

## MULTIEMPLOYER PROGRAM DIVISION

### INSTRUCTIONS FOR FILING REQUIREMENTS FOR MULTIEMPLOYER PLANS APPLYING FOR SPECIAL FINANCIAL ASSISTANCE

#### General Information

These instructions are guidance setting forth the requirements for a multiemployer plan filing an application for special financial assistance (SFA) with PBGC. This guidance refers to section 4262 of the Employee Retirement Income Security Act of 1974 (ERISA) and PBGC's SFA regulation (29 CFR part 4262).

[Section 9704](#) of the American Rescue Plan (ARP) Act of 2021 (P.L. 117-2) added section 4262 to ERISA, which authorizes PBGC to provide SFA to eligible multiemployer plans. Certain multiemployer plans are eligible to apply for SFA if they are in critical and declining or critical status; were approved to suspend benefits under the Multiemployer Pension Reform Act of 2014; or became insolvent after December 16, 2014, and have not terminated.

On July 9, 2021, PBGC issued an interim final rule to add a new part 4262 to its regulations and provide regulatory guidance to multiemployer plans on the requirements for SFA applications and related restrictions and conditions. These instructions, along with the corresponding templates and [SFA assumptions guidance](#), provide additional guidance to multiemployer plans on how to prepare and file the required SFA application information. Addendum A provides instructions on the supplemental information required for a plan that engaged in certain events between July 9, 2021 and its SFA measurement date (defined in [Section C, Item 4\(b\)](#)). Addendum B provides instructions for the notice of reinstatement required to be issued by a plan sponsor of a plan that suspended benefits.

If you have any questions, send an email to the general Multiemployer Program Division mailbox at [multiemployerprogram@pbgc.gov](mailto:multiemployerprogram@pbgc.gov), and include as the subject "Special Financial Assistance Question from (Plan Name)."

#### Filing an Application for Special Financial Assistance

##### Where to file an application

Applications must be submitted to PBGC electronically through PBGC's [e-Filing Portal](#), (<https://efilingportal.pbgc.gov/site/>). After logging into the e-Filing Portal, go to the Multiemployer Events section and click "Create New ME Filing." Under "Select a filing type", select "Application for Financial Assistance – Special."

Note: Under section 432(k)(1)(D) of the Internal Revenue Code (Code), in the case of a plan applying for priority consideration, the plan's application must also be submitted to the U.S.

Department of the Treasury (Treasury Department). If that requirement applies to an application, PBGC will transmit the application to the Treasury Department on behalf of the plan. See guidance issued by the Treasury Department and Internal Revenue Service (IRS) (Notice 2021-38) for further information.

### **When to file an application**

Under § 4262.10(d) of PBGC's SFA regulation, initial applications must be filed no later than December 31, 2025, and revised applications must be filed no later than December 31, 2026. Plans in priority groups will be given the opportunity to file before March 11, 2023. See PBGC's website, [www.pbgc.gov](http://www.pbgc.gov), for updated information on when plans in various priority groups and plans not in priority groups may apply. Note: If you go to the e-Filing Portal and do not see "Application for Financial Assistance – Special" under the "Select a Filing Type," then the e-Filing Portal is currently closed and PBGC is not accepting applications at the time, unless the plan is eligible to make an emergency filing under § 4262.10(f). PBGC's website, [www.pbgc.gov](http://www.pbgc.gov), will be updated when the e-Filing Portal reopens for applications. PBGC maintains information on its website at [www.pbgc.gov](http://www.pbgc.gov) to inform prospective applicants about the current status of the e-Filing portal, as well as to provide advance notice of when PBGC expects to open or temporarily close the e-Filing Portal.

In the event the e-Filing Portal is closed, the emergency filing process allows PBGC to accept priority applications from a plan that is insolvent or expected to become insolvent under section 4245(a) of ERISA within 1 year of filing an SFA application or from a plan that has implemented a suspension of benefits under section 305(e)(9) of ERISA as of March 11, 2021. Beginning with PBGC's acceptance of "priority group 2" filings, PBGC will accept emergency filings from these plans during periods when PBGC would not otherwise accept such applications. Before submitting an application under the emergency filing process, a filer must send an email to the general Multiemployer Program Division mailbox at [multiemployerprogram@pbgc.gov](mailto:multiemployerprogram@pbgc.gov), and include as the subject "Emergency Filing, Special Financial Assistance Application of (Plan Name)." In the email, the filer must substantiate the claim of emergency status by stating that the plan is either in priority group 1 or priority group 2. See § 4262.10(f). Also in the email, the filer must provide a contact person's name, email address, and phone number. The contact person will receive further instructions from PBGC as to how to submit the plan's emergency application.

### **Information required for an application**

The SFA application has five sections (Section A through Section E), which are described below.

Section A – Plan identifying information. This section requires the filer to input basic identifying plan information into the e-Filing Portal.

