncertain," you should complete Form 1-EZ and pay the applicable premium as if the plan were covered. Attach a separate sheet to explain why you checked "Uncertain," and check the box in item 19.

### **Item 6 Is This The First Year's Premium Filing For This Plan?**

Check the "No" box if you are filing for the second or subsequent plan year of coverage, and go to item 7. Check the "Yes" box if you are filing for the first plan year of coverage, and complete items 6(a), 6(b), and 6(c).

#### **Item 6(a) Plan Effective Date**

Enter the date on which the plan became effective with respect to benefit accruals for future service. This date is considered to be the first day of a new plan's short first year for purposes of prorating the premium (see B.5., p. 13). If the adoption date of a newly created plan covered under section 4021 of ERISA is after its effective date (*i.e.*, the plan is adopted retroactively), you may report either the adoption date or the effective date as the first day of the plan year in item 11(a), but the date that you enter in item 11(a) must also be used as the premium snapshot date.

#### Item 6(b) Plan Adoption Date

Enter the date on which the plan was formally adopted.

#### Item 6(c) Plan Coverage Date

Enter the date on which the plan became covered under section 4021 of ERISA. If you are unsure whether your plan is covered, check the “Uncertain” box in item 5 and leave item 6(c) blank.

### Item 7 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 7. In the case of a plan that is filing for the first time, this includes a transfer of assets or liabilities that was made to the plan when it was established, if the transferor plan ceased to exist in connection with the transfer. If you check “Yes,” enter in the spaces provided the EIN/PN of any plan that ceased to exist in connection with the transfer of any assets or liabilities to your plan. Also enter the type and effective date of the transfer.

The types of transfers are explained in A.9., p.6. For purposes of this item, “M” designates a merger, “C” designates a consolidation, and “S” designates a spinoff. Check the box under the appropriate letter for the type of transfer.

The effective date of a transfer is determined based on the facts and circumstances of the particular situation. (For transfers subject to section 414(l) of the Code, report the date determined under 26 CFR 1.414(l)-1(b)(11).)

Example: The merger agreement between Plans A and B provides that participants of Plan A will cease accruing benefits under Plan A and begin coverage and benefit accruals under Plan B as of January 1, 2006, and that the obligation to pay benefits to Plan A participants will pass from Plan A to Plan B as of that date. The agreement also provides that Plan A’s assets will be transferred to Plan B’s account as soon as practicable. The transfer actually occurs on February 17, 2006. The effective date of the transfer is January 1, 2006.

If you need to report transfers from more than one plan, attach a separate sheet listing the EIN/PN of each additional plan and the effective date and type of each transfer. If you attach a separate sheet, check the box in item 19.

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.

Note that premium proration is not available for “overlapping” premium payments resulting from a plan merger, consolidation, or spinoff.

**NOTE:** If we do not receive an expected premium filing from a plan, we normally contact the plan for an explanation. The purpose of item 7 is to avoid the need for such correspondence where the reason the plan is not filing is that it has disappeared as the result of a merger, consolidation or spinoff. However, the item 7 explanation can only have its intended effect if we receive it from the transferee plan before the disappearing plan’s next expected premium filing due date. If the transferee plan does not expect to file until after that, the need for correspondence can be avoided by sending us the item 7 information earlier — in writing — as described in item 4. under “CONTACTS,” p. ii.

### Item 8 Business Code and CUSIP Number

#### Item 8(a)

Enter the 6-digit code that best describes the nature of the employer’s business. If more than one employer is involved, enter the business code for the predominant business activity of all employers. Choose one code from the list in Appendix B at the back of this package.

#### Item 8(b)

If a CUSIP number has been assigned to publicly traded securities of the plan sponsor identified in item 1 or any member of the plan sponsor’s controlled group, enter the first 6 digits of the CUSIP number. If the plan sponsor has no CUSIP number, enter N/A.

### Item 9 Name of Plan

Enter the complete name of the plan as stated in the plan document. For example, “The ABC Company Pension Plan for Salaried Personnel.”

### Item 10 Name and Phone Number of Plan Contact

#### Item 10(a) Name of Plan Contact

Enter the name of the person we may contact if we have any questions concerning this filing. If Form 1-EZ is completed by a plan consultant, you may enter the consultant’s name.

#### Item 10(b) Phone Number of Plan Contact

Enter the phone number of the plan contact named in item 10(a).

### Item 11 Plan Year

#### Item 11(a)

Enter the beginning date of the plan year for which you are making the premium payment. If you are filing for the first year of a new plan, this should generally be the effective date of the plan. However, if a newly created plan was adopted with a retroactive effective date, you may use the adoption date as the first day of the plan year for purposes of determining the premium snapshot date, the filing due date, and premium proration (if any); in that case, enter the adoption date here.

#### Item 11(b)

Enter the ending date of the plan year for which you are making the premium payment. If this filing is for the plan's last year because the plan has merged or consolidated into another plan or has spun off all its participants, liabilities, and assets to other plans, enter the effective date of the merger, consolidation, or spinoff. Note that a plan that has a short plan year because it disappears by merger, consolidation, or spinoff does not qualify for premium proration.

#### Item 11(c)

Check the box if the month and day on which the plan year begins is not the same as that shown on the last Form 1 or Form 1-EZ you filed with us. Attach a separate sheet with a brief explanation for the change, and check the box in item 19.

#### Item 11(d)

If you checked the box in item 11(c), enter the adoption date of the plan year change. If the plan year beginning date has changed for a reason other than a change in the plan year — *i.e.*, because the plan uses a 52/53-week plan year, or because this is the second year of a plan whose first plan year was a short year — enter all zeroes in item 11(d).

### Item 12 Exempt Status

Each plan using Form 1-EZ must meet the requirements for one of the exemptions from the variable-rate premium that are described below. Check one box in item 12 to indicate the exemption that applies to your plan.

#### Item 12(a) Plans With No Vested Participants

Your plan qualifies for this exemption if it has no participants with vested benefits as of the premium

snapshot date. If you check this box, your signature in item 20 indicates that you are certifying that no participant was entitled to a vested benefit as of the premium snapshot date.

A new plan with no benefit liabilities on the premium snapshot date has no participants (for premium purposes) and thus no participants with vested benefits. Such a plan qualifies for this exemption.

#### Item 12(b) Section 412(i) Plans

Your plan qualifies for this exemption if it is described in section 412(i) of the Code and regulations thereunder on the premium snapshot date. If you check this box, your signature in item 20 indicates that you are certifying that the plan was a plan described in section 412(i) of the Code and regulations thereunder on the premium snapshot date.

#### Item 12(c) Fully Funded Small Plans

Your plan qualifies for this exemption if the plan has fewer than 500 participants as of the premium snapshot date and no unfunded vested benefits as of that date (valued at the Required Interest Rate described in A.7., p. 6) and an enrolled actuary so certifies in item 21.

#### Item 12(d) Plans Terminating In Standard Terminations

Your plan qualifies for this exemption if notices of intent to terminate in a standard termination were issued in accordance with section 4041(a)(2) of ERISA, setting forth a proposed termination date (*i.e.*, the 60- to 90-day prospective date) that is on or before the premium snapshot date. However, if the plan does not ultimately make a final distribution of assets in full satisfaction of its obligations under the standard termination, the right to claim this exemption will be revoked and the premium(s) that would otherwise have been required will be due retroactive to the applicable due date(s). (NOTE: See B.1.c., p. 7, for rules on when your premium obligation ends.)

#### Item 12(e) Plans At The Full Funding Limit

Your plan qualifies for this exemption if, as provided below, the plan is at the full funding limit for the plan year preceding the premium payment year and an enrolled actuary so certifies in item 21. Note: The rules below are for PBGC premium purposes only. The rules for tax or other purposes may differ.

A plan may claim this exemption if, on or before the earlier of the Final Filing Due Date (see B.2., p. 8) or the date the Form 1-EZ is filed, the plan's contributing sponsor or contributing sponsors made contributions to the plan for the plan year preceding the premium payment year in an amount not less than the full funding limitation

for that preceding plan year under section 302(c)(7) of ERISA and section 412(c)(7) of the Internal Revenue Code.

The determination of whether contributions for the preceding plan year were in an amount not less than the full funding limitation under section 302(c)(7) of ERISA and section 412(c)(7) of the Code for the preceding plan year is based on the method of computing the full funding limitation, including actuarial assumptions and funding methods, used by the plan (provided these assumptions and methods met all requirements, including the requirements for reasonableness, under section 412 of the Code) with respect to the preceding plan year. In the event of a PBGC audit, the plan administrator may be required to provide documentation to establish both the computation methods used and the conformance of those methods with the requirements of Code section 412. The PBGC will report to the Internal Revenue Service any plans using assumptions and methods that appear not to meet the requirements of Code section 412.

A plan may be entitled to this exemption if contributions were rounded down slightly from the amount of the full funding limitation. Thus, any contribution that is rounded down to no less than the next lower multiple of one hundred dollars (in the case of full funding limitations up to one hundred thousand dollars) or to no less than the next lower multiple of one thousand dollars (in the case of full funding limitations above one hundred thousand dollars) is deemed for purposes of this exemption to be in an amount equal to the full funding limitation. (NOTE: Relief may also be available where the plan's actuary rounded off *de minimis* amounts to determine the full funding limit. Whether the exemption applies in such circumstances would be determined under the rule discussed in the preceding paragraph, based on a review of the plan's practice with respect to the computation methods used.)

Generally, section 302(c)(7) of ERISA and Code section 412(c)(7) define the full funding limitation as the excess of a measure of the plan's liabilities over a measure of the plan's assets. PBGC Technical Update 00-4 (set forth below) explains how the PBGC full funding limit exemption works.

#### **TECHNICAL UPDATE 00-4**

August 25, 2000

#### **PBGC'S FULL FUNDING LIMIT EXEMPTION FROM THE VARIABLE RATE PREMIUM**

##### *Introduction*

This technical update explains how the PBGC full funding limit exemption ("PBGC FFL Exemption") from the variable rate premium ("VRP") works in light of the changes the Retirement Protection Act of 1994 ("RPA") made to the full funding limitation under section 412(c)(7) of the Internal Revenue Code of 1986 ("Code"). The RPA added a "90% override" to the full funding limitation. The 90%

override provides that the full funding limitation is not less than the excess, if any, of 90% of the plan's current liability over the actuarial value of the plan's assets. The PBGC has received inquiries about the proper treatment of credit balances in applying the 90% override for purposes of the PBGC FFL Exemption. This update clarifies what the correct result is under the statutory and regulatory framework of Title IV of ERISA.

##### *Guidance*

The 90% override does not require greater contributions for the PBGC FFL Exemption than are required for the plan to be at the full funding limitation under Code section 412(c)(7) for funding purposes. Accordingly, a plan qualifies for the PBGC FFL Exemption for a plan year if the sum of contributions to the plan for the prior year (including any interest credited under the funding standard account) and any credit balance in the funding standard account (including interest to the end of the plan year) is not less than the full funding limitation under Code section 412(c)(7).

For purposes of the preceding sentence —

the "full funding limitation under Code section 412(c)(7)" means the full funding limitation as calculated for minimum funding purposes, *i.e.*, the sentence in the PBGC regulations providing that "[p]lan assets shall not be reduced by the amount of any credit balance in the plan's funding standard account" is inapplicable;

the PBGC rules (see 29 CFR § 4006.5(a)(5)) on rounding down contributions and on counting only contributions made by the earlier of the VRP due date or VRP payment date continue to apply.

See the Appendix to this update for examples of how the PBGC FFL Exemption works.

##### *Effective Date*

This guidance is generally effective for PBGC premium purposes for plan years beginning after December 31, 1995.

##### *Effect of Guidance*

This guidance will have no effect on the vast majority of plans for which a VRP was paid (see Example 1 in the Appendix). Based on the PBGC's analysis, there were only 100-200 plans since 1996 for which a VRP may have been paid solely as a result of applying the PBGC FFL Exemption in a manner inconsistent with this technical update (see Examples 2 and 3 in the Appendix). The plan administrator of such a plan may apply for a refund through the PBGC's normal refund process (*i.e.*, by filing an amended Form 1, including Schedule A, for the applicable year or years). Refunds are subject to the six-year limitations period in ERISA section 4003(f)(5).

For questions about this update, contact Jane Pacelli at 202-326-4080, ext. 6775.

#### **APPENDIX TO TECHNICAL UPDATE 00-4**

The following examples show how the PBGC FFL Exemption works. All amounts in the examples include interest to the end of the plan year and assume that actuarial value of assets equals market value of assets.

##### *Example 1*

Plan A has a full funding limitation under Code section 412(c)(7) (prior to applying the override) of \$3,000, calculated as the excess of the plan's accrued liability of \$30,000 over adjusted plan assets of \$27,000 (\$29,000 assets less \$2,000 credit balance). The plan's 90% override full funding limitation is \$900, calculated as the excess of 90% of the plan's current liability (\$29,900) over the plan's full assets of \$29,000. Thus, the plan's full funding limitation is \$3,000 (the greater of \$3,000 or \$900). Plan A will qualify for the PBGC FFL Exemption if employer contributions equal or exceed \$1,000, because the sum of the contributions and the credit balance will equal or exceed the \$3,000 full funding limitation.

The guidance in this technical update does not affect Plan A. Without this guidance, the actuary for Plan A would have calculated its

full funding limitation (using full assets) as \$1,000 — the greater of \$1,000 (\$30,000 - \$29,000) or \$900 (\$29,900 - \$29,000) — and concluded that the plan would qualify for the PBGC FFL Exemption if employer contributions equaled or exceeded \$1,000 (the same result as under the guidance in this technical update).

*Example 2*

Plan B has a full funding limitation under Code section 412(c)(7) (prior to applying the override) of \$3,000, calculated as the excess of the plan's accrued liability of \$30,000 over adjusted plan assets of \$27,000 (\$29,000 assets less \$2,000 credit balance). The plan's 90% override full funding limitation is \$4,000, calculated as the excess of 90% of the plan's current liability (\$33,000) over the plan's full assets of \$29,000. Thus, the plan's full funding limitation is \$4,000 (the greater of \$3,000 or \$4,000). Plan B will qualify for the PBGC FFL Exemption if employer contributions equal or exceed \$2,000, because the sum of the contributions and the credit balance will equal or exceed the \$4,000 full funding limitation.

Without the guidance in this technical update, the actuary for Plan B might have calculated its full funding limitation (using full assets) as the greater of \$1,000 (\$30,000 - \$29,000) or \$4,000 (\$33,000 - \$29,000), and concluded that the plan would not qualify for the PBGC FFL Exemption unless employer contributions equaled or exceeded the \$4,000 full funding limitation.

*Example 3*

Plan C has a full funding limitation under Code section 412(c)(7) (prior to applying the override) of \$4,000, calculated as the excess of the plan's accrued liability of \$31,000 over adjusted plan assets of \$27,000 (\$29,000 assets less \$2,000 credit balance). The plan's 90% override full funding limitation is \$3,000, calculated as the excess of 90% of the plan's current liability (\$32,000) over the plan's full assets of \$29,000. Thus, the plan's full funding limitation is \$4,000 (the greater of \$4,000 or \$3,000). Plan C will qualify for the PBGC FFL Exemption if employer contributions equal or exceed \$2,000, because the sum of the contributions and the credit balance will equal or exceed the \$4,000 full funding limitation.

Without the guidance in this technical update, the actuary for Plan C might have determined the full funding limitation to be \$3,000 — the greater of the pre-override full funding limitation of \$2,000 (\$31,000 less full assets of \$29,000) and the 90% override full funding limitation of \$3,000 — and concluded that the plan would not qualify for the PBGC FFL Exemption unless employer contributions equaled or exceeded the \$3,000 full funding limitation.

### Item 13 Participant Count

Enter the total number of participants covered by the plan. This is the number on which the plan's premium is based. Count the number of participants as of the premium snapshot date.

For post-2000 plan years, newly created plans that do not grant past service credits typically have a participant count of zero for premium purposes. See the definition of "participant" in A.7., p. 4.

The participant count for premium computation purposes for the PBGC Form 1-EZ and the participant count for item 7 of the Form 5500 filed in the same year (e.g., the 2006 Form 1-EZ and 2005 Form 5500) are generally determined as of the same date, *i.e.*, the last day of the plan year preceding the year of the filing. However, the two participant counts may differ. For example —

- For premium purposes, individuals who are earning or retaining credited service but with respect to whom a plan has no benefit liabilities are not counted as participants. But individuals who are earning or retaining credited service are considered to be participants for purposes of item 7 of the Form 5500, even if the plan has no benefit liabilities with respect to them.

- There is a difference in the break-in-service rules that apply to Form 1-EZ and to item 7 of Form 5500. For purposes of item 7 of Form 5500, whether a non-vested individual is excluded from the participant count because of a break in service depends upon the plan language; under the provisions of most plans, the instructions for item 7 would require that a separated non-vested individual be counted as a participant until the individual has incurred five or more consecutive one-year breaks in service. For purposes of Form 1-EZ, on the other hand, a non-vested individual is excluded from the participant count because of a break in service when the individual has incurred a one-year break in service under the terms of the plan.

