

PENSION ISSUES

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Pension Benefit Guaranty Corporation Publishes 2019 Projections Report

The Pension Benefit Guaranty Corporation (PBGC) Monday released its [2019 Projections Report](#), a ten-year forecast of the financial condition of PBGC's two insurance programs (single employer plans and multiemployer plans), as required by the Employee Retirement Income Security Act (ERISA).

According to the report the Multiemployer Program continues to report large deficits, which, without legislative changes, are projected to grow over time to \$82.3B (end of 2029 mean). This projection places the insolvency estimate out a year to sometime during FY 2026, one year beyond last year's projection, due primarily to the enactment of the Bipartisan American Miners Act of 2019.

The Projections Report shows the Single-Employer Program at the end of the next decade with the mean projected present value net financial position growing to \$46.3B.

Although the economic effects of COVID-19 are not reflected in these projections, the report suggests that the insolvency timeframe of the Multiemployer Program is unlikely to shift as a consequence, while the Single Employer Program, conversely, could sustain losses due to economic disruptions rooted in the pandemic, particularly unforeseen bankruptcy filings.

If you have any questions regarding this *Academy Alert*, please contact Philip Maguire, pension policy analyst (maguire@actuary.org; 202-785-7865).

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