

(c) *Notice Funding Percentage*—(1) *General rule.* The Notice Funding Percentage that must be included in the Participant Notice for a plan year is the “funded current liability percentage” (as that term is defined in section 302(d)(9)(C) of ERISA) for that plan year or the prior plan year.

(2) *Small plans.* A plan that is exempt from the requirements of section 302(d) of ERISA for a plan year by reason of section 302(d)(6)(A) may determine its funded current liability percentage for that plan year using the Small Plan DRC Exception Test rules in §4011.4(b).

(d) *Additional information.* The plan administrator may include with the Participant Notice any information not described in paragraph (b) of this section only if it is in a separate document.

(e) *Foreign languages.* In the case of a plan that (as of the date selected under §4011.7) covers the numbers or percentages specified in §2520.104b–10(e) of this title of participants literate only in the same non-English language, the plan administrator shall provide those participants either—

(1) An English-language Participant Notice that prominently displays a legend, in their common non-English language, offering them assistance in that language, and clearly setting forth any procedures participants must follow to obtain such assistance, or

(2) A Participant Notice in that language.

[61 FR 34026, July 1, 1996, as amended at 65 FR 75165, Dec. 1, 2000]

§ 4011.11 OMB control number.

The collections of information contained in this part have been approved by the Office of Management and Budget under OMB control number 1212–0050.

APPENDIX A TO PART 4011—MODEL PARTICIPANT NOTICE

The following is an example of a Participant Notice that satisfies the requirements of §4011.10 when the required information is filled in (subject to §§4011.10(d)–(e), where applicable).

NOTICE TO PARTICIPANTS OF [PLAN NAME]

The law requires that you receive information on the funding level of your defined benefit pension plan and the benefits guaranteed

by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. YOUR PLAN’S FUNDING

As of [DATE], your plan had [INSERT NOTICE FUNDING PERCENTAGE (DETERMINED IN ACCORDANCE WITH §4011.10(c))] percent of the money needed to pay benefits promised to employees and retirees.

To pay pension benefits, your employer is required to contribute money to the pension plan over a period of years. A plan’s funding percentage does not take into consideration the financial strength of the employer. Your employer, by law, must pay for all pension benefits, but your benefits may be at risk if your employer faces a severe financial crisis or is in bankruptcy.

[INCLUDE THE FOLLOWING PARAGRAPH ONLY IF, FOR ANY OF THE PREVIOUS FIVE PLAN YEARS, THE PLAN HAS BEEN GRANTED AND HAS NOT FULLY REPAID A FUNDING WAIVER.]

Your plan received a funding waiver for [LIST ANY OF THE FIVE PREVIOUS PLAN YEARS FOR WHICH A FUNDING WAIVER WAS GRANTED AND HAS NOT BEEN FULLY REPAID]. If a company is experiencing temporary financial hardship, the Internal Revenue Service may grant a funding waiver that permits the company to delay contributions that fund the pension plan.

[INCLUDE THE FOLLOWING WITH RESPECT TO ANY UNPAID OR LATE PAYMENT THAT MUST BE DISCLOSED UNDER §4011.10(b)(6):]

Your plan was required to receive a payment from the employer on [LIST APPLICABLE DUE DATE(S)]. That payment [has not been made] [was made on [LIST APPLICABLE PAYMENT DATE(S)]]].

PBGC GUARANTEES

When a pension plan ends without enough money to pay all benefits, the PBGC steps in to pay pension benefits. The PBGC pays most people all pension benefits, but some people may lose certain benefits that are not guaranteed.

The PBGC pays pension benefits up to certain maximum limits.

- The maximum guaranteed benefit is [INSERT FROM TABLE IN APPENDIX B] per month or [INSERT FROM TABLE IN APPENDIX B] per year for a 65-year-old person in a plan that terminates in [INSERT APPLICABLE YEAR].

- The maximum benefit may be reduced for an individual who is younger than age 65. For example, it is [INSERT FROM TABLE IN APPENDIX B] per month or [INSERT FROM TABLE IN APPENDIX B] per year for an individual who starts receiving benefits at age 55. [IN LIEU OF AGE 55, YOU MAY ADD OR SUBSTITUTE ANY AGE(S) RELEVANT UNDER THE PLAN. FOR EXAMPLE, YOU MAY ADD OR SUBSTITUTE THE MAXIMUM BENEFIT FOR AGES 62 OR 60

FROM THE TABLE IN APPENDIX B. IF THE PLAN PROVIDES FOR NORMAL RETIREMENT BEFORE AGE 65, YOU MUST INCLUDE THE NORMAL RETIREMENT AGE.]

