# Special Financial Assistance Program for Financially Troubled Multiemployer Plans (Section 9704 of ARP)

July 22, 2021



#### Agenda

- Webinar 1 Recap
- ARP/SFA Homepage and Resources
- E-Filing Portal Walkthrough
- Application Walkthrough
- Communications Post-Submission
- Treasury Guidance: Reinstatements and Make-Up Payments



## Webinar 1 Recap

# PBGC

#### **Recap of Webinar 1**

- Available at the following location:
  - Video <a href="https://www.youtube.com/watch?v=8T5BaKye8Fk">https://www.youtube.com/watch?v=8T5BaKye8Fk</a>
  - Slides <a href="https://www.pbgc.gov/sites/default/files/arp-public-briefing-2021-07-09.pdf">https://www.pbgc.gov/sites/default/files/arp-public-briefing-2021-07-09.pdf</a>

#### Topics covered include:

- Special Financial Assistance and IFR Overview
- Application and Review Process/Priority Plans
- Restrictions, Conditions, and Reporting
- PBGC Guidance and Resources



#### **Conditions on Plans Receiving SFA**

- ARP grants authority to impose reasonable conditions on plans receiving SFA related to:
  - Increases in future accruals and any retroactive benefit improvements
  - Allocation of plan assets
  - Reductions in employer contribution rates
  - Diversion of contributions to, and allocation of expenses to, other benefit plans.
  - Withdrawal liability
    - \*Plans receiving SFA are required to amend plan documents to include a provision obligating the plan sponsor to follow the terms and conditions of ARP and the SFA rule.
- PBGC is prohibited from imposing conditions related to:
  - Prospective reductions in plan benefits
  - Plan governance, including selection of, removal of, and terms of contracts with trustees, actuaries, investment managers, or other service providers
  - Any funding rules related to plans receiving SFA
- With respect to certain events such as mergers, transfers and spinoffs, the amount of SFA is limited to the amount determined as if the given event had not occurred



## ARP/SFA Homepage and Resources



#### **Ongoing Program Information and Resources**

- Published interim final rule in the Federal Register on July 12, 2021
- 30-day comment period
- PBGC's E-Filing portal available for applications for plan trustees and practitioners
- Additional resources PBGC.gov/arp-sfa
  - Frequently Asked Questions
  - Recorded Informational Session
  - Register for email distributions to receive updates and information
- Final Rule TBD



#### **ARP/SFA Homepage**



ABOUT PBGC | WORKERS & RETIREES | EMPLOYERS & PRACTITIONERS | NEWS & POLICY

MYPBA LOGIN

#### American Rescue Plan (ARP) Special Financial Assistance Program

When the application period opens to multiemployer pension plans, PBGC will accept as many applications as the agency estimates it can process in 120 days. Once the number of applications reaches that level, the application period will temporarily close until PBGC has capacity to process more applications. PBGC will update this page when the application period opens and closes, and will post information about the status of submitted applications. PBGC will also contact prospective applicants via email when new information is available.

At this time, multiemployer plans in Priority Group 1 can submit completed applications for Special Financial Assistance at https://efilingportal.pbgc.gov/site/



The E-filing Portal is open and now accepting applications.

#### American Rescue Plan Act of 2021 Resources

- American Rescue Plan (ARP) Act of 2021 [congress.gov]
- Instructions / Templates / Webinars
- Interim Final Rule
- PBGC American Rescue Plan Overview
- Frequently Asked Questions
- SFA Assumptions Guidance
- · Status of Applications [.xls] Coming Soon!

