



Pennsylvania Conference of Teamsters

Strength in Numbers 95,000

LEGISLATIVE ACTION ALERT

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Pension Benefit Guaranty Corporation
Protecting America's Pensions



Teamsters Local 408 Plan Participants' Benefits to be Restored

FOR IMMEDIATE RELEASE

January 24, 2022

WASHINGTON, D.C. — The Pension Benefit Guaranty Corporation (PBGC) announced today that it has approved the application submitted to the [Special Financial Assistance \(SFA\)](#) Program by the Local 408 International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America Pension Plan (Local 408 Plan). The Local 408 Plan, based in Union, New Jersey, covers 1,058 participants in the transportation industry.

The Local 408 Plan became insolvent in September 2021. At that time, PBGC started providing financial assistance to the plan. As required by law, the Local 408 Plan reduced participants' benefits to the PBGC guarantee levels, which was roughly 60 percent below the benefits payable under the terms of the plan.

PBGC's approval of the SFA application enables the plan to restore all benefit reductions caused by the plan's insolvency and to make payments to retirees to cover prior benefit reductions. SFA will enable the plan to pay retirement benefits without reduction for many years into the future. The plan will receive \$100.5 million in SFA, including interest to the expected date of payment to the plan.

"Without this Special Financial Assistance, these 1,058 transportation workers would not receive the retirement benefits they have earned through years of hard work," said U.S. Secretary of Labor Marty Walsh, chair of the Pension Benefit Guaranty Corporation's Board of Directors. "With funding from President Biden's American Rescue Plan, these workers now have the assurance of the secure retirement they deserve."

In addition, PBGC's Multiemployer Insurance Program will be repaid \$520,832, which is the amount of the plan's outstanding loans for the financial assistance PBGC provided beginning in September 2021.

About the Special Financial Assistance Program

The SFA Program was enacted as part of the American Rescue Plan Act of 2021 (ARP). The program is expected to provide funding to over 250 severely underfunded multiemployer pension plans and will ensure that over three million of America's workers, retirees, and their families receive the pension benefits they earned through many years of hard work.

The SFA Program requires plans to demonstrate eligibility for SFA and to calculate the amount of assistance pursuant to ARP

and PBGC's regulations. A plan may use the funds only to pay plan benefits and administrative expenses. SFA and earnings thereon must be segregated from other plan assets and plans are not obligated to repay SFA to PBGC. Plans receiving SFA are also subject to certain conditions and reporting requirements, including an annual statement documenting its compliance with the terms and conditions. PBGC is authorized to conduct periodic audits of multiemployer plans that receive SFA.

The SFA Program operates under an Interim Final Rule which was published in the Federal Register on July 12, 2021. The Interim Final Rule included a request for public comments, with an emphasis on feedback where any additional guidance may be needed. PBGC is currently reviewing those comments and may incorporate changes in the Final Rule in response to comments that PBGC received.