



PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4041

RIN 1212-AB51

Miscellaneous Corrections, Clarifications, and Improvements; Correction

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Correcting amendments.

SUMMARY: On August 15, 2025, the Pension Benefit Guaranty Corporation (PBGC) revised its regulation on termination of single-employer plans. That document inadvertently failed to correctly format a list of requirements. This document corrects the final regulation.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Monica O'Donnell

(odonnell.monica@pbgc.gov), Attorney, Regulatory Affairs Division, Office of the General Counsel, Pension Benefit Guaranty Corporation, 445 12th Street SW, Washington, DC 20024–2101; 202–229–5507. If you are deaf or hard of hearing, or have a speech disability, please dial 7–1–1 to access telecommunications relay services.

SUPPLEMENTARY INFORMATION: On August 15, 2025, PBGC published a final rule (90 FR 39320) that made improvements to its regulation on termination of single-employer plans (29 CFR part 4041). PBGC explained in the preamble of the final rule that it was amending the criteria majority owners must meet to waive their benefits by modifying its application of the constructive ownership rules.¹ The alternative treatment of a majority owner's plan benefit is valid only if the election is in writing; requisite spousal consent criteria is met, if applicable; and the majority owner's election and the spouse's consent does not violate a qualified domestic relations order.² PBGC is making a technical correction to clarify that individuals who are

¹ 90 FR 39320, 39322.

² 29 CFR 4041.21(b)(2).

majority owners through constructive ownership must meet all of the requirements under § 4041.21(b)(2).

List of Subjects in 29 CFR Part 4041

Employee benefit plans, Pension insurance, Pensions, Reporting and recordkeeping requirements.

Accordingly, 29 CFR part 4041 is corrected by making the following correcting amendments:

PART 4041 – TERMINATION OF SINGLE-EMPLOYER PLANS

1. The authority citation for part 4041 continues to read as follows:

Authority: 29 U.S.C. 1302(b)(3), 1341, 1344, 1350.

2. Amend § 4041.21 by revising paragraphs (b)(2)(iii) and (iv) and (b)(2)(v)(A) to read as follows:

§ 4041.21 Requirements for a standard termination.

* * * * *

(b) * * *

(2) * * *

(iii) The majority owner makes the election and the spouse consents during the time period beginning with the date of issuance of the first notice of intent to terminate and ending with the date of the last distribution;

(iv) Neither the majority owner's election nor the spouse's consent is inconsistent with a qualified domestic relations order (as defined in section 206(d)(3) of ERISA); and

(v) * * *

(A) The person has a 5 percent or more direct ownership interest; or

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Alice C. Maroni,
Acting Director,
Pension Benefit Guaranty Corporation.

