

A banner for the 2016 NIPA Annual Forum & Expo. It features a large, colorful hot air balloon on the left side, floating over a green landscape. The NAFE logo is prominently displayed in the center, with 'N' in red, 'A' in grey, and 'FE' in green and blue. Below the logo, the text '2016 NIPA ANNUAL FORUM & EXPO' is written in a smaller, grey font. The NIPA logo is in the top right corner. A blue banner at the bottom of the image contains the text 'LEARN. DISCOVER. GROW.' in white. Below this, the title 'PBGC - Coverage and Termination' is written in white on a green background. At the bottom, the speaker's name and contact information are listed in white.

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PBGC - Coverage and Termination

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Mary Ann Rocco, EA, MSPA Consulting Actuary



Mary Ann started her actuarial consulting firm in 1987 in Huntington Beach, CA. Mary Ann's firm provides actuarial services exclusively to Third Party Administration firms, with a focus on combination plan designs utilizing both Traditional and Cash Balance Defined Benefit Plans. Mary Ann has served on the COPA and ACOPA board of directors and served as ACOPA President in 2009/2010. Mary Ann is a frequent speaker at various conferences throughout the country.

GENERAL CONCEPTS

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- What is the Pension Benefit Guaranty Corporation?
- A federal agency created by ERISA to protect pension benefits in private-sector defined benefit plans.
- If the plan terminates without sufficient money to pay all benefits, PBGC's insurance program will pay the benefits up to the limits set by law.

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GENERAL CONCEPTS

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- Financing comes from PBGC premiums
- A plan covered under PBGC is called a Title IV plan.
- Every covered plan must make a premium filing each year through the year that the plan stops being covered.

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GENERAL CONCEPTS

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- The PBGC maximum benefit guarantee is set by law and updated each calendar year.
- The maximum guarantee for 2016 = \$5,011/mo for a 65-year-old retiree with no survivor benefits.
- In most underfunded small plans the owner 'waives' their right to their benefit to make the plan whole under a Standard Termination.

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MAJORITY OWNER 'WAIVERS'

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- One or more "majority owners" may agree to forgo all or a portion of his or her benefit to extent necessary to satisfy all other benefit liabilities
- Waiver must be in writing and spousal consent required
 - Spouse is waiving the QJSA
- Neither majority owner's waiver nor spouse's consent can be inconsistent with prior QDRO

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MAJORITY OWNER 'WAIVERS'

- Waiver must be made, and spouse must consent, during period beginning with date of issuance of (NOIT) and ending with the date of final distribution
 - Timing can be vital on stock sale of company
 - Must make sure NOIT is issued, and waiver is made, prior to date of closing of sale
 - *i.e. must be a majority owner when made*
 - No lookback as in substantial owner

MAJORITY OWNER 'WAIVERS'

- A “Majority owner” is an individual owning, directly or indirectly, 50% or more of:
 - An unincorporated trade or business
 - The capital or profits interest in a partnership
 - The voting stock or value of all stock of a corporation
- Using IRC 1563 Attribution rules.

MAJORITY OWNER 'WAIVERS'

- If you have more than 2 owners with equal ownership plan will not be able to waive benefits.
- Plan benefits must be fully funded to terminate.

COVERAGE

- 4021(b) lists exemptions –
- Individual Account Plans (DC plans)
- Government Plans
- Church Plans
- Frozen plans with no contributions after 9/2/74.
- Top Hat, Excess Benefit & Welfare Plans

COVERAGE

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- Established and maintained by a professional service employer which does not at any time after September 2, 1974, have more than 25 active participants in the plan.
 - If at any time the DB plan has more than 25 active participants it is covered by PBGC and remains covered even if active participant count drops.
 - Do not count terminated Participants

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COVERAGE

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- What is a Professional Service employer?
 - Owned or controlled by a Professional and the Principal business is the performance of professional services.
- Professional Individuals include
 - physicians, dentists, chiropractors, osteopaths, optometrists, other licensed practitioners of the healing arts, attorneys at law, public accountants, public engineers, architects, draftsmen, actuaries, psychologists, social or physical scientists, and performing artists.

