

PBGC Update

Tom Reeder, Director

NCCMP Lawyers and Administrators Meeting

April 12, 2018



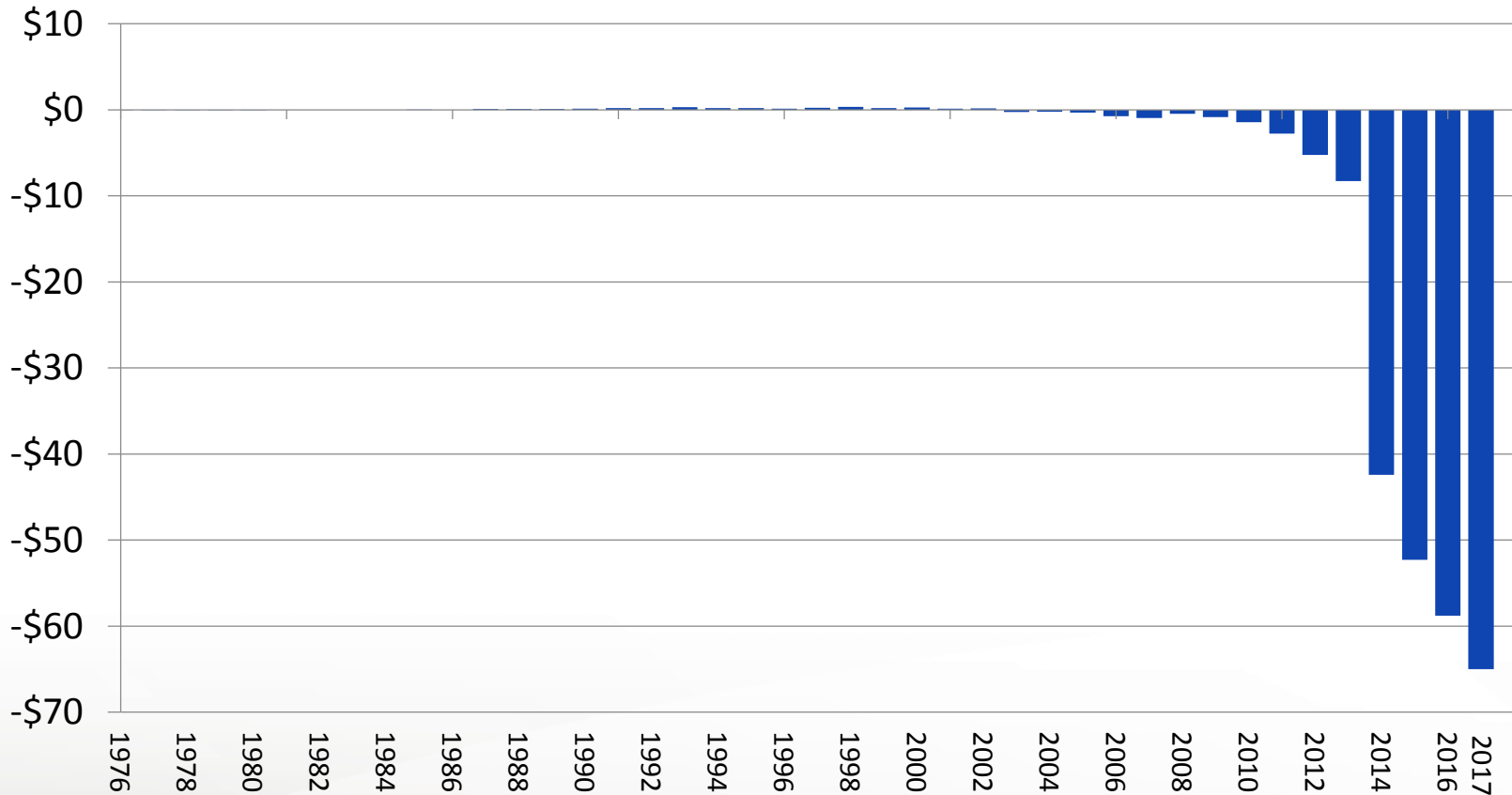
Program Comparison as of 9/30/2017

	Single-Employer	Multiemployer
FY 2017 PBGC financial position		
• Liabilities (includes “probable” losses)	\$117 billion	\$67 billion*
• Assets	\$106 billion	\$2 billion
• Net position	(\$11 billion)	(\$65 billion)
Insurable event	Plan Termination	Plan Insolvency
FY 2017 premium income	\$6.7 billion	\$291 million
2018 guaranteed annual benefit	\$65,045 for age 65 retiree, regardless of service	\$12,870** for retiree with 30 years of service, regardless of age
Number of plans	22,500	1,400
Number of participants in plans	27.5 million	10.6 million

