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# Data in Brief: Funding Status of Multiemployer Defined Benefit Pension Plans

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## Data in Brief: Funding Status of Multiemployer Defined Benefit Pension Plans

Multiemployer defined benefit (DB) pension plans are private-sector pensions sponsored by more than one employer and maintained as part of a collective bargaining agreement. In DB pension plans, participants receive a monthly benefit in retirement that is based on a formula. In multiemployer DB pensions, the formula typically multiplies a dollar amount by the number of years of service the employee has worked for any of the employers that participate in the DB plan.

Multiemployer pension plans pool risk so that the withdrawal of a few employers from the plan does not place the plan in financial jeopardy, because withdrawing employers are required to pay for their share of unfunded benefits (called *withdrawal liability*). In recent years, an increasing number of employers have left multiemployer pension plans (either voluntarily or through employer bankruptcy). In addition, declines in the value of plan assets (such as during the 2007-2009 recession) have resulted in the underfunding of many plans—some of which have large amounts of underfunding. When contributing employers withdraw from plans and do not pay their share of unfunded benefits, the underfunding becomes the responsibility of the remaining employers in the plan, which results in increasing contributions. When those employers remaining in a plan are unable to meet the required larger contributions, the plan may face insolvency.

When a multiemployer DB plan becomes insolvent, the Pension Benefit Guaranty Corporation (PBGC) provides financial assistance to the plan (referred to as *traditional financial assistance*). An insolvent multiemployer plan is one that does not have sufficient resources from which to pay promised benefits. PBGC provides financial assistance to insolvent multiemployer plans in the form of loans, although PBGC does not expect the loans to be repaid.

Because of the projected increase in multiemployer plan insolvencies, the PBGC multiemployer program was projected to become insolvent in 2025. This would have resulted in participants in insolvent plans potentially receiving only a small fraction of their promised benefits. In order to ensure that participants would not lose their promised benefits, Congress established Special Financial Assistance (SFA), which was enacted in the American Rescue Plan Act of 2021 (ARPA; P.L. 117-2). ARPA outlined eligibility criteria to apply for SFA; PBGC final regulations on SFA provided more details on eligibility criteria.

This report provides participant and funding data from the Department of Labor's (DOL's) 2020 Form 5500 dataset for (1) all multiemployer DB plans and (2) those not meeting eligibility criteria to apply for SFA.

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## Multiemployer Defined Benefit (DB) Pension Plans

Multiemployer defined benefit (DB) pension plans are private-sector pensions sponsored by more than one employer and maintained as part of a collective bargaining agreement. In DB pension plans, participants receive monthly benefits in retirement based on a formula. In a multiemployer DB pension, the formula typically multiplies a dollar amount by the number of years of service the employee has worked for any of the employers that participate in the DB plan. Multiemployer plans are distinct from multiple-employer plans, which are sponsored by more than one employer but are *not* maintained as part of a collective bargaining agreement.

Multiemployer pension plans pool risk so that the withdrawal of a few employers from the plan does not place the plan in financial jeopardy, because withdrawing employers are required to pay for their share of unfunded benefits (called *withdrawal liability*). In recent years, an increasing number of employers have left multiemployer pension plans (either voluntarily or through employer bankruptcy). In addition, declines in the value of plan assets (such as during the 2007-2009 recession) have resulted in the underfunding of many plans—some of which have large amounts of underfunding. When contributing employers withdraw from plans and do not pay their share of unfunded benefits, the underfunding becomes the responsibility of the remaining employers in the plan, which results in increasing contributions.<sup>1</sup> When those employers remaining in a plan are unable to meet the required larger contributions, the plan may face insolvency.

### Pension Benefit Guaranty Corporation's Multiemployer Insurance Program

The Pension Benefit Guaranty Corporation (PBGC)—a federally chartered corporation—insures the benefits of participants in private-sector DB pension plans up to a statutory maximum. PBGC operates two separate insurance programs: one for single-employer plans and one for multiemployer plans. This report focuses on multiemployer plans.

When a multiemployer DB plan becomes insolvent, PBGC provides financial assistance to the plan (referred to as *traditional financial assistance*). An insolvent multiemployer plan is one that does not have sufficient resources from which to pay promised benefits. PBGC provides financial assistance to insolvent multiemployer plans in the form of loans, although PBGC does not expect the loans to be repaid.

