

In the
United States Court of Appeals
For the Seventh Circuit

No. 25-1765

CONSUMERS CONCRETE CORP.,

Plaintiff-Appellee,

v.

CENTRAL STATES, SOUTHEAST and SOUTHWEST AREAS PENSION
FUND,

Defendant-Appellant.

No. 25-1766

CENTRAL STATES, SOUTHEAST and SOUTHWEST AREAS PENSION
FUND and CHARLES A. WHOBREY,

Plaintiffs-Appellants,

v.

CONSUMERS CONCRETE CORP.,

Defendant-Appellee.

Appeals from the United States District Court for the
Northern District of Illinois, Eastern Division.
Nos. 1:23-cv-2695 & 1:23-cv-3005 — **LaShonda A. Hunt**, Judge.

ARGUED APRIL 9, 2026 — DECIDED SEPTEMBER 17, 2026

Before EASTERBROOK, RIPPLE, and LEE, *Circuit Judges*.

LEE, *Circuit Judge*. Employers with a unionized workforce may join forces to participate in a multiemployer defined benefit plan for their employees. Such plans allow workers to move between the participating employers and preserve their service time, while providing employers with a steady pool of trained workers. Consumers Concrete Corp. (“Consumers”) participated in a multiemployer plan administered by Central States Southeast and Southwest Areas Pension Fund (“the Fund”). It withdrew partially from the plan in 2017 and withdrew completely in 2019.

By leaving the plan in 2019, Consumers was statutorily required to pay withdrawal liability to the Fund for its complete withdrawal, and the parties pursued arbitration to determine the applicable amount. The Multiemployer Pension Plan Amendments Act (“MPPAA”) lays out a four-step process for calculating Consumers’s complete withdrawal liability, 29 U.S.C. § 1381, and provides Consumers with a credit for the liability it incurred for its partial withdrawal in 2017, 29 U.S.C. § 1386. The parties, however, disputed how exactly that credit should be applied. The arbitrator adopted the Fund’s calculation, applying the credit at step two of the process. The district court reviewed and vacated the arbitration award, accepting instead Consumers’s contention that the credit should be applied at the completion of all four steps. We conclude that the more natural reading of the MPPAA favors this latter construction and affirm.

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I. Background

A. MPPAA

To make sense of what is to come, we begin with a statutory primer. Multiemployer pension plans allow an employee to move between participating employers without losing service credit for pension benefits. *Supervalu, Inc. v. United Food & Com. Workers Unions & Emps. Midwest Pension Fund*, 155 F.4th 913, 916 (7th Cir. 2025). This benefits the employees by giving them the flexibility to move between jobs in industries where work is seasonal or short-term, such as construction and trucking. And it benefits employers by providing a trained pool of workers. *Id.*

Multiemployer pension plans are created through a collective bargaining agreement between multiple employers (usually in the same industry) with a union. *Id.* Even when an employer withdraws from and ceases contributing to a plan, the plan must pay benefits to employees whose pension rights have vested. *Id.* This shifts the costs of funding the plan to the remaining employers. *Id.*

To prevent employers from withdrawing *en masse* and making a pension plan insolvent, Congress amended the Employee Retirement Income Security Act of 1974 (“ERISA”), 29 U.S.C. § 1001 *et seq.*, with the MPPAA, 29 U.S.C. §§ 1381–461. The MPPAA ensures “that an employer who withdraws from an underfunded multiemployer pension plan must pay a charge sufficient to cover that employer’s fair share of the plan’s unfunded liabilities.” *Milwaukee Brewery Workers’ Pension Plan v. Joseph Schlitz Brewing Co.*, 513 U.S. 414, 415 (1995). Put another way, the MPPAA requires a withdrawing employer to pay its fair share of unfunded vested benefits for the plan and sets forth rules for determining the amount owed.

Id. The withdrawal liability is the “difference between the present value of the benefits owed to employees and the current value of the plan’s assets.” *M&K Emp. Sols., LLC v. Trs. of IAM Nat’l Pension Fund*, 146 S. Ct. 1224, 1228 (2026) (citing 29 U.S.C. §§ 1381(b)(1), 1393(c)).

