

## **MULTIEMPLOYER PROGRAM DIVISION**

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

#### **ADDENDUM D – SFA APPLICATION INSTRUCTIONS FOR “MPRA PLANS”**

The plan sponsor of a plan with an approved MPRA benefit suspension as of March 11, 2021 (a plan eligible for SFA under § 4262.3(a)(2) of PBGC’s SFA regulation) is required to provide additional information with its application for SFA. This Addendum D identifies and provides guidance on the additional information required to be submitted in the application. All references to Sections A through Section E in this Addendum D refer to the sections in the general [SFA Filing Instructions](#).

#### **ALL MPRA PLANS**

This section applies to all MPRA plans, *regardless of the method used to calculate the requested amount of SFA*.

#### **SECTION C – Plan data – SFA Determination.**

The information provided in Section C, Item (4) of the SFA Filing Instructions is the amount of SFA calculated under the “basic method” and related supporting information.

The following additional information must be provided for the second calculation under the “increasing assets method,” using the format of [Template 4A](#) and related instructions.

Section C, Item (4)a. – MPRA plan information A. SFA amount calculated under the “increasing assets method” described in § 4262.4(a)(2)(i) of PBGC’s SFA regulation.

Section C, Item (4)e. – MPRA plan information A. For each plan year in the SFA coverage period:

- i. Separately identify the projected amount of contributions, projected withdrawal liability payments reflecting a reasonable allowance for amounts considered uncollectible, and other payments expected to be made to the plan (excluding the amount of financial assistance under section 4261 of ERISA and SFA to be received by the plan). NOTE: These amounts should be the same as those used in the calculation of the SFA amount under the “basic method.”
- ii. Identify the benefit payments described in § 4262.4(b)(1) of PBGC’s SFA regulation (including any benefits that were restored under 26 CFR 1.432(e)(9)-(1)(e)(3) and excluding the make-up payments in Section C, Item (4)e.iii.), separately for total benefits paid and expected to be paid from projected SFA assets and total benefits paid and expected to be paid from non-SFA assets after the projected SFA assets are fully exhausted. NOTE:

Irrespective of the split between non-SFA assets and SFA assets, these amounts should be the same as those used in the calculation of the SFA amount under the “basic method.”

- iii. Separately identify the make-up payments described in § 4262.4(b)(1) attributable to the reinstatement of benefits under § 4262.15 of PBGC’s SFA regulation that were previously suspended through the SFA measurement date. NOTE: These amounts should be the same as those used in the calculation of the SFA amount under the “basic method.”
- iv. Identify total administrative expenses paid and expected to be paid from projected SFA assets separately from total administrative expenses paid and expected to be paid from non-SFA assets after the projected SFA assets are fully exhausted. NOTE: Irrespective of the split between non-SFA assets and SFA assets, these amounts should be the same as those used in the calculation of the SFA amount under the “basic method.”
- v. N/A – already provided under the “basic method”
- vi. The projected investment income earned by assets not attributable to SFA based on the non-SFA interest rate in Section C, Item (4)b. and the projected fair market value of non-SFA assets at the end of each plan year.
- vii. The projected investment income earned by assets attributable to SFA based on the SFA interest rate in Section C, Item (4)c. (excluding investment returns for the plan year in which the sum of the annual projected benefit payments and administrative expenses for the year exceeds the beginning-of-year projected SFA assets) and the projected fair market value of SFA assets at the end of each plan year.

## **A MPRA PLAN FOR WHICH THE REQUESTED AMOUNT OF SFA IS DETERMINED UNDER THE “INCREASING ASSETS METHOD”**

This section applies to a MPRA plan that calculated its requested amount of SFA based on the “increasing assets method” described in § 4262.4(a)(2)(i) of PBGC’s SFA regulation.

### **SECTION C – Plan data – SFA Determination.**

Section C, Item (4)f. – MPRA plan information A. Projected SFA exhaustion year based on the requested amount of SFA determined under the “increasing assets method” described in § 4262.4(a)(2)(i) of PBGC’s SFA regulation.

