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ISSUE BRIEF

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Principles of Pension Funding Reform for Multiemployer Plans

Defined benefit pension plans are an important source of retirement income to the American worker, and they provide guaranteed lifetime pension benefits. Defined benefit pension plan sponsors are of three basic types: private sector single-employer plans covering employees at a single company, public sector pension plans that cover government employees, and multiemployer plans that cover employees within an industry or trade. The various types of sponsored pension plans have important differences. This issue brief focuses on the unique needs of multiemployer defined benefit pension plans under pension funding reform.

According to the Pension Benefit Guaranty Corporation (PBGC), the U.S. federal agency that insures pension benefits, in 2003, multiemployer defined benefit pension plans covered 9.7 million participants. There are about 1,600 multiemployer pension plans in the United States. Typically, the plans cover employees in an industry or trade in a geographic area, or a group of related occupations that is represented by the same union.

Due to their different characteristics, the regulatory structure for multiemployer pension plans differs from that for single-employer plans. For example, although both types of plans are covered by the PBGC, separate insurance programs have been established for the two types of plans. The PBGC benefit guarantees for multiemployer pension plans are substantially smaller than the single-employer benefit guarantees. Multiemployer pension plans cover 22 percent of the private sector defined benefit pension plan participants that are insured by the PBGC.

The American Academy of Actuaries' Multiemployer Plans Task Force has identified several principles that any revision of pension funding rules for multiemployer plans should address. The purpose of this issue brief is to provide background material on multiemployer plans (including their current funding structure) and to examine these principles:

- *Do no harm*
- *Provide benefit security*
- *Encourage transparency*
- *Provide predictable funding*
- *Include incentives to fund with flexibility*
- *Provide simplicity*
- *Avoid moral hazards*
- *Offer smooth transition*

Members of the Multiemployer Plans Task Force who participated in drafting this issue brief include: James J. McKeogh, MAAA, EA, FCA, FSA, Chairperson; Robert G. Bolton, MAAA, EA, FCA, FSA; James B. Dexter, MAAA, EA, FCA, FSA; Ron Gebhardtsbauer, MAAA, EA, FCA, FSA, MSPA; Stanley I. Goldfarb, MAAA, EA, FSA; Eli Greenblum, MAAA, EA, FCA, FSA; Kenneth A. Kent, MAAA, EA, FCA, FSA; John L. Molinar, MAAA, EA, FCA, FSA; Brian N. O'Konski, MAAA, EA, ASA; Howard Rog, MAAA, EA, FSA; James C. Shake, Jr., MAAA, EA, FCA; Samuel S. Stanley, MAAA, EA, FCA, FSA; Peter D. Verne, MAAA, EA; Nancy R. Wagner, MAAA, EA, FCA, FSA.

AMERICAN ACADEMY of ACTUARIES

1100 Seventeenth Street NW Seventh Floor Washington, DC 20036
Tel 202 223 8196 Fax 202 872 1948
www.actuary.org

Noel Card, Director of Communications
Craig Hanna, Director of Public Policy
Heather Jerbi, Senior Policy Analyst, Pension

BACKGROUND

Multiemployer plans are created through collective bargaining between employers and unions. Covered employees are generally hourly wage earners, and contributions are typically made on a per unit of work basis, such as a specified amount per hour of work or per employee per month. Benefits are generally based on length of service and hours of work, rather than being pay related. Contributions are made to an entity distinct from the contributing employers and unions — the plan's trust fund. The plan trustees oversee the investment of plan assets, and administrative expenses are paid from these assets. Usually, the plan is governed and administered by a joint board of trustees, with equal representation appointed by the employers and the union(s).

Multiemployer plans differ from multiple-employer plans. Rather than being created through collective bargaining, multiple-employer plans are usually sponsored by companies that are related, but not closely enough related for the plan to meet the definition of a single-employer plan. There are also other types of multiemployer plans: defined contribution plans that have individual accounts for participants, and health and welfare plans that provide health and life insurance-type benefits. These other types of plans are not discussed in this issue brief.

