

NCCMP 2025 Lawyers & Administrators Meeting

Special Financial Assistance and Death File Update

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High-Level Summary

- **The Special Financial Assistance (SFA) Program is Working**
 - About \$73 billion paid to 136 plans
 - Plan solvency extended significantly or indefinitely (plan specific)
 - PBGC solvency extended significantly or indefinitely
 - Crisis has been averted
- **SFA Program Uncertainty**
 - Limited timeline
 - New Administration and Congress
 - Bakery Drivers Loc. 550 v. Pension Benefit Guaranty Corporation
 - Confirmation of New PBGC Director

SFA Program Timeline

2021

- American Rescue Plan Act of 2021 enacted on **3/11/2021**
- PBGC issues interim final rule on **7/9/2021**
- First SFA application submitted on **8/23/2021**

2022

- First plan receives SFA on **1/14/2022**
- PBGC issues final rule on **7/7/2022**

2023

- Central States receives \$36 billion in SFA on **1/12/2023**
- Bakery 550 denied **1/20/2023**
- Significant changes to SFA death audit procedures **11/2023**

2024

- Central States repays \$127 million in SFA due to death audit on **4/8/2024**
- 100th plan receives SFA on **12/23/2024**

2025

- Final SFA death audit repayment on **9/15/2025**
- Initial SFA applications must be submitted no later than **12/31/2025** (lock-in application counts)
- Bakery 550 appeal won **4/2025**; case closed **8/2025**

2026

- Revised SFA applications must be submitted no later than **12/31/2026**

2027

- Latest potential PBGC application review deadline is **4/30/2027**
- Last SFA payment likely made on or about **5/30/2027**

Summary of SFA Applications

as of September 19, 2025

Application Status	Number of Plans	Number of Participants	SFA Amount Requested or Approved (\$billions)
Approved	136	1,601,844	\$73.2
Under Review	23	232,593	3.6
Withdrawn	14	66,941	1.0
Denied	2	16,542	0.2
On Wait List Before 4/29/2025	22	--	--
On Wait List After 4/29/2025	52	--	--
Total	249	1,917,920	\$78.0

