Pension Benefit Guaranty Corporation—
CBO's Estimate of the President's Fiscal Year 2019 Budget

The Pension Benefit Guaranty Corporation (PGBC) is a wholly owned government corporation that insures private pension benefits under separate programs for single-employer and multiemployer plans. The programs are funded through premiums paid by the plans, and PBGC maintains a separate reserve fund for each program. PBGC assumes trusteeship of terminated single-employer plans and pays assistance to insolvent multiemployer plans. The maximum amount of benefits that PBGC guarantees is set in law. Under current law, once the multiemployer revolving fund is exhausted, PBGC will reduce multiemployer financial assistance to amounts that can be supported with premium income.

Proposals for the Pension Benefit Guaranty Corporation (PBGC)—CBO's Estimate of the President's Fiscal Year 2019 Budget
Millions of Dollars, by Fiscal Year

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-2023	2019-2028
	Increases or Decreases (-) in Direct Spending Outlays											
Establish Multiemployer Variable-Rate Premiums												
Additional premiums[a]	0	0	-1,464	-1,663	-1,760	-1,810	-1,832	-1,868	-1,901	-1,936	-4,887	-14,234
Change in financial assistance from prevention of fund exhaustion[b]	0	0	0	0	0	0	1,900	2,311	2,600	2,813	0	9,624
Total	0	0	-1,464	-1,663	-1,760	-1,810	68	443	699	877	-4,887	-4,610
Eliminate Non-Interest-Bearing Multiemployer Account[c]	0	0	0	0	0	0	320	0	0	0	0	320
Premium Timing Changes[d]	0	0	0	0	0	0	3,206	-3,206	0	0	0	0
All Policies[e]	0	0	-1,464	-1,663	-1,760	-1,810	3,328	-2,817	699	877	-4,887	-4,610

Components may not sum to totals because of rounding. PBGC = Pension Benefit Guaranty Corporation.

a. The President's budget proposes a new variable-rate premium for PBGC's multiemployer program, but it does not specify the premium rates. CBO adopted the proposed amounts of additional premiums for 2021 and later.

b. CBO projects that under current law, the multiemployer revolving fund will be exhausted in 2025. CBO expects that after the fund is exhausted, PBGC will reduce financial assistance to a level that could be supported with premium income. With the proposed additional premium income, the fund would remain solvent throughout the projection period, allowing additional outlays for financial assistance.

c. The Multiemployer Pension Reform Act of 2014 required PBGC to hold certain multiemployer premium receipts in non-interest-bearing accounts. The President's budget would repeal that requirement. The additional interest that would be credited to PBGC would be an intragovernmental transfer and would therefore have no net effect on federal spending. However, the additional income to the revolving fund would allow the fund to pay additional financial assistance in 2025.

d. The Balanced Budget Act of 2015 accelerated the due date for some premiums payments from 2026 into 2025. The President's budget would move the due date back to 2026.

e. If all policies were enacted together, the decrease in direct spending would be larger than the sum of the effects for each policy because of interactions between them.