Sections B through E. The filer must upload all required application files to the Documents page of the e-Filing Portal and identify each document type from the dropdown list. The Application for Approval of Special Financial Assistance Checklist ("[SFA Application Checklist](#)") identifies the specific document type for each item.

Section B – Plan documents. This section requires information that generally is readily available

to the plan sponsor, such as plan documents and actuarial valuation reports. It also requires an enrollment form for the transfer of funds.

Section C – Plan data. This section requires information that the filer must provide in an Excel compatible worksheet. Links to the format and templates that may be used can be found throughout these instructions.

Section D – Plan statements. This section requires information that the filer must provide in a single, written document. On the [SFA Application Checklist](#) (Section E), the filer must identify the page numbers of this written document that are responsive to each required item.

Section E – Checklist and certifications. This section requires the filer to complete the [SFA Application Checklist](#) and identifies the various required certifications.

Note: If required information was already filed: (1) through PBGC's e-Filing Portal; or (2) through any means for an insolvent plan, a plan that has received a partition, or a plan that submitted an emergency filing, the filer may either upload the information with the SFA application or include a statement on the [SFA Application Checklist](#) that indicates the date on which and the submission with which the required information was previously filed.

If, while the application is pending, the plan sponsor becomes aware of information that is no longer accurate or that has been omitted from the application, it must notify PBGC. See § 4262.6(d) of PBGC's SFA regulation.

**SECTION A – Plan identifying information.** The filer inputs the following information into the e-Filing Portal.

- (1) Plan name.
- (2) Employer identification number (EIN).
- (3) Plan number (PN).
- (4) Notice filer name. Name of the individual authorized to file the SFA application.
- (5) Role of filer. Relation of the individual filing the SFA application to the plan.
- (6) Total amount requested. Amount of total SFA requested. This figure should match the amount reported in [Section C, Item 4](#).

**SECTION B – Plan documents.** The filer uploads the following documents to the e-Filing Portal.

- (1) Plan documentation.
  - a. Most recent plan document or restatement of the plan document and all amendments adopted since the last restatement (if any).

- b. Most recent trust agreement or restatement of the trust agreement and all amendments adopted since the last restatement (if any).
  - c. A copy of the executed plan amendment required by § 4262.6(e)(1) of PBGC’s SFA regulation.
  - d. In the case of a plan that suspended benefits under section 305(e)(9) or section 4245(a) of ERISA, a copy of the proposed plan amendment required by § 4262.6(e)(2) of PBGC’s SFA regulation.
  - e. In the case of plan partitioned under section 4233 of ERISA, a statement that the plan was partitioned under section 4233 of ERISA and a copy of the amendment required by § 4262.9(c)(2).
  - f. Most recent IRS determination letter.
- (2) Actuarial valuation reports. Actuarial valuation report for the 2018 plan year and each subsequent actuarial valuation report completed before the application filing date. The required file naming convention for each document is as follows. The first 7 characters should be YYYYAVR (YYYY is the 4-digit plan year), followed by “Pension Plan Name,” which is an abbreviated version of the plan name (e.g., 2020AVR ABC Pension Fund.pdf). The abbreviated version of the plan name should be used consistently.
- (3) Rehabilitation plan or funding improvement plan. Most recent rehabilitation plan or, if applicable, funding improvement plan, including all subsequent amendments and updates, and the percentage of total contributions received under each schedule of the rehabilitation plan or funding improvement plan for the most recent plan year available. If the most recent rehabilitation plan does not include historical documentation of rehabilitation plan changes (if any) that occurred in calendar year 2020 and later, provide these details in a supplemental document.
- (4) Form 5500. Most recent Form 5500 and all schedules and attachments, including the audited financial statements. The required file naming convention is as follows. The first 12 characters should be YYYYForm5500 (YYYY is the 4-digit plan year), followed by “Pension Plan Name” (e.g., 2019Form5500 ABC Pension Fund.pdf).
- (5) Zone certifications. Plan actuary’s certification of plan status for the 2018 plan year and each subsequent annual certification completed before the application filing date, with documentation supporting each actuarial certification of plan status. The documentation supporting each actuarial certification must clearly identify all assumptions used, including the interest rate used for funding standard account purposes; such identification may be provided in an addendum or by reference to other submitted materials such as an actuarial valuation report.
- The required file naming convention for each document is as follows. The first 8 characters should be YYYYZone (YYYY is the 4-digit plan year), and the next 8 characters should be the date the certification was prepared, in the format of YYYYMMDD, followed by “Pension Plan Name.” For example, a certification of plan status for the 2020 plan year prepared on March 20, 2020, should be named 2020Zone20200320 ABC Pension Fund.pdf.