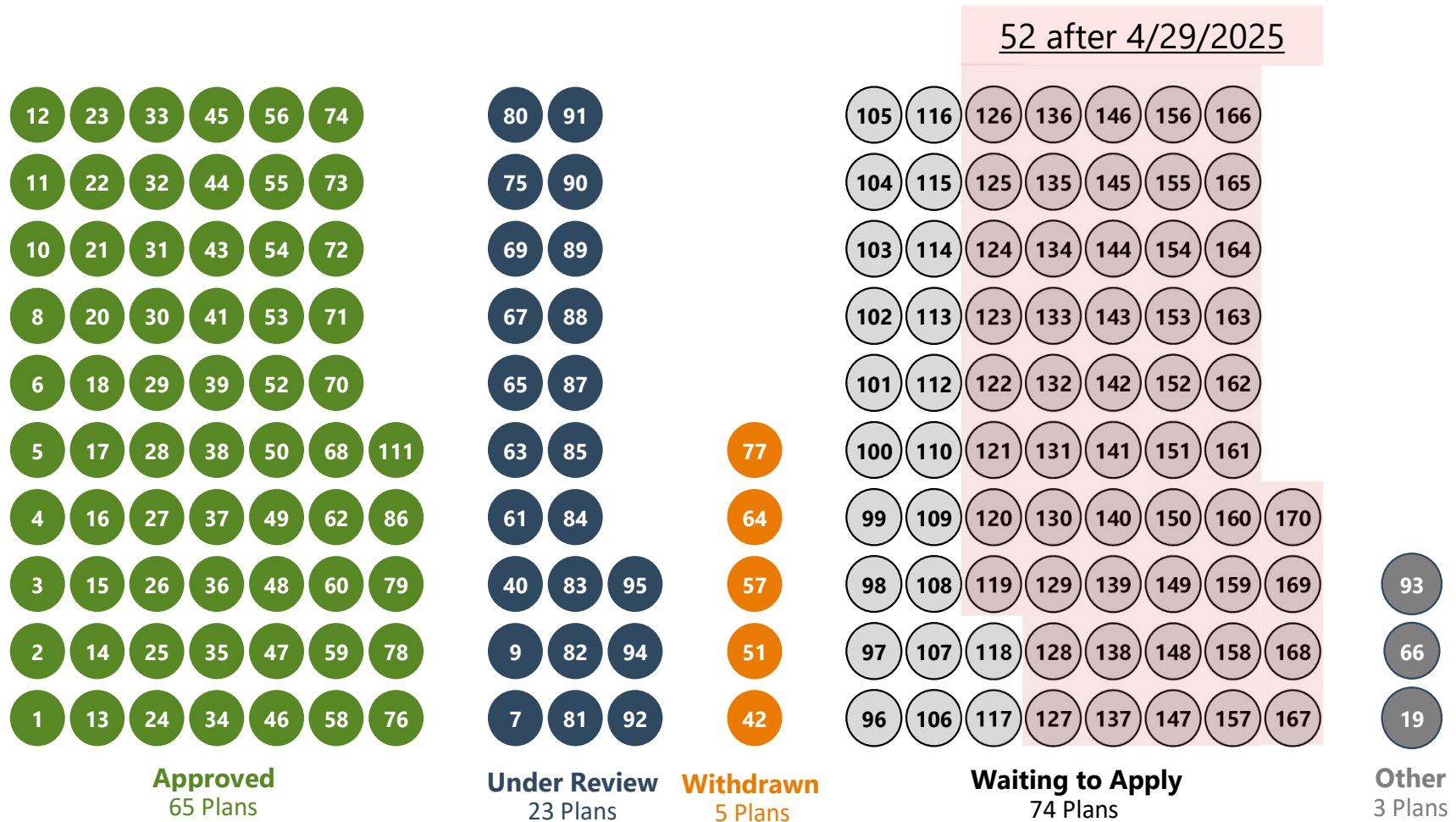
PBGC estimated total SFA to be \$79.6 billion for 198 plans in their 2023 projections report, published in July 2024.

OIG Risk Advisory suggests Bakery 550 decision could add 100 plans and \$6 billion.

Note: PBGC estimated total SFA to be \$97.2 billion with a 15th – 85th percentile range of \$77.5 - \$115.9 billion in their 2020 projections report, published in September 2021.

Source: PBGC Website; <https://www.pbgc.gov/sites/default/files/documents/sfa-application-status-current.xlsx>

