PBGC at a Glance (2018)

- **PBGC protects the pension benefits** of nearly 40 million workers and retirees in nearly 24,000 private-sector defined benefit plans.
- **PBGC is a federal government corporation** and is not funded by general tax revenues.
  - PBGC’s Director is appointed by the President and confirmed by the Senate. Our Board of Directors consists of the Secretaries of Labor (Chair), Commerce and Treasury.
- **PBGC’s two insurance programs** insure these pension plans:
  1. **Single-employer** - Generally a pension plan sponsored by one company or a group of companies under common ownership. The plan may or may not be collectively bargained.
     - Single-employer operations are financed by (i) premiums from employers that sponsor insured pension plans, (ii) assets of terminated plans that PBGC takes over, and (iii) investment income.
  2. **Multiemployer** - A multiemployer plan is a pension plan created through an agreement between employers and a union. The employers are usually in the same or related industries. Management and labor representatives jointly govern the plan.
     - Multiemployer operations are financed by (i) premiums paid by insured pension plans, and (ii) investment income.

The two programs are financially separate; funds of one program cannot be used for the other.

- **PBGC’s two programs paid retirement benefits** to over 900,000 retirees in more than 4,900 single-employer and multiemployer plans in FY 2017.
  - Payments and financial assistance totaled over $5.8 billion.
  - Almost 600,000 more workers will receive benefits when they retire.

PBGC’s Two Pension Insurance Programs

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<th>Single-Employer Program</th>
<th>Multiemployer Program</th>
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<td><strong>PBGC Protects</strong></td>
<td>Over 27 million workers and retirees in over 22,000 plans</td>
<td>Over 10 million workers and retirees in about 1,400 plans</td>
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| **Financial Position at end of FY 2017** | **Deficit of $11 billion:**  
  - Assets: $106 billion 
  - Liabilities: $117 billion | **Deficit of $65 billion:**  
  - Assets: $2.3 billion 
  - Liabilities: $67 billion |
| **Maximum Guaranteed Benefit (set by law)** | The guarantee is adjusted yearly.  
For 2018, the maximum guarantee is ≈ $5,420 per month, or ≈ $65,045 per year. (This assumes PBGC payments start at age 65; other legal limits can affect benefit amounts.) | The guarantees are lower and are not adjusted yearly.  
For someone with 30 years of service, the maximum guarantee is $12,870 per year. |
| **How Benefits are Paid** | PBGC takes over the terminated plan and pays benefits directly to the retirees. | PBGC loans financial assistance to plans to cover pension benefits and reasonable administrative expenses when the plan runs out of money (“insolvent”). |
| **Premium Rates for 2018 (set by law)** | **Flat-rate premium:**  
  - $74 per worker or retiree | **Flat-rate premium:**  
  - $28 per worker or retiree |
| Some of these rates are subject to indexing; after 2019 all of them will be subject to indexing. (The Bipartisan Budget Act of 2015 provided for increases to the single-employer flat-rate premium and variable-rate premium for 2017-2019.) | Variable-rate premium (VRP):  
  - $38 for each $1,000 of unfunded vested benefits  
  - The VRP is subject to a cap that is $523 per participant for 2018. |

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1 See also Multiemployer Pension Reform Act of 2014 FAQs for more information.