Withdrawal from a plan comes in two forms: complete or partial. 29 U.S.C. §§ 1383, 1385.¹ Section 1381(b) lays out the steps for calculating an employer’s liability for each type of withdrawal, providing in relevant part:

(1) The withdrawal liability of an employer to a plan is the amount determined under section 1391 of this title to be the allocable amount of unfunded vested benefits, adjusted—

(A) first, by any de minimis reduction applicable under section 1389 of this title,

(B) next, in the case of a partial withdrawal, in accordance with section 1386 of this title,

(C) then, to the extent necessary to reflect the limitation on annual payments under section 1399(c)(1)(B) of this title, and

¹ Generally speaking, an employer effectuates a complete withdrawal from a multiemployer plan when the employer “(1) permanently ceases to have an obligation to contribute under the plan, or (2) permanently ceases all covered operations under the plan.” 29 U.S.C. § 1383(a). In comparison, an employer undertakes a partial withdrawal “from a plan on the last day of the plan year if for such plan year[:] (1) there is a 70-percent contribution decline, or (2) there is a partial cessation of the employer’s contribution obligation” as defined in 29 U.S.C. § 1385(b)(1)(A), (b)(2)(A). 29 U.S.C. § 1385(a).

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(D) finally, in accordance with section 1405 of this title.

29 U.S.C. § 1381(b)(1) (emphasis added). For ease of reference, we will refer to subsections (A), (B), (C), and (D) as “steps” one, two, three, and four. Particularly salient for our purposes is step two—“next, in the case of a partial withdrawal, in accordance with section 1386 of this title.” 29 U.S.C. § 1381(b)(1)(B).

Step two’s cross-reference leads us to § 1386, which performs two functions. First, it sets forth the calculation for withdrawal liability for partial withdrawals. 29 U.S.C. § 1386(a). Second, it provides a credit to a withdrawing employer that, like Consumers, had incurred liability for a prior partial withdrawal. 29 U.S.C. § 1386(b). Because the language is significant, we lay out the relevant parts of § 1386 here:

(a) The amount of an employer’s liability for a partial withdrawal, before the application of sections 1399(c)(1) and 1405 of this title, is equal to the product of—

(1) the amount determined under section 1391 of this title, and adjusted under section 1389 of this title if appropriate, determined as if the employer had withdrawn from the plan in a complete withdrawal ... multiplied by

(2) a fraction ...

(b)(1) In the case of an employer that has withdrawal liability for a partial withdrawal from a plan, *any withdrawal liability of that employer for a partial or complete withdrawal from that plan in a subsequent plan year shall be reduced by the amount of any partial withdrawal liability*

(reduced by any abatement or reduction of such liability) of the employer with respect to the plan for a previous plan year.

(2) The corporation shall prescribe such regulations as may be necessary to provide for proper adjustments in the reduction provided by paragraph (1) ... so that the *liability for any complete or partial withdrawal in any subsequent year* (after the application of the reduction) properly reflects the employer's share of liability with respect to the plan.

29 U.S.C. § 1386(b) (emphases added).

Also noteworthy for our purposes is § 1381(b)(1)'s step three—"then, to the extent necessary to reflect the limitation on annual payments under section 1399(c)(1)(B) of this title." 29 U.S.C. § 1381(b)(1)(C). As background, § 1399 gives the withdrawing employer the election of paying the calculated withdrawal liability in annual installments, 29 U.S.C. § 1399(c)(1), or prepaying the "outstanding amount of the unpaid annual withdrawal liability payments" plus applicable interest, 29 U.S.C. § 1399(c)(4), or a combination thereof. *Milwaukee Brewery*, 513 U.S. at 418. That said, how the MPPAA calculates a company's annual payment is not immediately intuitive.

The Supreme Court perhaps put it best. The way the MPPAA calculates the annual payment "is unusual in that the statute does not ask the question that a mortgage borrower would normally ask, namely, what is the amount of each of my monthly payments? What size monthly payment will amortize, say, a 7% 30-year loan of \$100,000?" *Id.* Instead, "(1)

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the statute fixes the amount of each annual payment at a level that (roughly speaking) equals the withdrawing employer's typical contribution in earlier years; (2) it sets an interest rate, equal to the rate the plan normally uses for its calculations; and (3) it then asks how many such annual payments it will take to 'amortize' the withdrawal charge at that interest rate." *Id.* at 418–19 (citations omitted).

