

PBGC Heading

Date

Plan Contact's Name

Street Address

City, State, ZIP Code

Dear _____:

The Pension Benefit Guaranty Corporation (PBGC) will be conducting a survey of 400 plans that first paid PBGC premiums in 2006. The study will help us better understand why sponsors are establishing new plans and how we can improve our service to sponsors of newly insured plans. Your plan (Plan Name _____, EIN: _____, PN: ____) was randomly selected to participate in the survey.

Federal agencies may only collect information if they have received approval from the Office of Management and Budget (OMB). The Office of Management and Budget authorized this survey under OMB Control No. 1212-0053 (expires 12/31/2009). A contractor for PBGC will conduct this survey by telephone during November 2008. The survey should take only about 15 minutes. PBGC will treat the survey responses confidentially as provided by the Privacy Act and the Freedom of Information Act.

The PBGC's mission includes encouraging employers to continue managing healthy pension plans. We cannot do this effectively without feedback from plan administrators like you. Your participation in our study is completely voluntary. However, your responses to our survey questions will prove very valuable to our study and contribute greatly to us meeting our mission.

If you have any questions, concerns, or would like the contractor to contact a different person for this survey, please contact Mr. Joost Bottenbley at (202) 326-4080, extension 6587. Again, I appreciate your time and sincerely hope you will participate in our study.

Sincerely yours,

David Gustafson

Director

Policy, Research, and Analysis Department

Questionnaire for Newly Insured Plans

Hello, I am _____ calling on behalf of the Pension Benefit Guaranty Corporation (PBGC). We are conducting a survey of defined benefit pension plans that recently paid PBGC premiums for the first time. The Office of Management and Budget (OMB) approved our collecting the data in this survey.

[If asked, tell the respondent that the OMB control number is 1212-0053 and is valid until 12-31-2009. You can also tell the respondent that federal 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.]

The purpose of the survey is to help the PBGC improve services to you and other plan sponsors. Your answers are voluntary, but your opinions are very important for this research. PBGC will treat the survey responses with the confidentiality provided by the Privacy Act and the Freedom of Information Act.

This interview will take approximately 15 minutes. Is this a good time to talk?

___ Yes ___ No

If “Yes,” say, “Thank you. Just to be clear, I would like to talk with you about ___(*read the plan name, EIN, and PIN from the master list*).”

If “No,” ask, “Is there a time I can call back when you would have about 15 minutes to answer a few questions about the plan.”

_____ (Record date and time to call back.)

1. PBGC sent a letter indicating we would be calling. Did you get it?

___ Yes ___ No

2. Identify the responder (Name, title, function (owner, administrator, actuary, attorney, etc.)) if different from the designated plan contact person:

Name _____

Title _____

Function _____

3. Is this a spin-off from another plan? (That is, did another plan that included this plan's participants split into two (or more) plans with some participants staying in the original plan and others coming to this plan?)

Yes No

If the answer to Q3 is "Yes," skip to question 5.

4. Did this plan replace another defined benefit plan? Yes No

5. The plan's 2006 PBGC premium filings indicated the plan was adopted in _____ (read year from master list). Does that sound right?

Yes No

If "No," in what year was the plan adopted? _____

If the plan was adopted in 2003 or earlier, ask question 6, otherwise, skip to question 7.

6. The plan was adopted in _____ (read year from Q 5), but reported it first paid premiums to PBGC in 2006. There are valid reasons why some new defined plans do not pay PBGC premiums when they are first created. We would like to know why this plan waited so long to begin paying PBGC premiums. Please listen to the following responses and tell me if any applied to this plan.

- a. The plan paid PBGC premiums before 2006 (under what EIN, PIN, Plan name?)
 EIN PN Name
- b. The plan was exempt from paying premiums
(Why?)
- c. We were not aware that premiums were required
(Did you pay all missed premiums?) Yes No
- d. We were told premiums were not required
(By whom?)
- e. Other (Specify reason)

7. Does this plan cover all company workers or only a subset?

All Subset

If the answer to question 7 is "All", skip to the instructions above question 8. Otherwise, ask 7a and 7b and determine if 7c should be asked.