Documentation supporting a certification of critical and declining status must include a plan-year-by-plan-year projection demonstrating the plan year that the plan is projected to become insolvent. Provide the required plan-year-by-plan-year projection for each certification separately and identify the fair market value of plan assets as of the beginning and end of each plan year within the relevant period described in section 305(b)(6) of ERISA. Also, identify the following cash-flow items for each of those years:

- a. Contributions.
  - b. Withdrawal liability payments, separately identifying those payments that are attributable to prior withdrawals and those payments that are attributable to assumed future withdrawals.
  - c. Benefit payments, separately identifying payments with respect to current retirees and beneficiaries, terminated vested participants not currently receiving benefits, currently active participants, and new entrants.
  - d. Administrative expenses.
  - e. Amount of net investment returns.
  - f. Investment return assumption.
- (6) Account statements. Most recent statement for each of the plan’s cash and investment accounts.
- (7) Plan’s financial statements. The most recent plan financial statements (audited, or unaudited if audited is not available).
- (8) Withdrawal liability documentation. All written policies and procedures governing the plan’s determination, assessment, collection, settlement, and payment of withdrawal liability.
- (9) [Automated Clearing House \(ACH\) Vendor/Miscellaneous Payment Enrollment Form](#). This form is used to enable the plan to receive electronic transfer of funds, if the SFA application is approved. When transferring 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, then 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, then the plan must notify PBGC immediately and submit an updated form.

**SECTION C – Plan data.** The filer completes and uploads an Excel compatible worksheet to the e-Filing Portal for each item below and may use the templates specified below.

- (1) Form 5500 projection. [Template 1](#): For the 2018 plan year until the most recent plan year for which the Form 5500 is required to be filed, the projection of expected benefit payments as required to be attached to the Form 5500 Schedule MB if the response to line 8b(1) of the Form 5500 Schedule MB is “Yes.”

- (2) Contributing employers. [Template 2](#): If the plan has 10,000 or more participants, as required to be entered on line 6f of the plan’s most recently filed Form 5500, a listing of the 15 largest contributing employers (the employers with the largest contribution amounts) and the amounts of contributions paid by each employer during the most recently completed plan year. For example, if a calendar year plan filed an application on April 1, 2023, the plan would look to line 6f of the 2021 Form 5500 filed in 2022. If line 6f of the 2021 Form 5500 showed 10,000 or more participants, the plan must list the 15 contributing employers with the largest contributions and the amounts of the contributions made by each of those employers during 2022, without regard to whether a contribution was made on account of a year other than 2022. If the plan is required to provide this information, it is required for the 15 largest contributing employers even if the employer’s contribution is less than 5% of total contributions.
- (3) Historical plan information. [Template 3](#): Historical plan information for each of the most recent 10 plan years immediately preceding the application filing date that separately identifies: total contributions, total contribution base units (including identification of the unit used (i.e., hourly, weekly)), average contribution rates, and number of active participants at the beginning of each plan year. Also, show separately for each of the most recent 10 plan years immediately preceding the application filing date all other sources of non-investment income, including, if applicable, withdrawal liability payments collected, reciprocity contributions (if applicable), additional contributions pursuant to the rehabilitation plan (if applicable), and other identifiable contribution streams.
- (4) SFA determination. [Template 4](#): Information used to determine the amount of requested SFA for the plan based on a deterministic projection and using the actuarial assumptions as described in § 4262.4 of PBGC’s SFA regulation. The information to be provided is:
- a. Interest rate used, including supporting details on how it was determined. If such interest rate is the limit described in section 4262(e)(3) of ERISA, identify the month selected by the plan to determine the third segment rate used to calculate the limit.
  - b. Fair market value of assets on the last day of the calendar quarter immediately preceding the date the application is filed (the “SFA measurement date”).
  - c. For each plan year in the period beginning on the SFA measurement date and ending on the last day of the last plan year ending in 2051 (the “SFA coverage period”):
    - i. Separately identify the projected amount of contributions, projected withdrawal liability payments, and other payments expected to be made to the plan (excluding the amount of financial assistance under section 4261 of ERISA and SFA to be received by the plan).
    - ii. Separately identify benefit payments described in § 4262.4(b)(1) (excluding the payments in [Item 4\(c\)\(iii\)](#) below) for current retirees and beneficiaries, terminated vested participants not currently receiving benefits, currently active participants, and new entrants.
    - iii. Separately identify benefit payments described in § 4262.4(b)(1) attributable to the reinstatement of benefits under § 4262.15 that were

previously suspended through the SFA measurement date.

The following example provides additional information about how to determine the amounts to be provided in [Section C, Item 4\(c\)\(ii\)](#) and [\(c\)\(iii\)](#) of this paragraph for reinstatement of benefits previously suspended under sections 305(e)(9) or 4245(a) of ERISA.

**Example** – Joe is a retiree who was receiving a monthly benefit of \$2,000 per month payable as a straight life annuity on the first of each month until a benefit suspension took effect on 1/1/2019. Starting on 1/1/2019, his benefit was reduced to \$1,000 per month. The SFA measurement date is 12/31/2021, which means that, as of the SFA measurement date, 36 months of benefit payments have been suspended (from 1/1/2019 through 12/31/2021).

