
29 C.F.R. § 2520.101-5

Annual funding notice for defined benefit pension plans.

(a) *In general.* (1) Except as provided in paragraphs (a)(2) and (3) of this section, pursuant to section 101(f) of the Act, the administrator of a defined benefit plan to which title IV of the Act applies shall furnish annually to each person specified in paragraph (f) of this section a funding notice that conforms to the requirements of this section.

(2) A plan administrator shall not be required to furnish a funding notice—

(i) In the case of a multiemployer plan, for a plan year if the due date for such notice is on or after the earlier of:

(A) The date the plan complies with the insolvency notice requirements of section 4245(e) or 4281(d)(3) of the Act and regulations thereunder; or

(B) The date the plan has distributed assets in satisfaction of all nonforfeitable benefits under the plan pursuant to section 4041A of the Act and the regulations thereunder.

(ii) In the case of a single-employer plan, for a plan year if the due date for the funding notice is on or after the date:

(A) The Pension Benefit Guaranty Corporation is appointed as trustee of the plan pursuant to section 4042 of the Act;

(B) The plan has distributed assets in satisfaction of all benefit liabilities in a distress termination pursuant to section 4041(c)(3)(B)(i) of the Act or of all guaranteed benefits in a distress termination pursuant to section 4041(c)(3)(B)(ii) of the Act; or

(C) The plan administrator filed a standard termination notice with the Pension Benefit Guaranty Corporation pursuant to 29 CFR 4041.25, provided that the proposed termination date is on or before the due date of the funding notice and a final distribution of assets in satisfaction of all benefit liabilities proceeds in accordance with section 4041(b) of the Act.

(3) In the case of a merger or consolidation of two or more plans—

(i) The plan administrator of a non-successor plan shall not be required to furnish a funding notice for the plan year in which the merger or consolidation occurred; and

(ii) The funding notice of the successor plan, for the plan year in which the merger or consolidation occurred, must, in addition to the requirements of paragraph (b) of this section, contain a general explanation, including the effective date, of the merger or consolidation and an identification of each plan (e.g., name and plan number) involved in the merger or consolidation.

(b) *Content of notice.* A funding notice shall include the following information:

(1) *Identifying information.* The name of the plan, the name, address, and phone number of the plan administrator and the plan's principal administrative officer (if different than the plan administrator), each plan sponsor's name and employer identification number, and the plan number.

(2) *Funding percentage—(i) Single-employer plans.* For single-employer plans, a statement as to whether the plan's funding target attainment percentage (as defined in section 303(d)(2) of the Act) for the notice year, and for each of the two preceding plan years, is at least 100 percent (and, if not, the actual percentages).

(ii) *Multiemployer plans.* For multiemployer plans, a statement as to whether the plan's funded percentage (as defined in section 305(i) of the Act) for the notice year, and for each of the two preceding plan years, is at least 100 percent (and, if not, the actual percentages).

(3) *Assets and liabilities—(i) Single-employer plans.* For single-employer plans—

(A) A statement of the total assets (separately stating the prefunding balance and the funding standard carryover balance) and liabilities of the plan, determined in the same manner as under section 303 of the Act, as of the valuation date of the notice year and for each of the two preceding plan years, as reported in the annual report filed under section 104 of the Act for each such preceding plan year, and

(B) A statement of the value of the plan's assets and liabilities determined as of the last day of the notice year. For purposes of this statement, the value of the plan's assets is the fair market value of plan assets. Plan liabilities are equal to the present value of benefits accrued through the last day of the notice year determined in the same manner as liabilities are calculated under section 303 of the Act (including actuarial assumptions and methods), but using the interest rate under section 4006(a)(3)(E)(iv) of the Act in effect for the last month of the notice year.

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