To put it in more familiar terms, "[i]t is as if Brown, who owes Smith \$1,000, were to ask, not, 'How much must I pay each month to pay off the debt (with 7% interest) over two years?' —but, rather, 'Assuming 7% interest, how many \$100 monthly payments must I make to pay off that debt?'" *Id.* at 419.

This methodology, in some instances, may require a withdrawing employer to make annual withdrawal payments for more than twenty years. But, significantly, § 1399(c)(1)(B) caps the payments regardless of any remaining balance, stating: "In any case in which the amortization period described in subparagraph (A) exceeds 20 years, the employer's liability shall be limited to the first 20 annual payments determined under subparagraph (C)." 29 U.S.C. § 1399(c)(1)(B).

B. Facts

In 2017, Consumers undertook a partial withdrawal from the Fund under 29 U.S.C. § 1385(b)(2)(A). The annual payments Consumers was obligated to pay as a result of the 2017 partial withdrawal are uncontested.

In January 2019, Consumers effected a complete withdrawal pursuant to 29 U.S.C. § 1383 when it bargained out of participating in the Fund altogether. The parties agree that this resulted in a total of \$23,272,103.41 in unfunded vested

benefits allocable to Consumers and that the annual payment for its complete withdrawal is \$607,344.90.

The dispute in this case centers on how Consumers will be credited for the amount it paid (and continues to pay) for its 2017 partial withdrawal.² In Consumers's view, the credit should be applied once the entire amount of its complete withdrawal liability is calculated after employing all four steps of § 1381(b)(1), including § 1399(c)(1)(B)'s twenty-year limitation. The Fund, on the other hand, contends that the credit should be applied at step two, before § 1399(c)(1)(B) kicks in. The sequencing matters.

Under Consumers's approach, the amount the company would be obligated to pay for its complete withdrawal could be as low as zero because the credit based on its 2017 partial withdrawal liability could exceed the present value of the complete withdrawal payments it would have to make over the next twenty years, which (at a 3.00% discount rate) is \$9,306,831.24. On the other hand, the Fund's preferred methodology would require Consumers to pay the \$9,306,831.24 over the next twenty years.

The difference in the two amounts hinges mainly on the fact that the credit would have a greater impact on the twenty-year capped figure (post-step four) than on the uncapped allocable unfunded vested benefit amount after step one (at step two). And when the latter greatly exceeds the former,

² During the arbitration, the parties also disputed the amount of the credit Consumers would receive as a result of its 2017 partial withdrawal. According to the parties, that amount could range between \$423,804.01 to \$9,481,183.65, depending on the applicable discount rate and other factors. Neither side has raised those issues here.

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applying the credit at step two might have little to no practical effect on a company's annual payment obligations due to the twenty-year cap.

C. Procedural History

Consumers timely filed its arbitration request contesting the Fund's calculation of its 2019 complete withdrawal liability. The arbitrator ruled for the Fund, and both parties appealed to the district court. Consumers sought to vacate or modify the arbitration award, and the Fund to enforce it. The district court consolidated the two cases and granted Consumers's motion while denying the Fund's, which led to this appeal.

In addition, we asked the Pension Benefit Guaranty Corporation ("PBGC"), which administers and enforces the multiemployer insurance program under Title IV of ERISA, for its position on this issue. The PBGC filed an amicus brief, and we are grateful for its input.

II. Discussion

We are asked to review the respective legal conclusions of the arbitrator and district court as to the proper application of an employer's prior partial withdrawal liability credit when calculating the employer's current withdrawal liability. We examine such questions of law *de novo*. *Supervalu*, 155 F.4th at 919.

