

Fact Sheet

EBSA Restores Over \$3.1 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 722,000 retirement plans, approximately 2.5 million health plans, and a similar number of other welfare benefit plans, such as those providing life or disability insurance. These plans cover about 154 million workers and their dependents and include assets of over \$10.7 trillion. In FY 2020, EBSA recovered over \$3.1 billion in direct payment to plans, participants and beneficiaries.

Total Monetary Recoveries				
Total Recoveries	Recoveries from Enforcement Actions ¹	Voluntary Fiduciary Correction Program	Abandoned Plan Program	Monetary Benefit Recoveries from Informal Complaint Resolution
\$ 3.124B	\$ 2.602B	\$ 12M	\$ 54M	\$ 456M

Over \$2.6 Billion Recovered in Investigations

In FY 2020, EBSA closed 1,122 civil investigations with 754 of those cases (67%) 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 over 29,600 terminated vested participants in defined benefit plans collect benefits of over \$1.48 billion owed to them. Terminated vested results represent a combination of the present values of lifetime annuity payments made to participants and beneficiaries, or cash-out 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	\$1.481B
All Other Investigations	\$1.121B
Total	<u>\$2.602B</u>

In addition to monetary results, EBSA's enforcement program also obtains non-monetary corrections and injunctive relief that result in increased protections for plan assets or benefits. These actions can range from the removal or enjoinder of a plan fiduciary to the appointment of independent fiduciary as well as to the implementation of new plan procedures. During FY 2020, EBSA obtained significant non-monetary results in over 400 cases.

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 2020, EBSA referred 82 cases

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 \$181 million. These corrections involved technical prohibited transactions and other administrative reforms with no new monetary benefit to plans.

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 the 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
1,122	754	67%	82

EBSA Investigations Led to the Indictment of 70 Persons for Crimes Related to Employee Benefit Plans

EBSA also has responsibility to investigate potential violations of the criminal provisions of ERISA and those provisions of Title 18 of the United States Code that relate to employee benefit plans. EBSA conducts most of its criminal investigations with other federal law enforcement agencies under the direction of the United States Attorney for that jurisdiction. Other investigations are conducted in consultation with the appropriate state or local law enforcement authority.

In FY 2020, EBSA closed 230 criminal investigations. EBSA's criminal investigations, as well as its participation in criminal investigations with other law enforcement agencies, led to the indictment of 70 individuals – including plan officials, corporate officers, and service providers – for offenses related to employee benefit plans.

Criminal Investigations		
Criminal Investigations Closed	Number of Individuals with Guilty	
	Pleas or Convictions	Number of Individuals Indicted
230	59	70

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 2020, EBSA received 1,161 applications from Qualified Termination Administrators and closed 1,110 applications with terminations approved. In total, 882 plans made distributions of \$54 million directly to participants pursuant to such terminations.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

² In addition to the \$54 million in distributions from such voluntary applications by Qualified Termination Administrators, EBSA also obtained approximately \$22 million in distributions for participants through enforcement efforts to resolve 223 abandoned plans.

enforcement action. In FY 2020, EBSA received 1,309 applications for the VFCP.

The DFVCP encourages plan administrators to bring their plans into compliance with ERISA's filing requirements. EBSA received 19,624 annual reports through this program in FY 2020. Additionally, the EFAST2 Help Desk handled over 20,000 filer inquiries to help filers meet their reporting obligations.

Correction Programs	
VFCP Applications Received	DFVCP Filings Received
1,309	19,624

\$456.3 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 2020, EBSA's Benefits Advisors closed more than 171,000 inquiries and recovered \$456.3 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 2020, EBSA opened 357 new investigations from Benefits Advisors referrals.

Inquiry Statistics		
Total Inquiries	Monetary Benefit Recoveries from Informal Complaint Resolution	Investigations Opened from Inquiry Referrals
171,863	\$456.3M	357

Over 3,420 Education and Outreach Events held in FY 2020

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
2,787	956	218	240	175	3,420

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
221,887	4.2M

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 10/14/2020