



PBGC Example: Your Accrued Benefit Is Worth Much Less

EXAMPLE: Your accrued monthly pension benefit is \$1,200, and you have 15 years of credited service

Step One: Determine your Pension Plan benefit rate. (It's your monthly pension benefit divided by your years of service. In this case, \$80.00.)

Step Two: Apply the PBGC formula to your benefit rate.

First \$11.00	x	100%	=	\$11.00
Next \$33.00	x	75%	=	\$24.75
Excess \$36.00	x	0%	=	\$0 (the PBGC does not pay a benefit for any amount over the limit)
Monthly PBGC benefit rate			=	\$35.75

Step Three: Determine your PBGC Guaranteed Benefit. (It's your PBGC benefit rate times your years of credited service.)

15 years of credited service x \$35.75

PBGC Guaranteed Benefit = \$536.25 (45% of your plan benefit)

Reminder: The maximum cut under the Pension Benefit Reduction and Recovery Plan is 29%