The plan decides to restore benefits at the latest possible date, so the monthly benefit paid to Joe will not increase to the original \$2,000 per month until the first of the month in which the SFA is paid to the plan (see § 4262.15(a)(1)). Also, the “make-up” payment will cover the period from 1/1/2019 through the month preceding the month in which the SFA is paid.

However, for purposes of determining the SFA amount under § 4262.4, calculations are performed as of the SFA measurement date as shown below:

**Scenario A – Plan elects to pay the make-up payment as a single lump sum**

Step 1 – The projected benefits to be provided in [Section C, Item 4\(c\)\(ii\)](#) will reflect \$2,000 per month payable to Joe starting on 1/1/2022 for the remainder of this life.

Step 2 – The benefit payment to be provided in [Section C, Item 4\(c\)\(iii\)](#) will be \$36,000, the make-up payment assumed to be paid as of the SFA measurement date of 12/31/2021.

**Scenario B – Plan elects to pay the make-up payment in equal monthly installments over 5 years**

Step 1 – The projected benefits provided in [Section C, Item 4\(c\)\(ii\)](#) will reflect \$2,000 per month payable to Joe starting on 1/1/2022 for the remainder of this life.

Step 2 – The make-up payment is paid in 60 equal monthly installments of \$600 (\$36,000 divided by 60). The benefits to be provided in [Section C, Item 4\(c\)\(iii\)](#) will reflect \$600 per month payable to Joe (or his designated beneficiary) starting on 1/1/2022 for 60 months.

- iv. Separately identify administrative expenses expected to be paid using plan assets, excluding the amount owed PBGC under section 4261 of ERISA.

- d. For each plan year in the SFA coverage period, the projected investment income based on the interest rate in [Section C, Item 4\(a\)](#), and the projected fair market value of plan assets at the end of each plan year.
  - e. The present value (using the interest rate identified in [Section C, Item 4\(a\)](#)) as of the SFA measurement date for each of the separately provided items in [Section C, Item 4\(c\)\(i\)-\(iv\)](#).
  - f. SFA amount determined as a lump sum as of the SFA measurement date. As described in § 4262.4(a), this amount equals the excess (if any) of the SFA-eligible plan obligations (the present value of the items in Section C, Items 4(c)(ii) through (c)(iv)) over the SFA-eligible plan resources (Section C, Item 4(b) plus the present value of the items in Section C, Item 4(c)(i)).
- (5) **Baseline details.** [Template 5](#): *(This item is not required if all assumptions used (except the interest rate, Contribution Base Unit (CBU) assumption and administrative expenses assumption) to determine the requested SFA amount are identical to those used in the most recent actuarial certification of plan status completed before January 1, 2021 (“pre-2021 certification of plan status”) and if the changed assumptions for CBUs and administrative expenses are consistent with Paragraph A “Adoption of assumptions not previously factored into pre-2021 certification of plan status” of Section III, Acceptable Assumption Changes of PBGC’s [guidance](#) on Special Financial Assistance Assumptions.)* Provide a separate deterministic projection (“Baseline”) in the same format as [Section C, Item 4](#) that shows the amount of SFA that would be determined if all underlying assumptions used in the projection were the same as those used in the pre-2021 certification of plan status, excluding the plan’s interest rate which should instead be the same as used in [Section C, Item 4](#) and excluding the CBU assumption and administrative expenses assumption which should reflect the changed assumptions consistent with Paragraph A “Adoption of assumptions not previously factored into pre-2021 certification of plan status” of Section III, Acceptable Assumption Changes of PBGC’s [guidance](#) on Special Financial Assistance Assumptions. For purposes of [Section C, Item 5](#), any assumption change made in accordance with Section III, Acceptable Assumption Changes of PBGC’s [guidance](#) on Special Financial Assistance Assumptions should be reflected in this Baseline calculation of the SFA amount and supporting projection information.

**Example** – *Plan A applies for SFA in 2025 with an SFA measurement date of 12/31/2024. Plan A’s plan actuary prepared an actuarial certification of plan status on 3/15/2020 for the plan year beginning 1/1/2020. This is the most recent certification of plan status before 1/1/2021. In that certification, the plan’s status is critical and declining, and the plan is projected to become insolvent within 8 years.*

*When calculating the amount of requested SFA, the plan actuary uses the same assumptions that were used to prepare the actuarial certification of plan status on 3/15/2020 except for the following changes in assumptions:*

- *The funding standard account interest rate used in the pre-2021 certification is 6.00%. Assume that the applicable interest rate limit in § 4262.4(e)(1)(ii) of*



PBGC's SFA regulation is 5.50%. The SFA amount will be calculated using an interest rate of 5.50%.