Instructions, Templates, Other Resources E-Filing Portal Status & Current **Priority Group** 

Status of Submitted **Applications** 

**Important Updates** 

#### **Priority Groups**

Priority Group	Plan Descriptions	Target Date Plans May Apply For SFA*	Status
1	Already insolvent or projected to become insolvent before 3/11/2022	7/9/2021	<u>OPEN</u>
2	Implemented MPRA benefit suspensions before 3/11/2021 or expected to be insolvent within one year of the date application was filed**	1/1/2022	CLOSED
3	Greater than 350,000 participants	4/1/2022	CLOSED
4	Projected to become insolvent before 3/11/2023	7/1/2022	CLOSED
5	Projected to become insolvent before 3/11/2026	2/11/2023	CLOSED

Signup for Mailing List



# E-Filing Portal Walkthrough



#### E-Filing Portal: Log In/Create Account

#### https://efilingportal.pbgc.gov/site/Login.aspx

Top of Page – Includes Link to SFA Instructions

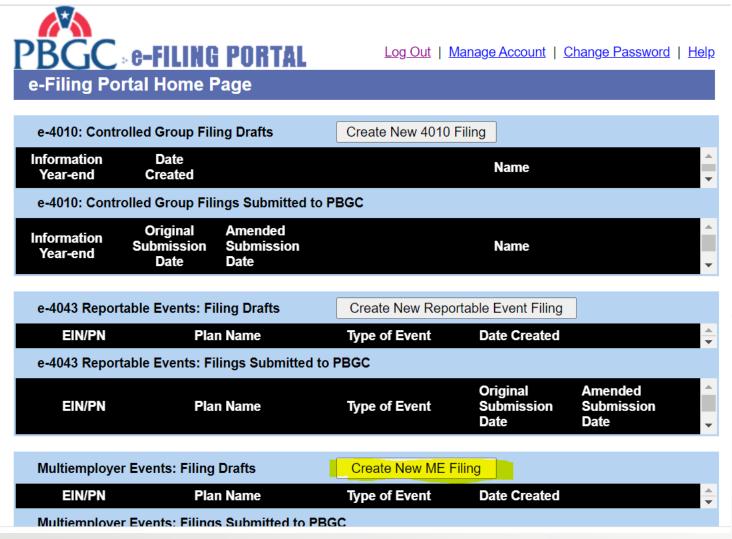


Bottom of Page – Apply for an Account or Log in

New to e-Fil	ing Portal?	Apply for an A	<u>Account</u>
Already Hav	e an Accou	nt? Log in.	
User ID:			Forgot your User ID?
Password:			Forgot your password?
		Login	

