

payments (at the plan rate up to the deemed distribution date and thereafter at the designated benefit interest rate) to the date as of which the benefit is paid under paragraph (b)(4) of this section.

(3) Lump sum payment to estate. The PBGC will make a lump sum payment to the missing participant's estate equal to the payments that the missing participant would have received under the plan for the period prior to the missing participant's death, plus interest on the missed payments (at the plan rate up to the deemed distribution date and thereafter at the designated benefit interest rate) to the date when the lump sum is paid. Notwithstanding the preceding sentence, if a beneficiary of a missing participant other than the estate establishes to the PBGC's satisfaction that the beneficiary is entitled to the lump sum payment, the PBGC will pay the lump sum to such beneficiary.

(4) Time of benefit. The PBGC will pay the survivor benefit beginning when the beneficiary is located.

(5) Spouse deceased. If the PBGC locates the estate of the deceased missing participant's spouse under circumstances where a benefit would have been paid under this paragraph (b) if the spouse had been located while alive, the PBGC shall pay to the spouse's estate a lump sum payment computed in the same manner as provided for in paragraph (b)(2) of this section based on the period from the missing participant's death to the death of the spouse.

§ 2629.11 Limitations.

(a) Exclusive benefit. The benefits provided for under this part shall be the only benefits payable by the PBGC to missing participants or to beneficiaries based on the benefits of deceased missing participants.

(b) Limitation on benefit value. The total actuarial present value of all benefits paid with respect to a missing participant under §§ 2629.8 through 2629.10, determined as of the deemed distribution date, shall not exceed the missing participant's designated benefit.

(c) Guaranteed benefit. If a missing participant or his or her beneficiary establishes to the PBGC's satisfaction that the benefit under §§ 2629.8 through 2629.10 (based on the designated benefit actually paid to the PBGC) is less than the minimum benefit in this paragraph (c), the PBGC shall instead pay the minimum benefit. The minimum benefit shall be the lesser of:

(1) The benefit as determined under the PBGC's rules for paying guaranteed benefits in trustee plans under parts 2613 and 2621 of this chapter (treating

the deemed distribution date as the date of plan termination for this purpose); or

(2) The benefit based on the designated benefit that should have been paid under § 2629.5.

(d) Limitation on annuity starting date. A missing participant (or his or her survivor) may not elect an annuity starting date after the later of—

(1) The required beginning date under section 401(a)(9) of the Code; or

(2) The date when the missing participant (or the survivor) is notified of his or her right to a benefit.

§ 2629.12 Special rules.

(a) Late-discovered participants. The plan administrator of a plan that terminates with one or more late-discovered participants shall (after issuing notices to each such participant in accordance with §§ 2616.22 and 2616.27 or 2617.22 and 2617.23 of this chapter (whichever apply)), distribute each such late-discovered participant's benefit within the period (determined without regard to the provisions of this part) described in § 2616.29(a) or 2617.28(a) of this chapter (whichever applies) if practicable or (if not) as soon thereafter as practicable, but not more than 90 days after the deemed distribution date (subject to extension under § 2629.12(h)).

(b) Missing participants located quickly. Notwithstanding the provisions of §§ 2629.8 through 2629.10, if the PBGC or the plan administrator locates a missing participant within 30 days after the PBGC receives the missing participant's designated benefit, the PBGC may in its discretion return the missing participant's designated benefit to the plan administrator, and the plan administrator shall treat the missing participant like a late-discovered participant.

(c) Qualified domestic relations orders. Plan administrators and the PBGC shall take the provisions of qualified domestic relations orders (QDROs) under section 206(d)(3) of the Act or section 414(p) of the Code into account in determining designated benefits and benefit payments by the PBGC, including treating an alternate payee under an applicable QDRO as a missing participant or as a beneficiary of a missing participant, as appropriate, in accordance with the terms of the QDRO. For purposes of calculating the amount of the designated benefit of an alternate payee, the plan administrator shall use the assumptions for a missing participant who is a beneficiary under § 2629.5(b).

(d) Employee contributions—(1) Mandatory employee contributions. Notwithstanding the provisions of

§ 2629.5, if a missing participant made mandatory contributions (within the meaning of section 4044(a)(2) of the Act), the missing participant's designated benefit shall not be less than the sum of the missing participant's mandatory contributions and interest to the deemed distribution date at the plan's rate or the rate under section 204(c) of the Act (whichever produces the greater amount).

(2) Voluntary employee contributions—(i) Applicability. This paragraph (d)(2) applies to any employee contributions that were not mandatory (within the meaning of section 4044(a)(2) of the Act) to which a missing participant is entitled in connection with the termination of a defined benefit plan.

(ii) Payment to PBGC. A plan administrator, in accordance with the missing participant forms and instructions, shall pay the employee contributions described in paragraph (d)(2)(i) of this section (together with any earnings thereon) to the PBGC, and shall file Schedule MP with the PBGC, by the time the designated benefit is due under § 2629.6. Any such amount shall be in addition to the designated benefit and shall be separately identified.

(iii) Payment by PBGC. In addition to any other amounts paid by the PBGC under §§ 2629.8 through 2629.10, the PBGC shall pay any amount paid to it under paragraph (d)(2)(ii) of this section, with interest at the designated benefit interest rate from the date of receipt by the PBGC to the date of payment by the PBGC, in the same manner as described in § 2629.8 (automatic lump sums), except that if the missing participant died before the deemed distribution date and there is no beneficiary, payment shall be made to the missing participant's estate.

(e) Residual assets. The PBGC shall determine, in a manner consistent with the purposes of this part and section 4050 of the Act, how the provisions of this part shall apply to any distribution, to participants and beneficiaries who cannot be located, of residual assets remaining after the satisfaction of benefit liabilities in connection with the termination of a defined benefit plan. Unless the PBGC otherwise determines, the deadline for payment of residual assets for a missing participant and for submission to the PBGC of a Schedule MP (or an amended Schedule MP) is the 30th day after the date on which all residual assets have been distributed to all participants and beneficiaries other than missing participants for whom payment of residual assets is made to the PBGC.