

## **MULTIEMPLOYER PROGRAM DIVISION**

### **INSTRUCTIONS FOR FILING REQUIREMENTS FOR MULTIEMPLOYER PLANS APPLYING FOR SPECIAL FINANCIAL ASSISTANCE**

#### **ADDENDUM A – SFA APPLICATION INSTRUCTIONS FOLLOWING CERTAIN EVENTS**

The plan sponsor of a plan that engaged in one or more events described in § 4262.4(f) of PBGC’s SFA regulation, occurring during the period beginning on July 9, 2021 (the “applicable date”) and ending on the plan’s SFA measurement date, is required to provide additional information with its application for SFA as set forth in the following Addendum A to the general instructions. Addendum A identifies and provides guidance on the additional information required to be included in the application. All references to Sections A through Section E in this Addendum A refer to the sections in the general instructions, and where applicable, to the guidance for MPRA plans in Addendum D.

For purposes of these instructions, an “event” is any of the following that occurs during the period beginning on the applicable date and ending on the plan’s SFA measurement date:

- Transfer of assets or liabilities (including a spinoff) as defined in § 4262.4(f)(2). This does not include a merger.
- An amendment that increases accrued or projected benefits, as described in § 4262.4(f)(3).
- A reduction in the contribution rate used to determine contributions, as described in § 4262.4(f)(4). If there is a reduction in benefit accruals associated with the contribution rate reduction, under § 4262.4(f)(4), that plan change is considered part of this event.

Much of the additional information to be provided is the same for all events described in § 4262.4(f)(2) through (f)(4).

For plans that experience a merger event, as described in § 4262.4(f)(1)(ii), during the period beginning on the applicable date and ending on the SFA measurement date, more extensive information is required regarding: (1) each plan that was involved in the merger and (2) the merged plan. The term “merger event” is referred to separately in these instructions and is not included within the term “event.” Also, if a plan received a transfer of benefit liabilities from another plan that previously filed an initial application for SFA, then PBGC will treat the transferee plan’s application as a revised application, which must follow the directives for revised applications in the general instructions.

The requirements below apply to any event or a merger event:

**SECTION A – Plan identifying information.** For Section A, Item (6), provide the amount of SFA requested, reflecting the provisions of § 4262.4 including § 4262.4(f).

**SECTION B – Plan documents.** All information to be provided with respect to Section B should reflect the event or merger event.

Following a merger event, information provided for Items (1) through (9) should include information for both the merged plan that is applying for SFA and for each plan that was involved in the merger. For example, if Plan A merges into Plan B, then include Items (1) through (9) for Plan A and Plan B.

**SECTION C – Plan data.** For all items in section C, prepare all requested information reflecting the event or merger event and a version of Section C, Item (4) (SFA Determination, Template 4A) that shows the determination of the SFA amount for the plan as if the event or the merger event had not occurred. In addition, MPRA plans for which the requested amount of SFA is determined under the present value method in § 4262.4(a)(2)(ii), must provide SFA Determination Template 4B as described in Addendum D.

For a plan that experiences a merger event, information provided for Section C, Items (1) through (3) should include information for both the merged plan and for each plan involved in the merger. For example, if Plan A merged into Plan B, then include additional information for Section C, Items (1) through (3) for both Plan A and Plan B. When the plan provides the additional information for Section C, Item (4) that shows the determination of the SFA amount as if the merger event had not occurred, the plan should show the determination of the SFA amount for the merged plan and for each plan involved in the merger, determined as if they were still separate plans (in the format of Template 4A, and, where applicable, Template 4B). For example, if Plan A merged into Plan B, then include Section C, Item (4) for Plan A and for Plan B as if they were separate plans.

**SECTION D – Plan statements.** Information provided for Section D must reflect the event or merger event. The filer must upload a separate document to the e-Filing Portal as document type “Special Financial Assistance Application” that provides the following additional information:

For section D, Item (3) (SFA Eligibility), provide information reflecting each event and provide information that demonstrates that the plan is eligible for SFA where eligibility is determined as if the event had not occurred. Following a merger event, provide additional demonstrations of the SFA eligibility (or lack thereof) for the merged plan and for each plan involved in the merger determined as if they were still separate plans.

Provide a narrative description of each event and merger event, including relevant supporting documents such as plan amendments, collective bargaining agreements, actuarial certifications related to a transfer or merger, or other relevant materials. Provide identifying information for all plans involved in a transfer of assets or liabilities (including a spinoff) described in

§ 4262.4(f)(2) or a merger event described in § 4262.4(f)(1)(ii), including plan name, EIN and plan number, and the date of the transfer or merger.

The narrative description should identify both the amount of requested SFA that reflects the event or merger event and the amount of SFA determined as if the event or merger event had not occurred. It should also confirm that the requested SFA provided in Section A, Item (6) is not greater than the amount that would have been determined if the event had not occurred, unless the event is a contribution rate reduction and such event lessens the risk of loss to plan participants and beneficiaries. Following a merger event, the amount of SFA determined as if the merger event had not occurred is the sum of the amounts that would be determined for the merged plan and each plan involved in the merger as if they were still separate plans.

Following an event due to a contribution rate reduction, if the amount of requested SFA is not limited to the amount of SFA determined as if the event had not occurred, provide a detailed demonstration that shows that the event lessens the risk of loss to plan participants and beneficiaries. Also identify all assumptions used, supporting rationale for the assumptions, and other relevant information.

**SECTION E – Checklist and certifications.** All information to be provided for Section E should reflect, as applicable, the event or merger event. The filer should also upload additional information as follows:

For section E, Item (2) (SFA Eligibility Certification and Supporting Information for Critical and Declining Plan) and Section E, Item (3) (SFA Eligibility Certification and Supporting Information for Critical Plan), the plan should provide the plan actuary's certification reflecting the event or merger event, and an additional certification of the plan's SFA eligibility determined as if they had not occurred. For a merger event, provide additional certifications of the SFA eligibility for the merged plan and for each plan involved in the merger as if they were still separate plans.

For section E, Item (5) (SFA Amount Certification), the plan must provide the plan actuary's certification reflecting the events and an additional certification that is determined as if the events had not occurred. For a merger event, provide additional certifications of the SFA amount determined for the merged plan and for each plan merged into this plan (each of these determined as if they were still separate plans). Each of these certifications should clearly identify all assumptions and methods used, sources of participant data and census data, SFA measurement date, and other relevant information.

For an event due to a contribution rate reduction where the plan provides a demonstration that the event lessens the risk of loss to plan participants and beneficiaries, the plan should provide an additional certification from the plan's enrolled actuary (or if appropriate, from the plan sponsor) regarding the demonstration provided to support a finding that the event lessens the risk of loss to plan participants and beneficiaries. This certification must identify all assumptions and methods used, sources of participant data and census data, SFA measurement date, and other relevant information.