

FY 2012

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYEE BENEFITS SECURITY ADMINISTRATION

EMPLOYEE BENEFITS SECURITY ADMINISTRATION

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Appropriation Language

For necessary expenses for the Employee Benefits Security Administration \$197,528,000

(Department of Labor Appropriations Act).

Note. – A full year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

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AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2010 Enacted		FY 2011 Full Year C.R.		FY 2012 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	910	\$154,861	910	\$154,861	1,089	\$197,528
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
(adjusted)	910	\$154,861	910	\$154,861	1,089	\$197,528
Offsetting Collections From:						
Reimbursements	0	\$7,900	0	\$8,500	0	\$8,500
Emergency Transfer Pursuant to P.L. 111-17	0	\$4,434	0	\$0	0	\$0
DM Recovery Act Transfer	50	\$2,180	0	\$0	0	\$0
Unobligated Balance Carried Forward		\$3,920	0	\$0	0	\$0
<i>Subtotal</i>	<i>960</i>	<i>\$173,295</i>	<i>910</i>	<i>\$163,361</i>	<i>1,089</i>	<i>\$206,028</i>
B. Gross Budget Authority	960	\$173,295	910	\$163,361	1,089	\$206,028
Offsetting Collections						
Deduction:	0	\$0	0	\$0	0	\$0
Reimbursements	0	-\$7,900	0	-\$8,500	0	-\$8,500
Emergency Transfer Pursuant to P.L. 111-17	0	-\$4,434	0	\$0	0	\$0
DM Recovery Act Transfer	-50	-\$2,180	0	\$0	0	\$0
Unobligated Balance Carried Forward		-\$3,920	0	\$0	0	\$0
<i>Subtotal</i>	<i>-50</i>	<i>-\$18,434</i>	<i>0</i>	<i>-\$8,500</i>	<i>0</i>	<i>-\$8,500</i>
C. Budget Authority Before Committee	910	\$154,861	910	\$154,861	1,089	\$197,528
Offsetting Collections From:						
Reimbursements	0	\$7,900	0	\$8,500	0	\$8,500
Emergency Transfer Pursuant to P.L. 111-17	0	\$4,434	0	\$0	0	\$0
DM Recovery Act Transfer	50	\$2,180	0	\$0	0	\$0
Unobligated Balance Carried Forward		\$3,920	0	\$0	0	\$0
<i>Subtotal</i>	<i>50</i>	<i>\$18,434</i>	<i>0</i>	<i>\$8,500</i>	<i>0</i>	<i>\$8,500</i>
D. Total Budgetary Resources	960	\$173,295	910	\$163,361	1,089	\$206,028
Other Unobligated Balances	0	\$0	0	\$0	0	\$0
FTE Lapse and Unobligated Balance Expiring	-39	-\$3,382	0	\$0	0	\$0
E. Total, Estimated Obligations	921	\$169,913	910	\$163,361	1,089	\$206,028

Note: FY 2010 FTE includes 43 Recovery Act FTE.

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2011 Full Year C.R.	FY 2012 Request	Net Change
Budget Authority			
General Funds	\$154,861	\$197,528	+\$42,667
Trust Funds	\$0	\$0	\$0
Total	\$154,861	\$197,528	+\$42,667
Full Time Equivalents			
General Funds	910	1,089	179
Trust Funds	0	0	0
Total	910	1,089	179

Explanation of Change	FY 2011 Base		Trust Funds		FY 2012 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	910	\$85,840	0	\$0	0	\$0	0	\$0
Personnel benefits	0	\$22,607	0	\$0	0	\$0	0	\$0
One day less of Pay	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees Compensation Act (FECA)	0	\$179	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$2,875	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$75	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$8,800	0	\$0	0	\$1,241	0	\$1,241
All Other Rental	0	\$0	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$646	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$435	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$0	0	\$0	0	\$0	0	\$0
Other services	0	\$3,056	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$14,970	0	\$0	0	\$0	0	\$0
Other government accounts (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other government accounts (DHS Charges)	0	\$499	0	\$0	0	\$0	0	\$0
Other purchases of goods and services from Government accounts	0	\$0	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$1,000	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$12,400	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$679	0	\$0	0	\$0	0	\$0
Equipment	0	\$800	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$0	0	\$0	0	\$0	0	\$0

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Explanation of Change	FY 2011 Base		Trust Funds		FY 2012 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Built-Ins Subtotal	910	+\$154,861	0	\$0	0	+\$1,241	0	+\$1,241
B. Programs:								
Improved Pension and Health Benefits Security	884	\$149,384	0	\$0	146	\$33,364	146	\$33,364
Participant Outreach and Regulatory Provisions	884	\$149,384	0	\$0	31	\$5,874	31	\$5,874
Regulatory Reform	88	\$19,155	0	\$0	2	\$2,188	2	\$2,188
Programs Subtotal			0	\$0	179	+\$41,426	179	+\$41,426
Total Increase	910	+\$154,861	0	\$0	179	+\$42,667	179	+\$42,667
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Decrease	0	\$0	0	\$0	0	\$0	0	\$0
Total Change	910	+\$154,861	0	\$0	179	+\$42,667	179	+\$42,667

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)						
	FY 2010 Enacted		FY 2011 Full Year C.R.		FY 2012 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
Enforcement and Participant Assistance	809	129,199	796	129,199	904	149,884
General Funds	809	129,199	796	129,199	904	149,884
Policy and Compliance Assistance	86	18,994	88	18,994	159	40,926
General Funds	86	18,994	88	18,994	159	40,926
Executive Leadership, Program Oversight and Administration	26	6,668	26	6,668	26	6,718
General Funds	26	6,668	26	6,668	26	6,718
Total	921	154,861	910	154,861	1,089	197,528
General Funds	921	154,861	910	154,861	1,089	197,528

NOTE: FY 2010 reflects actual FTE.

