

PBGC to Lessen Enforcement of Requirements for ? ?Creditworthy Companies? and ?Small Plans?

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The Pension Benefit Guaranty Corporation (?PBGC?) recently announced that it is modifying enforcement of the financial security requirement if a company has a plant shutdown that results in job losses by more than 20 percent of the employees participating in the defined benefit plan. Going forward, the PBGC will analyze whether a company remains creditworthy. If the PBGC determines the company remains financially sound, or if the plan has less than 100 participants, the company will still have to notify the PBGC of the ERISA section 4062(e) event, but the PBGC will not enforce the financial guarantee requirement. The PBGC's FAQ can be found [here](#).