A significant distinction of a multiemployer plan is that all assets and liabilities of the plan are a shared responsibility of the participating employers and are not segregated or credited to any one employer. It is a model of pooling risks that make these plans particularly valuable to industries with mobile labor.

By definition, multiemployer plans cover employees of different companies. These plans can involve hundreds of employers and collective bargaining agreements. Consequently, they are inherently more stable than single-employer plans, as they are not dependent on the fortunes of a single company. If an employer goes out of business, the multiemployer plan continues functioning as a separate entity, and contributions from the remaining employers continue. Numerous employers lead to more covered participants and greater assets, allowing these plans to achieve economies of scale and reduce operating expenses. Often, there are many small employers in a multiemployer plan. In some industries, such as construction and entertainment, workers frequently change employers as they move from project to project. Without a multiemployer plan, employees in these industries would likely fail to earn vested pension rights. In virtually all industries, without the economies of scale of a multiemployer plan, the same benefits could not be provided to participants for the same cost, as more resources would be spent on operating expenses.

Another characteristic of multiemployer plans is their pension portability. With a multiemployer plan, service with all contributing employers is aggregated for benefit calculation purposes, allowing employees uninterrupted pension coverage as they move among companies participating in the plan. Without the aggregation of pension service, an employee changing jobs could lose benefits by not having enough service to have vested rights to a pension. Also, with the aggregation of service in a multiemployer pension plan, even vested employees changing jobs can avoid the loss of benefits caused by benefit amounts being frozen or by loss of early retirement benefits and subsidies. Furthermore, multiemployer plans usually have reciprocity agreements with other plans covering employees in the same industry or trade, allowing pension portability with employers that participate in other plans.

The joint labor-management structure of the boards of trustees of multiemployer plans enhances good plan governance. For example, contributions are made monthly. If an employer has financial difficulty and becomes delinquent, this independent board of trustees can take immediate actions to collect required contributions. In contrast, under a single-employer plan, if a company has financial difficulties, company officers usually give pension contributions a low priority and reduce and/or delay pension contributions. This reduces plan assets, thereby reducing participants' benefit security and increasing risk to the PBGC. Also, when the contributions to a multiemployer plan are not sufficient to support the current benefit levels over the long term, the labor and management parties are tasked to work together to resolve the imbalance between contributions and benefits. In multiemployer plan situations, the trade-offs between wages, health insurance, and pension benefits are explicit, as contributions are specified in the collective bargaining agreements. These agreements generally establish fixed labor costs for a contract period, which typically runs from three to five years.

PRINCIPLES FOR REFORM

As noted above, multiemployer defined benefit plans fundamentally have characteristics that make them different from single-employer plans. These differences are significant enough to continue to require different funding rules. While this issue brief will not provide specific recommendations for the reform of current funding rules, the Academy has outlined several principles that any pension funding reform regarding multiemployer pension plans should meet.

Do No Harm

• Multiemployer plans offer very valuable advantages to large and small employers and to their employees. These plans provide cost-effective retirement, death and disability benefits to cohorts of workers within many different industries who otherwise might not be eligible as a result of the movement from one employer to another within the industry.

• Maintenance of existing plans and creation of new plans should be encouraged. These plans spread risks and provide lifetime income. Unfortunately, the number of employees covered by these plans has declined. Legal and regulatory changes over the years have increased the burden of complying with funding and administrative requirements.

• Therefore, any reforms must be approached with the overall principle of not doing any further harm to these plans.

Provide Benefit Security

• Funding rules should be logical, stable, and focused on the long-term sufficiency of the plan, allowing trustees to determine affordable and prudent benefit levels.

• Funding requirements should allow these plans to provide meaningful benefits to participants. To provide meaningful benefits, rules need to recognize that, in addition to the PBGC, contingent risks are borne by sponsoring employers (who are subject to withdrawal liability, excise taxes if funding fails to meet required levels, and need for additional funding if weak employers drop out) and by plan participants. (Current federally guaranteed benefits are often well below the levels promised by the plan provisions, and increased contributions often result in lower wages.) These risks must be transparent to employers as well as to participants.

