



TOPIC: **PBGC ISSUES 2012 ANNUAL REPORT**

**EXECUTIVE SUMMARY:** ON WEDNESDAY, NOVEMBER 14, THE PBGC ISSUED ITS 2012 ANNUAL REPORT. THIS REPORT CONTAINS A WIDE VARIETY OF INFORMATION RELATED TO THE OPERATIONS, FINANCES, AND EXPERIENCE OF THE PBGC.

AS OF SEPTEMBER 30, 2012 THE PBGC'S MULTIEMPLOYER PROGRAM SHOWED \$7.0 BILLION IN LIABILITIES VERSUS \$1.8 BILLION IN ASSETS, FOR A NET UNDERFUNDED POSITION OF \$5.2 BILLION. THIS RESULT COMPARES TO A NET UNDERFUNDED POSITION OF \$2.8 BILLION ONE YEAR EARLIER. THE PRIMARY SOURCE OF THIS INCREASE WAS A 13 PLAN NET INCREASE IN THE INVENTORY OF PLANS THAT THE PBGC CLASSIFIES AS PROBABLE INSOLVENCIES.

THE REPORT ALSO CONTAINS AN ESTIMATE OF THE PBGC'S 'REASONABLY POSSIBLE EXPOSURE' TO FUTURE PLAN INSOLVENCIES. THIS FIGURE INCREASED FROM \$23 BILLION IN 2011 TO \$27 BILLION IN 2012. THE REPORT CITES A DECLINE IN INTEREST RATES AS THE PRIMARY SOURCE OF THIS INCREASE, WHICH SUGGESTS THAT THE PBGC DID NOT MAKE ANY SIGNIFICANT CHANGES TO THE INVENTORY OF PLANS THAT IT CLASSIFIES AS REASONABLY POSSIBLE INSOLVENCIES.

PURPOSE: **INFORMATIONAL**

CATEGORY: **REGULATORY**

ISSUER: **PENSION BENEFIT GUARANTY CORPORATION**

TARGET AUDIENCE: **PENSION FUND TRUSTEES AND PROFESSIONAL ADVISORS**

INPUT REQUESTED: **NONE**

FORWARD  
COMMENTS TO: [Multi-Elert@nccmp.org](mailto:Multi-Elert@nccmp.org)

REFERENCE: **VOLUME XII, ISSUE 8**

FOR ADDITIONAL  
BACKGROUND SEE: <http://pbgc.gov/documents/2012-annual-report.pdf>

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*We strive to ensure that the information contained in this and every issue of Multi-Elert is correct to the extent information is available. Nevertheless, the NCCMP does not offer legal advice. Plan fiduciaries should rely on their own attorneys and other professional advisors for advice on the meaning and application of any Federal laws or regulations to their plans.*

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*If you have questions about the NCCMP, or about this or other issues of Multi-Elert, please contact the NCCMP, by phone at (202) 737-5315 or by e-mail at [nccmp@nccmp.org](mailto:nccmp@nccmp.org).*

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