To construe the MPPAA, we begin with the text of the statute and read the words and phrases with their ordinary meaning. *Levin v. United States*, 568 U.S. 503, 513 (2013). We do so, keeping in mind that "Congress in the MPPAA enacted an intricate statutory scheme with detailed calculations, all of which came about through the legislative process: a balance

of competing interests, legislative compromise, and stakeholder input.” *Supervalu*, 155 F.4th at 919. This is because the “words of a statute must be read in their context and with a view to their place in the overall statutory scheme.” *FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 133 (2000) (citation omitted). Moreover, we endeavor as best we can to give each word, phrase, or sentence in the statutory provision meaning so they are not superfluous. *TRW Inc. v. Andrews*, 534 U.S. 19, 31 (2001); *Beeler v. Saul*, 977 F.3d 577, 585 (7th Cir. 2020) (“We interpret statutes as a symmetrical and coherent regulatory scheme, and fit, if possible, all parts in an harmonious whole.”).

We agree with the Eleventh Circuit that “[b]y any measure, this is a tough case.” *Perfection Bakeries, Inc. v. Retail Wholesale & Dep’t Store Int’l Union and Indus. Pension Fund*, 147 F.4th 1314, 1322 (11th Cir. 2025), *cert. denied*, 224 L.Ed.2d 498 (2026). There are reasonable arguments on both sides, as the three separate opinions in *Perfection Bakeries* indicate. *Id.* at 1318 (Newsom, J., majority) (“This is a hard case.”); *id.* at 1322 (Jordan, J., concurring) (“This is a difficult case.”); *id.* (Brasher, J., dissenting) (agreeing that “this is a hard case”) (citation modified).

For the reasons below, however, we believe that the statutory language and context better support Consumers’s construction of §§ 1381(b) and 1386 and respectfully diverge from our colleagues on the Eleventh and Ninth Circuits on this

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point. *Cf. Perfection Bakeries*, 147 F.4th 1314; *GCIU-Emp. Ret. Fund v. Quad/Graphics, Inc.*, 909 F.3d 1214 (9th Cir. 2018).³

A. Definition of “Withdrawal Liability”

First is the basic canon of statutory construction that “[i]n a given statute, the same term usually has the same meaning and different terms usually have different meanings.” *Pulsifer v. United States*, 601 U.S. 124, 149 (2024) (citing Antonin Scalia & Bryan A. Garner, *Reading Law* 170–71 (2012)); see *Servo-electronics, Inc. v. Rolls-Royce PLC*, 975 F.3d 689, 694–95 (7th Cir. 2020) (“Identical words or phrases used in different parts of the same statute ... are presumed to have the same meaning.”).

When discussing the partial withdrawal liability credit, § 1386(b)(1) provides that an employer’s partial withdrawal liability shall “reduce[]” “any withdrawal liability ... in a subsequent year.” 29 U.S.C. § 1386(b)(1). The question is what does “withdrawal liability” mean, and how is it calculated?

To answer this, we look back to § 1381(b), which provides that an employer’s “withdrawal liability” is “the amount determined under section 1391 of this title to be the allocable amount of unfunded vested benefits, adjusted” by the steps one through four. 29 U.S.C. § 1381(b)(1). In other words, “withdrawal liability” is what results *after* the application of steps one through four. Thus, under § 1386(b)(1)’s express

³ Because this opinion disagrees with Eleventh and Ninth Circuits, we have circulated it to all judges of this court in regular active service in accordance with Circuit Rule 40(e). No judge requested to rehear this case en banc.

terms, we must apply the partial withdrawal credit to that final figure.

The Fund, however, would have us apply the partial withdrawal liability credit at step two. This not only contradicts the plain reading of § 1386(b)(1), but it confuses “withdrawal liability” with “the allocable amount of unfunded vested benefits,” which the parties agree are two distinct concepts. *See Bd. of Trs. of Int’l Bhd. of Teamsters Loc. 863 Pension Fund v. C&S Wholesale Grocers, Inc.*, 802 F.3d 534, 546 (3d Cir. 2015) (“[A]n employer’s withdrawal liability and allocable amount of unfunded vested benefits are not synonymous.”).