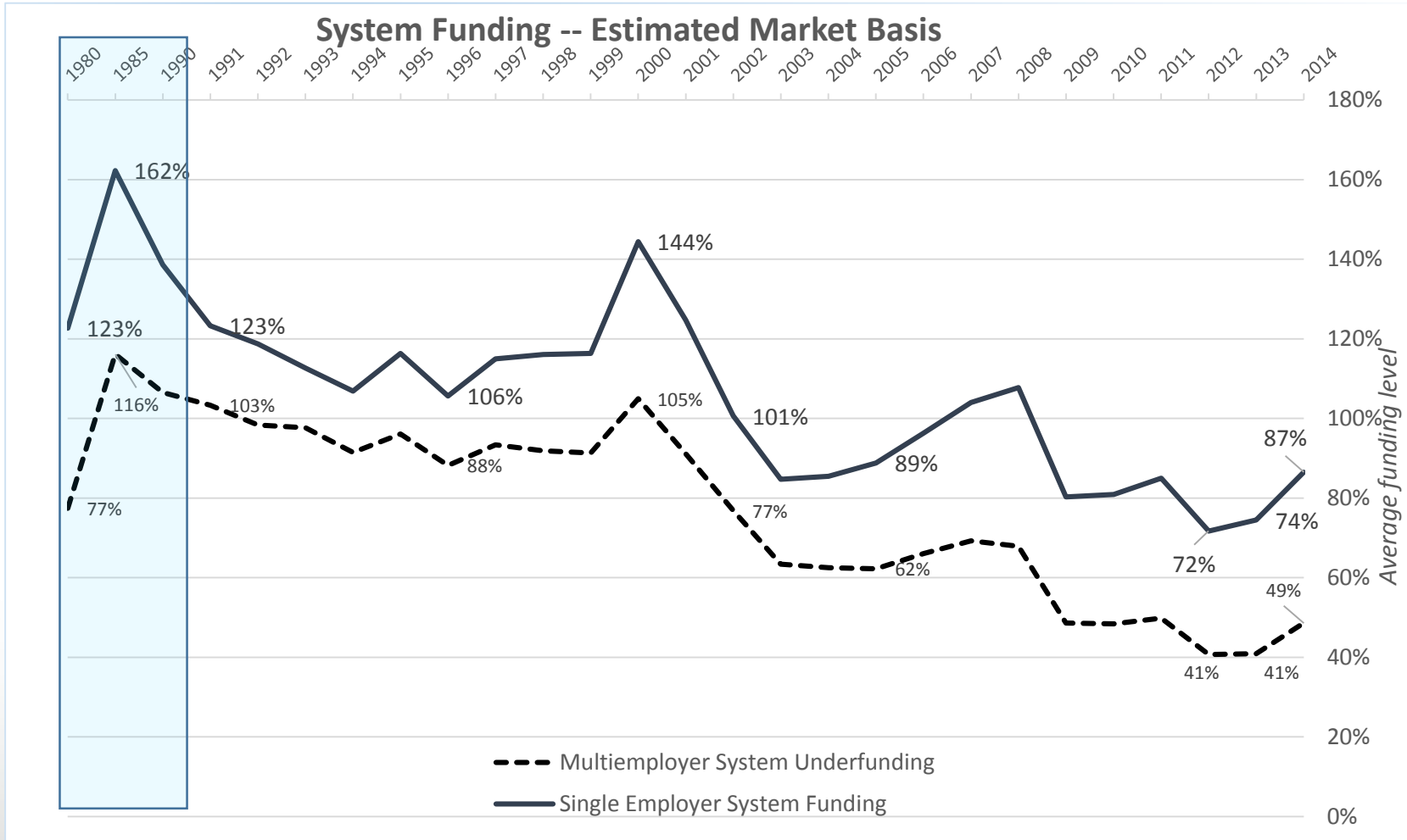
* All but \$2B is for “probable” insolvent plans.