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COVERAGE

- Established and maintained exclusively for 'substantial owners'.
- **(d) SUBSTANTIAL OWNER DEFINED**, the term "substantial owner" means an individual who, at any time during the 60-month period ending on the date the determination is being made...

COVERAGE

- **1)** owns the entire interest in an unincorporated trade or business,
- **(2)** in the case of a partnership, is a partner who owns, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or
- **(3)** in the case of a corporation, owns, directly or indirectly, more than 10 percent in value of either the voting stock of that corporation or all the stock of that corporation.
- For purposes of paragraph (3), the constructive ownership rules of section 1563(e) shall apply, including the application of such rules under section 414(c)...

COVERAGE

- Non-Prof Svc 'Sole-Prop' or Partnership covering sole owner/spouse = PBGC
- Advantage
 - 404(a)(7) combined plan deduction limit exemption, DC plan = 25% of pay limit.
- Disadvantage
 - PBGC Premiums
 - 2016 Premium \$128 – \$148
 - Subject to PBGC Standard Termination Process
 - Higher Admin fees

COVERAGE

- Non-discrimination HCE's based on IRC 318.
 - > 5% definition
 - Attribution between Spouses
 - Parent to Child, Child to Parent
 - Grandchild to Grandparent
- No attribution:
 - Grandparent to Grandchild
 - Siblings
 - No Double attribution

COVERAGE

- PBGC coverage determinations use IRC 1563 Attribution rules - significant differences
- Ownership defined at >10%
- Without regard to the issue on non-incorporated business, spouse is attributed ownership.

COVERAGE

- Attribution occurs to and from a Parent and minor child (under age 21) using the 60-month lookback rule.
- If the child was under age 21 in the 60-month period prior to the determination date attribution would occur.

COVERAGE

- For Parents & Adult Children (>21).
 - Attribution only occurs to the person who owns more than 50%.
 - Attributed only ownership in that business.
- Grandparent & Grandchildren
 - Attribution only occurs to the person who owns more than 50%.
 - Without regard to grandchild's age.
 - Attributed only ownership in that business.

COVERAGE

- A company owned 100% by a Parent or an Adult Child that employs either the owner's Parent or the owner's Adult Child will not attribute ownership and will not be covered by PBGC.
- If you are unsure, send an email to PBGC at standard@pbgc.gov and request a covered status determination

PBGC PREMIUM FILING DUE DATE

- Normal Premium Due Date:
 - 15th day of the 10th full calendar month in the plan year.
 - 2016 calendar year plan due 10-15-16.
 - same due date as 2015 5500 work
 - if falls on weekend or Federal Holiday extended to next business day

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PBGC PREMIUM FILING DUE DATE

- The Normal Premium Due Date applies unless:
 - The plan is New or Newly Covered.
 - The plan year beginning changed since last year.
 - All assets are distributed during the Premium Payment Year pursuant to a standard termination.

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PBGC PREMIUM FILING DUE DATE

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- New and Newly Covered Plans, due date is the latest of:
 - The Normal Due Date.
 - 90 days after the date of the plan's adoption.
 - 90 days after the date on which the plan became covered by title IV of ERISA.
 - Enter the Adoption date and/or the date coverage began on Page 1 of the Premium Form.

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PBGC PREMIUM FILING DUE DATE

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- Assets distributed pursuant to standard termination:
- Final filing is due the earlier of the Normal Premium Due Date or the date when the post-distribution certification (form 501) is filed.

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MyPAA

- Electronic Filing Mandatory through the www.MyPAA.gov system.

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MyPAA

- Typically the PBGC filing is handled by the 'Filing Coordinator'.
- Once you set up an account with MyPAA you can add plans to your account.

