



Compliance Advisory

June 2011

PBGC provides extended deadlines in disaster relief situations

When the President of the United States declares that a major disaster has occurred, the executive director of the Pension Benefit Guaranty Corporation (PBGC) may issue a “notice of disaster relief” to extend the due dates for certain PBGC deadlines that apply to a “[designated person](#)” affected by the disaster. A major disaster could result from a hurricane, earthquake, flood, tornado, major fire, or terrorist attack for which the President determines the need for federal assistance.

Designated person

The PBGC grants relief to any “designated person.” A “designated person” is a person responsible for meeting a PBGC deadline (for example, a plan administrator or contributing plan sponsor) who is located in a designated federal disaster area. A “designated person” also includes a person who cannot reasonably obtain information or assistance necessary to meet a deadline from a service provider, bank, insurance company, or other person whose operations are directly affected by the disaster.

Relief provided

Typically, the PBGC relief relates to premium payments and filing due dates, plan termination deadlines, and deadlines for providing certain notices.

- **Premiums.** Late payment and late filing penalties are waived for the period from the premium filing deadline to the extended due date.
- **Plan terminations.** The following plan termination deadlines may be extended:
 - The deadline for filing the standard termination notice, which automatically extends the deadline for providing notices of plan benefits to participants and beneficiaries.
 - The deadline for completing the distribution of plan assets.
 - The deadline for filing the post-distribution certification, which also extends the deadline for filing missing participant information and certifications without penalty and for paying missing participants’ benefits to the PBGC without interest.
 - Distress terminations. The PBGC may extend the deadline for filing the distress termination notice.
- **Reportable events.** The deadlines for filing the following notices may be extended.
 - Post-event notice.
 - Advance notice of reportable events, where appropriate on a case-by-case basis.
- **Annual employer reporting.** The PBGC will provide extensions on a case-by-case basis.
- **Multiemployer plan deadlines.** Disaster relief relating to premium deadlines also applies to multiemployer plans. In addition, deadlines for making filings with the PBGC, issuing notices to persons other than the PBGC and taking other actions, may be extended.

Claiming disaster relief

In order for designated persons to be entitled to disaster relief, the PBGC will generally publish a [disaster relief announcement](#) providing relief with respect to a Presidentially declared disaster. The PBGC disaster relief announcement will:

- Authorize the postponement of any applicable deadlines;
- Define which taxpayers are considered to be designated persons; and
- Describe the acts postponed, the duration of the postponement and the location of the covered disaster area (e.g., affected counties).

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The guidance may provide for the postponement of only certain acts based on the time when the disaster occurred, its severity and other factors.

Next steps

Plan sponsors should review the information in this publication to determine potential impacts to their plans in the event they are affected by a federally declared disaster. Additional information can be located at the [PBGC website](#) that contains disaster relief announcements.



Compliance Advisory by Prudential Retirement

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