- The mortality table used in the pre-2021 certification is the RP-2000 Mortality Table with projected improvements through 2025 using Scale AA. The plan actuary determines the mortality assumption used in this certification is no longer reasonable and proposes changing to the Pri-2012 amount-weighted Blue Collar table (Pri-2012(BC)) with projected improvements based on a mortality improvement scale published in 2024 by the Retirement Plans Experience Committee of the Society of Actuaries.
- Since the pre-2021 certification projected the plan to be insolvent within 8 years, the plan actuary must adopt assumptions to project administrative expenses and CBUs to the end of the SFA coverage period.
  - The plan actuary adopts the assumptions for administrative expenses in Section III, Acceptable Assumption Changes, of PBGC's [guidance](#) on Special Financial Assistance Assumptions to project administrative expenses through 2051.
  - The plan actuary adopts a CBU assumption based on information provided by the plan sponsor. The CBU assumption meets the criteria in Section IV.A, Generally Acceptable Assumption Changes, Proposed Change to CBU Assumption of PBGC's [guidance](#) on Special Financial Assistance Assumptions but the changed CBU assumption does not meet the criteria in Section III, Acceptable Assumption Changes of PBGC's [guidance](#) on Special Financial Assistance Assumptions.
- The plan actuary determines that the assumed retirement rates and payment form assumptions used in the pre-2021 certification are no longer reasonable and makes changes to each of these assumptions based on an analysis of plan experience and reasonable expectations.

The projections to be provided for [Section C, Item 5](#) – Baseline – should reflect the following assumptions:

- Interest rate: 5.50%
- Mortality: Pri-2012(BC) with mortality improvement scale published in 2024 by the Retirement Plans Experience Committee of the Society of Actuaries. This assumption change is included in the Baseline because it is in Section III, Acceptable Assumption Changes, of PBGC's [guidance](#) on Special Financial Assistance Assumptions.
- Extended CBU assumption: The CBU assumption to be shown in the Baseline projections should reflect the “extension” of the CBU assumption that is consistent with Paragraph A “Adoption of assumptions not previously factored into pre-2021 certification of plan status” of Section III, Acceptable Assumption Changes of PBGC's [guidance](#) on Special Financial Assistance Assumptions.
- Extended administrative expense assumption. This assumption change is included in the Baseline because it is in Section III, Acceptable Assumption Changes, of PBGC's [guidance](#) on Special Financial Assistance Assumptions.

- All other assumptions used in the projections should be the same assumptions used in the pre-2021 certification.

All other assumption changes that are reflected in the calculation of the SFA amount in [Section C, Item 4](#) (i.e., change in CBU assumptions that is different than the “acceptable” extension), retirement rates and assumed payment forms) should not be included in the Baseline information.

- (6) Reconciliation details. [Template 6](#): (This item is not required if all assumptions used (except the interest rate, CBU assumption and administrative expenses assumption) to determine the requested SFA amount are identical to those used in the pre-2021 certification of plan status and if the changed assumptions for CBUs and administrative expenses are consistent with Paragraph A “Adoption of assumptions not previously factored into pre-2021 certification of plan status” of Section III, Acceptable Assumption Changes of PBGC’s [guidance](#) on Special Financial Assistance Assumptions. This item is also not required if the requested SFA amount from [Section C, Item 4](#) is the same as the amount shown in the Baseline details of [Section C, Item 5](#).) If the assumptions used to determine the requested SFA amount differ from those in the “Baseline” projection in [Section C, Item 5](#), then provide a reconciliation of the change in the total amount of requested SFA due to each change in assumption from the Baseline to the requested SFA as shown in [Section C, Item 4](#). For each assumption change from the Baseline through the requested SFA amount, provide a deterministic projection in the same format as [Section C, Item 4](#). Detailed explanations and supporting rationale and information for each assumption change is required in [Section D, Item 6\(b\)](#).

**Example** – Consider the same Plan A example in Section C, Item 5 above. When completing this Section C, Item 6, the reconciliation should show the change in SFA (and corresponding projection information) for each of the assumption changes not reflected in the Baseline – change in CBU assumptions from the “extended” acceptable assumption to the CBU assumption used to determine the requested SFA as shown in Section C, Item 4, change in retirement rates, and change in assumed payment forms. Below is an example of the reconciliation information to be shown:

Item number	Basis for Assumptions/Methods	Change in SFA Amount (in \$million) (from prior item number)	SFA Amount (in \$million)
1	Baseline	N/A	\$6.0
2	CBU	\$3.0	\$9.0
3	Retirement	\$0.5	\$9.5
4	Payment form	\$0.2	\$9.7

- (7) Assumption details. [Template 7](#):
- (This item is not required if the plan is eligible for SFA under § 4262.3(a)(2) or § 4262.3(a)(4) of PBGC’s SFA regulation or if the plan is eligible based on a certification of plan status completed before January 1, 2021. This item is also not required if the plan is eligible based on a certification of plan status completed

after December 31, 2020, but reflects the same assumptions as those in the pre-2021 certification of plan status.) A table identifying which assumptions used in determining the plan’s eligibility for SFA differ from those used in the pre-2021 certification of plan status and brief explanations as to why using those original assumptions is no longer reasonable and why the changed assumptions are reasonable. This should be an abbreviated version of information provided in [Section D, Item 6\(a\)](#).

