



PBGC extends pilot program for coverage determinations

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Oct. 8, 2020*

PBGC has extended through Sept. 30, 2021, its coverage-determination pilot program, first launched in July 2019. Most private-sector defined benefit plans are covered by the PBGC termination insurance program, unless they meet one of a few exemptions. Determining whether an exemption applies is not always straightforward, yet PBGC generally issues coverage determinations only for plans that already exist.

The pilot program lets employers creating new plans request opinion letters on the likelihood of coverage, but only for determinations of whether the following exemptions apply:

- The plan's sponsoring employer is a professional service employer.
- All participants in the plan are substantial owners.

Related resources

Non-Mercer resource

- [PBGC insurance coverage pilot program](#) (PBGC website, Oct. 2, 2020)

Mercer Law & Policy resource

- [PBGC coverage determinations could become easier with new form](#) (May 10, 2019)

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