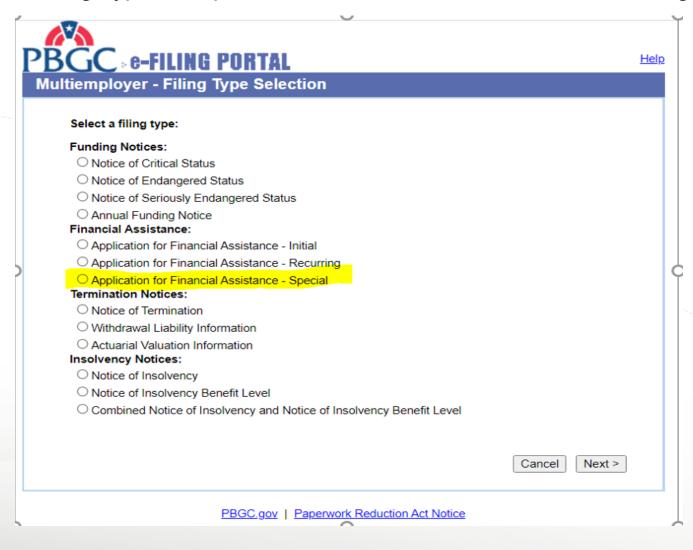


#### Screen to Select Filing Type after logging in:



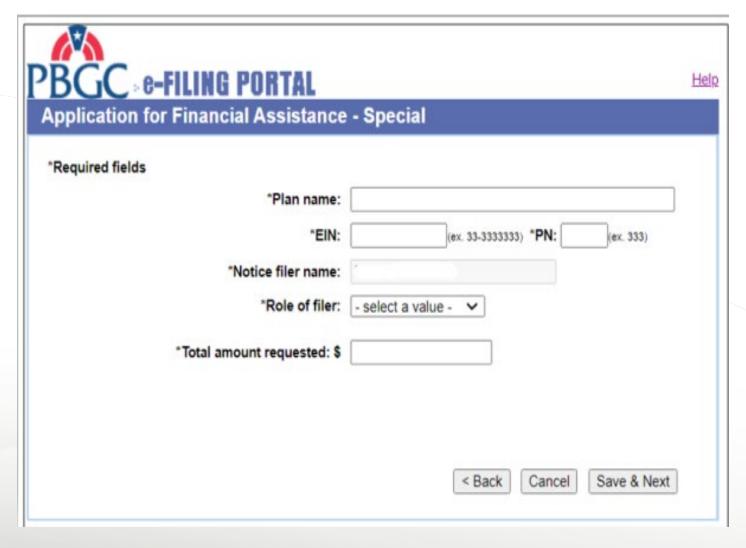


Screen to Select Filing Type after plan administrator selects "Create New Filing" after logging in:





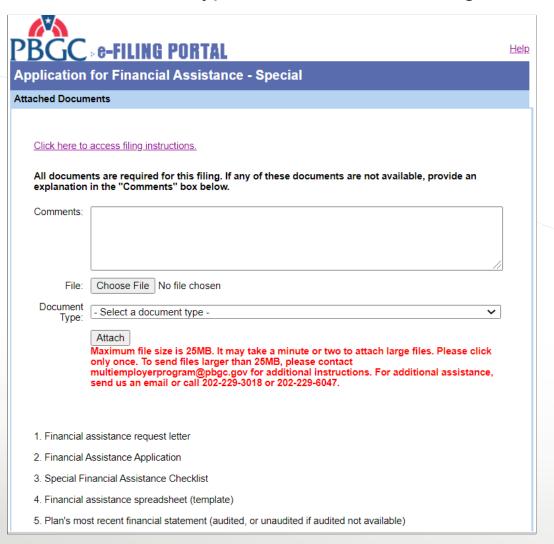
#### **Basic Information Screen:**





#### **Document Uploading Page**

(partial – the full list of document types is shown in following screen shot, next page):





#### The system will prompt a confirmation before submission:



PBGC.gov | Paperwork Reduction Act Notice



#### If you click on the "Help" button, you see this screen:



#### Filing Assistance

For further assistance, contact PBGC by sending an e-mail to <a href="mailto:multiemployerprogram@pbgc.gov">multiemployerprogram@pbgc.gov</a>, or by calling our toll-free number at 1-800-736-2444 (ext. 3018 or 6047). Local callers may directly dial 202-326-4000 (ext. 3018 or 6047). TTY/ASCII users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to the appropriate number.

Close Instructions

PBGC.gov | Paperwork Reduction Act Notice



## **Application Walkthrough**

# PBGC

#### "Must Have" Documents/Tools

Section 4262 of ERISA and Interim Final Rule

Assumptions Guidance

Application Instructions and Checklist

Application Templates



#### **Assumptions Guidance**

Is there a change in assumption?

Section 4262.5(c):

Identification &
Supporting Rationale

Assumptions Guidance:
Acceptable
Generally Acceptable
Generally Not Acceptable



#### **Assumptions Guidance**

#### **Assumption Changes**

#### Generally, all plans will have an assumption change.

Zone certification assumptions are generally not utilized for 30 years

#### Section 4262.5(c) of IFR – Identification and Supporting Rationale

- Describe why the original assumption is no longer reasonable
- Propose to use a different assumption (the changed assumption)
- Demonstrate that the changed assumption is reasonable

#### Guidance

- Provides acceptable extensions of assumptions beyond date of insolvency or 20 years, as applicable
- Provides examples
- Allows for minimal rationale for specified acceptable assumption changes



#### **Application Instructions**

#### Section A – Plan identifying information

- Basic information (Plan name, EIN/PN, filer name and role)
- SFA requested amount