[IF THE PLAN DOES NOT PROVIDE FOR COMMENCEMENT OF BENEFITS BEFORE AGE 65, YOU MAY OMIT THIS PARAGRAPH.]

- The maximum benefit will also be reduced when a benefit is provided for a survivor.

The PBGC does not guarantee certain types of benefits.

[INCLUDE THE FOLLOWING GUARANTEE LIMITS THAT APPLY TO THE BENEFITS AVAILABLE UNDER YOUR PLAN.]

- The PBGC does not guarantee benefits for which you do not have a vested right when a plan ends, usually because you have not worked enough years for the company.
- The PBGC does not guarantee benefits for which you have not met all age, service, or other requirements at the time the plan ends.
- Benefit increases and new benefits that have been in place for less than a year are not guaranteed. Those that have been in place for less than 5 years are only partly guaranteed.
- Early retirement payments that are greater than payments at normal retirement

age may not be guaranteed. For example, a supplemental benefit that stops when you become eligible for Social Security may not be guaranteed.

- Benefits other than pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay, are not guaranteed.
- The PBGC generally does not pay lump sum exceeding \$5,000.

WHERE TO GET MORE INFORMATION

Your plan, [EIN-PN], is sponsored by [CONTRIBUTING SPONSOR(S)]. If you would like more information about the funding of your plan, contact [INSERT NAME, TITLE, BUSINESS ADDRESS AND PHONE NUMBER OF INDIVIDUAL OR ENTITY].

For more information about the PBGC and the benefits it guarantees, you may request a free copy of "Your Guaranteed Pension" by writing to Consumer Information Center, Dept. YGP, Pueblo, Colorado 81009.

[THE FOLLOWING SENTENCE MAY BE INCLUDED:] "Your Guaranteed Pension" is also available from the PBGC Homepage on the World Wide Web at <http://www.pbgc.gov>.

Issued: [INSERT AT LEAST MONTH AND YEAR]

[61 FR 34026, July 1, 1996, as amended at 63 FR 38306, July 16, 1998; 65 FR 75165, Dec. 1, 2000]

APPENDIX B TO PART 4011—TABLE OF MAXIMUM GUARANTEED BENEFITS

If a plan terminates in—	The maximum guaranteed benefit for an individual starting to receive benefits at the age listed below is the amount (monthly or annual) listed below:							
	Age 65		Age 62		Age 60		Age 55	
	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
1995	\$2,573.86	\$30,886.32	\$2,033.35	\$24,400.20	\$1,673.01	\$20,076.12	\$1,158.24	\$13,898.88
1996	\$2,642.05	\$31,704.60	\$2,087.22	\$25,046.64	\$1,717.33	\$20,607.96	\$1,188.92	\$14,267.04
1997	\$2,761.36	\$33,136.32	\$2,181.47	\$26,177.64	\$1,794.88	\$21,538.56	\$1,242.61	\$14,911.32
1998	\$2,880.68	\$34,568.16	\$2,275.74	\$27,308.88	\$1,872.44	\$22,469.28	\$1,296.31	\$15,555.72
1999	\$3,051.14	\$36,613.68	\$2,410.40	\$28,924.80	\$1,983.24	\$23,798.88	\$1,373.01	\$16,476.12
2000	\$3,221.59	\$38,659.08	\$2,545.06	\$30,540.72	\$2,094.03	\$25,128.36	\$1,449.72	\$17,396.64
2001	\$3,392.05	\$40,704.60	\$2,679.72	\$32,156.64	\$2,204.83	\$26,457.96	\$1,526.42	\$18,317.04
2002	\$3,579.55	\$42,954.60	\$2,827.84	\$33,934.08	\$2,326.71	\$27,920.52	\$1,610.80	\$19,329.60
2003	\$3,664.77	\$43,977.24	\$2,895.17	\$34,742.04	\$2,382.10	\$28,585.20	\$1,649.15	\$19,789.80
2004	\$3,698.86	\$44,386.32	\$2,922.10	\$35,065.20	\$2,404.26	\$28,851.12	\$1,664.49	\$19,973.88
2005	\$3,801.14	\$45,613.68	\$3,002.90	\$36,034.80	\$2,470.74	\$29,648.88	\$1,710.51	\$20,526.12
2006	\$3,971.59	\$47,659.08	\$3,137.56	\$37,650.72	\$2,581.53	\$30,978.36	\$1,787.22	\$21,446.64

The maximum guaranteed benefit for an individual starting to receive benefits at ages other than those listed above can be determined by applying the PBGC's regulation

on computation of maximum guaranteeable benefits (29 CFR 4022.22).

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