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PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4044

Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: This final rule amends the Pension Benefit Guaranty Corporation's regulation on Allocation of Assets in Single-Employer Plans to prescribe the spreads component of the interest assumption under the asset allocation regulation for plans with valuation dates of July 31, 2026 – October 30, 2026. These interest assumptions are used for valuing benefits under terminating single-employer plans and for other purposes.

DATES: Effective July 31, 2026.

FOR FURTHER INFORMATION CONTACT: Jose Singer-Freeman (*singer-freeman.jose@pbgc.gov*), Attorney, Legislative and Regulatory Division, Office of the General Counsel, Pension Benefit Guaranty Corporation, 445 12th Street SW, Washington, DC 20024–2101, 202–229–5432. 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: PBGC's regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044) prescribes actuarial assumptions — including an interest assumption — for valuing benefits under terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974 (ERISA). The interest assumption is also posted on PBGC's website (*www.pbgc.gov*).

PBGC uses the interest assumption in § 4044.54 to determine the present value of annuities in an involuntary or distress termination of a single-employer plan under the asset allocation regulation. The assumptions in part 4044 of PBGC's regulations are also used in other situations where it is appropriate for liabilities to align with private sector group annuity prices.

For example, PBGC's regulations on Notice, Collection, and Redetermination of Withdrawal Liability (29 CFR part 4219) and Duties of Plan Sponsor Following Mass Withdrawal (29 CFR part 4281) provide that these assumptions are used to value liabilities for purposes of determining withdrawn employers' reallocation liability in the event of a mass withdrawal from a multiemployer plan. Multiemployer plans that receive special financial assistance under the regulation on Special Financial Assistance by PBGC (29 CFR part 4262) must, as a condition of receiving special financial assistance, use the interest assumption to determine withdrawal liability for a prescribed period. Additionally, plan sponsors are required to use some, or all of these assumptions for specified purposes (*e.g.*, reporting benefit liabilities in filings required under PBGC's regulation on Annual Financial and Actuarial Information Reporting (29 CFR part 4010) or determining certain amounts to transfer to PBGC's Missing Participants Program on behalf of a missing participant of a terminating defined benefit plan under PBGC's regulation on Missing Participants (29 CFR part 4050)) and may use them for other purposes (*e.g.*, to ensure that plan spinoffs comply with section 414(l) of the Internal Revenue Code).

Part 4044 of PBGC's regulations provides that the interest assumption for part 4044 purposes is a yield curve (*i.e.*, the "4044 yield curve") that is based on a blend of two publicly available bond yield curves that is adjusted to the extent necessary so that the resulting liabilities align with group annuity prices. The adjustments are referred to as "spreads." PBGC determines and publishes spreads quarterly based on survey data on pricing of private-sector group annuities. PBGC posts the 4044 yield curve on its website at *www.pbgc.gov* each month shortly after its underlying data becomes available. In addition, practitioners are able to determine the 4044 yield curve as of the end of any month using the publicly available bond yield curves and the spreads specified in the regulation.

This rule amends the regulation to specify the spreads used to determine the 4044 yield curve as of the last days of July, August, and September of 2026 (*i.e.*, the "third quarter 2026 spreads"). Due to space constraints, table 1 to paragraph (e) shows spreads only for the most

recent four quarters. Historical spreads are available on *www.pbgc.gov*, along with more recent spreads.

Need for Immediate Guidance

PBGC has determined that notice of, and public comment on, this rule are impracticable, unnecessary, and contrary to the public interest. PBGC routinely updates the spreads component of the interest assumption in the asset allocation regulation so that the 4044 yield curve may be determined as soon as the underlying bond yield curves become available. These amendments are merely technical; they ensure that use of PBGC's interest assumption continues to yield liabilities in line with group annuity prices. Accordingly, PBGC finds that the public interest is best served by issuing this rule expeditiously, without an opportunity for notice and comment, and that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

PBGC has determined that this action is not a "significant regulatory action" under the criteria set forth in Executive Order 12866.