• The funding regime should aim for long-term benefit security and participant satisfaction with a reasonable measure of protection for accrued benefits on the assumption that the plan is ongoing and not about to be terminated.

Encourage Transparency

• Recently passed legislation (the Pension Funding Equity Act of 2004) has already gone a long way in making the status of the plan and the associated contingent risks related to their benefits transparent to participants.

• Rules should encourage the sharing of some already available information (that is not administratively burdensome or costly) on the financial position of the plan to individual contributing employers.

Provide Predictable Funding

• The required funding must be level and predictable so that trustees can set benefit levels with confidence that the plan's projected investment and relatively fixed contribution income will be able to meet the demands of the benefit payment stream and statutory funding standards.

• Multiemployer funding requirements must be flexible enough to accommodate the realities of the collective bargaining process (the source of the contributions) without endangering benefit security.

• Funding reform needs to recognize and address the fact that, unlike single-employer plans, contributions are set in the collective bargaining process such that they must be projected to meet minimum funding and be within deductible limits. Additional provisions for recognition of volatile economic and labor conditions must be considered and supported to allow contributions within a bargaining cycle to be sufficient.

Include Flexibility and Incentives to Fund

• Given the wide variety of circumstances and issues affecting bargaining, trustees and bargaining parties need flexibility to meet the funding standards using whatever approaches best match the situation of their industry.

• The law must allow for benefit designs that the participants will perceive as fair — to retirees, to those nearing retirement age, and to the population of active workers who generate the contributions — and that also are flexible enough to adjust to the resources (including future contributions) available to fund them.

• The funding and tax rules should not inhibit responsible funding through the imposition of deduction limits and penalties that provide disincentives for plans to build up strong reserves in the good years in order to reduce the adverse consequences of bad years.

Provide Simplicity

• The rules need to be easily understood by all the stakeholders, including trustees, employers, and employees.

• The changes should not be prohibitively expensive to administer.

Avoid Moral Hazards

• The rules should not encourage trustees to establish benefit levels beyond the financial resources (current assets, future investment returns and future contributions) available to provide the benefits, using reasonable actuarial assumptions and projections.

• Funding horizons should not extend beyond the period of years for which benefits are to be delivered or active services provided. For example, benefit increases to pensioners generally should be funded over a period that is shorter than the current 30-year requirement.

• Employers should be required to settle obligations with the plan before being allowed to withdraw.

This would discourage them from withdrawing at the slightest sign of difficulty, increasing the financial problems of the fund and necessitating the reallocation of liabilities to the remaining employers or to the PBGC guarantee system. Current rules need to be clearer about the events that trigger the application of withdrawal liability, as well as providing guidance on the methodology and the range of assumptions used in determining the amount.

Offer Smooth Transition

• Reasonable transition rules to enable bargaining parties to adapt to any stricter funding requirements are essential.

• The "reorganization" rules should be modified to allow earlier identification of troubled plans in need of reorganization. This would allow the trustees to take timely and appropriate action to bring accrued benefits into line with responsible funding approaches.

• The rules should not encourage nor provide a window for employers to shed obligations to other employers, plan participants, or the PBGC by leaving the plan.

CURRENT RULES

Separate Multiemployer Plan Rules

With the passage of the Employee Retirement Income Security Act of 1974 (ERISA), multiemployer plans were given special capabilities, including the ability to amortize the unfunded actuarial liability at the point of transition to the new minimum funding requirements over 40 years. PBGC benefit guarantee provisions for these plans were not clear in the early years.

In the late 1970s, the PBGC conducted an extensive study of the funded status of multiemployer plans, the factors that affect multiemployer plan funding, and the implications for the plan termination insurance program administered by PBGC. The result was a proposal that, after significant Congressional study and refinement, was passed as the Multiemployer Pension Plan Amendments Act of 1980 (MPPAA). Recognizing the distinctive character of multiemployer plans, MPPAA created a new set of funding, plan termination, and benefit guarantee rules tailored specifically for those plans.

