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Treasury Department and PBGC Release Multiemployer Benefit Suspension and Partition Guidance

On June 17, 2015, the U.S. Department of Treasury and the Pension Benefit Guaranty Corporation released guidance covering the benefit suspension and partition provisions of the Multiemployer Pension Reform Act of 2014 (MPRA). This guidance consists of four components:

- [Proposed Regulation 1.432\(e\)\(9\)-1](#), which extensively covers the conditions that plans must satisfy in order to suspend benefits, and the limitations on the use of suspensions.
- [Temporary Regulation 1.432\(e\)\(9\)-1T](#), which focuses on the application process, participant notification requirements, and other aspects of benefit suspensions.
- [Revenue Procedure 2015-34](#), which details the information that plan sponsors must include in the applications to suspend benefits, and also contains a model participant notice.
- [Interim Final Rule under Section 4233 of ERISA](#), which discusses the requirements that plans must satisfy in order to be eligible for partition.

These documents make it clear that plans may submit applications for benefit suspensions immediately. However, if a plan sponsor chooses to do this in accordance with the proposed regulation, the application may need be revised upon the issuance of the final regulation. The comment period for the proposed benefit suspension regulation ends on August 18, 2015, and there is a public hearing scheduled for September 10, 2015. Treasury does not anticipate approving any applications until after the release of final guidance. There is also a comment period for the interim final rule on partitions that ends on August 18, 2015.

Plan sponsors will need to weigh the importance of implementing suspensions as early as possible against the risk that their proposed suspensions will not comply with the final guidance. Note that the temporary regulation states that the effective date of suspensions will generally not be permitted to be earlier than nine months after the date the application is submitted.

We are currently in the process of reviewing this guidance, and will circulate a detailed analysis in the near future. For a review of the statutory provisions of MPRA, please see our [December 15, 2014 Benefits Brief](#).