

PENSION ACTION

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PBGC Deficit Closes to \$18.1 Billion

On November 15th, the Pension Benefit Guaranty Corporation announced that it has reduced its deficit to \$18.1 billion this year from a shortfall of \$22.8 billion in 2005. According to its annual report to Congress, the PBGC attributes its reduced deficit to a provision in the Pension Protection Act of 2006 that allows airlines with frozen pension plans that have filed for bankruptcy protection more time to fulfill their pension obligations.

This article describes the PBGC's reduced deficit and provides more detail: [Pension Deficit Narrows at PBGC](#).

New PRC Pension Freeze Listing

The Pension Rights Center has compiled a [listing of companies](#) that have frozen, terminated or made significant changes to their defined benefit pension plans.

If you know of a company that has made modifications to its pension plan that is not listed on our chart, please send an e-mail to pensionaction@pensionrights.org so we can update our chart with that information.

Pension Plan Must Give Benefits to Surviving Spouse

An ex-spouse who files a qualified domestic relations order (QDRO) with a pension plan following the death of her ex-husband is entitled to benefits. In *Marker v. Northrop Grumman Space & Missions Systems Corporation Salaried Pension Plan*, the U.S. District Court for the Northern District of Illinois found that an order dividing a pension that was issued as part of a court-ordered divorce settlement made while the participant was alive must be accepted by the plan even if the plan did not receive the order until after the participant's death. In this case, the participant and his wife divorced and the court divided his pension as part of the property settlement. However, before the ex-wife had the opportunity to file the court order with the plan, her ex-husband died. When she tried to file the order, the plan rejected the order on the grounds that the pension benefit died with the participant.

Although this case only applies to divorced spouses in northern Illinois, it is likely to be referred to by courts in other parts of the country. This case is significant because it provides protection for divorced spouses whose ex-spouse dies before making a benefit payout election upon retirement.

Click the following links to find out more about [Qualified Domestic Relations Orders](#) and the [rights of spouses at divorce](#).