

Special Financial Assistance Program for Financially Troubled Multiemployer Plans (Section 9704 of ARP)

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All remarks are off-the-record and not for attribution.



- Under ARP, PBGC must review applications within 120 days.
- PBGC's goal, consistent with the statute, is an expeditious and thorough review of applications.
- The interim final rule facilitates the review process in several ways, including a mechanism to **prioritize the most affected plans and participants first**.
 - For example, the highest priority is given to applications of plans that are already insolvent or expected to become insolvent before 3/11/22.
- Plans that apply later **are not harmed** because the amount of special financial assistance for all eligible plans, regardless of their application timing, is the amount required to enable the plan to pay all benefits due through 2051.

Application Process Overview

The goal is to process the largest number of expected applications within the 120 days mandated while avoiding both “floods” and “droughts”

Application process

- Dedicated webpage at PBGC.gov for applications (includes from who we are accepting applications, expected timing of next group, status of pending applications).
- Applications will be posted on PBGC’s website and available to the public.

Applications submitted on PBGC e-filing portal

- <https://efilingportal.pbgc.gov/site/Login.aspx>
- Follow application schedule for priority groups;
- Emergency filings for MRPA plans or plans expected to be insolvent within one year of filing.
- Filing window open/closes based on capacity.

Review process

- Payment targeted to be made within 60 days after approval.
- Denials will be in writing and specify reasons.
- Denied applications that aren’t withdrawn can only address reasons for denial to streamline process.
- May re-submit or withdraw, with new 120 period.



How, When and Where to File



PBGC

Six Priority Groups of Plans

Priority Group	Plan Descriptions	Application Period Begins*	Estimated Number of Plans
1	Already insolvent or projected to become insolvent before 3/11/2022	7/9/2021	25
2	Implemented MPRA benefit suspensions before 3/11/2021 or expected to be insolvent within one year of the date application was filed**	1/1/2022	18
3	Critical and declining status plans with greater than 350,000 participants	4/1/2022	1
4	Projected to become insolvent before 3/11/2023	7/1/2022	3
5	Projected to become insolvent before 3/11/2026	2/11/2023	22
6	Present value of financial assistance in excess of \$1 billion	2/11/2023	11

*Application dates for priority groups 2-6 may be earlier depending on volume, processing time, and capacity. The first SFA payments are expected to be made by 12/31/2021.

**MPRA plans can restore benefits under Treasury regulations before applying for and receiving SFA.

Note: Non-priority plans can apply beginning 3/11/2023.

American Rescue Plan (ARP) Special Financial Assistance Program

When the application period opens to multiemployer pension plans, PBGC will accept as many applications as the agency estimates it can process in 120 days. Once the number of applications reaches that level, the application period will temporarily close until PBGC has capacity to process more applications. PBGC will update this page when the application period opens and closes, and will post information about the status of submitted applications. PBGC will also contact prospective applicants via email when new information is available.

At this time, multiemployer plans in [Priority Group 1](#) can submit completed applications for Special Financial Assistance at <https://efilingportal.pbgc.gov/site/>.



Application Status
OPEN

The [E-filing Portal](#) is open and now accepting applications.

American Rescue Plan Act of 2021 Resources

- [American Rescue Plan \(ARP\) Act of 2021](#) ^{PDF} [congress.gov]
- [Instructions / Templates / Webinars](#)
- [Interim Final Rule](#) ^{PDF}
- [PBGC American Rescue Plan Overview](#)
- [Frequently Asked Questions](#)
- [SFA Assumptions Guidance](#)
- [Status of Applications](#) [.xls]
- [Special Financial Assistance Comments](#)

Priority Groups

Priority Group	Plan Descriptions	Target Date Plans May Apply for SFA*	Status
1	Already insolvent or projected to become insolvent before 3/11/2022	7/9/2021	OPEN
2	Implemented MPRA benefit suspensions before 3/11/2021 or expected to be insolvent within one year of the date application was filed**	1/1/2022	CLOSED



Resources to Assist Plans During the Application Process

WEBSITE

The screenshot shows the PBGC website with the header "Pension Benefit Guaranty Corporation A U.S. GOVERNMENT AGENCY". The main heading is "American Rescue Plan Act of 2021". Below it, there is a paragraph explaining the Act and a button labeled "ESPAÑOL".