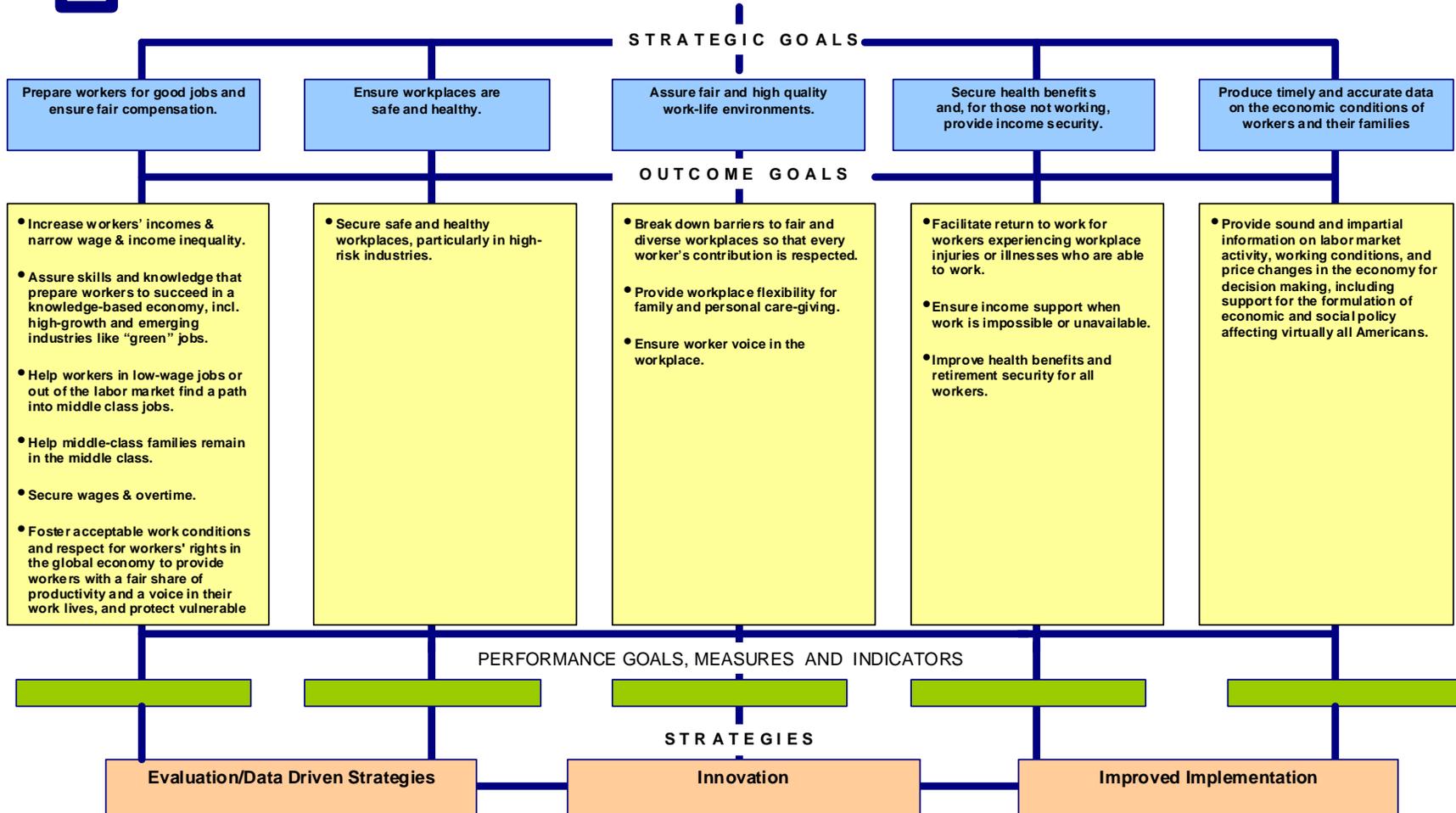
EMPLOYEE BENEFITS SECURITY ADMINISTRATION

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
	Full-Time Equivalent				
	Full-time Permanent	906	906	1,085	179
	Other	4	4	4	0
	Total	910	910	1,089	179
	Reimbursable	0	0	0	0
	Total Number of Full-Time Permanent Positions	910	910	1,089	179
	Average ES Salary	\$173,998	\$173,998	\$173,998	\$0
	Average GM/GS Grade	12/6	12/6	12/6	0
	Average GM/GS Salary	\$89,525	\$89,525	\$89,525	\$0
	Average Salary of Ungraded Positions	0	0	0	0
11.1	Full-time permanent	80,036	83,064	100,238	20,202
11.3	Other than full-time permanent	176	176	176	0
11.5	Other personnel compensation	2,559	2,600	2,600	41
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	82,771	85,840	103,014	20,243
12.1	Civilian personnel benefits	21,656	22,786	28,151	6,495
21.0	Travel and transportation of persons	3,026	2,875	4,149	1,123
22.0	Transportation of things	121	75	163	42
23.1	Rental payments to GSA	8,374	8,800	11,112	2,738
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	733	646	1,527	794
24.0	Printing and reproduction	600	435	985	385
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services	3,773	3,056	3,775	2
25.3	Other purchases of goods and services from Government Accounts	15,667	15,469	15,403	-264
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	1,133	1,000	8,750	7,617
25.7	Operation and maintenance of equipment	15,177	12,400	17,531	2,354
26.0	Supplies and materials	679	679	858	179
31.0	Equipment	1,151	800	1,912	761
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	154,861	154,861	197,528	42,667
	1/Other Purchases of Goods and Services From Government Accounts				
	Working Capital Fund	15,124	14,983	14,917	-207
	DHS Services	543	486	486	-57

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Secretary's Vision: "Good Jobs for Everyone"



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TOTAL BUDGETARY RESOURCES												
FY 2010 - 2012												
(Dollars in Thousands)												
	FY 2010 Enacted				FY 2011 Full Year C.R.				FY 2012 Request			
	Activity Approp.	Other Approp. ¹	Other Resrcs. ²	Total	Activity Approp.	Other Approp 1	Other Resrcs.2	Total	Activity Approp.	Other Approp.1	Other Resrcs. 2	Total
Employee Benefits Security Administration	154,861	0	7,900	162,761	154,861	0	8,500	163,361	197,528	0	8,500	206,028
Enforcement and Participant Assistance	129,199	5,534	7,900	142,633	129,199	5,534	8,500	143,233	149,884	5,576	8,500	163,960
Policy and Compliance Assistance	18,994	1,134	0	20,128	18,994	1,134	0	20,128	40,926	1,142	0	42,068
Sub Total	148,193	6,668	7,900	162,761	148,193	6,668	8,500	163,361	190,810	6,718	8,500	206,028
Executive Leadership, Program Oversight and Administration	6,668	-6,668	0	0	6,668	-6,668	0	0	6,718	-6,718	0	0
Total	154,861	0	7,900	162,761	154,861	0	8,500	163,361	197,528	0	8,500	206,028

¹ "Other Appropriation" is comprised of resources appropriated elsewhere, but for which the benefits accrue toward the operation of the budget activities. (Executive Direction and IT Crosscut)

² "Other Resources" include funds that are available for a budget activity, but not appropriated, such as reimbursements and fees.

