



Pension Benefit Guaranty Corporation
1200 K Street, N.W., Washington, D.C. 20005-4026

September 23, 2011



Re: Appeal Case # 20537400, Collins & Aikman Pension Plan (the "C&A Plan" or "Plan")

Dear

We are responding to your appeal of PBGC's May 28, 2010 determination that you are entitled to a pension benefit of \$267.99 per month payable as a Joint and 50% Survivor Annuity ("J&50%SA"). The \$267.99 amount is based on your 2008 benefit start date, when you were age and one month old, and is before PBGC's adjustment for the repayment of your overpayments.

For the reasons explained below, the Appeals Board decided that your benefit should increase by \$1.89 per month. This \$1.89 increase relates to PBGC's adjustment of your benefit amount for the J&50%SA form you elected. Consequently, you are entitled to \$269.88 per month before the overpayment adjustment. You are not entitled to the \$331.04 estimated monthly amount you currently are receiving because the C&A Plan requires a larger reduction for early benefit commencement than PBGC initially calculated.

We also decided, based on a PBGC policy that is favorable to participants in your situation, you may elect to change your benefit start date to a later date. If you decide to change your benefit start date, your monthly benefit will increase from the \$269.88 amount but you will also need to interrupt your payments for at least one month. This letter provides some information to assist you in your decision.

PBGC's Benefit Determination and Your Appeal

PBGC's May 28, 2010 benefit determination letter stated you are entitled to a benefit of \$267.99 per month in the J&50%SA form. PBGC's letter also said that, since the monthly amount you have been paid as an estimated benefit (\$331.04) is more than the amount you are entitled to receive, you have been overpaid \$1,510.90 (for payments through July 2010). PBGC further stated it would reduce your payments to \$258.61 (a 3.50% reduction) until the overpayment amount has been repaid (without interest). PBGC enclosed a benefit statement that shows how PBGC computed your benefit and the data used in the calculation.

In your appeal dated June [] 2010, you claimed you are entitled to additional pension service and a larger benefit because the July [], 1982 "date of hire" shown on PBGC's benefit statement is incorrect. You provided with your appeal: (1) an October 16, 1992 benefit calculation from Wickes Manufacturing Company (Enclosure 1), which lists your date of hire as [] 1966 and shows you had [] .0 years of service; (2) a November 27, 1995 letter from Local 548 of the United Auto Workers ("UAW") that discusses your benefit entitlements (Enclosure 2); and (3) a "Retirement Estimate" PBGC sent you on May 30, 2008.¹ You asked that PBGC correct your benefit amounts.

We forwarded your June [] 2010 appeal to PBGC's Benefits Administration and Payment Department ("BAPD") for a response. In a letter dated July 22, 2010, BAPD's representative stated that PBGC has updated its records to list your correct date of hire ([] 1966), and PBGC provided you with a corrected benefit statement (Enclosure 3). PBGC concluded, however, that this change in your date of hire does not result in an increase to the \$267.99 monthly benefit amount that PBGC had communicated to you on May 28, 2010. PBGC's July 22, 2010 letter also explained that the amount of your benefit is changing because "the prior plan administrator used an incorrect early retirement factor when calculating your monthly benefit." Finally, the letter stated that PBGC must reduce your monthly payment to \$257.83 to account for repayment of your overpayments.

In a second appeal letter dated August [] 2010, you asked for an "itemized calculation" of your benefit. You stated that you do not understand how PBGC's correction of a 16-year difference in your date of hire did not result in an increase to your benefit, since "this type of benefit is paid on years served." You asserted that PBGC should continue to pay you \$331.04 per month, or "if it should be more please make the adjustment as soon as possible."²

Background

Before we explain the calculation of your benefit, we will first provide background information concerning the history of your employer, the history of the C&A Plan, the events leading to the termination of the C&A Plan and its trusteeship by PBGC, and PBGC's payment of your estimated benefit.

¹ This PBGC Retirement Estimate shows that you would receive a monthly benefit of \$350.51 in the J&50%SA form if you started payments on July [] 2009.