Because of the projected increase in multiemployer plan insolvencies, the PBGC multiemployer program was projected to become insolvent in 2025. This would have resulted in participants in insolvent plans potentially receiving only a small fraction of their promised benefits. In order to ensure that participants would not lose their promised benefits, Congress established the Special Financial Assistance (SFA) program. SFA was enacted in the American Rescue Plan Act of 2021 (ARPA; P.L. 117-2).

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<sup>1</sup> Withdrawing employers might not pay their full share of unfunded benefits because of bankruptcy or withdrawal liability rules.

## Special Financial Assistance

SFA provides financial assistance in the form of grants to financially troubled multiemployer DB plans meeting specified criteria.<sup>2</sup> SFA is administered by PBGC and financed by appropriations from Congress. The amount of SFA a plan receives should enable the plan to pay benefits through 2051.

ARPA outlined eligibility criteria to apply for SFA. PBGC final regulations on SFA provided more details on eligibility criteria (discussed later in this report).<sup>3</sup> Applications for SFA must be filed by December 31, 2025 (or by December 31, 2026, for revised applications).

ARPA authorized PBGC to issue regulations specifying that for two years following enactment, only plans meeting certain conditions are able to apply for SFA. PBGC took a staggered approach to receiving applications and created six classifications (or *priority groups*). As of April 11, 2023, 41 plans in the first three priority groups have been approved for SFA.<sup>4</sup> The dollar amount of SFA for approved plans is \$46.3 billion.

PBGC estimates that over 250 plans covering more than 3 million participants and beneficiaries would receive approximately \$97 billion in SFA.<sup>5</sup> Due to SFA, PBGC estimated that its multiemployer program is likely to remain solvent for the next 40 years.

Based on PBGC's estimates, about one-third of multiemployer plan participants are in plans that are or are potentially eligible for SFA.<sup>6</sup> Most of the remaining participants are in plans that likely are not eligible to apply for SFA because their plans were not financially troubled during the eligibility period. Because SFA did not make any changes to multiemployer plan funding rules, some of these plans might face financial difficulties in the future. Stakeholders might have an interest in monitoring the financial health of these plans.

## Data on Multiemployer Plans

To determine plan funding and participant counts for multiemployer plans, CRS examined plan filings in the Department of Labor (DOL) public-use 2020 Form 5500 data (the most recent complete data).<sup>7</sup> Nearly all private-sector pension plans (including multiemployer DB plans) are required to file Form 5500 with the Internal Revenue Service (IRS), DOL, and PBGC. The Form 5500 information includes breakdowns on the number of plan participants, financial information about the plan, and details of companies providing services to the plan. Most multiemployer DB plans are specifically required to file a Schedule MB, which provides detailed information on

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<sup>2</sup> See CRS In Focus IF11765, *Special Financial Assistance to Multiemployer Plans*, by John J. Topoleski and Elizabeth A. Myers.

<sup>3</sup> More details on eligibility criteria are available in PBGC's final rule on SFA, available at <https://www.govinfo.gov/content/pkg/FR-2022-07-08/pdf/2022-14349.pdf>.

<sup>4</sup> PBGC publishes an Excel document listing plans that have applied for SFA, with details on whether the plans' applications are under review, have been approved, have been denied, or have been withdrawn. See PBGC, *Special Financial Assistance Applications*, at <https://www.pbgc.gov/arp-sfa/sfa-applications>. Data is updated weekly on Fridays.

<sup>5</sup> See PBGC, *American Rescue Plan Act FAQs*, at <https://www.pbgc.gov/arp-faqs>.

<sup>6</sup> For details on plans that are potentially eligible to apply for SFA, see CRS Report R46803, *Multiemployer Defined Benefit Pension Plans Potentially Eligible for Special Financial Assistance Under the American Rescue Plan Act*.

<sup>7</sup> See DOL, *Form 5500 Datasets*, at <https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/public-disclosure/foia/form-5500-datasets>. CRS used the "Latest" filings. The data that CRS used was last modified on March 25, 2023.

plan assets and liabilities, and a status of the plan’s financial condition as being in one of several categories (referred to as the plan’s *zone status*).

Zone status categories are described in **Table 1**. Several of the categories refer to the *funded percentage*, which is a measure of a plan’s ability to pay benefits owed based on the plan’s assets. For example, a funded percentage of 100% indicates that a plan’s current value of assets is adequate to cover the present value of future owed benefits, and a percentage lower than 100% indicates that the value of a plan’s liabilities exceeds the value of its assets.