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PERFORMANCE STRUCTURE

Strategic and Outcome Goals Supporting Secretary Solis' Vision of <i>Good Jobs for Everyone</i>	Supporting Budget Activities
Strategic Goal 1 – Prepare Workers for Good Jobs and Ensure Fair Compensation	
1.1 Increase workers' incomes and narrowing wage and income inequality.	
1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like "green" jobs.	
1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	
1.4 Help middle-class families remain in the middle class.	
1.5 Secure wages and overtime.	
1.6 Foster acceptable work conditions and respect for workers' rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.	
Strategic Goal 2 – Ensure Workplaces Are Safe and Healthy	
2.1 Secure safe and healthy workplaces, particularly in high-risk industries.	
Strategic Goal 3 – Assure Fair and High Quality Work-Life Environments	
3.1 Break down barriers to fair and diverse work places so that every worker's contribution is respected.	
3.2 Provide workplace flexibility for family and personal care-giving.	
3.3 Ensure worker voice in the workplace.	
Strategic Goal 4 – Secure Health Benefits and, for Those Not Working, Provide Income Security	
4.1 Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work.	
4.2 Ensure income support when work is impossible or unavailable.	
4.3 Improve health benefits and retirement security for all workers.	(1) Enforcement and Participant Assistance (2) Policy and Compliance Assistance (3) Executive Leadership, Program Oversight and Administration
Strategic Goal 5 – Assure the Production of Timely and Accurate Data on Social and Economic Conditions of Workers and their Families	
5.1 Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.	

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AUTHORIZING STATUTES

Public Law / Act	Legislation	Statute No. / US Code	Volume No.	Page No.	Expiration Date
P.L. 93-406	Employee Retirement Income Security Act of 1974	88 Stat. 832/ 29 U.S.C. 1001 et. seq.	88	832	Indefinite
P.L. 99-335	Federal Employees' Retirement System Act of 1986	100 Stat. 514/ 5 U.S.C. 8401 et. seq.	100	514	Indefinite

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2002...1/	\$111,214	\$109,866	\$112,418	\$110,752	850
2003...2/	117,044	117,044	114,000	111,303	861
2004...3/	128,605	128,605	121,300	124,040	930
2005...4/	132,345	132,345	132,345	131,213	887
2006...5/	137,000	137,000	134,900	133,551	875
2007...6/	143,573	141,573	141,573	148,573	855
2008...7/	147,425	142,925	143,262	139,313	855
2009...8/9/	147,871	0	139,313	143,419	835
2010...10/	130,398	154,060	155,662	154,861	910
2011...11/	161,995	0	0	0	0
2012	0	0	0	0	0

¹ Reflects a reduction of \$252 pursuant to P.L. 107-116; a reduction of \$462 pursuant to P.L. 107-206; and includes a \$1,600 terrorist response supplement pursuant to P.L. 107-117.

² Reflects a reduction of \$761 pursuant to P.L. 108-7

³ Reflects a reduction of \$922 pursuant to the enacted rescissions in P.L. 108-199

⁴ Reflects a reduction of \$1,132 pursuant to the enacted rescissions in P.L. 108-447

⁵ Reflects a reduction of \$1,349 pursuant to the enacted rescission in P.L. 109-148

⁶ Reflects amounts provided under FY 2007 full year continuing resolution pursuant to P.L. 110-5 and FY 2007 supplemental P.L. 110-28

⁷ Reflects a reduction of \$2,477 pursuant to the enacted rescissions in P.L. 110-161, the FY 2008 estimate to Congress included \$5,500 for EFAST2 later removed based on funding provided in FY 2007 appropriation.

⁸ Excludes \$9,705 for the Recovery Act through a non-expenditure transfer from the Departmental Management (DM) account pursuant to P.L. 111-5

⁹ This bill was only reported out of Subcommittee and was not passed by the Full House.

¹⁰ Excludes the \$4,434 emergency transfer pursuant to P.L. 111-17.

¹¹ A full-year appropriation for this account was not enacted at the time the budget was prepared.

Note: – A full-year appropriation for this account was not enacted at the time the budget was prepared.

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OVERVIEW

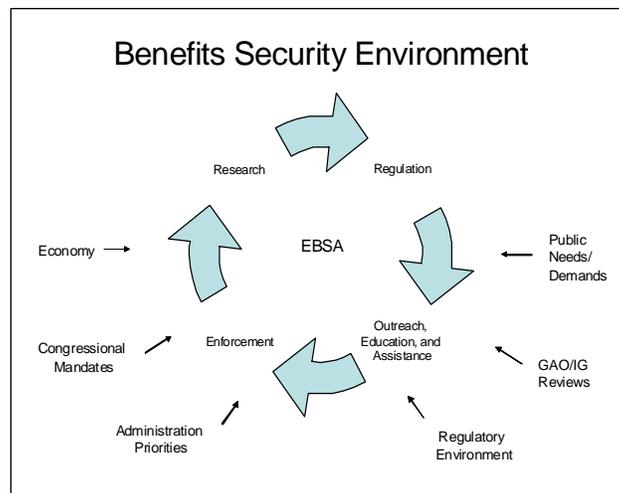
Introduction

The Employee Benefits Security Administration's (EBSA) FY 2012 budget is the first budget submitted under the Secretary's new Strategic Plan. The Secretary's plan lays out the Department of Labor (DOL) roadmap for continuing to meet the workplace and economic challenges we face as a nation. Contained within the plan are the strategies which DOL will use to accomplish the Secretary's vision: *Good Jobs for Everyone*. The Secretary defines *good jobs* as, among many other factors, jobs that provide health benefits and retirement security. In support of the Secretary's vision, EBSA has a single outcome goal of "improving health benefits and retirement security for all workers." EBSA is charged with protecting more than 149 million workers, retirees and their families which are covered by an estimated 718,000 private retirement plans, 2.6 million health plans, and similar numbers of other welfare benefit plans which together hold over \$6.1 trillion in assets.

Benefit Security Environment

With the recent financial crisis, the public's attention has increasingly focused on financial security. Understandably, the retirement and health care benefit security of workers, retirees, and their families continue to be significant factors in the public's perception of their overall financial security. EBSA's mission and programs are pivotal in providing benefit security to the public and increasing their confidence that their retirement, health and other benefits will be there when needed.