² You also asked in your August [] 2010 appeal: "What does Congress have to do with my earned benefit?" This question is in response to the statement in PBGC's July 22, 2010 letter that PBGC must reduce your monthly payment to \$257.83 "to account for \$1,637.00, which represents the amount of past payments that were over and above the limits set by Congress."

We concluded that the statement in PBGC's letter about "the limits set by Congress" does not apply to your situation. PBGC apparently included this language because PBGC is unable to pay some participants the full amount of their pension benefits because of the limits Congress established in ERISA. In your case, however, the ERISA limits do not affect the amount of your benefit. Consequently, PBGC can pay you the full amount you are entitled to receive under the terms of the C&A Plan.

History of the Plan Sponsor and Pension Plan

On its March 31, 2007 termination date, the C&A Plan – which was sponsored by the Collins & Aikman Corporation ("Collins & Aikman") – covered the former hourly employees of the Wickes Bumper Division ("Bumper Division") of Wickes Manufacturing Company ("Wickes").³ Before 1992, however, the Bumper Division employees were covered under a Wickes pension plan (the "Bumper Plan") that was separate from the C&A Plan.⁴

On July 20, 1992, the Bumper Division was sold to Composite Energy Management Systems, Inc ("CEMSI"), a Division of Veritas Capital, Inc. Manufacturing Company. CEMSI did not assume responsibility for the Bumper Plan, but instead established its own pension plan.⁵ Also, former Bumper Division employees did not earn Credited Service under the Bumper Plan after the July 20, 1992 sale date, even if they went to work for CEMSI.

As the result of pension plan mergers that occurred after the July 20, 1992 sale date, the Bumper Plan eventually became part of the C&A Plan.

The termination and trusteeship of the C&A Plan

Collins & Aikman filed a Chapter 11 bankruptcy petition on May 17, 2005. PBGC entered into an agreement with Collins & Aikman effective April 24, 2007 that terminated the C&A Plan, appointed PBGC as its trustee, and established March 31, 2007 as the C&A Plan's termination date. As of the C&A Plan's termination date, all of Collins & Aikman's business locations had either ceased operations or were in the process of being sold to other entities.

PBGC is the United States government agency that insures pensions in accordance with Title IV of the Employee Retirement Income Security Act of 1974, *as amended* ("ERISA"), 29 United States Code ("U.S.C.") 1302-1461. As the C&A Plan's trustee, PBGC pays guaranteed pension benefits according to the plan provisions and as required by law, subject to legal limits set by Congress under ERISA.

Your estimated benefit payments

In a May 24, 2007 letter, PBGC notified you about the termination of the C&A Plan and its trusteeship by PBGC. In 2008, you contacted PBGC about starting your benefits. On

³ The Wickes Companies had acquired Collins & Aikman, who also had sponsored pension plans, in 1987. In 1992, after a change in Wickes' ownership, the name of the business was changed to Collins & Aikman.

⁴ The official name of the former Bumper Division Plan was the "Wickes Bumper Division of the Wickes Manufacturing Company, Grand Rapids, Michigan and UAW Local 548 Retirement Income Plan." This pension plan also is referred to as "Plan No. 115." Furthermore, the Bumper Division Plan previously was known under a different name when it was sponsored by the Michigan Plating and Stamping Division of Gulf & Western Manufacturing Company.

⁵ It is the Appeals Board's understanding that the name of CEMSI's pension plan is "The Veritas Capital, Inc. Pension Plan for Union Employees of Composite Energy Management Systems, Inc., Grand Rapids Michigan."

July 8, 2008, PBGC sent you calculations of your estimated benefit amount and a benefit application. You and your wife completed the application and requested a benefit starting on [] 2008 in the J&50%SA form.

PBGC started paying you an estimated monthly benefit of \$331.04 effective [] 2008 in the J&50%SA form. PBGC, in computing the \$331.04 amount, relied upon a benefit calculation that had been provided to PBGC by the C&A Plan's former administrator.

