National Coordinating Committee for Multiemployer Plans

2026 Lawyers and Administrators Meeting

Jack Lund
PBGC General Counsel

Ross Marcelin
PBGC Director of Plan Compliance

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Pension Benefit Guaranty Corporation

Mergers of SFA Recipient Plans

PBGC fully supports mergers involving SFA recipient plans

- To date, PBGC has approved five (5) mergers involving SFA recipient plans. A list of approvals and copies of the approval letters may be found under "Resources" at: https://www.pbgc.gov/arp-sfa.

- SFA Plan Merger FAQs are available at: https://www.pbgc.gov/arp-sfa/faqs.
  - 1st set was posted in May 2026.
  - 2nd set was posted September 14, 2026.

- PBGC encourages informal consultation prior to submission to help facilitate smooth review by PBGC and minimize plan revisions and/or supplemental information requests. Email multiemployerprogram@pbgc.gov to request informal consults.

SFA Merger FAQs – published May 2026

- General questions about eligibility and what restrictions/conditions apply after merger and which may be waived upon request.
- The logistics and timing for filing request for approval and, if applicable, request for waiver of one or more conditions, and/or request for approval of alternative allocation method under 29 C.F.R. 4211 Subpart C.
- What withdrawal liability methods merged plans may use that comply with withdrawal liability conditions in 29 C.F.R. 4261.16(f)(3)(iv) and (v).
- Example of an alternative allocation method which satisfies requirements of 29 C.F.R. 4262.16(f)(3)(iv) and (v) explained and example provided.

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SFA Merger FAQs – published September 2026

- Addresses withdrawal liability methods for building and construction industry.
- Must use post-merger presumptive method in 29 C.F.R. 4211.32.
- May not adopt modification to post-merger presumptive method under 29 C.F.R. 4211.36(b), because restarting initial plan year liabilities is inconsistent with withdrawal liability conditions under 29 C.F.R. 4262.16(f)(3)(iv) and (v).
- May adopt modification to post-merger presumptive method under 29 C.F.R. 4211.36(c)(1), because adjusting amortization of initial liabilities effectively permits merged plan to preserve plans' pre-merger UVB pools.
- May adopt modification to post-merger presumptive method under 29 C.F.R. 4211.36(d) to use allocation fraction based on withdrawn employer's share of contribution rather than UVBs.
- Three illustrative examples provided.

Opinion Letter Program

- **Purpose:** To provide written guidance from PBGC's Office of General Counsel applying Title IV of ERISA to specific facts; part of our expanded compliance assistance.
- **Who may request:** Employers, plan sponsors, unions, attorneys, and actuaries; requests may be submitted on a no-name basis by email to OpinionRequest@pbgc.gov.
- **Boundaries:** PBGC does not issue letters on matters it is investigating or litigating, coverage determinations, individual benefit determinations, or topics in pending rulemaking.
- **Transparency:** Opinions are posted to our searchable database with withdrawn letters are visible via filter: https://www.pbgc.gov/employers-practitioners/legal-resources/opinion-letters.

