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Multiemployer Program Finances Substantially Improved; Single-Employer Program Continues Improvement

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WASHINGTON, D.C. — The Pension Benefit Guaranty Corporation (PBGC) today released its [Fiscal Year \(FY\) 2021 Annual Report](#). The Multiemployer Insurance Program's positive net position of \$481 million at the end of FY 2021 is in sharp contrast to the agency's deep deficit of \$63.7 billion at the end of FY 2020, a dramatic improvement of \$64.2 billion. The agency's Multiemployer Insurance Program — **which was expected to run out of money in FY 2026 — is now likely to remain solvent for more than thirty years, due to the enactment of the American Rescue Plan Act of 2021 (ARP)**. PBGC's Single-Employer Program remains financially healthy with a positive net position of \$30.9 billion at the end of FY 2021, compared to \$15.5 billion at the end of FY 2020, an improvement of \$15.4 billion.

"For the first time in twenty years, PBGC's insurance programs are both reporting positive net financial positions," PBGC Director Gordon Hartogensis said. "The solvency of PBGC's Multiemployer Insurance Program — which was facing a near-term crisis — has been extended by decades into the future. We are working expeditiously on implementing the Program to ensure that over three million of America's workers, retirees, and their families receive the pension benefits they earned through many years of hard work."

Multiemployer Program Finances Significantly Improves

The Multiemployer Program's net financial position shifted from a negative net position of \$63.7 billion as of September 30, 2020, to a positive net position of \$481 million as of September 30, 2021, a dramatic improvement of \$64.2 billion. The significant increase in net position is due to the enactment of ARP — the historic law passed by Congress and signed by President Biden on March 11, 2021 — which created the

Special Financial Assistance (SFA) Program. PBGC estimates that the SFA Program will provide funding to over 250 severely underfunded pension plans and will ensure that over three million of America's workers, retirees, and their families receive the pension benefits they earned through many years of hard work.

Prior to the enactment of ARP, PBGC's Multiemployer Program was projected to become insolvent in FY 2026, jeopardizing the retirement security of millions of workers and retirees. ARP significantly extends the solvency of PBGC's Multiemployer Program. The dramatic improvement in net position results from a significant reduction in program liabilities due to the "unbooking" of the liability for plans that were expected to fail and call on PBGC for assistance in the next decade.

During FY 2021, the agency provided \$230 million in regular financial assistance to 109 multiemployer plans, up from the previous year's payment of \$173 million to 95 plans.

Single-Employer Program Continues Improvement

The Single-Employer Program had assets of \$150.7 billion and liabilities of \$119.8 billion as of September 30, 2021. The positive net position of \$30.9 billion reflects an improvement of \$15.4 billion in FY 2021, compared to \$15.5 billion in FY 2020. During FY 2021, the agency paid over \$6.4 billion in benefits to nearly 970,000 retirees in terminated single-employer plans. PBGC also assumed responsibility for the benefit payments of nearly 34,000 workers and retirees in 47 single-employer plans that were trusted during FY 2021.

