PBGC Update

Tom Reeder, Director

NCCMP Annual Meeting

September 24, 2018
## Program Comparison as of 9/30/2017

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

* 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.
PBGC Net Position – Both Programs
FY 2000-2017

PBGC Single-Employer and Multiemployer Insurance Programs
Net Positions FY 2000-2017
($ in billions)
1.3 Million Participants are in Critical and Declining Zone Status Plans

Source: 2015 Form 5500 and Zone Status certifications
Projecting Claims at Average Levels, PBGC Multiemployer Fund Still Drained in 2025

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

Assets at Start of Year
Financial Assistance
Partition Assistance
Premiums
About 1/3 of Retirees Experienced Benefit Cuts of Over 50 Percent in a Recent Multiemployer Plan Insolvency

CUT BACKS TO MULTIEMPLOYER GUARANTEE LIMIT AT PLAN INSOLVENCY - ROAD CARRIERS LOCAL 707 PLAN INSOLVENCY

ANNUAL BENEFIT

RETIRED PARTICIPANTS

- Non-Guaranteed Annual Benefit
- Annual Benefit Preserved by Guarantee
Participants by Plan Funding Ratio
(estimated market values)

Participants (in millions)

Multiemployer

Single-Employer

Multiemployer System Less Well Funded than Single-Employer

System Funding -- Estimated Market Basis

- Multiemployer System Funding
- Single-Employer System Funding

Pension Benefit Guaranty Corporation
THANK YOU!

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