### Item 14 Premium (see Note below)

Multiply the participant count you entered in item 13 by \$30 and enter the result in item 14. This is the total premium due.

**Note:** The 2006 per-participant flat premium rate of \$30 for single-employer plans was established under recently enacted legislation. Congress is also considering other legislation that might further change flat-rate premiums. We will make updated information about the flat premium rate available as we get it: check our web site ([www.pbgc.gov](http://www.pbgc.gov)) or call or write us (at the address and phone numbers in item 4. under "CONTACTS" on p. ii) for more information.

### Item 15 Premium Credits

#### Item 15(a) Amount Paid With 2006 Estimated Filing

Enter any amounts you previously paid for the 2006 plan year with an estimated filing. Do not include any credits claimed in your estimated filing.

#### Item 15(b) Other credit

Enter the amount of any credit you are entitled to: (1) any available credit claimed in your 2006 estimated filing, (2) any available credit from item 17 of your 2005 Form 1 or Form 1-EZ (or from an equivalent electronic filing), (3) any short-year credit (as explained in B.5. (Prorating Your

Premium), p. 13), and (4) any other available credit. Attach an explanation of any credit claimed in item 15(b) (other than an amount entered in item 17 of your 2005 Form 1 or Form 1-EZ or in an equivalent electronic filing) and check the box in item 19.

#### Item 15(c) Total Credit

Add items 15(a) and 15(b) and enter the result in item 15(c) of the Form 1-EZ. This is the total credit.

#### Item 16 Premium Due The PBGC

If the amount you entered in item 14 exceeds the amount entered in item 15(c), subtract the amount entered in item 15(c) from the amount entered in item 14 and enter the result in item 16 of the Form 1-EZ. This is the amount you owe the PBGC.

You must pay the premium due by paper check or electronically. Indicate by checking one of the boxes in item 16 which method you are using.

If you pay by paper check, write the EIN/PN (from item 3(a) and (b)) and the date the premium payment year commenced (PYC) on the check and file the check with Form 1-EZ.

If you pay by electronic funds transfer, make the transfer as described in item 3.d. under "CONTACTS" on p. ii. 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 electronic funds transfer in the format "EIN/PN: XX-XXXXXXX/XXX PYC: MM/DD/YY."

To ensure proper credit for your premium payment, the payment must be for the exact amount due for the plan. Do not combine payments for different plans in a single check or electronic funds transfer.

#### Item 17 Amount Of Overpayment

If the amount you entered in item 14 is less than the amount entered in item 15(c), subtract the amount entered in item 14 from the amount entered in item 15(c) and enter the result in item 17. This is the amount of your overpayment.

If item 17 shows an overpayment, you may request that the amount of the overpayment either be refunded or be applied against the next year's premium for the plan.

To request that the amount of the overpayment be applied against the next year's premium for the plan, check the first box in item 17. If you request application of the overpayment against the next year's premium for the plan, you should claim the overpayment amount as a credit on the next year's premium filing for the plan.

To request a refund, check the second box in item 17. If you want your refund paid by electronic funds transfer, check either the third or the fourth box in item 17 to

indicate whether the account to which the refund is to be credited is a checking account or savings account, and enter in the fifth and sixth boxes of item 17 the bank routing number and account number to which the refund is to be credited. If you want the refund credited to a sub-account within the main account, enter the sub-account number in the seventh box of item 17.

See B.7.b., p. 18, for more information on overpayments.

#### Item 18 Participant Notice Requirement

For each plan year for which a variable-rate premium is payable for a plan, the plan administrator must issue a notice to participants about the plan's funding status and the limits on the PBGC's guarantee, unless the plan is exempt from the notice requirement under ERISA and the PBGC's regulation on Disclosure to Participants. (Note in particular that the regulation contains an exemption for most new and newly-covered plans.)

The Participant Notice is due no later than two months after the due date (or extended due date) for the Form 5500 series for the prior plan year. For example, the 2005 Participant Notice was due two months after the due date (or extended due date) for the 2004 Form 5500 series. For purposes of determining whether the Participant Notice was timely issued, if any due date (or extended due date) falls on a Saturday, Sunday, or legal holiday, the applicable due date is the next business day.

This item relates to the Participant Notice requirement for the plan year preceding the premium payment year. **Thus, the question on the 2006 premium form relates to the Participant Notice for the 2005 plan year, not the 2006 plan year.**

You must check box (1), (2), or (3). If you check box (3) (e.g., because a required Participant Notice was not issued on time or failed to meet any other applicable requirement), you must attach an explanation and check the box in item 19.

#### Item 19 Additional Information

If you have used attachments to explain any of your answers, check the box in item 19. Be sure to show your plan's EIN/PN and the date on which the premium payment year commenced (PYC) at the top of each sheet.

#### Item 20 Certification of Plan Administrator

The plan administrator must sign and date the certification in item 20. The form you file must bear your original signature in item 20, and we may return the filing if it does not.



**Item 21 Certification of Enrolled Actuary**

If the box in item 12(c) or 12(e) is checked, the enrolled actuary must certify in item 21 that the plan

qualifies for the applicable exemption. The signature of the enrolled actuary must be filed in original form.

## Part D ITEM-BY-ITEM INSTRUCTIONS FOR FORM 1

**NOTE:** *This part applies only to multiemployer plans and to single-employer plans that do not claim an exemption from the variable-rate premium. Unless the plan meets the requirements for one of the exemptions described in the instructions for item 12 of Form 1-EZ in part C, it is not exempt. Having a variable-rate premium of zero is not the same as being exempt from the variable-rate premium. (See B.3.a., p. 11, for the forms applicable to other types of filers.) If your plan qualifies for an exemption and also has a variable-rate premium of zero, you may either file Form 1-EZ or file Form 1 with Schedule A. See Part B.3.d., p. 12.*

**Note For Plans With More Than One Plan Year Beginning in 2005 or 2006:** References in these instructions and on Form 1 to the 2005 plan year (and to filings and notices for the 2005 plan year) should be considered to refer to your plan's most recent complete plan year. For example, a plan with a short plan year could have two plan years beginning in calendar 2006. When such a plan makes its premium filing(s) for its second 2006 plan year, the references in these instructions and on Form 1 to the 2005 plan year (and to filings and notices for the 2005 plan year) should be considered to refer to the plan's first 2006 plan year (and to filings and notices for that plan year), because that is the plan's most recent complete plan year. Similarly, if your plan had two plan years beginning in calendar 2005, the references in these instructions and on Form 1 to the 2005 plan year (and to filings and notices for the 2005 plan year) should be considered to refer to the plan's second 2005 plan year, which is the plan's most recent complete plan year.

### Check for Amended Filing

If you are amending your 2006 premium filing, check this box and complete the form(s) as explained in B.6., p. 16.

### Check for Disaster Relief

From time to time, when major disasters occur, the PBGC grants disaster relief by waiving late filing and payment penalties for certain plans. Disaster relief notices are issued in Disaster Relief Announcements that are available on the PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)). If your plan is covered by a PBGC disaster relief notice for this premium filing, follow the instructions in the notice and check this box.

The "Item" numbers below refer to the item or line numbers on the Form 1.

### Item 1 Name of Plan Sponsor

For a single-employer plan with one contributing sponsor, enter the name and address of the contributing sponsor.

For a single-employer plan with two or more contributing sponsors that are all in a single controlled group, enter the name and address of the parent of the controlled group or, if there is no parent, of the largest member of the controlled group (whether or not the parent or largest member is a contributing sponsor).

For a single-employer plan with two or more contributing sponsors that are not all in a single controlled group, first identify the controlled group, or contributing sponsor that is not in a controlled group, that has the most participants in the plan. If you identify a contributing sponsor that is not in a controlled group, enter the name and address of that contributing sponsor. But if you identify a controlled group, then enter the name and address of the parent of that controlled group or, if there is no parent, of the largest member of that controlled group (whether or not the parent or largest member is a contributing sponsor).

For a multiemployer plan, enter the name and address of the association, committee, joint board of trustees, or other entity that establishes or maintains the plan.

Make sure you report the plan sponsor's name and address correctly, especially if there has been a change in the last year. If the plan sponsor's address or name has changed since your last filing, check the first box in the upper right hand corner of item 1.

It is very important that the address shown in item 1 be correct.

If your plan's premium filings are prepared by a consultant, you may not need to receive your own copy of PBGC paper premium instructions. If you do not want to receive paper premium instructions next year, check the second box in the upper right hand corner of item 1. An election not to receive the paper instructions does not relieve the plan administrator of the obligation to file.

### Item 2 Name of Plan Administrator

If the name and address of the plan administrator is the same as that of the plan sponsor, check the second box in the upper right hand corner of item 2 and skip to item 3. Otherwise, enter the name and address of the plan administrator.

If the plan administrator's address or name has changed since your last filing, check the first box in the upper right hand corner of item 2.

It is very important that the plan administrator's name and address be correct, especially if there has been a

change in the last year. This is the address we will use to mail your 2007 premium filing instructions.

### **Item 3 Plan Sponsor's EIN/PN, Electronic filing**

#### **Item 3(a) EIN For The Plan Sponsor**

Enter the EIN for the plan sponsor identified in item 1.

#### **Item 3(b) Plan Number**

Enter the Plan Number (PN) for the plan.

#### **Item 3(c) Does EIN/PN Match Form 5500?**

In general, the EIN and PN entered in item 3(a) and (b) should be the same as the EIN and PN reported on the Form 5500 series for the plan year preceding the premium payment year.

If the EIN and PN entered in item 3(a) and (b) both match exactly the EIN/PN entered on the Form 5500 series for the plan year preceding the premium payment year, check the "Yes" box.

If either the EIN or PN is not exactly the same, check the "No" box, enter the EIN/PN used for the Form 5500 filing, attach an explanation, and check the box in item 18.

If your plan is a new plan that is not required to file the Form 5500 series for the plan year preceding the premium payment year because the plan did not exist, check the box labeled "2005 Form 5500 not required."

#### **Item 3(d) Exemption from electronic filing**

This item is only for plans that are subject to mandatory electronic premium filing. The PBGC expects to publish in early 2006 a final rule making electronic filing mandatory for 2006 premium filings made on or after July 1, 2006, for large plans (plans that were required to pay premiums for 500 or more participants for the plan year preceding the premium payment year). If you are not subject to mandatory e-filing, you should leave this item blank.

If you are subject to mandatory e-filing, you are required to make your 2006 premium filing electronically unless the PBGC has granted the plan an exemption from electronic filing for good cause in appropriate circumstances.

If the PBGC has granted you an exemption from electronic filing for the 2006 final premium declaration, check the box to indicate that you have an exemption.

If you do not have an exemption but you choose to make a paper filing in anticipation of an exemption, check the box to indicate that you do not have an exemption, and provide an explanation. Either indicate when you submitted the exemption request to which the PBGC has

not yet responded, or attach your exemption request.

If you do not receive the anticipated exemption, your paper filing will not satisfy the electronic filing requirement. Failure to comply with the electronic filing requirement without an exemption is subject to penalty under section 4071 of ERISA.

### **Item 4 Change In EIN/PN**

This item should be completed to report a change in EIN or PN since your last premium filing. The EIN of the plan sponsor or the plan's PN may change for a number of reasons.

#### **Item 4(a) Change In EIN**

Enter the previous EIN in the space provided.

#### **Item 4(b) Change In PN**

Enter the previous PN in the space provided.

#### **Item 4(c) Effective Date**

Enter the effective date of the change in EIN/PN.

### **Item 5 Plan Coverage Status**

If the plan is covered under section 4021 of ERISA, check 5(a) "Covered."

If you are not certain if the plan is covered, check 5(b) "Uncertain." See B.1.a., p. 7.

If you check "Uncertain," you should complete Form 1 and pay the applicable premium as if the plan were covered. Attach a separate sheet to explain why you checked "Uncertain," and check the box in item 18.

### **Item 6 Is This The First Year's Premium Filing For This Plan?**

Check the "No" box if you are filing for the second or subsequent plan year of coverage, and go to item 7. Check the "Yes" box if you are filing for the first plan year of coverage, and complete items 6(a), 6(b), and 6(c).

#### **Item 6(a) Plan Effective Date**

Enter the date on which the plan became effective with respect to benefit accruals for future service. This date is considered to be the first day of a new plan's short first year for purposes of prorating the premium (see B.5., p. 13). If the adoption date of a newly created plan covered under section 4021 of ERISA is after its effective date (*i.e.*, the plan is adopted retroactively), you may report either the adoption date or the effective date as the first day of the plan year in item 12(a), but the date that you enter in item 12(a) must also be used as the premium snapshot date.

#### Item 6(b) Plan Adoption Date

Enter the date on which the plan was formally adopted.

#### Item 6(c) Plan Coverage Date

Enter the date on which the plan became covered under section 4021 of ERISA. If you are unsure whether your plan is covered, check the “Uncertain” box in item 5 and leave this date field blank.

### Item 7 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 7. In the case of a plan that is filing for the first time, this includes a transfer of assets or liabilities that was made to the plan when it was established, if the transferor plan ceased to exist in connection with the transfer. 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 type and effective date of each transfer.

The types of transfers are explained in A.9., p.6. For purposes of this item, “M” designates a merger, “C” designates a consolidation, and “S” designates a spinoff. Check the box under the appropriate letter for the type of each transfer.

The effective date of a transfer is determined based on the facts and circumstances of the particular situation. (For transfers subject to section 414(l) of the Code, report the date determined under 26 CFR 1.414(l)-1(b)(11).)

Example: The merger agreement between Plans A and B provides that participants of Plan A will cease accruing benefits under Plan A and begin coverage and benefit accruals under Plan B as of January 1, 2006, and that the obligation to pay benefits to Plan A participants will pass from Plan A to Plan B as of that date. The agreement also provides that Plan A’s assets will be transferred to Plan B’s account as soon as practicable. The transfer actually occurs on February 17, 2006. The effective date of the transfer is January 1, 2006.

If you need to report transfers from more than 2 plans, attach a separate sheet listing the EIN/PN of each additional plan and the effective date and type of each transfer. If you attach a separate sheet, check the box in item 18.

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.

Note that premium proration is not available for “overlapping” premium payments resulting from a plan merger, consolidation, or spinoff.

**NOTE:** If we do not receive an expected premium filing from a plan, we normally contact the plan for an explanation. The purpose of item 7 is to avoid the need for such correspondence where the reason the plan is not filing is that it has disappeared as the result of a merger, consolidation or spinoff. However, the item 7 explanation can only have its intended effect if we receive it from the transferee plan before the disappearing plan’s next expected premium filing due date. If the transferee plan does not expect to file until after that, the need for correspondence can be avoided by sending us the item 7 information earlier — in writing — as described in item 4. under “CONTACTS,” p. ii.

### Item 8 Business Code and CUSIP Number

#### Item 8(a)

Enter the 6-digit code that best describes the nature of the employer’s business. If more than one employer is involved, enter the business code for the predominant business activity of all employers. Choose one code from the list in Appendix B at the back of this package.

#### Item 8(b)

If a CUSIP number has been assigned to publicly traded securities of the plan sponsor identified in item 1 or any member of the plan sponsor’s controlled group, enter the first 6 digits of the CUSIP number. If the plan sponsor has no CUSIP number, enter N/A.

### Item 9 Name of Plan

Enter the complete name of the plan as stated in the plan document. For example, “The ABC Company Pension Plan for Salaried Personnel.”

### Item 10 Name and Phone Number of Plan Contact

#### Item 10(a) Name of Plan Contact

Enter the name of the person we may contact if we have any questions concerning this filing. If Form 1 is completed by a plan consultant, you may enter the consultant’s name.

#### Item 10(b) Phone Number of Plan Contact

Enter the phone number of the plan contact named in item 10(a).

#### Item 11 Plan Type

Check the applicable box to show plan type. See A.8., p. 6, for an explanation of the distinction between multiemployer and single-employer plans.

##### Item 11(a) Multiemployer Plans

Check item 11(a), “Multiemployer Plan,” if the plan is a multiemployer plan.

##### Item 11(b) Single-Employer Plans

Check item 11(b), “Single-Employer Plan,” if the plan is not a multiemployer plan.

#### Item 12 Plan Year

##### Item 12(a)

Enter the beginning date of the plan year for which you are making the premium payment. If you are filing for the first year of a new plan, this should generally be the effective date of the plan. However, if a newly created plan was adopted with a retroactive effective date, you may use the adoption date as the first day of the plan year for purposes of determining the premium snapshot date, the filing due date, and premium proration (if any); in that case, enter the adoption date here.

##### Item 12(b)

Enter the ending date of the plan year for which you are making the premium payment. If this filing is for the plan’s last year because the plan has merged or consolidated into another plan or has spun off all its participants, liabilities, and assets to other plans, enter the effective date of the merger, consolidation, or spinoff. Note that a plan that has a short plan year because it disappears by merger, consolidation, or spinoff does not qualify for premium proration.

