

Pension Benefit Guaranty Corporation (PBGC): A Primer

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Summary

The Pension Benefit Guaranty Corporation (PBGC) is a government corporation established by the Employee Retirement Income Security Act of 1974 (ERISA; P.L. 93-406). It was created to protect the pensions of participants and their beneficiaries covered by private sector defined benefit (DB) plans. These pension plans provide a specified monthly benefit at retirement, usually either a percentage of salary or a flat dollar amount multiplied by years of service. Defined contribution (DC) plans, such as 401(k) plans, are not insured. PBGC is chaired by the Secretary of Labor, with the Secretaries of the Treasury and Commerce serving as board members.

PBGC runs two distinct insurance programs: one for single-employer pensions and a second for multiemployer plans. Single-employer pension plans are sponsored by one employer and cover eligible workers employed by the plan sponsor. Multiemployer plans are collectively bargained plans to which more than one company makes contributions. PBGC maintains separate reserve funds for each program.

A firm must be in financial distress to end an underfunded single-employer plan and for PBGC to become the trustee of the plan. PBGC does not become trustee of multiemployer plans. 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.

In FY2025, PBGC insured about 23,500 DB pension plans covering approximately 30.0 million people: the single-employer program covered 18.4 million workers in about 22,200 plans, and the multiemployer program covered 11.1 million workers in 1,305 plans. PBGC became the trustee of 31 newly terminated single-employer pension plans and began providing financial assistance to an additional six multiemployer pension plans in FY2025. PBGC paid \$6.4 billion in benefits to participants in the single-employer program in FY2025. At the end of FY2025, 908,651 participants were receiving monthly benefits in the single-employer program, and 5,171 single-employer pension plans were trustee or pending trusteeship. In the multiemployer program, 60,952 participants in 100 plans received \$169 million in traditional financial assistance in FY2025.

There is a statutory maximum benefit that PBGC can pay. Participants receive the lower of their benefit as calculated under the plan or the statutory maximum benefit. If a participant's benefit is higher than the statutory maximum benefit, the participant's benefit is reduced. The maximum pension guarantee is \$93,477 a year for workers aged 65 in single-employer plans that terminate in 2026. This amount is adjusted annually for changes in the national average wage. In addition, the benefit is decreased if participants begin receiving the benefit before age 65 (reflecting the fact that they will receive more monthly pension checks over their expected lifetime) or if the pension plan provides benefits in some form other than equal monthly payments for the life of the retiree.

Multiemployer plans determine benefits by multiplying a flat dollar rate by years of service, so the benefit guarantee ceiling is tied to this formula. The benefit guarantee limit for participants in multiemployer plans equals a participant's years of service multiplied by the sum of (1) 100% of the first \$11 of the monthly benefit rate and (2) 75% of the next \$33 of the benefit rate. For a participant with 30 years of service, the guaranteed limit is \$12,870. This benefit formula is not adjusted for increases in the national wage index or by any other measure of inflation or cost of living. Currently, most workers in single-employer plans taken over by PBGC and multiemployer plans that receive financial assistance from PBGC receive the full pension benefit that they earned.

At the end of FY2025, PBGC had a total surplus of \$64.9 billion, which consisted of a \$62.2 billion surplus from the single-employer program and a \$2.6 billion surplus from the multiemployer program.

PBGC's single-employer and multiemployer programs are funded by premiums set by Congress and paid by the private sector employers that sponsor DB pension plans. Other sources of income for the single-employer program are assets from terminated plans taken over by PBGC, investment income, and recoveries collected from companies when they end underfunded pension plans. Another source of income for the multiemployer program is investment income on its revolving fund assets. The American Rescue Plan Act of 2021 (ARPA; P.L. 117-2) authorized the Special Financial Assistance (SFA) program, which provides financial assistance to eligible financially troubled multiemployer DB plans and represents a new source of financing outside of PBGC's revolving fund. SFA is administered by PBGC and financed by appropriations from Congress. Due to SFA, PBGC estimated that its multiemployer program is likely to remain solvent for roughly the next 40 years.

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Pension Benefit Guaranty Corporation

The Pension Benefit Guaranty Corporation (PBGC) is a government corporation established by the Employee Retirement Income Security Act of 1974 (ERISA; P.L. 93-406). It was created to protect the pensions of participants and beneficiaries covered by private sector *defined benefit* (DB) plans.¹ These pension plans provide a specified monthly benefit at retirement, usually either a percentage of salary or a flat dollar amount, multiplied by years of service. *Defined contribution* (DC) plans, such as 401(k) plans, are not insured.²

PBGC runs two distinct insurance programs: one for single-employer pension plans and a second for multiemployer plans. Single-employer pension plans are sponsored by one employer and cover eligible workers employed by the plan sponsor. Multiemployer plans are collectively bargained plans to which more than one company makes contributions. PBGC maintains separate reserve funds for each program, and funds from one program cannot be used for the other.

In FY2025, PBGC insured about 23,500 DB pension plans covering about 30.0 million workers.³ It paid benefits to 908,651 people and was the trustee of 5,171 single-employer plans.⁴ PBGC provided traditional financial assistance that paid benefits to 60,952 participants in 100 multiemployer pension plans.⁵ PBGC benefits to plan participants are capped by statutory maximum amounts. In PBGC studies, most workers in single-employer plans taken over by PBGC and multiemployer plans that receive financial assistance from PBGC received the full pension benefit that they earned.⁶

From FY2014 through FY2020, PBGC had large deficits in its multiemployer program due to the projected insolvencies of financially troubled multiemployer plans, which were projected to result in the multiemployer program's insolvency in 2025. Section 9704 in Title IX, Subtitle H, of the American Rescue Plan Act of 2021 (ARPA, P.L. 117-2) authorized the Special Financial Assistance (SFA) program, which provides financial assistance from general revenue to eligible financially troubled multiemployer DB pension plans. As a result, the multiemployer program is expected to remain solvent for more than 40 years.⁷ In its FY2024 Projections Report, PBGC noted that 67% of the scenarios show solvency beyond FY2064, the final year of the projection

¹ For more information about DB plans, see CRS Report R46366, *Single-Employer Defined Benefit Pension Plans: Funding Relief and Modifications to Funding Rules*.

² For more information about DC plans, see CRS Report R47152, *Private-Sector Defined Contribution Pension Plans: An Introduction*.

³ PBGC, *PBGC Annual Report 2025*, p. 15, <https://www.pbgc.gov/sites/default/files/documents/pbgc-annual-report-2025.pdf>.

⁴ PBGC, *PBGC Annual Report 2025*, p. 20, <https://www.pbgc.gov/sites/default/files/documents/pbgc-annual-report-2025.pdf>.

⁵ PBGC, *PBGC Annual Report 2025*, p. 21, <https://www.pbgc.gov/sites/default/files/documents/pbgc-annual-report-2025.pdf>.

⁶ Pension Benefit Guaranty Corporation, *PBGC's Single-Employer Guarantee Outcomes*, May 2019, <https://www.pbgc.gov/sites/default/files/2016-single-employer-guaranty-study.pdf> and PBGC, *PBGC's Multiemployer Guarantee*, March 2015, p. 7, at <https://www.pbgc.gov/documents/2015-ME-Guarantee-Study-Final.pdf>. These are the most recent studies PBGC has conducted on participants' guaranteed benefits.

⁷ PBGC, *Projections Report FY2024*, January 22, 2026, p. 12, <https://www.pbgc.gov/sites/default/files/documents/fy-2024-projections-report.pdf>.

period.⁸ The most pessimistic of the 500 stochastic scenarios projected multiemployer fund depletion in FY2039.⁹

PBGC Administration

PBGC is a government-owned corporation. A three-member board of directors, chaired by the Secretary of Labor, administers the corporation. The Secretary of Commerce and the Secretary of the Treasury are the other members of the board of directors. The director of PBGC is appointed by the President with the advice and consent of the Senate.¹⁰ ERISA also provides for a seven-member advisory committee, appointed by the President, to staggered three-year terms.¹¹ The advisory committee advises PBGC on issues such as investment of funds, plan liquidations, and other matters.

The Moving Ahead for Progress in the 21st Century Act (MAP-21; P.L. 112-141) altered some of the governance structures of PBGC. Some of these changes include setting the term of the PBGC director at five years, unless removed by the President or by the board of directors with or without cause; requiring that the board of directors meet at least four times each year; and establishing a Participant and Plan Sponsor Advocate within PBGC to act as a liaison between PBGC, participants in plans trusted by PBGC, and the sponsors of pension plans insured by PBGC.

PBGC Financing

PBGC's single-employer and multiemployer insurance programs are required by ERISA to be self-supporting. These programs receive no appropriations from general revenue. Although SFA provides assistance to multiemployer plans and is appropriated from general revenues, it is accounted for separately from the *traditional* financial assistance provided by PBGC's multiemployer insurance program to insolvent plans. Although ERISA states that the "United States is not liable for any obligation or liability incurred by the corporation,"¹² funds provided through the enactment of SFA are intended to ensure the continued solvency of the multiemployer program.¹³ Some Members of Congress have expressed a reluctance toward providing financial assistance to PBGC.¹⁴

⁸ PBGC, *Projections Report FY2024*, January 22, 2026, p. 2, <https://www.pbgc.gov/sites/default/files/documents/fy-2024-projections-report.pdf>.

⁹ PBGC, *Projections Report FY2024*, January 22, 2026, p. 2, <https://www.pbgc.gov/sites/default/files/documents/fy-2024-projections-report.pdf>. PBGC noted that the uncertainty about the duration of solvency is driven primarily by future investment performance, contribution income, and the level of future benefit payments in covered plans.

¹⁰ Janet Dhillon, the current PBGC director, was confirmed by the Senate on October 7, 2025. See <https://www.congress.gov/nomination/119th-congress/26/14>.

¹¹ As of May 21, 2026, the PBGC website listed one member of the advisory committee. See PBGC, Advisory Committee, at <https://www.pbgc.gov/about/who-we-are/advisory-committee>.

¹² ERISA §4002(g)(2) and 29 U.S.C. 1302 §(g)(2). Most of the provisions of ERISA were codified in Title 29 of the U.S. Code (labor code). Some stakeholders reference ERISA sections when referring to provisions; others reference their corresponding section in Title 29 of the *U.S. Code* (referred to as Labor Code). This report provides both references.

¹³ See, for example, Richard Neal, "Efforts to Modernize and Strengthen Multiemployer Pension Plans," Extensions of Remarks, *Congressional Record*, vol. 167, no. 34 (February 23, 2021), pp. E154 - E155, available at <https://www.govinfo.gov/content/pkg/CREC-2021-02-23/html/CREC-2021-02-23-pt1-PgE154-3.htm>.

¹⁴ For example, then-Chairman Phil Roe and then-Ranking Member Robert Andrews, of the Subcommittee on Health, Employment, Labor, and Pensions in the House Education and Workforce Committee, both expressed reservations about providing government financial assistance for PBGC. See U.S. Congress, House Committee on Education and (continued...)