#### Section B – Plan documents

 Plan documentation, actuarial valuation reports (AVRs), Form 5500, zone certifications, rehabilitation plan, asset and financial statements, withdrawal liability policy/procedures, payment enrollment form

#### Section C - Plan data

Templates – Details in following slides



#### **Application Instructions**

#### **Section D – Plan statements**

- Identification of eligibility criteria satisfied, priority group (if applicable), reconciliation of fair market value of assets (FMVA) to SFA measurement date (if applicable)
- Detailed supporting rationale for all assumption changes
- Detailed narrative description of projected future employer contributions and withdrawal liability payments and reinstatement of benefits as applicable

#### **Section E – Checklist and certifications**

- SFA Checklist (Details in following slides)
- Certifications from plan's enrolled actuary: SFA amount; eligibility and priority group (if applicable)
- Plan sponsor certification: accuracy of assets used, including substantiating information

#### **Summary of Templates**

Templates	Description	Required?
SFA Checklist	List of items necessary for application, includes file naming convention	Yes
1	Form 5500 projected benefit payments for plan years 2018+ (if applicable)	Depends on participant count
2	Top 15 contributing employers and amounts (if applicable)	Depends on participant count
3	Historical contributions for past 10 plan years	Yes
4	SFA calculations – Use all proposed assumption changes	Yes
5	Baseline calculation – Same as Template 4 but uses specified assumptions	Depends on assumption changes
6	Reconciliation details between assumptions used in baseline and SFA calculations	Depends on assumption changes
7	Identification of projected assumption changes that differ from the most recent certification of plan status prepared before 1/1/2021 ("pre-2021 zone certification")	Depends on assumption changes
8	Projected employer contribution and withdrawal liability payments used in calculation of requested SFA amount (Template 4)	Yes



#### **SFA Checklist Template**

d	A	В	С	D	E	F	G	Н	I	J	K
		PBGC for Special Financial Assistance (SFA)									v20210708p
2 A		N CHECKLIST									
		Sample Plan									
4 E		99999999									
5 <b>P</b>	N:	001			Filers provide responses here for	each Checklist Item					
	FA Amount equested:	\$122,864,055					Explain all N/A responses. Provide comments where noted. Also add any other optional explanatory comments.				
7		Your application will be considered incomplete if No is entered as a Plan Response for any of Checklist Items #1 through #47.									
8	Checklist Item #		Response Options	Plan Respon	Name of File(s) Uploaded	Page Number Reference(	Plan Comments	Upload as Document Type	Requested File Naming (if applicable)	SFA Regulation Reference	SFA Filing Instructions Reference
<sub>9</sub> P	lan Informat	tion, Checklist, and Certifications									
13		Does the application include a fully completed Application Checklist, including the required information at the top of the Application Checklist (plan name, employer identification number (EIN), 3-digit plan number (PN), and SFA amount requested)?	Yes No	Yes	Checklist Sample Plan.xlsx	N/A	Uploaded single file	Special Financial Assistance Checklist	Checklist Pension Plan Name, where "Pension Plan Name" is an abbreviated version of the plan name.	§ 4262.6(a)	Section E, Item 1
14		Does the application include an SFA request cover letter (optional)? Enter N/A if no letter is provided.	Yes N/A	Yes	Special Finanacial Assistance Application Sample Plan.pdf	1		Financial Assistance Request Letter			Section D, Item 1
15	3.	Was the application signed and dated by an authorized trustee who is a current member of the board of trustees or another authorized representative of the plan sponsor?	Yes No	Yes	Special Finanacial Assistance Application Sample Plan.pdf	2		Financial Assistance Application		§ 4262.6(b)(1)	Section D
18		Does the application identify the eligibility criteria in § 4262.3 that qualifies the plan as eligible to receive SFA, and include the requested information for each item that is applicable, as described in Section D, Item 3 of the instructions?	Yes No	Yes	Special Finanacial Assistance Application Sample Plan.pdf	3	The plan became insolvent after December 16, 2014, and remained insolvent without terminating as of March 11, 2021	Financial Assistance Application		§ 4262.3 § 4262.7(b)	Section D, Item 3
43		Does the application include the actuarial valuation report for the 2018 plan year and each subsequent actuarial valuation report completed before the application filing date?	Yes No	Yes	2018AVR Sample Plan.pdf 2019AVR Sample Plan.pdf 2020AVR Sample Plan.pdf	N/A	3 reports in total, each one uploaded separately	the plan	YYYYA'R Pension Plan Name, where "YYYY" is plan year and "Pension Plan Name" is abbreviated version of the plan name	§ 4262.7(e)(5)	Section B, Item 2
54		Does the application include the plan's projection of expected benefit payments as reported in response to line 8b(1) on the Form 5500 Schedule MB for plan years 2018 through the last year the Form 5500 was filed before the application submission date? Enter N/A if the plan is not required to respond Yes to line 8b(1) on the Form 5500 Schedule MB. See Template 1.	Yes No N/A	Yes	Template 1 Sample Plan.xlsx	N/A	Uploaded single file	Financial assistance spreadsheet (template)	Template 1 Pension Plan Name, where "Pension Plan Name" is an abbreviated version of the plan name.	§ 4262.8(a)(1)	Section C, Item 1