##### Item 12(c)

Check the box if the month and day on which the plan year begins is not the same as that shown on the last Form 1 or Form 1-EZ you filed with us. Attach a separate sheet with a brief explanation for the change, and check the box in item 18.

##### Item 12(d)

If you checked the box in item 12(c), enter the adoption date of the plan year change. If the plan year beginning date has changed for a reason other than a change in the plan year — *i.e.*, because the plan uses a

52/53-week plan year, or because this is the second year of a plan whose first plan year was a short year — enter all zeroes in item 12(d).

#### Item 13 Participant Count

Enter the total number of participants covered by the plan. This is the number on which the plan’s premium is based. Count the number of plan participants as of the premium snapshot date.

For post-2000 plan years, newly created plans that do not grant past service credits typically have a participant count of zero for premium purposes. See the definition of “participant” in A.7., p. 4.

The participant count for premium computation purposes for the PBGC Form 1 and the participant count for item 7 of the Form 5500 filed in the same year (*e.g.*, the 2006 Form 1 and 2005 Form 5500) are generally determined as of the same date, *i.e.*, the last day of the plan year preceding the year of the filing. However, the two participant counts may differ. For example —

- For premium purposes, individuals who are earning or retaining credited service but with respect to whom a plan has no benefit liabilities are not counted as participants. But individuals who are earning or retaining credited service are considered to be participants for purposes of item 7 of the Form 5500, even if the plan has no benefit liabilities with respect to them.

- There is a difference in the break-in-service rules that apply to Form 1 and to item 7 of Form 5500. For purposes of item 7 of Form 5500, whether a non-vested individual is excluded from the participant count because of a break in service depends upon the plan language; under the provisions of most plans, the instructions for item 7 would require that a separated non-vested individual be counted as a participant until the individual has incurred five or more consecutive one-year breaks in service. For purposes of Form 1, on the other hand, a non-vested individual is excluded from the participant count because of a break in service when the individual has incurred a one-year break in service under the terms of the plan.

#### Item 14 Premium (See Note below)

##### Item 14(a) MULTIEMPLOYER Premium

For a multiemployer plan, multiply the participant count in item 13 by \$8 and enter the result in item 14(a). This is the total multiemployer plan premium.

#### Item 14(b) SINGLE-EMPLOYER Flat-rate Premium

For a single-employer plan, multiply the participant count in item 13 by \$30 and enter the result in item 14(b). This is the single-employer plan flat-rate premium.

**Note:** The 2006 per-participant flat premium rate of \$30 for single-employer plans and \$8 for multiemployer plans was established under recently enacted legislation. Congress is also considering other legislation that might further change flat-rate premiums. We will make updated information about the flat premium rate available as we get it: check our web site ([www.pbgc.gov](http://www.pbgc.gov)) or call or write us (at the address and phone numbers in item 4. under “CONTACTS” on p. ii) for more information.

#### Item 14(c) SINGLE-EMPLOYER Variable-rate Premium

For a single-employer plan, enter in item 14(c) the amount in item 6 of Schedule A. This is the single-employer plan variable-rate premium.

#### Item 14(d) SINGLE-EMPLOYER Total Premium

For a single-employer plan, add items 14(b) and 14(c) and enter the result in item 14(d). This is the total single-employer plan premium.

### Item 15 Premium Credits

#### Item 15(a) Amount Paid With 2006 Estimated Filing

Enter any amounts you previously paid for the 2006 plan year with an estimated filing. Do not include any credits claimed in your estimated filing.

#### Item 15(b) Other credit

Enter the amount of any credit you are entitled to: (1) any available credit claimed in your 2006 estimated filing, (2) any available credit from item 17 of your 2005 Form 1 or Form 1-EZ (or from an equivalent electronic filing), (3) any short-year credit (as explained in B.5. (Prorating Your Premium), p. 13), and (4) any other available credit. Attach an explanation of any credit claimed in item 15(b) (other than an amount entered in item 17 of your 2005 Form 1 or Form 1-EZ or in an equivalent electronic filing) and check the box in item 18.

#### Item 15(c) Total Credit

Add items 15(a) and 15(b) and enter the result in item 15(c) of the Form 1. This is the total credit.

### Item 16 Premium Due The PBGC

If this is a multiemployer plan and the amount you entered in item 14(a) exceeds the amount entered in item 15(c), subtract the amount entered in item 15(c) from the amount entered in item 14(a) and enter the result in item

16 of Form 1. This is the amount you owe the PBGC.

If this is a single-employer plan and the amount you entered in item 14(d) exceeds the amount entered in item 15(c), subtract the amount entered in item 15(c) from the amount entered in item 14(d) and enter the result in item 16 of the Form 1. This is the amount you owe the PBGC.

You must pay the premium due by paper check or electronically. Indicate by checking one of the boxes in item 16 which method you are using.

If you pay by paper check, write the EIN/PN (from item 3(a) and (b) of Form 1) and the date the premium payment year commenced (PYC) on the check and file the check with Form 1.

If you pay by electronic funds transfer, make the transfer as described in item 3.d. under “CONTACTS” on p. ii. Report the EIN/PN from item 3(a) and (b) of Form 1, and the date the premium payment year commenced (PYC), in the payment ID line of the electronic funds transfer in the format “EIN/PN: XX-XXXXXXX/XXX PYC: MM/DD/YY.”

To ensure proper credit for your premium payment, the payment must be for the exact amount due for the plan. Do not combine payments for different plans in a single check or electronic funds transfer.

### Item 17 Amount Of Overpayment

If this is a multiemployer plan and the amount you entered in item 14(a) is less than the amount entered in item 15(c), subtract the amount entered in item 14(a) from the amount entered in item 15(c) and enter the result in item 17. This is the amount of your overpayment.

If this is a single-employer plan and the amount you entered in item 14(d) is less than the amount entered in item 15(c), subtract the amount entered in item 14(d) from the amount entered in item 15(c) and enter the result in item 17. This is the amount of your overpayment.

If item 17 shows an overpayment, you may request that the amount of the overpayment either be refunded or be applied against the next year’s premium for the plan.

To request that the amount of the overpayment be applied against the next year’s premium for the plan, check the first box in item 17. If you request application of the overpayment against the next year’s premium for the plan, you should claim the overpayment amount as a credit on the next year’s premium filing for the plan.

To request a refund, check the second box in item 17. If you want your refund paid by electronic funds transfer, check either the third or the fourth box in item 17 to indicate whether the account to which the refund is to be credited is a checking account or savings account, and enter in the fifth and sixth boxes of item 17 the bank routing number and account number to which the refund is to be credited. If you want the refund credited to a sub-

account within the main account, enter the sub-account number in the seventh box of item 17.

See B.7.b., p. 18, for more information on overpayments.

**Item 18 Additional Information**

If you have used attachments other than the Schedule A to explain any of your answers, check the box in item 18. Be sure to show your plan's EIN/PN and the date on which the premium payment year commenced (PYC) at

the top of each sheet.

**Item 19 Certification of Multiemployer Plan Administrator**

If your plan is a multiemployer plan, then you, as plan administrator, must sign the Form 1 in this space. Your signature must be filed in original form. We may return your filing if it does not have your signature. Single-employer plans — see items 8 and 9 of Schedule A to Form 1.

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## Part E ITEM-BY-ITEM INSTRUCTIONS FOR SCHEDULE A

**NOTE:** *This part applies only to single-employer plans (including new single-employer plans) that do not claim an exemption from the variable-rate premium. Unless the plan meets the requirements for one of the exemptions described in the instructions for item 12 of Form 1-EZ in part C, it is not exempt. Having a variable-rate premium of zero is not the same as being exempt from the variable-rate premium. (See B.3.a., p. 11, for the forms applicable to other types of filers.) If your plan qualifies for an exemption and also has a variable-rate premium of zero, you may either file Form 1-EZ or file Form 1 with Schedule A. See Part B.3.d., p. 12.*

This part explains how to fill out the Schedule A that must be attached to Form 1 for each single-employer plan (including a new single-employer plan) that does not claim an exemption from paying the variable-rate premium. (Paying a zero variable-rate premium is not the same as being exempt from the variable-rate premium.)

You use Schedule A to determine the amount of the variable-rate premium. For some plans, the amount will be \$0. The variable-rate premium (even if it is \$0) must be entered on the Schedule A, item 6, and also on the Form 1, item 14(c). You, and in some cases an enrolled actuary, must certify that the variable-rate premium is correct, even if the amount is \$0.

The variable-rate premium is \$9 per \$1,000, or fraction thereof, of unfunded vested benefits as of the premium snapshot date. The vested benefits must be valued using the Required Interest Rate (see A.7., p. 6.)

**Note:** As these instructions were being prepared, Congress was considering legislation that would change the manner of determining the variable-rate premium (including the definition of the Required Interest Rate that is used to determine the variable-rate premium). We will make updated information about the variable-rate premium available as we get it: check our web site ([www.pbgc.gov](http://www.pbgc.gov)) or call or write us (at the address and phone numbers in item 4. under “CONTACTS” on p. ii) for more information.

We remind filers that, in the preamble to the October 5, 1988, proposed premium regulation, the PBGC stated:

Finally, the PBGC has received inquiries as to whether to include contingent benefits, such as “30-and-out” and disability benefits, in determining a plan’s vested benefits. Unless a participant has met the requirements for and become entitled to receive a contingent-type benefit, the benefit is not a vested benefit for premium purposes. . . . Thus, 30-and-out benefits and disability benefits for which a participant is not immediately eligible as of the last day of the plan year preceding the premium payment year are not included in vested benefits as of that date.  
53 F.R. 39200, 39201-202.

**Note:** Money amounts entered in items 2, 3, 4, and 5 of Schedule A should be in dollars only (no cents). See rounding instructions under these items.

**Note For Plans With More Than One Plan Year Beginning in 2005 or 2006:** References in these instructions and on Schedule A to the 2005 plan year (and to filings and notices for the 2005 plan year) should be considered to refer to your plan’s most recent complete plan year. For example, a plan with a short plan year could have two plan years beginning in calendar 2006. When such a plan makes its premium filing(s) for its second 2006 plan year, the references in these instructions and on Schedule A to the 2005 plan year (and to filings and notices for the 2005 plan year) should be considered to refer to the plan’s first 2006 plan year (and to filings and notices for that plan year), because that is the plan’s most recent complete plan year. Similarly, if your plan had two plan years beginning in calendar 2005, the references in these instructions and on Schedule A to the 2005 plan year (and to filings and notices for the 2005 plan year) should be considered to refer to the plan’s second 2005 plan year, which is the plan’s most recent complete plan year.

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### Item 1 Filing Method

You must check only one box to indicate which filing method you use to calculate the variable-rate premium. There are three filing methods, which are described in detail below. You should check:

Box (a) if you use the General Rule method;

Box (b) if you use the Alternative Calculation Method (ACM); or

Box (c) if you use the modified ACM for plans in distress or involuntary terminations. In addition, if you use the modified ACM, —



- you must enter in item 1 the proposed date of plan termination (in a distress termination) or the date of plan termination sought by the PBGC (in an involuntary termination), and  
- you must follow the instructions in Part F, which tell you how to modify the ACM instructions in this Part E for items 2 through 6 of Schedule A.

Any plan may use the General Rule method. The General Rule method requires a determination of vested benefits and assets and a determination of unfunded vested benefits by an enrolled actuary as of the premium snapshot date. (A more complete description of the General Rule method is at E.1.a., p. 34.)

To avoid the expense that might be involved in using the General Rule method, you may wish to consider using the Alternative Calculation Method (ACM). The ACM requires only an adjustment of amounts determined as of the first day of the plan year preceding the premium payment year that are required to be reported in the plan's Form 5500, Schedule B. (A more complete description of the ACM is at E.1.b., p. 35.)

If your plan is terminating in a distress or involuntary termination, you may instead use the modified ACM for such plans. The modified ACM uses the Schedule B for the termination plan year or, if unavailable, for the preceding plan year. (A more complete description of the modified ACM is at E.1.c., p. 35.) If you use the modified ACM, you must follow the instructions in Part F, which tell you how to modify the ACM instructions in this Part E for items 2 through 6 of Schedule A.

Your plan may be eligible for more than one filing method. However, you may select only one filing method. Under some filing methods, it may take more time to complete the Schedule A than under others. Some methods require the services of an enrolled actuary. We urge you to review the descriptions of the three filing methods carefully before completing Schedule A in order to take advantage of the filing method that best suits your needs.

a. *General Rule.* Under the General Rule, an enrolled actuary determines the amount of unfunded vested benefits as of the premium snapshot date, in accordance with ERISA section 4006(a)(3)(E)(iii) and generally accepted actuarial principles and practices. The actuary may either perform a valuation as of the premium snapshot date, or adjust the results of a valuation done as of a different date to reflect any differences in plan assets, population, and provisions between the different valuation date and the premium snapshot date so that the adjusted results satisfy all of the requirements for the General Rule

method. A plan's unfunded vested benefits equal the excess of: (1) the plan's current liability (within the meaning of ERISA section 302(d)(7)) determined by taking into account only vested benefits and valued at the Required Interest Rate described in A.7., p. 6, over (2) the actuarial value of the plan's assets determined in accordance with ERISA section 302(c)(2) without a reduction for any credit balance in the plan's funding standard account. (For a plan year to which the first new mortality tables issued under Code section 412(l)(7)(C)(ii)(II) apply, the fair market value of the plan's assets must be used. Under a proposed IRS rule published in the Federal Register on December 2, 2005 (at 70 FR 72260), such tables would not apply until 2007.) (Section 302(d)(7)(C)(ii) of ERISA and Code section 412(l)(7)(C)(ii) require that a plan's current liability be determined using specified mortality tables.)

(1) General Requirements: The determination under the General Rule must reflect the plan's population and provisions as of the premium snapshot date. Population data may be based on an actual census or a representative sample of the plan's population. The enrolled actuary must make the determination using the same actuarial assumptions and methods used by the plan for purposes of determining the minimum funding contributions under section 302 of ERISA and section 412 of the Code for the plan year in which the premium snapshot date falls, except to the extent that other actuarial assumptions are specifically prescribed by these instructions or are necessary to reflect the occurrence of a Significant Event (as described in A.7., p. 5) between the date of the funding valuation and the premium snapshot date. (If the plan does a funding valuation as of the premium snapshot date, no separate adjustment for Significant Events is needed.)

Under this rule, the determination of the unfunded vested benefits may be based on a plan funding valuation performed as of the first day of the premium payment year, provided that —

(i) the actuarial assumptions and methods used are those used by the plan for purposes of determining the minimum funding contributions under section 302 of the Act and section 412 of the Code for the premium payment year, except to the extent that other actuarial assumptions are specifically prescribed by these instructions or are required to make the adjustment described in paragraph (ii) below; and  
(ii) if an enrolled actuary determines that there is a material difference between the values determined under the valuation and the values that would have been determined as of the premium snapshot date using the assumptions and methods for the plan year

in which the premium snapshot date falls, the valuation results are adjusted to reflect appropriately the values as of the premium snapshot date using those assumptions and methods. (This adjustment need not be made if the unadjusted valuation would result in greater unfunded vested benefits.)

(2) Certification Requirement (in addition to plan administrator certification): In all cases under the General Rule, an enrolled actuary must certify to the determination of the variable-rate premium.

(i) In the case of a large plan (500 or more participants), if the enrolled actuary elects to report the value of accrued benefits in lieu of the value of vested benefits in item 2(b) of Schedule A, then the enrolled actuary's signature in item 9 indicates that the enrolled actuary is certifying that the actuarial value of plan assets equals or exceeds the value of all accrued benefits (valued at the Required Interest Rate described in A.7., p. 6, of these instructions).

(ii) If the enrolled actuary reports the value of vested benefits at the plan's interest rate in item 2(b) of Schedule A, then the enrolled actuary's signature in item 9 indicates that the enrolled actuary is certifying that the interest rate used by the plan to value current liability was not greater than the Required Interest Rate described in A.7., p. 6.

(3) Size Requirement: Plans with any number of participants may use this method.

(4) Schedule A Filing Method: Check the box for item 1(a).

b. Alternative Calculation Method. This method is a simplified method intended to approximate the more precise determinations of the General Rule. It uses two formulas to calculate unfunded vested benefits as of the premium snapshot date.

The first formula adjusts the value of vested benefits for participants in pay status and deferred vested participants, as reported on Schedule B of the Form 5500 as of the first day of the plan year preceding the premium payment year, using the Required Interest Rate prescribed by ERISA. The Required Interest Rate that applies to your plan is determined as described in A.7., p. 6.

The second formula adjusts the resulting unfunded vested benefits figure for the passage of time from the first day of the plan year preceding the premium payment year to the premium snapshot date. The adjustment is necessary because, for premium purposes, unfunded vested benefits are determined as of the premium snapshot date. See the item-by-item instructions for items 2(b) and 5, below, for the two formulas.