Enter Your Employer Information

Name of Employer:	<input type="text" value="Mary Ann Rocco, EA"/>		
Name of Employer Contact:	<input type="text"/>		
Employer Contact Phone:	<input type="text" value="ex. 111-111-1111"/>	Ext.	<input type="text" value="ex. 111111"/>
Employer Contact E-mail:	<input type="text" value="ex. aa@a.com"/>		
Confirm E-mail:	<input type="text" value="ex. aa@a.com"/>		

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MyPAA

Enter Plan Information for One Plan

* Plan Name: XYZ Corporation Defined Benefit Pension Plan

* Confirm Plan Name: XYZ Corporation Defined Benefit Pension Plan

* EIN (from last filing): 55-5555555

* Confirm EIN: 55-5555555

* PN (from last filing): 001

* Confirm PN: 001

If the Employer Identification Number/Plan Number (EIN/PN) has changed since the last filing:

- DO NOT ENTER THE NEW EIN/PN. You will be able to update the EIN/PN when you submit a premium filing for this plan.
- DO ENTER the EIN/PN submitted on your last filing for the most current plan year, even if the EIN/PN has changed since then.

* Select one of the following statements:

☐ This plan's last premium filing included the following information:

Participant Count: ex. 111,111,111

Amount Due: \$ ex. 1,111.11

(Amount Due is after any premium credits are taken.)

☒ A premium filing for this plan has never been made.

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MyPAA

- Set permissions – TPA/actuary cannot certify as PA

☒ Create and edit filings (all practitioners are granted this permission by default).

☒ Serve as Filing Coordinator.

☐ Sign and submit filings as a plan administrator.

or

☒ Submit filings as a plan administrator's representative.

Please enter plan administrator's details:

* First Name: John

* Last Name: Smith

* Phone: 714-555-1212

* E-mail: jsmith@xyzcorp.com

* Confirm E-mail: jsmith@xyzcorp.com

☒ Sign filings as an enrolled actuary.

☒ Authorize premium payment.

☒ View account history (when available).

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MyPAA

- Three methods of electronic filing.
- **(1)** Fill in the data **manually** on the website and submit electronically to PBGC. Filing can be reviewed, edited and routed to others who have a MyPAA account.
- **(2) Import** the data from an xml file and submit electronically to PBGC. Filing can be reviewed, edited and routed to others who have a MyPAA account.

MyPAA

- (1) and (2) are virtually the same process except for how the data gets into the website.
- **(3) Upload** the data from an xml file. Filing cannot be reviewed or edited. Only person doing upload needs a MyPAA account.

MyPAA

- Import Method– Actuary as Filing Coordinator.
 - Prepare the premium form and import into MyPAA.
 - Prepare the voucher for payment
 - Send unsigned form & voucher to TPA/Sponsor
 - Wait for sponsor to return signed form.

View/Edit Filing	✓ This filing contains all the required information; however, a complete filing does not necessarily indicate that there are no errors. To review warning messages related to common mistakes, click the 'View' button.
Sign	Sign as Plan Administrator or PA Representative
	✓ Enrolled Actuary e-signature completed 4:02 AM, 3/2/2016 Eastern Time
Edit E-Payment	✓ Authorization for payment alternative completed Payment alternative selected: Paper Check 2:00 PM, 3/6/2016 Eastern Time



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- Alternatively, Plan Administrator/Plan Sponsor can be included in the MyPAA account and electronically sign online.



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MyPAA

- Once all signatures are complete the MyPAA filing is 'submitted'

Filing Status

Filing is: ✓ ready for submission (refer to 'To submit this filing' below)

[Submit Now](#) [Submit Later](#)

Note: Click the "submit now" button only once or you may encounter an error.