Since then, the PBGC's single-employer plan program has periodically been beset by solvency concerns, and the funding and termination programs for those plans have been revised in response. Because multiemployer plans did not present these types of problems, Congress chose not to disrupt a functioning system by changing the rules for multiemployer plans. Over time, the single-employer and multiemployer rules have evolved quite distinctly.

Currently, multiemployer plans:

• are exempt from the IRS deficit reduction contribution (DRC) and quarterly payment rules;

• are not subject to the PBGC variable rate premium and most notice requirements;

• amortize actuarial gains and losses over 15 years (versus 5 years for other plans);

• amortize the effect of assumption changes over 30 years (10 in other plans).

Withdrawal Liability

When a contributing employer leaves a multiemployer plan, the employer is liable to the plan for a share of its unfunded vested benefits. The law sets out rules for determining the withdrawing employer's liability, with special provision for industries such as construction, where employers may come and go as they start and complete projects, without impairing the plan's financial base. Various provisions limit withdrawal liability, including a de minimis rule and special limits for employer liquidations.

The better funded a plan is, the less likely it is to have withdrawal liability. This has been a powerful motivator for the sponsoring parties to maintain very strong plan funding. For plans that have withdrawal liability, the payments from departing employers help to make up for the loss of their future contributions, which is what Congress intended when it passed MPPAA.

Plan Reorganization

MPPAA also added a set of funding requirements for troubled multiemployer plans: the plan reorganization and insolvency rules in Internal Revenue Code (IRC) Sec. 418 – 418E. These rules target unfunded plans that have large retiree participation receiving benefits. The purpose is to ensure that any unfunded liabilities for retirees are being funded over no more than 10 years, and the rest of the unfunded liabilities are funded over no more than 25 years. If the annual payment necessary to meet those funding schedules would be greater than what is required by the regular funding rules, the plan is in "reorganization."

Few troubled plans today, however, meet these criteria.

For multiemployer plans, withdrawal liability and the reorganization funding rules serve a purpose similar to the DRC and other rules that apply to single-employer plans: they manage solvency risk. Rules involving gateways to reorganization need to be reviewed to ensure relevance to the current environment.

Consequences of Being in Reorganization

Different funding requirements

For a plan in reorganization, the minimum contribution requirement (MCR) becomes the statutory funding standard. The MCR is the annual payment necessary to fund retiree and active participants' benefits over the 10/25-year schedules under the reorganization benchmark.

The MCR is adjusted in various ways to ensure the resulting funding burden is tolerable for the contributing employers and the covered employees and can be handled through the collective bargaining process. There is an "overburden credit" that softens the impact of the extra funding requirements if the plan has more retirees than active participants. Also, the increase in required funding is generally capped at 7 percent per year.

Benefit and contribution discipline

Any benefit increases that go into effect while a plan is in reorganization must be designed to be fully funded as they accrue. If there is an increase in past-service benefits, the plan loses the shelter of the 7 percent annual cap on increased funding charges. There are also sanctions if the parties agree to reduce employer contribution rates.

A plan in reorganization is permitted to reduce accrued benefits (after notice to participants), but not below the level at which they would be guaranteed by the PBGC. If the plan becomes insolvent, it is required to reduce benefits (see plan insolvency discussion below).

Multiemployer Plan Termination

Termination has a very different meaning for a multiemployer plan than it does for a single-employer plan, and PBGC plays a much more modest role. PBGC benefit guarantees are triggered not by plan termination but by insolvency, which is likely to happen long after a plan is terminated. When a multiemployer plan terminates, the employers' funding obligations continue — either in the form of withdrawal liability payments or continued contributions — even though the participants stop earning any benefit credit.

There are two ways a multiemployer plan can terminate: by plan amendment or by the withdrawal of all contributing employers (mass withdrawal). In either case, the trustees continue operating the plan as if it were an on-going enterprise, collecting and investing the amounts owed to the plan, approving retirements, and paying benefits as they come due.

