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Can the annual assessment for the PBGF be paid from the pension fund as an administrative expense? What happens if the employer is insolvent and the PBGF assessment is outstanding?

No. Section 33 of the Regulation specifically states that the employer shall pay the PBGF assessment; it is not an administrative expense. In the event of an insolvency the outstanding PBGF assessment would constitute a claim against the employer company.

(This policy was previously catalogued as P200-850). Amendments to the Regulations in 1992 have affected this answer. Please refer to s. 7 of Regulation 909 for more recent information relating to payment of the annual PBGF assessment from the plan fund.