In addition to adjusting for the form of your benefit, the \$331.04 amount is based on an "Early Retirement Factor" of 0.9450. Stated another way, PBGC reduced your payments by 5.50% [$1 - 0.9450 = 0.0550 = 5.50\%$] because you started your payments at age [] and 1 month, rather than at age 65. As we explain later: (1) the correct reduction factor is 0.7650 (rather than 0.9450), which results in a reduction of 23.50% (rather than 5.50%); and (2) when the correct 0.7650 factor is used and your benefit amount is properly adjusted for your benefit form, your monthly benefit is \$269.88 (rather than \$331.04).

Discussion

The age-65 benefit you earned under the C&A Plan

According to the documents you submitted to PBGC, you were hired by the Bumper Division on August [] 1966 and terminated employment on July 20, 1992. After July [] 1992, you and a number of other former Bumper Division employees worked for CEMSI.

The benefit you earned under the C&A Plan is determined based upon the terms of the Bumper Plan when you terminated employment.⁶ In 1992, Collins & Aikman calculated a \$363.80 monthly benefit for you payable at age 65 as a Straight Life Annuity ("SLA") and based on the following formula: (1) your years and months of Credited Service ("CS") before January 1, 1989 times a multiplier of \$13.75; plus (2) your years and months of CS on and after January 1, 1989 times a multiplier of \$15.50.⁷ The \$363.80 amount and the above-stated formula were communicated to you in a December 14, 1992 letter from Collins & Aikman's Pension Manager (Enclosure 5). We note that Enclosures 1 and 2, which you provided with your appeal, provide similar information to Enclosure 5.

Based on the Bumper Plan's formula, your age-65 benefit as a SLA equals:

$$\begin{aligned} & [] .4 \text{ yrs. (CS before 1/1/89)} \times \$13.75 + 3.6 \text{ yrs. (CS starting 1/1/89)} \times \$15.50 = \\ & \$308.00 + \$55.80 = \$363.80 \end{aligned}$$

⁶ The formal Wickes Bumper Plan document that applies to your benefits is the "Wickes Bumper Division of Wickes Manufacturing Company Grand Rapids, Michigan and UAW Local 548 Retirement Income Plan Restated and Effective as of January 1, 1987" ("Bumper Plan Document"). In Enclosure 4, we provide a copy of the Bumper Plan Document's provisions that relate to your appeal.

⁷ Although we did not locate a Bumper Plan amendment that provided for the \$15.50 rate starting on January 1, 1989, we concluded that such an amendment likely exists based on the communications that were made from Bumper Plan officials to Bumper Plan participants.

Since you were hired by the Bumper Division on August [] 1966 and terminated employment on July [] 1992, you had almost 26 years of employment. As shown in the calculations above, the Credited Service that Bumper Plan officials used in your benefit calculation [] years (before 1/1/89) + [] years (starting 1/1/89) = 26.0 years] includes your entire employment period with the Bumper Division.

We further observe that PBGC did not change the [] age-65 benefit amount that Collins & Aikman calculated for you. Although PBGC listed an incorrect date of hire (July 20, 1982) in the May 28, 2010 benefit statement, the incorrect date was the result of a typographical error unrelated to your benefit calculation. We apologize for the confusion caused by PBGC's listing of an incorrect date.

Additionally, your employment with CEMSI after July [] 1992 does not affect the amount of your C&A Plan benefit. As provided under the Bumper Plan Document, a participant earns Credited Service only during the time period he is employed by the "Company," which does not include CEMSI.⁸

The C&A Plan's reduction for benefits starting before age 65

Under the Bumper Plan Document, a participant may qualify for one of the following types of pension benefits depending upon the participant's circumstances: (1) a "Normal Retirement Benefit"; (2) an "Early Retirement Benefit"; (3) a "Permanent and Total Disability Retirement Benefit"; or (4) a "Deferred Withdrawal Benefit". As is explained below, you did not meet the conditions for a Normal Retirement Benefit or for an Early Retirement Benefit, and there is no record that you were disabled. Consequently, the only benefit you qualified for is the Deferred Withdrawal Benefit.