#### **Template 4 – SFA Calculation**

#### **Four Worksheets in Template**

#### Template 4 Instructions

#### **4-1 SFA Interest Rate**

- Details of determination of interest rate used in SFA projection
  - Interest rate reflected in pre-2021 zone certification [section 4262.4(e)(1)(i) of IFR]
  - Rate specified in section 303(h)(2)(C)(iii) of ERISA "3rd segment rate" plus 200 basis points [section 4262.4(e)(1)(ii) of IFR]

#### **4-2 SFA Benefit Payments**

Projected benefit payments broken out by participant status (e.g., active, term vested, retiree)
and new entrants, including present value (PV) of each projected benefit stream

#### 4-3 SFA Details

- Deterministic cash flow projections through 2051
- PV of plan obligations and eligible plan resources



#### **Sample SFA Calculation**

A.	Plan Data & Assumptions	
(1)	Plan Year	January 1 – December 31
(2)	SFA Measurement Date	6/30/2021
(3)	Plan Assets at 6/30/2021	\$2,250,000
(4)	SFA Interest Rate	5.54%

SFA measurement date is the last day of the calendar quarter immediately preceding the date the plan's application was filed

B.	SFA-Eligible Plan Obligations	
(1)	PV Benefit Payments	\$227,289,761
(2)	PV Admin Expenses	\$9,211,310
(3)	PV of Make-Up Payments for Suspended	
	Benefits as of SFA Measurement Date (if	
	applicable)	\$11,278,517
(4)	Total Plan Obligations	\$247,779,588

Present Values and projected resources and obligations are shown in "4-3 SFA Details" of Template 4

C.	SFA-Eligible Plan Resources	
(1)	PV Contributions	\$122,008,853
(2)	PV Withdrawal Liability Payments	\$656,680
(3)	PV Other Income	\$0
(4)	Plan Assets	\$2,250,000
(5)	Total of Plan Resources	\$124,915,533