ASSUMPTIONS GUIDANCE

July 9, 2021

Special Financial Assistance Assumptions

I. Introduction

This guidance provides guidelines for changes to certain assumptions that plans may use for purposes of determining eligibility for special financial assistance (SFA) and the amount of SFA. Plans may, but are not required, to use the guidelines if they are reasonable for the plan. Guidelines are available for contribution base units (CBUs), administrative expenses, mortality, contribution rates, and new entrant profiles.

This guidance is divided into five sections:

- o Background
- o Acceptable assumption changes
- o Generally acceptable assumption changes
- o Generally not acceptable CBU assumptions change
- o Additional information

APPLICATION CHECKLIST

Application to PBGC for Special Financial Assistance (SFA)			
APPLICATION CHECKLIST			
Plan name:			
EIN:			
PN:			
SFA Amount Requested:			
Checklist Item #	Description of Item	Response Options	Plan Respons
Plan Statements, Checklist, and Certifications			
	Is this application a resubmission of a previously filed application?	Yes No	
1.	Does the application include a fully completed Application Checklist, including the required information at the top of the Application Checklist (plan name, employer identification number (EIN), 3-digit plan number (PN), and SFA amount) requested ?	Yes No	

APPLICATION TEMPLATE

TEMPLATE 4 - Sheet 4-1

SFA Determination - Interest Rate

Provide the interest rate used, including supporting details on how it was determined.

PLAN INFORMATION

Abbreviated Plan Name:	
EIN:	
PN:	
Application Submission Date:	
Measurement date:	Last day of the calendar quarter immediately preceding the application submission
Last day of first plan year ending after the measurement date:	