Filing Task List [Instructions](#)

View/Edit Filing	✓ This filing contains all the required information; however, a complete filing does not necessarily indicate that there are no errors. To review warning messages related to common mistakes, click the 'View' button.	Delete Filing
	✓ Plan Administrator or PA Representative e-signature completed 5:36 PM, 3/19/2016 Eastern Time	
	✓ Enrolled Actuary e-signature completed 4:37 PM, 3/1/2016 Eastern Time	
Edit E-Payment	✓ Authorization for payment alternative completed Payment alternative selected: Paper Check 5:04 PM, 3/1/2016 Eastern Time	

MyPAA

- TPA as Filing Coordinator works about the same.
- If actuary has online account can certify electronically.
- Alternatively, actuary can provide a certified hard copy and TPA certifies online for actuary.

MyPAA

- Upload Method
- Form is directly submitted to PBGC.
- If actuary is the one submitting, certification can be done online, then submitted
- Prior to 2015 a practitioner could upload to PBGC prior to PA certification provided signature secured within 2 weeks of submission.
- After 2014 all certifications must be completed before uploading.

PBGC PREMIUMS – FLAT RATE

- Two kinds of annual premium for single employer plans.
- Flat Rate Premium and Variable Rate Premium (VRP).
- Flat rate premium based on participant count.
 - PYB 2015 = \$57 x participant count
 - PYB 2016 = \$64 x participant count
 - PYB 2017 = \$69 x participant count

PBGC PREMIUMS – FLAT RATE

- Participant Count Date
- the last day of the plan year preceding the Premium Payment Year except for New or Newly Covered Plan, which is the first day of the Premium Payment Year.
- 2016 PBGC calendar year count date =
 - 12/31/15 (existing plan)
 - 1/1/16 (new plan)

PBGC PREMIUMS – FLAT RATE

- For premium purposes, “participant” means an individual with respect to whom the plan has Benefit Liabilities as of the Participant Count Date (even if non-vested).
- A terminated non-vested individual is not counted as a participant after:
 - A deemed “zero-dollar cashout,”
 - A one-year break in service under plan rules, or
 - Death.

PBGC PREMIUMS – FLAT RATE

- New plan established 1/1/15 covers 2 ee's.
- 2015 PBGC Participant Count Date = 1/1/15
- No past service benefits.
- 2/20 vesting excluding YOS prior to eff date.
- -0- benefit liabilities on 1/1/15 (-0- FT)
 - Participant count = -0-, Flat Rate Premium = -0-.
- 2015 PBGC filing still required.

PBGC PREMIUMS – FLAT RATE

- 2016 Participant Count Date = 12/31/15
- Participant count = 2
 - doesn't matter benefits not vested yet
- Flat Rate Premium = $\$64 \times 2 = \128

PBGC PREMIUMS - VRP

- Second piece is the Variable Rate Premium (VRP).
- Based on Unfunded Vested Benefits (UVB or UVBs)
- VRP based on the vested Premium Funding Target over FMV Assets.

PBGC PREMIUMS - VRP

- No vested benefits will have \$0 VRP.
- When a plan goes from 0% vesting to 100% (think cash balance plans) you may experience a rude/expensive awakening.
- VRP premiums can be high even on a well funded plan.
- Conflict between wanting Plan assets = PVAB/HAB vs minimizing PBGC VRP premiums.

PBGC PREMIUMS - VRP

- UVB Valuation date is the funding valuation date (more on that later)
- Benefits liabilities based on vested benefits earned on the first day of the UVB valuation year valued on the valuation date.

PBGC PREMIUMS - VRP

- VRP rate for payment year is calculated per \$1,000 of UVB.
- UVB are rounded up to the nearest \$1,000
- VRP rates:
 - 2015 = \$24 per 1,000 of UVB (.024 factor)
 - 2016 = \$30 per 1,000 of UVB (.030 factor)
 - 2017 = **\$33*** per 1,000 of UVB (.033 factor)

* Subject to Indexing

PBGC PREMIUMS - VRP

- Exemptions from VRP
- New or Newly covered Plans.
 - First year filing for any new plan is exempt from VRP, even if the plan provides past service benefits ←*New in 2014*
- No vested benefits on UVB Date.
 - May apply for multiple years.
- 412(e)(3) Plan (formerly 412(i)).

