

PBGC

National Coordinating Committee for Multiemployer Plans 2024 Lawyers and Administrators Meeting

Ann Y. Orr
Acting Director

September 24, 2024



ERISA & PBGC 50th Anniversary

- Established on September 2, 1974, PBGC is celebrating 50 years of safeguarding the retirement incomes of millions of America's workers, retirees, and their families.
- PBGC was created by the Employee Retirement Income Security Act of 1974 (ERISA).
- September 26, 1980, President Carter signs the Multiemployer Pension Plan Amendments Act of 1980 (MPPAA).
- Today, PBGC protects the retirement incomes of over 31 million American workers, retirees and their families in private-sector defined benefit pension plans.



PBGC Organizational Update

- PBGC Director Nomination – Deva A. Kyle
- Advisory Committee
 - Three new members:
 - Ilana Boivie – representing employee organizations
 - Kathryn J. Kennedy – representing general public
 - Monte Tarbox – representing employee organizations
 - Solicitation published to fill three expiring terms -- nominations due by October 28.
- Another Top 5 Ranking in Best Places to Work - small agencies category



[Administration](#) [Priorities](#)

[Deva A. Kyle, Nominee to be Director of the Pension Benefit Guaranty Corporation](#)

Deva A. Kyle is an employee benefits expert with over 20 years of experience. Since 2022, she has served as Of Counsel for Cohen, Weiss, and Simon LLP, where she advises retirement plans, trustees, employee organizations, and employers on a wide range of employee benefits matters.

Kyle began her career with the Pension Benefit Guaranty Corporation (PBGC) as an attorney and then as Assistant Chief Counsel in large-exposure litigation and Chapter 11 bankruptcy cases. Later, she served as Staff Director in the Office of Policy and External Affairs and as Acting Deputy Chief of Negotiations and Restructuring where she helped lead PBGC's single and multiemployer insurance programs.



**Pension Benefit
Guaranty Corporation**

Special Financial Assistance Expected Reach

The American Rescue Plan Act provides for special financial assistance to enhance retirement security for millions of Americans.



SFA Applications -- Current Status

(as of September 17, 2024)

	Approved	Under Review	Withdrawn (not yet resubmitted)	Waiting List
Number of Applications	127	23	13	N/A
Number of Plans^a	92	23	13	68
Aggregate \$ SFA (approved or requested)	\$68.0 billion	\$2.5 billion	\$5.2 billion	N/A
Aggregate Participant Count^a	1,156,033	117,486	518,002	N/A

a) The number of plans and aggregate participant counts excludes 35 supplemented applications. One application was denied for \$132m with 1,122 participants.