Status of 170 Plans on SFA Application Wait List as of September 19, 2025



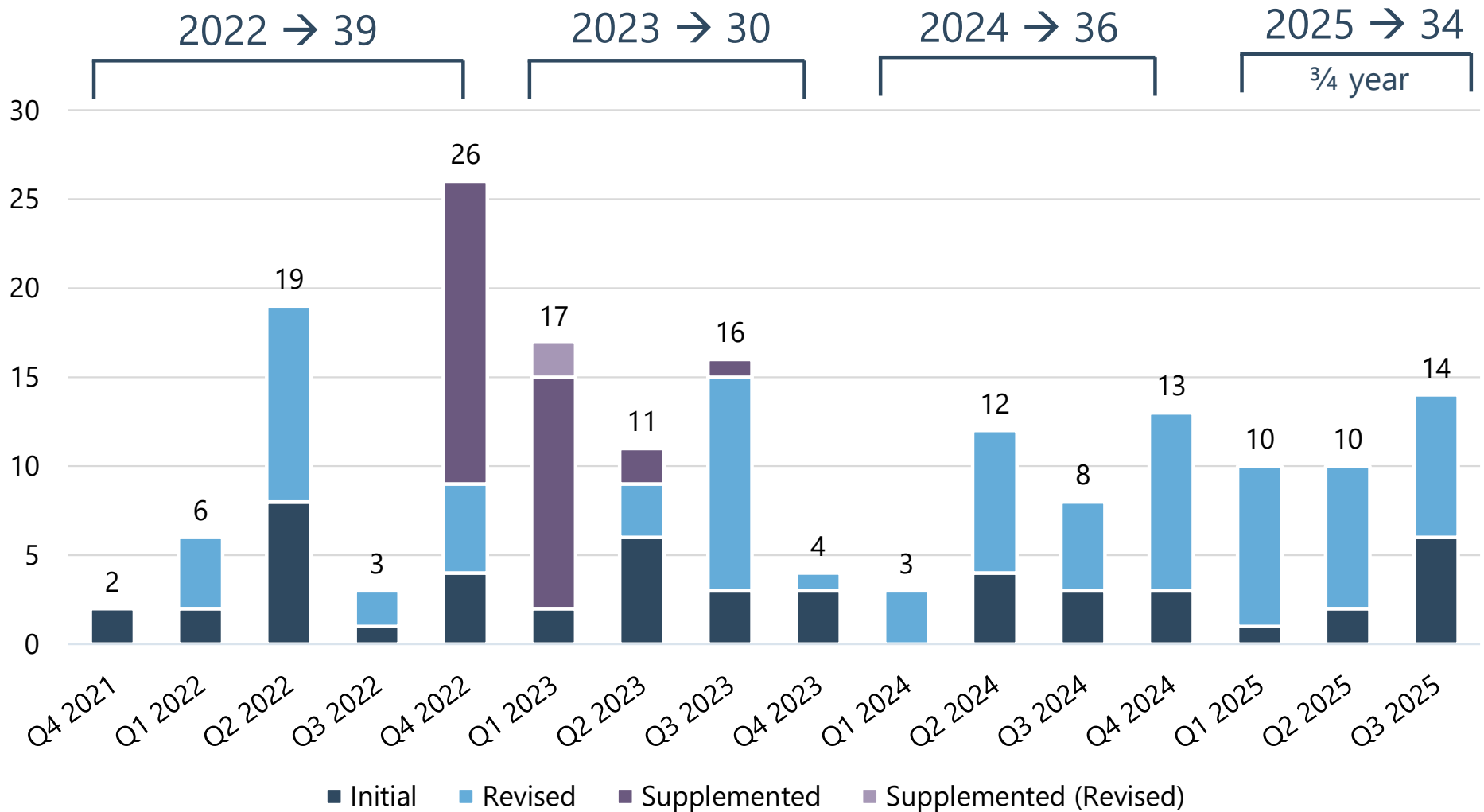
Note: The number in each circle represents a plan's spot on the wait list. Some plans are on the wait list in multiple spots and others were able to file an earlier emergency application due to projected insolvency within 12 months.

Source: PBGC Website; <https://www.pbgc.gov/sites/default/files/documents/sfa-application-status-current.xlsx>

