§ 4022.25, except as otherwise provided in paragraph (d) of that section, and for the purposes of § 4022.26, as appropriate.

(e) For the purposes of §§ 4022.22 through 4022.27, a benefit increase is deemed to be in effect commencing on the later of its adoption date or its effective date.

(f) PPA 2006 bankruptcy termination. In a PPA 2006 bankruptcy termination, except as otherwise provided in paragraph (d) of that section, and for the purposes of § 4022.26, as appropriate.

(e) For the purposes of §§ 4022.22 through 4022.27, a benefit increase is deemed to be in effect commencing on the later of its adoption date or its effective date.

(f) PPA 2006 bankruptcy termination. In a PPA 2006 bankruptcy termination, except as otherwise provided in paragraph (d) of that section, and for the purposes of § 4022.26, as appropriate.

§ 4022.25 Five-year phase-in of benefit guarantee for participants other than substantial owners.

(a) Scope. This section applies to the guarantee of benefit increases which have been in effect for less than five years with respect to participants other than substantial owners.

(b) Phase-in formula. The amount of a benefit increase computed pursuant to § 4022.24 shall be guaranteed to the extent provided in the following formula: the number of years before the termination date during which such benefit increase was in effect, multiplied by the greater of (1) 20 percent of the amount computed pursuant to § 4022.24; or (2) $20 per month.

(c) Computation of years. In computing the number of years a benefit increase has been in effect, each complete 12-month period ending on or before the termination date during which such benefit increase was in effect constitutes one year.

(d) Multiple benefit increases. In applying the formula contained in paragraph (b) of this section, multiple benefit increases within any 12-month period ending on or before the termination date and calculated from that date are aggregated and treated as one benefit increase.

(e) Notwithstanding the provisions of paragraph (b) of this section, a benefit increase described in paragraph (a) of this section shall be guaranteed only if PBGC determines that the plan was terminated for a reasonable business purpose and not for the purpose of obtaining the payment of benefits by PBGC.

(f) PPA 2006 bankruptcy termination. In a PPA 2006 bankruptcy termination, “bankruptcy filing date” is substituted for “termination date” each place that “termination date” appears in paragraphs (a) and (c) of this section. In any case in which an event (such as the death of a participant or beneficiary who was alive on the bankruptcy filing date) that affects who is receiving or will receive a benefit from PBGC has occurred on or before the termination date, PBGC will compute the benefit based on the form of benefit that was being paid (or was payable) and the person who was receiving or was entitled to receive the benefit from PBGC as of the termination date, consistent with § 4022.23(g).

§ 4022.26 Phase-in of benefit guarantee for participants who are substantial owners.

(a) Scope. This section shall apply to the guarantee of all benefits described in subpart A (subject to the limitations in § 4022.21) with respect to participants who are substantial owners at the termination date or who were substantial owners at any time within the 5-year period preceding that date.

(b) Phase-in formula when there have been no benefit increases. Benefits provided by a plan under which there has been no benefit increase, other than the adoption of the plan, shall be guaranteed to the extent provided in the following formula: The monthly amount computed under § 4022.22 multiplied by a fraction not to exceed 1, the numerator of which is the number of full years prior to the termination date.