If the Alternative Calculation Method is used by a plan that has 500 or more participants as of the premium snapshot date, an enrolled actuary must adjust the unfunded vested benefits to reflect the occurrence of any Significant Event (as described in A.7., p. 5) between the first day of the plan year preceding the premium payment year and the premium snapshot date.

(1) General Requirements: To use the Alternative Calculation Method, a plan must file a Form 5500 and Schedule B, for the plan year preceding the premium payment year, that has —

(i) vested benefit values reported in items 2b(1), 2b(2), and 2b(3);

(ii) the interest rate, reported in item 6a(1), used to determine the vested benefit values;

(iii) the assumed retirement age reported in item 6b; and

(iv) assets reported in item 1b(2) or 2a. (For a plan year to which the first new mortality tables issued under Code section 412(l)(7)(C)(ii)(II) apply, an assets figure must be reported in item 2a. Under a proposed IRS rule published in the Federal Register on December 2, 2005 (at 70 FR 72260), such tables would not apply until 2007.)

(2) Certification Requirements (in addition to plan administrator certification): For plans with 500 or more participants, an enrolled actuary must sign the certification in item 9 to indicate that the unfunded vested benefits have been adjusted for the occurrence, if any, of a Significant Event and that the adjustment is consistent with generally accepted actuarial principles and practices.

(3) Size Requirements: Plans with any number of participants may use this method. However, plans with 500 or more participants that use this method must report unfunded vested benefits that reflect the occurrence, if any, of Significant Events listed in A.7., p. 5.

(4) Schedule A Filing Method: Check the box for item 1(b).

c. Modified Alternative Calculation Method For Plans Terminating In Distress Or Involuntary Terminations.

Under this special rule, plans terminating in distress or involuntary terminations may use a modified version of the Alternative Calculation Method. If you use this filing method, you must follow the instructions in Part F that tell you how to modify the ACM filing instructions when completing Schedule A.

(1) General Requirements: The following plans may use this method:

- Plans that issue notices of intent to terminate in a distress termination in accordance with ERISA section 4041(a)(2) setting forth a proposed termination date that is on or before the premium snapshot date; or
- Plans for which the PBGC has initiated proceedings for an involuntary termination and has sought a termination date on or before the premium snapshot date.

Some plans terminating in distress or involuntary terminations may not file the Schedule B for the plan year preceding the premium payment year and therefore would not be able to use the Alternative Calculation Method to calculate unfunded vested benefits. This filing method allows such plans to calculate unfunded vested benefits under a variation of the Alternative Calculation Method that uses vested benefit values and asset values from an earlier Schedule B than under the Alternative Calculation Method. The Schedule B used under this special rule must be for the plan year that includes (in the case of a distress termination) the proposed date of termination or (in the case of an involuntary termination) the termination date sought by the PBGC, or, if no Schedule B is filed for that plan year, the Schedule B for the preceding plan year. The Schedule B must have the entries required for the

Alternative Calculation Method, as described in these instructions. (NOTE: Item references in the Alternative Calculation Method instructions are to the 2005 Schedule B. If the Schedule B you are using under this special rule is for an earlier year with different item numbers, use the corresponding item numbers listed in Part F.)

**NOTE:** This method assumes (in the case of a distress termination) that the PBGC has not disapproved the termination or (in the case of an involuntary termination) that the PBGC's petition for involuntary termination has not been denied, dismissed, or withdrawn. If any of these events occurs, the plan will be treated as an ongoing plan and must file amended premium forms using another permitted filing method. If additional premiums are due, interest and penalties will be charged retroactive to the original due date(s).

(2) Certification Requirement (in addition to plan administrator certification): Same as for Alternative Calculation Method.

(3) Size Requirement: Same as for Alternative Calculation Method.

(4) Schedule A Filing Method: Check the box for item 1(c).

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## Item 2 Present Value Of Vested Benefits

Round entries that include cents down to the next lower whole dollar amount.

### Determination Date

**General Rule** filers: Enter the date as of which the value of vested benefits was determined for premium purposes. The determination date must be the premium snapshot date.

**ACM** filers: Enter the date as of which the vested benefits for the 2005 Form 5500, Schedule B, item 2b, were valued. That date must be the first day of the 2005 plan year. If it is not, you cannot use the Alternative Calculation Method.

### Assumed Retirement Age

Enter the assumed retirement age used to determine the present value of vested benefits for participants and

beneficiaries not receiving payments. For **ACM** filers, this must be the same as the retirement age actuarial assumption reported on the 2005 Form 5500, Schedule B, item 6b.

### Required Interest Rate

Enter the Required Interest Rate (see A.7., p. 6).

**General Rule** filers use the Required Interest Rate to value vested benefits for premium purposes. **ACM** filers use the Required Interest Rate to determine the adjusted present value of vested benefits.

### Accrual Factor

**General Rule** filers: Leave this item blank.

**ACM** filers: The accrual factor refers to the benefit accrual adjustment factor of 1.07 that you use in the "Item 2(b) Procedure." Enter 1.07.

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Item 2(a) Plan Value of Vested Benefits

**General Rule** filers: Make no entries in either the

“Value” column or the “Interest Rate” column of item 2(a).

**ACM filers:** Fill out items 2(a)(1), 2(a)(2), and 2(a)(3) as follows:

Item 2(a)(1) Plan Value Of Vested Benefits - Those Receiving Payments (**ACM filers only**)

In the “Value” column, enter the present value of vested benefits for retirees and beneficiaries receiving payments, determined as of the first day of the 2005 plan year. The amount entered must be the same as the amount reported on the 2005 Form 5500, Schedule B, item 2b(1), in the Vested Benefits column, “Operational information as of beginning of this plan year — ‘RPA ’94’ current liability — for retired participants and beneficiaries receiving payments.”

In the “Interest Rate” column, enter the plan interest rate used to determine the present value of vested benefits. The interest rate must be the same as the current liability interest rate reported on the 2005 Form 5500, Schedule B, item 6a.

Item 2(a)(2) Plan Value of Vested Benefits - Those Not Receiving Payments (**ACM filers only**)

In the “Value” column, enter the present value of vested benefits for participants not receiving payments, determined as of the first day of the 2005 plan year. This includes all active vested participants and separated

participants with deferred vested benefits. The amount entered must be the sum of the following two amounts reported on the 2005 Form 5500, Schedule B:

a. Item 2b(2), in the Vested Benefits column, “Operational information as of beginning of this plan year — ‘RPA ’94’ current liability — for terminated vested participants,” and

b. Item 2b(3), in the Vested Benefits column, “Operational information as of beginning of this plan year — ‘RPA ’94’ current liability — for active participants.”

In the “Interest Rate” column, enter the plan interest rate used to determine the present value of vested benefits. The interest rate must be the same as the current liability interest rate reported on the 2005 Form 5500, Schedule B, item 6a.

Item 2(a)(3) Total Plan Value of Vested Benefits (**ACM filers only**)

Enter the total amount of the present value of vested benefits determined with the plan’s actuarial assumptions. This is the total of item 2(a)(1) plus item 2(a)(2). The amount entered must be the same as the amount on the 2005 Form 5500, Schedule B, item 2b(4) in the Vested Benefits column, “Operational information as of beginning of this plan year — ‘RPA ’94’ current liability: — Total.”

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#### Item 2(b) Adjusted Value of Vested Benefits

**General Rule filers:** Report in item 2(b) the value of the plan’s vested benefits, determined in accordance with the requirements set forth in the instructions for item 1 of Schedule A above. The value for retirees and beneficiaries receiving payments goes in item 2(b)(1), the value for participants not receiving payments in item 2(b)(2), and the total value (the sum of items 2(b)(1) and 2(b)(2)) in item 2(b)(3). The following two Relief Rules apply only to General Rule filers. (**ACM filers:** see instructions following the two Relief Rules for General Rule filers.)

#### **Relief Rule for General Rule Filers** Accrued Benefit Relief Rule For Large Plans

This is a special rule providing relief from determining vested benefits for certain plans that had 500 or more participants on the premium snapshot date and that are using the General Rule filing method.

If an enrolled actuary determines that the Total Value of Plan Assets in item 3(d) equals or exceeds the value of all benefits accrued under the plan (using plan assumptions, except that the benefits must be valued at the

Required Interest Rate), the enrolled actuary need not determine the values of the plan’s vested benefits. The actuary may instead report in item 2(b) the values of accrued benefits adjusted only for the Required Interest Rate.

If you use this rule, the enrolled actuary’s signature in item 9 indicates that the enrolled actuary is certifying that the Total Value of Plan Assets in item 3(d) equals or exceeds the value of all accrued benefits (using plan assumptions, except that the benefits must be valued at the Required Interest Rate).

#### **Relief Rule for General Rule Filers** Interest Adjustment Relief Rule

If you use the General Rule filing method and the Required Interest Rate for your plan is equal to or greater than the plan interest rate, the value of benefits you enter in item 2(b) may be determined using the plan interest rate instead of the Required Interest Rate.

If you use this relief rule for item 2(b), the enrolled actuary’s signature in item 9 indicates that the enrolled actuary is certifying that the Required Interest Rate for your plan is equal to or greater than the plan interest rate.

**ACM filers:** Follow the instructions for items 2(b)(1), 2(b)(2), and 2(b)(3) below.

**Item 2(b)(1) Adjusted Value of Vested Benefits — Those Receiving Payments**

Enter the adjusted present value of vested benefits for retirees and beneficiaries receiving payments, determined by adjusting the amount in item 2(a)(1) of Schedule A to value the benefits using the Required Interest Rate. To adjust the value of the benefits, you must follow the instructions in the “Item 2(b) Procedure” below.

**Item 2(b)(2) Adjusted Value of Vested Benefits — Those Not Receiving Payments**

Enter the adjusted present value of vested benefits for participants not receiving payments, determined by adjusting the amount in item 2(a)(2) of Schedule A to add benefit accruals for the plan year preceding the premium payment year and to value the benefits using the Required Interest Rate. The adjustment for benefit accruals is 7 percent of the amount in item 2(a)(2). To add the benefit accruals and to adjust the value of the benefits using the Required Interest Rate, you must follow the instructions in the “Item 2(b) Procedure” below.

**Item 2(b)(3) Total Adjusted Vested Benefits**

Enter the total adjusted vested benefits. This amount is the total of item 2(b)(1) plus item 2(b)(2).

**Item 2(b) Procedure for ACM filers — How To Compute Adjusted Vested Benefits**

**Relief Rule for ACM filers** If the Required Interest Rate for your plan entered in item 2 is equal to or greater than the plan interest rate entered in item 2(a)(1) and 2(a)(2), you do not have to use the formula below to calculate the adjusted value of vested benefits. However, you must adjust the amount entered in item 2(a)(2) by multiplying it by 1.07, the benefit accrual adjustment factor. Enter in item 2(b)(1) the same amount you entered in item 2(a)(1), and enter in item 2(b)(2) the adjusted item 2(a)(2) amount.

If you use this interest adjustment relief rule for item 2(b), by signing the certification in item 8 you are certifying that the plan interest rate used to value the vested benefits entered in items 2(a)(1) and 2(a)(2) was equal to or less than the Required Interest Rate.

**Procedure for ACM filers** Use the formula below to compute the adjusted value of vested benefits that you must enter in item 2(b)(1), item 2(b)(2) and item 2(b)(3). Enter all interest rates in the formula as in the following example: Enter 6.75 percent as “6.75,” not as “.0675.”

The formula adjusts the values of vested benefits for

retired participants and beneficiaries receiving benefit payments and for other participants not receiving benefits that you entered in item 2(a)(1) and item 2(a)(2) of PBGC Schedule A. This information comes from your 2005 Form 5500, Schedule B. The formula adjusts your plan values to reflect the Required Interest Rate. The formula also adjusts for benefit accruals during the plan year preceding the premium payment year. You may wish to use the spaces provided as a work sheet.

One part of the formula, the expression “.94<sup>(RIR - BIR)</sup>,” may result in a fractional exponent and will result in a negative exponent when your plan’s current liability interest rate is higher than the Required Interest Rate. You may use an optional procedure to substitute a factor for this expression. See “Procedure — How To Use Substitution Factors for the term “.94<sup>(RIR - BIR)</sup>,”” below.

Formula for Total Adjusted Vested Benefits (item 2(b)(3)):

$$VB_{adj} = VB_{Pay} \times .94^{(RIR - BIR)} + [VB_{Nonpay} \times .94^{(RIR - BIR)} \times ((100 + BIR) / (100 + RIR))^{(ARA - 50)}]$$

**Note:** The  $VB_{Nonpay}$  amount is the amount entered on Schedule A item 2(a)(2) multiplied by 1.07 (the benefit accrual adjustment factor) to reflect accruals during the preceding plan year.

a. Item 2(b)(1) amount — Adjusted Vested Benefits for retirees and beneficiaries receiving payments.

$$\text{Item 2(b)(1)} = VB_{Pay} \times .94^{(RIR - BIR)}$$

b. Item 2(b)(2) amount — Adjusted Vested Benefits for participants *not* receiving payments.

$$\text{Item 2(b)(2)} = VB_{Nonpay} \times .94^{(RIR - BIR)} \times ((100 + BIR) / (100 + RIR))^{(ARA - 50)}$$

c. Definitions.

1.  $VB_{adj}$  is the adjusted vested benefits amount (as of the first day of the plan year preceding the premium payment year) under the Alternative Calculation Method \$ \_\_\_\_\_
2.  $VB_{Pay}$  is the amount entered in item 2(a)(1) \$ \_\_\_\_\_
3.  $VB_{Nonpay}$  is the amount entered in item 2(a)(2) multiplied by 1.07 \$ \_\_\_\_\_
4. RIR is the Required Interest Rate entered in item 2 \_\_\_\_\_ %
5. BIR is the current liability interest rate entered in item 2(a) \_\_\_\_\_ %
6. ARA is the assumed retirement age entered in item 2 \_\_\_\_\_ years

**Procedure for ACM filers** How To Use Substitution Factors for the term “.94<sup>(RIR - BIR)</sup>,”

You may use “substitution factors” in the Alternative Calculation Method interest rate adjustment formula to

replace the term “.94<sup>(RIR - BIR)</sup>.” The use of the “substitution factors” is *not* required; it is *optional*.

The use of the “substitution factors” may slightly overstate the present value of vested benefits and may overstate the amount of the variable-rate premium. The PBGC has rounded all substitution factors up or down to produce the higher value of vested benefits. The impact of

this rounding is minimal. At most, the rounding would overstate the value of vested benefits by less than 1 percent. The substitution factors are in Appendix A. Use the substitution factor in Table A when RIR is equal to or greater than BIR rounded to the nearest hundredth. Use the substitution factor in Table B when BIR, rounded to the nearest hundredth, is greater than RIR.

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### Item 3 Value Of Plan Assets

Item 3(a) Value Of Plan Assets As Of Determination Date

for the premium payment year or later, whether or not made. Adjust all receipts and disbursements for interest.

**All filers:**

Enter the determination date you entered in item 2.

**ACM filers:**

Enter the value of assets as reported on the 2005 Schedule B, item 1b(2), *if* the date reported on the 2005 Schedule B, item 1a, is the first day of the 2005 plan year. *But*, if that date is *not* the first day of the 2005 plan year, enter the value of assets as of the first day of the 2005 plan year, as reported in item 2a of the same Schedule B. (For a plan year to which the first new mortality tables issued under Code section 412(I)(7)(C)(ii)(II) apply, enter the value of assets as of the first day of the 2005 plan year, as reported in item 2a of the same Schedule B. Under a proposed IRS rule published in the Federal Register on December 2, 2005 (at 70 FR 72260), such tables would not apply until 2007.) Round an entry that includes cents up to the next higher whole dollar amount.

**General Rule filers:**

Enter the actuarial value of the plan’s assets determined in accordance with ERISA section 302(c)(2) without a reduction for any credit balance in the funding standard account. (For a plan year to which the first new mortality tables issued under Code section 412(I)(7)(C)(ii)(II) apply, enter the fair market value of the plan’s assets. Under a proposed IRS rule published in the Federal Register on December 2, 2005 (at 70 FR 72260), such tables would not apply until 2007.) Round an entry that includes cents up to the next higher whole dollar amount. You may not include in item 3(a) contributions

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Item 3(b) Contribution Receivables In Item 3(a)

1b(1)(a) and 1b(2)(a) on Schedule H, current value of plan assets, receivables for employer and participant contributions as of the beginning of the plan year. For plans that do not file Schedule H for 2005, you must calculate the contribution receivables amount (keep a record of your calculations).

**All filers:** Enter the sum of employer and employee contribution receivables that were included in the item 3(a) amount. Round an entry that includes cents down to the next lower whole dollar amount.

For plans using the **ACM** that file Schedule H to Form 5500 for 2005, this amount is the sum of items

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Item 3(c) Discounted Paid Contributions

the item 3(a) amount) or were not included (as receivables or otherwise) in the item 3(a) amount. Round an entry that includes cents up to the next higher whole dollar amount. Do not include in item 3(c) any contributions that are for the premium payment year or any contributions that have not been paid on or before the earlier of the due date for the variable-rate premium or the date that premium is paid.

