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The Mid-America Pension Rights Project
Basic Pension Rights

Are employers required to provide pensions?

No. Many employers offer pension plans because it helps them recruit and keep good workers, or because a union bargained for pension benefits. However, once an employer offers a pension plan, several federal laws (passed in 1974 and since) set guidelines for how the plan must operate.

Are all pension plans the same?

No. Each employer or union writes its own plan, subject to federal pension requirements.

What are my basic pension rights?

You have the right to:

- Specific information about the plan, including a Summary Plan Description, which informs you of the terms of the plan;
- To be paid the benefits you are entitled to; and
- Honest administration of the plan.

How can I find what my pension's rules are?

Many plans automatically provide a yearly statement that tells you two things:

- The benefits you have accrued up to now – that is, the benefits that you would be entitled to if you retired tomorrow — and
- The benefits you can expect if you retire at whatever standard age is specified in your employer's plan.

If your plan doesn't provide these statements routinely, you can request your statement from the administrator of your plan.

What is vesting?

Vesting is a guarantee that you will receive the benefits you have earned, regardless of whether you are still working for that particular employer at the time you retire. Pension plans specify a certain amount of time (usually five years, under current federal law) that you must work for a particular employer before you become vested.

If I'm not vested at the time I leave the company, does that mean I don't get anything, even the pension money that's been withheld from my pay?

No. You're always entitled to the money that you yourself contributed to the plan. If you're not vested, however, you won't be entitled to the benefits your employer provides.

What happens to my pension if my employer goes out of business?

If the employer goes out of business, the company may terminate the pension plan and purchase annuities. This allows the company to fulfill its obligations under its pension up to that date, but it no longer must administer it or to continue to put more money into it. The company may also simply hire a different pension plan administrator. If the company cannot afford to pay the pension benefits, the Pension Benefit Guaranty Corporation takes over the plan and pays the benefits, although there are some limitations.

Pro Seniors helps older Ohioans solve legal and long-term care problems and fight Medicare fraud. Our Legal Helpline provides free legal information and advice for Ohio residents aged 60 and older.

This fact sheet provides general information, not legal advice. The law is complex and changes frequently. Before you apply this information to a particular situation, call Pro Seniors' free Legal Helpline or consult an attorney in elder law.

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