
29 C.F.R. § 4262.4

Amount of special financial assistance.

(a) *In general*—(1) *Plans other than MPRA plans.* Subject to paragraph (f) of this section and to the adjustment for the date of payment as described in § 4262.12, the amount of special financial assistance for a plan that is not a MPRA plan is the lowest whole dollar amount (not less than \$0) for which, as of the last day of each plan year during the SFA coverage period, projected SFA assets and projected non-SFA assets are both greater than or equal to zero.

(2) *MPRA plans.* Subject to paragraph (f) of this section and to the adjustment for the date of payment as described in § 4262.12, the amount of special financial assistance for a MPRA plan is the greatest of the amount determined under paragraph (a)(1) of this section, the amount determined under paragraph (a)(2)(i) of this section, and the amount determined under paragraph (a)(2)(ii) of this section.

(i) The amount determined under this paragraph (a)(2)(i) is the lowest whole dollar amount (not less than \$0) for which, as of the last day of each plan year during the SFA coverage period, projected SFA assets and projected non-SFA assets are both greater than or equal to zero, and, as of the last day of the SFA coverage period, the sum of projected SFA assets and projected non-SFA assets is greater than the amount of such sum as of the last day of the immediately preceding plan year.

(ii) The amount determined under this paragraph (a)(2)(ii) is the present value of benefits paid and expected to be paid by the plan during the SFA coverage period attributable to the reinstatement of benefits under § 4262.15(a)(1), payment of previously suspended benefits under § 4262.15(a)(2), and any restoration of benefits under 26 CFR 1.432(e)(9)-1(e)(3), calculated using the SFA interest rate under paragraph (e)(2) of this section.

(3) *MPRA plan definition.* For purposes of this section, *MPRA plan* means a plan that is eligible for special financial assistance under § 4262.3(a)(2).

(b) *Projected SFA assets.* The amount of projected SFA assets for a plan is determined by projecting special financial assistance forward annually until the projected SFA assets are exhausted, using the following annual cash flows:

(1) Benefits paid and expected to be paid by the plan during the SFA coverage period, including any reinstatement of benefits attributable to the elimination of reductions in a participant's or beneficiary's benefit due to a suspension of benefits under sections 305(e)(9) or 4245(a) of ERISA as required under § 4262.15(a)(1), payment of previously suspended benefits under § 4262.15(a)(2), and any restoration of benefits under 26 CFR 1.432(e)(9)-1(e)(3), assuming such reinstated benefits are paid beginning as of the SFA measurement date and excluding any benefit increases resulting from contribution increases agreed to on or after July 9, 2021, as demonstrated by the execution of a document described in paragraph (c)(3) of this section;

(2) Administrative expenses paid and expected to be paid by the plan during the SFA coverage period, excluding the amount owed to PBGC under section 4261 of ERISA (which is added to the amount of special financial

assistance in § 4262.12 determined as of the date special financial assistance is paid); and

(3) Investment returns expected to be earned by amounts attributable to special financial assistance calculated using the SFA interest rate described in paragraph (e)(2) of this section, excluding investment returns for the plan year in which the sum of annual projected benefit payments and administrative expenses for the year exceeds the beginning-of-year projected SFA assets.

(c) *Projected non-SFA assets.* The amount of projected non-SFA assets for a plan is determined by projecting the fair market value of plan assets on the SFA measurement date forward annually, using the following annual cash flows:

(1) Benefits paid and expected to be paid by the plan during the SFA coverage period after the projected SFA assets described in paragraph (b) of this section are fully exhausted, including any reinstatement of benefits attributable to the elimination of reductions in a participant's or beneficiary's benefit due to a suspension of benefits under sections 305(e)(9) or 4245(a) of ERISA as required under § 4262.15(a)(1), payment of previously suspended benefits under § 4262.15(a)(2), and any restoration of benefits under 26 CFR 1.432(e)(9)-1(e)(3), assuming such reinstated benefits are paid beginning as of the SFA measurement date and excluding any benefit increases resulting from contribution increases agreed to on or after July 9, 2021, as demonstrated by the execution of a document described in paragraph (c)(3) of this section;

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