



PBGC provides guidance on COVID-19

On July 20, the Pension Benefit Guaranty Corporation posted [questions and answers on its website](#) related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) relief. This guidance applies to single-employer defined benefit plan sponsors who are taking advantage of the CARES Act delayed due dates for minimum required contributions.

Impact of contribution delay on reportable events reporting

The CARES Act extended the due date for minimum required contributions that would have otherwise been due in 2020 until January 1, 2021. The PBGC guidance clarifies that as long as contributions are made by January 1, 2021, there is no reportable event and no need to notify PBGC.

If a required contribution that would otherwise have been due during 2020 is not made by January 1, 2021, and the accumulated value of missed contributions exceeds \$1 million, a Form 200 is due on January 11, 2021 (i.e., 10 days after January 1, 2021). If the accumulated value of missed contributions does not exceed \$1 million and a reportable event waiver does not apply, a Form 10 must be submitted. The Form 10 is due 30 days after the missed contribution. However, because January 31, is a Sunday, the due date moves to the next business day, February 1, 2021. PBGC encourages filers to use the e-filing portal to prepare and submit reportable event filings.

Impact of treatment of delayed contributions receivable for variable rate premium filing purposes

As a result of the CARES Act extension, plans have an additional month to make prior year contributions that will be reflected in the variable rate premium calculation. The PBGC guidance provides the following example for a calendar year plan:

- The 2020 premium is due October 15, 2020.
- If not for the CARES Act, the last date for making a required contribution for the 2019 plan year would have been September 15, 2020.
- Because of the CARES Act, the last date for making a required contribution for the 2019 plan year is January 1, 2021.

Assuming the premium filing is submitted on October 15, 2020, the discounted value of contributions for 2019 received after September 15, 2020 and on or before October 15, 2020, are also included in the asset value for variable rate premium purposes. A plan administrator may not include 2019 contributions made after October 15, 2020. Additionally, a plan administrator may not amend a filing to reflect prior year contributions received after the premium is filed.

Next steps

If you have any questions regarding the information contained in this publication, you should contact your plan's enrolled actuary. Prudential Retirement's enrolled actuaries are prepared to respond to your inquiries regarding the effect of this new guidance on your plan.

Compliance Bulletin by Prudential Retirement

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