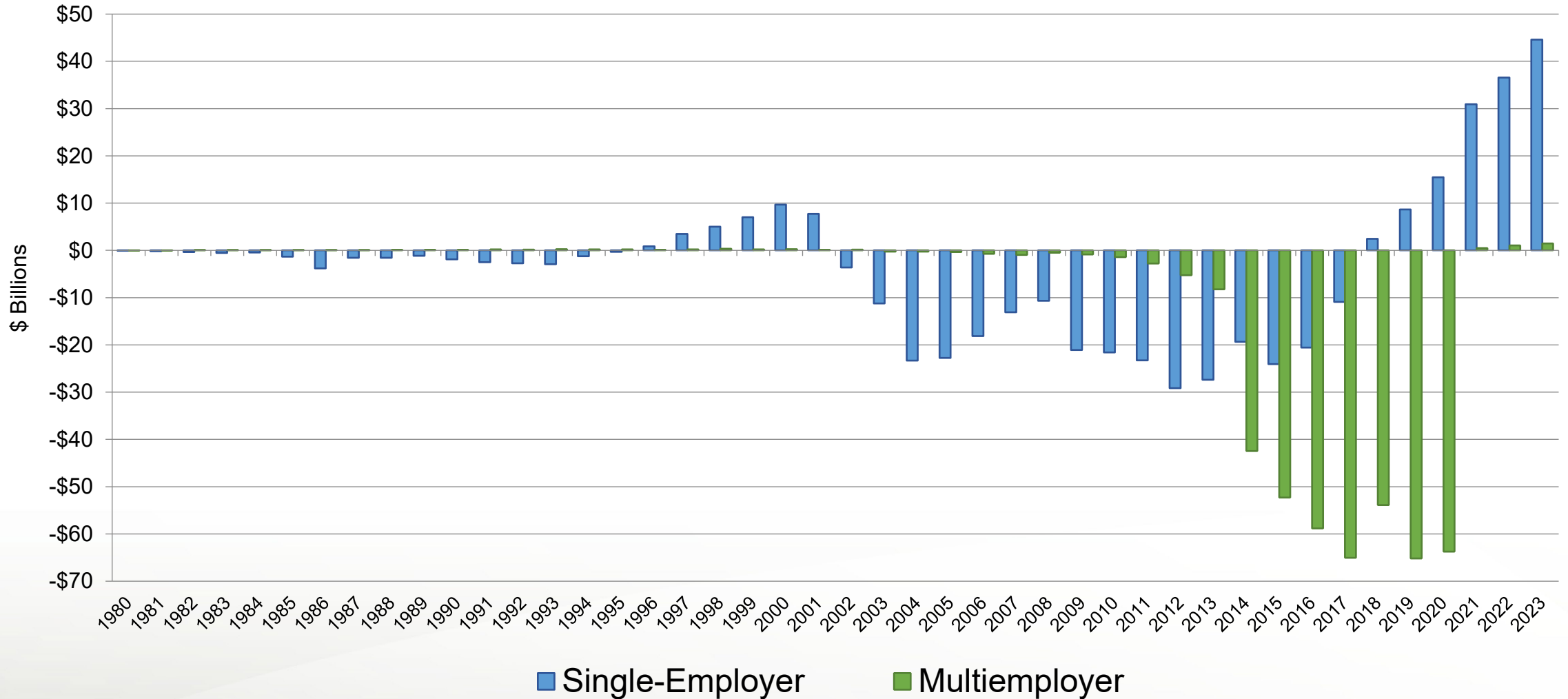
SFA Program Highlights & Improvements

- Application Activity Progress:
 - SFA approvals for plans covering over 1.1 million participants
 - SFA e-Filing portal will reopen for next batch of 5 applications on October 2, 2024
- Three most recent SFA approvals on September 10, 2024, were all initial (not revised) applications – illustrating an improved application submission and review process
- Additional guidance on permissible investments

SFA Program Highlights & Improvements (con't)

- Working with the OIG, PBGC has made multiple improvements to the SFA Program to strengthen our stewardship of taxpayer funds
- Last November, PBGC implemented changes to enable a pre-application death audit covering all groups of participants for then pending and future SFA applications
- And with respect to plans previously approved, PBGC is making good progress conducting retrospective death audits on all groups of plan participants
- PBGC appreciates the responsiveness and cooperation by applicant plans as we implement these changes

Fiscal Year 1980-2023 PBGC Net Financial Position



2023 Projections Report: Key Results – Multiemployer Program

Likely to remain solvent beyond FY 2063

- Insolvent by FY 2026 prior to American Rescue Plan Act

Mean financial position is a deficit of \$4.7B in FY 2033 (in 2023 dollars)

- But >50% of scenarios result in a positive 10-year net position

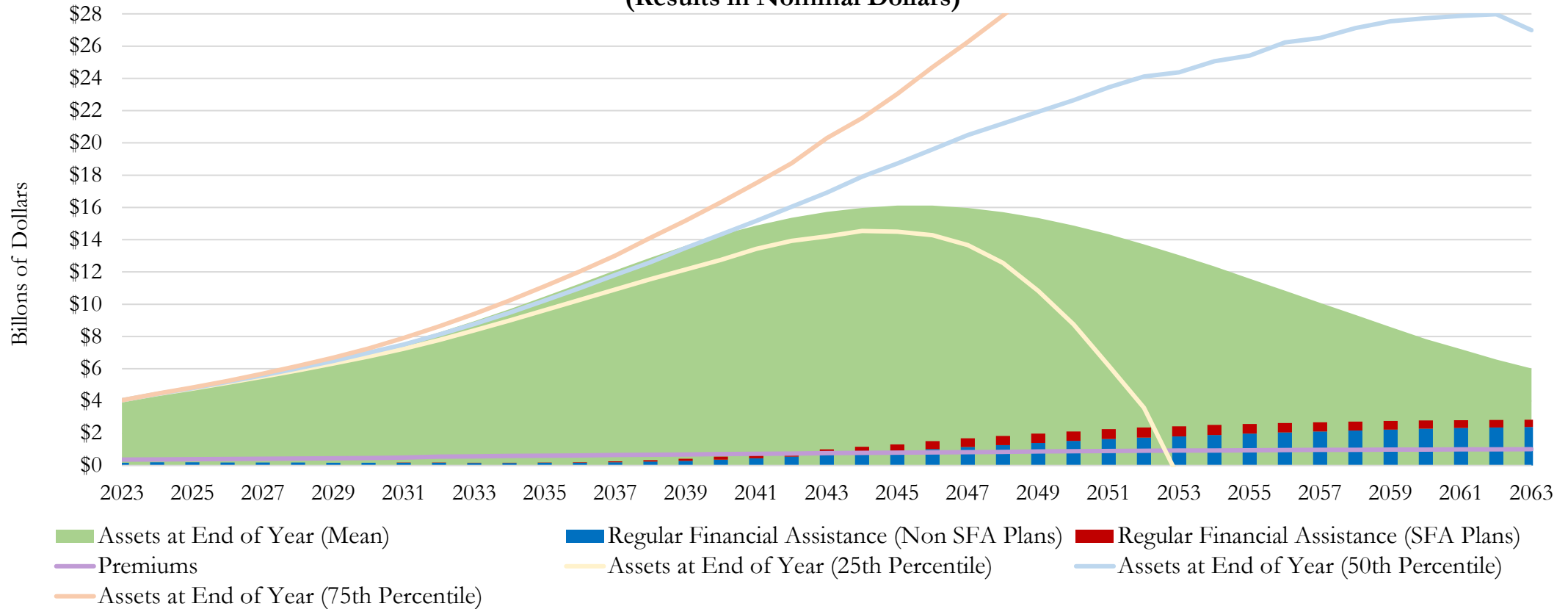
Total mean SFA payments now projected to be \$79.6B, down from \$79.7B

- Final amount still uncertain until all applications received

2023 Projections Report: Multiemployer Program Solvency is Further Extended

Figure 4 – PBGC Multiemployer Fund Assets, Regular Financial Assistance Payments and Premiums by Fiscal Year

(Results in Nominal Dollars)



Note: Figure does not show SFA payments but reflects their impact on PBGC assets and regular financial assistance payments.

Wrap-Up

- Good progress on SFA application review and approval -- working with plans and their practitioners
- We are mindful of the work ahead in completing the application submission and review process before the statutory deadlines in 2025 and 2026
- Strengthened stewardship of program resources
- Improved solvency outlook for the multiemployer program
- We appreciate the opportunities to meet with you and the work that you do to deliver pension benefits to 11 million individuals and their families



Thank you!

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