For its part, the Fund contends that we should not be so quick to differentiate “withdrawal liability” from “the allocable amount of unfunded vested benefits,” citing § 1391(c)(5)(E). That provision describes § 1391(b)—which explains how to calculate an employer’s allocable amount of unfunded vested benefits—as providing a “withdrawal liability method.” 29 U.S.C. § 1391(c)(5)(E). Similarly, the Fund notes, various other provisions refer to “employer’s liability” both as the end product of the four-step process, *see, e.g.*, § 1381(a) (“the employee is liable to the plan in the amount determined under this part to be the withdrawal liability”), as well as an intermediate calculation before the four steps are completed, *see, e.g.*, § 1386(a) (referring to “amount of an employer’s liability” before the application of steps three and four); § 1399(c)(1)(B) (capping the “employer’s liability” at twenty years). Thus, the Fund argues, the term “withdrawal liability” is not as determinative as Consumers proposes. *See GCIU-Emp. Ret. Fund*, 909 F.3d at 1218 (“The § 1399(c)(1)(B) provision, which forgives debt, can only logically be applied after that withdrawal liability is calculated.”).

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This reasoning has some appeal. But all the cross-referenced provisions in steps one, three, and four “reference ‘unfunded vested benefits,’ or section 1391’s calculation for that value, as the starting point for the adjustment.” *Perfection Bakeries*, 147 F.4th at 1327 (Brasher, J., dissenting) (citations omitted). Furthermore, given the starkness and clarity with which Congress distinguished between the two concepts in § 1381(b)(1)—“withdrawal liability is the amount determined ... to be the *allocable amount of unfunded vested benefits, adjusted*,” 29 U.S.C. § 1381(b)(1) (emphasis added)—it is difficult to consider these anything other than “terms with some heft and distinctiveness” that Congress was “likely to keep track of and standardize.” *Pulsifer*, 601 U.S. at 149. See *Perfection Bakeries*, 147 F.4th at 1326–27 (Brasher, J., dissenting) (“‘Withdrawal liability’ is defined by the statute as ‘the amount determined’ by the four-step process in section 1381.”).

Additionally, the Fund points to § 1381(a)’s language that “the employer is liable to the plan in the amount *determined under this part*[.]” 29 U.S.C. § 1381(a) (emphasis added). In its view, Consumers’s approach would require an extratextual fifth step after the four-step process outlined in § 1381(b), which would be inconsistent with § 1381(a). This theory presupposes, however, that the four steps constitute the entire universe of inputs needed to calculate an employer’s withdrawal liability, but this is not correct.

In fact, there are other sections of the statute that reduce or modify a company’s withdrawal liability after the four steps set forth in § 1381(b). For example, § 1387(a) allows for the “reduction or waiver of liability for a complete withdrawal” if an employer rejoins the plan. 29 U.S.C. § 1387(a). Section 1388 also allows for the modification of an employer’s

liability under certain conditions. *See, e.g.*, 29 U.S.C. § 1388(a)(1). “Because the statute expressly contemplates changes to ‘withdrawal liability’ after it is calculated, there is nothing odd about applying the partial withdrawal credit in subsection 1386(b) in the same way.” *Perfection Bakeries*, 147 F.4th at 1330 (Brasher, J., dissenting).

This brings us to the next major disagreement between the parties: the meaning of step two—“next, in the case of a partial withdrawal, in accordance with section 1386 of this title.” 29 U.S.C. § 1381(b)(1)(B).

B. Step Two and § 1386

The Fund’s primary argument is that Consumers’s prior partial withdrawal credit must be applied at step two because, in its view, step two requires the application of the entirety of § 1386, including § 1386(b), which authorizes the credit. *See* 29 U.S.C. § 1381(b)(1)(B) (“in accordance with section 1386 of this title”). Leaving the application of the credit until after step four, the Fund argues, would improperly disassociate § 1386(a) from (b). And, to bolster its point, the Fund contrasts step two with step three, which refers to a specific subsection of § 1399. *See* 29 U.S.C. § 1381(b)(1)(C) (referencing “section 1399(c)(1)(B)”); *see also Perfection Bakeries*, 147 F.4th at 1318 (noting that “Subsection 1381(c)(1)(B) refers on its face to *all* of ‘section 1386’—not just half of it”). This argument, however, runs into several problems.

