

Applications under MPRA

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The opinions of Mr. Donofrio and Ms. Cameron do not necessarily represent the views of PBGC.



- Overview of MPRA Applications Filed To Date
- PBGC's Role in Suspension Applications
- Review of Partition Applications
- Pre-Application Consultation (Partition or Facilitated Merger)
- Questions

Overview - MPRA Cases

Plan	Type	Outcome	Resubmission?	Outcome
Alaska Ironworkers	Suspension	Withdrawn	Yes	Under Review
Automotive Industries	Suspension	Denied	No	N/A
Bricklayers Local 7	Suspension	Withdrawn	No	N/A
Bricklayers Local 5	Partition	Withdrawn	No	N/A
Central States	Suspension	Denied	No	N/A
IAM Motor City	Suspension	Approved	N/A	N/A
Iron Workers Local 17	Suspension	Withdrawn	Yes	Approved
Iron Workers Local 16	Suspension	Denied	Yes	Under Review
Local 805	Partition	Withdrawn	Yes	Under Review
New York State Teamsters	Suspension	Withdrawn	Yes	Approved
Road Carriers 707	Partition	Denied	No	N/A
SW Ohio Carpenters	Suspension	Withdrawn	No	N/A
Teamsters Local 469	Suspension	Withdrawn	Yes	Denied
United Furniture Workers	Partition	Withdrawn	Yes	Approved
Western States Employees	Suspension	Withdrawn	Yes	Withdrawn

PBGC's Role in Suspension Applications

- **The Treasury Department is responsible for approval or denial of an application**
 - Includes findings on the reasonableness of actuarial assumptions underlying the cash flow projections supporting the application

- **PBGC has a consultative role in decision**

- **PBGC provides technical assistance to Treasury**
 - Confirmation of projected benefit disbursements
 - Confirmation of application of limitations on suspension

Statutory Requirements

- Partition must reduce PBGC's long term loss with respect to the plan
- Partition must not impair PBGC's ability to meet existing financial assistance obligations to other plans (includes expected obligations to plans expected to become insolvent in next 10 years)
- Partition/suspension is necessary for the plan to remain solvent

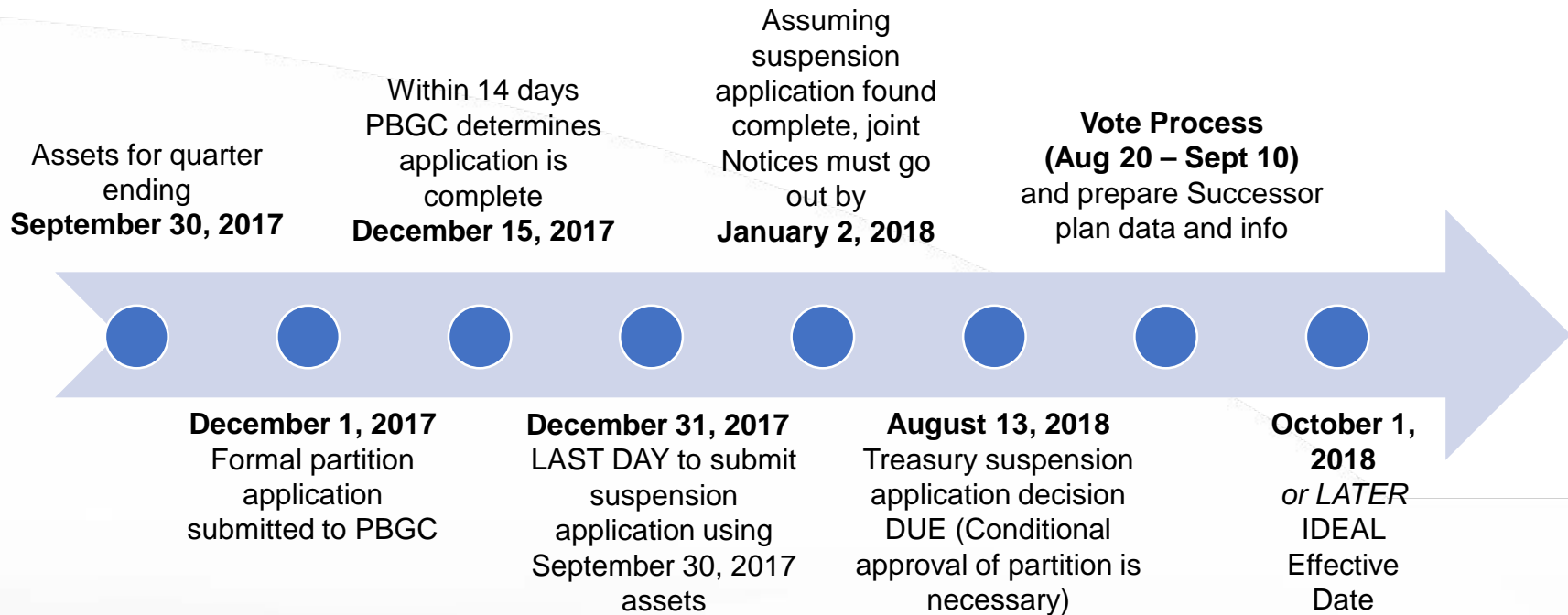
Technical Review

- Assumptions
 - Projected Contribution Base Units (CBUs)
 - Rate of investment return
- Confirmation of Projected Benefits
- Confirm Minimum Financial Assistance Necessary for the Plan to Remain Solvent

The partition plan provides PBGC guaranteed benefits to the minimum number of participants necessary to allow the original plan to remain solvent

- Initially, the partition plan is envisioned as taking certain percentages of the original plan's participant groups (retirees, term vesteds, actives)
 - Plan and PBGC collaborate on the structure of the partition plan during the review of the application
- Upon preliminary approval, specific participants who will receive benefits from the partition plan must be identified

Illustrative Timeline



Consultation can address partition, facilitated merger or non-MPRA cases

- General approach is an open dialogue
- Informal and not binding
- Can include Treasury as appropriate

Topics of Discussion

- ✓ Type of work performed by participants and location
- ✓ Contributing employers (number contributing; any significant contributors; financial information may be requested)
- ✓ CBU history
- ✓ Unusual characteristics of plan
- ✓ Collection of withdrawal liability
- ✓ Service and the PBGC guaranteed benefit
- ✓ Timing of applications (partition and suspension)
- ✓ Number of participants in plan
- ✓ Voting
- ✓ Which benefits to partition

Pre-Application Consultation

Send MPRA related questions to:

MPRA.Questions@PBGC.gov

- ✓ Request pre-application consultation
- ✓ Assistance with determination of PBGC guaranteed benefit



Questions?

PBGC