

Source: Pension & Benefits Reporter: News Archive > 2014 > 09/30/2014 > News > Reporting: PBGC Proposal to Track De-Risking Plans Seen by Pension Rights Center as Good Step

41 BPR 2030

### Reporting

## PBGC Proposal to Track De-Risking Plans Seen by Pension Rights Center as Good Step



By Sean Forbes

Sept. 24 — The Pension Benefit Guaranty Corporation's recent request for comments on a proposal to require companies making pension risk-transfer offers to their employees to report such offers to the PBGC is aimed at helping the agency determine its future liabilities, but the information may also prove useful for the public, a spokeswoman for the Pension Rights Center told Bloomberg BNA.

The PRC, a consumer organization focused on retirement issues, has been tracking companies that have taken steps to de-risk their pension plans, Nancy Hwa, the PRC's communications director, said Sept. 24. But finding out which companies are going in this direction "can be challenging," she said.

The PBGC said in a notice announcing its intention to request modifications of an information collection, issued Sept. 22 and published in the Federal Register on Sept. 23 (79 Fed. Reg. 56,831, 9/23/14) (184 PBD, 9/23/14), that it aims to propose revising the 2015 premium filing procedures and instructions to require "reporting of certain undertakings to cash out or annuitize benefits for a specified group of former employees."

"It's a good thing that the PBGC is going to track risk transfers," Hwa said.

The information wouldn't be reported on the annual Form 5500, but "I assume it will still be publicly available," she said.

A growing wave of companies have engaged in de-risking strategies, such as transferring all or a portion of their pension plan's assets and liabilities to an insurance company through an involuntary annuity buyout or directly to plan participants through a voluntary lump-sum distribution (16 PBD, 1/24/14; 41 BPR 175, 1/28/14).

Perhaps the latest such move was announced by Atlanta-based Newell Rubbermaid Inc., which said in a Sept. 23 Form 8-K filing with the Securities and Exchange Commission that it intends to offer about 5,700 former employees who have deferred vested benefits under the company's pension plan a one-time election to receive a lump-sum distribution of the present value of their benefits by the end of this year.

### Plan Communications

Hwa said that the PRC has a note of concern about another item in the PBGC's information request that could affect communications with plan participants. The PBGC asked for comments on its intent to revise its filing procedures and instructions to offer "the option for a plan to provide a telephone number specifically for inclusion in PBGC's Search Plan List on PBGC's Web site, instead of the number provided for PBGC to contact the plan administrator."

The number the plan sponsor provides to the PBGC "might result in information less helpful for the participant," Hwa said.

"On the surface, you would think the number they provide the PBGC would be someone who is responsive and knows about the plan. But it makes me wonder where this other number is going to go to. Maybe the PBGC thinks it needs a dedicated number for participant inquiries or something," Hwa said.

However, part of the problem with the request for information on this point may be just in its wording, she said.

To contact the reporter on this story: Sean Forbes in Washington at [sforbes@bna.com](mailto:sforbes@bna.com)

To contact the editor responsible for this story: Phil Kushin at [pkushin@bna.com](mailto:pkushin@bna.com)

### BNA Snapshot

#### PBGC Information Collection Request

**Key Request:** The PBGC is proposing to update its filing procedures to require that companies report de-risking strategies.

**Key Takeaway:** The new reporting requirement would help the PBGC to determine its future liabilities, and may be useful for the public.