- a. Approximately what percent of company workers are covered by this plan ?
_____ %
- b. Which workers does this plan cover? _____
(Hourly, salaried, management, owners, other group)

If the answer to question 7b is "management" or "owners," ask question 7c, otherwise skip to the instructions above question 8.

c. You may not be aware that the PBGC does not usually insure plans that are set up solely for the benefit of company owners or to provide managers with benefits that exceed certain limits. Are you sure this plan should be paying premiums to PBGC?

Yes No (Unsure)

If you are unsure of whether you should be paying premiums to PBGC, check with your attorney or benefits consultant. You may also contact PBGC at 1-800-736-2444, and it will determine if your plan is required to purchase PBGC's pension insurance.

If there is a “small professional service provider” flag for this plan on the master list for this plan, ask question 8. Otherwise, skip to question 9.

8. PBGC’s records indicate your business may be what they classify as a professional service provider. These businesses include those of doctors, dentists, chiropractors, attorneys-at-law, public accountants, actuaries, and architects, among others. PBGC can only insure the plans of professional service providers if those plans had at least 26 active participants at some point in time. By law, PBGC can not provide insurance to a plan that does not qualify for its insurance coverage, even if the plan has been paying premiums for such coverage. Are you sure this plan qualifies for PBGC’s insurance coverage and that it should be paying premiums to PBGC?

Yes No (Unsure)

If you are unsure of whether you should be paying premiums to PBGC, check with your attorney or benefits consultant. You may also contact PBGC at 1-800-736-2444, and it will determine if your plan is required to purchase PBGC’s pension insurance.

[If asked, inform the responder that an active participant is someone covered by the plan who is working for the plan’s sponsor. It does not include retirees or former workers whose benefits in the plan have vested. Once covered by PBGC, the plan will remain covered even if the number of active participants falls below 26.]

9. What was the incentive to create this defined benefit plan? Please listen to the following responses and then tell me which ones applied to this plan. (Check all applicable responses)

- Wanted to reward or provide an incentive for employees
- Wanted to change type of retirement plan
- Recommended by _____ (title of person/group)
- Desired by employees
- Could contribute more than with a defined contribution plan
- Could give credits for service before plan was established
- Law changed making a defined benefit plan more attractive
- Benefits insured by PBGC
- Other (Please specify) _____

If the respondent doesn’t know, ask “Is there someone I could talk with who would know?”

Yes No If “Yes,” ask for name _____
and phone number _____

On a scale of one to five with one being a minor consideration and five being a very important consideration, how would you rate (read all items that are checked and indicate the level of importance by the check mark)?

10. What issues most concerned the company when it was considering establishing this plan? Please listen to the following responses and then tell me which ones applied to this plan. (Check all that apply)

- Funding costs
- Accounting costs
- Funding predictability
- Funding or Accounting volatility
- Administrative burden
- Size of tax deduction
- Changes to law
- PBGC premiums
- Other (Please specify) _____

If the respondent doesn't know, ask "Is there someone I could talk with who would know?"

Yes No If "Yes," ask for name _____
and phone number _____

On a scale of one to five with one being a minor consideration and five being a very important consideration, how would you rate ___ (*read all items that are checked and indicate the level of importance by the check mark*)?

11. Now that the company has some experience with the plan, what issues are of most concern? Please listen to the following responses and then tell me which ones applied to this plan. (Check all that apply)

- Funding costs (amounts)
- Accounting costs
- Funding predictability
- Funding or Accounting volatility
- Administrative burden
- Size of tax deduction
- Changes to law
- PBGC premiums
- Other (Please specify) _____

If the respondent doesn't know, ask "Is there someone I could talk with who would know?"

Yes No If "Yes," ask for name _____
and phone number _____

On a scale of one to five with one being a minor consideration and five being a very important consideration, how would you rate ___ (read all items that are checked and indicate the level of importance by the check mark)?

12. In your opinion, how adequate is the guidance you receive to help you comply with defined benefit plan rules and regulations?

Very adequate Adequate Less than adequate Very poor

13. Can you suggest any actions the PBGC or other federal agency can take that might make administering this plan easier? _____

14. Can you suggest any actions the PBGC or other federal agency can take that might make defined benefit plans more attractive to other employers?

15. Knowing what you know now, if you had the decision to make again, would you still create a defined benefit plan?

Yes No

Can you tell me why or why not? _____

Conclusion

That is all the questions I have for you. Is there anything you would like to ask?

Thank you for your time.