

Currents

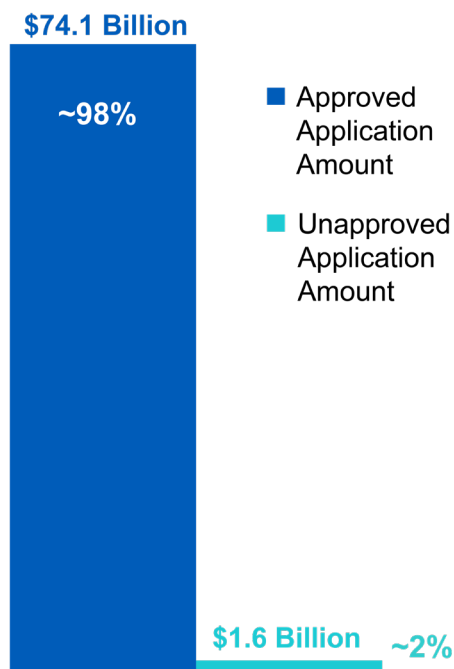
Quarterly Recap for Multiemployer Retirement Plan Sponsors

Second Quarter 2026

Key statistics

Status of Special Financial Assistance (SFA)

About 98% of the \$75.5 Billion Total SFA Application Amount Was Approved as of December 31, 2025



As of year-end 2025, SFA has helped:

174
Plans

~1.4 Million
Participants

The remaining 22 plans that applied for SFA by the deadline (December 31, 2025) must file revised applications by the end of 2026, excluding plans that withdrew applications.

Source: Pension Benefit Guaranty Corporation (PBGC)

Investment trends

What to consider when selecting a strategy for a diversified active fixed income allocation

Institutional investors that are considering adding a diversified active fixed income allocation to their portfolios most often choose among three approaches:

- **Core-satellite.** This approach, which means investing in a “core” or foundational exposure to fixed income, while also including more targeted allocations to strategies with higher risk/return profiles, can offer investors better customization and control but can require more monitoring and can result in higher fees than other strategies.
- **Core-plus.** This approach adds satellite strategies to the core approach, which can lead to lower fees but makes investors rely on managers’ skill sets.
- **Core and multi-sector credit.** This approach has shown higher risk-adjusted returns than the other approaches, though fees tend to be higher.

No one strategy is right for every portfolio. When choosing an approach, trustees should consider their goals for the plan.

For a more detailed discussion, see Segal Marco Advisors’ article, [“What to Consider When Selecting a Strategy for a Diversified Active Fixed Income Allocation.”](#)

2025 stocks in review and a look ahead

Despite persistent uncertainty about economic growth, U.S. stocks surged higher in 2025. The S&P 500 Index® rose by around 17 percent for the year, as corporate profits hit new heights and firms invested in artificial intelligence (AI) platforms and services. Communication services and

technology were the best performing sectors. Mega-cap firms outperformed again with the so-called “Magnificent Seven” tech companies now representing over one-third of the S&P 500® benchmark. International stocks also performed strongly in 2025 with the MSCI EAFE gaining almost 32 percent, due to a weaker dollar and more attractive valuations.

Stocks are off to a volatile start in 2026. Geopolitical shocks, oil price spikes, tariffs and the impact of AI on company performance are the major concerns this year. In the current environment, patience and diversification are key.

Federal information relevant to multiemployer retirement plans

PBGC reports improved financial outlook

In previous years, the financial outlook for the PBGC was strained, due to an increase in benefit outlays. According to the PBGC's [2025 Annual Report](#), the agency's projected financial outlook and solvency have improved. The main reasons for the improvement are the implementation of SFA and favorable investment experience.

The PBGC's multiemployer per-participant premium, which is \$40 for plan years beginning during 2026, is scheduled to increase to \$52 in 2031.

U.S. Supreme Court actions relevant to multiemployer plans

On May 21, in *M & K Employee Solutions, LLC v. Trustees of the IAM National Pension Fund*, the U.S. Supreme Court unanimously ruled that the actuarial assumptions used for withdrawal liability purposes may be changed retroactively. They do not have to be fixed as of the valuation date. Learn more about this decision in our compliance insight, [“SCOTUS Clarifies Timing of Withdrawal Liability Assumptions.”](#)

On May 18, the court declined to review appellate court's decision in *Pension Benefit Guaranty Corporation (PBGC) v. Board of Trustees of the Bakery Drivers Local 550 and Industry Pension Fund* that a terminated plan is eligible for SFA.

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Compliance reminders

An essential resource for complying with reporting and disclosure requirements

Segal's [2026 Reporting and Disclosure Guide for Benefit Plans](#) is a tool for plan sponsors to stay on top of this year's federal requirements. Benefit plans subject to ERISA must comply with all federal agency requirements to avoid costly noncompliance penalties.

SECURE 2.0 decisions to make in 2026

These few provisions of the SECURE 2.0 Act of 2022 are effective for plan years beginning after December 31, 2025:

- All catch-up contributions must be treated as Roth contributions, with an exception for employees earning \$145,000 or less (indexed).
- For DC plans, at least one benefit statement per year must be on paper.
- For DB plans, a paper statement must be provided at least once every three years.

For more information, see our compliance insight, [“SECURE 2.0 Retirement Reform Becomes Law.”](#)

To discuss the implications for your plan of anything covered here, contact your Segal consultant or get in touch via our [website, segalco.com](#).

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