Portal Demonstration

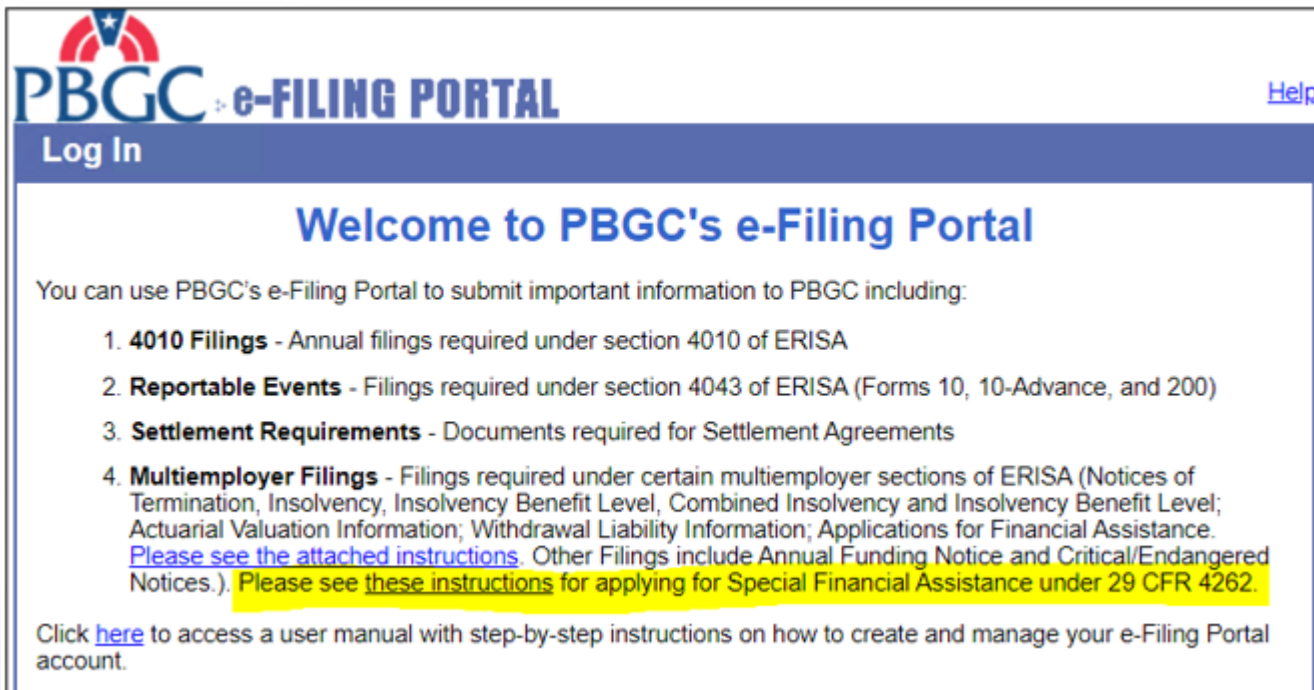


PBGC

E-Filing Portal: Log In/Create Account

<https://efilingportal.pbgc.gov/site/Login.aspx>

Top of Page – Includes Link to SFA Instructions



The screenshot shows the top of the PBGC e-Filing Portal. At the top left is the PBGC logo with the text "PBGC e-FILING PORTAL". To the right is a "Help" link. Below the header is a "Log In" button. The main content area is titled "Welcome to PBGC's e-Filing Portal". It states: "You can use PBGC's e-Filing Portal to submit important information to PBGC including:" followed by a list of four categories: 1. **4010 Filings** - Annual filings required under section 4010 of ERISA; 2. **Reportable Events** - Filings required under section 4043 of ERISA (Forms 10, 10-Advance, and 200); 3. **Settlement Requirements** - Documents required for Settlement Agreements; 4. **Multiemployer Filings** - Filings required under certain multiemployer sections of ERISA (Notices of Termination, Insolvency, Insolvency Benefit Level, Combined Insolvency and Insolvency Benefit Level; Actuarial Valuation Information; Withdrawal Liability Information; Applications for Financial Assistance. Please see the attached instructions. Other Filings include Annual Funding Notice and Critical/Endangered Notices.). Please see these instructions for applying for Special Financial Assistance under 29 CFR 4262. At the bottom, it says: "Click here to access a user manual with step-by-step instructions on how to create and manage your e-Filing Portal account."

PBGC e-FILING PORTAL [Help](#)

Log In

Welcome to PBGC's e-Filing Portal

You can use PBGC's e-Filing Portal to submit important information to PBGC including:

1. **4010 Filings** - Annual filings required under section 4010 of ERISA
2. **Reportable Events** - Filings required under section 4043 of ERISA (Forms 10, 10-Advance, and 200)
3. **Settlement Requirements** - Documents required for Settlement Agreements
4. **Multiemployer Filings** - Filings required under certain multiemployer sections of ERISA (Notices of Termination, Insolvency, Insolvency Benefit Level, Combined Insolvency and Insolvency Benefit Level; Actuarial Valuation Information; Withdrawal Liability Information; Applications for Financial Assistance. Please see the attached instructions. Other Filings include Annual Funding Notice and Critical/Endangered Notices.). Please see these instructions for applying for Special Financial Assistance under 29 CFR 4262.

Click [here](#) to access a user manual with step-by-step instructions on how to create and manage your e-Filing Portal account.

Bottom of Page – Apply for an Account or Log in

New to e-Filing Portal? [Apply for an Account](#)

Already Have an Account? Log in.

User ID: [Forgot your User ID?](#)

Password: [Forgot your password?](#)

E-Filing Portal: Select Filing Type



PBGC e-FILING PORTAL [Help](#)

Multiemployer - Filing Type Selection

Select a filing type:

Funding Notices:

- ☐ Notice of Critical Status
- ☐ Notice of Endangered Status
- ☐ Notice of Seriously Endangered Status
- ☐ Annual Funding Notice

Financial Assistance:

- ☐ Application for Financial Assistance - Initial
- ☐ Application for Financial Assistance - Recurring
- ☐ Application for Financial Assistance - Special

Termination Notices:

- ☐ Notice of Termination
- ☐ Withdrawal Liability Information
- ☐ Actuarial Valuation Information


Insolvency Notices:

- ☐ Notice of Insolvency
- ☐ Notice of Insolvency Benefit Level
- ☐ Combined Notice of Insolvency and Notice of Insolvency Benefit Level

PBGC.gov | [Paperwork Reduction Act Notice](#)

The option for “Application for Financial Assistance-Special” will not be visible when we are not accepting applications

E-Filing Portal: Fill in Basic Plan Information



PBGC e-FILING PORTAL

[Help](#)