- b. A table identifying which assumptions used in calculating the amount of SFA differ from those used in the pre-2021 certification of plan status (except the interest rate used to determine SFA) and brief explanations as to why using those original assumptions is no longer reasonable and why the changed assumptions are reasonable. Please state if the changed assumption is an extension of the CBU assumption or the administrative expenses assumption as described in Paragraph A “Adoption of assumptions not previously factored into pre-2021 certification of plan status” of Section III, Acceptable Assumption Changes of PBGC’s [guidance](#) on Special Financial Assistance Assumptions. This should be an abbreviated version of information provided in [Section D, Item 6\(b\)](#).

**Example** – Consider the same Plan A example in Section C, Item 5 above. When completing Section C, Item 7b, the plan should identify all assumption changes (except the interest rate) -- including those reflected in the Baseline.

<i>Assumption That Has Changed From Assumption Used in Most Recent Certification of Plan Status Completed Before 1/1/2021</i>
<i>Mortality</i>
<i>Administrative Expenses</i>
<i>CBU</i>
<i>Retirement</i>
<i>Payment Form</i>

- (8) Contributions and withdrawal liability details. [Template 8](#): Provide details of the projected contributions and withdrawal liability payments used to calculate the requested SFA amount. This should include total contributions, contribution base units (including identification of base unit used (i.e., hourly, weekly)), average contribution rate(s), reciprocity contributions (if applicable), additional contributions from the rehabilitation plan (if applicable), and any other identifiable contribution streams. Provide the projected number of active participants at the beginning of each plan year. For withdrawal liability, separately show amounts for currently withdrawn employers and for future assumed withdrawals.
- (9) Participant data. For plans with 350,000 or more participants reported on line 6f of the most recently filed Form 5500, provide the full individual participant census data (do not provide any personally identifiable information) utilized by the plan actuary in developing the cash flow projections included in the application.

**SECTION D – Plan statements.** The filer uploads a single document (with a unique page number on each page of the document) as document type “Special Financial Assistance Application” to the e-Filing Portal with responses to the following information requirements. This document must be signed and dated by an authorized trustee who is a current member of the board of trustees or an authorized representative of the plan sponsor.

- (1) Provide an SFA request cover letter for the application (optional).
- (2) Provide the name, address, email, and telephone number of the plan sponsor and the plan sponsor’s authorized representative, and any other authorized representatives.
- (3) Identify which of the following eligibility criteria qualify the plan to be eligible for SFA. Provide additional information as required below for each item that is applicable. If the plan is eligible for SFA under multiple criteria, the filer may (but is not required to) identify and provide the required additional information for more than one.
  - a. In any plan year beginning in 2020, 2021, or 2022, the plan is certified by the plan actuary to be in critical and declining status. Identify which plan year(s) apply and refer to information required in [Section B, Item 5](#).
  - b. The plan has been approved for a suspension of benefits under section 305(e)(9) of ERISA as of March 11, 2021.
  - c. The plan satisfies the eligibility requirements for a critical status plan under § 4262.3(a)(3) of PBGC’s SFA regulation. The conditions do not need to be satisfied for the same plan year.
    - i. In any plan year beginning in 2020, 2021, or 2022, the plan is certified by the plan actuary to be in critical status. Identify the specified year(s) and refer to information required in [Section B, Item 5](#).
    - ii. The percentage calculated under § 4262.3(c)(2) of PBGC’s SFA regulation for 2020, 2021, or 2022 is less than 40 percent. Identify which year’s Form 5500 Schedule MB is used by the plan for eligibility; the current value of net assets entered by the plan on line 2a of the Form 5500 Schedule MB; the current value of withdrawal liability due to be received by the plan on an accrual basis, reflecting a reasonable allowance for amounts considered uncollectible (if not already included in the current value of net assets); and the current liability measurement entered by the plan on line 2b(4) column (2) of the Form 5500 Schedule MB.
    - iii. On the Form 5500 that was required to be filed for plan year 2020, 2021, or 2022, the ratio of active participants that is entered on line 6a(2) to inactive participants that is the sum of lines 6b, 6c, and 6e, is less than 2 to 3. Identify which year’s Form 5500 is used by the plan for eligibility and the number of active participants entered by the plan on line 6a(2) and the number of inactive participants that is the sum of lines 6b, 6c, and 6e.
  - d. The plan became insolvent after December 16, 2014, and remained insolvent without terminating as of March 11, 2021.

