

Fact Sheet

EBSA Restores Over \$2.4 Billion to Employee Benefit Plans, Participants and Beneficiaries

Through its enforcement of the Employee Retirement Income Security Act (ERISA), the Employee Benefits Security Administration (EBSA) is responsible for ensuring the integrity of the private employee benefit plan system in the United States. EBSA's oversight authority extends to nearly 734,000 retirement plans, 2 million health plans, and 662,000 other welfare benefit plans, such as plans providing life or disability insurance. These ERISA covered plans cover about 158 million workers and their dependents with over \$12.9 trillion in plan assets. In FY 2021, EBSA recovered over \$2.4 billion for plans, participants and beneficiaries.¹

Total Monetary Recoveries				
Total Recoveries	Recoveries from Enforcement Actions	Voluntary Fiduciary Correction Program	Abandoned Plan Program	Monetary Benefit Recoveries from Informal Complaint Resolution
\$ 2.4B	\$ 1.9B	\$ 34M	\$ 50.8M	\$ 499.5M

Close to \$2 Billion Recovered in Investigations

In FY 2021, EBSA closed 1,072 civil investigations with 741 of those cases (69%) resulting in monetary results for plans or other corrective action. Recoveries on behalf of terminated vested participants played a large role in these results. In total, EBSA's enforcement program helped 16,024 terminated vested participants in defined benefit plans collect benefits of \$1.548 billion owed to them. Terminated vested results represent a combination of the present values of lifetime annuity payments made to participants and beneficiaries, or lump sum balance payments, plus interest distributions paid as either retroactive lump sums or included in actuarially adjusted future annuity amounts.

Enforcement Monetary Recoveries	
Terminated Vested Participant Benefit Payments	\$ 1.548B
All Other Investigations	398M
Total	<u>\$1.946B</u>

EBSA's enforcement program also obtains non-monetary corrections and injunctive relief in civil cases that result in increased protections for plans and their participants. In FY 2021, EBSA obtained 449 non-monetary corrections. Examples of these results included removal of 6 fiduciaries, orders barring 34 individuals from acting as fiduciaries, court appointments of 16 independent fiduciaries, and 124 cases involving reforms of plan procedures, such as improved search procedures for missing participants. Examples of non-monetary results specific to health plans included 54 non-monetary corrections, 27 of which were global corrections that protected multiple plans relying on the same service provider. By focusing its resources on global correction of violations at the plan service provider level, EBSA can correct violations involving multiple plans affected by common plan terms or administrative practices. In this way, the agency works to have the greatest possible beneficial impact on plan participants and beneficiaries. In FY 2021, non-monetary global corrections obtained

¹ These results include plan assets restored, benefits paid to participants, disgorgement of profits, reversal of prohibited transactions that benefit the plan or participants and voluntary fiduciary corrections, as well as amounts recovered through the abandoned plan program and informal complaint resolution. The Agency also achieved significant protections, administrative reforms, and other corrections totaling over \$3 billion. These corrections involved technical prohibited transactions and other administrative reforms with no new monetary benefit to plans.

in health investigations frequently involved changes to plan documents and required new disclosures to participants and beneficiaries. For example, in one investigation, in response to violations identified by EBSA, the service provider prepared and circulated corrective benefit booklets for 76 health plans that disclosed to participants and beneficiaries the correct payment methodologies governing the plan’s payment of emergency services claims.

EBSA often pursues voluntary compliance as a means to correct violations and restore losses to employee benefit plans. However, in cases where voluntary compliance efforts have failed, or are inappropriate, EBSA forwards a recommendation to the Solicitor of Labor to initiate litigation. In FY 2021, EBSA referred 70 cases for litigation. Together, EBSA and the Solicitor of Labor determine which cases are appropriate for litigation, after considering the ability to obtain meaningful relief through litigation, the cost of litigation, viability of other enforcement options, and agency enforcement priorities. Even after referral to the Solicitor of Labor for litigation, the Department can often resolve claims for monetary relief without filing suit.

Civil Investigations			
Civil Investigations Closed	Civil Investigations Closed with Results	Percent Civil Investigations Closed with Results	Civil Investigations Referred for Litigation
1,072	741	69%	70

EBSA Investigations resulted in 72 Criminal Indictments related to Employee Benefit Plans

EBSA also has responsibility for investigating potential criminal conduct with a nexus to an employee benefit plan. This includes potential violations of the criminal provisions of ERISA, as well as those provisions of the United States Criminal Code that concern employee benefit plans in particular, and financial crimes in general. EBSA both independently conducts criminal investigations and works in cooperation with other law enforcement agencies. EBSA refers criminal cases to the United States Attorney’s Office, or state and local authorities for prosecution.

