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INFORMATION
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PENSION BENEFIT GUARANTY CORPORATION

1200 K Street NW., Washington, DC 20005
Phone, 202–326–4000; 800–400–4272 (toll free). Internet, www.pbgc.gov.

Board of Directors:

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The Pension Benefit Guaranty Corporation guarantees payment of nonforfeitable pension benefits in covered private-sector defined benefit pension plans.

The Pension Benefit Guaranty Corporation is a self-financing, wholly owned Government corporation subject to the Government Corporation Control Act (31 U.S.C. 9101–9109). The Corporation, established by Title IV of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1301–1461), is governed by a Board of Directors consisting of the Secretaries of Labor, Commerce, and the Treasury. The Secretary of Labor is Chairman of the

Board. A seven-member Advisory Committee, composed of two labor, two business, and three public members appointed by the President, advises the agency on various matters.

Activities

Coverage The Corporation insures most private-sector defined benefit pension plans that provide a pension benefit based on factors such as age, years of service, and salary.

The Corporation administers two insurance programs separately covering single-employer and multiemployer plans. More than 44 million workers participate in approximately 32,500 covered plans.

Single-Employer Insurance Under the single-employer program, the Corporation guarantees payment of certain pension benefits if an insured plan terminates without sufficient assets to pay those benefits. However, the law limits the total monthly benefit that the agency may guarantee for one individual to $3,664.77 per month, at age 65, for a plan terminating during 2003, and sets other restrictions on PBGC's guarantee. The Corporation may also pay some benefits above the guaranteed amount depending on the funding level of the plan and amounts recovered from employers.

A plan administrator may terminate a single-employer plan in a ''standard'' or ''distress'' termination if certain procedural and legal requirements are met. In either termination, the plan administrator must inform participants in writing at least 60 days prior to the date the administrator proposes to terminate the plan. Only a plan that has sufficient assets to pay all benefit liabilities may terminate in a standard termination. The Corporation also may institute termination proceedings in certain specified circumstances.

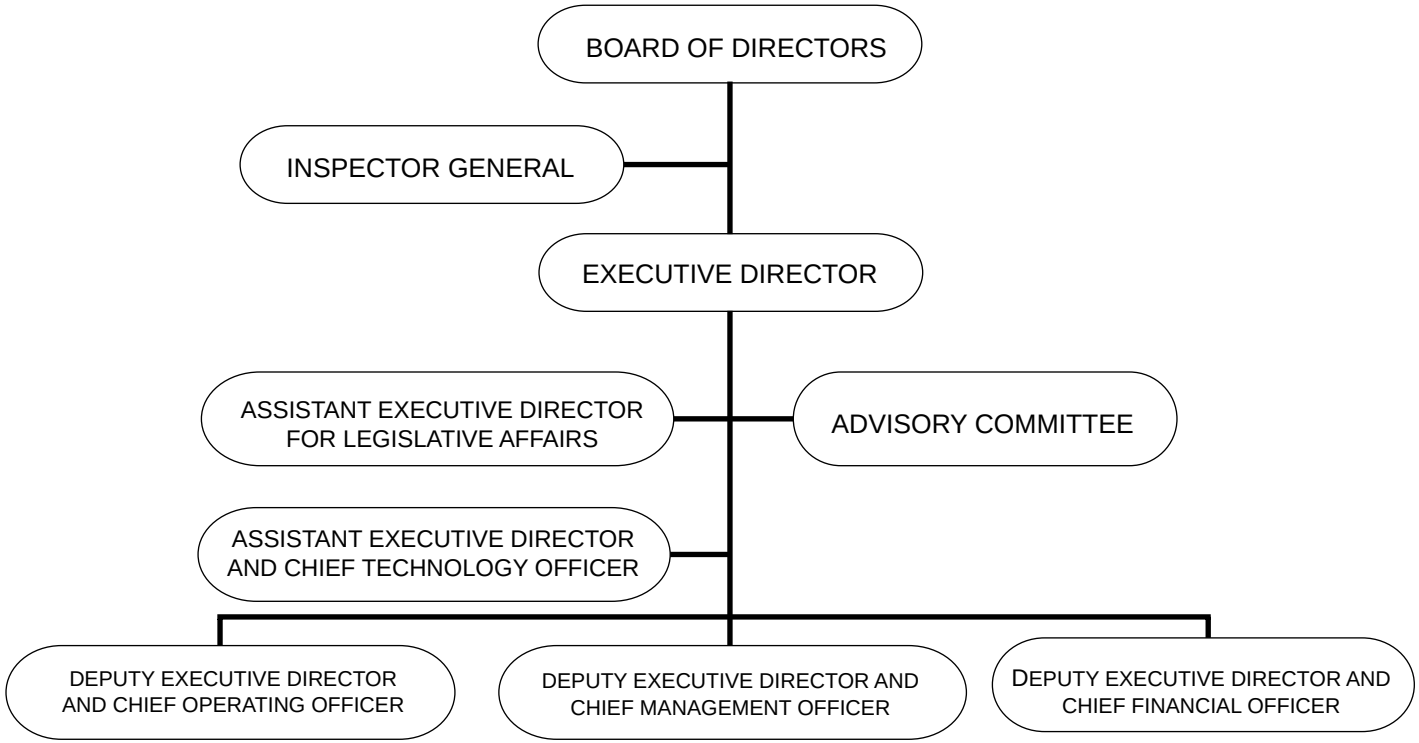
Multiemployer Insurance Under title IV, as originally enacted, the Corporation guaranteed nonforfeitable benefits for multiemployer plans in a similar fashion as for single-employer plans. However, the multiemployer program was revised in 1980 by the Multiemployer Pension Plan Amendments Act (29 U.S.C. 1001 note) which changed the insurable event from plan termination to plan insolvency. The Corporation now provides financial assistance to plans that are unable to pay nonforfeitable benefits. The plans are obligated to repay such assistance. The act also made employers withdrawing from a plan liable to the plan for a portion of its unfunded vested benefits.

Premium Collections All defined benefit pension plans insured by PBGC are required to pay premiums to the Corporation according to rates set by Congress. The annual premium per plan participant for multiemployer pension plans is $2.60 for plan years beginning after September 26, 1988. The basic premium for all single-employer plans is $19 per participant per year. Underfunded single-employer plans must also pay an additional premium equal to $9 per $1,000 of unfunded vested benefits.

Sources of Information

Access to the Pension Benefit Guaranty Corporation is available through the Internet, at www.pbgc.gov.

TTY/TDD users, call the Federal Relay Service toll free at 800–877–8339 and ask to be connected to 202–326–4000.

For further information, contact the Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005–4026. Phone, 202–326–4000, or 800–400–4272 (toll free). Internet, www.pbgc.gov.

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