Application for Financial Assistance - Special

***Required fields**

***Plan name:**

***EIN:** (ex. 33-3333333) ***PN:** (ex. 333)

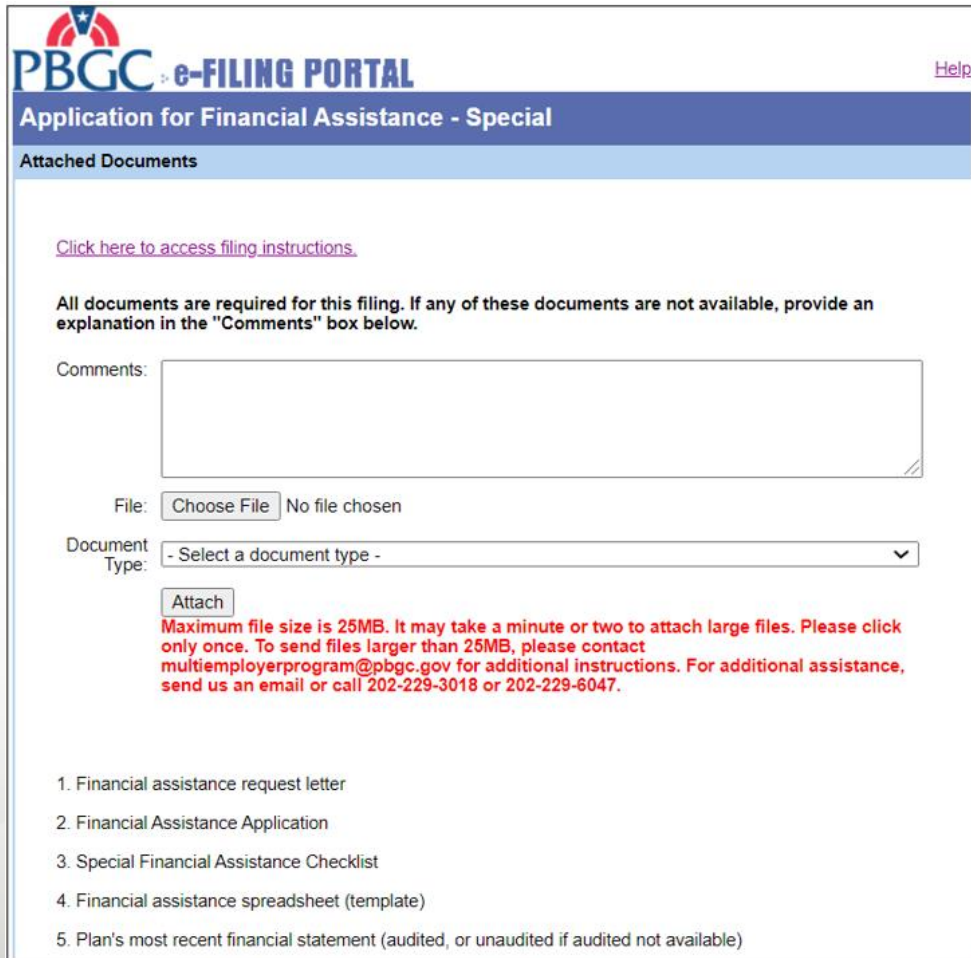
***Notice filer name:**

***Role of filer:**

***Total amount requested: \$**

E-Filing Portal: Upload Documents

- The Document Types generally match the SFA Checklist of documents needed to complete the application
- If you have large documents, contact us to get Leapfile instructions



The screenshot shows the 'PBGC e-FILING PORTAL' interface for an 'Application for Financial Assistance - Special'. The 'Attached Documents' section includes a link to filing instructions, a comment box, a file upload area with 'Choose File' and 'No file chosen' buttons, a document type dropdown menu, and an 'Attach' button. A red warning message states: 'Maximum file size is 25MB. It may take a minute or two to attach large files. Please click only once. To send files larger than 25MB, please contact multiemployerprogram@pbgc.gov for additional instructions. For additional assistance, send us an email or call 202-229-3018 or 202-229-6047.' A checklist of required documents is provided at the bottom.

PBGC e-FILING PORTAL [Help](#)

Application for Financial Assistance - Special

Attached Documents

[Click here to access filing instructions.](#)

All documents are required for this filing. If any of these documents are not available, provide an explanation in the "Comments" box below.

