

Model VCP Corrective Notice

The following is an example of a corrective notice that satisfies the requirements of the Participant Notice Voluntary Correction Program when the required information is filled in (subject to § 4011.10(d)-(e), as applicable). It also satisfies the requirements of § 4011.10 for the 2004 Participant Notice.

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. [YOU MAY INCLUDE A STATEMENT TO THE EFFECT THAT THE PLAN HAD A PARTICIPANT NOTICE FAILURE FOR THE 2002 PLAN YEAR OR FOR THE 2003 PLAN YEAR (OR FOR BOTH). YOU MAY ALSO INCLUDE A STATEMENT TO THE EFFECT THAT THE PLAN IS PARTICIPATING THE PBGC'S PARTICIPANT NOTICE VOLUNTARY CORRECTION PROGRAM.]

YOUR PLAN'S FUNDING

As of [APPLICABLE DATE], your plan had [INSERT PLAN'S FUNDED CURRENT LIABILITY PERCENTAGE (AS DEFINED IN SECTION 302(d)(9)(C) of ERISA) FOR THE 2002 PLAN YEAR] percent of the money needed to pay benefits promised to employees and retirees.

As of [APPLICABLE DATE], your plan had [INSERT PLAN'S FUNDED CURRENT LIABILITY PERCENTAGE (AS DEFINED IN SECTION 302(d)(9)(C) of ERISA) FOR THE 2003 PLAN YEAR] percent of the money needed to pay benefits promised to employees and retirees.

[YOU MAY ALSO INCLUDE THE FOLLOWING STATEMENT:

As of [APPLICABLE DATE], your plan had [INSERT PLAN'S FUNDED CURRENT LIABILITY PERCENTAGE (AS DEFINED IN SECTION 302(d)(9)(C) of ERISA) FOR THE 2004 PLAN YEAR] percent of the money needed to pay benefits promised to employees and retirees.]

[SEE § 4011.10(c)(2) FOR SPECIAL RULES SMALL PLANS MAY USE TO DETERMINE THE PLAN'S FUNDED CURRENT LIABILITY PERCENTAGE.]

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 SECTION 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 terminates 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 \$3,698.86 per month or \$44,386.32 per year for a 65-year-old person in a plan that terminates in 2004. [IF YOU ISSUE THIS NOTICE AFTER THE MAXIMUM GUARANTEED BENEFIT INFORMATION FOR PLANS THAT TERMINATE IN 2005 IS ANNOUNCED, YOU MAY ADD OR SUBSTITUTE THAT INFORMATION IN ORDER TO PROVIDE PARTICIPANTS WITH MORE CURRENT INFORMATION. THE PBGC EXPECTS TO MAKE THAT INFORMATION AVAILABLE ON ITS WEB SITE AT WWW.PBGC.GOV IN EARLY NOVEMBER 2004.]
- The maximum benefit may be reduced for an individual who is younger than age 65. For example, it is \$1,664.49 per month or \$19,973.88 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. THE MAXIMUM BENEFIT IS \$2,922.10 PER MONTH OR \$35,065.20 PER YEAR AT AGE 62; IT IS \$2,404.26 PER MONTH OR \$28,851.12 PER YEAR AT AGE 60. IF THE PLAN PROVIDES FOR NORMAL RETIREMENT BEFORE AGE 65, YOU MUST INCLUDE THE NORMAL RETIREMENT AGE.] [IF YOU ISSUE THIS NOTICE AFTER THE MAXIMUM GUARANTEED BENEFIT INFORMATION FOR PLANS THAT TERMINATE IN 2005 IS ANNOUNCED, YOU MAY ADD OR SUBSTITUTE THAT INFORMATION IN ORDER TO PROVIDE PARTICIPANTS WITH MORE CURRENT INFORMATION. THE PBGC EXPECTS TO MAKE THAT INFORMATION AVAILABLE ON ITS WEB SITE AT WWW.PBGC.GOV IN EARLY NOVEMBER 2004.] [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 terminates, 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 terminates.
- 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 sums 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 on the PBGC's Web site at www.pbgc.gov.

Issued: [INSERT AT LEAST MONTH AND YEAR]