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From: Marion Mudd [<mailto:marion9507@starpower.net>]

Sent: Wednesday, April 23, 2008 4:05 PM

To: EBSA, E-ORI - EBSA

Subject: Notice of Critical Status: RIN 1210-AB26

Marion Mudd
9507 Wadsworth Drive
Bethesda, MD 20817-2417

April 23, 2008

Employee Benefits Security Administration

Dear Employee Benefits Security Administration:

RE: Notice of Critical Status: RIN 1210-AB26

April 23, 2008

Mr. Bradford Campbell
Assistant Secretary
Employee Benefits Security Administration U.S. Department of Labor

Dear Mr. Campbell,

Thank you for considering comments on the proposed rule concerning pensions in critical status.

After reviewing the Federal Register of March 25, 2008 for Proposed Rules "Notice of Critical Status" I wish to offer a few suggestions. First, I think the terms in the rule need to be defined in clear plain English. In the case of "critical status", it means your pension plan does not have enough money to pay benefits that were promised. "Adjustable benefits" is another term that should be explicitly described as "promised plan benefits that will be or /can be reduced or eliminated". "In some cases even huge reductions in already-earned benefits will be experienced." It is more important that the plan member understand the possible financial consequences of the rule than how the actuarial calculations will be made.

As much specificity as possible should be given for each of the seven affected conditions, i.e., : "death benefits", "payment guarantees", some "disability benefits", "early or retirement-type subsidy", "options other than qualified joint survivor annuity", benefit increases in past five years", "other similar benefits, rights or features under the plan (identified)".

To resolve the "critical status" of a pension plan, the proposed new rule calls for a "Rehabilitation Plan" which sets an "employer surcharge" of 5% in the initial critical status year and 10% in

succeeding years. It should be made very clear that prior to taking effect all provisions of the rehabilitation plan will be collectively bargained - including benefit cutbacks, future benefits and employer contributions.

Plan members must be warned - anyone who collects her/his first pension check, after the date the notice of the new rule is sent, may lose some benefits. Monthly normal retirement age benefits will continue to be paid, however, the new rule would allow early retirement benefits and other forms of benefits to be reduced or eliminated (include list and description of such benefits).

Thank you for your leadership on this issue. I join with the Pension Rights Center in hoping that you will act to ensure that employees whose pension benefits may be reduced will understand this model notice.

Sincerely,

Marion H. Mudd