EBSA's mission is carried out in a very complex and evolving economic and regulatory environment where the public's demands, needs, and perceptions are influenced by many factors. In order to enhance benefit security and maintain the public confidence in our private sector based benefits system, EBSA administers an integrated program of regulation; compliance assistance and education; civil and criminal enforcement; and, research and analysis. The graphic below depicts this integrated effort to provide benefit security to America's workers, retirees and their families.



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As illustrated in the graph, EBSA's regulatory guidance and enforcement programs are developed and implemented in response to the Administration's priorities, Congressional actions, public concerns, our experience with civil and criminal investigations, participant inquiries, research, as well as trends and vulnerabilities identified in the private sector benefit security universe. Once regulations are promulgated, EBSA utilizes an aggressive outreach, education, and participant assistance program to inform America's workers, retirees and their families of their rights and benefits as well as educating the regulated community regarding their responsibilities and obligations under the law. As addressed later in the budget presentation, EBSA has numerous outreach and educational strategies to achieve this end. At the same time, EBSA's enforcement program must ensure compliance with the law. Our enforcement program utilizes a series of approaches (national/regional priorities, voluntary compliance programs, civil/criminal litigation, etc.) to achieve this end. Finally, the EBSA research program continues to analyze and study the benefit industry to identify emerging trends. This integrated approach and interaction between the various agency components create a nimble, seamless, proactive organization that is responsive to our complex environment.

The Secretary's vision of *Good Jobs for Everyone*, where workers and families are assured retirement and health benefits security, is supported by this requested budget that includes the following program increases:

- \$33,364,000 and 146 FTE for enforcement and research;
- \$5,874,000 and 31 FTE for participant outreach and regulatory provisions; and,
- \$2,188,000 and 2 FTE for regulatory reform.

These additional resources are needed to ensure that EBSA remains on the forefront of this evolving and complex environment and to address the public's concerns about their benefits. A single inquiry that is responded to promptly, professionally, and with the right information reinforces the public's confidence in their government. A timely enforcement action addresses not only potentially hundreds or thousands of participants and plans but sends a signal to the regulated community that the government is conducting vigorous oversight. Finally, regulatory guidance may impact millions of participants and thousands of plans. This guidance informs the regulated community on how to comply with the Employee Retirement Income Security Act (ERISA). While none of these actions alone are sufficient to fulfill the Secretary's vision, acting as an integrated whole they enhance the security of benefits and provides the public with confidence in the private sector benefits system.

There has recently been a significant increase in Congressional action aimed at strengthening benefit security for working Americans and their families, particularly in the health arena [e.g., the Genetic Information Nondiscrimination Act (GINA), the Mental Health Parity and Addiction Equity Act (MHPAEA), Michelle's Law, the Children's Health Insurance Program Reauthorization Act (CHIPRA), and the Affordable Care Act (ACA)]. These laws require the DOL to establish regulatory and enforcement programs to protect the interests of the public. This budget request also supports significantly expanded and strengthened enforcement authority over fraudulent multiple employer welfare arrangement (MEWA) that defraud the worker and their families out of the health care benefits they have earned and rely upon. EBSA continues to find instances where MEWAs have been unable to pay claims as a result of insufficient funding

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and inadequate reserves, or, in the worst situations, where they were operated by individuals who drained the MEWA's assets through excessive administrative fees or by outright theft. EBSA's emphasis is on abusive and fraudulent MEWAs created by unscrupulous promoters which sell the promise of inexpensive health benefit insurance, but renege on their obligations. Through its enforcement efforts, EBSA attempts to shut down these abusive MEWAs and proactively identify known fraudulent MEWA operators to ensure they do not continue their dishonest behavior in other jurisdictions.

This program increase will ensure measurable and substantial progress toward improving health benefit and retirement security for workers in every type of job and at every income level. The performance impact of additional resources for enforcement, regulatory reform, participant assistance, outreach, education and technical assistance is significant. EBSA estimates that \$1,147,108,000 in total monetary results will be obtained through the conduct of more than 3,800 civil and criminal investigations (a 12 percent increase over FY 2010 results). Included in total monetary results are recoveries obtained through informal, voluntary resolution of benefit disputes between employers, plan officials and participants that EBSA estimates will increase by 37 percent. With the resources requested in FY 2012, EBSA will be positioned to meet an anticipated increase in demand for regulatory and interpretive guidance³ and other technical assistance to help plan participants, plan sponsors and other members of the employee benefits community comply with changes in employee benefit laws. A significant portion of this increase is to meet new MEWA registration requirements, which were created by the ACA and expanded the Secretary's enforcement authority. This program increase will ensure EBSA can provide enhanced benefit security to America's workers, retirees and their families.

The FY 2012 budget request for EBSA provides \$197,528,000 and 1,089 FTE. This request includes a total program increase of \$41,426,000 and 179 FTE and a built-in increase of \$1,241,000. The FY 2012 budget request, if approved, will position EBSA to improve pension and health benefits security and enhance compliance through increased enforcement, regulatory programs, and more robust outreach and education programs.

Enforcement and Research

EBSA seeks a program increase of \$33,364,000 and 146 FTE to improve pension and health benefits security. EBSA has significant regulatory, enforcement, and outreach and education responsibilities which are necessary to ensure the benefits of America's workers, retirees and their families. These resources will ensure DOL is able to: (1) administer new responsibilities for the registration requirements of and enforcement tools for MEWA's; (2) develop and disseminate compliance assistance tools and materials, including investigative and compliance assistance checklists that will provide clarifications to plan officials, service providers, participants, beneficiaries, and other interested stakeholders regarding compliance with ERISA provisions; (3) develop and support comprehensive compliance assistance programs; (4) develop

³ Interpretive guidance may include, Field Assistance Bulletins (FABS), advisory opinions, information letters, publication of forms (e.g., Form M-1, Form 5500), and promulgation of other interpretive guidance (e.g., FAQs) to facilitate compliance with and enforcement of the provisions of Title I of ERISA that are administered by the Department.

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regulations in support of an active regulatory agenda; and, (5) support a number of pension and health benefit-related research studies.

EBSA will dedicate significant resources for program functions involving economic research, regulatory impact analyses and legislative and policy development. DOL is the lead agency for many of the Administration's employee benefit legislative and policy activities. In this regard, EBSA will complete a series of studies, reports and surveys (most with specified timeframes). Specifically, EBSA will prepare a report on self-funded group health plans; a study of wellness programs using relevant information gathered from employers who provide employees access to such programs; and an essential health benefits requirement survey that will determine the scope of benefits provided under a typical employer plan. Additionally, in collaboration with the Departments of Health and Human Services (HHS) and Treasury, EBSA will support and participate in the development of regulations, and guidance to implement provisions which will improve the health benefits security for America's workers, retirees and their families.