PBGC PREMIUMS - VRP

- Exemptions from VRP
- Standard termination with a proposed termination date in a prior year.
 - Plan terminated on or before 12/31/15 is exempt from VRP in 2016.
 - If plan terminated 1/1/16 or later cannot use this exemption in 2016.
 - can use for 2017.

PBGC PREMIUMS - VRP

- Standard Termination with a final distribution during premium payment year. ←*New in 2014*
- Plan termination = 2/1/16, assets distributed before 10/15/16 due date (6/3/16).
 - Complete 2016 with VRP exemption.
 - Pro-rate Flat Rate Premium (6/12^{ths})
 - Mark Line 13 as final filing with 6/3/16 distribution date.
 - Make sure to complete premium filing before sending PBGC form 501 post distribution certification.

PBGC PREMIUMS - VRP

- Same example but assets not distributed 10/15/16 filing due date.
- Pay full Flat Rate Premium.
 - If distributed in 2016 refund due.
- 2 options if plan has a 2016 VRP due
 - Pay it – if distributed in 2016 refund due.
 - Don't pay it (use exemption) if you're certain assets will be distributed in 2016, leave Line 13 blank.
 - If it turns out assets not distributed in 2016 plan has premium due and subject to late penalties

- If filing completed without disclosure of final distribution date and/or premium pro-ratio an amended filing is not necessary.
- PBGC should record the receipt of Form 501, mark the year as final filing and automatically incorporate any pro-ratio.
- A refund request may be made by sending an email to premiums@pbgc.gov.

PBGC PREMIUMS - VRP

- “**Lookback Year**” means the plan year immediately preceding the Premium Payment Year.
- “**Lookback Rule**” means the VRP is based on UVB and UVB valuation date for the plan year immediately preceding the Premium Payment year.

PBGC PREMIUMS - VRP

- Lookback Rule automatic for 'small' plans (same definition discussed under Due Dates)
 - Can opt out by reporting current year data the first time UVB data is being reported.
- EOY val dates must use lookback.
 - 2016 Filing due 10/15/16, would not be able to report UVB using 12/31/16 date.
 - With lookback UVB premiums based on 12/31/15 valuation date.

PBGC PREMIUMS - VRP

- Using Lookback for BOY vals may save in premium costs.
 - Plan has no vested benefits on 1/1/15, fully vested on 1/1/16.
 - 2016 PBGC filing with lookback method based on 1/1/15 vested benefits, VRP = \$-0-
 - If opt out of Lookback, 2016 VRP would be based on Unfunded vested benefits on 1/1/16.
 - Choice on lookback has no impact on Flat Rate Premium.

PBGC PREMIUMS - VRP

- Once a methodology is established the plan requires PBGC permission to change.
 - unless plan ceases to be small.
- To request permission send an email to premiums@pbgc.gov at least 60 days before due date.
 - Put 'Request re: lookback rule' in the subject line, Identify plan & explain why the change is being requested.

PBGC PREMIUMS - VRP

- There are two available VRP caps.
- Both based on the Participant Count
- Map-21 Cap
Participant count multiplied by:
2016 = \$500 per participant
- Small Employer Cap
 $\$5 \times \text{Participant Count}^2$

PBGC PREMIUMS - VRP

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- A plan qualifies for Small Employer Cap if the aggregate number of employees is no greater than 25 on the 1st day of the Premium Year
 - Participant Count not relevant to the determination of who is a Small Employer Plan
- If using the small employer cap the premium filing can be made without reporting any UVB information.

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PBGC AFN

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- PBGC covered plans have a different Participant Notice requirement called the Annual Funding Notice (AFN)
- The AFN can replace the Summary Annual Report (SAR) provided the proper Small Plan Audit Exception language is included.
- The AFN is due to the Participants by the date the 5500 is filed.

