



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

JAN 28 2005

Re: [redacted] Case 197194, Jacobson Stores, Inc.  
(JSI) Pension Plan (the Plan))

Dear [redacted]

The Appeals Board reviewed your appeal of PBGC's November 5, 2004 determination of your benefit from the Plan. For the reasons stated below, the Board granted your appeal by finding that you are entitled to a PBGC benefit of \$543.56 per month payable as a Straight Life Annuity (SLA) starting on your Actual Retirement Date (ARD; August 1, 2004).

#### *Determination and Appeal*

PBGC determined that starting on your ARD, you were entitled to a regular monthly benefit of \$392.57 payable as an SLA, which provides a benefit for your lifetime and no survivor benefit. PBGC included a Benefit Statement showing data that was used to calculate your benefit and also showing that PBGC accepted the monthly accrued benefit amount that JSI calculated. The letter noted that \$392.57 is less than the \$543.56 estimated monthly benefit you are currently receiving.

Your November 12, 2004 letter stated that you "had over 30 years of service, qualifying me for early retirement at age 60, per the info enclosed supporting documents, some of which were sent to me after my termination date." With the letter, you enclosed a December 5, 1997 letter from JSI stating that "You can retire early at any time after age 55 and completion of 30 years of vesting service . . . ." You also enclosed a document entitled "Vested Benefit Certification at Customary Retirement Age of 60 with Early Retirement Option" signed and dated October 8, 1998, which you apparently received from JSI after you quit working for JSI on August 15, 1998 at the age of 52. With your letter, you also enclosed a copy of a JSI estimated benefit calculation sheet created on November 15, 2001 with a proposed retirement date of August 1, 2003 as well as a copy of a 1997 Summary Plan Description.

PBGC's November 30, 2004 response to your November 12, 2004

letter stated that:

"We have confirmed with the plan's actuary that Early Unreduced Retirement is defined by your plan as age 60 after attaining age 55 and completing 30 years of service. Also, to be eligible to receive a reduced Early Retirement Benefit you had to attain age 55 on the date of termination of employment (DOTE). Our records show that your date of birth is 07/06/1946 and your date of termination of employment is 08/15/1998 which means you were age 52 and 1 month on your DOTE. Although we concur that you had over 30 years of service with Jacobson Stores, you are not entitled to receive Early Retirement Benefits because you were not age 55 or older when your employment terminated."

Your December 7, 2004 appeal letter stated:

"... If there is no other recourse or appeal available for the amount of the benefit, I will defer my pension until I am 60 years of age in order to receive the FULL amount of \$603.96. I am sure you can find a way to reset my balance to '0' and stop my pension at this time...."

(Emphasis in the original.)

#### *Discussion*

PBGC provides pension insurance in accordance with the Employee Retirement Income Security Act of 1974, as amended (ERISA). If a plan sponsor is unable to support its pension plan, PBGC becomes trustee of the plan and pays pension benefits as defined in the plan subject to limitations and requirements set by Congress under ERISA.

Records available to the Appeals Board reveal that the Plan terminated on September 30, 2002 and that PBGC became trustee of the Plan on October 1, 2002. The records also show that you quit working for JSI on August 15, 1998 at the age of 52 after earning more than 30 years of vesting service.

Based on our review of the Plan's governing documents and ERISA requirements, the Appeals Board decided that Plan participants who earned at least 30 years of vesting service and quit working for JSI before attainment of age 55 are entitled to an unreduced deferred vested benefit starting at age 60 or a reduced benefit starting between ages 55 and 60, with the reductions applied from age 60 rather than from age 65.

#### Decision

Having applied Plan provisions and the law to the facts in this case, the Appeals Board granted your appeal by finding that you are entitled to a PBGC benefit of \$543.56 per month payable as an SLA starting on August 1, 2004.

If you need more information about your benefit, please call the Customer Contact Center at 1-800-400-7242.

Sincerely,

A handwritten signature in cursive script that reads "Michel Louis".

Michel Louis  
Appeals Board Member