Participant Assistance, Outreach and Regulatory Provisions

Outreach and Education: EBSA seeks a program increase of \$5,874,000 and 31 FTE for participant outreach and assistance and regulatory provisions. EBSA's outreach and education programs support the Secretary's strategic principle of protecting the most vulnerable populations by educating them about options to protect their retirement and health benefits when facing job loss. Recently enacted laws have resulted in an increased demand for educational materials and dramatically increased call volume from the public.

Participant Assistance: EBSA Benefits Advisors also assist the public in understanding their rights and are often able to informally resolve disputes resulting in benefits for workers and their families. This informal dispute resolution process enables EBSA to answer individuals' complaints without utilizing the more resource intensive investigative process thereby directing its investigative resources to more egregious and wide-spread violations of ERISA. The participant assistance program is also the source of some of EBSA's best investigative leads, producing several hundred cases per year—cases that, in the absence of this program, might not have been discovered.

While participant call volume has subsided somewhat from the unprecedented levels EBSA experienced in connection with the premium assistance program established by the Recovery Act, EBSA still requires additional resources to ensure Benefits Advisors are available to effectively respond to an anticipated inquiry call volume of nearly 300,000, almost double our historical level.

Regulations: EBSA will commit significant resources to the development of pension and health care regulations, interpretive guidance and other materials. These materials will both encourage and facilitate compliance with the law and regulations. For example, EBSA plans to develop and disseminate compliance assistance tools and materials, including investigative and compliance assistance checklists that will provide clarifications to group health plans, health insurance issuers, participants, beneficiaries, and other interested stakeholders regarding compliance with

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ERISA provisions. These checklists will be designed to facilitate broad based compliance among plan sponsors, group health plans and health insurance issuers.

Regulatory Reform

EBSA seeks a program increase of \$2,188,000 and 2 FTE to strengthen regulatory programs and to improve transparency and public disclosure. This program increase will support the reexamination and, as necessary, a revamping of current ERISA reporting and disclosure requirements and programs for private employee benefit plans.

Under ERISA and the Internal Revenue Code, as amended, pension and other employee benefit plans generally are required to file annual returns/reports concerning, among other things, the financial condition and operations of the plan. Filing the Form 5500 generally satisfies these annual reporting requirements. The Form 5500 is the primary source of information concerning the operation, funding, assets, investments and expenses of pension and other employee benefit plans. EBSA will undertake a full reexamination of benefit plan reporting and disclosure requirements and programs, as part of a continued effort to modernize and improve them. These efforts will include: a full inventory and assessment of existing reporting requirements; engaging the filing community through focus groups; assessment of selected market issues and trends that are to be reported and disclosed; and, an examination of our existing authority to shape reporting and disclosure.

Selected Workload and Productivity

EBSA directs its resources towards plans likely to be in violation of the law. Targeting likely violators, correcting violations, and publicizing our successes will deter bad actors and result in greater compliance with ERISA. In FY 2010, EBSA closed over 72 percent of civil cases with corrected fiduciary violations of ERISA (exceeding its performance measure of 67%) and over 78 percent of criminal cases submitted by EBSA were accepted for prosecution (exceeding its performance measure of 67%). Finally, EBSA accepted and processed nearly 30,000 applications to its two major voluntary compliance programs in FY 2010. Voluntary compliance programs include the Voluntary Fiduciary Correction Program (VFCP) and the Delinquent Filer Voluntary Compliance Program (DFVCP).

In FY 2012, consistent with the Secretary's newly published Strategic Plan, EBSA will, for the first time, report interim data on the percent of employee benefit plans in compliance with the civil provisions of ERISA. EBSA will also continue collecting data on randomized investigations that will result in measuring the effectiveness of investigations when compared to plans that have not been investigated. These new approaches will measure the performance and effectiveness of our enforcement program and will rely on statistical techniques of random sampling in data collection. EBSA will begin to make projections about the behaviors and conditions within very large groups of regulated entities by systematically collecting data from hundreds (sample) of those entities. These samples are designed to inform EBSA about the level of compliance with ERISA among employee benefit plans and the impact of EBSA investigations on that compliance level. Until a baseline measure of compliance is available based on a full set of investigations, EBSA will continue utilizing its current civil and criminal

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enforcement ratios to describe performance. These performance indices measure the success of its enforcement program by focusing on the percent of civil cases closed with corrected fiduciary violations and the percentage of criminal cases that have been accepted for prosecution.

American Recovery and Reinvestment Act (Closeout)

The American Recovery and Reinvestment Act of 2009 (Recovery Act), signed into law by the President on February 17, 2009, continued to have significant impact on EBSA during FY 2010. The Recovery Act assigned significant new responsibilities to the Secretary of Labor with respect to health benefits. On May 21, 2009, EBSA implemented its program that provided for expedited review (within 15 business days) and determination of an individual's appeal of the denial of his or her COBRA premium assistance. Although eligibility for this program expired on May 31, 2010, EBSA continued to administer the program during a wind-down period. Since enactment of the Recovery Act, EBSA responded to over 250,000 individual inquiries and more than 80,000 subscribers signed up to our dedicated website to receive automatic notices of new or updated announcements. Additionally, there were over 3.4 million visitors to the site with more than 172,000 visitors to the page with the application for expedited review of COBRA premium subsidy denials. EBSA provided applications in both English and Spanish and, for many more languages, translation services through its call center. EBSA received 22,845 appeals and over 65 percent of the appeals were granted, allowing nearly 15,000 additional families to continue their benefits under COBRA and receive the premium reduction valued at approximately \$49,500,000 overall.