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PBGC AFN

- How well funded is your plan? (FTAP on Valuation date using 430 funding liabilities.)

	2015 Plan Year	2014 Plan Year	2013 Plan Year
1. Valuation Date	12/31/2015	12/31/2014	12/31/2013
2. Plan Assets			
a. Total Plan Assets	1,061,200	908,800	657,000
b. Funding Standard Carryover Balance	0	0	0
c. Prefunding Balance	0	0	0
d. Net Plan Assets (a) - (b) - (c) = (d)	1,061,200	908,800	657,000
3. Plan Liabilities	1,166,679	907,041	656,863
4. At-Risk Liabilities	Does Not Apply	Does Not Apply	Does Not Apply
5. Funding Target Attainment Percentage (2d)/(3)	90.96%	100.19%	100.02%

PBGC AFN

- 'Year End Assets & Liabilities' section are assets and liabilities on valuation date including accruals through valuation date.
- Assets can include or not include deposited contribution receivables.
- Liabilities based on PBGC interest rates in effect on last day of plan year.
- Will not match numbers on Schedule SB.

PBGC AFN

- Trust asset percentages must be reflected:

Asset Allocations

1. Interest-bearing cash
2. U.S. Government securities
3. Corporate debt instruments (other than employer securities):
 - Preferred
 - All other
4. Corporate stocks (other than employer securities):
 - Preferred
 - Common
5. Partnership/joint venture interests
6. Real estate (other than employer real property)
7. Loans (other than to participants)
8. Participant loans
9. Value of interest in common/collective trusts
10. Value of interest in pooled separate accounts
11. Value of interest in registered investment companies (e.g., mutual funds)
12. Value of funds held in insurance co. general account (unallocated contracts)
13. Employer-related investments:
 - Employer Securities
 - Employer real property
14. Buildings and other property used in plan operation
15. Other

PBGC AFN

- To qualify as an SAR replacement the AFN must contain DOL's small plan audit exception language.
- Part of that includes details on trust assets:

As of the last day of the period covered by this Annual Funding Notice, the plan had:

\$1,007,609 in mutual funds held by Charles Schwab
\$53,591 in money market funds held by Wells Fargo Bank.

The plan receives year-end statements from these regulated financial institutions that confirm the above information.

PBGC PLAN TERMINATIONS

- Steps in Standard Termination:
- Issue Notice of Intent to Terminate (NOIT)
- Issue Notice of Plan Benefits (NOPB)
- File Standard Termination notice (STN) – PBGC 500/Schedule EA-S/Schedule REP-S
- Distribute assets
- File post distribution certification – PBGC 501

PBGC PLAN TERMINATIONS

- NOIT must be issued to all ‘affected parties’ (other than PBGC), at least 60 days (but no more than 90 days) prior to proposed termination date.
 - Earliest vs latest date.
- PBGC’s Form 500 instructions provide a model NOIT and provide all of the information that must be contained in the NOIT.

PBGC PLAN TERMINATIONS

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- Notice of Plan Benefits (NOPB) must be issued by the PA to each 'Affected Party' no later than the date on which the Form 500 is filed with PBGC.
 - Includes Participants with -0- benefits.
 - Not required if a terminated Participant is paid out prior to NOPB issuance date.
 - See instructions for details on information required in NOPB

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PBGC PLAN TERMINATIONS

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- Form 500 must be filed with PBGC on or before the 180th day after proposed termination date.
 - About 6 months after proposed term date.
- May be filed before proposed termination date, so....
 - If in a hurry you can file the 500 simultaneously or soon after issuance of the NOIT.