**Table 1. Multiemployer Funding Status (Zone Status) Categories**

Zone Status	Description
No Category (green zone)	Plans that do not meet any of the categories below are often called <i>green zone</i> plans. Unlike plans in other zone statuses, a green zone plan does not have special funding rules to address any underfunding.
Endangered (yellow zone) / Seriously Endangered (orange zone)	A plan is in endangered status if (1) the plan’s funded percentage is less than 80% or (2) the plan has a funding deficiency in the current year or is projected to have one in the next six years. A plan is seriously endangered if it meets both of these criteria. A plan in endangered or seriously endangered status must adopt a funding improvement plan—a range of options (such as increased contributions and reductions in future benefit accruals) that, when adopted, will reduce a plan’s underfunding.
Critical (red zone)	<p>A plan is in critical status if any of the following conditions apply: (1) the plan’s funded percentage is less than 65%, and in the next six years the value of the plan’s assets and contributions will be less than the value of benefits; (2) in the current year, the plan is not expected to receive 100% of the contributions required by the plan sponsor, or the plan is not expected to receive 100% of the required contributions for any of the next three years (four years if the plan’s funding percentage is 65% or less); (3) the plan is expected to be insolvent within five years (within seven years if the plan’s funding percentage is 65% or less); or (4) the cost of the current year’s benefits and the interest on unfunded liabilities are greater than the contributions for the current year, the present value of benefits for inactive participants is greater than the present value of benefits for active participants, and there is expected to be a funding deficiency within five years. Plans not in critical status may elect to be in critical status if they are projected to be so in the next five years.</p> <p>A plan in critical status must adopt a rehabilitation plan. The rehabilitation plan is a range of options (such as increased employer contributions and reductions in future benefit accruals) that, when adopted, will allow the plan to emerge from critical status during a 10-year rehabilitation period. If a plan cannot emerge from critical status by the end of the rehabilitation period using reasonable measures (referred to as a plan that has exhausted reasonable measures, or an ERM plan), it must install measures to either (1) emerge from critical status at a later time (after the end of the rehabilitation period) or (2) forestall insolvency.</p>
Critical and Declining	<p>A plan is in critical and declining status if (1) it is in critical status and (2) the plan actuary projects that the plan will become insolvent within the current year or within either the next 14 years or the next 19 years, as specified in law. Plans in critical and declining status must provide notice to plan participants, beneficiaries, the collective bargaining parties, PBGC, and DOL.</p> <p>Plans in critical and declining status may be eligible to apply to the U.S. Department of the Treasury to reduce benefits to participants up to certain limits if the benefit reductions restore the plan to solvency.</p>

**Source:** The Pension Protection Act of 2006 (PPA; P.L. 109-280) and The Multiemployer Pension Reform Act of 2014 (MPRA; enacted as part of P.L. 113-235).

**Notes:** [http://www.congress.gov/cgi-lis/bdquery/R?d109:FLD002:@1\(109+280\)PPA](http://www.congress.gov/cgi-lis/bdquery/R?d109:FLD002:@1(109+280)PPA) required plans to report their status as endangered, seriously endangered, or critical. MPRA added the status of critical and declining.

## Eligibility Criteria to Apply for Special Financial Assistance

A plan is eligible for SFA if it (1) is in critical and declining status in any plan year from 2020 through 2022; or (2) had an application to suspend benefits under the Multiemployer Pension Reform Act of 2014 (MPRA, enacted as part of P.L. 113-235) approved prior to the enactment of ARPA (March 11, 2021); or (3) was in critical status, had a modified funded percentage of less than 40%, and the ratio of active to inactive participants was less than 2:3 in any plan year from 2020 through 2022; or (4) became insolvent after December 14, 2014, and was not terminated by the date of enactment of ARPA.<sup>8</sup>

This report puts plans into one of two categories: (1) those that have been approved for SFA or are potentially eligible to apply for SFA and (2) those that did not meet SFA eligibility criteria based on the most recent data.

