

# Multiemployer Alert

Update on Issues Affecting Taft-Hartley Plans

JULY 2021

## PBGC and IRS issue guidance on special financial assistance program under the American Rescue Plan Act of 2021

On July 9, 2021, the Pension Benefit Guaranty Corporation (PBGC) issued an interim final rule and the IRS issued Notice 2021-38 regarding the special financial assistance program established under the American Rescue Plan Act of 2021 (ARP).

Eligible plans may apply to receive a one-time cash payment in the amount required for the plan to pay all benefits through the plan year ending in 2051. The PBGC interim final rule provides direction on the application requirements, identifies which plans will have priority, and establishes conditions and restrictions that apply to plans that receive the assistance. The IRS notice provides guidance to plans that are “required to reinstate certain previously suspended benefits as a condition of receiving special financial assistance”.

Plans are eligible for the special financial assistance program if they meet any one of the following four eligibility criteria:

1. Plans in critical and declining status in any plan year beginning in 2020 through 2022
2. Plans with an approved suspension of benefits under the Multiemployer Pension Reform Act of 2014 (MPRA)
3. Plans in critical status in any plan year beginning in 2020 through 2022, with a current liability funded percentage below 40%, and which have an active to inactive participant ratio of less than 2 to 3
4. Plans currently insolvent that became insolvent after December 16, 2014, and have not been terminated

Watch for a [Multiemployer Review](#) and invitation to a [complementary webinar](#) summarizing the new guidance.

In the meantime, for more information on how ARP may affect your plan, please contact your Milliman consultant.