

The American Rescue Plan (ARP)

Special Financial Assistance (SFA) Program FAQs

1. What is a multiemployer plan?

A multiemployer plan is a pension plan created through an agreement between two or more unrelated employers and one or more unions. The employers are usually in the same or related industries. For example, multiemployer plans provide benefits for workers in industries such as transportation, construction, and hospitality.

2. How do I know if I am in a multiemployer pension plan?

Contact your plan administrator. You may also refer to your plan's [Annual Funding Notice](#) or summary plan description.

3. How do I know if my multiemployer pension plan is insured by PBGC?

Download a [List of Current Multiemployer Pension Plans](#) insured by PBGC.

4. How does the new law affect financially troubled multiemployer pension plans?

The Special Financial Assistance (SFA) Program addresses the immediate crisis facing more than 200 severely underfunded multiemployer plans and enhances retirement security for millions of Americans by providing eligible multiemployer defined benefit pension plans with special financial assistance to enable them to pay benefits at plan levels. PBGC estimates that it will pay approximately \$94 billion in special financial assistance to over 200 financially troubled plans that cover more than 3 million participants and beneficiaries. The special financial assistance includes the provision of funds to reinstate previously suspended monthly benefits going forward, and for make-up payments to restore previously suspended benefits of participants and beneficiaries.

A multiemployer plan is eligible for special financial assistance if it satisfies one of the following criteria:

1. The plan is in critical and declining status in any plan year beginning in 2020 through 2022;
2. A suspension of benefits has been approved for the plan under the [Multiemployer Pension Reform Act of 2014](#) (MPRA) as of March 11, 2021;
3. In a plan year beginning in 2020 through 2022, the plan is in critical status, has a "modified funding percentage" (as defined by the law) of less than 40 percent, and has a ratio of active to inactive participants of less than two to three (the requirements do not have to be met for the same plan year); or
4. The plan became insolvent after December 16, 2014, and has remained insolvent and has not been terminated as of March 11, 2021.

Please contact your plan administrator for additional information. You may also refer to your plan's Annual Funding Notice to see if your plan was in critical status or critical and declining status for the prior plan year.

5. How do I know if my multiemployer pension benefit will be affected by ARP?

A multiemployer plan is eligible to apply for special financial assistance under ARP if it meets one of the [four criteria](#). You may contact your plan administrator for more information about your plan's eligibility and application process.

6. If my plan does not qualify for special financial assistance now, can it become eligible in the future?

Yes. A plan that is in critical and declining status or critical status may become eligible for special financial assistance in the future if it meets special financial assistance eligibility requirements under the [criteria](#). Applications for SFA must be filed by 12/31/2025 (or by 12/31/2026 for revised applications).

7. Will a plan that has a pending application for Multiemployer Pension Reform Act of 2014 (MPRA) suspensions be eligible to apply for special financial assistance?

Yes. Any plan that is eligible under the [criteria](#) may apply for special financial assistance. If a plan receives special financial assistance, it will not be eligible for a new suspension of benefits under MPRA.

8. What is PBGC's interim final rule, and how does it affect my plan?

[Interim Final Rule](#) is a regulation that implements the Special Financial Assistance (SFA) Program enacted as part of ARP. The regulation describes the information that a plan is required to provide in its application.

The regulation also identifies which plans will be given priority to file applications in the next two years and provides for an application process that will accommodate the filing and review of many applications in a limited amount of time.

- The regulation also establishes restrictions and permissible plan investments for SFA funds and conditions on plans that receive SFA.

9. Will the public have an opportunity to comment on the interim final rule?

Yes. The rule includes a 30-day comment period. Comments may be submitted by any of the following methods:

- Federal eRulemaking Portal: [Regulations.gov](https://www.regulations.gov). Follow the online instructions for submitting comments.
- Email: mreq.comments@pbgc.gov.
- Mail or Hand Delivery: Regulatory Affairs Division, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW, Washington, DC 20005–4026.

All submissions must include the agency's name (Pension Benefit Guaranty Corporation or PBGC) and title for this rulemaking (Special Financial Assistance by PBGC) and the Regulation Identifier Number for this rulemaking (RIN 1212-AB53). Comments received will be posted without change to PBGC's website, www.pbgc.gov, including any personal information provided. Do not submit comments that include any personally identifiable information or confidential business information.