The single-employer and multiemployer programs are funded by premiums set by Congress and paid by the private sector employers that sponsor DB pension plans. The premiums are placed into three PBGC revolving funds.¹⁵ Other sources of income for the single-employer program are assets from terminated plans taken over by PBGC, investment income, and recoveries collected from companies when they end underfunded pension plans. In addition to premiums, the multiemployer program also receives investment income on its revolving fund assets. The SFA program, which is financed by appropriations from Congress, resulted in a new source of financing outside of PBGC's revolving fund. The Multiemployer Pension Plan Amendments Act of 1980 (P.L. 96-364) required that PBGC's receipts and disbursements be included in federal budget totals.¹⁶

Premiums

The sponsors of private sector pension plans pay a variety of premiums to PBGC.¹⁷ The sponsors of single-employer and multiemployer pension plans pay flat-rate, per-participant premiums, which are increased annually for increases in the national average wage index. The sponsors of underfunded single-employer pension plans pay an additional premium that is based on the amount of plan underfunding. This premium is not adjusted for changes in the national average wage index. In addition, pension plans that are terminated in certain situations pay a per-participant premium per year for three years after termination. This premium is not adjusted for changes in the national average wage index.

The premiums for 2026 are as follows:¹⁸

- *Single-employer flat-rate premium:* The sponsors of single-employer DB pension plans pay an annual premium of \$111 for each participant in the plan.¹⁹
- *Single-employer variable-rate premium:* In addition to the flat-rate premium, the sponsors of underfunded single-employer DB pension plans pay an additional

the Workforce, Subcommittee on Health, Employment, Labor, and Pensions, *Examining the Challenges Facing PBGC and Defined Benefit Pension Plans*, 112th Cong., 2nd sess., February 2, 2012, 112-50 (Washington: GPO, 2012) and U.S. Congress, House Committee on Education and the Workforce, Subcommittee on Health, Employment, Labor, and Pensions, *Strengthening the Multiemployer Pension System: What Reforms Should Policymakers Consider?*, 113th Cong., 1st sess., June 12, 2013. More recently, in 2021, Virginia Foxx, then-ranking member of the Committee on Education and Labor and Rick Allen, then-ranking member of the Subcommittee on Health, Employment, Labor, and Pensions, wrote in a comment letter on PBGC's interim final rule on SFA that the rule "implements the ill-conceived taxpayer-funded bailout of failing and insolvent defined benefit multiemployer pension plans." See <https://www.pbgc.gov/sites/default/files/sfa-ifr-comment-comm-ed-labor.pdf>.

¹⁵ A revolving fund is established by law to support a cycle of businesslike operations within an agency. Specifically, a revolving fund allows an agency within a single account to collect and retain funds and then spend those funds on a particular purpose. In the case of the PBCG, the revolving funds receive the premiums that plan sponsors pay for insurance coverage, and benefits to participants or plans are paid from the revolving funds. For more information about revolving funds, see U.S. Government Accountability Office, *Revolving Funds: Key Features*, GAO-24-107270, January 17, 2024, <https://www.gao.gov/products/gao-24-107270>.

¹⁶ For an explanation of PBGC financing and the federal budget, see Congressional Budget Office (CBO), *A Guide to Understanding the Pension Benefit Guaranty Corporation*, September 2005, at <https://www.cbo.gov/sites/default/files/109th-congress-2005-2006/reports/09-23-guidetopbgc.pdf>.

¹⁷ ERISA §4006 and 29 U.S.C. §1306.

¹⁸ See PBGC, "Premium Rates," at <https://www.pbgc.gov/prac/prem/premium-rates>.

¹⁹ For plan years beginning in 2019, cooperative and small employer charity (CSEC) pension plans—a type of single-employer plan sponsored by certain rural cooperative and 501(c)(3) charities—pay a \$19 flat-rate premium and a \$9 per \$1,000 unfunded vested benefits variable rate premium. The premiums for CSEC plans are not adjusted for inflation. Section 206 of the Setting Every Community Up for Retirement Enhancement Act, enacted as Division O of P.L. 116-94, modified premiums for CSEC plans.

- annual premium of \$52 for each \$1,000 of unfunded vested benefits.²⁰ There is an annual per-participant limit of \$751 for this premium.
- *Single-employer termination premium:* The sponsors of single-employer DB pension plans that end in certain situations²¹ pay an annual premium of \$1,250 per participant per year for three years following plan termination.²²
 - *Multiemployer flat-rate premium:* The sponsors of multiemployer DB pension plans pay an annual premium of \$40 for each participant in the plan.²³

In the **Appendix**, **Table A-1** and **Table A-2** provide a history of PBGC premium rates.

Table 1 details the amounts of premium income in FY2024 and FY2025.

Table 1. Pension Benefit Guaranty Corporation Premium Income
(FY2024 and FY2025 by Type of Premium in Millions of Dollars)

	FY2024	FY2025
Single-Employer		
Flat-Rate Premium	\$1,829	\$1,890
Variable-Rate Premium	2,938	2,244
Termination Premium	4	< 0.5 ^a
Interest and Penalty Income	2	5
Less Bad Debt for Premiums, Interest, and Penalties ^b	-3	-9
<i>Total Single-Employer Premium Revenue</i>	<i>4,770</i>	<i>4,130</i>
Multiemployer		
Flat-Rate Premium	399	430
Interest and Penalty Income	< 0.5 ^a	< 0.5 ^a
Less Bad Debt for Premiums, Interest, and Penalties	-4	-4
<i>Total Multiemployer Premium Revenue</i>	<i>395</i>	<i>426</i>

Sources: PBGC, *PBGC Annual Report 2025* and *PBGC Annual Report 2024*, Note 11: Premiums, at <https://www.pbgc.gov/about/reports/annual/pbgc-annual-performance-financial-report-2025> and <https://www.pbgc.gov/about/reports/annual/pbgc-annual-performance-financial-report-2024>.

a. Reported as less than \$500,000.

b. Reserves for uncollectable premiums, interest, and penalties.

²⁰ Vested benefits are those benefits that a participant has earned a right to receive from a pension plan. Participants are entitled to their vested benefits even if they leave the pension plan or if the plan terminates.

²¹ The termination premium applies to plans that end in distress terminations in which ERISA §4044(c) applies, unless certain conditions about the plan's sponsors apply. For more information, see *Termination Premium Payment Package, including PBGC Form T*, at <http://www.pbgc.gov/documents/Form-T-package-2014.pdf>.

²² The termination premium was authorized in the Deficit Reduction Act of 2005 (P.L. 109-171). The termination premium is \$2,500 for airlines that chose the funding relief available under §402 of the Pension Protection Act of 2006 (PPA; P.L. 109-280) if the plan terminated within five years of choosing the funding relief.

²³ A provision in ARPA (P.L. 117-2) increased the multiemployer premium to \$52 per participant beginning in 2031 and is to be adjusted for increases in the national average wage index thereafter.

Requirements for PBGC Coverage

PBGC covers only those DB plans that meet the qualification requirements of Section 401 of the Internal Revenue Code (IRC).²⁴ DC plans (such as 401(k) and 403(b) plans) are not insured by PBGC. Plans must meet these requirements to receive the tax benefits available to qualified pension plans. If a plan meets the requirements of IRC Section 401, the employer's contributions to the plan are treated as a tax-deductible business expense, and neither the employer's contributions to the plan nor the investment earnings of the plan are treated as taxable income to the participants. When a pension plan participant begins to receive income from the plan, it is taxed as ordinary income.

In general, to be qualified under the IRC, a DB pension plan must be established with the intent of being a permanent and continuing arrangement; must provide definitely determinable benefits;²⁵ may not discriminate in favor of highly compensated employees with respect to coverage, contributions, or benefits; and must cover a minimum number or percentage of employees.

Pension plans specifically excluded by law from being insured by PBGC include governmental plans, church plans, plans of fraternal societies financed entirely by member contributions, plans maintained by certain professionals (such as physicians, attorneys, and artists) with 25 or fewer participants, and plans established and maintained exclusively for substantial owners of businesses.²⁶ Church plans and certain plans based in Puerto Rico may opt into PBGC coverage; however, other noncovered plans cannot. Plan sponsors can ask PBGC for a determination if the plan is covered by PBGC.²⁷

Current Financial Status of PBGC

The most commonly used measure of PBGC's financial status is its net financial position, which is the difference between PBGC's assets and its liabilities. At the end of FY2025, PBGC's assets were \$157.2 billion, PBGC liabilities were \$92.3 billion, and its net financial position was a surplus of \$64.9 billion.²⁸ The financial statuses of the single and multiemployer programs are discussed separately below.

PBGC's main assets are the values of its trust fund and revolving funds.²⁹ The trust fund contains the assets of the pension plans of which PBGC becomes trustee in the single-employer program and the returns on the trust fund investments. The revolving funds contain the premiums that plan sponsors pay to PBGC, transfers from the trust fund that are used to pay for participants' benefits, and returns on the revolving funds' investments in U.S. Treasury securities.

²⁴ 26 U.S.C. §401.

²⁵ 26 U.S.C. §401(a)(25) and 26 C.F.R. §1.401(a)-1. Definitely determinable benefits are benefits that are based on actuarial assumptions over which an employer does not have the discretion to make changes, such as those calculated from a formula specified in the pension plan documents. As a counter example, a benefit that could be changed based on the employer's profits would not be definitely determinable.

²⁶ See <https://www.pbgc.gov/employers-practitioners/legal-resources/insurance-coverage>.

²⁷ See <https://www.pbgc.gov/sites/default/files/coverage-determination-form.pdf> and <https://www.pbgc.gov/sites/default/files/coverage-determination-instructions.pdf>.

²⁸ PBGC, *FY2025 Annual Report*, p. 19, <https://www.pbgc.gov/sites/default/files/documents/pbgc-annual-report-2025.pdf>.

²⁹ Other assets include securities lending collateral and receivables.

PBGC's main liabilities are the estimated present values of (1) future benefits payments in the single-employer program and (2) future financial assistance to insolvent plans in the multiemployer program.³⁰

Table 2 provides information on the net financial position of PBGC from FY2010 through FY2025. In FY2021, PBGC had a surplus for the first time since FY2001.

The 2007-2009 recession led to increases in the PBGC deficit. Following the recession, the single-employer program's deficit improved as a result of investment returns (except for 2015, the Standard and Poor's 500 [S&P 500] index closed higher each year from 2009 through 2021) and increases in PBGC premiums.³¹

The multiemployer program had a surplus from FY1982 through FY2002, but PBGC reported deficits from FY2003 through FY2020. The large increase in the deficit beginning in FY2014 was a result of the projected insolvencies of several large multiemployer plans. PBGC had projected that the multiemployer program would likely have become insolvent in FY2026 or FY2027.³² However, the enactment of federal financial assistance to the UMWA 1974 Pension Plan in the Further Consolidated Appropriations Act of 2020 (P.L. 116-94) and of SFA in ARPA (P.L. 117-2) staved off the program's insolvency.³³ In 2023, the Government Accountability Office (GAO) removed PBGC from its list of high-risk government programs.³⁴

³⁰ Other liabilities include payables. PBGC's benefit obligations are spread out over many years in the future. These future benefits are calculated and reported as current dollar values (also called present value). Benefits that are expected to be paid in a particular year in the future are calculated so they can be expressed as a current value. The process is called discounting and it is the reverse of the process of compounding, which projects how much a dollar amount will be worth at a point in the future. For more information, see the appendix in CRS Report R43305, *Multiemployer Defined Benefit (DB) Pension Plans: A Primer*.