The Deferred Withdrawal Benefit is a less valuable benefit than the Early Retirement Benefit because it has a larger deduction for benefit commencement before age 65. For this reason, you are entitled only to a \$258.61 monthly benefit (for a J&50%SA starting on August 1, 2008), rather than the \$331.04 benefit that PBGC has been paying you. We provide below a more-complete explanation of our findings on this issue.

Sections 1.4 and 2.1 of the Bumper Plan Document provide that a participant is entitled to an unreduced Normal Retirement Benefit if he terminates employment after age 65. Section 1.5 of the formal Wickes Bumper Plan Document, titled "Early Retirement," provides that eligibility for early retirement is as follows:

1.5 "Early Retirement" means termination of employment of an employee for reasons other than disability after age sixty (60) and before age sixty-five (65),

⁸ The Bumper Plan Document defines "Company" as the "Wickes Manufacturing Company for its Michigan Plating and Stamping Division." As previously indicated, Wickes changed its name to Collins & Aikman after the effective date of the Bumper Plan Document. We concluded that the term "Company" does not include CEMSI since: (1) CEMSI did not have common ownership with Collins & Aikman; and (2) CEMSI did not assume the pension liabilities from Collins & Aikman and established its own plan instead.

and after at least ten (10) years of Credited Service. After January 1, 1971, Early Retirement shall also mean termination of employment of an Employee for reasons other than disability between age fifty-five (55) and age sixty (60) if his combined years of age and years of Credited Service (to the nearest 1/10 in each case) total eighty-five (85) or more.

If a participant meets the requirements for an Early Retirement Benefit, he may start receiving an unreduced benefit starting at age 62. Also, if the participant elects to start receiving the Early Retirement Benefit before age 62, the benefit is reduced by ½ of 1% for each month before age 62 (which equals 6% for each year before age 62). You did not meet the conditions for an Early Retirement Benefit, however, because you terminated your Bumper Division employment in 1992 at age years and 1 month and with 26 years of Service. Under Section 1.5 of the Bumper Plan Document, an Early Retirement Benefit is not available to an employee who terminates employment before age 55.

Section 2.4 of the Bumper Plan Document provides: "An Employee whose employment with the Company is terminated prior to eligibility for any other benefit under the Plan and who has ten (10) or more years of Service shall be eligible for a Deferred Withdrawal Benefit commencing at age sixty-five (65)." Section 3.4, titled "Deferred Withdrawal Benefits," states as follows:

3.4 Deferred Withdrawal Benefits:

(a) The monthly benefit of an Employee who is eligible for a Deferred Withdrawal Benefit shall be equal in amount to the accrued Normal Retirement Benefit for which he would have qualified on the date of his termination of employment, such accrued benefit to be computed on the basis of the Normal Retirement Benefit formula in effect at the date of his termination of employment, and shall be payable following the Employee's application for commencement of such benefit at or after his attainment of age sixty-five (65).

(b) Notwithstanding subsection (a) above, an Employee eligible for such a Deferred Withdrawal Benefit subsequent to January 1, 1976 may elect to commence payment of such benefit on the first day of any month coincident with or following the earlier of (i) his attainment of age sixty (60) or (ii) his attainment of age fifty-five (55), provided his attained age when added to his Credited Service (to the nearest 1/10 or a year) totals at least eighty-five (85), by making an application to the Board. In such event the Employee's Deferred Withdrawal Benefit shall be actuarially reduced to reflect the commencement of the Member's benefit prior to his attainment of age sixty-five (65).

When you terminated employment, you were eligible for a Deferred Withdrawal Benefit, which is payable in an unreduced amount at age 65. As provided in Section 3.4(b), however, your benefit must be "actuarially reduced to reflect the commencement of [your] benefit prior to [your] attainment of age sixty-five (65)."

