

PBGC Ends Working Retirement Restriction on Starting Early Retirement Benefits: FAQs

PBGC has ended its working retirement restriction on when participants are permitted to begin receiving early retirement benefits to which they are entitled under the terms of their pension plans. Retirement-eligible participants in PBGC-trusted plans can now start to receive their benefit even if they continue working for the sponsor of their plan. If you were working on June 1, 2021, you can choose to start your pension later and receive a back payment covering the month of June 2021 and later months.

But there's no rush: PBGC will allow eligible participants to start their pension later and get a back payment covering monthly payments missed, back to June 1, 2021, even if they apply months or years in the future.

PBGC is planning to provide additional information on this change very soon, so please continue to visit this page for updates.

What is working retirement?

PBGC's working retirement policy required that participants who had not yet reached normal retirement age had to separate from employment with the pension plan sponsor before starting their benefits.

What is changing?

PBGC is no longer applying working retirement restrictions for participants who start receiving their benefit from PBGC on or after June 1, 2021.

Who is affected?

Starting June 1, 2021, participants who have not yet reached their pension plan's normal retirement age and who are still working for the employer that sponsored their plan can start to receive their early retirement benefits while still working, provided they met all of the eligibility requirements for early retirement. The affected participants are in [approximately 250 PBGC-trusted plans](#) whose sponsors continued in business after the pension plan terminated.

Do I have to contact PBGC before June 1, 2021, to apply?

No. You do not have to take any action now. If you are affected by this rule change, simply contact us when you are ready to start receiving benefits. You will have the choice of 1) starting your benefit as of June 1, 2021, with a back payment to that date, or 2) starting your benefit at a later date, generally with a larger monthly amount but no back payment. These options will remain available to you whenever you are ready to apply for benefits.

I'm still employed by the company that sponsored my plan. I could have retired before June 1 if there had not been working retirement restrictions. Now that the working retirement restrictions have been removed, can I start my benefit and get a back payment for a retirement date before June 1?

No. The restrictions still apply to annuity starting dates before June 1, 2021. If you were restricted from starting your benefit before June 1, you still cannot receive payments for any months before June 1, 2021.

Who is not affected?

The following participants were not restricted by the working retirement rule and so are not affected by the rule change:

- Anyone who is older than their normal retirement age as of June 1, 2021,
- Anyone who was not working for the employer that sponsored their plan as of June 1, 2021.

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