SFA Applications Approved by Calendar Quarter

as of September 19, 2025

Annual Counts exclude supplemented applications

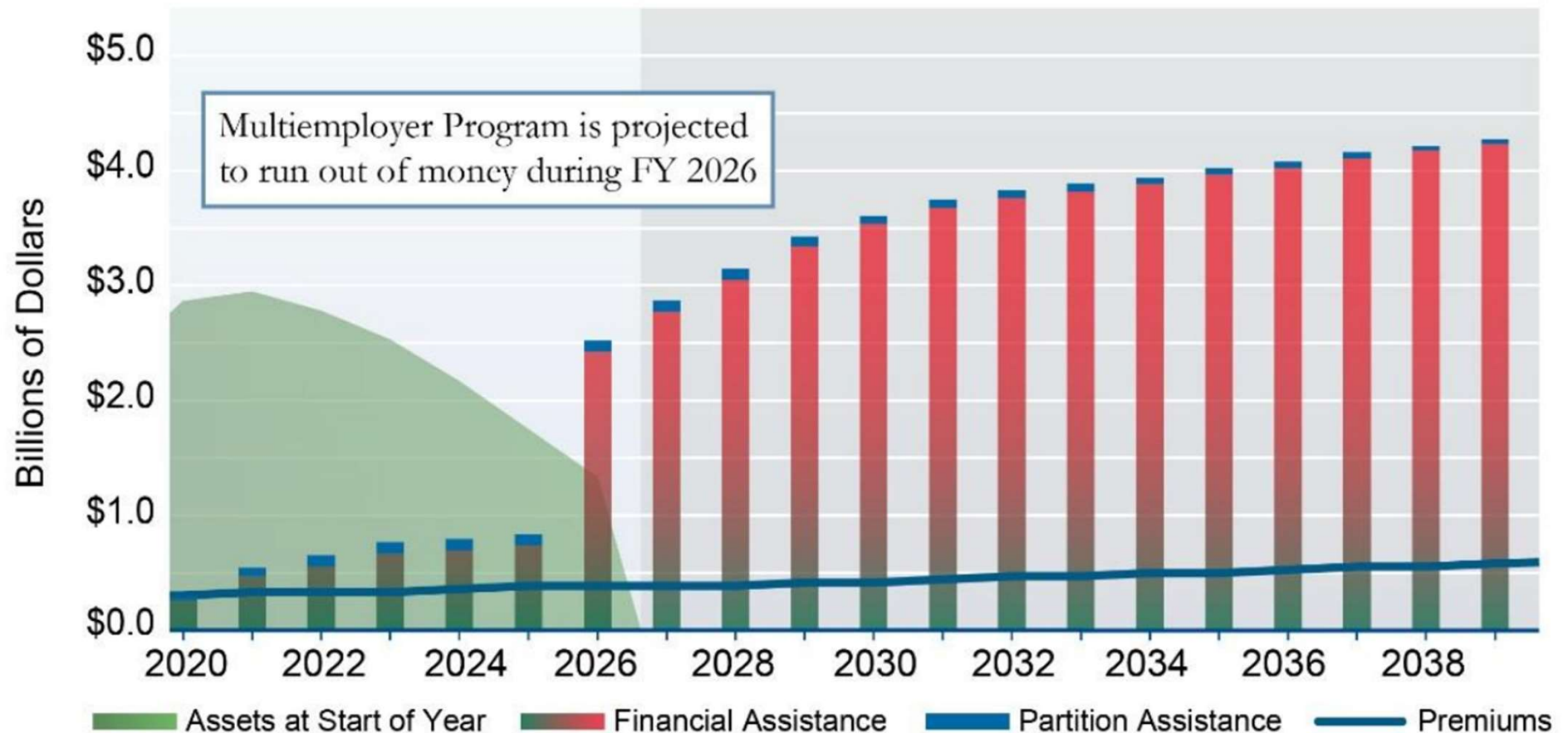


Source: PBGC Website; <https://www.pbgc.gov/sites/default/files/documents/sfa-application-status-current.xlsx>