The December 14, 1992 letter from Collins & Aikman to you (Enclosure 5) has language similar to Section 3.4, stating:

[Y]ou are entitled to a deferred vested monthly pension benefit payable at age 65 in the amount of \$363.80. . . . You may be eligible to have your benefits start as early as age 60. In this case, your benefit amount will be actuarially reduced for each month that your benefit commencement precedes your normal retirement date (the first day of the first month after you have reached age 65).

The November 27, 1995 letter from United Auto Workers ("UAW") Local 548 (Enclosure 2) contains similar language with respect to the age-65 actuarial reduction.

We found that, in the two-year period before the C&A Plan terminated, the former Plan administrator calculated and paid Deferred Withdrawal Benefits for some former Bumper Division employees that were actuarially reduced from age 62, rather than from age 65. When PBGC became trustee of the C&A Plan, it also paid estimated benefits that were actuarially reduced from age 62, rather than age 65. As a result, you and some other former Bumper Division employees were overpaid. Since the terms of the Bumper Plan Document clearly provide that the Deferred Withdrawal Benefit must be actuarially reduced from age 65, PBGC must apply those terms.⁹

In your May 28, 2010 PBGC benefit determination (as well as in PBGC's benefit determinations for other participants), PBGC applied a reduction of $\frac{1}{2}$ of 1% for each month that a Deferred Withdrawal Benefit started before age 65. This reduction equals 6% for each year before age 65. In Enclosure 6, we provide a copy of the table PBGC prepared and used for computing Deferred Withdrawal Benefits starting before age 65. The Appeals Board decided that your appeal does not provide a basis for changing the early benefit commencement factors that PBGC used.¹⁰

⁹ We did not locate any amendment to the Bumper Plan Document, or any subsequent C&A Plan provision, that changed how the amount of the Deferred Withdrawal Benefit is calculated. We further found that, for two former Bumper Division employees who started benefits in 2006, the former Plan administrator had paid Deferred Withdrawal Benefits reduced from age 65. We concluded that the age-62 reductions for other former Bumper Division employees with Deferred Withdrawal Benefits were the result of errors in pension plan administration.

¹⁰ Although the Bumper Plan Document provides for a reduction of $\frac{1}{2}$ of 1% for each month with respect to an Early Retirement Benefit, it does not specifically state the reduction percentages for a Deferred Withdrawal Benefit. We found a document for a Wickes salaried plan, however, that defines "Actuarial Equivalence" as: (1) $7\frac{1}{2}\%$ interest; and (2) 1983 Group Annuity Mortality Table for males, set back one year for retirees and 5 years for beneficiaries. If that "actuarial equivalence" definition is used to calculate the actuarial reduction for early commencement of the Deferred Withdrawal Benefit, then the amount of the reductions would be greater than the $\frac{1}{2}$ of 1% reduction that PBGC used, and your benefit would be lower. The Appeals Board is not changing the reduction factor that PBGC used for you, since we found no information indicating that the less-favorable "actuarial equivalence" definition was used by the C&A Plan's administrators in calculating reductions for early benefit commencement.

The Amount of Your PBGC-payable Benefit

You started receiving your benefit as of [] 2008. You were [] and 1 month years old on your benefit commencement date – which is 47 months before your Normal Retirement Date of July 1, 2012. Your early benefit commencement calculation, using the ½ of 1% per month reduction factor discussed above, is shown in the chart below.

Early Benefit Commencement Factor			
# Months Early		Percentage Reduction	Total Percentage Reduced
47	X	0.005	= 0.2350
1 – Total Percentage Reduced = 1 – 0.2350 = 0.7650 = 76.50%			

Based on the Bumper Plan's terms, your \$363.80 Normal Retirement benefit amount is multiplied by 0.7650 to take into account that your benefits began at age [] and 1 month (rather than at age 65, your normal retirement age). As a result, your C&A Plan benefit based on your actual benefit start date (August 1, 2008) is \$278.31 [$\$363.80 \times 0.7650 = \278.31] if paid as a Straight Life Annuity ("SLA").

