What the Pension Rights Center can do for you and your clients

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Rebecca Davis, Legal Director
Joellen Leavelle, Outreach Manager
Pension Rights Center
About the Pension Rights Center

- Founded in 1976
- Nonprofit consumer organization that promotes retirement security for American workers, retirees, and their families

- Two focus areas: Public policy and legal assistance
  - Public policy: PRC represents the interests of current and future retirees in the development of the nation’s retirement policy
  - Legal assistance: PRC helps ensure that people get the pension benefits they have earned
What it means to have a pension

- Average Social Security payment is $15,179 per year
- Median income of retirees with pensions is $31,077
- Most pensions are a modest source of income. The median private pension is $8,853
- For many, a pension can be the difference between a lifetime of poverty versus adequacy
A website that connects people looking for help with questions related to their retirement plans to the counseling projects, legal services providers and government agencies that can assist them. 

www.pensionhelp.org
Pension Counseling and Information Program (PCIP)

- Nonprofit legal and aging services organizations that assist people who have questions about their pensions, 401(k) plans, and other employer-sponsored retirement income plans

- Authorized under the Older Americans Act

- Since its inception in 1993, the counseling projects have served more than 50,000 individuals and recovered more than $150 million for their clients

- Primarily funded by the U.S. Administration on Aging
States covered

- Mid-America Pension Rights Project
- Mid-Atlantic Pension Counseling Project
- New England Pension Assistance Project
- South Central Pension Rights Project
- Upper Midwest Pension Rights Project
- Western States Pension Rights Project
Projects provide assistance to individuals who:

- Live in a state covered by a project
- Earned a benefit while working in a state covered by a project
- Were covered by a pension plan that is located in a state covered by a project
The Pension Rights Center’s role

- PRC provides technical assistance to pension counseling projects:
  - legal advice
  - training
  - outreach
  - programmatic support

- PRC provides legal advice and training for legal service providers outside projects’ jurisdictions

- PRC provides direct legal assistance by serving as a place of last resort for clients not covered by a counseling project or other legal service provider
About PCIP clients

- 74% have household incomes of less than $30,000
- 90% are age 50 or older
- In 2012, BenefitsCheckUp referred 7,160 individuals to a counseling project or PensionHelp America
- The most common issues our clients have are:
  - Lost pension plans
  - Confusing/ misleading communications from plans
  - Benefit miscalculations
  - Spousal issues arising out of death and divorce
  - Recoupment of an alleged overpayment
Lost Plans

- Client earned a pension but is now retirement age and cannot locate it or her former employer
- Sometimes people don’t remember if they earned a benefit at an old job
- Situation arises from terminations, mergers, bankruptcies or other corporate restructuring
- Projects can locate these lost plans

Tips for keeping track of a pension
Found the plan: Now what?

- Participants have trouble getting the information they need from the plan
  - *What is my benefit?*
  - *When can I receive my benefit?*

- Individuals are entitled to a lot of information from plans but the key is knowing what to ask for and how to ask for it

- Many disclosures and handouts are confusing
  - Projects assist clients in obtaining and understanding the necessary documents
Survivor and divorced spousal rights

- Retirement benefits are often the largest asset in a marriage
  - Benefits can be divided between the spouses
- Benefits are generally paid to a surviving spouse unless both spouses consent to a different form of distributions
  - Sometimes there is no consent, it was fraudulently induced or given without full disclosure
Recoupment of an overpayment

• Client retires and at a future date (could be years) the plan discovers that it paid too much (sometimes even by a nominal amount).

• The plan reduces the payments to the correct amount and then further reduces to recoup the overpayment. Some plans even charge interest on the repayments.

• Often this hits retirees several years into retirement causing a significant reduction in what was previously a reliably stream of income.

• Plans argue they must recover the overpayment per fiduciary rules. But the law allows a waiver for demonstrated hardship.
How the PCIP can help your clients

- PRC and the counseling projects can
  - Explain complex rules related to retirement plans
  - Track down lost pensions
  - Obtain plan documents
  - Challenge benefit miscalculations and denials
  - Represent clients in negotiations and administrative proceedings
Additional Information

- PensionHelp America
  - www.pensionhelp.org

- Pension Counseling and Information Program
  - www.pensionrights.org/counseling-projects

- Pension Rights Center
  - www.pensionrights.org
  - Rebecca Davis – rdavis@pensionrights.org
  - Joellen Leavelle – jleavelle@pensionrights.org
  - (202) 296-3776
Questions?