#### Template 4 – Sample SFA Details

#### 4-3 SFA Details for Sample Plan

					1	1	1			
					PRESENT V	ALUE as of the SFA Measur	rement Date of Projected A	Amounts for:		
		(1)	(2)	PV of (3)	PV of (4)	PV of (6)	PV of (7)	PV of (8)		
		Fair Market Value as of the SFA Measurement Date	SFA Amount as of the SFA Measurement Date	Contributions	Withdrawal Liability Payments	Benefit Payments (should match total from Sheet 4-2)	Benefit Payments Attributable to Reinstatement of Benefits Suspended through the SFA Measurement Date	Administrative Expenses (excluding amount owed PBGC under 4261 of ERISA)		
		\$2,250,000	\$122,864,055	\$122,008,853	\$656,680	(\$227,289,761)	(\$11,278,517)	(\$9,211,310)		
			Show	payments INTO the p	olan as positive, and paymen	ts OUT of the plan as negative	e, so that the sum of (1) thre	ough (9) equals (10).		
		(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)
		Fair Market Value of					Benefit Payments Attributable to Reinstatement of Benefits	Administrative Expenses (excluding amount owed	Investment Income	Fair Market Value of
Plan Year Start Date	Plan Year End Date	Assets at Beginning of Plan Year	SFA Amount as of the SFA Measurement Date	Contributions	Withdrawal Liability Payments	Benefit Payments (should match total from Sheet 4-2)	Suspended through the SFA Measurement Date	PBGC under 4261 of ERISA)	Based on SFA Interest Rate	Assets at End of Plan Year
07/01/2021	12/31/2021	\$2,250,000	\$122,864,055	\$4,077,000	\$53,000	(\$6,285,544)	(\$11,278,517)	(\$243,000)	\$3,078,190	\$114,515,184
01/01/2022	12/31/2022	\$114,515,184		\$8,154,000	\$80,000	(\$12,927,207)	(,,)	(\$495,720)	\$6,202,345	\$115,528,602
	10/21/2022	\$115,528,602		\$8,154,000	\$80,000	(\$13,260,789)		(\$505,634)	\$6,249,102	\$116,245,281
01/01/2023	12/31/2023	\$115,528,002		Ψ0,154,000						
01/01/2023 01/01/2024	12/31/2023	\$115,528,602		\$8,154,000	\$64,000	(\$13,599,065)		(\$515,747)	\$6,278,849	\$116,627,318
						(\$13,599,065) (\$13,958,447)		(\$515,747) (\$526,062)	\$6,278,849 \$6,289,583	\$116,627,318 \$116,638,392

For this example, there are no entries for column 5, "Other Payments to the Plan".



#### Templates 5, 6, and 7

## Identification and supporting rationale for changed assumptions

- Identify assumption changes
- Quantify assumption changes, as applicable
- Summarize rationale for changes, as applicable



#### **Template 5 Baseline**

#### Same Information and Structure as Template 4

- Instructions, projected benefit payments, PV of projection of plan obligations and resources
- Use "Baseline" assumptions

#### **Baseline Assumptions**

- Pre-2021 zone certification assumptions except:
  - If plan proposed changed assumptions that are acceptable (see Section III of Assumptions Guidance), use the proposed acceptable assumptions
  - If plan's proposed CBU assumption or administrative expenses assumption is not an "acceptable" extension, then use the acceptable extension in Template

Template 5 not required if SFA amount is determined using Baseline assumptions.



#### **Template 5 Sample Plan Baseline**

Assumption	Pre – 2021 Zone Certification	SFA Calculation (Template 4)	Baseline (Template 5)
Mortality	RP-2014, projection scale AA	Pri-2012 Blue Collar with recent projection scale	Pri-2012 Blue Collar with recent projection scale
CBU	3% decline per year	Used Acceptable change in Section III of Assumptions Guidance	Used Acceptable change in Section III of Assumptions Guidance
Administrative Expense	Level (0% assumed increase)	2% increase per year	See Acceptable change in Section III of Assumptions Guidance
Retirement Rates	2019 AVR Rates	Changed rates	2019 AVR Rates
All Other	2019 AVR	Same as 2019 AVR	Same as 2019 AVR



#### **Template 6 Reconciliation**

#### Instructions

#### 6-1 Reconciliation

- Summary of changes in assumptions from baseline (Template 5) to SFA calculation (Template 4)
- Total SFA amount and change in amount with each incremental change in assumption
- 6-2 Reconciliation Details
- For each incremental change in assumption provide cash flow projections and PV of obligations and resources
- Same structure as Templates 4 and 5

Template 6 not required if SFA amount is determined using baseline assumptions.



