

## PENSION ISSUES

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September 11, 2020

### Pension Benefit Guaranty Corporation Publishes a Final Single-Employer Plan Lump Sum Benefits Rule

The Pension Benefit Guaranty Corporation (PBGC) published a [final rule](#) Thursday, September 10 modifying the assumptions it uses to determine de minimis lump sum benefits in PBGC-trusted terminated single-employer defined benefit pension plans. According to the rule this modification is intended to modernize the methodology used to determine such benefits. PBGC is adopting the interest and mortality assumptions from section 417(e)(3) of the Internal Revenue Code for this purpose.

The final rule applies to trusted plans with termination dates on or after January 1, 2021, the date the final rule takes effect.

Because some private-sector plans use PBGC's lump sum interest rates, the final rule provides a table for plans to use in determining interest assumptions in accordance with PBGC's historical methodology. Additionally, it discontinues monthly publication of PBGC's lump sum interest rate assumptions.

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