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LEGISLATIVE ACTION ALERT

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PBGC Releases FY 2021 Projections Report

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September 9, 2022

WASHINGTON, D.C. — The Pension Benefit Guaranty Corporation (PBGC) today released the agency's [Fiscal Year \(FY\) 2021 Projections Report](#). The report shows an improved financial outlook for the Multiemployer Insurance Program, which covers 10.9 million participants, due to the Special Financial Assistance (SFA) Program enacted in the American Rescue Plan (ARP) and favorable plan asset returns in 2021. The Single-Employer Insurance Program covers 22.7 million participants, and its financial outlook is also projected to remain on a path of improvement

"These projections show that both insurance programs are headed in the right direction," PBGC Director Gordon Hartogensis said. "The impact of what has been accomplished over the last eighteen months through the agency's Special Financial Assistance Program will be felt for several decades in improving the retirement security of millions of workers, retirees and their families." The Projections Report provides a 10-year projected financial outlook for the agency's two insurance programs. The report also provides additional projections over 40 years for the Multiemployer Program.

SFA Program Extends Multiemployer Program Solvency

Last year's enactment of the ARP enables PBGC to provide special financial assistance to the most

financially troubled multiemployer pension plans. Prior to enactment of ARP, PBGC projected that its Multiemployer Program would become insolvent in 2026.

Largely as a result of the SFA Program, the new projections show a boost to PBGC's Multiemployer Program's solvency – it is likely to remain solvent for more than 40 years, with a median projected insolvency after 2061, the end projection period. This is an improvement from last year's projections under the interim final rule for the SFA Program that showed the Multiemployer Program's likely insolvency by FY 2055. The factors for this continued improvement in the projected solvency are due to favorable asset returns in 2021 and the changes made in the final rule for the SFA Program which was published July 8, 2022, and became effective August 8, 2022.

Single-Employer Program Continues Improvement

The FY 2021 Projections Report shows that the Single-Employer Program is expected to remain strong through the 10-year projected period. Consistent with last year's report, the projections show no scenarios in which the Single-Employer Program runs out of money within the next 10 years. While the projections show considerable uncertainty, they also indicate an average FY 2031 net financial position of \$53.3 billion, up slightly from last year's FY 2030 projection of \$49.9 billion.