³¹ See, for example, <https://www.wsj.com/market-data/quotes/index/SPX/historical-prices> and PBGC, *PBGC Annual Report 2020*, p. 28.

³² PBGC Projections Report 2019, p. 7, at <https://www.pbgc.gov/sites/default/files/fy-2019-projections-report.pdf> and PBGC 2022 *Annual Report*.

³³ PBGC's 2021 Projections Report notes that, largely as a result of the SFA program, the multiemployer program is likely to remain solvent for more than 40 years. See PBGC, "PBGC Releases FY2021 Projections Report," press release, September 9, 2022, at <https://www.pbgc.gov/news/press/releases/pr22-34>.

³⁴ See U.S. Government Accountability Office, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas*, GA-23-106686, April 26, 2023, <https://www.gao.gov/products/gao-23-106686>.

**Table 2. PBGC Single and Multiemployer Insurance Programs:
Combined Net Financial Position, FY2010-FY2025**

Billions of Dollars

Fiscal Year	Single-Employer Program			Multiemployer Program			Total PBGC Surplus/Deficit
	Assets	Liabilities	Surplus/Deficit	Assets	Liabilities	Surplus/Deficit	
2010	\$77.5	\$99.1	-\$21.6	\$1.6	\$3.1	-\$1.4	-\$23.0
2011	\$79.0	\$102.2	-\$23.3	\$1.7	\$4.5	-\$2.8	-\$26.1
2012	\$83.0	\$112.1	-\$29.1	\$1.8	\$7.0	-\$5.2	-\$34.3
2013	\$83.2	\$110.6	-\$27.4	\$1.7	\$10.0	-\$8.3	-\$35.7
2014	\$88.0	\$107.4	-\$19.3	\$1.8	\$44.2	-\$42.4	-\$61.7
2015	\$85.7	\$109.8	-\$24.1	\$1.9	\$54.2	-\$52.3	-\$76.4
2016	\$97.3	\$117.9	-\$20.6	\$2.2	\$61.0	-\$58.8	-\$79.4
2017	\$106.2	\$117.1	-\$10.9	\$2.3	\$67.3	-\$65.1	-\$76.0
2018	\$109.9	\$107.5	\$2.4	\$2.3	\$56.2	-\$53.9	-\$51.5
2019	\$128.1	\$119.4	\$8.7	\$2.9	\$68.0	-\$65.2	-\$56.5
2020	\$143.5	\$128.0	\$15.5	\$3.1	\$66.9	-\$63.7	-\$48.2
2021	\$150.7	\$119.8	\$30.9	\$3.5	\$3.0	\$0.5	\$31.4
2022	\$124.4	\$87.8	\$36.6	\$3.5	\$2.4	\$1.1	\$37.7
2023	\$130.9	\$86.3	\$44.6	\$4.0	\$2.6	\$1.5	\$46.1
2024	\$146.1	\$92.0	\$54.1	\$4.5	\$2.3	\$2.1	\$56.2
2025	\$152.3	\$90.0	\$62.2	\$4.9	\$2.3	\$2.6	\$64.9

Sources: PBGC, Pension Insurance Data Books, Tables S-I and M-I, at <https://www.pbgc.gov/about/reports/pension-insurance-data>; and PBGC, *PBGC Annual Report 2025*, p. 19, at <https://www.pbgc.gov/sites/default/files/documents/pbgc-annual-report-2025.pdf>.

Note: Total surplus/deficit might not sum due to rounding. Net income or loss is not shown in table.

PBGC and the Federal Budget

PBGC's budgetary cash flows are based on its premium income, interest income, SFA appropriations, benefit outlays, and the interaction of PBGC's revolving and trust funds. The revolving funds contain the premiums that plan sponsors pay to PBGC, transfers from the trust fund that are used to pay for participants' benefits, and returns on the revolving funds' investments in U.S. Treasury securities. The trust fund contains the assets of the single-employer plans of which PBGC becomes trustee and the returns on the trust fund investments.³⁵

PBGC Revolving Funds

ERISA authorized the creation of seven revolving funds for PBGC, although only three revolving funds have been used by PBGC.³⁶ The revolving funds contain the premiums paid by single-employer and multiemployer pension plan sponsors, returns on revolving funds' investments, and transfers from the trust fund that are used to pay benefits. Each year, PBGC transfers funds from the trust fund to the revolving funds to pay for a share of participants' benefits.³⁷

All revolving funds are invested in Treasury securities, though only certain revolving funds are required by law to be invested in Treasury securities.³⁸ The revolving funds' assets at the end of FY2025 were \$3.2 billion for Fund 1, \$4.6 billion for Fund 2, and \$64.8 billion for Fund 7, for a total of \$72.6 billion.³⁹

The revolving funds are on-budget accounts: increases or decreases in the revolving funds appear as on-budget federal receipts and outlays. The funds' gross outlays include PBGC benefit payments and administrative expenses, and receipts include premiums paid by plans, interest on federal securities, and reimbursements from the trust fund.

Because increases in the premiums paid by pension plan sponsors to PBGC are increases in federal revenue, some stakeholders and policymakers have criticized PBGC premium increases because they feel that increases in premiums are used to offset other federal spending, do not address the financial condition of PBGC, and may discourage employers from maintaining their DB pension plans.⁴⁰

PBGC Trust Fund

When PBGC becomes trustee of a single-employer pension plan, the assets of the terminated pension plan are transferred to PBGC and placed in a nonbudgetary trust fund.⁴¹ Transfers of

³⁵ For more information, see CBO, *A Guide to Understanding the Pension Benefit Guaranty Corporation*, September 2005, at <http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/66xx/doc6657/09-23-guidetopbgc.pdf>.

³⁶ ERISA §4005 and 29 U.S.C. §1305.

³⁷ A GAO report indicated that the formula for the transfer is net trust fund assets divided by the present value of future benefits excluding probable terminations. See GAO, *Pension Benefit Guaranty Corporation: Asset Management Needs Better Stewardship*, GAO-11-271, June 2011, at <http://www.gao.gov/new.items/d11271.pdf>.

³⁸ PBGC, *PBGC Annual Report 2025*, p. 38.

³⁹ PBGC, *PBGC Annual Report 2025*, p. 38.

⁴⁰ See, for example, Rep. Mark Pocan, "Pocan, Renacci Introduce Bipartisan Legislation to Eliminate Budget Gimmick," press release, April 15, 2016, at <https://pocan.house.gov/media-center/press-releases/pocan-renacci-introduce-bipartisan-legislation-to-eliminate-budget>; and American Academy of Actuaries, "Issue Brief: PBGC Single-Employer Premiums and Their Impact on Plan Sponsorship," October 2020, <https://www.actuary.org/wp-content/uploads/2020/10/PBGCPremiumsIB.pdf>.

⁴¹ When PBGC becomes trustee of a single-employer pension plan, the plan typically has assets in it. These assets are (continued...)

assets to the trust fund do not appear in the federal budget and the assets of this trust fund do not appear on the federal balance sheet.

Investments of the Revolving and Trust Funds

The assets of the revolving and trust funds are managed by private sector money managers in accordance with an investment policy established by PBGC's board of directors.⁴² The current investment policy allocates 15% of investments to "return-seeking assets" (such as U.S. and international publicly traded equities, high yield bonds, and real estate) and 85% of investments to "liability-hedging assets" (such as U.S. and international bonds). As of September 30, 2025, the investments of the single-employer revolving and trust funds were \$110.1 billion in fixed income securities and \$20.2 billion in equity securities, private equity, real estate, and insurance contracts.⁴³

Smaller Asset Managers Program

In 2015, PBGC established a pilot program to allow smaller investment firms to compete for contracts to manage portions of PBGC investments. The Smaller Assets Managers Program (SAMP) was designed to increase the diversity of PBGC's investment managers.⁴⁴ In June 2016, PBGC awarded five contracts to each manage \$175 million of PBGC's fixed income portfolio.⁴⁵ Of the five firms selected, one was minority-owned, two were women-owned, and one was minority woman-owned.⁴⁶ After five years, each of the five smaller asset managers generated returns that exceeded the established benchmark.⁴⁷ In 2022, PBGC's board of directors approved making SAMP an ongoing program.

Eighth Fund for SFA

ARPA established an eighth fund within PBGC and appropriates from the general fund "such amounts as are necessary" for 10 years to provide SFA and associated administrative and operating expenses. This eighth fund is the first time PBGC has had an appropriated fund.⁴⁸ PBGC estimated that it would provide total SFA ranging from \$74 billion to \$91 billion.⁴⁹

transferred to the PBGC trust fund. PBGC does not become trustee of multiemployer plans, so it does not take any multiemployer plan assets.

⁴² The most recent Investment Policy Statement is from August 2023 and is available at <https://www.pbgc.gov/sites/default/files/documents/pbgc-investment-policy.pdf>.

⁴³ PBGC, 2025 *Annual Report*, p. 68, PBGC, FY2025 Annual Report, p. 3, <https://www.pbgc.gov/sites/default/files/documents/pbgc-annual-report-2025.pdf>.

⁴⁴ More information is available in PBGC, *Review of the PBGC Smaller Asset Manager Program*, <https://www.pbgc.gov/sites/default/files/documents/pbgc-smaller-asset-managers-pilot-program-final.pdf>.

⁴⁵ PBGC, *Review of the PBGC Smaller Asset Manager Program*, p. 2, <https://www.pbgc.gov/sites/default/files/documents/pbgc-smaller-asset-managers-pilot-program-final.pdf>.

⁴⁶ PBGC, *Review of the PBGC Smaller Asset Manager Program*, p. 3, <https://www.pbgc.gov/sites/default/files/documents/pbgc-smaller-asset-managers-pilot-program-final.pdf>.

⁴⁷ PBGC, *Review of the PBGC Smaller Asset Manager Program*, p. 5, <https://www.pbgc.gov/sites/default/files/documents/pbgc-smaller-asset-managers-pilot-program-final.pdf>.

⁴⁸ PBGC, *FY2022 Annual Report*, p. 67, <https://www.pbgc.gov/sites/default/files/documents/pbgc-annual-report-2022.pdf>.

⁴⁹ See PBGC, PBGC Issues Final Rule on Special Financial Assistance, at <https://www.pbgc.gov/news/press/releases/pr22-28>.

Pension Benefit Insurance Programs

PBGC's single-employer and multiemployer insurance programs each operate differently, and PBGC maintains separate reserve funds for each program. Funds from the reserve of one program may not be used for the other program.

In the single-employer program, PBGC becomes the trustee of terminated, underfunded single-employer DB pension plans. The assets of the terminated plan are placed in a trust fund operated by PBGC. The participants in the trustee plans receive their benefits from PBGC.

