



Pension Benefit Guaranty Corporation  
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## PBGC Approves Special Financial Assistance Application

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### News and Media Release

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### *Western Pennsylvania Teamsters and Employers Pension Plan to Receive SFA*

#### FOR IMMEDIATE RELEASE

July 25, 2022

**WASHINGTON, D.C.** — The Pension Benefit Guaranty Corporation announced today that it has approved the application submitted to the [Special Financial Assistance \(SFA\) Program](#) by the Western Pennsylvania Teamsters and Employers Pension Plan (Western Pennsylvania Teamsters Plan). The plan, based in Pittsburgh, Pennsylvania, covers 21,110 participants in the transportation industry.

On August 1, 2019, the Western Pennsylvania Teamsters Plan implemented a benefit suspension under the terms of the Multiemployer Pension Reform Act of 2014 (MPRA). The plan reduced benefits of about 15,000 plan participants. On average, affected participants' benefits were reduced by 20 percent.

PBGC's approval of the SFA application enables the plan to restore all benefits suspended under the terms of MPRA and to make payments to retirees to cover prior benefit suspensions. SFA will enable the plan to pay retirement benefits without reduction for many years into the future. The plan will receive \$715 million in SFA, including interest to the expected date of payment to the plan.

“The Special Financial Assistance approved today means that these 21,110 transportation workers and retirees will receive the full retirement benefits they earned,” said U.S. Secretary of Labor Marty Walsh, chair of the Pension Benefit Guaranty Corporation’s Board of Directors. “Since 2019, they have been receiving reduced pension payments through no fault of their own. Today’s action, made possible by President Biden’s American Rescue Plan, restores those benefits and delivers the secure retirement they were promised.”

This application was submitted and approved under PBGC’s interim final rule. PBGC’s final rule, published earlier this month, becomes effective on August 8.

## **About the Special Financial Assistance Program**

The SFA Program was enacted as part of the American Rescue Plan Act of 2021 (ARP). The program provides funding to severely underfunded multiemployer pension plans and will ensure that millions of America’s workers, retirees, and their families receive the pension benefits they earned through many years of hard work.

The SFA Program requires plans to demonstrate eligibility for SFA and to calculate the amount of assistance pursuant to ARP and PBGC’s regulations. SFA and earnings thereon must be segregated from other plan assets and plans are not obligated to repay SFA to PBGC. Plans receiving SFA are also subject to certain terms, conditions and reporting requirements, including for an annual statement documenting compliance with the terms and conditions. PBGC is authorized to conduct periodic audits of multiemployer plans that receive SFA.

The SFA Program is currently operating under an Interim Final Rule which was published in the Federal Register on July 12, 2021. Earlier this month on July 8, 2022, PBGC published a Final Rule, which will become effective on August 8, 2022.

As of July 25, 2022, including approval of the Western Pennsylvania Teamsters Plan application, PBGC has approved over \$7.4 billion to plans that cover almost 149,000 workers and retirees.

## **About PBGC**

PBGC protects the retirement security of over 33 million American workers, retirees, and beneficiaries in both single-employer and multiemployer private sector pension plans. The agency’s two insurance programs are legally separate and operationally and financially independent. PBGC is directly responsible for the benefits of more than 1.5 million participants and beneficiaries in failed pension plans. The Single-Employer Insurance Program is financed by insurance premiums, investment income, and assets and recoveries from failed single-employer plans. The Multiemployer Insurance Program is financed by insurance premiums. Special financial assistance for financially troubled multiemployer plans is financed by general taxpayer money.

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