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**PENSION BENEFIT GUARANTY CORPORATION**
**PBGC Flat Premium Rates**

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Notice of flat premium rates.

**SUMMARY:** This notice informs the public of the PBGC flat premium rates for premium payment years beginning in 2009. These rates can be derived from information published elsewhere but are published in this notice for the convenience of the public.

**DATES:** The flat premium rates apply to premium payment years beginning in 2009.

**FOR FURTHER INFORMATION CONTACT:**

Catherine B. Klion, Manager, Regulatory and Policy Division, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202-326-4024. (TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

**SUPPLEMENTARY INFORMATION:** The Pension Benefit Guaranty Corporation (PBGC) administers the pension plan termination insurance program under Title IV of the Employee Retirement Income Security Act of 1974 (ERISA). Pension plans covered by Title IV must pay premiums to PBGC. Section 4006 of ERISA deals with premium rates.

The Deficit Reduction Act of 2005 (Pub. L. 109-171) (DRA 2005) amended section 4006 of ERISA. DRA 2005 changed the per-participant flat premium rate for plan years beginning in 2006 from \$19 to \$30 for single-employer plans and from \$2.60 to \$8 for multiemployer plans and provided for inflation adjustments to the flat rates for future years. The adjustments are based on changes in the national average wage index as defined in section 209(k)(1) of the Social Security Act, with a two-year lag—for example, for 2009, the 2006 index is compared to the baseline (the 2004 index). The provisions were written in such a way that the premium rate can never go down; if the change in the national average wage index is negative, the premium rate remains the same as in the preceding year. Also, premium rates are rounded to the nearest whole dollar.

The baseline national average wage index, the 2004 index, was \$35,648.55. The 2007 index was \$40,405.48. The ratio of the 2007 index to the 2004 index is 1.133440. Multiplying this ratio by \$30.00 gives \$34.00. Multiplying the ratio by \$8.00 gives \$9.07, which rounds to \$9.00. Thus, the 2009 flat premium rates for PBGC's two insurance programs will be \$34.00 per participant for single-employer plans and \$9.00 per participant for multiemployer plans.

The PBGC will publish the flat premium rates annually for the convenience of the public.

Issued in Washington, DC, on this 21st day of November 2008.

**Vincent K. Snowbarger,**

*Deputy Director for Operations, Pension Benefit Guaranty Corporation.*

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