**Two-tier guarantee: 100% of the first \$3,960, 75% of the next \$11,880. Not indexed.

Multiemployer Program Net Position FY 1976-2017

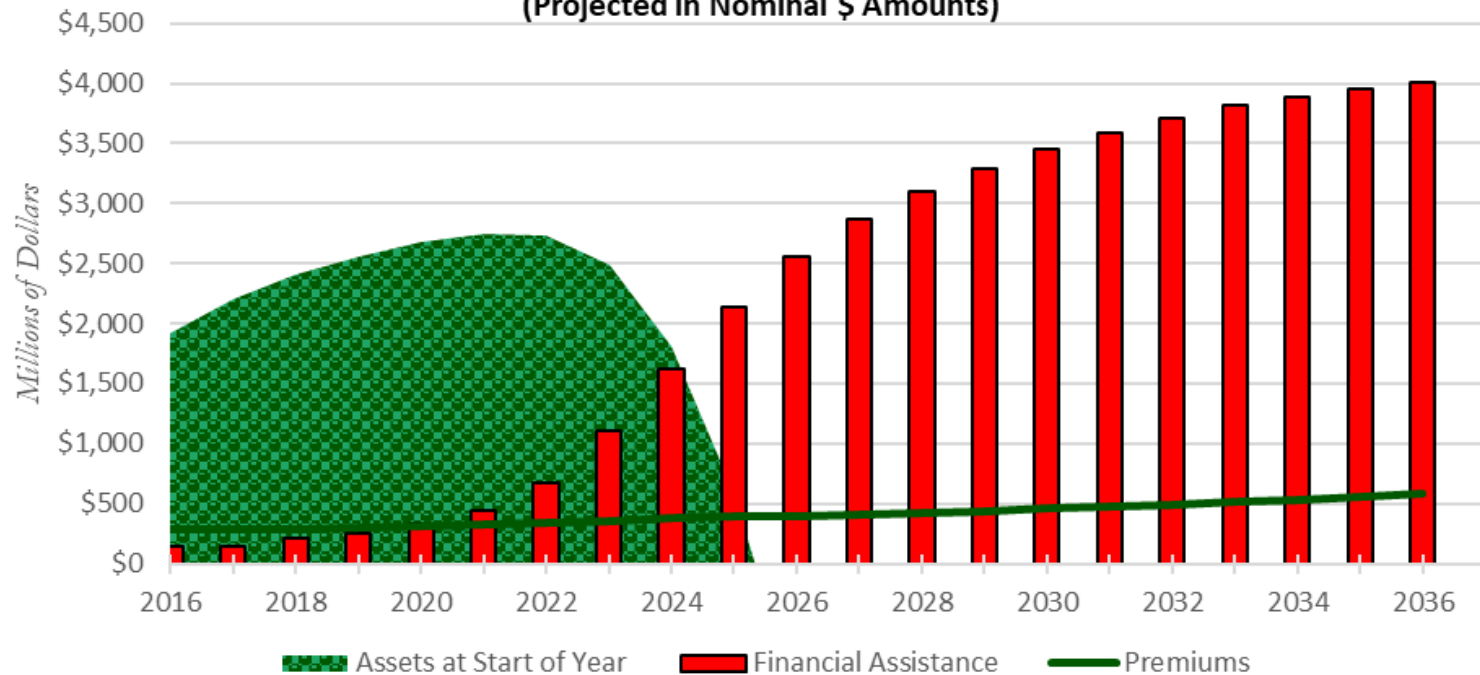


Multiemployer System Less Well Funded than Single-Employer