In the multiemployer program, PBGC does not become the trustee of plans. PBGC makes loans to multiemployer DB pension plans when the plans become insolvent. An insolvent multiemployer plan is one that has insufficient assets available from which to pay participant benefits.

Single-Employer Insurance Program

The three ways in which a single employer DB plan can be terminated are in standard, distress, and involuntary termination.⁵⁰ An employer can voluntarily initiate either a standard (if the plan has sufficient assets from which to pay participants' benefits) or distress termination (if the plan is underfunded). PBGC may involuntarily terminate an underfunded plan under certain circumstances, for example, if the sponsor is unable to fund its pension obligations.

Standard Terminations

A company may voluntarily end its pension plan if the plan's assets are sufficient to cover benefit liabilities. In such cases, PBGC does not pay any benefits to plan participants. Its role is to confirm that the requirements for termination have been met by the plan. Generally, benefit liabilities equal all benefits earned to date by plan participants, including vested and nonvested benefits (which automatically become vested at the time of termination), plus certain early retirement supplements and subsidies. Benefit liabilities also may include certain contingent benefits.⁵¹ If assets are sufficient to cover benefit liabilities (and other termination requirements, such as notice to employees, have not been violated), the plan distributes benefits to participants. The plan provides for the benefit payments it owes by purchasing annuity contracts from an insurance company, or otherwise providing for the payment of benefits, for example, by providing the benefits in lump-sum distributions.⁵²

Assets in excess of the amounts necessary to cover benefit liabilities may be recovered by the employer in an asset reversion.⁵³ The asset reversion is included in the employer's gross income and is subject to a nondeductible excise tax. The excise tax is 20% of the amount of the reversion

⁵⁰ More information is available in CRS Report RS22624, *The Pension Benefit Guaranty Corporation and Single-Employer Plan Terminations*.

⁵¹ Contingent benefits are benefits that are available when certain specified events occur. For example, a plan might provide "shutdown benefits," which are additional benefits should a plant or facility close.

⁵² The process of providing participants annuities from insurance companies is called a pension risk transfer. More information is available in Pension Benefit Guaranty Corporation, *Single-Employer Risk Transfer Activities*, March 19, 2021, <https://www.pbgc.gov/sites/default/files/se-risk-transfers.pdf>.

⁵³ An asset reversion is cash and property received by the sponsor of a DB pension plan. See 26 U.S.C. §4980(c)(2).

if the employer establishes a qualified replacement plan or provides certain benefit increases in connection with the termination.⁵⁴ Otherwise, the excise tax is 50% of the reversion amount.⁵⁵

PBGC Trusteeship

When an underfunded single-employer plan terminates in a distress or involuntary termination, the plan goes into PBGC receivership. PBGC becomes the trustee of the plan, takes control of any plan assets, and assumes responsibility for liabilities under the plan. PBGC makes payments for benefit liabilities promised under the plan with assets received from two sources: (1) assets in the plan before termination and (2) assets recovered from employers. The balance, if any, of guaranteed benefits owed to beneficiaries is paid from PBGC's revolving funds.

Distress Terminations

If assets in the plan are not sufficient to cover benefit liabilities, the employer may not terminate the plan unless the employer meets one of four criteria necessary for a "distress" termination:

1. The plan sponsor, and every member of the sponsor's controlled group (companies with the same ownership) of which the sponsor is a member, has filed or had filed against it a petition seeking liquidation in bankruptcy or any similar federal law or other similar state insolvency proceedings;⁵⁶
2. The plan sponsor, and every member of the sponsor's controlled group, has filed or had filed against it a petition to reorganize in bankruptcy or similar state proceedings. This criterion is also met if the bankruptcy court (or other appropriate court) determines that, unless the plan is terminated, the employer will be unable to continue in business outside the reorganization process and approves the plan termination;
3. PBGC determines that termination is necessary to allow the employer to pay its debts when due; or
4. PBGC determines that termination is necessary to avoid unreasonably burdensome pension costs caused solely by a decline in the employer's work force.

These requirements were added by the Single-Employer Pension Plan Amendments Act of 1986 (SEPPAA; P.L. 99-272) and modified by the Omnibus Budget Reconciliation Act of 1987 (P.L. 100-203) and the Retirement Protection Act of 1994 (RPA; P.L. 103-465).⁵⁷ They are designed to ensure that the liabilities of an underfunded plan remain the responsibility of the employer, rather than PBGC, unless the employer meets strict standards of financial need indicating genuine inability to continue funding the plan.

Involuntary Terminations

PBGC may terminate a plan involuntarily, either by agreement with the plan sponsor or pursuant to a federal court order.⁵⁸ PBGC may institute such proceedings only if

⁵⁴ 26 U.S.C. §4980(a).

⁵⁵ 26 U.S.C. §4980(b).

⁵⁶ A controlled group is two or more companies with common ownership, defined in 26 U.S.C. §1563 as 80% common ownership, five or fewer people own 80% or more of the stock of each corporation, or the same five people own 50% or more of each company.

⁵⁷ ERISA §4041 and 29 U.S.C. §1341.

⁵⁸ ERISA §4042 and 29 U.S.C. §1342.

- the plan in question has not met the minimum funding standards,
- the plan will be unable to pay benefits when due,
- the plan has a substantial owner who has received a distribution greater than \$10,000 (other than by reason of death) and the plan has unfunded vested benefits, or
- the long-run loss to PBGC with respect to the plan is expected to increase unreasonably if the plan is not terminated.

PBGC must terminate a plan if the plan is unable to pay benefits that are currently due. A federal court may order termination of the plan to protect the interests of participants, to avoid unreasonable deterioration of the plan's financial condition, or to avoid an unreasonable increase in PBGC's liability under the plan.

Table 3 provides information on the number of terminations since 1975 by single-employer DB pension plans and the number of these terminations that resulted in PBGC becoming trustee of the pension plan. The number of single-employer plan terminations that result in claims against PBGC is a relatively small fraction of all plan terminations. Most pension plan terminations are standard terminations. The number of trustee terminations increases during and immediately after downturns in the economy. For example, the number of trustee terminations was higher in each year from 2009 to 2013 compared to the prior years as a result of the December 2007 to June 2009 recession.⁵⁹

Table 3. Number of Standard and Trusteed Pension Plan Terminations

Fiscal Year	Number of Standard Termination Filings	Number of Trusteed Terminations
1975-2004	165,780	3,592
2005	1,108	129
2006	1,247	93
2007	1,233	78
2008	1,405	82
2009	1,294	193
2010	1,308	156
2011	1,400	100
2012	1,332	118
2013	1,481	97
2014	1,373	67
2015	1,197	53
2016	1,225	72
2017	1,350	50
2018	1,468	59
2019	1,500	52

⁵⁹ PBGC noted in its FY2024 Projections Report that “claims typically follow bankruptcies which often spike during and after recessions.” See PBGC, *Projections Report FY2024*, p. 33, <https://www.pbgc.gov/sites/default/files/documents/fy-2024-projections-report.pdf#page=37>.

Fiscal Year	Number of Standard Termination Filings	Number of Trusteed Terminations
2020	1,597	58
2021	1,880	38
2022	1,593	19
2023	1,510	25
2024	1,778	13
Total	194,059	5,144

Source: Pension Benefit Guaranty Corporation Pension Insurance Data Book, 2023, updated on December 18, 2025, Table S-3, <https://www.pbgc.gov/sites/default/files/documents/2023-pension-data-tables.pdf>.

Notes: In a standard termination, a single-employer pension plan has sufficient assets from which to pay 100% of the participants' promised benefits. In a trusteed termination, PBGC becomes trustee of the plan and participants receive their benefits, up to a statutory maximum amount, from PBGC. The number of trusteed terminations reported in most recent years are subject to change upon trusteeship finalization.

Employer Liability to PBGC

Following a distress or involuntary termination, the plan's sponsor and every member of that sponsor's controlled group are liable to PBGC for the plan's shortfall. The shortfall is measured as the value of the plan's liabilities as of the date of the plan's termination minus the fair market value of the plan's assets on the date of termination. The liability is joint and several, meaning that each member of the controlled group can be held responsible for the entire liability. Generally, the obligation is payable in cash or negotiable securities to PBGC on the date of termination. Failure to pay this amount upon demand by PBGC may trigger a lien on the property of the contributing employer's controlled group. Often, however, a plan undergoing a distress termination is sponsored by a company that is in bankruptcy proceedings, in which case PBGC does not have legal authority to create (or perfect) a lien against the plan sponsor. In such instances, PBGC has the same legal standing as other creditors of the plan sponsor, and its ability to recover assets is limited.

Benefit Payments

When an underfunded plan terminates, the benefits PBGC will pay depend on the statutory limit on guaranteed benefits, the amount of the terminated plan's assets, and recoveries by PBGC from the employer that sponsored the terminated plan.

Guaranteed Benefits

Within limits set by Congress, PBGC guarantees any retirement benefit that was nonforfeitable (i.e., vested) on the date of plan termination other than benefits that vest solely on account of the termination, and any death, survivor, or disability benefit that was owed or was in payment status at the date of plan termination. Generally, only that part of the retirement benefit that is payable in monthly installments (rather than, for example, lump-sum benefits payable to encourage early retirement) is guaranteed. Retirement benefits that commence before the plan's normal age of retirement are guaranteed, provided they meet the other conditions of guarantee. Contingent benefits (for example, early retirement benefits provided only if a plant shuts down) are guaranteed only if the triggering event occurs before plan termination. Following enactment of

the Pension Protection Act of 2006 (PPA; P.L. 109-280), PBGC guarantee for such benefits is phased in over a five-year period commencing when the event occurs.⁶⁰

Maximum Benefits for Participants in Single-Employer Pension Plans

ERISA sets a maximum on the individual benefit amount that PBGC can guarantee.⁶¹ If a participant's benefits exceed the limits set by law (and the plan does not have sufficient assets to pay for these benefits when it is terminated), the participant will have their benefits reduced to the maximum limit. Three limitations account for most benefit reductions in PBGC-trusted plans: the *accrued-at-normal limitation*, the *maximum insurance limitation*, and the *phase-in limitation*.⁶²

- The *accrued-at-normal limitation* restricts the benefits PBGC can pay to a monthly amount no greater than the monthly benefit that a participant would receive as a straight life annuity at the plan's normal retirement age. Any early retirement benefit and supplemental benefit that exceeds that amount is not guaranteed by PBGC. This limitation can affect, for example, participants in plans that receive temporary supplemental payments between the early retirement age and the normal retirement age.
- The *maximum insurance limitation* is a dollar cap on the amount that PBGC guarantees. The statutory maximum benefit that PBGC pays depends on factors such as the year that a plan terminates, the age at which the participants begin receiving their benefits, and the form of benefit payment. This amount is adjusted annually for national wage growth.⁶³ For example, for individuals whose plans terminate in 2026, who begin receiving their benefits at age 65, and who receive their benefits as straight life annuities, the maximum benefit is \$7,789.77 per month (\$93,477.24 per year).⁶⁴ The maximum benefit is decreased if a participant begins receiving the benefit before the age of 65 (reflecting the fact that they will receive more monthly pension checks over their expected lifetime) or if the benefit is received in a form other than equal monthly payments for the life of the retiree.⁶⁵ The benefit is increased if a participant begins receiving the benefit after the age of 65 (reflecting the fact that they will receive fewer monthly pension

⁶⁰ For example, PBGC pays 20% of a participant's shutdown benefit if the benefit was adopted within one year prior to plan termination. The percentage increases from year to year. If the benefit was adopted more than five years prior to plan termination, PBGC pays 100% of the participant's shutdown benefit. For more information, see PBGC, "Benefits Payable in Terminated Single-Employer Plans; Limitations on Guaranteed Benefits; Shutdown and Similar Benefits," 79 *Federal Register* 25667-25675, May 6, 2014.