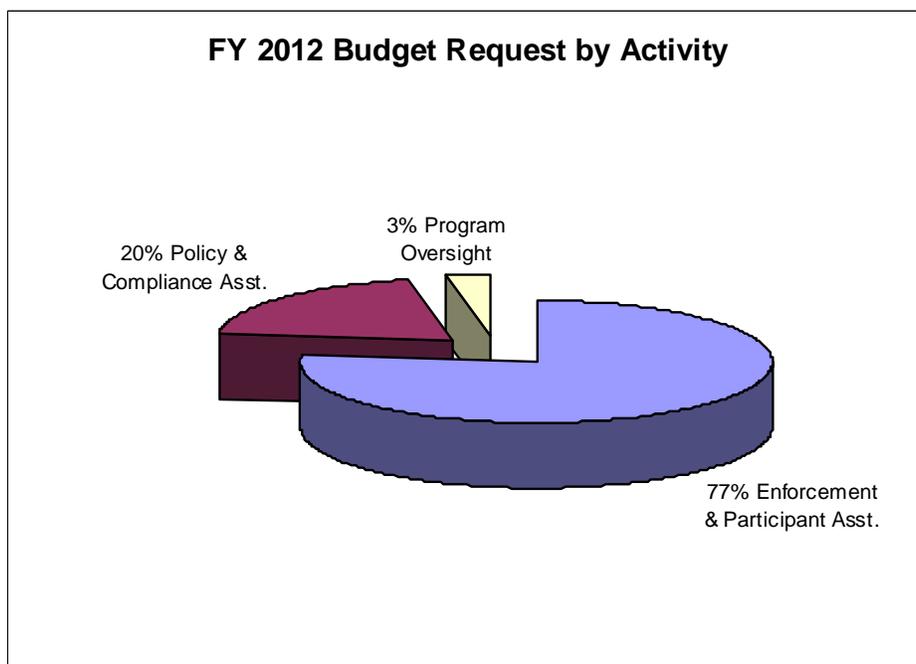
EMPLOYEE BENEFITS SECURITY ADMINISTRATION

Cost Model

Three program activities encompass the EBSA budget:

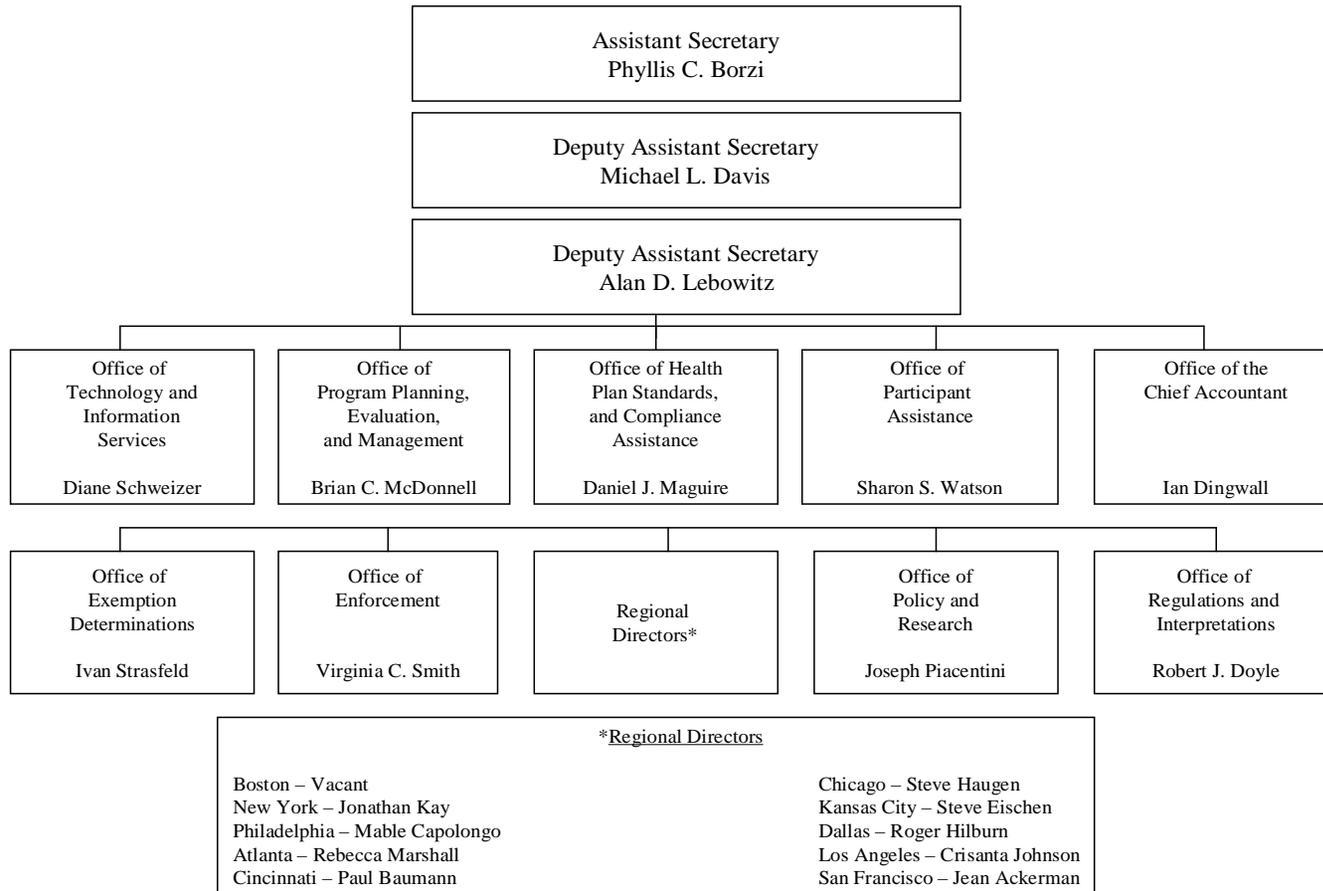
- Enforcement and Participant Assistance budget activity with FY 2012 requested resources of \$149,884,000 and 904 FTE.
- Policy and Compliance Assistance budget activity with FY 2012 requested resources of \$40,926,000 and 159 FTE.
- Executive Leadership, Program Oversight and Administration with FY 2012 requested resources of \$6,718,000 and 26 FTE.

EBSA resources are devoted to accomplishing DOL Strategic Goal 4: Secure health benefits and, for those not working, provide income security. EBSA program efforts directly support the Secretary's vision of providing *Good Jobs for Everyone* by improving health benefits and retirement security for all workers.



EMPLOYEE BENEFITS SECURITY ADMINISTRATION

Employee Benefits Security Administration



ENFORCEMENT AND PARTICIPANT ASSISTANCE

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	129,199	129,199	149,884	20,685
FTE	809	796	904	95

NOTE: FY 2010 reflects actual FTE of which 43 were Recovery Act. Authorized FTE for FY 2010 was 796.