Termination by amendment

If a plan is amended to terminate, the minimum funding requirements (including the plan reorganization rules) continue to apply. Employers continue contributing at negotiated rates designed to meet the funding standards. Employer contribution rates cannot be reduced unless the plan is fully funded. At that point, it is likely to liquidate and distribute all of its assets to participants in satisfaction of its liabilities, in the form of insurance company annuities or lump sums.

If a plan that was amended to terminate suffers financial deterioration, the plan reorganization and insolvency controls will come into play.

Termination by mass withdrawal

This type of termination occurs when a multiemployer plan loses all of its contributing employers. As with an amendment-termination, the plan's trustees — not the PBGC — have responsibility for operating the plan, seeing that benefits are paid, and managing the wind-down process. The plan is funded through withdrawal liability payments rather than employer contributions, and is liquidated (obligations settled via insured annuities or lump sums) when (and if) it has enough money to cover all benefits.

When a plan terminates by mass withdrawal, the funding requirements, including the plan reorganization provisions, no longer apply. Instead, its liabilities and assets (including outstanding claims for withdrawal liability) must be valued every year. Benefits must be reduced, if necessary, to the level covered by the assets (but not below the PBGC guarantee level) until the point at which the plan is insolvent.

Plan Insolvency – PBGC Assistance

Whether or not it's terminated, a multiemployer plan is insolvent when its assets are not enough to cover benefit payments for the coming year. Such a plan is required to cut benefits to match what the assets can provide, but not below the level guaranteed by the PBGC. Even when it runs out of money for benefits, its trustees, not the PBGC, operate an insolvent multiemployer plan. The PBGC guarantee is provided in the form of periodic cash infusions, made available to the trustees as loans. If the plan's fortunes recover, benefit levels can be restored and the PBGC can be paid back.

By the end of the 2003 fiscal year, only 33 insolvent multiemployer plans (of the universe of over 1,600 such plans) have ever received PBGC financial assistance. One of those plans has repaid its loan from the PBGC, and several others have become self-sufficient. In the 2003 fiscal year, 24 multiemployer plans received financial assistance totaling $5 million.

PBGC AND MULTIEMPLOYER PLANS

As with single-employer plans, the PBGC guarantees that certain benefits accrued under multiemployer pension plans will be paid regardless of the ability of plan assets or the plan sponsor's assets to provide for those benefits. However, there are significant differences between the single-employer plan and multiemployer plan insurance programs of the PBGC with respect to the level of those guarantees, the insurable event that triggers PBGC involvement, and the actual experience of the two programs.

Guaranteed Benefits

As noted, the PBGC guarantees the payment of multiemployer plan benefits when the plan runs out of money, whether or not it is terminated. Unlike the PBGC's single-employer program, the maximum multiemployer benefit guarantee is not a uniform, flat amount. Instead, each participant's maximum benefit for each year of service is expressed as:

- 100% of the plan's monthly accrual rate, up to $11/year of service, plus

- 75% of up to $33 more (to the extent provided by the plan).

Under this formula, the maximum annual benefit that could be guaranteed by PBGC for a 65-year-old multiemployer plan participant with 30 years of service would be $12,870. In addition to adjustments for age and form of payment, there are pro rata adjustments for service other than 30 years. Further, the maximum benefit guarantee is not indexed automatically but is changed only by legislative action. In 2001 Congress amended ERISA to raise the multiemployer guarantee to these levels, the first increase since 1980. Prior to this change, the annual maximum payment for a worker with 30 years of service was only $5,850.

In 2005, the maximum annual benefit guaranteed under terminating single-employer plans is $45,613.68 per year, and, unlike multiemployer plans, that amount is indexed annually. It is payable at age 65 as a single life annuity and is adjusted for other forms of payment and for pensions commencing at earlier and later ages.

In addition to the maximum limits discussed above, there are other restrictions on the monthly benefits eligible for the guarantee. Generally, ancillary benefits, pre-retirement death benefits, benefits in excess of the normal retirement benefit, and benefit increases in effect for fewer than 60 months are not covered. Some, but not all, of these restrictions also apply to single-employer plans.