### **SECTION C – Plan Data – Baseline**

Section C, Item (5). Information must be provided, using the format of [Template 5A](#) and related instructions with the baseline details determined using the “increasing assets method” described in § 4262.4(a)(2)(i).

### **SECTION C – Plan Data – Reconciliation**

Section C, Item (6). Information must be provided in the format of [Template 6A](#) and related instructions with the reconciliation details determined using the “increasing assets method” described in § 4262.4(a)(2)(i) and reconciled from the assumptions/methods shown in the baseline details in [Template 5A](#) to the SFA amount determined under the “increasing assets method” in [Template 4A](#).

## **A MPRA PLAN FOR WHICH THE REQUESTED AMOUNT OF SFA IS DETERMINED UNDER THE “PRESENT VALUE METHOD”**

This section applies to a MPRA plan that calculated its requested amount of SFA based on the “present value method” described in § 4262.4(a)(2)(ii) of PBGC’s SFA regulation.

### **SECTION C – Plan data – SFA Determination.**

The information provided in Section C, Item (4) of the SFA Filing Instructions is the amount of SFA calculated under the “basic method” and related supporting information.

The following additional information must be provided for the second calculation under the “present value method,” using the format of [Template 4B](#) and related instructions.

Section C, Item (4)a. – MPRA plan information B. SFA amount calculated under the “present value method” described in § 4262.4(a)(2)(ii) of PBGC’s SFA regulation.

Section C, Item (4)e. – MPRA plan information B. For each plan year in the SFA coverage period:

- i. N/A – not required for the “present value method.”
- ii. Identify the benefit payments described in § 4262.4(b)(1) of PBGC’s SFA regulation (excluding the make-up payments in Section C, Item (4)e.iii.), separately for current retirees and beneficiaries in pay status, current terminated participants not yet in pay status, current active participants, and new entrants; and total benefit payments paid or expected to be paid. For each participant group except new entrants: benefit payments after reinstatement (excluding the payments in Section C, Item (4)e.iii.), the reduced benefit payments under the approved benefit suspension, and the difference due to the reinstatement of benefits. NOTE: The benefit payments after reinstatement should be the same as those used in the calculation of the SFA amount under the “basic method.”
- iii. Separately identify the make-up payments described in § 4262.4(b)(1) attributable to the reinstatement of benefits under § 4262.15 of PBGC’s SFA regulation that were previously suspended through the SFA measurement date and any benefits restored under 26 CFR 1.432e(9)-(1)(e)(3). NOTE: These amounts should be the same as those used in the calculation of the SFA amount under the “basic method.”
- iv. N/A – not required for the “present value method.”
- v. N/A – not required for the “present value method.”
- vi. N/A – not required for the “present value method.”
- vii. N/A – not required for the “present value method.”

Section C, Item (4)f. – MPRA plan information B. Projected SFA exhaustion year based on the requested amount of SFA determined under the “present value method” described in § 4262.4(a)(2)(ii) of PBGC’s SFA regulation.

Section C, Item (4)g. – MPRA plan information B. The present value as of the SFA measurement date using the SFA interest rate for the amounts (the “difference due to the reinstatement of benefits”) in

Section C, Item (4)e.ii. – MPRA plan information B above, and the present value as of the SFA measurement date using the SFA interest rate for the amounts in Section C, Item (4)e.iii. – MPRA plan information B above. The sum of these two present values should equal the SFA amount calculated under the “present value method” provided in Section C, Item (4)a. – MPRA Plan information B.

### **SECTION C – Plan Data – Baseline**

Section C, Item (5). Information must be provided using the format of [Template 5B](#) and related instructions with the baseline details determined using the “present value method” described in § 4262.4(a)(2)(ii).

### **SECTION C – Plan Data – Reconciliation**

Section C, Item (6). Information must be provided in the format of [Template 6B](#) and related instructions with the reconciliation details determined using the “present value method” described in § 4262.4(a)(2)(ii), and reconciled from the assumptions/methods shown in the baseline details in Template 5B to the SFA amount determined under the “present value method” in Template 4B.