- (4) If the plan’s application is submitted on or before March 11, 2023, identify which priority group the plan is in (see § 4262.10(d)(2) of PBGC’s SFA regulation). If the plan is submitting an emergency application under § 4262.10(f), identify the application as an emergency application and which emergency criteria is applicable.
- (5) Provide a detailed narrative description of the development of the assumed future contributions and the assumed future withdrawal liability payments used to calculate the SFA amount as shown in [Section C, Item 4](#).
- (6) Provide the following:
- a. If the plan is eligible for SFA under § 4262.3(a)(1) or § 4262.3(a)(3) of PBGC’s SFA regulation, and the assumptions used to determine such eligibility are different from the assumptions used in the most recent actuarial certification of plan status completed before January 1, 2021, identify which assumptions are different, and provide detailed explanations and supporting rationale and information as to why using the identified assumptions is no longer reasonable and why the changed assumptions are reasonable.
  - b. If any assumptions used to determine the SFA amount are different from those used in the most recent actuarial certification of plan status before January 1, 2021 (except for the interest rate, which is determined as required by § 4262.4(e)(1)), identify which assumptions are different, and provide detailed explanations and supporting rationale and information as to why using the identified original assumptions is no longer reasonable and why the changed assumptions are reasonable. Please state if the changed assumption is an extension of the CBU assumption or the administrative expenses assumption as described in Paragraph A “Adoption of assumptions not previously factored into pre-2021 certification of plan status” of Section III, Acceptable Assumption Changes of PBGC’s [guidance](#) on Special Financial Assistance Assumptions.

Following are examples of supporting rationale and information for different types of assumption changes:

- For changes to demographic assumptions such as retirement and turnover – experience study including detailed summary of actual experience and documentation of data sources and methodologies used.
- For changes to optional payment form assumptions – historical distribution of payment form selected at retirement.
- For changes to the new entrant profile – historical distribution of ages of all new entrants (whether new hires or rehires) and other relevant demographic characteristics such as service or pay.
- For changes to contribution assumptions including CBUs and contribution rates – narrative explanation of historical trends, rationale for assumption and explanation of consistency between CBU assumptions, contribution rates and assumed rates of future employer withdrawals.
- For changes in assumed collectability of withdrawal liability – historical data on collectability.

- For changes in assumed rate of future employer withdrawals – relevant historical data and, where appropriate, relevant industry or geographic information.

Supporting information to be provided if a plan-specific mortality table is used should comprehensively document the methodology used and rationale for selection of the methodology used (including, but not limited to, the selection of the base table and improvement scale, methodology for weighting of mortality experience, method for adjusting the base table, experience period used, and handling of different participant groups (e.g., gender, pay status)) to develop the plan-specific rates, as well as detailed information showing the determination of plan credibility and plan experience.

- (7) Provide a narrative description of how the plan will reinstate the benefits that were previously suspended and a proposed schedule of payments (equal to the amount of benefits previously suspended) to participants and beneficiaries under the plan. (*This item is required only if the plan suspended benefits under section 305(e)(9) or section 4245(a) of ERISA.*) The proposed schedule should show the yearly aggregate amount and timing of such payments and be prepared assuming the effective date for reinstatement is no later than the day after the SFA measurement date, as shown under [Section C, Item 4\(c\)\(iii\)](#). If the plan restored benefits under 26 CFR 1.432(e)(9)-1(e)(3) before the SFA measurement date, the proposed schedule should reflect the amount and timing of payments of restored benefits and the effect of the restoration on the benefits remaining to be reinstated. For more information regarding the reinstatement of benefits, see guidance issued by the Treasury Department and IRS (Notice 2021-38).
- (8) If the SFA measurement date is later than the end of the plan year for the most recent plan financial statements from [Section B, Item 7](#), provide a reconciliation of the fair market value of assets from the date of the most recent plan financial statements to the SFA measurement date. The reconciliation should show the beginning and ending fair market value of assets for this period, as well as the following items for the period: contributions, withdrawal liability payments, benefits paid, administrative expenses, and investment income.

**SECTION E – Checklist and certifications.** The filer completes and uploads the Application for Approval of Special Financial Assistance Checklist to the e-Filing Portal, to ensure that the filer has uploaded the required information and certifications.

- (1) [SFA Application Checklist](#).
- (2) If the plan claims SFA eligibility under section 4262(b)(1)(C) of ERISA, a certification from the plan’s enrolled actuary that the plan is eligible for SFA which specifically notes the specified year for each component of eligibility (certification of plan status, modified funding percentage and participant ratio), the detailed derivation of the modified funded

percentage, and the derivation of the participant ratio. The certification must identify all assumptions and methods (including supporting rationale and, where applicable, reliance on the plan sponsor) used to develop the current value of withdrawal liability that is utilized in the calculation of the modified funded percentage. Also see [Section D, Item 3](#) for information required to be provided with respect to the applicable certification of plan status.

