

This is a printer friendly version.



**FOR IMMEDIATE RELEASE**

**October 30, 2007**

**PBGC Public Affairs  
202-326-4343**

**PBGC Announces Maximum Insurance Benefit for 2008**

WASHINGTON—The Pension Benefit Guaranty Corporation (PBGC) today announced that the maximum insurance benefit for participants in underfunded pension plans terminating in 2008 is \$51,750 per year for those who retire at age 65, up from \$49,500 for 2007. The amount is higher for those who retire later and lower for those who retire earlier or elect survivor benefits (see chart). If a pension plan terminates in 2008 but a participant does not begin collecting benefits until a future year, the 2008 maximum insurance limits still apply.

The maximum insurance benefit is set by law. Two additional legal limits on PBGC’s insurance coverage can also affect participants’ benefits. The first prohibits the PBGC from guaranteeing benefits that exceed the amount payable at the plan’s normal retirement age. The second limits PBGC’s guarantee of benefit increases made within the five years prior to plan termination. For more information, see PBGC’s fact sheet “Pension Guarantees” (<http://www.pbgc.gov/media/key-resources-for-the-press/content/page13542.html>).

The overwhelming majority of the participants in plans taken over by the agency face no reduction in benefits due to the legal limits on coverage, PBGC research shows. The largest reductions occur in cases where participants earn pensions that 1) significantly exceed the maximum insurance benefit, or 2) provide generous early retirement subsidies.

Under the PBGC’s single-employer insurance program, retirees sometimes can receive more than the maximum guaranteed benefit. In general, three conditions must apply: 1) the participant earned a benefit in excess of the maximum guaranteed amount; 2) the participant retired or was eligible to retire three years prior to plan termination; and 3) the plan had sufficient assets to pay benefits above the guaranteed amount.

The following chart shows the 2008 annual and monthly maximum benefit guarantees for retirees from age 75 to 45. The maximum amount is lower for benefits commencing at ages below 65, reflecting the fact that younger retirees receive more monthly pension checks over a longer expected remaining lifespan. The maximum amount is higher for benefits commencing at ages above 65, reflecting the fact that older retirees receive fewer monthly pension checks over their expected remaining lifespan.

Age	Annual Maximum	Monthly Maximum	Monthly Joint & 50% Survivor Maximum*
75	\$157,320.00	\$13,110.00	\$11,799.00
74	\$143,037.00	\$11,919.75	\$10,727.78

73	\$128,754.00	\$10,729.50	\$ 9,656.55
72	\$114,471.00	\$ 9,539.25	\$ 8,585.33
71	\$100,188.00	\$ 8,349.00	\$ 7,514.10
70	\$ 85,905.00	\$ 7,158.75	\$ 6,442.88
69	\$ 77,107.56	\$ 6,425.63	\$ 5,783.07
68	\$ 69,345.00	\$ 5,778.75	\$ 5,200.88
67	\$ 62,617.56	\$ 5,218.13	\$ 4,696.32
66	\$ 56,925.00	\$ 4,743.75	\$ 4,269.38
65	<b>\$ 51,750.00</b>	<b>\$ 4,312.50</b>	<b>\$ 3,881.25</b>
64	\$ 48,127.56	\$ 4,010.63	\$ 3,609.57
63	\$ 44,505.00	\$ 3,708.75	\$ 3,337.88
62	\$ 40,882.56	\$ 3,406.88	\$ 3,066.19
61	\$ 37,260.00	\$ 3,105.00	\$ 2,794.50
60	\$ 33,637.56	\$ 2,803.13	\$ 2,522.82
59	\$ 31,567.56	\$ 2,630.63	\$ 2,367.57
58	\$ 29,497.56	\$ 2,458.13	\$ 2,212.32
57	\$ 27,427.56	\$ 2,285.63	\$ 2,057.07
56	\$ 25,357.56	\$ 2,113.13	\$ 1,901.82
55	\$ 23,287.56	\$ 1,940.63	\$ 1,746.57
54	\$ 22,252.56	\$ 1,854.38	\$ 1,668.94
53	\$ 21,217.56	\$ 1,768.13	\$ 1,591.32
52	\$ 20,182.56	\$ 1,681.88	\$ 1,513.69
51	\$ 19,147.56	\$ 1,595.63	\$ 1,436.07
50	\$ 18,112.56	\$ 1,509.38	\$ 1,358.44
49	\$ 17,077.56	\$ 1,423.13	\$ 1,280.82
48	\$ 16,042.56	\$ 1,336.88	\$ 1,203.19

47	\$ 15,077.56	\$ 1,250.63	\$ 1,125.57
46	\$ 13,972.56	\$ 1,164.38	\$ 1,047.94
45	\$ 12,937.56	\$ 1,078.13	\$ 970.32

\*Both spouses the same age.

PBGC is a federal corporation created under ERISA. It currently guarantees payment of basic pension benefits earned by 44 million American workers and retirees participating in over 30,000 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 investment returns.

— ### —

PBGC No. 08-07