

## The PBGC Issues Moratorium on Enforcement of Section 4062(e) Cases

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July 17, 2014

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The Pension Benefit Guaranty Corporation (the "PBGC") recently announced a moratorium on enforcement of ERISA Section 4062(e) cases. Through the end of 2014, the PBGC will cease enforcement efforts on both open and new cases. Section 4062(e) applies to employers who cease operations at a facility and, as a result of that cessation, more than 20 percent of the employees participating in the employer's pension plan are separated from employment. In that case, the employer must notify the PBGC, which imposes penalties if the notification does not occur. The PBGC also may require the employer to provide increased financial security for its pension plan in the form of a security bond, escrow amount, or additional contributions. The PBGC advised employers to continue reporting new Section 4062(e) events, but noted that it will not take any action on such events during the moratorium. The PBGC announcement is available [here](#).