Commenters are strongly encouraged to submit public comments electronically. PBGC expects to have limited personnel available to process public comments that are submitted on paper through mail. Until further notice, any comments submitted on paper will be considered to the extent practicable.

10. How much special financial assistance can my plan receive?

The amount of financial assistance provided to an eligible plan is the amount required for the plan to pay all benefits due through the last day of the plan year that ends in 2051, with no reduction in a participant's or beneficiary's accrued benefit as of March 11, 2021. If your plan has previously suspended or reduced your benefits, your plan will also receive the amount required to reinstate your suspended benefits and to provide make-up payments equal to the amount of your previously suspended benefits.

11. What happens to my benefit if my plan receives special financial assistance?

It depends on your plan's situation and your situation. Your plan administrator can provide information specific to your situation.

- If your plan is solvent, has not reduced benefits under a MPRA suspension of benefits, and remains solvent, your benefit will not be affected:
 - If you are already retired and receiving a pension, you will continue to receive the same amount.
 - If you have not yet started to receive your pension benefit, when you do, you will receive the full amount you earned under the terms of the plan.
- If your benefits were reduced because of a MPRA benefit suspension:
 - Your full (pre-suspension) benefit will be reinstated for future benefit payments, and
 - If you are already retired and receiving benefits on the date special financial assistance is paid to the plan, you will also receive make-up payments (either a single lump-sum payment or equal monthly installment payments over 5 years as determined by your plan) to make up for any past reduction in your monthly benefits.
- If your plan became insolvent after December 16, 2014, and, as a result, your benefit was reduced to the amount guaranteed by PBGC:
 - Your full (pre-insolvency) benefit will be reinstated for future benefit payments, and
 - If you are already retired and receiving benefits on the date special financial assistance is paid to the plan, you will also receive make-up payments either a single lump-sum payment or equal monthly installment payments over 5 years (as determined by your plan) to make up for any past reduction in your monthly benefits.

12. My benefits were cut to PBGC-guarantee levels because my plan became insolvent before December 16, 2014. Will my benefits be reinstated?

No. Under the law, plans that became insolvent on or before December 16, 2014, are not eligible to apply for special financial assistance.

13. If my benefits were suspended, when will they be reinstated?

If your plan previously suspended benefits and receives special financial assistance, your plan is required to reinstate suspended monthly benefits going forward and to provide make-up payments to repay your previously suspended benefits. Your plan will determine the form that your make-up payments (to repay previously suspended benefits must) will be paid, as either a single lump sum or in monthly installments over five years. A lump sum make-up payment must be within 3 months after special financial assistance is paid to the plan. Monthly installment payments must begin to be paid within 3 months after special financial assistance is paid to the plan. equal

14. I am a participant in a plan that is eligible to receive special financial assistance. Do I need to contact PBGC?

No. Individual participants do not need to contact PBGC or take other action. Individual plan participants should contact their plan administrator with questions about their plan or their benefits.

15. When will my plan be able to apply to PBGC for special financial assistance?

ARP authorizes PBGC to prioritize the special financial assistance applications of plans in specified groups, and the interim final rule identifies the priority order in which plans are able to apply. This rule was put in place to help get special financial assistance to the most impacted plans and participants first. For example, the highest priority is given to applications of eligible plans that are already insolvent or projected to become insolvent by March 11, 2022. The next priority group is plans that implemented benefit suspensions under MPRA and plans that are projected to become insolvent within one year of the date an application for SFA is filed. All eligible plans will have the opportunity to apply, and will receive special financial assistance in the amount required by the plan to pay all benefits due through the end of the plan year ending 2051.

16. How will PBGC respond to plan applications?

PBGC has 120 days to conduct its review of a plan's application. If PBGC approves the application, PBGC will notify the plan and pay the special financial assistance amount to the plan as soon as practicable, usually within 60 days.

If PBGC denies an application, PBGC will notify the plan in writing of the reasons for the denial. Plans are permitted to revise an application by submitting only the information needed to address the reasons for the denial.
