

Pension Benefit Guaranty Corporation—CBO’s Baseline as of March 6, 2020

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.

These budget projections reflect legislation, administrative actions, and regulatory changes through March 6, 2020. They are based on the economic forecast that CBO completed on January 7, 2020, and do not account for changes to the nation’s economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

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Millions of Dollars, by Fiscal Year

March 19, 2020

	Actual, 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Single-Employer Benefit Payments	5,791	5,877	6,410	6,920	7,800	8,650	9,080	9,450	9,610	9,190	8,910	8,960
Multiemployer Financial Assistance ^a	160	217	318	540	612	636	763	1,327	1,211	346	355	365
Administration	<u>529</u>	<u>541</u>	<u>555</u>	<u>569</u>	<u>583</u>	<u>598</u>	<u>612</u>	<u>625</u>	<u>639</u>	<u>654</u>	<u>668</u>	<u>683</u>
Gross Outlays	6,480	6,635	7,283	8,029	8,995	9,883	10,454	11,402	11,461	10,189	9,933	10,007
Premiums ^b	-5,708	-6,763	-6,347	-6,117	-5,850	-5,592	-9,266	-994	-4,573	-4,155	-3,702	-3,212
Interest on U.S. Treasury Securities	-1,988	-1,792	-2,193	-2,629	-3,022	-3,325	-3,679	-3,994	-4,107	-4,349	-4,623	-4,892
Other Receipts ^c	<u>-4,412</u>	<u>-4,370</u>	<u>-4,737</u>	<u>-5,086</u>	<u>-5,679</u>	<u>-6,252</u>	<u>-6,549</u>	<u>-6,806</u>	<u>-6,924</u>	<u>-6,660</u>	<u>-6,489</u>	<u>-6,536</u>
Total Offsetting Receipts	-12,108	-12,925	-13,277	-13,832	-14,551	-15,169	-19,494	-11,794	-15,604	-15,164	-14,814	-14,640
Total Net Outlays	-5,628	-6,290	-5,994	-5,803	-5,556	-5,286	-9,040	-392	-4,143	-4,975	-4,881	-4,633
Memorandum:												
End-of-Year Revolving Fund Balance	43,713	50,003	55,997	61,800	67,355	72,642	81,681	82,073	86,216	91,192	96,073	100,706

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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 2027. 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>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>	<u>2030</u>
	0	0	0	0	0	0	0	0	679	1,809	1,923	1,998

- 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.