Premiums

Multiemployer plans pay annual PBGC premiums of $2.60 per participant, the level set in 1980. This compares to the $19/participant paid by every single-employer plan, plus an additional charge of $9 per $1,000 of the plan's unfunded vested benefits, computed at a very conservative interest rate.

Insurable Event

In a single-employer plan, the plan sponsor has responsibility to fund plan benefits and, in general, cannot walk away from that liability. If a single-employer plan terminates with assets insufficient to pay all accrued benefits, the PBGC steps in to make sure guaranteed benefits get paid and to recoup from the plan sponsor the entire shortfall (even for non-guaranteed benefits) to the extent possible. If the sponsor is bankrupt and unable to fund the benefits, the obligation to provide at least the guaranteed benefits falls on the PBGC.

For multiemployer plans, the process is quite different. If an employer leaves a multiemployer plan which has an unfunded vested benefit (UVB) liability, the employer is required to continue funding the plan by making withdrawal liability payments representing, at least approximately, that employer's proportional share of the plan's UVB (see discussion of withdrawal liability below.) If that employer is unable to pay all or part of the withdrawal liability, its share is allocated to other employers, which continue to contribute to the plan. Even if the plan terminates, there is still the obligation of the last employers (including those who might have withdrawn during the previous two years) to pay a very robust withdrawal liability ("robust" for reasons beyond the scope of this paper, but generally higher than would be the case in a regular withdrawal).

The PBGC guarantees a multiemployer plan's benefits only if the plan is "insolvent," whether or not it has terminated, and cannot pay the level of PBGC-guaranteed benefits for a plan year. If monthly benefits for a plan year exceed the plan's available assets (including withdrawal liability payments), benefit payments are reduced to a level that the plan can pay from its assets but not below guaranteed levels. If the plan's assets are insufficient to pay guaranteed benefits, the plan sponsor must apply to the PBGC for financial assistance in the form of loans to the plan to meet guaranteed benefit payments and expenses. In most cases, these "loans" will never be repaid. Under certain conditions, a plan may also reduce benefits previously earned by participants, which are not yet in pay status if such benefits are not eligible for guarantee by the PBGC.

PBGC Claims Experience

Appendix A to this issue brief shows the net financial position (assets less liabilities, in $ millions) for the two programs run by the PBGC since 1980. The single-employer program experienced deficits from 1980 until 1996 when the first surplus ($869 million) appeared. In recent years deficits have come back and, in 2004, the largest deficit ever, over $23 billion, was recorded.

In contrast, the multiemployer program experienced surpluses throughout most of the period and with much less volatility. In 2003, the multiemployer program had its first deficit in over 20 years as the combination of low interest rates and the poor performance in the financial markets took its toll on some of the weaker plans.

Outlook

The multiemployer plan insurance program has lower limits on guaranteed benefits than does the single-employer plan program. Further, because risks are spread over multiple employers, the PBGC's exposure is much less with multiemployer plans. These facts have translated into lower premiums and more favorable claims experience for multiemployer plans since MPPAA was enacted in 1980. Nevertheless, there is still some concern regarding the multiemployer plan program as some large plans have unfunded vested benefit liabilities much greater than the aggregate premiums of about $25 million per year.

An updating of reorganization rules, discussed earlier in this paper, besides allowing plans to correct their own funding problems, could also have the effect of mitigating PBGC's potential exposure.

WITHDRAWAL LIABILITY

Withdrawal liability relates to the allocation of the present value of unfunded vested accrued benefits to employers who "withdraw" from a pension fund by ceasing to have an obligation to contribute to the fund, or under certain other limited but similar circumstances. Without withdrawal liability, the remaining employers would be fully responsible for making contributions to cover the unfunded vested accrued benefits for withdrawing employers.

The imposition of withdrawal liability upon the cessation of the obligation to contribute to a multiemployer pension fund is in itself a controversial subject. Some employers who agree to contribute to a multiemployer pension fund by way of the collective bargaining process feel that their negotiated hourly contributions should be the extent of their liability to the fund. Although this is generally the case absent a withdrawal, an employer's financial obligation can continue (generally for up to 20 years) if a withdrawal occurs and significant underfunding exists.