Court Ruling May Expand SFA Eligibility

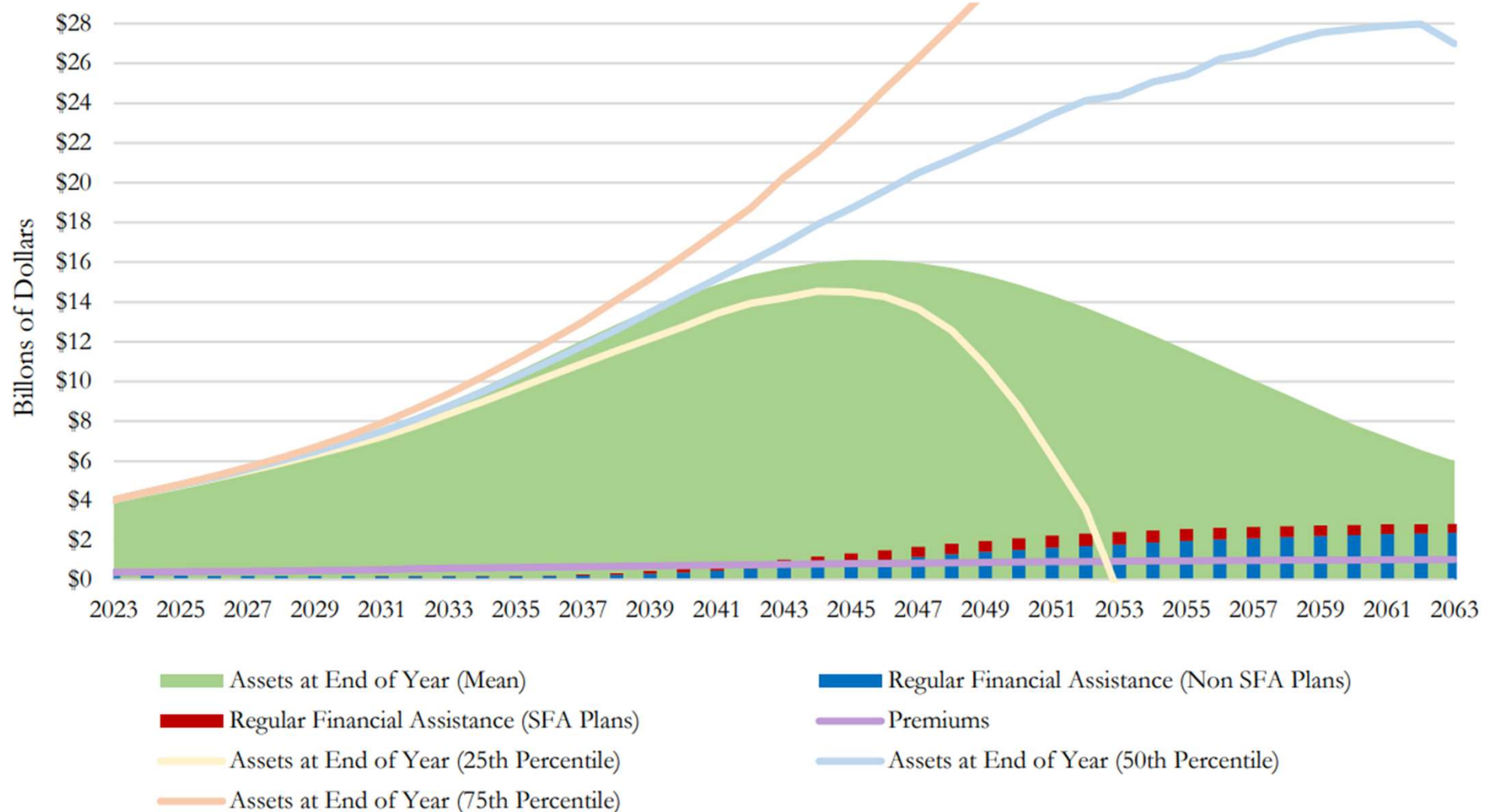
- **Board of Trustees of the Bakery Drivers Local 550 Pension Fund v. PBGC**
Second Circuit (April 29, 2025)
 - A terminated pension plan may qualify for SFA if it met the criteria for "critical and declining" status (2020-2022) – even if it was not formally governed by IRC §432
- **What's Uncertain**
 - PBGC may challenge the ruling or revise its approach to reviewing applications
 - Timing and scope of any PBGC response remain unknown
 - Scope of application of decision
- **Why It Matters**
 - Most of these plans are already insolvent and might qualify for an **emergency application that place them ahead of others on the wait list**
 - For plans that are insolvent or expected to be insolvent within 1 year of the date the plan's application was filed; and
 - Notify PBGC via email before applying with substantiation of the claim of emergency status
 - Increases the risk that plans near the end of the wait list before the ruling may not receive SFA before the program expires

PBGC: Multiemployer Program Outlook in 2020



Source: PBGC FY 2019 Projections Report

PBGC: Multiemployer Program Outlook in 2024



Source: Figure 4, PBGC FY 2023 Projections Report

Additional Commentary

- **For plans waiting to apply**
 - Be ready when your number is called
 - Don't underestimate the importance of the pre-application meetings with PBGC
- **For plans that have received SFA**
 - Conditions under Section 4262.16 of Final Rule
 - Restrictions on benefit increases
 - Restrictions on contribution rate reductions
 - Restrictions on allocation of contributions/expenses
 - Restrictions on investments
 - Mergers and transfers
 - Withdrawal liability
 - Changes to Annual Funding Notice and Critical Status Notice
 - Annual Statement of Compliance

Contact Information

Thank you for your time today. If you'd like to continue the conversation, feel free to reach out – my contact information is below

