

PBGC Multiemployer Update

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NCCMP Lawyers and Administrators Meeting
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The opinions of Mr. Liebman and Mr. Perlin do not necessarily
reflect the views of the PBGC.



PBGC

Presentation Overview

- Guidance – Plan proposals for alternative terms and conditions to satisfy withdrawal liability; 83 FR 14524 (April 4, 2018)
- Multiemployer Plans – Agency Rule List
- Insolvent Plans – FY 2017

Guidance – ERISA Section 4224

- Guidance was issued for plan proposals that adopt alternative terms to satisfy withdrawal liability
- PBGC finds it helpful to see support for assertions that –
 - The proposal would retain employers in the plan long-term and secure income that may otherwise be unavailable, and
 - Absent the proposal employers would withdraw or significantly reduce contributions in ways that would undermine plan solvency

Guidance – ERISA Section 4224

Information PBGC needs to evaluate the proposal

- How is the payment amount or alternative schedule determined
- What requirements must the employer satisfy to be eligible
- What are the expected cash flows, recoveries of withdrawal liability, and other assumptions under statutory rules versus the proposal
- Information on the composition of contributing employers

Guidance – ERISA Section 4224

Factors PBGC considers in its review of the proposal

- The proposal is in the interests of participants and beneficiaries
- The proposal does not create an unreasonable risk of loss to PBGC
- The proposal is otherwise consistent with ERISA and PBGC's regulations
- The proposal would maximize projected contributions and the net recovery of withdrawal liability compared to the statutory rules
- The assumptions used to support the proposal is supported by credible data
- The proposal is reasonable in scope and applies uniformly to all employers

Guidance – ERISA Section 4224

- PBGC has active informal consultation program –
 - > Trustees and advisors encouraged to reach out to PBGC staff to discuss how to proceed with alternative withdrawal liability rule request
 - > Can help expedite the decision process

Multiemployer Plans – Agency Rule List

- Mergers and Transfers – RIN 1212-AB31
- Methods for Computing Withdrawal Liability - RIN 1212-AB36
- Terminated and Insolvent Plans – RIN 1212-AB38
- Arbitration Procedures – RIN 1212-AB39

Insolvent Plans – FY 2017

- Cement Masons Local 783 Pension Fund
- Milk Industry Office Employees Pension Fund
- Local 447S Pension Fund
- Local 413 Pension Trust Fund
- Teamsters Local 416 of Cleveland Pension Fund
- Local 707 Road Carriers
- United Furniture Workers Successor Pension Fund

Questions?



Thank You