⁶¹ The maximum benefit is different for participants in terminated single-employer pension plans compared with participants in insolvent multiemployer pension plans.

⁶² Other limitations may reduce a participant's benefits, including an aggregate maximum limitation, a substantial/majority owner limitation, special payments, cost of living adjustments, grow-in benefits, death benefits, and an additional limitation introduced by the Pension Protection Act of 2006. For descriptions of these limitations, see PBGC, *PBGC's Single-Employer Guarantee Outcomes*, May 2019, <https://www.pbgc.gov/sites/default/files/2016-single-employer-guaranty-study.pdf>.

⁶³ ERISA §4022(b)(3)(B) and 29 U.S.C. §1322(b)(3)(B).

⁶⁴ The maximum benefit for individuals that receive the same benefit beginning at age 60 is \$5,063.35 per month (\$60,760.20 per year). For more information, see *Maximum monthly guarantee tables* at <https://www.pbgc.gov/workers-retirees/learn/guaranteed-benefits/monthly-maximum>.

⁶⁵ An equal monthly benefit for the life of the participant is called a straight-life annuity. DB plans also provide their benefits in form of a spousal annuity, which pays a reduced monthly benefit for the life of the participant and spouse. For example, a joint and 50% survivor annuity provides a participant with fixed monthly lifetime benefit payments and, upon death, continues lifetime payments reduced by 50% to the spouse or other beneficiary.

checks over their expected lifetime).⁶⁶ Table 4 contains examples of PBGC’s annual maximum benefit for individuals who begin receiving benefits at the ages of 60, 65, or 70 and who receive either a straight-life annuity or a joint and 50% survivor annuity.

- The *phase-in limitation* restricts benefit improvements provided through recent plan amendments: PBGC covers benefit improvements that were adopted more than five years prior to the date of the plan’s termination. PBGC does not cover benefit increases implemented within one year of the date of the plan’s termination. For benefit increases that occurred more than one year but less than five years before the plan’s termination, PBGC guarantees the greater of (1) 20% of the benefit increase or (2) \$20 per month of the increase for each full year the increase was in effect. Phase-in limitations are more common in collectively bargained plans.

Table 4. Examples of PBGC Annual Maximum Benefits for Single-Employer Plans That Terminate in 2026

	Benefit Begins at Age		
	60	65	70
Straight-Life Annuity	\$60,760	\$93,477	\$155,172
Joint and 50% Survivor Annuity, Assuming Both Spouses Are the Same Age	\$54,684	\$84,129	\$139,655

Source: PBGC, Maximum Monthly Guarantee Tables, available at <http://www.pbgc.gov/wr/benefits/guaranteed-benefits/maximum-guarantee.html>.

Notes: A straight-life annuity pays an equal monthly benefit for the life of the participant. A Joint and 50% Survivor Annuity provides a participant with fixed monthly lifetime benefit payments and, upon death, continues lifetime payments reduced by 50% to the spouse or other beneficiary.

The reduction in the maximum guarantee for benefits paid before the age of 65 is 7% for each of the first five years under age 65, 4% for each of the next five years, and 2% for each of the next 10 years.⁶⁷ The reduction in the maximum guarantee for benefits paid in a form other than a straight-life annuity depends on the type of benefit, and if there is a survivor’s benefit, the percentage of the benefit continuing to the surviving spouse and the age difference between the participant and spouse.⁶⁸

Only “basic benefits” are guaranteed. These include benefits beginning at normal retirement age (usually 65), certain early retirement and disability benefits, and benefits for survivors of deceased plan participants. Only vested benefits are insured. The average monthly benefit received by retirees and beneficiaries in FY2024 was \$544.⁶⁹

⁶⁶ For a discussion of actuarial equivalence, see Society of Actuaries, Actuarially Equivalent Benefits, at <https://www.soa.org/globalassets/assets/files/edu/edu-2009-fall-ea1-02-sn.pdf>.

⁶⁷ Further information on the maximum benefit is available in 29 C.F.R. §4022.23, Computation of Maximum Guaranteeable Benefits.

⁶⁸ A single life annuity is a benefit that pays an equal monthly benefit for the life of the participant. A survivor’s annuity pays an equal monthly benefit for the longer of the life of the participant and the participant’s spouse. The monthly payment in a survivor’s annuity is typically less than the amount of the single life annuity.

⁶⁹ See PBGC, *Pension Insurance Data Book, 2023*, Table S-17, at <https://www.pbgc.gov/sites/default/files/2023-pension-data-tables.pdf>.

Assets of a terminated plan are allocated to pay benefits according to a priority schedule established by statute. Under this schedule, some nonguaranteed benefits are payable from plan assets before certain guaranteed benefits. For example, benefits of participants who have been receiving pension payments for more than three years have priority over guaranteed benefits of participants not yet receiving payments.

PBGC also is required to pay participants a portion of their unfunded, nonguaranteed benefits based on a ratio of assets recovered from the employer to the amount of PBGC's claim on employer assets (called Section 4022(c) benefits).⁷⁰

Data on PBGC Benefit Reductions in Trusteed Plans

In May 2019, PBGC published a report providing data on benefit reductions in 500 plans trusteed between 1988 and 2012.⁷¹ These 500 plans covered 1,142,700 participants, which represented more than half of the plans that PBGC had trusteed since its inception (as of the date of the report).

PBGC indicated that 84% of PBGC recipients in single-employer plans trusteed by PBGC received their full benefits.⁷² Among the 187,000 participants whose benefits were reduced, the average reduction was 24%. Forty-four percent of participants with benefit reductions had reductions of less than 10%, and 23.6% of participants with reductions had reductions between 10% and 20%. About 5% of participants with reductions had reductions of 50% or more, representing 0.9% of all participants in the report's trusteed plans.

The accrued-at-normal limitation, the maximum insurance limitation, and the phase-in limitation—referred to as primary benefit limitations—accounted for nearly all of the benefit reductions, reducing the average value of benefits by 23%. When accounting for all types of limitations, the average value of benefit reductions was 24%.

Nearly 90% of the benefit reductions were in 10 plans:

- Retirement Income Plan for Pilots of U.S. Airways, Inc. (5,800 participants, 5,200 [89.7%] with reductions);
- United Airline Pilots Defined Benefit Pension Plan (14,100 participants, 9,800 [69.5%] with reductions);
- Delta Pilots Retirement Plan (13,000 participants, 7,600 [58.5%] with reductions);
- Pension Plan of Bethlehem Steel Corporation (91,100 participants, 17,200 [18.9%] with reductions);
- Delphi Hourly-Rate Employees Pension Plan (43,000 participants, 14,500 [33.7%] with reductions [see note below]);
- United Airlines Ground Employees' Retirement Plan (35,800 participants, 25,500 [71.2%] with reductions);
- LTV Steel Hourly Pension Plan (61,300 participants, 35,500 [57.9%] with reductions);
- Delphi Retirement Program for Salaried Employees (19,800 participants, 5,700 [28.8%] with reductions);
- Weirton Steel Corp. Ret. Plan (9,200 participants, 3,300 [35.9%] with reductions); and
- National Steel Corp Hourly Pen Plan (9,600 participants, 3,900 [40.6%] with reductions).

Among the 840,000 participants in other plans in the study, 58,800 (7.0%) had benefit reductions. Participants in plans in the airline, steel, and motor vehicle equipment industry were the most likely to have their benefits reduced by one of the primary benefit limitations.

Note that most participants in the Delphi Hourly-Rate Employees Pension Plan had a top-up agreement with General Motors (GM) in case they faced benefit reductions; these participants received payments from GM to make up the difference between their benefits earned under the plan and the benefits reduced due to PBGC's guarantees. For more information, see CRS In Focus IF12171, *Benefit Reductions to Participants in Delphi Pension Plans*.

⁷⁰ ERISA §4022(c) and 29 U.S.C. §1322(c).

⁷¹ See PBGC, *PBGC's Single-Employer Guarantee Outcomes*, May 2019, at <https://www.pbgc.gov/sites/default/files/2016-single-employer-guaranty-study.pdf>.

⁷² See PBGC, *PBGC's Single-Employer Guarantee Outcomes*, May 2019, at <https://www.pbgc.gov/sites/default/files/2016-single-employer-guaranty-study.pdf>.

Benefit Payments in the Single-Employer Insurance Program

Table 5 shows that approximately 912,000 participants received monthly payments from PBGC in FY2024.⁷³ The average monthly payment received by retirees and beneficiaries was \$544 and the median monthly payment was \$293. Approximately 40,000 participants received lump-sum payments in FY2024, and the average amount of the lump-sum payment was \$3,329.⁷⁴

⁷³ See PBGC Pension Insurance Data Book, 2023, Tables S-14, available at <https://www.pbgc.gov/sites/default/files/documents/2023-pension-data-tables.pdf>.

⁷⁴ See PBGC Pension Insurance Data Book, 2023, Table S-14, <https://www.pbgc.gov/sites/default/files/documents/2023-pension-data-tables.pdf>. The data book does not provide similar information for multiemployer plans. In the multiemployer program, PBGC provides benefits to the plans, not directly to participants.

Table 5. PBGC Benefit Payments and Payees, FY2011-FY2024

Single-Employer Insurance Program

Fiscal Year	Periodic Pension Payments				Lump-Sum Payments			
	Annual Total (Millions of Dollars)	Number of Payees in Year (Thousands)	Average Monthly Payment	Median Monthly Payment	Annual Total (Millions of Dollars)	Number of Payees in Year (Thousands)	Average Payment	Number of Deferred Payees (Thousands)
2011	\$5,172	775	\$579	\$287	\$168	48	\$3,517	595
2012	5,299	781	559	284	85	38	2,198	590
2013	5,386	799	539	283	63	39	1,600	600
2014	5,436	812	539	283	86	39	2,014	488
2015	5,486	825	536	279	84	40	2,054	560
2016	5,545	837	535	278	113	36	3,031	559
2017	5,578	839	535	278	121	40	2,535	552
2018	5,704	861	533	278	87	39	2,252	542
2019	5,917	886	534	279	103	41	2,481	534
2020	6,033	983	536	280	93	38	2,468	534
2021	6,299	967	543	286	141	41	2,753	521
2022	6,866	966	538	290	177	46	2,829	472
2023	5,965	917	542	291	95	34	2,805	424
2024	5,717	912	544	293	132	40	3,329	396

Source: Pension Benefit Guaranty Corporation Pension Insurance Data Book, 2023, updated December 18, 2025, Table S-14, available at <https://www.pbgc.gov/sites/default/files/documents/2023-pension-data-tables.pdf>.