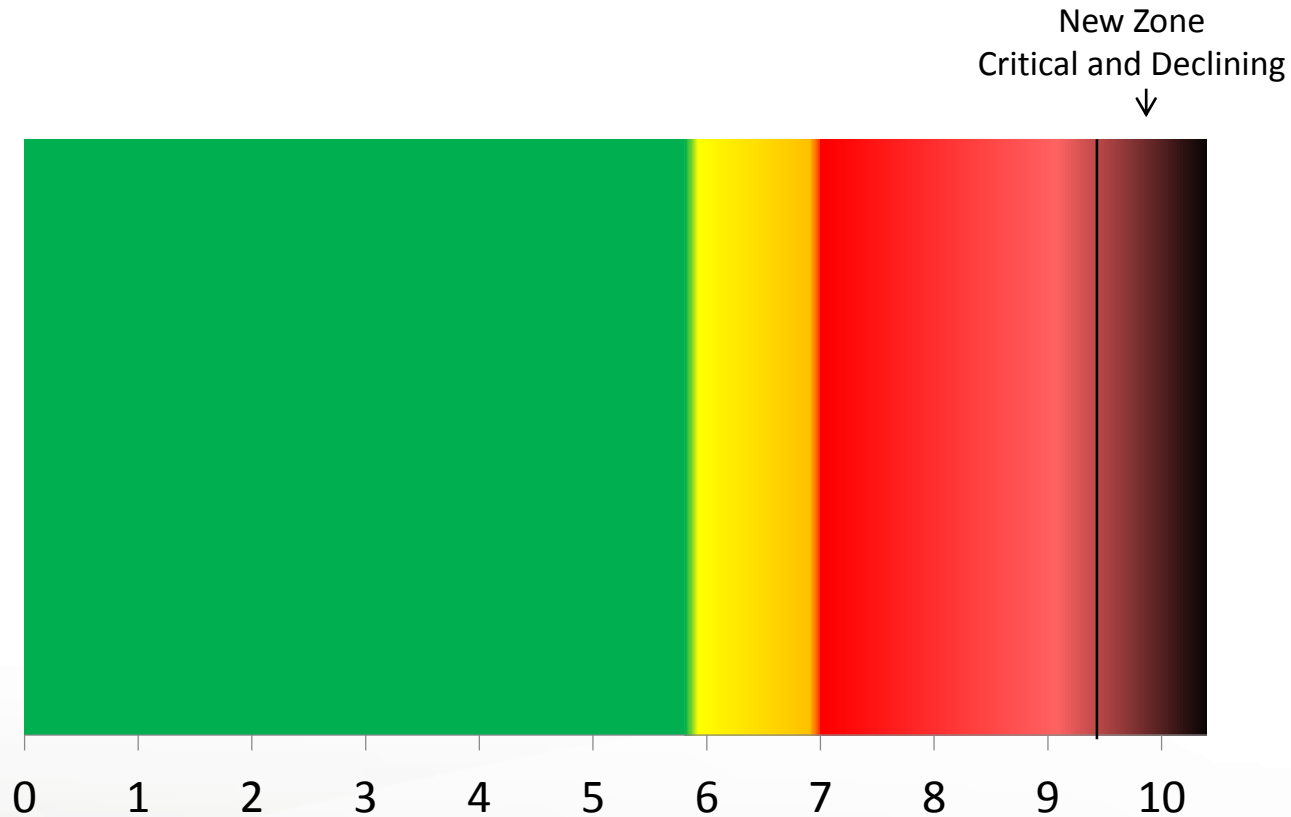


Projecting Claims at Average Levels, PBGC Multiemployer Fund is Drained in 2025

PBGC Assets, Average Assistance Payments and Premiums by Fiscal Year
 Reflecting Assumed MPRA Suspensions / Partitions
 (Projected in Nominal \$ Amounts)



