


<a href="#">Home</a>	<a href="#">About PBGC</a>	<a href="#">Legal Information &amp; FOIA</a>	<a href="#">Forms</a>	<a href="#">News</a>	<a href="#">Contact Information</a>	<a href="#">Retirement Planning</a>	<a href="#">Publications</a>
----------------------	----------------------------	--	-----------------------	----------------------	-------------------------------------	-------------------------------------	------------------------------



# Pension Benefit Guaranty Corporation

[News Releases](#)  
[Media Contacts](#)  
[Speeches and Testimony](#)  
[Newsletters](#)

## News

**1200 K Street N.W.  
Washington, DC 20005**

*I want info about . . . . :*

[go](#)

*Pension Search . . . . :*

[go](#)

*Trusted Plan Info . . . . :*

[go](#)

*Search the Site . . . . :*

[Advanced Search](#) [go](#)

[PBGC en Español](#)

[Plan Administration](#)

[Participant Services](#)

[Home](#) > [News](#) > [News Releases](#) > [2005](#) >

**FOR IMMEDIATE RELEASE**  
**May 27, 2005**  
**PBGC Public Affairs, 202-326-4040**

### Seventy Percent of PBGC's Losses Incurred in 2000-2004

WASHINGTON—The last five years have brought unprecedented losses to the Pension Benefit Guaranty Corporation, according to the latest edition of the PBGC's [Pension Insurance Data Book](#). Claims from failed single-employer pension plans totaled \$14.3 billion in 2000-2004. This represents 70 percent of the \$20.6 billion in total claims incurred since Congress set up the insurance program in 1974.

Historically, the pension insurance program has absorbed large losses during economic downturns, but the most recent surge dwarfs anything in the agency's history. The 2000-2004 total is 18 times larger than the \$783 million in claims booked in 1995-1999. During the period of 1990-1994 claims totaled \$2.8 billion, less than twice the \$1.7 billion incurred during 1985-1989.

"These data highlight the unprecedented challenges facing the defined benefit system and the pension insurance program," said Executive Director Bradley Belt. "While most companies should be able to honor their promises to workers and retirees, far too many are renegeing on those promises and shifting costs to the pension insurance program. Congress needs to act on the Administration's proposal to strengthen the defined benefit system and put the pension insurance program on a sound financial footing."

The PBGC's recent claims experience is one of the trends highlighted in the Pension Insurance Data Book, an annually updated statistical reference that tracks the experience of the PBGC's insurance programs and the defined benefit pension plans they protect. Other examples include:

- The PBGC's single-employer program now insures about 29,600 pension

plans, continuing a 20-year decline. The program insured 112,000 plans in 1985.

- In 2004 the PBGC disbursed more than \$3 billion in benefit payments to 517,000 retirees, up from \$2.5 billion paid to 459,000 individuals in 2003.
- Variable rate premiums, paid by chronically underfunded plans, reached a record \$800 million in 2004, up from \$294 million in 2003.
- Forty-five percent of PBGC-insured pension plans paid the variable rate premium, and underfunding in those plans reached an all-time high of \$89 billion.

The Data Book provides researchers, journalists and others interested in the federal pension insurance program with easily accessible, detailed statistics for the PBGC's two separate programs covering single-employer and multiemployer plans. For both of the PBGC's insurance programs, the book includes graphs and tables on the financial condition of the program, numbers of people and plans protected by the program, the people receiving or eligible to receive benefits from the PBGC and the benefits paid to them, claims against the program, and other vital statistics.

The Data Book is available on the PBGC's Web site at [www.pbgc.gov/publications/databook](http://www.pbgc.gov/publications/databook).

The PBGC is a federal corporation created by the Employee Retirement Income Security Act of 1974 to guarantee payment of basic pension benefits earned by workers. Its two insurance programs cover nearly 44.3 million American workers and retirees participating in more than 31,000 private-sector defined benefit pension plans, including some 1,600 multiemployer 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. 05-40