**All filers:** For plans with fewer than 500 participants, this item is optional; you may go to item 3(d). If you do not complete this item, you might understate the adjusted value of assets you will report in item 3(d). If this would affect the amount of the variable-rate premium that the plan owes, you may wish to complete item 3(c).

Enter in item 3(c) the discounted value of those employer and employee contributions paid for plan years before the premium payment year that either were reported in item 3(b) (because they were included as receivables in

We remind filers that the plan year for which a contribution is made is the plan year for which the contribution is credited to the funding standard account as “the amount considered contributed by the employer to or under the plan for the plan year” pursuant to section

412(b)(2)(A) of the Code and section 302(b)(2)(A) of ERISA. (See the preamble to the July 10, 1989, final premium regulation, 54 F.R. 28944, 28949.)

The contributions must be discounted back to the determination date entered in item 3.

**General Rule filers:** Discount the contributions using the plan asset valuation rate, on a simple or compound basis in accordance with the plan’s discounting rules.

**ACM filers:** Discount the contributions using the formula in the “Item 3 Procedure” below.

**Procedure for ACM filers** Item 3 Procedure — How To Discount Contributions

You must use the formula below to discount each contribution included in item 3(c) from the date paid back to the date entered in item 3(a). The sum of the discounted contributions is entered in item 3(c).

Each “discounted contribution” (DC) is computed by dividing the contribution paid by the “discount interest rate factor” for the discount period. The computation of the “discount interest rate factor” is based on the Required Interest Rate (RIR) entered in item 2. Thus, for example, if the RIR is 6.30%, the “discount interest rate factor” is 1.0630. The “discount period” (DP) is the number of days from the date the contribution was paid back to the date entered in item 3(a). As part of the exponent in the formula, the “discount period” adjusts the “discount interest rate factor” for periods of different durations. One year is 365/365 or 1. (The formula assumes a 365-day year.)

Discounted Contribution (DC) =

$$\text{Contribution} / [(1 + (\text{RIR} / 100))^{(\text{DP} / 365)}]$$

where:

1. RIR is the Required Interest Rate entered in item 2 \_\_\_\_\_ %
2. DP is the discount period expressed as the number of days from the date the contribution was paid back to the date entered in item 3(a); for example, one year and 183 days would be 548 days \_\_\_\_\_

**Example** A calendar year plan paying its premium for the 2006 premium payment year received a \$1,000 contribution on July 2 of the premium payment year for the prior plan year. The discount period is July 2 of the premium payment year to January 1 of the prior plan year, or 548 days. Assume that the RIR for the premium payment year is 6.30%. When Contribution = \$1,000, RIR = 6.30%, and the Discount Period (DP) = 548 days, the amount of the Discounted Contribution (DC) is computed as follows:

$$\begin{aligned} \text{DC} &= \$1,000 / [(1 + (6.30/100))^{(548 / 365)}] \\ \text{DC} &= \$1,000 / [(1 + 0.0630)^{(1.50137)}] \\ \text{DC} &= \$1,000 / [1.0630]^{(1.50137)} \\ \text{DC} &= \$1,000 / 1.096065 \\ \text{DC} &= \$912.35 \end{aligned}$$

If the discount period for a contribution includes a partial year, instead of using this formula for the entire period, you may use simple interest for the partial year and this formula for the full year(s), if any, in the discount period, and add the two results.

Item 3(d) Adjusted Value Of Plan Assets

**All filers:** Enter the combined amount of item 3(a), minus item 3(b), plus item 3(c).

**Item 4 Significant Events (ACM or Modified ACM filers with 500 or more participants only)**

Item 4 must be completed for a plan that has 500 or more participants and is using the ACM or Modified ACM. If you are required to complete item 4, then an enrolled actuary must sign the certification in item 9 to indicate that the unfunded vested benefits have been adjusted for the occurrence of any significant events and

that the adjustment is consistent with generally accepted actuarial principles and practices.

Do not complete item 4 if you are using the General Rule method or if your plan has fewer than 500 participants.

Item 4(a)

Check the box for each significant event (S.E.) that

occurred between the determination date in item 2 and the premium snapshot date. The significant events are listed

in A.7., p. 5. If no significant events occurred, check the

“No Significant Events” box.

Item 4(b)

Enter the total amount of the adjustment due to significant events. If the amount is negative, check the

box. A significant event adjustment is negative if it decreases unfunded vested benefits.

Item 5 Adjusted Unfunded Vested Benefits

General Rule filers: The adjusted unfunded vested benefits is the excess, if any, of the Total Adjusted Vested Benefits entered in item 2(b)(3) over the Adjusted Value of Plan Assets entered in item 3(d).

If item 2(b)(3) is less than item 3(d), enter \$0; if not, subtract item 3(d) from item 2(b)(3), round up to the next \$1,000, and enter here.

An enrolled actuary must certify in item 9 that the determination of unfunded vested benefits was made in a manner consistent with generally accepted actuarial principles and practices.

ACM filers: The Adjusted Unfunded Vested Benefits is the excess, if any, of the Total Adjusted Vested Benefits entered in item 2(b)(3) over the Adjusted Plan Assets entered in item 3(d), further adjusted for the passage of time from the determination date entered in item 2 to the premium snapshot date and (for plans with 500 or more participants) for the occurrence of significant events. To determine Adjusted Unfunded Vested Benefits, use the “Item 5 Procedure” below. You may wish to use the space provided as a work sheet.

Plans with fewer than 500 participants compute the Adjusted Unfunded Vested Benefits by using Step 1 and (if necessary) Step 2 of the “Item 5 Procedure” below and entering the result (UVB<sub>adj</sub>) in item 5.

Plans with 500 or more participants compute the Adjusted Unfunded Vested Benefits by using Step 1, Step 2 and Step 3 of the “Item 5 Procedure” below and entering the result (UVB<sub>adj</sub>) in item 5.

Procedure for ACM filers Item 5 Procedure - How To Compute Adjusted Unfunded Vested Benefits

Step 1. Unfunded Vested Benefits.

Compute the amount of Unfunded Vested Benefits as of the determination date entered in item 2 as follows:

- 1. Total Adjusted Vested Benefits from item 2(b)(3) \$
2. Minus: Adjusted Value of Plan Assets from item 3(d) \$
3. Unfunded Vested Benefits (1 minus 2 — this may be negative) . \$
4. If the plan has fewer than 500 participants and the

Unfunded Vested Benefits entered above are negative or zero, then skip Steps 2 and 3, enter \$0 in item 5, and go to item 6. Otherwise, go to Step 2.

Step 2. Passage Of Time.

Adjust the Unfunded Vested Benefits entered above to reflect the passage of time from the determination date entered in item 2 using the following formula:

UVB<sub>adj</sub> = (VB<sub>adj</sub> - A<sub>adj</sub>) x (1 + RIR / 100)<sup>Y</sup>;

where —

- 1. UVB<sub>adj</sub> is the amount of the plan’s Unfunded Vested Benefits adjusted to reflect the passage of time (this may be negative) \$
2. VB<sub>adj</sub> is the value of the Total Adjusted Vested Benefits entered in item 2(b)(3) \$
3. A<sub>adj</sub> is the Adjusted Value Of Plan Assets entered in item 3(d) \$
4. RIR is the Required Interest Rate entered in item 2 %
5. Y is deemed to be equal to 1 (unless the plan year preceding the premium payment year is a short plan year, in which case Y is the number of days in the short plan year (counting both the first day and the last day of the short plan year) divided by 365, expressed as a decimal fraction of 1.0 with two digits to the right of the decimal point)
6. If you have a plan with fewer than 500 participants, round UVB<sub>adj</sub> up to the next \$1,000 and enter in item 5, then skip Step 3 and go to item 6. Otherwise, go to Step 3.

Step 3. Significant Event Adjustment.

If you have a plan with 500 or more participants, an enrolled actuary must complete the certification in item 9 of the Schedule A to indicate that either A or B below is true.

A. No Significant Event, as described in A.7., p.5, occurred during the plan year preceding the premium payment year. If this is the case, then:



1. If  $UVB_{adj}$  from Step 2 above is negative or zero, enter \$0 in item 5.
2. If  $UVB_{adj}$  from Step 2 above is positive, round  $UVB_{adj}$  up to the next \$1,000 and enter in item 5.

B. One or more Significant Events occurred during the plan year preceding the premium payment year, and the enrolled actuary has made an appropriate adjustment to  $UVB_{adj}$  from Step 2 above to reflect the occurrence of the Significant Event(s) in accordance with generally accepted actuarial principles and practices. If this is the

case, you may use the following worksheet:

1. Enter  $UVB_{adj}$  from Step 2 above (this may be negative) . . . . . \$ \_\_\_\_\_
2. Enter the adjustment to  $UVB_{adj}$  to reflect Significant Events from item 4(b) (this may be negative) . . . . . \$ \_\_\_\_\_
3. Combine 1 and 2 and enter the result here (this may be negative) . . . \$ \_\_\_\_\_
4. If 3 is negative or zero, enter \$0 in item 5.
5. If 3 is positive, round up to the next \$1,000 and enter in item 5.

### Item 6 Variable-rate Premium

- All filers:** Enter in item 6 and on Form 1, item 14(c), the variable-rate premium. You have two alternatives:
- a. If your plan has NO Adjusted Unfunded Vested Benefits shown in item 5, enter \$0 in item 6.
  - b. Otherwise, multiply the adjusted unfunded vested

benefit amount in item 5 by 0.009 and enter the result in item 6. **Note:** As these instructions were being prepared, Congress was considering legislation that might change the variable-rate premium. Check the PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)) for changes to applicable rules before you file.

### Item 7 Participant Notice Requirement

For each plan year for which a variable-rate premium is payable for a plan, the plan administrator must issue a notice to participants about the plan's funding status and the limits on the PBGC's guarantee, unless the plan is exempt from the notice requirement under ERISA and the PBGC's regulation on Disclosure to Participants. (Note in particular that the regulation contains an exemption for most new and newly-covered plans.)

The Participant Notice is due no later than two months after the due date (or extended due date) for the Form 5500 series for the prior plan year. For example, the 2005 Participant Notice was due two months after the due date (or extended due date) for the 2004 Form 5500 series. For purposes of determining whether the Participant

Notice was timely issued, if any due date (or extended due date) falls on a Saturday, Sunday, or legal holiday, the applicable due date is the next business day.

This item relates to the Participant Notice requirement for the plan year preceding the premium payment year. Thus, the question on the 2006 premium form relates to the Participant Notice for the 2005 plan year, not the 2006 plan year.

You must check box (1), (2), or (3). If you check box (3) (e.g., because a required Participant Notice was not issued on time or failed to meet any other applicable requirement), you must attach an explanation and check the box in item 18 of Form 1.

### Item 8 Plan Administrator Certification

**All filers:** The plan administrator must sign and date

the certification in item 8. The form you file must bear your original signature in item 8, and we may return the filing if it does not.

### Item 9 Enrolled Actuary Certification

**General Rule filers:** An enrolled actuary must sign and date the certification in item 9. The signature of the enrolled actuary must be filed in original form.

**ACM filers:** If the plan has 500 or more participants,

an enrolled actuary must sign and date the certification in item 9 to indicate that the unfunded vested benefits have been adjusted for the occurrence, if any, of a Significant Event and that the adjustment is consistent with generally accepted actuarial principles and practices. The signature of the enrolled actuary must be filed in original form.

## Part F MODIFIED ALTERNATIVE CALCULATION METHOD FOR PLANS TERMINATING IN DISTRESS OR INVOLUNTARY TERMINATIONS

If you check the box in item 1(c) of Schedule A to indicate that you are using the modified Alternative Calculation Method (ACM) for plans terminating in distress or involuntary terminations, you must follow the instructions in this Part F, which modify the instructions for items 2 through 6 of Schedule A in Part E for ACM filers. The date you enter in item 1 of Schedule A is referred to in this Part F as the “DOPT.”

The item-by-item instructions for items 2 through 6 of the Schedule A are the same as under the Alternative Calculation Method (See Part E of these instructions) subject to the modifications described below. However, under this Distress/Involuntary Termination Method, you will generally be using data from a Schedule B for a plan year earlier than the plan year preceding the premium payment year.

Most of the relevant item numbers on Schedule B for 1994 and earlier years are different from those on the 1995 through 2005 Schedule B, as indicated in the table below.

<u>Corresponding Schedule B Item Numbers</u>	
<u>1995 - 2005 Schedule B</u>	<u>1989 - 1994 Schedule B</u>
1a	8b (date)
1b(2)	8b (value)
2a	6c
2b	6d
2b(1)	6d(i)
2b(2) + 2b(3)	6d(ii) + 6d(iii)
2b(4)	6d(iv)
6a*	12c(i)
6b**	12d

\* Item 6a(1) on 1996 - 2003 Schedule B’s; item 6c(1) on 1995 Schedule B’s.

\*\* Item 6e on 1995 Schedule B’s.

If you are able to use the same Schedule B as under the Alternative Calculation Method, which is the 2005 Schedule B for the 2006 premium payment year, the Distress/Involuntary Termination Method and the Alternative Calculation Method are almost identical; the only difference is that the Distress/Involuntary Termination Method may result in a smaller adjustment for accruals during the plan year preceding the premium payment year, since it would adjust only up to the DOPT. (See Modification 2 below.) Thus, if you use the Distress/Involuntary Termination Method with a Schedule B for the plan year preceding the premium payment year, you may ignore Modifications 1 and 3 below, and apply only Modification 2 to the Alternative Calculation Method.

The modifications, which are generally designed to reflect and to adjust for the fact that the Schedule B data

were determined as of an earlier date, are as follows:

### **Modification 1.**

Substitute the first day of the plan year of the Schedule B you are using for the first day of the Alternative Calculation Method Schedule B year.

**Example** A calendar year plan is paying its 2006 premium. The plan has a DOPT of September 1, 2005, and a premium snapshot date of December 31, 2005, and is using data from its 2004 Schedule B to calculate the variable-rate portion of its premium. For this plan —

1. the determination date to be entered in item 2 must be January 1, 2004;
2. the Plan Value of Vested Benefits to be entered in the “Value” column of item 2(a), as well as the Adjusted Value of Vested Benefits to be entered in item 2(b), must be determined as of January 1, 2004;
3. the determination date to be entered in item 3 must be January 1, 2004;
4. the Value of Plan Assets to be entered in item 3(a) must be determined as of January 1, 2004;
5. the Contribution Receivables to be entered in item 3(b) are those that were included as receivables in the item 3(a) entry as of January 1, 2004;
6. the Discounted Paid Contributions to be entered in item 3(c) are those contributions for plan years prior to the premium payment year that were either included as receivables, or not included (as receivables or otherwise), in the item 3(a) entry as of January 1, 2004 (provided they were paid on or before the earlier of the date the 2006 premium is due or paid);
7. the Discounted Paid Contributions to be entered in item 3(c) must be discounted from the date paid back to January 1, 2004;
8. the Adjusted Value of Plan Assets to be entered in item 3(d) must be determined as of January 1, 2004;
9. if the plan has 500 or more participants, the Significant Events (if any) to be reflected in item 4 are those occurring between January 1, 2004, and December 31, 2005; and
10. the Adjusted Unfunded Vested Benefits to be entered in item 4 is determined as of December 31, 2005.

### **Modification 2.**

Substitute “the sum of 1 plus the product of .07 times the number of years (rounded to the nearest hundredth of a year) from the date of the Schedule B data to the DOPT” for “1.07” (the benefit accrual adjustment factor) in the Item 2(b) interest adjustment “Relief Rule” and the interest rate adjustment formula under the “Item 2(b)

Procedure.”

To compute the number of years, count the number of days from and including the date of the Schedule B data to and including the DOPT and divide by 365.

Under the Alternative Calculation Method, the benefit accrual adjustment factor of 1.07 referred to under the “Item 2(b) Procedure” serves as a surrogate for accruals during the plan year preceding the premium payment year. This surrogate assumes that there has been exactly one year of accruals (*e.g.*, in the case of a calendar year plan paying its 2006 premium, accruals from January 1, 2005, through December 31, 2005). Under the Distress/Involuntary Termination Method, however, the accrual period will run from the date of the Schedule B data to the DOPT.

Using the rule stated in Modification 2, and continuing with the hypothetical plan in Modification 1 —

1. Determine  $VB_{Nonpay}$  in the “Item 2(b) Procedure” interest rate adjustment formula by multiplying the total of the amounts entered in the Vested Benefits column in items 2b(2) and 2b(3) of the 2004 Schedule B by the following benefit accrual adjustment factor (AC) instead of 1.07 —

$$AC = 1 + (.07 \times (\text{the number of days from January 1, 2004 to September 1, 2005}) / 365)$$

$$AC = 1 + (.07 \times 1.67)$$

$$AC = 1 + .12$$

$$AC = 1.12$$

2. If the plan is using the item 2(b) interest adjustment “Relief Rule,” the Schedule A item 2(b)(2) amount is determined by multiplying the Schedule A item

2(a)(2) amount by 1.12. If the plan cannot use the Relief Rule, the  $VB_{Nonpay}$  amount (c.3. under the “Item 2(b) Procedure”) is the amount entered in item 2(a)(2) of Schedule A multiplied by 1.12.

