



Pension Fund Notes

December 2023

Special Financial Assistance Application Timing Update

As we reported in previous Pension Fund Notes, we were expecting approval of the American Federation of Musicians and Employers' Pension Fund's (AFM-EPF) application for Special Financial Assistance under the American Rescue Plan Act of 2021 (ARPA) in early December. However, there has been a slowdown in the process for all applications, including ours, due to an application requirement that was just added by the Pension Benefit Guaranty Corporation (PBGC), the Federal Agency responsible for reviewing applications. This new requirement has nothing to do with the content or quality of our application and is the result of other applications that have been filed. All applications currently under review, as well as those that have yet to be submitted, are subject to a new audit requirement. ([Click here](#) for the announcement from the PBGC and [here](#) to learn more about the reasons for this new audit requirement.) As previously reported, the AFM-EPF recently amended its application. However, this new audit requirement would have applied to us and we would have faced this same delay even if we had not had to amend the application.

This new requirement is that all applications must be cross-checked against a database that is only available to the federal government to ensure that all reported participants are alive. It's not unusual for pension funds to receive a report of a death weeks or even months after the date of that death. Deaths reported to the Fund after the Fund submitted our application were not reflected in our application. The Federal Government receives a more complete reporting of these deaths and has now audited our application using those reports. We are waiting for final confirmation from the PBGC on the results. Once we receive the final results, we will need to update and resubmit our application. PBGC advised us that when we resubmit, our application will stay on track and we will not be placed at the back of the waiting list. We anticipate approval of our application during the first quarter of 2024.

The Fund remains eligible for assistance under ARPA – it's only a matter of how much and when it will be paid and we do not expect this new audit requirement to materially affect the amount of our financial assistance. In the meantime, the Fund will continue to pay all benefits. It is currently projected to have enough assets to pay all benefits through 2034. Once in hand, the financial assistance is expected to provide additional security that all benefits will be paid for decades to come.

There is no proposed legislation that threatens ARPA Special Financial Assistance, and we have every reason to believe that the Plan will receive the funds next year.

For more information about this new audit requirement, and Special Financial Assistance and our Fund in general, see the [Fund Status FAQs](#) on www.afm-epf.org. We will update you regarding significant developments with the Special Financial Assistance application in future issues of *Pension Fund Notes*.

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