- (3) If the plan is filing an application on or before March 11, 2023, a certification from the plan's enrolled actuary that the plan is eligible for priority status, with specific identification of the applicable priority group. This actuarial certification is not required if the plan is insolvent under section 4245(a) of ERISA, has implemented a suspension of benefits under section 305(e)(9) of ERISA as of March 11, 2021, is in critical and declining status (as defined in section 305(b)(5) of ERISA) and had 350,000 or more participants, or is listed on PBGC's website at [www.pbgc.gov](http://www.pbgc.gov) as a plan in priority group 6 as defined under § 4262.10(d)(2)(vi).
- (4) A certification from the plan's enrolled actuary that the requested amount of SFA is the amount to which the plan is entitled under section 4262(j)(1) of ERISA and § 4262.4 of PBGC's SFA regulation. The certification must identify all assumptions and methods used, sources of participant data and census data, and other relevant information.
- (5) A certification from the plan sponsor with respect to the accuracy of the amount of the fair market value of assets as of the SFA measurement date. This must reference, and include information that substantiates, the asset value (such as trust or account statements) and any projection of the assets to the SFA measurement date (including details and supporting rationale).
- (6) A certification from the plan sponsor that, if required, the proposed plan amendment provided under [Section B, Item 1d](#) will be timely adopted.
- (7) The following statement that: (a) is signed by an authorized trustee who is a current member of the board of trustees, (b) includes the trustee's printed name, and (c) reads:

“Under penalties of perjury under the laws of the United States of America, I declare that I have examined this application, including accompanying documents, and, to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and such facts are true, correct, and complete.”

### **What happens after an application is filed**

After an application is filed, the filer will hear from PBGC within 120 days of the filing date. The application will be either approved or denied. If the application is approved, the plan will receive further instructions from PBGC on how the SFA amount will be transferred. If the application is denied, the filer will receive written notice from PBGC providing the reasons for the denial. PBGC may deny an application because it is incomplete, because an assumption is unreasonable or a proposed change in assumption is unreasonable individually, or the proposed

changed assumptions are unreasonable in the aggregate, or because the plan is not an eligible multiemployer plan. The filer then may submit a revised application or withdraw the denied application.

An authorized filer may withdraw an application at any time before PBGC approves the application, including after PBGC has denied the application. To withdraw an application, the filer must send an email to the general Multiemployer Program Division mailbox at [multiemployerprogram@pbgc.gov](mailto:multiemployerprogram@pbgc.gov), and include as the subject “Withdrawal of Special Financial Assistance Application of (Plan Name).” The body of the email should read, “On behalf of (Plan Name), I withdraw the special financial assistance application filed on (filing date)” and include the filer’s title, relation to the plan, and other information to demonstrate that the filer is an individual authorized to withdraw the SFA application. If a filer decides to submit an application following withdrawal, then the newly filed application will be considered a revised application. For the revised application, the filer needs to submit only the information that is changed from the initial application. The filer may state on the [SFA Application Checklist](#) that other information was previously filed.

A revised application for SFA, whether submitted following a withdrawal or submitted following a denial, must use the same SFA measurement date, participant census data, and interest rate assumption as were used in the plan’s initial application (this is the plan’s “base data,” see § 4262.11(c)).

Finally, during the 120-day review period, PBGC may require a plan sponsor to file additional information to clarify or verify information provided in the plan’s application. The plan sponsor must promptly file with PBGC any such information upon request. If PBGC does not receive the requested information, the application will be considered incomplete.

## **Paperwork Reduction Act Notice**

This section provides information on the time and cost estimates for preparing and filing the required application. If you have any comments concerning the accuracy of these estimates or suggestions for making it simpler to submit the information, please send your comments to the Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K Street, N.W., Washington, D.C. 20005-4026.

Information filed with PBGC in an application for special financial assistance (SFA) is confidential only to the extent provided in the Privacy Act. PBGC may, in its sole discretion, post an application for SFA and any documents and information filed for the application on its website at [www.pbgc.gov](http://www.pbgc.gov), or otherwise publicly disclose the application, documents, and information, except information that is confidential under the Privacy Act.

PBGC will share with the U.S. Department of Labor and the Treasury Department (collectively the Agencies) a plan’s application, including any documents and information filed with PBGC, to enable the Agencies to fulfill their responsibilities under section 4262 of ERISA.



This information collection is necessary for PBGC to properly administer the SFA program. PBGC uses the information it receives in a plan's application to determine, as required by section 4262 of ERISA and 29 CFR part 4262, whether to approve or deny the requested payment of SFA to the plan.

PBGC estimates an average burden of 10 hours of Fund office time and \$30,000 in contractor costs per plan. These are estimates and the actual time and cost per plan will vary depending on the circumstances of a given filing and the size of the plan.

This collection of information has been approved by the Office of Management and Budget (OMB) under control number 1212-0074 (expires 01/31/2022). Under the Paperwork Reduction Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.