The following describes the four eligibility criteria and the methodology used to determine if plans met each criterion.<sup>9</sup>

- 1. In critical and declining status in any plan year from 2020 through 2022.** Multiemployer DB plans in endangered, seriously endangered, critical, or critical and declining status must provide notice to participants, beneficiaries, the bargaining parties, PBGC, and DOL. DOL posts these notices on its website, but the DOL website does not always have notices posted for all of the plans with these status designations.<sup>10</sup> Eligible plans are those with (1) a critical and declining zone status in the 2020 Form 5500 Schedule MB data or (2) a critical and declining status notice to DOL for plan year 2020, 2021, or 2022.<sup>11</sup>
- 2. Had an application to suspend benefits under the Multiemployer Pension Reform Act of 2014 (MPRA, enacted as part of P.L. 113-235) approved prior to the enactment of ARPA (March 11, 2021).** MPRA permitted plans in critical and declining status to apply to suspend benefits if doing so would enable the plan to avoid insolvency. The Treasury Department posts plan applications and approval status for MPRA benefit suspensions on a publicly available website.<sup>12</sup> As of March 11, 2021 (the date of enactment of ARPA), 18 plans had been approved to suspend benefits and so are eligible for SFA under this criterion.
- 3. Is in critical status, has a modified funded percentage of less than 40%, and has a ratio of active to inactive participants of less than 2:3 in any plan year**

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<sup>8</sup> ARPA was enacted on March 11, 2021.

<sup>9</sup> Plans must meet at least one criterion to be eligible to apply for SFA.

<sup>10</sup> See DOL, “Critical, Critical and Declining, Endangered and WRERA Status Notices,” <https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/public-disclosure/critical-status-notices>. This report used 2020, 2021, and 2022 status notices available on DOL’s website as of April 11, 2023. It appears that not all plans in critical and declining status have a notice posted on DOL’s website. DOL is likely still receiving notices for the 2022 plan year.

<sup>11</sup> Data for 2021 and 2022 are not yet available.

<sup>12</sup> See <https://home.treasury.gov/services/the-multiemployer-pension-reform-act-of-2014/applications-for-benefit-suspension>.

- from 2020 through 2022.**<sup>13</sup> To determine which plans met this eligibility criterion, the analysis used plan filings in 2020 Form 5500 data.<sup>14</sup>
- Became insolvent after December 14, 2014, and was not terminated by the date of enactment of ARPA.** PBGC provides data on multiemployer DB plan insolvencies, mergers, and terminations, including dates of when such actions occurred.<sup>15</sup> This data was used to identify which plans became insolvent after December 14, 2014, and were not terminated by the date of enactment of ARPA (P.L. 117-2).

The two categories of plans in this report—those approved or potentially eligible for SFA and those that did not meet SFA eligibility criteria based on the most recent data—should not be interpreted as definitive. Eligibility for SFA under some criteria—such as those that have had applications to suspend benefits under the MPRA approved—can be determined with certainty. However, eligibility under other criteria depends on the financial condition of plans in 2020-2022. Data is not yet available for these years for all plans. This report uses the most recently available public data to identify plans that might be eligible. Additional plans might become eligible for SFA based on their financial conditions in plan years 2021 or 2022. Not all plans that are eligible will apply for SFA.

## Multiemployer DB Plan Funding and Participant Data

**Table 2** provides data on aggregate underfunding and the number of participants, by zone status, for (1) all multiemployer plans and (2) plans that did not meet SFA eligibility criteria based on 2020 Form 5500 data. **Table 2** includes 1,209 plans that filed Schedule MB (thus, reported a zone status) in the 2020 Form 5500 dataset.<sup>16</sup>

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<sup>13</sup> PBGC final regulations on SFA describe the variables used to calculate the modified funding percentage and the ratio of active to inactive participants. The modified funding percentage is calculated by dividing a numerator (in this case, plan assets) by a denominator (in this case, plan liabilities) and multiplying by 100. The numerator for the plan's funding percentage under § 4262.3(c)(2) of ERISA is calculated using the current value of assets on line 2a of Form 5500 Schedule MB, and adding to it the current value of withdrawal liability payments 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 reported on line 2a). Form 5500 provides data only on the current value of assets, which might or might not include the current value of withdrawal liability payments. CRS used this asset value. The denominator for the plan's modified funding percentage is the current value of liabilities (found on line 2b(4)(2) of the Schedule MB). To determine the ratio of active to inactive participants, plans may use data from line 6a(2) (for active participants) and the sum of lines 6b, 6c, and 6e (for inactive participants) on Form 5500, or they may use data from line 2b(3)(c) (for active participants) and the sum of lines 2b(1) and 2b(2) (for inactive participants) on the Schedule MB. CRS determined that a plan met the participant ratio eligibility criteria if either of the methods described in PBGC regulations resulted in an active-to-inactive-participant ratio of less than 2:3.

