

The text of PBGC's Press Release on Top 50 List is provided below for your information.

#### New PBGC Tools Make Top 50 List Obsolete

The Pension Benefit Guaranty Corporation (PBGC) announced today that with the enforcement tools provided by recent law to keep pension plans better funded, the annual list of 50 companies with the largest pension underfunding is no longer needed.

"With full implementation of the Retirement Protection Act reforms we now have better enforcement tools in place. Especially important is the requirement that Companies with severely underfunded pension plans annually report the underfunding to workers and retirees, " said PBGC Executive Director David Strauss..

The Retirement Protection Act of 1994 requires all companies with severely underfunded pension plans to report that fact to workers and retirees annually until the plans are 90 percent funded. A majority of workers and retirees -- almost 90 percent -- are covered by pension plans that are well funded, with 90 percent or more of the assets needed to pay all benefits. The reforms of the Retirement Protection Act are helping to keep these plans well funded and accelerating the funding of severely underfunded plans.

In addition to funding reforms, the law expanded corporate reporting requirements to greatly improve PBGC's ability to monitor companies with underfunded pension plans. Corporate groups with pensions underfunded by \$50 million or more must file actuarial information on the plans and financial information on the companies. The law also expanded the list of events that companies with underfunded plans must report to PBGC; events that may jeopardize pensions.

"It is clear that the combination of legislative reforms and PBGC's active enforcement effort are having an impact on pension funding and should result in gradual and continued improvement in funding levels over the next 10 to 15 years," said Strauss. "PBGC will continue to use the new reforms to vigorously protect the pension system."

PBGC monitors companies, in a broad range of industries, that sponsor pension plans underfunded by at least \$5 million. With its Early Warning Program, PBGC concentrates on companies with the largest underfunded plans, \$25 million or more. Although large underfunded plans represent only one percent of all of the pension plans insured, they account for over 80 percent of potential claims against the insurance program.

Under the monitoring program, when a corporate transaction is identified that could have a negative impact on pensions, PBGC steps in and strives to work out an agreement that will protect the pensions and the pension insurance program. Over the last four years, PBGC has negotiated nearly 50 agreements that have provided almost \$15 billion in new pension contributions and protections for more than 1.5 million workers and retirees.

PBGC is a federal agency created by the Employee Retirement Income Security Act of 1974 to guarantee payment of basic pension benefits earned by about 42 million American workers and retirees participating in some 50,000 private-sector defined benefit pension plans. The agency receives no funds from general tax revenues. Operations are financed largely by insurance premiums paid by companies that sponsor pension plans and by investment returns.