#### **Template 6 Sample Plan Reconciliation**

Item Number	Basis for Assumptions/Method Change	Change in SFA Amount	SFA Amount Shown in Reconciliation Tabs	Comments
1	Baseline	N/A	\$116,379,001	Same as Template 5
2	Retirement Rates Assumption Change	\$4,545,795	\$120,924,796	See "6-2 Reconciliation Details"
3	Increase in administrative expense assumption from 0% to 2%	\$1,939,259	\$122,864,055	Same as Template 4



#### **Template 7 Assumption Changes**

#### Template 7a – Assumption details on eligibility

- List assumptions that differ from those used in the pre-2021 zone certification:
  - Must include brief explanation as to why the original assumption is no longer reasonable
  - Must include brief explanation why the changed assumptions are reasonable
  - Full documentation of the rationale for the changes is provided in Section D, Item 6(a) of the instructions

#### Template 7a is not required if:

- Plan is eligible based on pre-2021 zone certification
- Plan had an approved MPRA suspension on or before 3/11/2021
- Plan is insolvent on or after 12/16/2014 and not terminated
- Plan is eligible based on certification of plan status completed after 12/31/2020 but reflects the same assumptions as the pre-2021 zone certification



#### **Template 7 Assumption Changes**

#### Template 7b – Assumption details on SFA amount

- List assumptions that differ from those used in the pre-2021 zone certification
  - Must include brief explanation as to why the original assumption is no longer reasonable
  - Must include brief explanation why the changed assumptions are reasonable
  - Full documentation of the rationale for the changes is provided in Section D, Item 6(b) of the instructions
  - Include an indicator as to whether the changed assumption falls under Section III, Acceptable Assumption Changes in the Assumptions Guidance
- Template 7b is generally required



#### **Template 8 Contribution Details**

#### Template 8 – Contribution and withdrawal liability payment details

- Provide details of projected contributions
  - Total CBUs assumed
  - Average contribution rate
  - Reciprocity contributions, if applicable
  - Additional rehabilitation plan contributions, if applicable
  - Other contributions, if applicable
- Provide details of projected withdrawal liability payments (if applicable)
  - Payments being made from employers who withdrew before the SFA measurement date
  - Withdrawal liability payments for future assumed withdrawals
- Projected number of active participants at beginning of plan year
  - Including new entrants



## Communications Post-Submission

# PBGC

#### **Application Process Communications**

PBGC's Initial Confirmation of Receipt

Within two weeks

PBGC's Clarifying Questions

Pending approval

Plan Notification to PBGC that Application No Longer Accurate

If necessary

PBGC Approval or Denial Determination

By day 120

Communications After SFA Funds
Transfer

 Infrequent, as needed, Plan Statement of Compliance to PBGC thereafter



#### **Payment of SFA**

- Payments will be made usually within 60 days of approval.
- Automated Clearing House (ACH) Vendor/Miscellaneous Payment Enrollment
  Form is required to be submitted for a complete application. This form is used to
  enable the plan to receive electronic transfer of funds.
- PBGC will use the ACH system for amounts up to \$100 million and the Fedwire system for amounts over \$100 million. If the plan is requesting SFA in an amount that is over \$100 million, the filer should confirm the bank's routing number for a Fedwire transfer and any other information necessary for the transfer.
- If a plan closes the bank account that it listed on this form before PBGC transfers the SFA, the plan must notify PBGC immediately and submit an updated form.