Introduction

Within this activity, EBSA develops and implements a comprehensive enforcement program using both civil and criminal investigations that target the most egregious and persistent violators and voluntary compliance programs. The enforcement program detects and investigates civil and criminal violations of ERISA and related criminal laws and, as appropriate, refers them for civil litigation or to prosecutorial authorities for criminal prosecution where necessary; ensures that annual reports are filed on time and accurately; and, determines that audits of employee benefit plans comply with professional standards. To help plan sponsors and fiduciaries comply with ERISA's complex provisions, this activity administers the Fiduciary Education program that informs plan sponsors and their service providers about their basic fiduciary responsibility under the law.

EBSA has implemented two highly successful self-correction programs designed to encourage voluntary compliance and to better leverage resources. Our Voluntary Fiduciary Correction Program (VFCP) encourages plan officials to voluntarily comply with ERISA's fiduciary and prohibited transactions provisions by self-correcting certain specified violations of the law. The Delinquent Filer Voluntary Compliance Program (DFVCP) encourages voluntary compliance with the annual reporting requirements under ERISA. Together, these two programs provide an efficient mechanism for self-identifying and correcting violations which frees up investigative resources to focus on other, more complex issues.

Complementing the investigative arm of the enforcement program, EBSA's participant assistance staff responds to inquiries from the public who are seeking information or have a complaint about their benefits. Our Benefits Advisors are able to assist the public in understanding their rights under their plans and are often able to informally resolve disputes thereby obtaining benefits for these workers and their families. This informal dispute resolution process enables EBSA to answer individuals' complaints without utilizing the more resource intensive investigative process thereby directing its investigative resources to more egregious and wide-spread violations of ERISA. The participant assistance program is also the source of some of our best investigative leads, producing several hundred cases per year—cases that, in the absence of this program, might not have been discovered.

EBSA helps to inform the public who can then monitor their own benefits and hopefully obtain correction before serious, financial damage is done. EBSA educates the plan participants and officials by conducting outreach and education programs regarding their rights and responsibilities under ERISA. Benefits will be more secure if plan officials are more

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knowledgeable and therefore in a better position to be in compliance. Also, better informed plan participants are better prepared to claim and receive all the benefits to which they are entitled under their plan as well as bring potential violations to the attention of EBSA. The program includes three education campaigns: (1) the Retirement Savings Education Campaign (RSEC); (2) the Health Benefits Education Campaign (HBEC); and, (3) the Fiduciary Education Campaign. These programs target plan sponsors and officials, service providers, and plan participants to inform them of their respective responsibilities and rights under ERISA. In the outreach and education area, EBSA has worked cooperatively with private and public sector organizations such as the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the Financial Planners Board and state Commissioners of Insurance. In addition to these three campaigns, EBSA also conducts outreach to dislocated workers through Rapid Response events accomplished in conjunction with states and other DOL agencies. Outreach is also conducted via public awareness events such as Congressional staff briefings, job fairs and other venues.

Also included in this budget activity is EBSA's program to ensure that the regulated community files its employee benefit plan annual reports on time and accurately via a modernized wholly-electronic ERISA Filing Acceptance System (EFAST2). Implemented in January 2010, EFAST2 has created more transparency by publicly disclosing plan information through the Internet, and by providing a free web-based program that plan administrators can use to meet the new electronic filing requirement at no additional cost to them. EFAST2 will electronically receive and process the 1.2 million Form 5500 annual benefit plan filings that are filed with DOL, IRS and the PBGC. EBSA also operates the ERISA Information System (EIS) that provides plan data for our enforcement, research, and policy development programs. Together these systems support enforcement-related targeting, provide essential databases for the agency's research and regulatory activities, and are the primary sources of employee benefit plan information to Congress and interested stakeholders, including plan participants and beneficiaries. The EFAST2 system is also the primary source of employee benefit plan data for the IRS, the Pension Benefit Guaranty Corporation (PBGC), the Government Accountability Office (GAO) and others. The benefit plan data provided by EFAST2 supports IRS oversight of private-sector retirement and health plans and directly impacts the PBGC's ability to manage its risk from underfunded defined benefit plans.

Reimbursable Account

Program Description: A reimbursable account is established in EBSA to receive funds from other Federal agencies to support the EFAST2 system and other work involving pension or health care issues performed on their behalf.

FY 2012 Request: The FY 2012 request level of \$8,500,000 for this purpose will allow EBSA to collect and obligate funds for any authorized reimbursable work associated with the EFAST2 and other reimbursable agreements with the IRS and other agencies.

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$126,418	738
2008	\$116,590	738
2009	\$119,691	723
2010	\$129,199	796
2011	\$0	0

Note – A full-year appropriation for this account was not enacted at the time the budget was prepared.

FY 2012

EBSA seeks \$149,884,000 and 904 FTE for the enforcement and participant assistance budget activity. This budget level will enable EBSA to work more aggressively in support of the Secretary's strategic vision of *Good Jobs for Everyone*. The budget request for this activity includes program increases of \$16,781,000 and 90 FTE to increase enforcement in order to continue improving pension and health benefits security for America's workers, retirees and their families; \$2,874,000 and 18 FTE for enhanced participant assistance, outreach and education; and a built-in increase of \$1,030,000.

In FY 2012, EBSA will continue to focus enforcement resources towards creating a more evaluative, innovative, and constantly improving program that effectively targets the most egregious and persistent violators. Field offices will be required to place particular investigative emphasis on national enforcement projects and will identify emerging issues by pursuing established enforcement priorities. EBSA estimates that approximately 3,812 civil and criminal cases will be conducted resulting in over \$1,147,000,000 in total monetary results and approximately 91 criminal indictments.

The additional resources will also be devoted to hiring more Benefits Advisors to address the growing number of calls from the public and to conduct more outreach, education and assistance in response to a significantly increasing demand for information from the public and regulated community. EBSA call volume averaged 165,000 per year for the decade up to and including FY 2008. The volume more than doubled to 365,457 in FY 2009 and 376,965 in FY 2010. Much of this increase was attributed to the passage of the American Recovery and Reinvestment Act (Recovery Act) which provided for a subsidy for COBRA premiums (Recovery Act inquiry volumes were 132,269 and 118,335 in FY 2009 and FY 2010, respectively). However, nearly 260,000 of the FY 2010 inquiries were unrelated to the COBRA premium subsidy program and with the increased Congressional attention and legislative action on employee benefits issues, EBSA expects volume to remain well above pre-Recovery Act levels. The dramatic rise of inquiries (more than 80 percent increase from our annual average of 165,000) has strained outreach activities and impacted the recovery of participant benefits. Recovery Act inquiries are not included in FY 2012 projections because eligibility for the COBRA subsidy expired on May 31, 2010. While the Recovery Act inquiries are trending down, EBSA expects overall volume to remain elevated in FY 2012 and projects approximately 300,000 inquiries. These resources will ensure that EBSA has the capability to respond to these additional participant inquiries.

