



# Pennsylvania Conference of Teamsters

## Strength in Numbers 95,000

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# LEGISLATIVE ACTION ALERT



## PBGC Releases FY 2020 Annual Report

### *Multiemployer Program Projected to be Insolvent in FY 2026; Single-Employer Program Improves*

#### FOR IMMEDIATE RELEASE

December 10, 2020

WASHINGTON, D.C. – The Pension Benefit Guaranty Corporation (PBGC) today released its [Fiscal Year \(FY\) 2020 Annual Report](#). The report notes, among other things, that the agency's Multiemployer Insurance Program expected insolvency date has been delayed from FY 2025 to sometime in FY 2026. Meanwhile, the Single-Employer Insurance Program is improving, driven primarily by investment income and premium income. The agency continues to meet its financial obligations and provided excellent customer service to a record number of retirees this year.

"This year's report illustrates that PBGC's two insurance programs are in dramatically different financial positions," **PBGC Director Gordon Hartogensis said**. "I remain incredibly proud of how the agency has navigated these challenging times while continuing operations and supporting our mission. Our work has a real and significant impact on millions of workers, retirees, and their families; and we remain committed to supporting all those who rely on PBGC. In particular, it remains clear that legislative reform is necessary to avert insolvency of the Multiemployer Program, and PBGC continues to provide technical support to policymakers, stakeholders, and plan sponsors."

#### Multiemployer Program Remains on Path Toward Insolvency

The Multiemployer Program remains severely underfunded with liabilities of \$66.9 billion but only \$3.1 billion in assets as of September 30, 2020. This resulted in a deficit (negative net position) of \$63.7 billion, compared to \$65.2 billion a year earlier. The decrease in the program's deficit is primarily due to the enactment of the Bipartisan American Miners Act of 2019, which is expected to help the United Mine Workers of America 1974 Pension Plan avoid insolvency. This development resulted in a delay in the program's projected insolvency from sometime in FY 2025 to sometime in FY 2026.

During FY 2020, the agency provided \$173 million in financial assistance to 95 multiemployer plans, up from the previous year's payments of \$160 million to 89 plans.

#### Single-Employer Program Continues Improvement, but Risk Increases

The Single-Employer Program had assets of \$143.5 billion and liabilities of \$128.0 billion as of September 30, 2020. The positive net position of \$15.5 billion reflects an improvement of \$6.8 billion during FY 2020. However, the program's exposure increased to \$176.2 billion in underfunding in pension plans sponsored by financially weak companies that could potentially become claims to PBGC.

During FY 2020, the agency paid \$6.1 billion in benefits to more than 984,000 retirees in single-employer plans. PBGC also assumed responsibility for the benefit payments of an additional 56,405 workers and retirees in 69 single-employer plans that were trustee during FY 2020.