3. Enter the benefit accrual adjustment factor of 1.12 as the accrual factor on Schedule A, item 2.

**Modification 3.**

Use “the number of years (rounded to the nearest hundredth of a year) between the date of the Schedule B data and the premium snapshot date” as the value for the exponent “Y,” in the time adjustment formula under the “Item 5 Procedure” rather than the value described in the “Item 5 Procedure.”

To compute the number of years, count the number of days from and including the date of the Schedule B data to and including the premium snapshot date and divide by 365 in Step 2 of the “Item 5 Procedure.”

Under the Alternative Calculation Method, the exponent, “Y,” in the time adjustment formula in Step 2 of the “Item 5 Procedure” represents the length of time from the date of the Schedule B data to the premium snapshot date. Because that length of time is generally exactly one year under the Alternative Calculation Method, Y is defined simply as (generally) being “equal to 1.” The length of time under the Distress/Involuntary Termination Method will generally be longer than 1 year. Thus, using the rule stated in Modification 3, and continuing with the hypothetical plan in Modification 1, “Y” would equal 2 (the number of years between January 1, 2004, and December 31, 2005).

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## Part G Online Premium Filing with My PAA

### 1. Introduction to My PAA

My Plan Administration Account (My PAA) is a secure, Web-based application that enables you to electronically submit premium filings and payments to PBGC. The PBGC expects to publish in early 2006 a final rule making electronic filing mandatory for 2006 premium filings made on or after July 1, 2006, for large plans (plans that were required to pay premiums for 500 or more participants for the plan year preceding the premium payment year). Electronic filing is expected to be required for all plans beginning with the 2007 plan year. (Payments may still be made by non-electronic means.)

Using My PAA, you can easily and accurately submit any type of PBGC premium filing. At the time of the publication of this booklet, My PAA offers two e-filing methods:

- Data entry and editing screens on which you can create a filing, route it to others for review and e-signature, and submit it to PBGC — available for plan years beginning in 2004 and later.
- An upload feature that you can use to submit to PBGC filings that were created with compatible private-sector software — available for plan years beginning in 2005 and later.

(Check PBGC's Web site for the latest information on the electronic filing options available to you.) With either of these methods, filings reach PBGC in seconds, rather than days; electronic receipts are provided instantly upon filing submission; plan account histories may be viewed on line; and premium payments can be sent by one of three convenient electronic payment methods via My PAA — ACH, electronic check, or credit card — in addition to paper check or wire transfer outside of My PAA.

Additional advantages of using My PAA's data entry and editing screens include:

- Filing data validation ensures accuracy.
- Automation features ease filing preparation.
- Using only the Web and e-mail, practitioner teams can prepare, review, authorize, and submit filings with payments.
- Practitioners can track multiple plans and filings in real time.

Also, by setting up an "e-filing team" within My PAA, you can collaborate online with your colleagues or clients to prepare, review, authorize, and submit filings with payments using My PAA's data entry and editing screens. Team members electronically "route" filings to each other for input and authorization.

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### 2. How to Get Started with My PAA

#### a. Two Ways to Get a My PAA account

To use My PAA, you must have a My PAA account, which gives you a user ID and password to access My PAA. There are two ways you can get a My PAA account:

- Establish an account as Filing Coordinator for a plan that has authorized you to coordinate the plan's online filings.
- Accept an invitation from a plan's Filing Coordinator to join the plan's filing team.

Regardless of the electronic filing method the plan uses to submit premium filings to PBGC (*i.e.*, either using the My PAA data entry and editing screens or uploading a private-sector software-prepared filing), the first step in getting started with My PAA is for the person who will be acting as the Filing Coordinator to establish a My PAA account.

#### b. What is a Filing Coordinator?

If the plan uses My PAA's data entry and editing screens for e-filing, the Filing Coordinator is the person who sets up the plan within My PAA and invites others (*e.g.*, plan administrator, enrolled actuary) to join the plan's e-filing team as necessary. In addition, the Filing Coordinator has the ability to "manage" the e-filing team and draft filings that are in progress in My PAA. If you add other plans to your account as Filing Coordinator, you will also be able to perform these same functions for those other plans.

If the plan uses the upload feature to submit to PBGC premium filings that were created using private-sector software, the person who signs up to be the Filing Coordinator will most likely be the person who will be uploading the premium filings. (Anyone with a My PAA account can upload filings for any plan, even a plan that is not in the person's account.)

To register in My PAA as a Filing Coordinator, you must be designated by a plan to be responsible for coordinating its on-line premium filing.

Once a person has been designated to be the Filing Coordinator for a plan, he or she registers to use My PAA as described in c. below. If you will serve as the Filing Coordinator for several plans, you will be able to add

other plans to your account (see e. below) after you complete the registration process for the first plan. You need only one account, to which you can add an unlimited number of plans.

Note that if you will **not** be the Filing Coordinator, then you should **not** register to use My PAA as described in c. below. You should wait until you receive an e-mail from My PAA on behalf of the Filing Coordinator with instructions on how to register (see d. below).

#### c. Establishing a My PAA account as Filing Coordinator

When you register to use My PAA, you will provide information about yourself and one plan for which you will be the Filing Coordinator. After you complete the registration process, you will have a My PAA account that will include the plan about which you provided information when you registered.

Your My PAA account will include the following information:

- Your name and e-mail address;
- The User ID and Password you will use to log in to My PAA;
- The pension plan(s) for which you contribute filing information (you can add other plans to your account once you complete registration for the first plan);
- The permissions, or abilities, you have for each of these plans; and
- A security key (a secret question and answer combination that only you know) that you will use to complete certain transactions in My PAA, such as signing a filing.

To register for a My PAA account as the Filing Coordinator for a plan:

1. Access PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)) and find the page that gives new users more information and the ability to sign up for My PAA.
2. Read through the introduction information provided and click the "Filing Coordinator Sign Up Here" button at the bottom of the page.
3. Enter and submit the following information:
  - Your e-mail address;
  - Your employer's name and contact information;
  - The name and contact information of your plan's (or one of your plans') plan administrator and plan contact; and
  - Information from the plan's last premium filing (the participant count reported and the final premium due after credits were applied).
4. Receive your temporary user ID and password via

e-mail and follow instructions to establish your permanent user ID and password.

5. When you are finished, you will see your "home page" that will list the plan about which you provided information when you registered.

6. Once you have registered to use My PAA, you can:
  - Proceed to d. where you will set up the team of professionals who will use My PAA's data entry and editing screens to contribute to the plan's filing or will upload private-sector software-prepared premium filings for direct submission to PBGC; or
  - Proceed to e. to add other pension plans to your account for which you are the Filing Coordinator.

#### d. Organizing an E-Filing Team

The completion of a typical filing, including certifications and payment authorizations, often requires input from two or more people. Where paper filings would be routed from person to person within an office or mailed between offices, e-filings prepared using My PAA's data entry and editing screens can be accessed through My PAA by anyone who has been authorized to do so.

A group of people that can use My PAA to provide input for a specific plan's premium filings is called that plan's "e-filing team." E-filing teams are established by the Filing Coordinator.

Once a Filing Coordinator registers to use My PAA, he or she can invite other people to use My PAA to contribute to premium filings prepared for the plan with My PAA's data entry and editing screens. Using My PAA, the Filing Coordinator enters information for each person who is to be added to the team, assigning them one or more "e-filing permissions," which determine the e-filing tasks that each person will be allowed to perform for the plan. These tasks include:

- Providing a plan administrator signature for an e-filing;
- Providing an enrolled actuary signature for an e-filing;
- Providing payment authorization for an e-filing;
- Electronically submitting e-filings with e-payments to PBGC; and
- Viewing the plan's account history on line.

In addition, each filing team member (regardless of "e-filing permissions") will be able — like a Filing Coordinator — to upload premium filings prepared with private-sector software for any plan.

To invite other people to be on your plan's e-filing team:

1. Access the My PAA page on PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)) and enter your user ID and password.
2. Click the "Invite a Practitioner" button next to the applicable plan.
3. Enter and submit the following information for the person you are inviting:
  - First and last name;
  - Phone number;
  - E-mail address; and
  - Permissions that person should have for the plan.
4. Click the "Invite Practitioner" button.
5. My PAA will send that person an e-mail to tell them that they have been invited to contribute to your plan's premium filings.

If the invitee does not already have a My PAA account, the e-mail will include instructions on how to establish a My PAA account. When the account is established, the plan for which the person was invited will be listed on the "home page." If the invitee already has a My PAA account, the plan will be listed on the "home page" the next time he or she accesses My PAA.

#### e. Adding Additional Plans to Your Account

Once you have registered to use My PAA (either by registering as a Filing Coordinator or by being invited by a Filing Coordinator), you can add other plans to your account. You should only add plans for which you will fulfill the role of the Filing Coordinator. If you are not the Filing Coordinator for a plan, that plan can only be added to your account when the Filing Coordinator invites you to join that plan's e-filing team.

To add each additional plan:

1. Access the My PAA page on PBGC's Web site ([www.pbgc.gov](http://www.pbgc.gov)) and enter your user ID and password.
2. Click the "Add Plan as Filing Coordinator" link in the Plans section of your home page.
3. Complete the information requested, for example, about the plan (the participant count and amount paid on the last filing), plan administrator, and plan contact.
4. If appropriate, invite others to contribute to each plan's premium filings by clicking the "Invite a Practitioner" button for each person and completing the information requested.

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### 3. How Filing Team Members Use My PAA's Data Entry and Editing Screens to Prepare and Submit Premium E-Filings and E-Payments

#### a. Initiating a draft e-filing

Once the Filing Coordinator has set up the plan's e-filing team, any team member can initiate a draft e-filing for the plan using My PAA's data entry and editing screens. My PAA will walk you through a step-by-step process to create this draft. On the first step, you will identify the type of filing to be submitted (estimated or final) as well as the type of plan (single-employer or multiemployer) for which the filing is being submitted. The information entered in each step determines the content of the successive steps. For example, if the selections made on the early steps are a final filing for a single employer plan that is exempt from the variable rate premium, the later steps will request the same information as the paper Form 1-EZ.

The person who starts the e-filing need not enter all of the information requested. That person should only complete as much information as possible and then save the draft e-filing. Any missing information can be entered later by the appropriate person (e.g., the actuary).

#### b. Routing, reviewing, and signing the e-filing

Once a draft e-filing is started, e-filing team members can electronically "route" it to each other so that individual contributions can be made to it. The person routing the filing to another member of the e-filing team can include comments and instructions for the person to whom the filing is being routed.

When a filing is routed to another person, My PAA will send that person an e-mail (with instructions if entered) notifying them that they have been routed a filing requiring them to take action and that they are now "holding" that filing. Only the team member who "holds" a filing is able to take action on it. Actions include editing the filing, signing it as a plan administrator or enrolled actuary, authorizing payment for it, and submitting it to PBGC.

All signatures and payment authorizations for an e-filing are acquired electronically from appropriate e-filing team members. Once a draft e-filing is created, My PAA will list the required signature(s) and payment authorization that must be obtained before it can be submitted to PBGC. Those e-filing team members who have been granted permission by the Filing Coordinator to electronically sign the e-filing or electronically authorize payment for it will do so from within My PAA.

Note that the Filing Coordinator has the option of

taking back possession of an e-filing from any of the other team members if the Filing Coordinator believes this is necessary.

c. Selecting an electronic payment method

If the premium filing to be submitted to PBGC includes a premium amount due, you must indicate how payment will be made from this list of alternatives:

- Pay online using My PAA.
- Pay with a paper check.
- Pay with an electronic funds transfer outside of My PAA.

If you choose to pay online using My PAA, you can use one of the following three electronic payment methods:

**Automated Clearing House (ACH)** — This payment method involves the electronic transfer of funds from an account you specify to a PBGC account. You specify the account by entering the account number and bank routing code.

**Electronic Check** — This is the electronic equivalent to writing a paper check. It involves entering the check number of a (voided) paper check, the account number, and the bank routing number to conduct an electronic transfer of funds. Funds are transferred from the plan sponsor’s checking account to a PBGC account.

**Credit Card** — My PAA currently accepts Visa and MasterCard as payment options. Please note that when you use a credit card to pay a premium, you will be charged a convenience fee (which is passed on to the credit card processor) of approximately 3.04 percent of the total premium amount and that there is a \$99,999.99 limit (including the convenience fee).

Whichever one of the three e-payment methods is selected, premium payment funds are securely transferred through the Internet when the e-filing is submitted to PBGC.

If you choose to pay the premium outside of My PAA, either by electronic funds transfer or by paper check, My PAA will give you payment instructions (including a voucher to send in with your paper check). As always, it is very important to include the plan’s EIN/PN and plan year commencement (PYC) date with these payments outside of My PAA so your payment can be correctly tied to your premium filing.

d. Submitting the completed e-filing with payment

All of the following conditions must be met before My PAA will allow the Filing Coordinator or the person authorized to submit an e-filing as the plan administrator to electronically submit an e-filing and e-payment (if one is being made) to PBGC:

- All required information has been entered into the e-filing;
- An e-filing team member with plan administrator permission has provided his or her electronic signature for the e-filing;
- If a payment is being made through My PAA, an e-filing team member with permission to authorize premium e-payments has provided his or her electronic authorization to make the premium payment; and
- If appropriate, an e-filing team member with enrolled actuary permission has provided his or her electronic signature for the e-filing.

e. Receiving an online receipt

Once an e-filing and any associated e-payment are submitted to PBGC, My PAA will display an electronic receipt. This receipt includes the date and time the e-filing was received by PBGC, a confirmation number, and data entered into the e-filing. This online receipt can be accessed in My PAA by any e-filing team member. (Note: The “Received Date and Time” that appears on the receipt is the exact moment that the e-filing’s data “hits” PBGC’s server in Washington, D.C. Rarely will it take more than a few minutes for this data to hit our server after being submitted.)

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#### 4. How a Person With a My PAA Account Uploads a Premium Filing Prepared With Private-Sector Software

a. Requirements to upload premium filings prepared with private-sector software

If you use a private-sector software program to create

a premium filing, you can use My PAA to upload the filing directly to PBGC electronically via the Internet. For you to do this:

1. You must have a My PAA account (*i.e.*, a user ID and password — see G.2.);
2. The private-sector software program you are using must be able to save your premium information in a PBGC-compatible electronic format; and

3. You must be qualified to certify the filing according to PBGC requirements (see d. below).

Once you have an account, you can upload a filing for any plan (whether or not it is in your My PAA account) as long as you meet the other requirements listed above.

b. Preparing a premium filing with private-sector software to upload through My PAA

In order to be able to upload a premium filing through My PAA, the filing must be contained in an electronic file that is in “XML” format and meets PBGC specifications. The specifications are posted on the PBGC’s Web site ([www.pbgc.gov](http://www.pbgc.gov)). Private-sector software providers and developers submit to PBGC sample filings in XML format for PBGC review and assignment of approval numbers; you should check with your software provider or developer to find out whether your software is capable of creating an XML file in the proper format for upload to the PBGC through My PAA.

When you use private-sector software to create a premium filing, follow PBGC’s premium filing instructions as well as the user instructions for the private-sector software you are using. Once the filing has been prepared, it must be saved electronically. Follow the user instructions for the private-sector software that tell you how to put the filing information into an electronic file that meets PBGC’s specifications.

c. Uploading a premium filing through My PAA

To upload your completed premium filing, log on to My PAA and go to the “Uploaded Software-Prepared Filings” section of your My PAA home page. Clicking the “Upload Fully Prepared Filing” button will take you to a screen where you will enter the name of or select the XML file containing the filing you are uploading. My PAA will

also prompt you for other information.

d. Certifying an uploaded premium filing

When you have selected or entered the XML file name and other information for the upload, My PAA will take you to a certification screen. You must be authorized to submit to the PBGC every filing that you upload. The plan administrator of each plan for which a filing is uploaded must certify the uploaded information. In some cases, an enrolled actuary must also certify the variable-rate premium information in an uploaded filing. The certification screen and accompanying instructions will explain the certification requirements. The plan administrator and enrolled actuary must make their certifications in accordance with those requirements. The requirements are also posted on the PBGC’s Web site along with other information about online premium filing.

e. Selecting a payment method

When you upload a premium filing via My PAA, you are given the same options for payment of the premium as when you use My PAA’s data entry and editing screens to create a filing. See 3.c. above.

f. Receiving an online receipt

Once you upload your filing, My PAA gives you an e-filing receipt that contains a confirmation ID and the date and time PBGC received your filing. In addition, this receipt shows the name of the XML file you uploaded and information about the file that you entered when it was uploaded. Note that this receipt does not show the filing information that was contained in the uploaded electronic file.