Amicus Brief Program

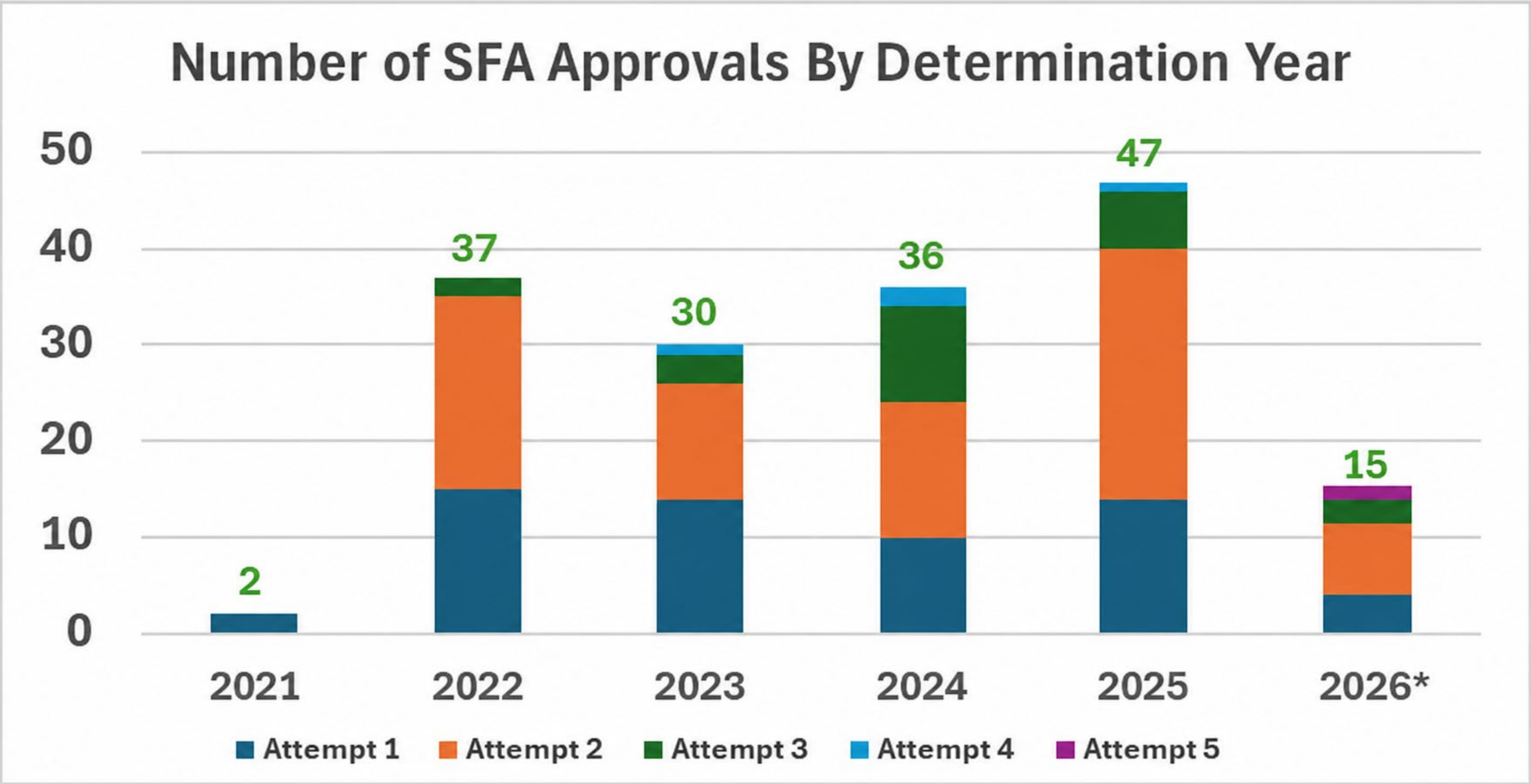
- PBGC’s Amicus Curiae Program allows private parties to request PBGC’s participation as “friend of the court” in cases raising novel or important legal issues affecting PBGC or the private pension system.
- Focus on appellate and Supreme Court cases, but PBGC may participate in district courts if the issue is particularly significant and within PBGC’s expertise.
- Requests must be submitted early, with case details and rationale, to AmicusRequest@pbgc.gov. PBGC may decline or file on its own initiative.
- Our first amicus brief, filed in *Consumers Concrete* (7th Cir., June 2026), clarified how credits for prior partial withdrawals should be applied—ensuring employers aren’t charged twice for the same liability.

SFA Applications – Current Status

(as of September 11, 2026)

	Approved	Under Review		Withdrawn (not yet resubmitted)
		Non-terminated	Terminated	
Number of Plans	167	16	21	9
Aggregate $ SFA (approved or requested)	$78.0 billion	$563 million	$899 million	$659 million
Aggregate Participant Count	1,829,025	30,596	35,699	65,310

SFA Approvals – By Year and Attempt (as of September 11, 2026)



* Through September 11, 2026.

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Remaining SFA Reviews Are on Track

KEY DATES

- **Application deadline:** Applications must be received by December 31, 2026.

CURRENT STATUS

- **Portal access:** The e-filing portal has been open since July 23 and remains available.
- **Non-terminated plans:** Remaining applications have already undergone most of the review process; some remain under review or await resubmission.
- **Terminated plans:** We are actively reviewing these applications.

Terminated Plan SFA Applications

- All 29 plans that submitted Lock-In applications to PBGC with an address located in the jurisdiction of the Second Circuit have been contacted by PBGC and invited to apply. Pre-filing consultations have been completed with all of these plans, and 13 of these applications are currently under review.

- 6 additional plans that submitted Lock-In applications to PBGC with an address located outside of the jurisdiction of the Second Circuit have also applied, and those applications are under review.

Reminders & Lessons Learned

Issues That Can Slow Down Processing

- Retroactive changes in funding method
- Inconsistent actuarial mortality assumptions in SFA and zone certifications
  - Continued use of unreasonable non-credible mortality for funding
- Improper combination of minimum funding amortization bases
  - Cannot combine long-term method base change with gain and loss bases
- Loading factors on current liability to reduce funded ratio
- Changing from an adjusted mortality table without support that it was unreasonable
- Application data inconsistent with Form 5500 filings