Comments:

File: No file chosen

Document Type:

Maximum file size is 25MB. It may take a minute or two to attach large files. Please click only once. To send files larger than 25MB, please contact multiemployerprogram@pbgc.gov for additional instructions. For additional assistance, send us an email or call 202-229-3018 or 202-229-6047.

1. Financial assistance request letter
2. Financial Assistance Application
3. Special Financial Assistance Checklist
4. Financial assistance spreadsheet (template)
5. Plan's most recent financial statement (audited, or unaudited if audited not available)

1. Select File to upload
2. Select Document Type from Drop Down box (there are 18 types, including "Other" if needed)
3. Select Attach
4. At bottom, select Save and Next
5. Next page, click Submit Filing



PBGC Financial Assistance Loan Repayment (for Insolvent Plans)

PBGC

PBGC Financial Assistance Loan Repayment

- If a plan has an obligation to repay financial assistance under section 4261 of ERISA, PBGC will —
 - (1) Issue a written demand for repayment of financial assistance when the application is approved; and
 - (2) Deduct the amount of financial assistance, including interest, that the plan owes PBGC from the special financial assistance before payment to the plan.
- The amount of financial assistance owed to PBGC under section 4261 of ERISA, if any, **is excluded in the calculation of SFA in the plan's application.** Instead, it is added to the amount of SFA to be paid to the plan under § 4262.12 as of the date PBGC sends payment of SFA, offset by the value of financial assistance payments under section 4261 received by the plan following the SFA measurement date, accumulated with interest.
 - PBGC will calculate this amount.



Ongoing Monitoring and Enforcement



PBGC

Annual Statement of Compliance

- Plans are required to submit an Annual Statement of Compliance for each plan year through the last plan year ending in 2051.
- This form is due annually, no later than 90 days after the end of the plan year and reflects compliance during the previous plan year.
- Certifies compliance with the conditions:
 - Allocation of Plan Assets
 - Use of SFA Assets
 - Limits on Benefit Improvements and Contribution Decreases
 - PBGC Approvals for Mergers, Transfers, certain Withdrawal Liability settlements, and certain Contribution Decreases
- Requires certain documents to be submitted.

Annual Statement of Compliance

- PBGC will review the Annual Statement and documents submitted and reach out with any questions.
- PBGC will respond to the filing within 90 days of submission.
- PBGC may conduct periodic audits of a plan that has received special financial assistance to review compliance with the terms and conditions of the special financial assistance.
- The Annual Statement of Compliance and supporting documents should be submitted via email to multiemployerprogram@pbgc.gov.

PBGC Approvals – Post SFA Payment

A plan sponsor must request approval from PBGC for an exception to certain SFA conditions

- Need PBGC approval.
- PBGC will approve a proposed transfer or merger if: (1) the transaction complies with section 4231(a)-(d) of ERISA, (2) the transfer or merger does not unreasonably increase PBGC's risk of loss respecting any plan involved in the transaction, and (3) the transfer or merger is not reasonably expected to be adverse to the overall interests of the participants and beneficiaries of any of the plans involved in the transaction.

Mergers,
Transfers, and
Spin-offs



- Settlements > \$50M require PBGC approval.
- Approval ensures that any negotiated settlements of material size are in the best interests of the participants in the plan, and do not create an unreasonable risk of loss to PBGC.

Withdrawal
liability



- Subject to PBGC approval if >\$10M or >10%.
- PBGC must determine that the change lessens the risk of loss to participants and beneficiaries.

Contribution
decreases





Program Communication and Resources



PBGC

Ongoing Program Information and Resources

- PBGC e-filing portal available for applications
- Additional resources – [PBGC.gov/arp-sfa](https://pbgc.gov/arp-sfa)
 - Frequently Asked Questions
 - Recorded Informational Sessions
 - Session 1 covers the application and review process; restrictions, conditions, and reporting; agency guidance; and program resources, related to the agency's interim final rule implementing the SFA program
 - Session 2 offers a discussion by PBGC and Treasury experts of further details for plan practitioners on the application process, assumptions, guidance, and resources
 - Register for email distributions to receive updates and information
- Final Rule – TBD

Questions?

For official PBGC statements, please contact
PBGC Public Affairs at 202-229-4343 or
PBGCExternalAffairs@PBGC.gov.