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## 5. About My PAA Accounts

Each individual who registers as a Filing Coordinator or becomes a filing team member for one or more plans has a My PAA account that is tied to his or her e-mail address. My PAA accounts are established only once, but information can be added to them as needed.

There are two ways that a My PAA account can be established:

- If an individual is a plan’s Filing Coordinator, that individual’s account is established as a result of registering to use My PAA. Filing Coordinators are the individuals responsible for coordinating a plan’s premium e-filings.

- An individual will establish a personal account if invited by a plan’s Filing Coordinator to join that plan’s e-filing team. The individual’s account is established when the individual accepts the Filing Coordinator’s invitation and completes the first-time log-in process. If you have not been selected to serve as a Filing Coordinator, but you anticipate using My PAA as a member of an e-filing team, you must wait for a Filing Coordinator to invite you to register for an account.

Every individual’s personal account functions the same way, despite the way it was established. Every individual’s personal account keeps track of the following information:



- The individual’s log-in information (user ID and password).
- The individual’s security key (a secret question / secret answer combination).
- The names of the plan or plans for which the individual serves as an e-filing team member. An individual can serve as an e-filing team member for an unlimited number of plans. Since personal accounts are established only once, an individual does not establish a new account for each plan to which the individual will make a contribution. Rather, the additional plans for which the individual becomes an e-filing team member are simply added to the

individual’s existing account.

- The e-filing permissions that the individual has for each of his or her plans. An individual’s e-filing permissions determine what e-filing tasks the individual can perform using My PAA’s data entry and editing screens as a member of each e-filing team in which the individual participates. An individual’s e-filing permissions may be different for each of the individual’s plans. For example, an individual may have permission to sign e-filings and approve e-payments as a member of Plan A’s e-filing team, but only have permission to approve e-payments as a member of Plan B’s e-filing team.

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## 6. Questions about My PAA?

If you have questions about e-filing with My PAA, please send an e-mail message to [premiums@pbgc.gov](mailto:premiums@pbgc.gov) or call PBGC’s toll-free practitioner number,

1-800-736-2444, and select the “premium” option. Note: TTY/TDD users may call the Federal Relay Service toll-free at 1-800-877-8339 and ask to be connected.

To get started using My PAA, please visit PBGC on the Web at [www.pbgc.gov](http://www.pbgc.gov).

**APPENDIX A Optional Substitution Factors for the term “.94<sup>(RIR - BIR)</sup>”**

You may use optional “substitution factors” in the Alternative Calculation Method interest rate adjustment formula to replace the term “.94<sup>(RIR - BIR)</sup>.” The use of the factors is not required; it is optional. The instructions for the formula and for use of the tables below are in Part E, item 2.

Use the substitution factor in Table A when RIR is equal to or greater than BIR rounded to the nearest hundredth. Use the substitution factor in Table B when BIR, rounded to the nearest hundredth, is greater than RIR.

**TABLE A**

When RIR is Equal To Or Greater Than BIR

If RIR minus BIR (rounded to the nearest hundredth) is:		The substitution factor is:	If RIR minus BIR (rounded to the nearest hundredth) is:		The substitution factor is:
At Least	But less than		At Least	But less than	
0.00	0.10	1.0000	3.00	3.10	0.8306
0.10	0.20	0.9938	3.10	3.20	0.8255
0.20	0.30	0.9877	3.20	3.30	0.8204
0.30	0.40	0.9816	3.30	3.40	0.8153
0.40	0.50	0.9756	3.40	3.50	0.8103
0.50	0.60	0.9695	3.50	3.60	0.8053
0.60	0.70	0.9636	3.60	3.70	0.8003
0.70	0.80	0.9576	3.70	3.80	0.7954
0.80	0.90	0.9517	3.80	3.90	0.7905
0.90	1.00	0.9458	3.90	4.00	0.7856
1.00	1.10	0.9400	4.00	4.10	0.7807
1.10	1.20	0.9342	4.10	4.20	0.7759
1.20	1.30	0.9284	4.20	4.30	0.7711
1.30	1.40	0.9227	4.30	4.40	0.7664
1.40	1.50	0.9170	4.40	4.50	0.7617
1.50	1.60	0.9114	4.50	4.60	0.7570
1.60	1.70	0.9057	4.60	4.70	0.7523
1.70	1.80	0.9002	4.70	4.80	0.7477
1.80	1.90	0.8946	4.80	4.90	0.7430
1.90	2.00	0.8891	4.90	5.00	0.7385
2.00	2.10	0.8836	5.00	5.10	0.7339
2.10	2.20	0.8781	5.10	5.20	0.7294
2.20	2.30	0.8727	5.20	5.30	0.7249
2.30	2.40	0.8673	5.30	5.40	0.7204
2.40	2.50	0.8620	5.40	5.50	0.7160
2.50	2.60	0.8567	5.50	5.60	0.7115
2.60	2.70	0.8514	5.60	5.70	0.7072
2.70	2.80	0.8461	5.70	5.80	0.7028
2.80	2.90	0.8409	5.80	5.90	0.6985
2.90	3.00	0.8357	5.90	6.00	0.6942

**TABLE B**

When BIR is Greater Than RIR

If BIR (rounded to the nearest hundredth) minus RIR is:		The substitution factor is:	If BIR (rounded to the nearest hundredth) minus RIR is:		The substitution factor is:
At Least	But less than		At Least	But less than	
0.00	0.10	1.0062	3.00	3.10	1.2114
0.10	0.20	1.0125	3.10	3.20	1.2190
0.20	0.30	1.0187	3.20	3.30	1.2265
0.30	0.40	1.0251	3.30	3.40	1.2341
0.40	0.50	1.0314	3.40	3.50	1.2418
0.50	0.60	1.0378	3.50	3.60	1.2495
0.60	0.70	1.0443	3.60	3.70	1.2573
0.70	0.80	1.0507	3.70	3.80	1.2651
0.80	0.90	1.0573	3.80	3.90	1.2729
0.90	1.00	1.0638	3.90	4.00	1.2808
1.00	1.10	1.0704	4.00	4.10	1.2888
1.10	1.20	1.0771	4.10	4.20	1.2968
1.20	1.30	1.0838	4.20	4.30	1.3048
1.30	1.40	1.0905	4.30	4.40	1.3129
1.40	1.50	1.0973	4.40	4.50	1.3211
1.50	1.60	1.1041	4.50	4.60	1.3293
1.60	1.70	1.1109	4.60	4.70	1.3375
1.70	1.80	1.1178	4.70	4.80	1.3458
1.80	1.90	1.1248	4.80	4.90	1.3542
1.90	2.00	1.1317	4.90	5.00	1.3626
2.00	2.10	1.1388	5.00	5.10	1.3710
2.10	2.20	1.1458	5.10	5.20	1.3795
2.20	2.30	1.1529	5.20	5.30	1.3881
2.30	2.40	1.1601	5.30	5.40	1.3967
2.40	2.50	1.1673	5.40	5.50	1.4054
2.50	2.60	1.1745	5.50	5.60	1.4141
2.60	2.70	1.1818	5.60	5.70	1.4229
2.70	2.80	1.1892	5.70	5.80	1.4317
2.80	2.90	1.1965	5.80	5.90	1.4406
2.90	3.00	1.2040	5.90	6.00	1.4495

## APPENDIX B Codes for Principal Business Activity.

These business titles and definitions are based, in general, on the North American Industry Classification System. They are designed to classify an enterprise by the type of activity in which it is engaged. You must use a code from the following list.

### Agriculture, Forestry, Fishing and Hunting

Crop Production  
111100 Oilseed & Grain Farming  
111210 Vegetable & Melon Farming (including potatoes & yams)  
111300 Fruit & Tree Nut Farming  
111400 Greenhouse, Nursery, & Floriculture Production  
111900 Other Crop Farming (including tobacco, cotton, sugarcane, hay, peanut, sugar beet & all other crop farming)  
Animal Production  
112111 Beef Cattle Ranching & Farming  
112112 Cattle Feedlots  
112120 Dairy Cattle & Milk Production  
112210 Hog & Pig Farming  
112300 Poultry & Egg Production  
112400 Sheep & Goat Farming  
112510 Animal Aquaculture (including shellfish & finfish farms & hatcheries)  
112900 Other Animal Production  
Forestry and Logging  
113110 Timber Tract Operations  
113210 Forest Nurseries & Gathering of Forest Products  
113310 Logging  
Fishing, Hunting and Trapping  
114110 Fishing  
114210 Hunting & Trapping  
Support Activities for Agriculture and Forestry  
115110 Support Activities for Crop Production (including cotton ginning, soil preparation, planting, & cultivating)  
115210 Support Activities for Animal Production  
115310 Support Activities For Forestry

### Mining

211110 Oil & Gas Extraction  
212110 Coal Mining  
212200 Metal Ore Mining  
212310 Stone Mining & Quarrying  
212320 Sand, Gravel, Clay, & Ceramic & Refractory Minerals Mining & Quarrying  
212390 Other Nonmetallic Mineral Mining & Quarrying  
213110 Support Activities for Mining

### Utilities

221100 Electric Power Generation, Transmission & Distribution  
221210 Natural Gas Distribution  
221300 Water, Sewage & Other Systems

### Construction

Construction of Buildings  
236110 Residential Building Construction  
236200 Nonresidential Building Construction  
Heavy and Civil Engineering Construction  
237100 Utility System Construction  
237210 Land Subdivision  
237310 Highway, Street, & Bridge Construction  
237990 Other Heavy & Civil Engineering Construction  
Specialty Trade Contractors  
238100 Foundation, Structure, & Building Exterior Contractors (including framing carpentry, masonry, glass, roofing, & siding)  
238210 Electrical Contractors  
238220 Plumbing, Heating, & Air-conditioning Contractors  
238290 Other Building Equipment Contractors  
238300 Building Finishing Contractors (including drywall, insulation, painting, wallcovering, flooring, tile, and finish carpentry)  
238900 Other Specialty Trade Contractors (including site preparation)

### Manufacturing

Food Manufacturing  
311110 Animal Food Mfg  
311200 Grain & Oilseed Milling  
311300 Sugar & Confectionery Product Mfg  
311400 Fruit & Vegetable Preserving & Specialty Food Mfg  
311500 Dairy Product Mfg  
311610 Animal Slaughtering and Processing  
311710 Seafood Product Preparation & Packaging  
311800 Bakeries & Tortilla Mfg  
311900 Other Food Mfg (including coffee, tea, flavorings & seasonings)  
Beverage and Tobacco Product Manufacturing  
312110 Soft Drink & Ice Mfg  
312120 Breweries  
312130 Wineries  
312140 Distilleries  
312200 Tobacco Manufacturing  
Textile Mills and Textile Product Mills  
313000 Textile Mills  
314000 Textile Product Mills  
Apparel Manufacturing  
315100 Apparel Knitting Mills  
315210 Cut & Sew Apparel Contractors  
315220 Men's & Boys' Cut & Sew Apparel Mfg  
315230 Women's & Girls' Cut & Sew Apparel Mfg  
315290 Other Cut & Sew Apparel Mfg  
315990 Apparel Accessories & Other Apparel Mfg  
Leather and Allied Product Manufacturing  
316110 Leather & Hide Tanning & Finishing  
316210 Footwear Mfg (including rubber & plastics)  
316990 Other Leather & Allied Product Mfg  
Wood Product Manufacturing  
321110 Sawmills & Wood Preservation  
321210 Veneer, Plywood, & Engineered Wood Product Mfg  
321900 Other Wood Product Mfg  
Paper Manufacturing  
322100 Pulp, Paper, & Paperboard Mills  
322200 Converted Paper Product Mfg  
Printing and Related Support Activities  
323100 Printing & Related Support Activities  
Petroleum and Coal Products Manufacturing  
324110 Petroleum Refineries (including integrated)  
324120 Asphalt Paving, Roofing, & Saturated Materials Mfg  
324190 Other Petroleum & Coal Products Mfg  
Chemical Manufacturing  
325100 Basic Chemical Mfg  
325200 Resin, Synthetic Rubber, & Artificial & Synthetic Fibers & Filaments Mfg  
325300 Pesticide, Fertilizer, & Other Agricultural Chemical Mfg  
325410 Pharmaceutical & Medicine Mfg  
325500 Paint, Coating, & Adhesive Mfg  
325600 Soap, Cleaning Compound, & Toilet Preparation Mfg  
325900 Other Chemical Product & Preparation Mfg  
Plastics and Rubber Products Manufacturing  
326100 Plastics Product Mfg  
326200 Rubber Product Mfg  
Nonmetallic Mineral Product Manufacturing  
327100 Clay Product & Refractory Mfg  
327210 Glass & Glass Product Mfg  
327300 Cement & Concrete Product Mfg  
327400 Lime & Gypsum Product Mfg  
327900 Other Nonmetallic Mineral Product Mfg  
Primary Metal Manufacturing  
331110 Iron & Steel Mills & Ferroalloy Mfg  
331200 Steel Product Mfg from Purchased Steel  
331310 Alumina & Aluminum Production & Processing  
331400 Nonferrous Metal (except Aluminum) Production & Processing  
331500 Foundries  
Fabricated Metal Product Manufacturing  
332110 Forging & Stamping  
332210 Cutlery & Handtool Mfg  
332300 Architectural & Structural Metals Mfg  
332400 Boiler, Tank, & Shipping Container Mfg

332510 Hardware Mfg  
332610 Spring & Wire Product Mfg  
332700 Machine Shops; Turned Product; & Screw, Nut, & Bolt Mfg  
332810 Coating, Engraving, Heat Treating, & Allied Activities  
332900 Other Fabricated Metal Product Mfg  
Machinery Manufacturing  
333100 Agriculture, Construction, & Mining Machinery Mfg  
333200 Industrial Machinery Mfg  
333310 Commercial & Service Industry Machinery Mfg  
333410 Ventilation, Heating, Air-Conditioning, & Commercial Refrigeration Equipment Mfg  
333510 Metalworking Machinery Mfg  
333610 Engine, Turbine & Power Transmission Equipment Mfg  
333900 Other General Purpose Machinery Mfg  
Computer and Electronic Product Manufacturing  
334110 Computer & Peripheral Equipment Mfg  
334200 Communications Equipment Mfg  
334310 Audio & Video Equipment Mfg  
334410 Semiconductor & Other Electronic Component Mfg  
334500 Navigational, Measuring, Electromedical, & Control Instruments Mfg  
334610 Manufacturing & Reproducing Magnetic & Optical Media  
Electrical Equipment, Appliance, and Component Manufacturing  
335100 Electric Lighting Equipment Mfg  
335200 Household Appliance Mfg  
335310 Electrical Equipment Mfg  
335900 Other Electrical Equipment & Component Mfg  
Transportation Equipment Manufacturing  
336100 Motor Vehicle Mfg  
336210 Motor Vehicle Body & Trailer Mfg  
336300 Motor Vehicle Parts Mfg  
336410 Aerospace Product & Parts Mfg  
336510 Railroad Rolling Stock Mfg  
336610 Ship & Boat Building  
336990 Other Transportation Equipment Mfg  
Furniture and Related Product Manufacturing  
337000 Furniture & Related Product Manufacturing  
Miscellaneous Manufacturing  
339110 Medical Equipment & Supplies Mfg  
339900 Other Miscellaneous Manufacturing

### Wholesale Trade

Merchant Wholesalers, Durable Goods  
423100 Motor Vehicle & Motor Vehicle Parts & Supplies  
423200 Furniture & Home Furnishings  
423300 Lumber & Other Construction Materials  
423400 Professional & Commercial Equipment & Supplies  
423500 Metals & Minerals (except Petroleum)  
423600 Electrical & Electronic Goods  
423700 Hardware, Plumbing & Heating Equipment & Supplies  
423800 Machinery, Equipment, & Supplies  
423910 Sporting & Recreational Goods & Supplies  
423920 Toy & Hobby Goods & Supplies  
423930 Recyclable Materials  
423940 Jewelry, Watches, Precious Stones, & Precious Metals  
423990 Other Miscellaneous Durable Goods  
Merchant Wholesalers, Nondurable Goods  
424100 Paper & Paper Products  
424210 Drugs & Druggists' Sundries  
424300 Apparel, Piece Goods, & Notions  
424400 Grocery & Related Products  
424500 Farm Product Raw Materials  
424600 Chemical & Allied Products  
424700 Petroleum & Petroleum Products  
424800 Beer, Wine, & Distilled Alcoholic Beverages  
424910 Farm Supplies  
424920 Books, Periodicals & Newspapers  
424930 Flowers, Nursery Stock, & Florists' Supplies  
424940 Tobacco & Tobacco Products  
424950 Paint, Varnish, & Supplies

424990 Other Miscellaneous Nondurable Goods  
Wholesale Electronic Markets and Agents and Brokers  
425110 Business to Business Electronic Markets  
425120 Wholesale Trade Agents & Brokers

