

## Calculating PBGC Variable-Rate Premiums for Delayed Prior Year Contributions

---

October 1, 2020

---

---

Generally, when determining the value of a defined benefit plan's assets for purposes of calculating PBGC variable-rate premiums (VRP), prior year contributions are included only if received by the plan by the date the premium is filed. The premium filing deadline for a calendar year plan is October 15<sup>th</sup>. The CARES Act, together with IRS Notice 2020-61, extended the deadline for minimum required contributions and contributions in excess of the minimum during calendar year 2020 until January 1, 2021. On September 23, 2020, the PBGC issued Technical Update 20-2 permitting contributions made in accordance with these extensions to be included for purposes of calculating the VRP. Specifically, for premium filings due on or after March 1, 2020 and before January 1, 2021 (including those due on October 15, 2020 for calendar year plans), contributions received by the plan by January 1, 2021 can be included in plan assets for determining the VRP. To utilize this relief, a plan administrator must amend its premium filing by February 1, 2021 to revise the VRP data. Technical Update 20-2 is available [here](#).