During FY 2021, EBSA opened 188 criminal investigations and closed 208 criminal investigations. 118 of the 188 criminal cases opened during FY2021 involved health benefit plans. EBSA’s criminal investigations, including criminal investigations conducted in coordination with other law enforcement agencies, led to the indictment of 72 individuals during FY2021. 39 of these indictments related to health benefit plans and 16 stemmed from EBSA’s Contributory Plans Criminal Project (CPCP). The CPCP reflects EBSA’s special commitment to protecting plans, and participants in plans, that are funded (in whole or in part) through employee contributions that are withheld from wages. The individuals charged include plan officials, corporate officers, and plan service providers. EBSA also obtained a total of 38 guilty pleas or convictions, and nearly \$4 million dollars in monetary recoveries for the benefit of plans and participants. EBSA also served 41 notice letters on persons convicted of crimes that bar them from serving as plan fiduciaries or service providers in accordance with the provisions of section 411 of ERISA.

Criminal Investigations		
Criminal Investigations Closed	Number of Individuals with Guilty Pleas or Convictions	Number of Individuals Indicted
208	38	72

Abandoned Plan Program

The Abandoned Plan Program facilitates the termination of, and distribution of benefits from individual account pension plans abandoned by their sponsoring employers. During FY 2021, EBSA received 1,770 applications from Qualified Termination Administrators and closed 923 applications with terminations approved. In total, the Program resulted in direct distributions of \$50.8 million to plan participants.²

Compliance Assistance Programs Yielded Tremendous Results

EBSA's Voluntary Fiduciary Correction Program (VFCP) and Delinquent Filer Voluntary Compliance Program (DFVCP) encourage the correction of violations of ERISA by providing significant incentives for fiduciaries and others to self-correct.

The VFCP allows plan officials who have identified specified violations of ERISA to take corrective action to remedy the breaches and voluntarily report the violations to EBSA, without becoming the subject of an enforcement action. In FY 2021, EBSA received 1,201 applications for the VFCP reporting restored payments to plans totaling \$34 million.

The DFVCP encourages plan administrators to bring their plans into compliance with ERISA's filing requirements. EBSA received 22,553 annual reports through this program in FY 2021. Additionally, the EFAST2 Help Desk handled over 21,000 filer inquiries to help filers meet their reporting obligations.

Correction Programs	
VFCP Applications Received	DFVCP Filings Received
1,201	22,553

\$499.5 Million Restored to Workers through Informal Complaint Resolution

When workers experience a problem with an employee benefit plan, they can directly contact EBSA Benefit Advisors for assistance. In FY 2021, EBSA's Benefits Advisors closed more than 175,000 inquiries and recovered \$499.5 million in benefits on behalf of workers and their families through informal resolution of individual complaints. Many of the inquiries came through via EBSA's toll-free number 1-866-444-EBSA (3272), and the website at askebsa.dol.gov.

These inquiries sometimes lead to enforcement actions. When EBSA becomes aware of repeated complaints with respect to a particular plan, employer, or service provider, or when there is information indicating a violation of ERISA, the matter will be referred for investigation. In FY 2021, EBSA opened 251 new investigations from Benefits Advisors referrals.

Inquiry Statistics		
Total Inquiries	Monetary Benefit Recoveries from Informal Complaint Resolution	Investigations Opened from Inquiry Referrals
175,986	\$499.5M	251

² In addition to the \$50.8 million in distributions from such voluntary applications by Qualified Termination Administrators, EBSA also obtained \$17.7 million in distributions for participants through enforcement efforts to resolve abandoned plans.

Over 2,340 Education and Outreach Events held in FY 2021

EBSA also conducts education and outreach events for workers, employers, plan officials and members of Congress. These nationwide activities include assisting dislocated workers who are facing job loss, educating employers of their obligations under ERISA, using a train-the-trainer format to inform Congressional staff of EBSA programs for their use in constituent services, and providing employees with information concerning their rights under the law.

Outreach, Education, and Assistance					
Total Dislocated Worker Activities	Dislocated Worker Rapid Response Sessions (subset of total dislocated worker activities)	Congressional District Office Briefings	Compliance Assistance Activities	Other Participant Assistance and Public Awareness Activities	Total Outreach Events
1,552	710	244	327	220	2,343

Extensive Publication and Web Site Usage Furthers Outreach Efforts

EBSA also reaches workers, retirees, employers, plan service providers, and the public through its printed materials and website at www.dol.gov/agencies/ebsa. English and Spanish language publications featuring participant and compliance assistance information are available through EBSA's toll-free number. Publications are also available electronically on its website. Visitors to the EBSA website can view and receive consumer information, relevant laws and regulations, technical guidance, seminar and webcast schedules, and other valuable resources.

Publications and Web Site	
Publications Distributed	Web Site Visitors
243,975	5.36M

EBSA believes these results demonstrate a strong, fair, and effective program that protects the benefits of America's workers and retirees.

This fact sheet has been developed by the U.S. Department of Labor, Employee Benefits Security Administration, Washington, DC, 20210. It is available in alternate format upon request: Voice telephone: (202) 693-8664; TTY: (202) 501-3911. In addition, the information in this fact sheet constitutes a small entity compliance guide for purposes of the Small Business Regulatory Enforcement Fairness Act of 1996.³

³ Updated as of 10/14/2021