Notes: Deferred payees are participants who are owed, but not yet receiving, benefits under the plan. Due to rounding of individual items, the average monthly payment may not be exactly equal to the total payments divided by the number of payees. Average monthly payment is not equal to annual total payments divided by number of payees because some payees did not receive benefits for all 12 months in a year.

Finances of the Single-Employer Insurance Program

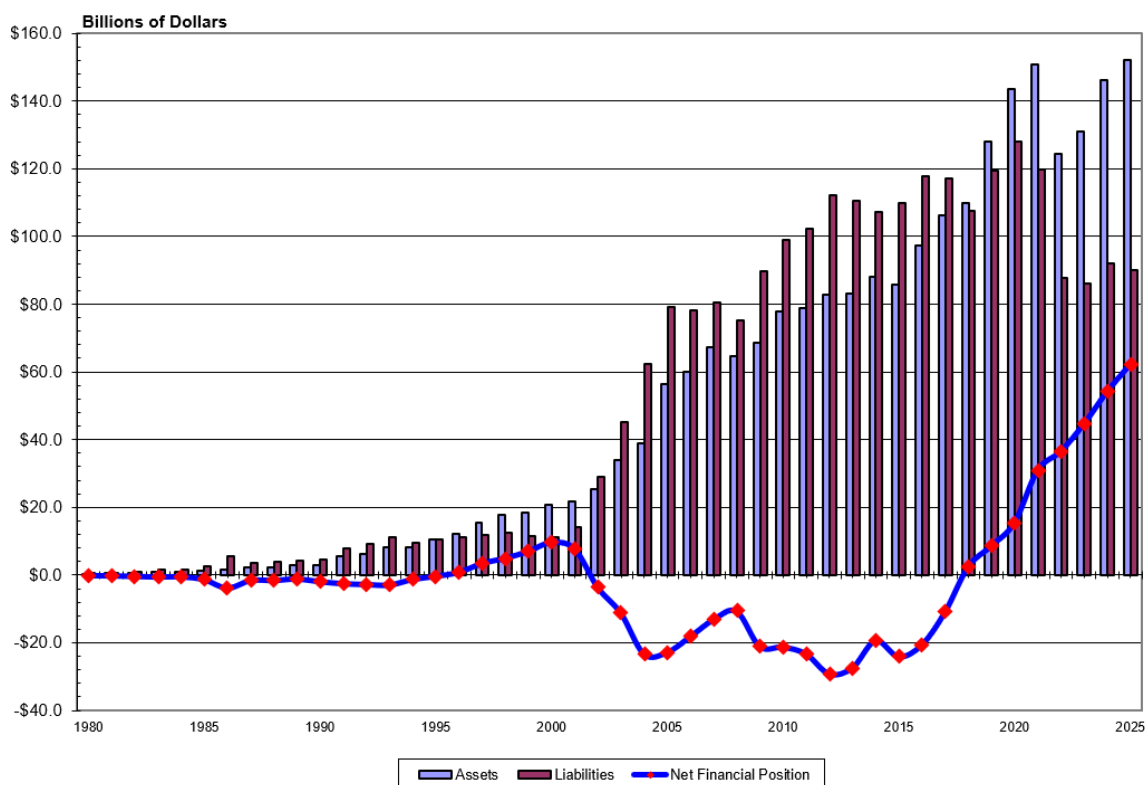
Figure 1 displays the net financial position of PBGC's single-employer program from FY1980 to FY2025. In FY1996, PBGC showed a surplus in its single-employer program for the first time in its history. That surplus was \$9.7 billion in FY2000, helped by the strong performance of the equity markets in the mid- and late 1990s. From FY2002 to FY2017, the single-employer was in deficit and it returned to surplus in FY2018. In FY2025, PBGC's single-employer program showed a surplus of \$62.2 billion. The improvement in the financial condition of the single-employer program is a result of several factors, such as investment income (there had not been an investment loss from FY2009 to FY2021) and increase in premium income (premium income was 56% greater in FY2025 compared to FY2012).⁷⁵

PBGC regularly produces a report that estimates its financial condition over the following 10 years. In its FY2024 Projections Report (the most recent available), PBGC reported that there were no scenarios over the next 10 years in which the single-employer program would become insolvent.⁷⁶

⁷⁵ See the **Appendix** for the history of PBGC premium rates. See also PBGC, Pension Insurance Data Tables 2023, Table S-29, <https://www.pbgc.gov/sites/default/files/documents/2023-pension-data-tables.pdf>.

⁷⁶ PBGC, *Projections Report FY2024*, <https://www.pbgc.gov/sites/default/files/documents/fy-2024-projections-report.pdf>.

Figure I. Financial Position of PBGC Single-Employer Insurance Program, FY1980-FY2025
(Billions of Dollars)



Source: CRS using data from PBGC, *Pension Insurance Data Book, 2023*, updated December 18, 2025, <https://www.pbgc.gov/sites/default/files/documents/2023-pension-data-tables.pdf>, and *Annual Report 2025*, <https://www.pbgc.gov/sites/default/files/documents/pbgc-annual-report-2025.pdf>.

Policy Issues Related to the Surplus

Some stakeholders have suggested policies that could take advantage of the single-employer program's surplus, such as reducing or eliminating premiums or using the surplus for unrelated government spending.⁷⁷

Reducing or Eliminating PBGC Premiums

Reducing or eliminating premiums would likely reduce the single-employer program's surplus over time. With lower levels of (or the absence of) premium revenue, the program's funding would rely on the assets of newly trusteeed plans and investment returns. As a result, PBGC would increasingly (in the case of reducing premiums) or solely (in the case of eliminating premiums) rely on transfers from the trust fund to pay for participants' benefits. Poor investment returns (which could lower the amount of trust fund assets) or the termination of several large pension plans or decreases in interest rates (both of which could increase the present value of future

⁷⁷ See, for example, The ERISA Industry Committee, "The ERISA Industry Committee Says Congress Should Reexamine Premiums Paid by Retirement Pension Plan Sponsors," press release, November 18, 2023, https://www.eric.org/press_release/the-erisa-industry-committee-says-congress-should-reexamine-premiums-paid-by-retirement-pension-plan-sponsors/.

benefit payments) could unexpectedly lower the amount of the surplus. However, it is possible that the surplus is large enough that even the occurrence of extreme conditions would not lead to the program's insolvency.⁷⁸

Because PBGC premiums are an offsetting collection and thus treated as negative spending, reducing or eliminating those premiums would be considered a spending increase under applicable budget rules.⁷⁹ In addition, if premiums were eliminated, then new DB plans would receive the benefits of PBGC protections without having contributed to the insurance program (though some might argue that this could encourage the formation of new DB plans). Stakeholders have also proposed that PBGC premiums should be taken *off budget*: increases and decreases in PBGC premiums should not be counted as increases or decreases in federal revenue for federal budget purposes.⁸⁰

Other Uses of the Surplus

It is possible that some stakeholders could view PBGC's single-employer program surplus as a source of funding for government programs or as budgetary offsets (such as for reducing or eliminating premiums). This could prove problematic for several reasons. First, while increases in PBGC premiums have been used as budgetary offsets a number of times in the past 10 years, some policymakers have sought to prohibit this practice and might be opposed to using PBGC's surplus as offsets.⁸¹ In addition, there is no indication that the Congressional Budget Office (CBO) would treat legislatively mandated transfers as offsetting collections, because the trust fund is already under federal control. Finally, PBGC has fiduciary obligations under ERISA with regard to its trust fund assets, and using them for an unrelated purpose might violate those obligations. The U.S. Government Accountability Office (GAO) noted, "When serving as trustee for a terminated plan, PBGC is serving primarily the interest of the pension participants and beneficiaries of the plan in the same manner and to the same degree as a nongovernmental party appointed to the same position."⁸²

⁷⁸ In the FY2024 Projections Report, PBGC conducted a stress test of the financial position of the single employer insurance program under extreme conditions, such as a large drop in equity values and a large increase in claims as a result of an increased number of company bankruptcies. PBGC noted that the program would remain in surplus. PBGC did not model the reduction or elimination of premiums. It did note poor financial conditions of DB plan sponsors would result in higher amounts of plan underfunding, which would increase the amount of variable rate premiums paid by plan sponsors. See Pension Benefit Guaranty Corporation, *Projections Report FY2024*, p. 34, <https://www.pbgc.gov/sites/default/files/documents/fy-2024-projections-report.pdf#page=38>.

⁷⁹ Congressional Budget Office, *A Guide to Understanding the Pension Benefit Guaranty Corporation*, September 2005, p. 16, <https://www.cbo.gov/sites/default/files/109th-congress-2005-2006/reports/09-23-guidetopbgc.pdf#page=24>.

⁸⁰ See, for example, American Benefits Council, *Proposals for Enhancing Retirement Security by Strengthening the Single-Employer Defined Benefit Plan System*, October 31, 2023, p. 6, <https://www.americanbenefitscouncil.org/pub/?id=0ff0ac00-d508-2df7-cd06-11d8d89f5074#page=6> and PBGC, *What Does Retirement Security Look Like In America? A Retirement Security Initiative by the Office of the PBGC Participant and Plan Sponsor Advocate*, December 29, 2023, p. 5, <https://www.pbgc.gov/sites/default/files/documents/appendix-i-advocate-retirement-security-initiative-paper.pdf#page=5>.

⁸¹ See, for example, H.R. 4830, the Pension and Budget Integrity Act of 2021, introduced on July 29, 2021, by Representative Derek Kilmer.

⁸² Government Accountability Office, *Decision B-223146*, October 7, 1986, <https://www.gao.gov/products/b-223146>.

Multiemployer Pension Insurance Program

In the case of multiemployer plans, PBGC insures against plan insolvency, rather than plan termination.⁸³ Accordingly, a multiemployer plan need not be terminated to qualify for PBGC financial assistance. A plan is insolvent when its available resources are not sufficient to pay the plan benefits for the plan year in question, or when the sponsor of a plan in reorganization reasonably determines, taking into account the plan's recent and anticipated financial experience, that the plan's available resources will not be sufficient to pay benefits that come due in the next plan year.

If it appears that available resources will not support the payment of benefits at the guaranteed level, PBGC will provide the additional resources needed as a loan, which PBGC indicates are rarely repaid.⁸⁴ PBGC may provide loans to the plan year after year. If the plan recovers from insolvency, it must begin repaying loans on reasonable terms in accordance with regulations. One multiemployer plan has repaid any of its financial assistance.⁸⁵

Benefits for Participants in Multiemployer Pension Plans

PBGC guarantees benefits to multiemployer plans as it does for single-employer plans, although a different guarantee ceiling applies. Multiemployer plans determine benefits by multiplying a flat dollar rate by years of service, so the benefit guarantee ceiling is tied to this formula. The benefit guarantee limit for participants in multiemployer plans equals a participant's years of service multiplied by the sum of (1) 100% of the first \$11 of the monthly benefit rate and (2) 75% of the next \$33 of the accrual rate.⁸⁶ For a participant with 30 years of service, the guaranteed limit is \$12,870.⁸⁷ This benefit formula is not adjusted for increases in the national wage index. PBGC estimated in 2015 that 79% of participants in multiemployer plans that receive financial assistance received their full benefit.⁸⁸ However, in plans that may need financial assistance in the years following the report, PBGC projected that only 49% of those participants would receive their full benefit payment.⁸⁹ Among ongoing plans, the average benefit is almost twice as large as the average benefit in terminated plans.⁹⁰ This suggests that a larger percentage of participants in

⁸³ For more information about multiemployer DB plans, see CRS Report R43305, *Multiemployer Defined Benefit (DB) Pension Plans: A Primer*.

