

Pension Benefit Guaranty Corporation—CBO’s April 2018 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 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)

	Actual											
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Single-Employer Benefit Payments	5,663	5,790	6,130	6,620	7,470	8,390	8,960	9,360	9,640	9,610	9,620	9,690
Multiemployer Financial Assistance ^a	141	181	197	221	351	612	1,122	1,705	306	301	305	310
Administration	<u>501</u>	<u>530</u>	<u>539</u>	<u>550</u>	<u>561</u>	<u>571</u>	<u>581</u>	<u>591</u>	<u>601</u>	<u>612</u>	<u>623</u>	<u>634</u>
Gross Outlays	6,305	6,501	6,866	7,391	8,382	9,573	10,663	11,656	10,547	10,523	10,548	10,634
Premiums ^b	-7,165	-6,666	-6,535	-5,981	-5,157	-4,498	-4,566	-4,294	-7,229	-804	-3,949	-3,887
Interest on U.S. Treasury Securities	-234	-1,419	-1,866	-2,306	-2,671	-2,908	-3,059	-3,195	-3,404	-3,698	-3,801	-4,016
Other Receipts ^c	<u>-3,672</u>	<u>-3,951</u>	<u>-4,190</u>	<u>-4,494</u>	<u>-5,015</u>	<u>-5,576</u>	<u>-5,928</u>	<u>-6,178</u>	<u>-6,355</u>	<u>-6,348</u>	<u>-6,364</u>	<u>-6,416</u>
Total Offsetting Receipts	-11,071	-12,036	-12,591	-12,781	-12,843	-12,981	-13,553	-13,668	-16,988	-10,850	-14,114	-14,319
Total Net Outlays	-4,767	-5,535	-5,725	-5,390	-4,461	-3,409	-2,891	-2,012	-6,441	-327	-3,566	-3,685
Memorandum:												
End-of-year Revolving Fund Balance	29,860	35,411	41,162	46,598	51,110	54,571	57,518	59,588	66,091	66,418	69,984	73,669

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 a level that could be supported with premium income.

Reduction in financial assistance

resulting from the exhaustion of the revolving fund (millions of dollars)	<u>2017</u>	<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>
	0	0	0	0	0	0	0	0	1,900	2,311	2,600	2,813

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

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