

LAW & POLICY GROUP | [GRIST](#)

PBGC ADDS Q&As ON REPORTABLE EVENTS, GUARANTEED BENEFITS, STANDARD TERMINATIONS

*By Mercer's Margaret Berger and Brian Kearney
Feb. 5, 2019*

The Pension Benefit Guaranty Corporation (PBGC) has updated its [Staff Responses to Practitioner Questions](#), adding new Q&As on reportable events and guaranteed benefits, plus a new section on standard terminations. PBGC provides these Q&As as general guidance but cautions against relying on them since they are not rules, regulations, or official agency statements.

Reportable events. PBGC added two Q&As to this list. One addresses event reporting when a parent company assumes sponsorship of a pension plan from a subsidiary dissolved after an asset sale. The other new Q&A discusses the appropriate reporting when more than one employer withdraws from a multiple employer plan.

Guaranteed benefits. The section on guaranteed benefits has three new Q&As. Q&A-3 explains that the five-year phase-in period for scheduled benefit increases under a collective bargaining agreement applies separately to each benefit-level change as of the effective date of the change. The other two questions cover the five-year phase-in period for a newly covered (but not newly adopted) plan and the effective date of PBGC coverage for a newly covered substantial owner plan.

Standard terminations. The first of three new Q&As covers remedies when a terminating plan fails to file its Standard Termination Notice (Form 500) on time. The Q&A says that if Form 500 is not filed by 180 days after the proposed termination date, a plan has three choices:

- Start over with a new Notice of Intent to Terminate.
- Move the proposed termination date to a new date no later than 90 days from the original termination date and provide notice to participants and other affected parties.
- Request an extension, which PBGC may grant if the delay is brief and compelling reasons make meeting the deadline administratively infeasible.

The remaining questions address constructive ownership rules and the treatment of a majority owner's benefits.

Other topics. The webpage also includes sections on 430(k) liens, bankruptcy claims, premiums, distress terminations and valuations, as well as an "other" category for miscellaneous items. This latest update

does not make any changes to those sections. PBGC updates the page sporadically; the last update was in July 2018.

RELATED RESOURCES

Non-Mercer Resources

- [Staff Responses to Practitioner Questions](#) (PBGC, Feb. 1, 2019)
- [Enrolled Actuaries Meeting — Blue Books](#) (PBGC, June 25, 2018)
- [Significant Guidance Documents](#) (PBGC, May 23, 2018)
- [PBGC.gov](#)

Note: Mercer is not engaged in the practice of law, accounting or medicine, and this article, which may contain commentary on legal, tax or medical issues or regulations, does not constitute and is not a substitute for legal, tax or medical advice. Mercer recommends that readers of this article secure the advice of legal or tax counsel or a medical expert regarding any legal, tax or medical matters related to this article or otherwise.