

## PENSION ISSUES

Alert No. 2021-P-7

November 24, 2021

### Special Financial Assistance Plans Approaching Insolvency

The Pension Benefit Guaranty Corporation (PBGC) recently announced [updates](#) regarding Special Financial Assistance (SFA) plans that are approaching insolvency. On December 27, 2021, the agency will begin accepting applications for any plan in priority group 2 that is expected to be insolvent within one year of the date the plan's application is filed, and beginning January 1, 2022 for a plan that implemented a Multiemployer Pension Reform Act (MPRA) benefit suspension before March 11, 2021. The PBGC is providing the earlier dates for priority group 2 plans approaching insolvency so that these plans can avoid having to suspend participant benefits under section 4245 of ERISA. Such a multiemployer plan is regarded as insolvent as of the first day of the plan year in which it is projected to have insufficient resources to pay all benefits under the plan when due during the plan year.

Accompanying this announcement, the agency issued new [SFA FAQs](#) to provide information about the application date for priority group 2 plans pursuant to the American Rescue Plan Act (ARPA).

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If you have any questions regarding this *Academy Alert*, please contact Philip Maguire, pension policy analyst ([maguire@actuary.org](mailto:maguire@actuary.org); 202-785-7865).

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