## Retail Trade

Motor Vehicle and Parts Dealers  
441110 New Car Dealers  
441120 Used Car Dealers  
441210 Recreational Vehicle Dealers  
441221 Motorcycle Dealers  
441222 Boat Dealers  
441229 All Other Motor Vehicle Dealers  
441300 Automotive Parts, Accessories, & Tire Stores  
Furniture and Home Furnishings Stores  
442110 Furniture Stores  
442210 Floor Covering Stores  
442291 Window Treatment Stores  
442299 All Other Home Furnishings Stores  
Electronics and Appliance Stores  
443111 Household Appliance Stores  
443112 Radio, Television, & Other Electronics Stores  
443120 Computer & Software Stores  
443130 Camera & Photographic Supplies Stores  
Building Material and Garden Equipment and Supplies Dealers  
444110 Home Centers  
444120 Paint & Wallpaper Stores  
444130 Hardware Stores  
444190 Other Building Material Dealers  
444200 Lawn & Garden Equipment & Supplies Stores  
Food and Beverage Stores  
445110 Supermarkets and Other Grocery (except Convenience) Stores  
445120 Convenience Stores  
445210 Meat Markets  
445220 Fish & Seafood Markets  
445230 Fruit & Vegetable Markets  
445291 Baked Goods Stores  
445292 Confectionery & Nut Stores  
445299 All Other Specialty Food Stores  
445310 Beer, Wine, & Liquor Stores  
Health and Personal Care Stores  
446110 Pharmacies & Drug Stores  
446120 Cosmetics, Beauty Supplies, & Perfume Stores  
446130 Optical Goods Stores  
446190 Other Health & Personal Care Stores  
Gasoline Stations  
447100 Gasoline Stations (including convenience stores with gas)  
Clothing and Clothing Accessories Stores  
448110 Men's Clothing Stores  
448120 Women's Clothing Stores  
448130 Children's & Infants' Clothing Stores  
448140 Family Clothing Stores  
448150 Clothing Accessories Stores  
448190 Other Clothing Stores  
448210 Shoe Stores  
448310 Jewelry Stores  
448320 Luggage & Leather Goods Stores  
Sporting Goods, Hobby, Book, and Music Stores  
451110 Sporting Goods Stores  
451120 Hobby, Toy, & Game Stores  
451130 Sewing, Needlework, & Piece Goods Stores  
451140 Musical Instrument & Supplies Stores  
451211 Book Stores  
451212 News Dealers & Newsstands  
451220 Prerecorded Tape, Compact Disc, & Record Stores  
General Merchandise Stores  
452110 Department Stores  
452900 Other General Merchandise Stores  
Miscellaneous Store Retailers  
453110 Florists  
453210 Office Supplies & Stationery Stores  
453220 Gift, Novelty, & Souvenir Stores  
453310 Used Merchandise Stores  
453910 Pet & Pet Supplies Stores  
453920 Art Dealers  
453930 Manufactured (Mobile) Home Dealers  
453990 All Other Miscellaneous Store Retailers (including tobacco, candle, & trophy shops)  
Nonstore Retailers  
454110 Electronic Shopping & Mail-Order Houses  
454210 Vending Machine Operators

454311 Heating Oil Dealers  
454312 Liquefied Petroleum Gas (Bottled Gas) Dealers  
454319 Other Fuel Dealers  
454390 Other Direct Selling Establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)

## Transportation and Warehousing

Air, Rail, and Water Transportation  
481000 Air Transportation  
482110 Rail Transportation  
483000 Water Transportation  
Truck Transportation  
484110 General Freight Trucking, Local  
484120 General Freight Trucking, Long-distance  
484200 Specialized Freight Trucking  
Transit and Ground Passenger Transportation  
485110 Urban Transit Systems  
485210 Interurban & Rural Bus Transportation  
485310 Taxi Service  
485320 Limousine Service  
485410 School & Employee Bus Transportation  
485510 Charter Bus Industry  
485990 Other Transit & Ground Passenger Transportation  
Pipeline Transportation  
486000 Pipeline Transportation  
Scenic & Sightseeing Transportation  
487000 Scenic & Sightseeing Transportation  
Support Activities for Transportation  
488100 Support Activities for Air Transportation  
488210 Support Activities for Rail Transportation  
488300 Support Activities for Water Transportation  
488410 Motor Vehicle Towing  
488490 Other Support Activities for Road Transportation  
488510 Freight Transportation Arrangement  
488990 Other Support Activities for Transportation  
Couriers and Messengers  
492110 Couriers  
492210 Local Messengers & Local Delivery  
Warehousing and Storage  
493100 Warehousing & Storage Facilities (except lessors of miniwarehouses & self storage units)

## Information

Publishing Industries (except Internet)  
511110 Newspaper Publishers  
511120 Periodical Publishers  
511130 Book Publishers  
511140 Directory & Mailing, Publishers  
511190 Other Publishers  
511210 Software Publishers  
Motion Picture and Sound Recording Industries  
512100 Motion Picture & Video Industries (except video rental)  
512200 Sound Recording Industries  
Broadcasting (except Internet)  
515100 Radio & Television Broadcasting  
515210 Cable & Other Subscription Programming  
Internet Publishing and Broadcasting  
516110 Internet Publishing & Broadcasting  
Telecommunications  
517000 Telecommunications (including paging, cellular, satellite, cable & other program distribution, resellers & other telecommunications)  
Internet Service Providers, Web Search Portals, and Data Processing Services  
518111 Internet Service Providers  
518112 Web Search Portals  
518210 Data Processing, Hosting, & Related Products  
Other Information Services  
519100 Other Information Services (including news syndicates & libraries)

## Finance and Insurance

Depository Credit Intermediation  
522110 Commercial Banking  
522120 Savings Institutions  
522130 Credit Unions  
522190 Other Depository Credit Intermediation  
Nondepository Credit Intermediation  
522210 Credit Card Issuing  
522220 Sales Financing

522291 Consumer Lending  
522292 Real Estate Credit (including mortgage bankers & originators)  
522293 International Trade Financing  
522294 Secondary Market Financing  
522298 All Other Nondepository Credit Intermediation  
Activities Related to Credit Intermediation  
522300 Activities Related to Credit Intermediation (including loan brokers)  
Securities, Commodity Contracts, and Other Financial Investments and Related Activities  
523110 Investment Banking & Securities Dealing  
523120 Securities Brokerage  
523130 Commodity Contracts Dealing  
523140 Commodity Contracts Brokerage  
523210 Securities & Commodity Exchanges  
523900 Other Financial Investment Activities (including portfolio management & investment advice)  
Insurance Carriers and Related Activities  
524140 Direct Life, Health, & Medical Insurance & Reinsurance Carriers  
524150 Direct Insurance & Reinsurance (except Life, Health & Medical) Carriers  
524210 Insurance Agencies & Brokerages  
524290 Other Insurance Related Activities  
Funds, Trusts, and Other Financial Vehicles  
525100 Insurance & Employee Benefit Funds  
525910 Open-End Investment Funds (Form 1120-RIC)  
525920 Trusts, Estates, & Agency Accounts  
525930 Real Estate Investment Trusts (Form 1120-REIT)  
525990 Other Financial Vehicles (including closed-end investment funds)  
"Offices of Bank Holding Companies" and "Offices of Other Holding Companies" are located under Management of Companies (Holding Companies)

## Real Estate and Rental and Leasing

Real Estate  
531110 Lessors of Residential Buildings & Dwellings  
531114 Cooperative Housing  
531120 Lessors of Nonresidential Buildings (except Miniwarehouses)  
531130 Lessors of Miniwarehouses & Self-Storage Units  
531190 Lessors of Other Real Estate Property  
531210 Offices of Real Estate Agents & Brokers  
531310 Real Estate Property Managers  
531320 Offices of Real Estate Appraisers  
531390 Other Activities Related to Real Estate  
Rental and Leasing Services  
532100 Automotive Equipment Rental & Leasing  
532210 Consumer Electronics & Appliances Rental  
532220 Formal Wear & Costume Rental  
532230 Video Tape & Disc Rental  
532290 Other Consumer Goods Rental  
532310 General Rental Centers  
532400 Commercial & Industrial Machinery & Equipment Rental & Leasing  
Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)  
533110 Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)

## Professional, Scientific, and Technical Services

Legal Services  
541110 Offices of Lawyers  
541190 Other Legal Services  
Accounting, Tax Preparation, Bookkeeping, and Payroll Services  
541211 Offices of Certified Public Accountants  
541213 Tax Preparation Services  
541214 Payroll Services  
541219 Other Accounting Services  
Architectural, Engineering, and Related Services  
541310 Architectural Services  
541320 Landscape Architecture Services  
541330 Engineering Services  
541340 Drafting Services  
541350 Building Inspection Services  
541360 Geophysical Surveying & Mapping Services  
541370 Surveying & Mapping (except Geophysical) Services  
541380 Testing Laboratories

### Specialized Design Services

541400 Specialized Design Services (including interior, industrial, graphic, & fashion design)

### Computer Systems Design and Related Services

541511 Custom Computer Programming Services

541512 Computer Systems Design Services

541513 Computer Facilities Management Services

541519 Other Computer Related Services

### Other Professional, Scientific, and Technical Services

541600 Management, Scientific, & Technical Consulting Services

541700 Scientific Research & Development Services

541800 Advertising & Related Services

541910 Marketing Research & Public Opinion Polling

541920 Photographic Services

541930 Translation & Interpretation Services

541940 Veterinary Services

541990 All Other Professional, Scientific & Technical Services

## Management of Companies (Holding Companies)

551111 Offices of Bank Holding Companies

551112 Offices of Other Holding Companies

## Administrative and Support and Waste Management and Remediation Services

### Administrative and Support Services

561110 Office Administrative Services

561210 Facilities Support Services

561300 Employment Services

561410 Document Preparation Services

561420 Telephone Call Centers

561430 Business Service Centers (including private mail centers & copy shops)

561440 Collection Agencies

561450 Credit Bureaus

561490 Other Business Support Services (including repossession services, court reporting, & stenotype services)

561500 Travel Arrangement & Reservation Services

561600 Investigation & Security Services

561710 Exterminating & Pest Control Services

561720 Janitorial Services

561730 Landscaping Services

561740 Carpet & Upholstery Cleaning Services

561790 Other Services to Buildings & Dwellings

561900 Other Support Services (including packaging & labeling services, & convention & trade show organizers)

### Waste Management and Remediation Services

562000 Waste Management & Remediation Services

## Educational Services

611000 Educational Services (including schools, colleges, & universities)

## Health Care and Social Assistance

### Offices of Physicians and Dentists

621111 Offices of Physicians (except mental health specialists)

621112 Offices of Physicians, Mental Health Specialists

621210 Offices of Dentists

### Offices of Other Health Practitioners

621310 Offices of Chiropractors

621320 Offices of Optometrists

621330 Offices of Mental Health Practitioners (except Physicians)

621340 Offices of Physical, Occupational & Speech Therapists, & Audiologists

621391 Offices of Podiatrists

621399 Offices of All Other Miscellaneous Health Practitioners

### Outpatient Care Centers

621410 Family Planning Centers

621420 Outpatient Mental Health & Substance Abuse Centers

621491 HMO Medical Centers

621492 Kidney Dialysis Centers

621493 Freestanding Ambulatory Surgical & Emergency Centers

621498 All Other Outpatient Care Centers

### Medical and Diagnostic Laboratories

621510 Medical & Diagnostic Laboratories

### Home Health Care Services

621610 Home Health Care Services

Other Ambulatory Health Care Services

621900 Other Ambulatory Health Care Services (including ambulance services & blood & organ banks)

### Hospitals

622000 Hospitals

Nursing and Residential Care Facilities

623000 Nursing & Residential Care Facilities

### Social Assistance

624100 Individual & Family Services

624200 Community Food & Housing, & Emergency & Other Relief Services

624310 Vocational Rehabilitation Services

624410 Child Day Care Services

## Arts, Entertainment, and Recreation

### Performing Arts, Spectator Sports, and Related Industries

711100 Performing Arts Companies

711210 Spectator Sports (including sports clubs & racetracks)

711300 Promoters of Performing Arts, Sports, & Similar Events

711410 Agents & Managers for Artists, Athletes, Entertainers, & Other Public Figures

711510 Independent Artists, Writers, & Performers

### Museums, Historical Sites, and Similar Institutions

712100 Museums, Historical Sites, & Similar Institutions

Amusement, Gambling, and Recreation Industries

713100 Amusement Parks & Arcades

713200 Gambling Industries

713900 Other Amusement & Recreation Industries (including golf courses, skiing facilities, marinas, fitness centers,

& bowling centers)

## Accommodation and Food Services

### Accommodation

721110 Hotels (except casino hotels) & Motels

721120 Casino Hotels

721191 Bed & Breakfast Inns

721199 All Other Traveler Accommodation

721210 RV (Recreational Vehicle) Parks & Recreational Camps

721310 Rooming & Boarding Houses

### Food Services and Drinking Places

722110 Full-Service Restaurants

722210 Limited-Service Eating Places

722300 Special Food Services (including food service contractors & caterers)

722410 Drinking Places (Alcoholic Beverages)

## Other Services

### Repair and Maintenance

811110 Automotive Mechanical & Electrical Repair & Maintenance

811120 Automotive Body, Paint, Interior, & Glass Repair

811190 Other Automotive Repair & Maintenance (including oil change & lubrication shops & car washes)

811210 Electronic & Precision Equipment Repair & Maintenance

811310 Commercial & Industrial Machinery & Equipment (except Automotive & Electronic) Repair & Maintenance

811410 Home & Garden Equipment & Appliance Repair & Maintenance

811420 Reupholstery & Furniture Repair

811430 Footwear & Leather Goods Repair

811490 Other Personal & Household Goods Repair & Maintenance

### Personal and Laundry Services

812111 Barber Shops

812112 Beauty Salons

812113 Nail Salons

812190 Other Personal Care Services (including diet & weight reducing centers)

812210 Funeral Homes & Funeral Services

812220 Cemeteries & Crematories

812310 Coin-Operated Laundries & Drycleaners

812320 Drycleaning & Laundry Services (except Coin-Operated)

812330 Linen & Uniform Supply

812910 Pet Care (except Veterinary) Services

812920 Photofinishing

812930 Parking Lots & Garages

812990 All Other Personal Services

Religious, Grantmaking, Civic, Professional, and Similar Organizations

813000 Religious, Grantmaking, Civic, Professional, & Similar Organizations

813930 Labor Unions and Similar Labor Organizations

921000 Governmental instrumentality or Agency

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## EMPLOYEE BENEFITS SECURITY ADMINISTRATION OFFICES

In addition to being able to obtain PBGC premium forms and instructions from the PBGC (see item 4. under "CONTACTS" on p. ii), you may obtain our forms and instructions through the following offices of the Employee Benefits Security Administration (EBSA) of the U.S. Department of Labor:

### CALIFORNIA

San Francisco 94105  
71 Stevenson Street  
Suite 915  
(415) 975-4600

Pasadena 91106  
1055 E. Colorado Boulevard  
Suite 200  
(626) 229-1000

### FLORIDA

Plantation 33324  
8040 Peters Road  
Building H, Suite 104  
(954) 424-4022

### GEORGIA

Atlanta 30303  
61 Forsyth Street SW  
Suite 7B54  
(404) 562-2156

### ILLINOIS

Chicago 60606  
200 West Adams Street  
Suite 1600  
(312) 353-0900

### KENTUCKY

Fort Wright 41011-2664  
1885 Dixie Highway  
Suite 210  
(859) 578-4680

### MARYLAND

Silver Spring 20910  
1335 East West Highway  
Suite 200  
(301) 713-2000

### MASSACHUSETTS

Boston 02203  
JFK Building  
Room 575  
(617) 565-9600

### MICHIGAN

Detroit 48226-3211  
211 West Fort Street  
Suite 1310  
(313) 226-7450

### MISSOURI

Kansas City 64105-5148  
1100 Main Street  
Suite 1200  
(816) 426-5131

St. Louis 63103  
1222 Spruce Street  
Room 6310  
(314) 539-2693

### NEW YORK

New York City 10004  
33 Whitehall Street  
Suite 1200  
(212) 607-8600

### PENNSYLVANIA

Philadelphia 19106-3317  
Curtis Center  
170 S. Independence Mall  
West  
Suite 870 West  
(215) 861-5300

### TEXAS

Dallas 75202-5025  
525 South Griffin Street  
Room 900  
(214) 767-6831

### WASHINGTON

Seattle 98101-3212  
1111 Third Avenue  
Suite 860  
(206) 553-4244

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## PBGC PREMIUM PACKAGES - 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 2006 Estimated Premium Payment Package (25 copies of the form and 1 set of instructions).  
 Send 2006 Premium Payment Package (50 copies of the forms 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: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Fax this form to: (202) 326-4250

Or mail it to:

Pension Benefit Guaranty Corporation

Dept. 77840

P.O. Box 77000

Detroit, MI 48277-0840



PENSION BENEFIT GUARANTY CORPORATION

Dept. 77430

P.O. Box 77000

Detroit, MI 48277-0430

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