Reminders & Lessons Learned

- Complete death audit work prior to applying
- During the review of an SFA application, answer PBGC’s clarifying questions promptly
- Template 5 (“Baseline”) – Exclude the one-time SFA expenses
- Be transparent
  - The earlier we catch an issue, the faster it can be resolved
- Keep it simple
  - Fewer clarifying questions
- Revised applications
  - Submit sooner rather than later
  - Change only what is necessary
  - Schedule a pre-submission meeting (multiemployerprogram@pbgc.gov)

Reminders & Lessons Learned

Mortality

- Include mortality improvement, benefit amount-weighted rates for pensions
- The Pri-2012 study differs from older studies, such as RP-2014
  - Three distinct post-commencement mortality experience groups were studied:
    - Retiree, Contingent Survivor, and Disabled
  - A fourth published table, the Non-Disabled Annuitant table, is a blend of the Retiree and Contingent Survivor tables based on RPEC data. Can be used for both Retiree and Contingent Survivor groups, but not for just one, without detailed rationale and support.

Post-Measurement Date Experience

- Generally, not permitted for demographic assumptions
- May be allowed to reflect short-term experience for business assumptions such as administrative expenses, CBUs and withdrawal liability payments (pre-app call is recommended)

- Administrative Expenses – SFA Cap, one-time SFA fees, Support Needed
- Miscellaneous – ASOP 4, Results of DOL audits, Future WDL assumption

Annual Statement of Compliance – General

Generally due within 90 days of plan year end

- Due date for initial filing depends on when SFA funds were received
- Initial filing will cover slightly more or slightly less than 12 months

The filing should be submitted via PBGC's e-filing portal

- Enter basic plan and filer information
- Answer a series of yes/no questions relating to each compliance condition
  - If a response indicates possible noncompliance, the filer will be prompted to enter comments or upload an explanatory document
- Upload required documents

Annual Statement of Compliance – Documents

- Most recent audited financial statement
- Most recent actuarial valuation report
- Most recent zone certification
- Any plan amendments adopted during the past plan year
- Trustee certification (manually signed)
- Documentation regarding any withdrawal liability assessments and settlements
- SFA and legacy (non-SFA) account statements
  - PBGC requires all of a plan's account statements (operating and investment) to confirm SFA funds are properly segregated from legacy assets. Include SFA and non-SFA account statements, clearly labeled SFA or non-SFA.
  - Monthly account statements are required; an annual summary statement is not sufficient.

Annual Statement of Compliance – Documents

SFA holdings worksheet

- In Excel-compatible format
- Include complete 9-digit CUSIP codes; needed for investment permissibility testing

Updated cash flow projections (use Template 4A format)

- Use reasonable actuarial assumptions – last valuation report assumptions are a good rule of thumb
- SFA projections are compared to the latest zone status certification and actuarial valuation report information – should be a consistent story

Annual Statement of Compliance – Issues We've Seen

- The number of filings has increased as more plans are approved for SFA

Fiscal Year End	2023	2024	2025	2026
Number of Filings Received	24	45	74	125 (expected)
Number of Findings	334	340	208	Not yet available

- Findings to date have centered on impermissible investments and non-segregation of SFA and legacy assets
- ASOC requirements are under review and may be revised in the future

Annual Statement of Compliance – Issues We've Seen

- Late filing
- Segregation of SFA and legacy (non-SFA) assets
  - If the initial SFA deposit was wired to a legacy account, a separate account should be established as soon as practicable (but within 60 days of receipt of SFA)
  - Also monitor ongoing incoming deposits to ensure they are deposited to the correct account
  - Transfers from an SFA invested account to a non-SFA operating account to pay benefits and expenses only work if those transfers are withdrawn in full; consider creating an SFA-only operating account to avoid commingling SFA and legacy assets
- Impermissible investments

Annual Statement of Compliance – Investments

- List of types of permissible investments is in SFA regulation
- Recording and slides from the webinar covering permissible investments available at www.pbgc.gov/arp-sfa/webinars
- Additional guidance in the form of FAQs at www.pbgc.gov/arp-faqs
  - Added step-up bonds and fixed-to-float securities during the fixed-rate period to the list of permissible investments
  - Clarified what types of derivative exposure are allowed in SFA portfolios
- Sign up to receive email updates when future guidance is issued at www.pbgc.gov/arp-sfa

Enforcement Priorities

- Although PBGC nears completion of the SFA application-review phase, every SFA recipient plan will continue to be required to file an Annual Statement of Compliance (ASOC).
- Our work on the SFA program does not end when application reviews are complete; it will transition to ongoing oversight of recipient plans.
- This oversight will focus on ensuring compliance with all SFA conditions and regulatory requirements while promoting strong governance and administration so that SFA recipients can serve as models for well-run pension plans.
- PBGC is updating the ASOC requirements through the Paperwork Reduction Act renewal process and encourages stakeholders to provide comments.

Questions?

Thank You!

To sign up for PBGC email alerts, visit
PBGC.gov/stay-informed

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

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