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PBGC PLAN TERMINATIONS

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- Summary of PBGC Standard Termination Filing changes
- Form 500 – must attach
 - Copy of Notice of Intent to Terminate (NOIT)
 - Sample Notice of Plan Benefits for all applicable categories (Actives, Retirees, Separated vesteds and non-vesteds)

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PBGC PLAN TERMINATIONS

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- Proposed Distribution Date:
 - Later of 60 days (2 months) but no later than 240 days (8 months) after form 500 filed with PBGC,
 - If 5310 filed, 120 days after LOD if later.
 - Can request extension on distribution 15 days before end of deadline (PBGC reasonable)

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PBGC PLAN TERMINATIONS

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- File PBGC Post-Distribution Certification Form 501 after all assets distributed.
 - Form 501 (with original signature) due 30 days after the last distribution occurs.
 - Can be extended to 90 days without penalty.

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PBGC PLAN TERMINATIONS

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- Form 501 – must attach:
 - Proof of Distributions
 - Copy of plan document and amendments.
 - Enough such that benefits can be confirmed.
 - Can be uploaded <http://pbgc.leapfile.com>
 - email addresses at PBGC are the employees':
lastname.firstname@pbgc.gov

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PBGC PLAN TERMINATIONS

- Proof of distributions?
- Cancelled checks
- Bank statements that show the individual transfers/distribution amounts.
 - Can hand-write in names / SS #'s
- Penchecks printout.
 - Can hand-write in SS#'s
- 1099's are not acceptable

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PBGC PLAN TERMINATIONS

- Include explanation of:
 - Discrepancy on the Participant count on Form 500 vs Form 501.
 - A lower distribution value reported on Form 501 than the value reported on the EA-S.

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ADDITIONAL PBGC FILINGS REPORTABLE EVENTS



- PBGC requires certain 'Events' be reported to PBGC (4010 Reportable Event regs).
- PBGC needs information to determine whether it should terminate Plans that experience events that indicate Plan or Plan Sponsor financial problems.
 - early intervention can maximize recovery of plan assets for benefit of participants.
- PBGC issued Final Regulations effective 10/13/15 for events occurring on/after 1/1/16.



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ADDITIONAL PBGC FILINGS REPORTABLE EVENTS



- Most events reportable within 30 days after event occurs; penalties apply if filing late

Corporate Events

1. Extraordinary Dividend or Stock Redemption
2. Change in Contributing Sponsor or Controlled Group
3. Bankruptcy
4. Liquidation
5. Loan Default

Plan Events

1. Active Participant Reduction
2. Transfer of Benefit Liabilities
3. Distribution to a Substantial Owner
4. Failure to Make a Required Contribution
5. Application for a Funding Waiver
6. Inability to Pay Benefits when due



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ADDITIONAL PBGC FILINGS REPORTABLE EVENTS



- Applies to events occurring on or after 1/1/16
- No changes to due dates
 - Generally, 30 days after event occurs
 - In some cases, 30 days after plan administrator knows (or has reason to know) that event occurred
- Mandatory e-filing
 - Emailing pdf version of Form 10 is acceptable
 - Optional new “portal” method to be discussed later



ADDITIONAL PBGC FILINGS REPORTABLE EVENTS



- “Small” defined
 - Same as for premiums (100 or fewer participants)
 - Based on prior year’s premium filing
- Small plans waived from reporting certain events:
 - Extraordinary Dividend or Stock Redemption
 - Active Participant Reduction
 - Change in Controlled Group
 - Transfer of Benefit Liabilities
 - Missed Quarterlies



ADDITIONAL PBGC FILINGS REPORTABLE EVENTS

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- Small Plans not automatically waived from reporting a distribution to substantial owners
 - Distribution to any 'SO' in 1-year lookback period exceeds \$10,000 and not made due to death.
 - Distribution to owner during 1-year is more than 1% of EOY Plan assets as reported on prior two year's 5500, or
 - Distribution to all owners during 1-year is more than 5% of Plan assets
- Waived if no VRP in the PBGC filing for the year prior to event.

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ADDITIONAL PBGC FILINGS REPORTABLE EVENTS

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- Missed Minimum Required Funding **MUST** be reported regardless of plan size.

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