



PENSION ISSUES

Alert No. 2022-PEB-2

July 8, 2022

Special Financial Assistance Plans Final Rule Released

On July 6, 2022, the Pension Benefit Guaranty Corporation (PBGC) issued a [Final Rule](#) pertaining to the Special Financial Assistance (SFA) Program, which was initially implemented through an Interim Final Rule issued in July 2021. Changes to the Interim Final Rule made in the Final Rule include:

- Allowing 33% of SFA to be invested in return-seeking assets;
- Modifying the SFA calculation method to provide two separate interest rate assumptions—one for calculating investment returns expected to be earned on a plan's SFA assets and a separate one applicable to non-SFA assets;
- Providing a different methodology for the calculation of SFA for plans that utilized Multiemployer Pension Reform Act of 2014 (MPRA) provisions to suspend benefits; and
- Changing several conditions on plans that receive SFA, including the requirement that plans phase in recognition of SFA funds for the computation of withdrawal liability.

According to the PBGC, the purpose of this Final Rule is to enhance the ability of a plan receiving SFA to pay full benefits through 2051.

If you have any questions regarding this *Academy Alert*, please contact Philip Maguire, Pension Policy Analyst (maguire@actuary.org).

© Copyright 2022 American Academy of Actuaries. All Rights Reserved.