

PBGC Issues Final Rule for Penalty Relief for Late Premium Payments

September 30, 2016

The PBGC issued a final rule implementing relief for penalties resulting from late payment of premiums. The final rule implements the changes reflected in the proposed rule published in April. Under the final rule, if the plan sponsor corrects the delinquency before being notified by the PBGC, the plan would be responsible for a monthly penalty of 0.5 percent of the late premium amount and, if the plan corrects the delinquency after being notified by the PBGC, it would be responsible for a monthly penalty premium of 2.5 percent. These penalties are reduced from 1 percent and 5 percent, respectively. In addition, if the sponsor has a good payment history and pays promptly after receiving the PBGC notice, the PBGC will waive 80 percent of the 2.5 percent penalty payment. [Read the final rule.](#)