



AMERICAN BENEFITS COUNCIL

March 30, 2021

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Timothy D. Hauser
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Amy Turner
Deputy Assistant Secretary for Regional
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Dear Ali, Tim and Amy:

We are writing regarding transition relief needed to implement the historic changes made by the American Rescue Plan Act of 2021 (the "Act") with respect to the single-employer pension plan funding rules.

As discussed in the attached letter to the U.S. Treasury Department and the Internal Revenue Service (IRS), there is a substantial amount of guidance needed from those agencies before plan sponsors can make decisions regarding when and how the new rules affect them. And due to the complexity of the choices available, it will take some significant time for many employers to make decisions, which is why we have requested that Treasury and the IRS allow companies until at least the end of the 2021 plan year to make decisions about how to implement the new rules.

In this context, we ask that the Department issue guidance as soon as possible providing that (1) any annual funding notice “(AFN)” due during the 2021 plan year may be prepared using the law in effect prior to the Act and (2) no annual funding notice due during earlier plan years needs to be amended. In order to alert participants to the change in the law, we recommend that notices due more than 120 days after the issuance of guidance by the Department also be required to include a Model Supplement published by the Department regarding the effect of the Act. For this purpose, if, under the transition rule requested at the beginning of this paragraph, the plan is continuing to use the pre-Act law for purposes of its AFN, the Model Supplement would only provide general guidance regarding the effect of the Act. If the plan takes the Act into account for purposes of its AFN, the Model Supplement would set forth how that could be done and would also disclose to participants the first year to which the interest rate provisions of the Act was applied for purposes of the AFN.

We would also ask for guidance confirming that the Act is not an “event having a material effect on plan liabilities or assets for the year” within the meaning of Reg. § 2520.101-5(b)(7).

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Thanks for considering our views. If you have any questions regarding this letter, please contact me at 202-289-6700 or at ldudley@abcstaff.org.

Sincerely,



Lynn Dudley
Senior Vice President, Global Retirement and Compensation Policy

cc: Joe Canary
Jeff Turner