Because no general notice of proposed rulemaking is required for this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

List of Subjects in 29 CFR Part 4044

Employee benefit plans, Pension insurance, Pensions.

For the reasons stated in the preamble, PBGC amends 29 CFR part 4044 as follows.

PART 4044 — ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

1. The authority citation for part 4044 continues to read as follows:

Authority: 29 U.S.C. 1301(a), 1302(b)(3), 1341, 1344, 1362.

2. In § 4044.54, revise table 1 to paragraph (e) to read as follows:

§ 4044.54 Interest assumptions.

* * * * *

(e) * * *

(3) * * *

Table 1 to Paragraph (e)—Spreads

Maturity point	Fourth quarter 2025 spreads (percent)	First quarter 2026 spreads (percent)	Second quarter 2026 spreads (percent)	Third quarter 2026 spreads (percent)
0.5	0.49	0.56	0.63	0.71
1.0	0.49	0.56	0.63	0.71
1.5	0.49	0.56	0.62	0.70
2.0	0.49	0.56	0.62	0.70
2.5	0.49	0.55	0.62	0.69
3.0	0.49	0.55	0.62	0.69
3.5	0.48	0.54	0.60	0.68
4.0	0.48	0.54	0.60	0.68
4.5	0.47	0.53	0.59	0.66
5.0	0.47	0.53	0.59	0.66
5.5	0.46	0.52	0.57	0.64
6.0	0.46	0.52	0.57	0.64
6.5	0.44	0.50	0.54	0.61
7.0	0.44	0.50	0.54	0.61
7.5	0.43	0.48	0.52	0.59
8.0	0.43	0.48	0.52	0.59
8.5	0.41	0.45	0.49	0.55
9.0	0.41	0.45	0.49	0.55
9.5	0.39	0.43	0.46	0.52
10.0	0.39	0.43	0.46	0.52
10.5	0.37	0.40	0.43	0.48
11.0	0.37	0.40	0.43	0.48
11.5	0.34	0.37	0.39	0.44
12.0	0.34	0.37	0.39	0.44
12.5	0.32	0.34	0.36	0.40
13.0	0.32	0.34	0.36	0.40
13.5	0.30	0.31	0.32	0.36
14.0	0.30	0.31	0.32	0.36
14.5	0.27	0.28	0.28	0.32
15.0	0.27	0.28	0.28	0.32
15.5	0.25	0.25	0.24	0.28

16.0	0.25	0.25	0.24	0.28
16.5	0.23	0.22	0.21	0.23
17.0	0.23	0.22	0.21	0.23
17.5	0.20	0.19	0.17	0.19
18.0	0.20	0.19	0.17	0.19
18.5	0.18	0.16	0.13	0.15
19.0	0.18	0.16	0.13	0.15
19.5	0.16	0.13	0.10	0.11
20.0	0.16	0.13	0.10	0.11
20.5	0.14	0.11	0.07	0.08
21.0	0.14	0.11	0.07	0.08
21.5	0.12	0.08	0.04	0.04
22.0	0.12	0.08	0.04	0.04
22.5	0.10	0.06	0.01	0.01
23.0	0.10	0.06	0.01	0.01
23.5	0.08	0.04	-0.02	-0.02
24.0	0.08	0.04	-0.02	-0.02
24.5	0.07	0.02	-0.04	-0.05
25.0	0.07	0.02	-0.04	-0.05
25.5	0.06	0.00	-0.06	-0.07
26.0	0.06	0.00	-0.06	-0.07
26.5	0.05	-0.01	-0.08	-0.09
27.0	0.05	-0.01	-0.08	-0.09
27.5	0.04	-0.02	-0.09	-0.10
28.0	0.04	-0.02	-0.09	-0.10
28.5	0.03	-0.03	-0.10	-0.11
29.0	0.03	-0.03	-0.10	-0.11
29.5	0.03	-0.03	-0.10	-0.11
30.0	0.03	-0.03	-0.10	-0.11

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