⁸⁴ PBGC, *PBGC Annual Report 2025*, p. 31, <https://www.pbgc.gov/sites/default/files/documents/pbgc-annual-report-2025.pdf>. Prior to FY2022, one multiemployer repaid its traditional financial assistance. Because the amount of SFA a plan can request includes the amount of traditional financial assistance it owes to PBGC, 25 plans repaid their SFA in FY2022, FY2023, and FY2024. See PBGC, *2023 Pension Insurance Data Tables*, Table M-3, at <https://www.pbgc.gov/sites/default/files/documents/2023-pension-data-tables.pdf>.

⁸⁵ See PBGC, *2023 Pension Insurance Data Tables*, Table M-3, <https://www.pbgc.gov/sites/default/files/documents/2023-pension-data-tables.pdf>.

⁸⁶ An accrual rate is a factor in the pension benefit formula (expressed either as a dollar amount or as a percentage of salary) at which a pension benefit is earned. In single-employer pension plans, the pension benefits formula is typically expressed as the number of years participating in the plan times the accrual rate (e.g., 1% or 2%) times a measure of salary (e.g., the average of the participant's highest five years of salary). In multiemployer pension plans, the pension benefits formula is typically expressed as the number of months or years of service times a dollar amount.

⁸⁷ This is calculated as $[30 \times ((100\% \times \$11) + (75\% \times \$33))] = \$1,072.50$ per month, which is \$12,870 per year.

⁸⁸ PBGC, *PBGC's Multiemployer Guarantee*, March 2015, <https://www.pbgc.gov/Documents/2015-ME-Guarantee-Study-Final.pdf>. This is the most recent study of the multiemployer guarantees.

⁸⁹ PBGC, *PBGC's Multiemployer Guarantee*, March 2015, <https://www.pbgc.gov/Documents/2015-ME-Guarantee-Study-Final.pdf>.

⁹⁰ Ongoing plans exclude (1) plans receiving financial assistance and (2) terminated plans expected to receive financial assistance.

plans that receive PBGC financial assistance in the future are likely to see benefit reductions as a result of the PBGC maximum guarantee level.⁹¹

Data on Benefit Guarantees in Multiemployer Plans

In March 2015, PBGC published a report examining how the multiemployer plan guarantee had affected and was likely to affect the benefits of participants in insolvent plans.⁹² The report used participant data from two groups of plans, that, as of September 30, 2013, were (1) insolvent and currently receiving financial assistance and (2) terminated and had not started receiving financial assistance but were expected to in the future. These two groups of plans covered 109 plans and almost 152,000 participants. After PBGC reviewed the data, it reduced the data set to about 79,000 participants “deemed to be sufficiently reliable and appropriate for use in the study.” One plan currently receiving financial assistance used in the data accounted for over 45% of the total data set.

PBGC indicated that 21% of multiemployer plan participants in plans currently receiving financial assistance experienced benefit reductions but expected that the risk and magnitude of benefit reductions in plans that were projected to need financial assistance in the future would increase “dramatically.” For participants in plans expected to receive financial assistance in the future, PBGC estimated that 51% would experience benefit reductions, reflecting the higher benefit levels for these plans compared with plans currently receiving assistance.

Among the 21% of participants in plans currently receiving financial assistance, 62% received reductions of less than 10%, 33% received reductions of 10% to under 20%, and 6% received reductions of 20% or more.

Among the 51% of participants in plans expected to receive financial assistance in the future, PBGC projected that 46% would receive reductions of less than 10%, 46% would receive reductions of 10% to under 20%, and 8% would receive reductions of 20% or more.

PBGC noted several differences between the multiemployer and single-employer guarantees: the multiemployer guarantee is generally smaller, not indexed for inflation, and not adjusted for the age at which benefit payments begin or the form of the benefit payment. In addition, plan assets are not available to provide nonguaranteed benefits in the multiemployer program.

Special Financial Assistance (SFA)

PBGC administers the SFA program authorized in Section 9704 in Title IX, Subtitle H, of ARPA (P.L. 117-2). SFA provides financial assistance to eligible financially troubled multiemployer DB pension plans.⁹³ Section 9704 establishes a fund within the PBGC and appropriates from the general fund “such amounts as are necessary” to provide special financial assistance to eligible multiemployer DB plans and necessary administrative and operating expenses.⁹⁴ The amount of special financial assistance a plan can receive is the amount needed to pay participants’ full plan

⁹¹ The average monthly benefit in terminated plans that are likely to receive PBGC financial assistance was \$383.33; in plans that were projected to become insolvent within 10 years it was \$546.17; and in remaining, ongoing plans it was \$1,010.44. See Pension Benefit Guaranty Corporation, PBGC’s Multiemployer Guarantee, March 2015, Figure 4, at <https://www.pbgc.gov/documents/2015-ME-Guarantee-Study-Final.pdf>. This study was conducted prior to the SFA program, so it is possible that some participants who were projected to receive benefit cuts are in plans that are eligible to apply for SFA.

⁹² See PBGC, PBGC’s Multiemployer Guarantee, March 2015, <https://www.pbgc.gov/documents/2015-ME-Guarantee-Study-Final.pdf>. Note that the PBGC report was published before the enactment of Special Financial Assistance in the American Plan Rescue Act of 2021 (P.L. 117-2).

⁹³ For more information on SFA, see CRS In Focus IF11765, *Special Financial Assistance to Multiemployer Plans* and CRS Report R46803, *Multiemployer Defined Benefit Pension Plans Potentially Eligible for Special Financial Assistance Under the American Rescue Plan Act*.

⁹⁴ CBO estimated that the total amount of SFA would be \$90.4 billion. See CBO, *Effect of the Pension Benefit Guaranty Corporation’s Final Rule on Special Financial Assistance*, September 30, 2022, at <https://www.cbo.gov/system/files/2022-09/58540-PBGC.pdf>.

benefits through the 2051 plan year.⁹⁵ Unlike the financial assistance that insolvent multiemployer plans receive, plans that receive SFA do not have to repay it.

As of May 15, 2026, 196 SFA applications from 161 plans covering 1.8 million participants have been approved for SFA.⁹⁶ The dollar amount of SFA for these approved plans is approximately \$77.9 billion.⁹⁷

Finances of the Multiemployer Insurance Program

Table 6 provides data on the number of plans that have received financial assistance and SFA and the annual amounts of the financial assistance and SFA from FY1995 to FY2025. In FY2025, 100 multiemployer plans received financial assistance and at the end of FY2025, approximately 61,000 multiemployer plan participants were receiving monthly benefits from that financial assistance.

**Table 6. PBGC Multiemployer Insurance Program:
Financial Assistance and Special Financial Assistance to Pension Plans,
FY1996-FY2025**

Fiscal Year	Number of Plans Receiving Financial Assistance	Total Amount of Financial Assistance (Millions of Dollars)	Number of Plans Receiving Special Financial Assistance	Total Amount of Special Financial Assistance (Millions of Dollars)
1996	12	4	—	—
1997	14	4	—	—
1998	18	5	—	—
1999	21	19	—	—
2000	21	91	—	—
2001	22	5	—	—
2002	23	5	—	—
2003	24	5	—	—
2004	27	10	—	—
2005	29	14	—	—
2006	33	70	—	—
2007	36	72	—	—
2008	42	85	—	—
2009	43	86	—	—

⁹⁵ The amount of SFA a plan is eligible for includes (1) the interest on the amount of SFA from the SFA measurement date through the SFA payment date and (2) the amount of traditional financial assistance, if any, owed by the plan to PBGC, less any traditional financial assistance received by the plan between the SFA measurement and payment dates. See 29 C.F.R. §4262.12.

⁹⁶ Information on SFA applications is available at <https://www.pbgc.gov/arp-sfa/sfa-applications>. PBGC regularly updates the list of SFA applications. They are available at <https://www.pbgc.gov/arp-sfa/applications>. Some plans are listed twice in the dataset because they submitted initial and supplemental applications.

⁹⁷ The dollar amount reflects an estimate of the final SFA amount approved and includes interest and FA loan repayments.

Fiscal Year	Number of Plans Receiving Financial Assistance	Total Amount of Financial Assistance (Millions of Dollars)	Number of Plans Receiving Special Financial Assistance	Total Amount of Special Financial Assistance (Millions of Dollars)
2010	50	97	—	—
2011	49	114	—	—
2012	49	95	—	—
2013	44	89	—	—
2014	53	97	—	—
2015	58	103	—	—
2016	65	113	—	—
2017	72	141	—	—
2018	81	153	—	—
2019	89	160	—	—
2020	95	173	—	—
2021	110	230	—	—
2022	116	226	29	\$7,526
2023	100	176	57	45,577
2024	98	163	27	14,638
2025	100	169	48	6,152

Sources: PBGC, Pension Insurance Data Books, Table M-3, at <https://www.pbgc.gov/about/reports/pension-insurance-data>; PBGC, *Annual Report 2024*, p. 32, at <https://www.pbgc.gov/about/reports/annual/pbgc-annual-performance-financial-report-2024>; and PBGC, *Annual Report 2025*, p. 21, <https://www.pbgc.gov/sites/default/files/documents/pbgc-annual-report-2025.pdf>.

Notes: Plans receiving traditional financial assistance typically receive it for several years. SFA was enacted in December 2021, and plans receive it as a single lump-sum payment.

Figure 2 shows the decline in the financial condition of the multiemployer insurance program prior to certain multiemployer plans receiving federal financial assistance. The deficit in the multiemployer insurance program increased from \$8.3 billion in FY2013 to \$42.4 billion in FY2014 and \$65.1 billion in FY2017. The large increase in the deficit in FY2014 was the result of the increase in the likelihood of the insolvency of several large multiemployer pension plans in financial distress. The deficit then decreased to \$53.9 billion in FY2018, increased to \$65.2 billion in FY2019, and decreased to \$63.7 billion in FY2020.

