



## LOCAL UNION UPDATE

### ... UPDATE TO OUR VOICES FOR PENSION SECURITY CAMPAIGN ... APRIL 29, 2022

#### CENTRAL STATES PENSION FUND SUBMITS APPLICATION TO PBGC FOR SPECIAL FINANCIAL ASSISTANCE

On April 28, Central States Pension Fund submitted an application to the federal government for Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021 (ARPA).

The SFA program (sometimes referred to as the “Butch Lewis Act”) was enacted into law under ARPA in March 2021, thanks in large part to years of tireless advocacy by participants of Central States and other troubled multiemployer pension plans.

This is an important moment in our efforts to prevent Central States’ current projected insolvency in 2025 and put our Fund in a stronger financial position. **The SFA is expected to allow Central States to remain solvent and continue paying all benefits through at least 2051, and likely longer.**

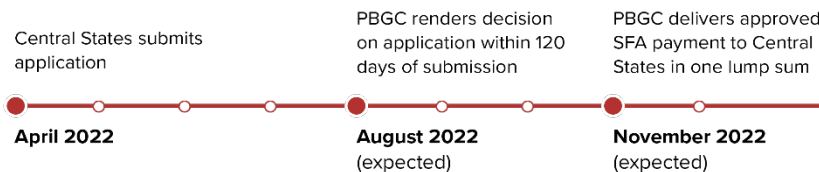
#### WHAT HAPPENS NEXT?

As we explained in an email update earlier this month, we expect the Fund to receive payment of the Special Financial Assistance in one lump sum by the end of 2022, although there are a few factors that could affect this timeline.

The SFA application will now be reviewed by the Pension Benefit Guaranty Corporation (PBGC). The PBGC has up to 120 days to review our application, so, we anticipate a decision from the PBGC in August. As of this writing, 36 plans have submitted applications— 16 have been approved and 20 are in the review process.

Thus far, the PBGC has directed about one-half of the plans submitting an SFA application to withdraw their initial application and resubmit a corrected or amended version, based on specific guidance from the PBGC. This is understandable, considering that SFA applications are very complex and can run hundreds of pages in length. If the PBGC requests that Central States withdraw and resubmit our application, we will promptly address any necessary changes. The PBGC would need some additional time to review the resubmitted application, though not necessarily another 120 days. The PBGC has stated that it expects to make payments within 60 to 90 days of approving an SFA application. As of this writing, the PBGC has made all SFA payments within 35 days.

#### Anticipated SFA Application Timeline\*



\*Based on PBGC approval of application 120 days after submission. **Timeline may be extended if PBGC requests withdrawal and resubmission of application.**

#### MORE INFORMATION

**We will hold a town hall webinar for Local Unions in the coming weeks to answer your questions about the application.** We will share further details and registration information soon. We will keep you updated about important developments with the SFA application, including by email, on our website at [VoicesForPensionSecurity.com](https://VoicesForPensionSecurity.com), and on our American Rescue Plan Act recorded message hotline at 800-323-7640.