

Pension Benefit Guaranty Corporation—CBO’s May 2019 Baseline

The Pension Benefit Guaranty Corporation (PBGC) 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 to an individual 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.

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Millions of Dollars, by Fiscal Year

May 2, 2019

	Actual, 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Single-Employer Benefit Payments	5,667	5,830	6,590	7,240	8,150	8,800	9,000	9,150	9,070	8,770	8,500	8,480
Multiemployer Financial Assistance ^a	153	175	204	289	500	964	2,045	466	324	333	342	350
Administration	530	542	556	571	585	600	614	628	643	658	673	688
Gross Outlays	6,350	6,547	7,351	8,100	9,235	10,364	11,658	10,244	10,037	9,761	9,514	9,518
Premiums ^b	-6,564	-5,389	-3,977	-3,627	-3,395	-3,311	-3,394	-5,954	-656	-3,334	-3,407	-3,455
Interest on U.S. Treasury Securities	1,358	-1,845	-2,207	-2,449	-2,631	-2,752	-2,815	-2,934	-3,170	-3,256	-3,444	-3,651
Other Receipts ^c	<u>-3,925</u>	<u>-4,429</u>	<u>-4,865</u>	<u>-5,235</u>	<u>-5,756</u>	<u>-6,184</u>	<u>-6,325</u>	<u>-6,435</u>	<u>-6,398</u>	<u>-6,220</u>	<u>-6,062</u>	<u>-6,063</u>
Total Offsetting Receipts	-9,131	-11,663	-11,049	-11,312	-11,782	-12,247	-12,534	-15,323	-10,224	-12,810	-12,913	-13,169
Total Net Outlays	-2,781	-5,116	-3,699	-3,212	-2,546	-1,883	-876	-5,080	-187	-3,049	-3,399	-3,651
Memorandum:												
End-of-Year Revolving Fund Balance	33,245	38,388	42,135	45,399	48,000	49,941	50,878	56,021	56,209	59,258	62,657	66,308

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

- a. 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 amounts that could be supported with premium income.

Reduction in financial assistance resulting from the exhaustion of the revolving fund (Millions of dollars)	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
	0	0	0	0	0	0	0	2,114	2,447	2,619	2,816	3,000

- b. The Bipartisan Budget Act of 2015 accelerated into 2025 the payment of certain premiums that would otherwise be due in 2026.

- c. "Other receipts" includes reimbursements from the nonbudgetary trust fund to cover a portion of benefits and administrative costs.