### Treasury Guidance: Reinstatements / Make-Up Payments

#### **MPRA SFA Recipients**

## § 4262.15 provides that a plan with benefits that were suspended under MPRA or because of insolvency after December 2014 without terminating must:

- In accordance with IRS guidance
  - Reinstate any benefits that were suspended
  - Provide make-up payments of previously suspended benefits, and
- Issue a notice of reinstatement
  - The requirements for this notice are in the instructions for SFA submissions
  - Details will be covered at a later webinar



#### **IRS Guidance**

### IRS Notice 2021-38 provides the details for the reinstatement requirement. It also covers:

- The individual income tax treatment of make-up payments
- PBGC will take care of submitting an application to treasury
- How a plan that receives SFA must treat the plan's SFA for purposes of the minimum funding requirements for multiemployer defined benefit plans (Details will be covered at a later webinar)



#### **Reinstatement of Suspended Benefits**

- Plans receiving SFA must be amended to reinstate previously suspended benefits, to be effective no later than the month in which SFA is paid
- Reinstatement applies to individuals who are participants or beneficiaries as of the month SFA is paid
- For insolvent plans
  - Amendment requirement applies even if plan suspended benefits without adopting a plan amendment
  - The reinstatement applies through the end of the plan year in which the effective date of the SFA occurs
    - In subsequent plan years, the plan must apply Code § 418E by taking into account all plan assets, including the SFA



#### **Additional Considerations for MPRA Suspensions**

- MPRA plans must reinstate all benefits suspended under the MPRA amendment, regardless of whether those benefits could have been reduced or eliminated in the absence of the MPRA suspension
- MPRA plan sponsors can choose to reinstate benefits for participants in pay status before receiving SFA
  - Under 26 CFR § 1.432(e)(9)-1(e)(3) a plan sponsor can amend the plan and increase plan liabilities by eliminating some or all of the suspension that applies to participants and beneficiaries in pay status as of the time of the amendment, subject to an equitability test
    - If reinstatement is across the board for participants and beneficiaries in pay status, it will satisfy the equitability test
    - A reinstatement under that provision is specifically carved out of the limitations on benefit improvements prior to submission for SFA

#### Make-up Payments for Previously Suspended Benefits

- Plans must be amended to provide make-up payments to individuals who are participants or beneficiaries on (and who have commenced benefits by) the date SFA is paid
- Make-up payments are equal to the total amount of benefits that were not paid to an individual due to the suspension, with no actuarial adjustments for interest
  - Participant make-up payments = total amount of benefits not paid to the participant.
  - Beneficiary make-up payments = total amount of benefits that would have been paid to the beneficiary but for the suspension



#### Form and Timing of Make-Up Payments

- Statute permits make-up payments in the form of either a lump sum or equal monthly installments for 5-years
- Plan sponsor determines form of payment
- Timing:
  - Lump sum—payment must be made within 3 months of the date the SFA is paid
  - Installment payments—payments must commence within 3 months of the date the SFA is paid
- Additional rules for installment payments
  - Make-up payments paid as installments are not adjusted for interest
  - Make-up payments paid as installments will continue to be paid even if the individual dies before the end of the 5-year period



#### Rollover Eligibility of Make-Up Payments

- Make-up payments that are <u>not</u> eligible rollover distributions:
  - Installment payments
  - Lump sum payments that are less than or equal to the greater of:
    - (1) 10 percent of the annual rate of payment for the annuity, or
    - (2) \$750
- Make-up payments that <u>are</u> eligible rollover distributions:
  - Lump sum payments that exceed the greater of:
    - (1) 10 percent of the annual rate of payment for the annuity, or
    - (2) \$750
  - For these payments, the rollover rules (e.g., direct rollover election/section 402(f) notice/mandatory withholding if not directly rolled over) apply



Webpage: <a href="PBGC.gov/arp-sfa">PBGC.gov/arp-sfa</a>

For SFA Practitioner Related Questions: Email <a href="mailto:multiemployerprogram@pbgc.gov">multiemployerprogram@pbgc.gov</a>

For Comments to the Interim Final Rule:

Email: reg.comments@pbgc.gov or regulations.gov

Mail or Hand Delivery:

Regulatory Affairs Division

Office of the General Counsel – PBGC

1200 K Street NW

Washington, DC 20005-4026

For Media Inquires:

Email PBGCExternalAffairs@PBGC.gov

or call 202-229-4343

## Thank you!

