



# *Pension Fund Notes*

Newsletter of the American Federation of Musicians and  
Employers' Pension Fund

## **PBGC Special Financial Assistance Program Will Be Implemented Over Several Years**

As we previously reported, in a victory for millions of participants, earlier this year Congress passed the American Rescue Plan Act of 2021 (ARPA), which will provide financial assistance to troubled multiemployer pension plans like the AFM-EPF. As we describe below, based on the timeline recently announced by the federal government, financial assistance for the AFM-EPF is still a couple of years away, but rest assured, the Plan has enough assets to continue to pay all benefits well beyond the date we expect to receive the aid.

As a reminder, ARPA will provide AFM-EPF and other eligible plans with the additional funding they need so that they are projected to be able to pay benefits due for the next 30 years without reductions to participants' benefits.

On July 9, the federal agency responsible for administering the program, the Pension Benefit Guaranty Corporation (PBGC), released preliminary details of the application process for the special financial assistance. We recently included some initial information about this process in a letter accompanying the AFM-EPF's "Annual Funding Notice" and "Notice of Critical and Declining Status," which are two legally required annual notices that are unrelated to ARPA.

The PBGC's interim guidance states that the PBGC will accept applications in priority order, generally focusing first on plans in the worst financial condition. The PBGC estimates that about 80 plans are in the higher priority groups. Because the AFM-EPF is still more than a decade away from insolvency, it is among the more than 120 plans that are not in the higher priority groups, so it may not be able to apply until March 2023. Regardless of when it applies, the Plan will still receive the funding it needs so that it is projected to be able to pay benefits due for the next 30 years.

Once we do apply for assistance, there is a fairly quick turnaround - the PBGC has 120 days to review the application and expects to make the requested payments within 60 to 90 days of approval.

In the meantime, the Plan will operate as usual and **continue to**

**pay all benefits.** We will update you with any significant developments on the ARPA application process, including through future issues of *Pension Fund Notes*.

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