PBGC notes that the multiemployer program deficit would have increased in FY2020 if not for legislative action included in the Further Consolidated Appropriations Act of 2020 (P.L. 116-94).⁹⁸ A provision in this law provided financial assistance to the United Mine Workers of America (UMWA) 1974 Pension Plan, which was (prior to the financial assistance) projected to become insolvent in the 2022-2023 plan year. In 2017, the UMWA plan was in critical and declining status and had 96,324 participants.⁹⁹

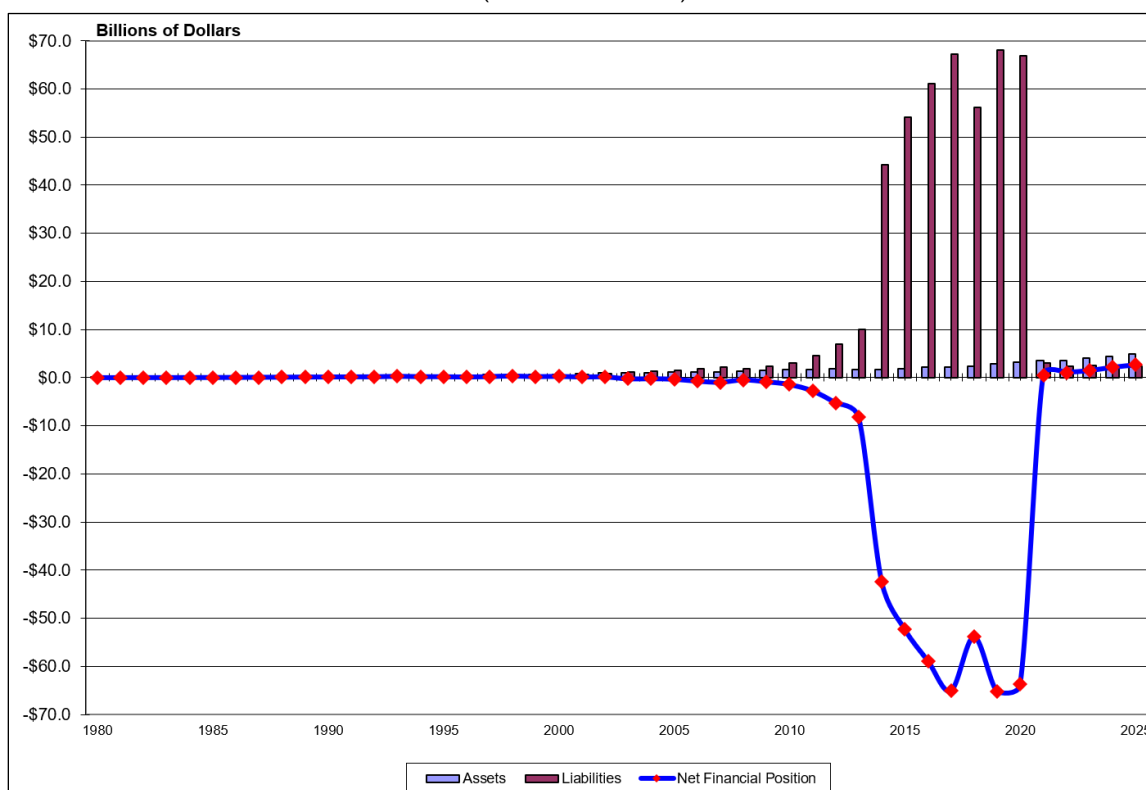
⁹⁸ PBGC, *PBGC Annual Report 2020*, p. 39, <https://www.pbgc.gov/sites/default/files/pbgc-annual-report-2020.pdf>.

⁹⁹ For more data on multiemployer plans, see CRS Report R45187, *Data on Multiemployer Defined Benefit (DB)* (continued...)

The improvement in the FY2022 financial condition is a result of the enactment of SFA in ARPA that provides financial assistance to eligible multiemployer plans in poor financial condition. Prior to the enactment of ARPA, many plans were expected to receive financial assistance in the future and thus contributed to the multiemployer program's deficit. Under the SFA provision in ARPA, many of these plans will likely receive SFA, resulting in lower multiemployer program liabilities.

Prior to SFA, PBGC had estimated that the multiemployer program would likely have run out of money in FY2026.¹⁰⁰ In its FY2024 Projections Report (the most recent available), PBGC reported that the simulations for the financial condition of the multiemployer program showed an average deficit of \$1.6 billion in 2034.¹⁰¹

Figure 2. Financial Position of the Multiemployer Insurance Program of the Pension Benefit Guaranty Corporation, FY1980-FY2025
(Billions of Dollars)



Source: CRS using data from PBGC, Pension Insurance Data Book, 2023, updated December 18, 2025, <https://www.pbgc.gov/sites/default/files/documents/2023-pension-data-tables.pdf>, and Annual Report 2025, <https://www.pbgc.gov/sites/default/files/documents/pbgc-annual-report-2025.pdf>.

Pension Plans. 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 the Department of Labor.

¹⁰⁰ See, for example, *PBGC Projections Report 2019*, p. 1, <https://www.pbgc.gov/sites/default/files/fy-2019-projections-report.pdf>.

¹⁰¹ PBGC, *Projections Report FY2024*, p. 16, <https://www.pbgc.gov/sites/default/files/documents/fy-2024-projections-report.pdf>.

Appendix. Historical PBGC Premium Rates

Table A-1 provides historical data on the single-employer program premium levels.

Table A-1. PBGC Single-Employer Program Premium Levels

	Authorizing Statute	Flat-Rate Premium per Participant	Variable-Rate Premium per \$1,000 of Underfunding	Termination Premium per Participant
September 2, 1974- 1977	Employee Retirement Income Security Act of 1974 (ERISA; P.L. 93-406) ^a	\$1.00	—	—
1978-1985	Multiemployer Pension Plan Amendments Act of 1980 (MPPAA, P.L. 96-364)	\$2.60	—	—
1986-1987	Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272)	\$8.50	—	—
1988-1990	Omnibus Budget Reconciliation Act of 1987 (P.L. 100-203)	\$16.00	\$6.00	—
1991-2005	Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508)	\$19.00	\$9.00	—
2006	Deficit Reduction Act of 2005 (P.L. 109-171) ^b	\$30.00	\$9.00	\$1,250.00 ^c
2007	—	\$31.00	\$9.00	\$1,250.00
2008	—	\$33.00	\$9.00	\$1,250.00
2009	—	\$34.00	\$9.00	\$1,250.00
2010-2012	—	\$35.00	\$9.00	\$1,250.00
2013	MAP-21 (P.L. 112-141) ^d	\$42.00	\$9.00	\$1,250.00
2014	—	\$49.00	\$14.00	\$1,250.00
2015	Continuing Appropriations Resolution, 2014 (P.L. 113-67)	\$57.00	\$24.00	\$1,250.00
2016	—	\$64.00	\$30.00	\$1,250.00
2017	Bipartisan Budget Act of 2015 (P.L. 114-74) ^e	\$69.00	\$34.00	\$1,250.00
2018	—	\$74.00	\$38.00	\$1,250.00
2019 ^f	—	\$80.00	\$43.00	\$1,250.00
2020	—	\$83.00	\$45.00	\$1,250.00
2021	—	\$86.00	\$46.00	\$1,250.00
2022	—	\$88.00	\$48.00	\$1,250.00
2023	—	\$96.00	\$52.00	\$1,250.00
2024	—	\$101.00	\$52.00	\$1,250.00
2025	—	\$106.00	\$52.00	\$1,250.00
2026	—	\$111.00	\$52.00	\$1,250.00

Sources: CRS and PBGC Premium Rates, at <https://www.pbgc.gov/prac/prem/premium-rates>.

- a. The Employee Retirement Income Security Act of 1974 (ERISA; P.L. 93-406) established the initial premium rate of \$1.00 per participant.
- b. The Deficit Reduction Act of 2005 (P.L. 109-171) adjusted the flat-rate premium annually for increases in the national wage index beginning in 2007.
- c. The Pension Protection Act of 2006 (PPA; P.L. 109-280) provided for a special termination premium of \$2,500 per participant for pension plans of commercial airlines that terminated within a five-year period that began with the year that a commercial airline plan adopted funding rules made available to commercial airlines in the PPA.
- d. MAP-21 (P.L. 112-141) increased the variable-rate premium by \$4 (after the 2013 level is adjusted for changes in the national wage index) per \$1,000 of unfunded benefits in 2014, and by another \$5 (after the 2014 level is adjusted for changes in the national wage index) per \$1,000 of unfunded vested benefits in 2015. The Continuing Appropriations Resolution, 2014 (P.L. 113-67) increased the variable-rate premium in 2015 by \$10 (after the 2014 level is adjusted for changes in the national wage index) per \$1,000 of unfunded benefit and by another \$5 in 2016 (after the 2015 premium is adjusted for changes in the national wage index).
- e. The Bipartisan Budget Act of 2015 (P.L. 114-74) increased the flat-rate premium to \$69 in 2017, \$74 in 2018, and \$80 in 2019, and increased the variable-rate premium by \$3 in 2017, an additional \$4 in 2018, and an additional \$4 in 2019. After 2019, premiums are subject to indexing.
- f. Section 206 of the Setting Every Community Up for Retirement Enhancement Act, enacted as Division O of P.L. 116-94, modified premiums for cooperative and small employer charity (CSEC) plans. For plan years beginning in 2019, CSEC pension plans—a type of single-employer plan sponsored by certain rural cooperative and 501(c)(3) charities—pay a \$19 flat-rate premium and a \$9 per \$1,000 unfunded vested benefits variable rate premium. These premiums are not adjusted annually for inflation.

Table A-2 provides historical data on the multiemployer program premium levels.

Table A-2. PBGC Multiemployer Program Premium Levels

Year	Authorizing Statute	Premium Rate per Participant
September 2, 1974-1980	Employee Retirement Income Security Act of 1974 (ERISA; P.L. 93-406)	\$0.50
September 1, 1979-September 26, 1980	Multiemployer Pension Plan Amendments Act of 1980 (MPPAA, P.L. 96-364)	\$0.50-\$1.00 ^a
September 27, 1980-September 26, 1984	—	\$1.40
September 27, 1984-September 26, 1986	—	\$1.80
September 27, 1986-September 26, 1988	—	\$2.20
September 27, 1988-December 31, 2005	—	\$2.60
2006-2007	Deficit Reduction Act of 2005 (P.L. 109-171)	\$8.00 ^b
2008-2012	—	\$9.00
2013	MAP-21 (P.L. 112-141)	\$12.00
2014	—	\$12.00
2015	The Multiemployer Pension Reform Act of 2014 (P.L. 113-235)	\$26.00
2016	—	\$27.00
2017	—	\$28.00
2018	—	\$28.00

2019	—	\$29.00
2020	—	\$30.00
2021	—	\$31.00
2022	—	\$32.00
2023	—	\$35.00
2024	—	\$37.00
2025	—	\$39.00
2026	—	\$40.00

Sources: CRS and PBGC Premium Rates, at <https://www.pbgc.gov/prac/prem/premium-rates>.

Note: A provision in P.L. 117-2 increased the multiemployer premium in 2031 to \$52 per participant beginning in 2031 and are to be adjusted for increases in the national average wage index thereafter.

- a. \$0.50 for plan year beginning in September 1979, growing gradually to \$1.00 for plan years beginning September 1, 1980, to September 26, 1980.
- b. From 2007 to 2012 and since 2016, this amount has been adjusted annually based on the national average wage index and rounded to the nearest multiple of \$1.

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