First, it ignores step two’s condition precedent—“in the case of a partial withdrawal.” 29 U.S.C. § 1381(b)(1)(B) (“next, in the case of a partial withdrawal, in accordance with section 1386 of this title”). Recall that § 1381 provides the protocol for calculating the liability for an employer that “withdraws from

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a multiemployer plan in a complete withdrawal or a partial withdrawal.” 29 U.S.C. § 1381(a). An employer can only effectuate one type of withdrawal or the other; they are mutually exclusive. Thus, the most natural way to read “in the case of a partial withdrawal” is that step two applies only when the employer is seeking to carry out a partial withdrawal. In that case, the employer’s liability for the pending partial withdrawal would be calculated under § 1386(a), and the amount of that liability will be noted in the event that the employer undertakes a *subsequent* partial or complete withdrawal under § 1386(b).

The Fund protests, believing that our reasoning unduly narrows § 1381(b)(1)(B)’s reference to § 1386 by inserting only § 1386(a) in its place. *See Perfection Bakeries*, 147 F.4th at 1320. But this is not the case; one need only consider the sequencing of events and the relevant statutory language.

Consider Company A that partially withdraws from a multiemployer plan. To calculate its withdrawal liability, the plan sponsor would perform the steps in § 1381(b)(1). When the sponsor gets to step two, it will note that the withdrawal in question is partial and, thus, will go to § 1386. Under § 1386, the plan sponsor will proceed to § 1386(a) and calculate Company A’s liability for the partial withdrawal, “before the application of sections 1399(c)(1) and 1405,” *i.e.*, steps three and four. 29 U.S.C. § 1386(a). But it will not stop there. Next, the plan sponsor will continue to § 1386(b) and record the amount of the partial withdrawal liability so that it “reduce[s]” “the withdrawal liability of that employer for a partial or complete withdrawal from that plan *in an subsequent plan year*.” 29 U.S.C. § 1386(b)(1) (emphasis added).

In other words, § 1386(b)(1) is forward-looking, not back-looking. This is reflected in its language and grammatical usage: if an employer incurs partial withdrawal liability, any future withdrawal liability “in a subsequent plan year shall be reduced” by that amount (subject to any applicable adjustments). 29 U.S.C. § 1386(b)(1). See *Castañon-Nava v. U.S. Dep’t of Homeland Sec.*, 175 F.4th 828, 846 (7th Cir. 2026) (noting “grammatical usage is a useful guide”) (citing Scalia & Garner, *supra*, at 141; *United States v. Balint*, 201 F.3d 928, 933 (7th Cir. 2000) (“[T]he Supreme Court does not consider grammar a mere technicality. It has stated that ‘Congress’ use of a verb tense is significant in construing statutes.”)) (quoting *United States v. Wilson*, 503 U.S. 329, 333 (1992)).

To top it off, § 1386(b)(2) mandates the PBGC to “prescribe such regulations so as may be necessary ... so that liability for any complete or partial withdrawal *in any subsequent year* ... properly reflects the employer’s share of liability with respect to the plan.” 29 U.S.C. § 1386(b)(2) (emphasis added). To put it another way, § 1386(b)(1) focuses on the time that the partial withdrawal liability is first calculated, not when the subsequent liability (whether complete or partial) is determined—which could be any number of years later. Thus, when Company A wishes to undertake a partial withdrawal, the sponsor applies *both* subsections (a) *and* (b) of § 1386, as step two requires.

Assume that, ten years later, Company A wishes to leave the plan entirely. Because it intends to effectuate a complete withdrawal, the sponsor would not apply step two. But, because it has already recorded Company A’s withdrawal liability for its partial withdrawal from ten years earlier to be applied in a subsequent withdrawal, that amount would be

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credited once the company's "withdrawal liability" is calculated for the complete withdrawal under steps one, three, and four, as § 1386(b)(1) provides.

