

**DEPARTMENT OF THE TREASURY****Internal Revenue Service****26 CFR Part 1**

[TD 9941]

RIN 1545–BO68 and 1545–BO78

**Taxable Year of Income Inclusion Under an Accrual Method of Accounting and Advance Payments for Goods, Services, and Other Items***Correction*

In rule document 2020–28563 beginning on page 810 in the issue of Wednesday, January 6, 2021, make the following correction:

On page 810, in the **DATES** section, in the second line beneath the heading, “December 31, 2021” should read “December 31, 2020”.

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**PENSION BENEFIT GUARANTY CORPORATION****29 CFR Parts 4001, 4204, 4206, 4207, 4211, 4219**

RIN 1212–AB36

**Methods for Computing Withdrawal Liability, Multiemployer Pension Reform Act of 2014**

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Final rule.

**SUMMARY:** The Pension Benefit Guaranty Corporation is amending its regulations on Allocating Unfunded Vested Benefits to Withdrawing Employers and Notice, Collection, and Redetermination of Withdrawal Liability. The amendments implement statutory provisions affecting the determination of a withdrawing employer's liability under a multiemployer plan and annual withdrawal liability payment amount when the plan has had benefit reductions, benefit suspensions, surcharges, or contribution increases that must be disregarded. The amendments also provide simplified withdrawal liability calculation methods.

**DATES:** *Effective date:* This rule is effective February 8, 2021.

*Applicability date:* This rule applies to employer withdrawals from multiemployer plans that occur in plan years beginning on or after February 8, 2021.

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**SUPPLEMENTARY INFORMATION:****Executive Summary***Purpose of Regulatory Action*

This rulemaking is needed to implement statutory changes affecting the determination of an employer's withdrawal liability and annual withdrawal liability payment amount when the employer withdraws from a multiemployer plan. The final regulation provides simplified methods for determining withdrawal liability and annual payment amounts, which a multiemployer plan sponsor can adopt to satisfy the statutory requirements and to reduce administrative burden. In this final rule, PBGC adopts its proposed changes implementing statutory changes and providing simplified methods, with some modifications in response to public comments.

PBGC's legal authority for this action is based on section 4002(b)(3) of the Employee Retirement Income Security Act of 1974 (ERISA), which authorizes PBGC to issue regulations to carry out the purposes of title IV of ERISA; section 305(g)<sup>1</sup> of ERISA, which provides the statutory requirements for changes to withdrawal liability; section 4001 of ERISA (Definitions); section 4204 of ERISA (Sale of Assets); section 4206 of ERISA (Adjustment for Partial Withdrawal); section 4207 (Reduction or Waiver of Complete Withdrawal Liability); section 4211 of ERISA (Methods for Computing Withdrawal Liability); and section 4219 of ERISA (Notice, Collection, Etc., of Withdrawal Liability). Section 305(g)(5) of ERISA directs PBGC to provide simplified methods for multiemployer plan sponsors to use in determining withdrawal liability and annual payment amounts.

*Major Provisions of the Regulatory Action*

This final regulation amends PBGC's regulations on Allocating Unfunded Vested Benefits to Withdrawing Employers (29 CFR part 4211) and Notice, Collection, and Redetermination of Withdrawal Liability (29 CFR part 4219). The changes implement statutory changes affecting the determination of an employer's withdrawal liability and annual withdrawal liability payment

amount and provide simplified methods for a plan sponsor to—

- Disregard reductions and suspensions of nonforfeitable benefits in determining the plan's unfunded vested benefits for purposes of calculating withdrawal liability.
- Disregard certain contribution increases if the plan is using the presumptive, modified presumptive, or rolling-5 method for purposes of determining the allocation of unfunded vested benefits to an employer.
- Disregard certain contribution increases for purposes of determining an employer's annual withdrawal liability payment.

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**I. Background**

The Pension Benefit Guaranty Corporation (PBGC) administers two insurance programs for private-sector defined benefit pension plans under title IV of the Employee Retirement

<sup>1</sup> Section 305(g) of ERISA and section 432(g) of the Internal Revenue Code (Code) are parallel provisions in ERISA and the Code.