<sup>14</sup> Data for 2021 and 2022 are not yet available.

<sup>15</sup> See PBGC, "Multiemployer Pension Plan Terminations, Mergers, and Insolvencies," at <https://www.pbgc.gov/open/index>.

<sup>16</sup> In the 2020 Form 5500 data, a number of multiemployer DB plans filed a main form but did not have corresponding Schedule MBs. Such plans are either insolvent or terminated. These plans are not included in the data in this report. In addition, eight plans in the Schedule MB data had multiple entries, but the most recent filing for each plan was kept. Two plans classified as terminated filed Schedule MBs but did not have zone statuses and so were not included in the data.



**Table 2** includes two measures of underfunding: one calculated using the current value of liabilities (the Retirement Protection Act of 1994, or RPA '94, basis) and one calculated using the actuarial value of liabilities.<sup>17</sup> The two values of liabilities often differ. The main difference is the value of the discount rate that is used to value plan liabilities. The actuarial valuation of liabilities typically discounts them using the expected return on assets. The RPA '94 current liability uses a discount rate based on interest rates on 30-year Treasury securities. When RPA '94 rates are lower than the expected return on assets (which has typically been the case), the RPA '94 valuation method results in a higher valuation of plan liabilities compared to the actuarial valuation method. In the 2020 Form 5500 filings, the median RPA '94 rate used by plans was 2.95%, and the median interest rate for the actuarial value of liabilities was 7%.<sup>18</sup>

CRS analysis of filings in the 2020 Form 5500 data in **Table 2** indicated the following:

- **Green Zone:** There were 814 plans covering 6.3 million participants in the green zone, and 811 plans covering 6.3 million participants did not meet SFA eligibility criteria. This indicates that three green zone plans with fewer than 5,000 participants met SFA eligibility criteria.<sup>19</sup> Green zone plans that did not meet SFA eligibility criteria based on the most recent data had underfunding of \$412.1 billion (on an RPA '94 basis) or \$38.1 billion (on an actuarial basis).
- **Endangered or Seriously Endangered:** There were 105 plans either endangered or seriously endangered. These plans covered about 1 million participants. None of these plans met SFA eligibility criteria based on the most recent data. These plans had underfunding of \$96.1 billion (on a RPA '94 basis) or \$23.9 billion (on an actuarial basis).
- **Critical:** There were 168 plans covering 2.2 million participants in critical status, and 74 of these plans covering 1.3 million participants did not meet SFA eligibility criteria based on the most recent data. Plans that are in critical status are classified by whether they are (1) projected to emerge from critical status within the rehabilitation period, or (2) not projected to emerge from critical status (and will either remain in critical status indefinitely or become insolvent within 30 years—in which case, the rehabilitation plan is designed to forestall insolvency).<sup>20</sup> Of the 168 plans in critical status, 109 plans were expected to emerge from critical status by the end of the rehabilitation period, and 59 did not expect to be able to emerge from critical status by the end of the rehabilitation period and would remain in critical status past the end of the rehabilitation period (or indefinitely), or were projected to become insolvent. Among the 74 plans in critical status not meeting SFA eligibility criteria based on the most recent data, 52 were expected to emerge from critical status by the end of the rehabilitation period, and 22 did not expect to be able to emerge from critical status by the end of the rehabilitation period and would remain in critical status past the end of the rehabilitation period (or indefinitely), or were projected to become insolvent.

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<sup>17</sup> For more information on the calculation of plan liabilities, see Appendix A in CRS Report R43305, *Multiemployer Defined Benefit (DB) Pension Plans: A Primer*, by John J. Topoleski and Elizabeth A. Myers.

<sup>18</sup> CRS analysis of the 2020 Form 5500 Schedule MB data.

<sup>19</sup> Two of these plans had been approved for MPRA benefit reductions and one plan was insolvent but not terminated by the date of ARPA.

<sup>20</sup> On Schedule MB of Form 5500, plans in critical status must indicate the year in which they (1) expect to emerge from critical status or (2) become insolvent.