The Fund sees things differently. In its view, the plan sponsor must apply § 1386 even in the event of a complete withdrawal. Under this theory, § 1381(b)(1)(B)'s opening phrase "in the case of a partial withdrawal" would trigger (1) when a company effectuates a partial withdrawal, *or* (2) when a company that undertakes a complete withdrawal has previously effectuated a partial withdrawal. But, as the dissent in *Perfection Bakeries* observed, this "is not the most natural way to understand the phrase." 147 F.4th at 1328 (Brasher, J., dissenting).

Furthermore, in the context of a complete withdrawal, § 1386(a) would have nothing to do, violating the Fund's own rule that step two requires the entirety of § 1386 be given effect. The same would go for § 1386(b)(1) because there would be no further "withdrawal[s] from th[e] plan in a subsequent plan year" unless the company rejoins the plan, and no "partial withdrawal liability" credit by which any "subsequent plan year" liability would be reduced. 29 U.S.C. § 1386(b)(1).

Lastly, the Fund, like the majority in *Perfection Bakeries*, points out that step three also "refers back to § 1386 in its entirety" in that § 1399(c)(1)(A)(i) requires a plan sponsor to adjust the employer's liability "first under section 1389 of this title and then under section 1386 of this title" before applying the twenty-year cap. 147 F.4th at 1318 (quoting 29 U.S.C. § 1399(c)(1)(A)(i)). Section 1405, referenced in step four, too states that its reductions should apply "after the application of all sections of this part[.]" *Id.* (quoting 29 U.S.C. § 1405(a)(1)). But again the construction we adopt today does

apply the entirety of § 1386; it just applies § 1386(b) in a forward-looking manner at the time of the partial withdrawal consistent with the statutory language. *See id.* at 1329 (Brasher, J., dissenting) (“Subsection (a) tells the plan sponsor how to calculate that year’s partial withdrawal liability ... and subsection (b) tells it to book a credit ... against any withdrawal liability in a ‘subsequent’ year.”).

C. PBGC’s Interpretation

The PBGC’s interpretation of these provisions supports our independent conclusion. Recall that the MPPAA delegated regulatory authority to the PBGC to “provide for proper adjustments” in the prior partial withdrawal liability credit “so that the liability for any complete or partial withdrawal in any subsequent year ... properly reflects the employer’s share of liability with respect to the plan.” 29 U.S.C. § 1386(b)(2). Five years after the MPPAA’s enactment, stakeholders asked the PBGC to address the exact question before us. It answered that the credit “is an adjustment to withdrawal liability, *i.e.* a further adjustment to the [§ 1381] amount” and, therefore, “must be made after the employer’s subsequent withdrawal liability is calculated in accordance with [§ 1381].” Pension Benefit Guar. Corp., Opinion Letter 85-4 (Jan. 30, 1985). The reason, the PBGC later explained, is that “[t]he purpose of the credit [under § 1386(b)(1)] is to protect a withdrawing employer from being charged twice for the same unfunded vested benefits of the plan.” 29 C.F.R. § 4206.1(a).

In this appeal, we asked the PBGC to provide the court with its current views on this issue. In its brief, the PBGC affirmed its longstanding position that “§ 1386(b)(1)’s directive that withdrawal liability ‘shall be reduced’ is best understood

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to operate on the fully-adjusted amount of withdrawal liability determined under § 1381(b)(1), rather than on intermediate figures in the calculation process.” PBGC Amicus Br. at 4 (quoting 29 U.S.C. § 1386(b)(1)). The PBGC’s long-established views on §§ 1381 and 1386 “constitute a body of experience and informed judgment to which courts and litigants may properly resort for guidance.” *Loper Bright Enters. v. Raimondo*, 603 U.S. 369, 394 (2024) (quoting *Skidmore v. Swift & Co.*, 323 U.S. 134, 140 (1944)).

III. Conclusion

We, like all three judges in *Perfection Bakeries*, acknowledge that this is a difficult case. The statutory provisions are complex, and both sides offer plausible arguments. After examining the language, context, and structure of the relevant statutes, we conclude that the credit § 1386(b)(1) provides to an employer’s withdrawal liability based on a prior partial withdrawal should be applied after the employer’s withdrawal liability is calculated employing the four-step process in § 1381(b).

For the foregoing reasons, the judgment is AFFIRMED.