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Proceed with caution: action to address PBGC deficit must protect single-employer pension plans

WASHINGTON, DC — “The deficits reported today by the Pension Benefit Guaranty Corporation (PBGC) suggest both urgency and caution,” American Benefits Council Senior Vice President, Global Retirement and Compensation Policy, Lynn Dudley said today.

[The Pension Benefit Guaranty Corporation’s \(PBGC\) 2016 Annual Report](#) notes that its single-employer program deficit decreased to \$20.6 billion, down from \$24.1 billion reported in 2015, and as Labor Secretary Thomas Perez notes, “the single-employer program is likely to continue to improve over the next decade.” However, the PBGC’s multiemployer insurance program rose to \$58.8 billion, up from \$52.3 billion in 2015.

“Obviously, lawmakers will soon need to address the multiemployer system challenges. But we urge them to reject purported solutions that would compromise or erode the recent successes of the single-employer system,” Dudley said. “Increasing pressure on the single-employer program would only compel healthy plans to exit the system, leaving a dwindling premium base and creating a death spiral for the PBGC.”

Pension plans would also benefit from pending legislation to ensure that premiums paid to the PBGC are no longer counted as general fund revenue. “[The Council strongly supports](#) the Pension and Budget Integrity Act, sponsored by Senator Mike Enzi (R-WY), which would eliminate the ability to ‘double-count’ these premiums for other spending and keep lawmakers from using pension plans as a piggy bank,” Dudley said.

For more information on defined benefit pension policy and the PBGC, or to arrange an interview with Dudley, please contact Jason Hammersla, Council director of communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council's members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.