- **Critical and Declining:** There were 122 plans covering 1.2 million participants in critical and declining status. All plans in critical and declining status in the 2020 Form 5500 data are eligible to apply for SFA.

In total, 990 plans covering 8.5 million participants did not meet SFA eligibility criteria based on the most recent data. These plans had total underfunding of \$564.7 billion (on an RPA '94 basis) or \$72.9 billion (on an actuarial basis).

While it is not possible to predict the future, some of these 990 plans may become insolvent. Insolvent plans that are not eligible for SFA are eligible to receive traditional financial assistance through PBGC's multiemployer insurance program. PBGC expects to have sufficient resources from which to provide traditional financial assistance to these plans because it has projected that, due to SFA, its multiemployer insurance program will likely remain solvent for the next 40 years.<sup>21</sup>

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<sup>21</sup> See PBGC, PBGC Releases FY 2021 Projections Report, at <https://www.pbgc.gov/news/press/releases/pr22-34>.

**Table 2. Underfunding and Participant Data for Multiemployer Defined Benefit Plans, by Zone Status, 2020**

Among plans that filed a Schedule MB in the 2020 Form 5500 Dataset

Zone Status	Plans						Participants (As Reported on Schedule MB)	
	All Plans			Plans that Do Not Meet Eligibility Requirements to Apply for Special Financial Assistance (SFA)			All Plans	Plans that Do Not Meet Eligibility Requirements to Apply for SFA
	Number	Underfunding (in billions of dollars; Retirement Protection Act of 1994 [RPA '94] basis)	Underfunding (in billions of dollars; actuarial basis)	Number	Underfunding (in billions of dollars; RPA '94 basis)	Underfunding (in billions of dollars; actuarial basis)	Number	Number
Green Zone	814	-\$412.5	-\$38.1	811	-\$412.1	-\$38.1	6,255,864	6,251,623
Endangered	103	-\$89.2	-\$21.8	103	-\$89.2	-\$21.8	926,774	926,774
Seriously Endangered	2	-\$6.9	-\$2.1	2	-\$6.9	-\$2.1	89,593	89,593
Critical	168	-\$119.8	-\$33.3	74	-\$56.4	-\$11.0	2,232,501	1,271,453
<i>Projected to Emerge from Critical Status</i>	109	-\$85.2	-\$19.1	52	-\$49.6	-\$9.0	1,674,061	1,186,509
<i>Not Projected to Emerge from Critical Status</i>	59	-\$34.6	-\$14.1	22	-\$6.8	-\$2.0	558,440	84,944
Critical and Declining	122	-\$107.8	-\$79.4	0	\$0.0	\$0.0	1,227,239	0
<b>Total</b>	<b>1,209</b>	<b>-\$736.1</b>	<b>-\$174.6</b>	<b>990</b>	<b>-\$564.7</b>	<b>-\$72.9</b>	<b>10,731,971</b>	<b>8,539,443</b>

Source: CRS analysis of Form 5500 datasets available from the Department of Labor's website (data last modified March 25, 2023).

**Notes:** Underfunding may not sum to total due to rounding. The number of participants was found on Schedule MB, Line 2b(4)(1). Underfunding on an RPA '94 basis was calculated using the current value of assets (Schedule MB, Line 2a) and the RPA '94 current liability (Schedule MB, Line 2b(4)(2)). Underfunding on an actuarial basis was calculated using the actuarial value of assets (Schedule MB, Line 1b(2)) and the actuarial value of liabilities (Schedule MB, Line 1c(3)). Plans report two values of assets and two values of liabilities: the actuarial value and current value of assets and the actuarial value and the current value (RPA '94, named for the Retirement Protection Act of 1994) of liabilities. The two values of assets are generally similar. The two values of liabilities often differ. The main difference is the value of the discount rate that is used to value plan liabilities. The actuarial valuation of liabilities typically discounts them using the expected return on assets. The RPA '94 current liability uses a lower discount rate, based on interest rates on 30-year Treasury securities. The RPA '94 valuation method results in a higher valuation of plan liabilities compared to the actuarial valuation method.

Two plans classified as terminated filed Schedule MB in the Form 5500 data but do not have a zone status and so were not included in the data. Plans not projected to emerge from critical status will either become insolvent (but do not meet the definition of critical and declining status) or remain in critical status indefinitely.

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