



November 16, 2017
NR 2017-27

NEWS RELEASE

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Any action to address PBGC deficit must protect improving single-employer pension plan system

WASHINGTON, DC — “The deficits reported today by the Pension Benefit Guaranty Corporation (PBGC) represent the epitome of good news, bad news,” American Benefits Council Senior Vice President, Global Retirement and Compensation Policy, Lynn Dudley, said today. **“While much of the attention will focus on concerns about the condition of the multiemployer pension system, we must not overlook the ever-improving status of single-employer plans, which cover almost three times as many workers.”**

[The Pension Benefit Guaranty Corporation’s \(PBGC\) 2017 Annual Report](#) notes that its single-employer program deficit decreased significantly, from \$20.6 billion to \$10.9 billion. “This deficit may seem daunting, but it is important to remember that the PBGC uses conservative assumptions that make the apparent deficit appear larger. Even so, the single employer program is still projected to have a surplus of \$9.6 billion by 2026,” Dudley said.

The PBGC plays a very important role in protecting the retirement security of millions of Americans and we commend the agency officials for the dedicated way they undertake this vital mission. The challenge they face is evidenced by the continued dangerous ascent of the multiemployer insurance program’s deficit, rising to \$65 billion from \$58.8 billion in 2016. **“Everyone should be concerned about the multiemployer plan system. Policymakers must find a way to improve the condition of the multiemployer system without erasing the recent successes of the single-employer system,”** Dudley said.

“Traditional defined benefit pensions are in a delicate balance, with the retirement savings of millions of people at stake. 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,” 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.