Also, as provided under the Bumper Plan's terms, your benefit amount is multiplied by 0.95 to take into account that the automatic form of benefit for a married participant is a Joint and 60% Survivor Annuity with a Pop-up Annuity ("J&60%SA with Pop-up"). Thus, your guaranteed C&A Plan benefit at actual retirement as a J&60%SA with Pop-up is \$264.39 [$\$278.31 \times 0.95 = \264.39]. The Pop-up feature means that, if your wife should die before you, your monthly payments would increase to your unreduced (SLA) amount.

Unfortunately, PBGC's revised benefit statement in Enclosure 3 (as well as other correspondence to you) did not refer to the Pop-up feature in describing the C&A Plan's normal form of benefit. Rather, the revised benefit statement and other correspondence simply referred to the benefit form as a "Joint-and-60% Survivor Annuity."

Moreover, when PBGC determined the amount of the benefit form you elected (i.e., the J&50%SA without a Pop-up), PBGC made an error of \$1.89 per month. If PBGC had made the correct adjustment in converting the C&A Plan's normal form (i.e., a J&60%SA with Pop-up) to the form you elected (i.e., a J&50%SA without Pop-up), your monthly benefit would be \$269.88. This compares to the \$267.99 amount that PBGC had determined.¹¹

The Appeals Board has corrected this error and has determined that you are entitled to a monthly benefit of \$269.88 in the J&50%SA form (without a Pop-up). This is based on your actual benefit start date of [] 2008.

¹¹ Please note that the J&50%SA benefit you elected is an optional PBGC form of benefit. A PBGC regulation sets forth the rules for converting the amount of the pension plan's normal form of benefit to the PBGC optional form amount.

Recoupment of Overpayments

PBGC's response to your initial appeal included a statement showing that you were overpaid \$1,637.00 as of September 1, 2010. The \$1,637.00 amount is based on your [] 2008 benefit start date and does not include: (1) the additional amounts you have been overpaid while your appeal has been pending with the Appeals Board; and (2) the \$1.89 increase to your benefit under this decision. Even though the \$1,637.00 overpayment amount has increased, PBGC will limit the monthly benefit reduction for the repayment of your overpayments to no more than 10% of the correct benefit amount.

Under the law and a PBGC regulation, PBGC must "recoup" benefit overpayments by reducing participants' future payments.¹² While PBGC cannot pay you more than you are entitled to receive, PBGC's method of recoupment is advantageous to you because:

- PBGC is recouping only by reducing future benefit payments to you and is not demanding immediate repayment.
- PBGC generally limits its reductions to 10% for recoupment, and is doing so here.
- PBGC is not charging interest on overpayment balances.
- PBGC will not seek to collect any remaining overpayment balance from your estate or (if you die first) from your spouse's estate.

Your Choice on Whether to Continue or Interrupt Your Benefits

PBGC has a policy that allows a participant to choose a new (future) benefit start date if: (1) the benefit estimate PBGC provided the participant contained an error of 10% or more in the early retirement factor; and (2) using the correct early retirement factor results in greater reduction than the estimate indicated. This policy applies to your situation.

PBGC's Authorized Plan Representative will notify you by letter that you may choose whether to: (1) continue with a \$269.88 monthly benefit (before recoupment) based on your [] 2008 benefit start date, with the \$269.88 amount reflecting a 23.5% reduction for early benefit commencement; or (2) elect to interrupt your benefit payments and then restart them at a future date with a smaller reduction for early commencement (or no age reduction at all if you restart benefits on your age 65 normal retirement date). The next paragraphs provide some information regarding the decision you must soon make.

You will have 30 days from the date of PBGC's notice to contact PBGC to request a change (unless the notice states a different time period). If you elect to continue your benefit or do not respond, PBGC will not change your benefit start date and your benefit will be \$269.88 per month (before recoupment), as stated in this decision.

¹² See 29 Code of Federal Regulations sections 4022.81 and 4022.82(a)(2)(i).

