

Pension Benefit Guaranty Corporation—CBO’s January 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

January 28, 2019

	Actual, 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Single-Employer Benefit Payments	5,667	5,860	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	197	216	298	436	726	1,296	1,443	302	307	312	318
Administration	530	542	556	571	585	600	614	628	643	658	673	688
Gross Outlays	6,350	6,599	7,362	8,109	9,171	10,126	10,910	11,222	10,015	9,735	9,484	9,486
Premiums ^b	-6,564	-5,389	-3,979	-3,627	-3,393	-3,307	-3,388	-5,939	-654	-3,323	-3,394	-3,440
Interest on U.S. Treasury Securities	1,358	-1,844	-2,204	-2,445	-2,628	-2,755	-2,841	-2,973	-3,172	-3,259	-3,448	-3,656
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	-11,662	-11,048	-11,308	-11,777	-12,246	-12,554	-15,347	-10,224	-12,802	-12,904	-13,159
Total Net Outlays	-2,781	-5,063	-3,686	-3,199	-2,606	-2,121	-1,644	-4,125	-210	-3,067	-3,419	-3,673
Memorandum:												
End-of-Year Revolving Fund Balance	33,245	38,336	42,070	45,320	47,981	50,159	51,864	56,053	56,263	59,330	62,749	66,422

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	454	2,060	2,343	2,568	2,740

- 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.