Withdrawal liability is allocated to withdrawing employers under several methods available pursuant to Sec. 4211 of ERISA, and the potential adoption of custom methods is possible. However, "construction industry" pension plans (which constitute approximately 60 percent of all multiemployer plans) must always use what is known as the "presumptive method," described in ERISA Sec. 4211(b).

Under the presumptive method, the present value of unfunded vested accrued benefits is allocated to individual employers based on the history of the increases or decreases in such unfunded present value of vested accrued benefits over the past 20 years. These changes in unfunded vested benefits are then allocated to individual employers on the basis of their historical proportion of contributions in the years preceding each change.

Withdrawal Liability Issues and Areas for Reform

Other than acceptance of the overall concepts of withdrawal liability and that the obligation of an employer can extend beyond the termination of a collective bargaining agreement, generally the rules and regulations relating to the specifics work well, with a couple of exceptions.

As described above, the presumptive method must be used for all construction industry plans. There is an aspect of this method that has been controversial: Even if no unfunded vested present value of vested accrued benefits exists, the methodology can result in withdrawal liability for some employers. This interpretation was reached after conflicting opinions, and Congress may want to reconsider this and amend ERISA to better identify trustee discretion available in administering withdrawal liability.

Under the so-called “asset sale” exemption (ERISA Sec. 4204), in certain circumstances, an employer can withdraw and avoid all or a portion of potential withdrawal liability. Under a Sec. 4204 sale of assets, the seller does not incur any withdrawal liability at the time of the sale but remains secondarily liable if the purchaser withdraws in the five-year period following the sale. The purchaser agrees to “step into the shoes” of the seller with respect to contribution history but only for a period of five years — the year of the sale and the preceding four years. Under the presumptive method for determining withdrawal liability there is a 20-year look-back calculation, therefore, a significant amount of a plan’s unfunded vested liability can fall through the cracks. Neither the seller nor the purchaser would be responsible for the portion of the plan’s unfunded vested benefit liability that is allocated based on contributions made more than five years preceding the asset sale.

Historically, there have been challenges to the assumptions used in the determination of withdrawal liability, particularly with respect to the interest assumption. There are differing views on the appropriate rates, ranging from current market-based settlement values to the long-term interest rate basis used by the plan for minimum funding purposes. To determine the value of unfunded vested benefits, it would be appropriate for the PBGC to establish a reasonable range of interest rates that may be used.

SUMMARY

Multiemployer defined benefit pension plans are distinguished from single-employer and multiple-employer plans in areas including funding mechanisms, risk sharing, and governmental guarantees. Congress has generally recognized these differences. Many of the funding rules applicable to single-employer plans, for example, have been appropriately modified to take into account the special needs of multiemployer plans. If there are any significant changes to the rules governing single-employer plans, it is important to carefully consider which of those rules should also apply to multiemployer plans, which rules should apply with modifications, and which should not apply at all.

APPENDIX A

PBGC's Financial Position for Single-Employer and Multiemployer Programs

Year	Single-Employer	Multiemployer
1980	$(95)	$(9)
1981	$(189)	$(1)
1982	$(333)	$11
1983	$(523)	$6
1984	$(462)	$17
1985	$(1,325)	$27
1986	$(2,026)	$45
1987	$(1,549)	$68
1988	$(1,543)	$92
1989	$(1,124)	$123
1990	$(1,913)	$132
1991	$(2,053)	$163
1992	$(2,737)	$169
1993	$(2,897)	$276
1994	$(1,240)	$197
1995	$(315)	$192
1996	$ 869	$124
1997	$3,481	$219
1998	$5,012	$341
1999	$7,038	$199
2000	$9,704	$267
2001	$7,732	$116
2002	$(3,638)	$158
2003	$(11,238)	$(261)
2004	$(23,305)	$(236)

(dollars in millions)

American Academy *of* Actuaries

1100 Seventeenth Street NW
Seventh Floor
Washington, DC 20036
www.actuary.org