If you elect to interrupt your benefit payments and restart them later, PBGC policy requires that your spouse consent to this decision. Once you interrupt your benefits, all prior payments become part of your PBGC overpayment balance. PBGC, however, will obtain repayment only through a (maximum) reduction of 10% to your monthly payments, once you restart your benefit.¹³ For every month you delay the restart of your benefits, your future monthly benefit amount will increase.

If you decide (with the consent of your spouse) to interrupt your payments and restart them, it will be BAPD's responsibility (rather than the Appeals Board's) to determine your benefit amounts, both before and after recoupment. To give you information at this time, we are providing examples of the approximate amounts you would receive depending upon the choice you make.

The below two examples show the impact upon your payments if you decide to interrupt your benefits and restart them later in the Plan's normal form of benefit for a married participant (the J&60%SA with Pop-up):

- If you delay restarting your benefit until July 1, 2012 (i.e., after attaining age 65), your monthly benefit as a J&60%SA with Pop-up would be approximately \$345.61 (before recoupment).¹⁴ After the expected 10% reduction for recoupment, your monthly payments would be approximately \$311.05.
- If you were to skip the November 1, 2011 payment and re-start benefits on December 1, 2011, your monthly benefit as a J&60%SA with Pop-up would be approximately \$333.51 before recoupment.¹⁵ After the expected 10% reduction for recoupment, your payments would be approximately \$300.16.

The above examples are only estimates, which we are providing for your convenience.¹⁶ Please also note that: (1) if you decide to keep your current benefit form – a J&50%SA without a Pop-up – the benefit amounts would be slightly larger than those in the above two examples; and (2) if you decide to keep your current benefit start date (August 1, 2008), the expected recoupment reduction to your \$269.88 monthly benefit would be less than 10%.

¹³ If you choose to interrupt your benefit payments and then restart them at a later date, your overpayment balance will increase because all payments will be considered "overpayments." Additionally, interrupting your benefits will cause PBGC's 10% recoupment reduction to end on a later date. Please note that, regardless of your choice, PBGC will still limit the recoupment reduction to no more than 10% of your monthly benefit. If you elect to temporarily stop your benefit, for one or more months, your spouse is protected by the Plan's Qualified Pre-retirement Survivor Annuity ("QPSA") benefit should you die before restarting your benefit.

¹⁴ The \$345.61 amount equals your \$363.80 amount payable at Normal Retirement as a SLA multiplied by the Bumper Plan's factor of 0.95 to convert a SLA to a J&60%SA with Pop-up [$\$363.80 \times 0.95 = \345.61].

¹⁵ The \$333.51 amount equals your \$363.80 amount payable at Normal Retirement as a SLA multiplied by the Bumper Plan's factor of 0.95 to convert a SLA to a J&60%SA with Pop-up and by a 0.965 factor for a benefit starting 7 months before age 65 [$\$363.80 \times 0.95 \times 0.965 = \333.51].

¹⁶ As stated above, BAPD (rather than the Appeals Board's) is responsible for deciding your benefit amounts.

The choice PBGC will offer you will impact your future monthly benefit payments. If you have any questions, do not hesitate to call PBGC and have those questions answered.

Decision

Having applied the law, regulations, Plan provisions, and PBGC policy to the facts of your case, the Appeals Board decided that you are entitled to a \$269.88 monthly benefit (before the adjustment for your overpayments) based on your 2008 start date and your election of a J&50%SA. The Board decided, however, that you may elect to change your benefit start date (as well as your form of benefit) as provided in a PBGC policy. PBGC will be contacting you in the near future regarding this choice of whether to: (1) continue your monthly payments without interruption; or (2) stop your payments for a minimum of one month and restart them at a later date in a higher amount.

This is PBGC's final decision on your appeal. You may, if you wish, seek court review of this decision. If you need other information from PBGC, please call the Customer Contact Center at 1-800-400-7242.

Sincerely,



Charles W. Vernon
Chair, Appeals Board