Zone breakdown after MPRA

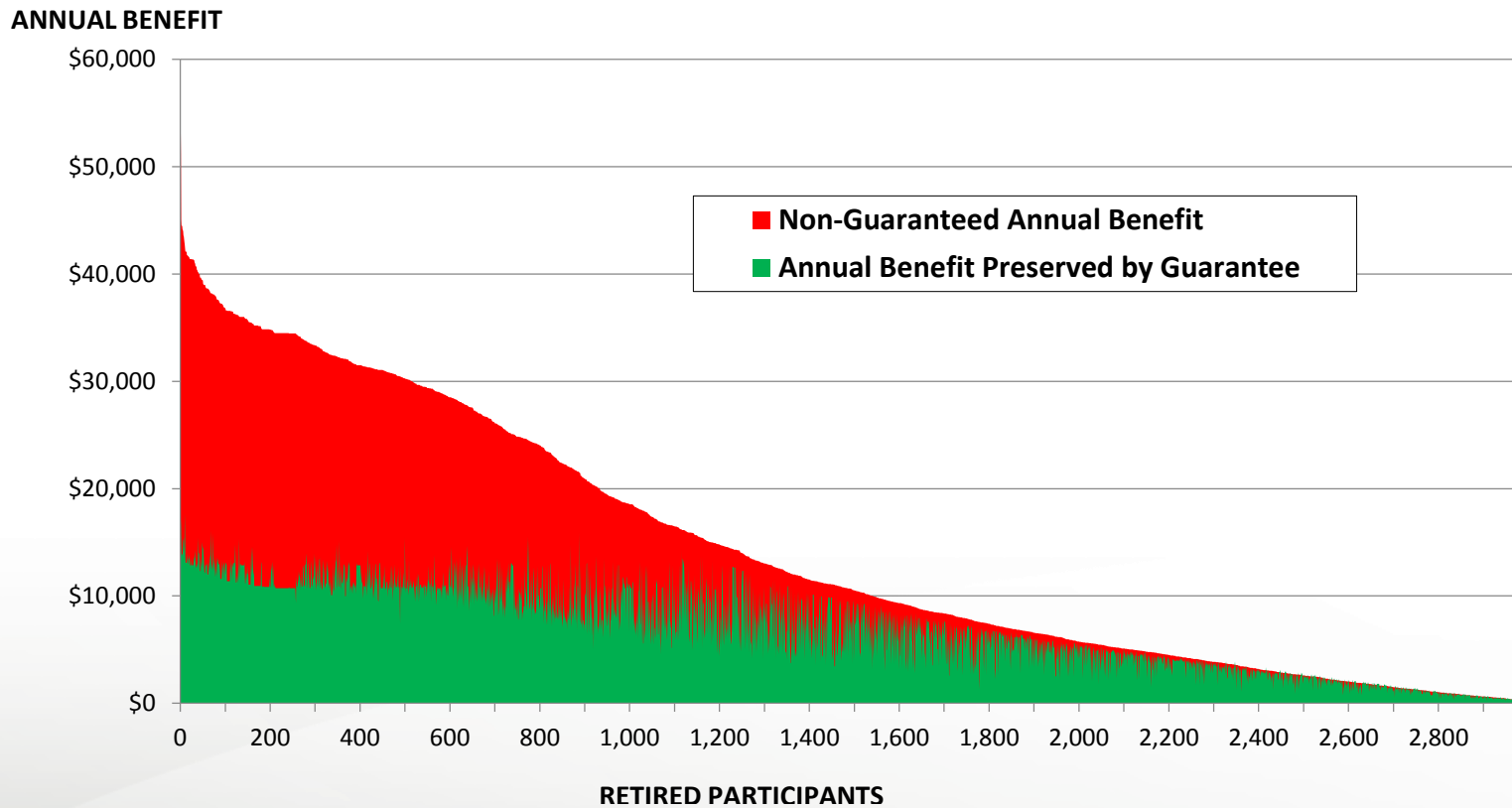


of participants – in millions

Source: 2015 Form 5500 and zone status certifications

Multiemployer Guarantees for a Recent Insolvency

**CUT BACKS TO MULTIEMPLOYER GUARANTEE LIMIT
- Recent Teamsters Plan Insolvency -**



Multiemployer Options

- Administration's Premium Proposal
- Loans
- Funding Reform
- New Plan Designs – Composites

Joint Select Committee on Solvency of Multiemployer Pension Plans

- Improve the solvency of multiemployer pension plans and PBGC's Multiemployer Pension Program
 - Bipartisan Budget Act of 2018
 - Membership: 16 House and Senate
 - At least 5 public meetings (hearings)
 - Report by the end of Nov. 2018

- Technical Assistance
- MPRA Partition
- Merger
- Withdrawal Liability

THANK YOU!

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