



AMERICAN BENEFITS
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For additional information:

Jason Hammersla
202-289-6700

Council applauds PBGC proposed rule reducing late payment penalties

WASHINGTON, D.C. – “We commend the Pension Benefit Guaranty Corporation (PBGC) for taking action this week to reduce penalties associated with late payments of premiums,” American Benefits Council President James A. Klein said.

“Meeting all the requirements of sponsoring a defined benefit pension plan is a challenge. Reducing the severity of those penalties is a sensible change and recognizes the importance of not putting more obstacles in the way of companies that are trying to retain defined benefit pension plans,” Klein said.

The PBGC’s proposed regulations would reduce penalties by at least half, and up to 80 percent, while maintaining incentives for employer plan sponsors to self-report.

“We thank PBGC Director Tom Reeder, PBGC Participant and Plan Sponsor Advocate Connie Donovan and the agency staff for the thoughtful approach to this matter. We look forward to continuing to explore with PBGC practical ways to address administrative and cost burdens related to pension plan sponsorship,” Klein concluded.

For more information on retirement policy matters, or to arrange an interview with Klein, contact Jason Hammersla, Council senior 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.