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EBSA Benefits Advisors will be responsible for responding to more complex inquiries from participants, beneficiaries, employers, plan sponsors and service providers. For example, EBSA will be required to: (a) develop and coordinate the online registration for Multiple Employer Welfare Arrangements (MEWAs) and web-posting of Form 5500 changes related to self-insured plans; (b) develop outreach materials to include talking points, slide shows, handouts, brochures, fact sheets and frequently asked questions for EBSA programs; and, (c) produce videos and update materials for our education campaign seminars. The performance impact of the additional resources for participant assistance, outreach, education and technical assistance is significant. EBSA estimates that recoveries obtained by Benefits Advisors through informal, voluntary resolution of benefit disputes between employers, plan officials and participants will be approximately \$150,000,000 (a 50 percent increase from FY 2010 estimates) and will enable the program to meet its stringent customer service standards and expand its outreach and education activities.

EBSA also estimates significantly higher numbers of referrals from Benefits Advisors to our enforcement program and anticipates a greater workload of civil and criminal MEWA investigations in FY 2012. These types of investigations are among the most resource-intensive and additional resources will be necessary to effectively enforce new MEWA civil and criminal provisions of ERISA. With respect to our enforcement program, the Secretary of Labor now has the authority to issue administrative cease and desist and asset seizure orders when it appears that the conduct of a MEWA is fraudulent, creates an immediate danger to the public safety or welfare, or can be reasonably expected to cause significant, imminent and irreparable public injury. This authority requires EBSA to establish and implement a framework for MEWA reporting and enforcement that expands our programmatic responsibilities dramatically through enhanced reporting and registration requirements and enforcement strategies. The program increase will better position EBSA to help ensure that America's workers, retirees and their families have access to a secure retirement and affordable health insurance, supporting the Secretary's strategic vision of *Good Jobs for Everyone*.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution (CR) level as a full-year appropriation and have not been enacted at the time the budget was produced. Since the FY 2011 level is based on the FY 2010 enacted level, operations and performance under a full-year Continuing Resolution would generally be consistent with FY 2010 workload and end-of-year results.

FY 2010

Enforcement

In FY 2010, EBSA had total monetary results in excess of \$1,059,000,000 (includes participant benefit recoveries). Improved enforcement targeting techniques and processes enabled EBSA to close over 72 percent of its civil investigations with corrected violations and to protect the retirement, health and other benefits for American workers and their families. In cases where voluntary compliance efforts have failed, or which involve issues for which voluntary

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compliance is not appropriate, the Solicitor of Labor may initiate litigation. With respect to the criminal program, approximately 79 percent of criminal investigations referred for prosecution were accepted by the Department of Justice or state/local prosecutors. EBSA closed 281 criminal cases, of which 97 cases were closed with guilty pleas and/or convictions. Additionally, 96 individuals were indicted under criminal statutes – including plan officials, corporate officers, and service providers for offenses related to employee benefit plans. EBSA also encourages the correction of violations of ERISA by providing significant incentives for fiduciaries to self-correct via our self correction programs. In FY 2010, EBSA received and processed approximately 30,000 applications through voluntary compliance programs. Voluntary compliance applications have increased substantially (since inception of the program) and this significant jump reflects the success of improvements made to our voluntary compliance programs and aggressive outreach to encourage participation in the program. EBSA has achieved impressive enforcement results by focusing on leveraging resources to target those situations that present the greatest potential for harm to workers and their families.

EBSA also determines whether the audits of employee benefit plans comply with professional standards and assists plan sponsors and fiduciaries in complying with ERISA's complex provisions. To this end, the EBSA reporting compliance program focuses on enforcement cases that involve deficient filers, late filers and non-filers. In FY 2010, EBSA completed 4,184 reporting compliance reviews and 9 individually targeted audits.

Participant Assistance, Outreach and Education

With respect to plan participants, EBSA Benefits Advisors assisted 376,965 participants (over 131,912 were COBRA subsidy related) and recovered over \$164,000,000 (included in the \$1,059,000,000 above) through informal benefit dispute resolution on their behalf in FY 2010. Over 99.5 percent of complaints determined to be valid resulted in a recovery or referral for investigation; 1,064 investigations were opened as a result of referrals from Benefits Advisors.

EBSA conducts education and outreach events for workers, employers, plan officials and members of Congress and their staffs. 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. In FY 2010, EBSA conducted 1,474 outreach activities reaching over 118,000 stakeholders. EBSA conducted 12 compliance seminars, in coordination with State Insurance Commissioners, the IRS, HHS, SHRM, AICPA, VETS and Wage and Hour. A new interactive website for small business (www.choosingaretirementsolution.org) was developed and launched in FY 2010 in partnership with the AICPA. The publication and online "Taking the Mystery out of Retirement Saving" retirement tool was launched in Spanish and EBSA implemented several new open government initiatives. Open Government initiatives included posting the following information on the EBSA Website: 1999 – 2009 Form 5500 data files; over 10,000 public comments on EBSA regulations; a subject matter index for exemptions; ERISA Advisory Council witness statements and an expanded page containing Agency research. Over 11,000 individuals participated in the live webcasts and over 10,000 have viewed the archived copies on our website. EBSA also produced and printed 3 new and 24 revised publications, including the new

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“Troubleshooters Guide”, “Your Genetic Information and Your Health Plan”, and “Taking the Mystery out of Retirement Planning” in Spanish. Over 607,000 publications were distributed via our toll free publication hotline and at outreach events. All the publications are available and accessible on line.

American Recovery and Reinvestment Act

In May 2010, the eligibility for the COBRA premium assistance program ended. However, a significant workload continued through most of FY 2010 as the program began to wind down. By the end of the fiscal year, the volume of inquiries decreased significantly as the number of individuals eligible for the program decreased. EBSA responded to hundreds of COBRA inquiries on a daily basis totaling over 250,000 inquiries since the enactment of the Recovery Act (131,912 in FY 2010). Over 80,000 individuals subscribed to the dedicated website – www.dol.gov/COBRA - to receive automatic notices of new or updated announcements and there were more than 3.4 million visitors to the site. Since implementation of the program, over 172,000 participants have visited the on-line application for expedited review of denial for the COBRA premium assistance subsidy.

By September 30, 2010, 22,845 appeals were received and over 99% were processed and determinations issued within 15 business days as statutorily required by the Act. Over 65% of the appeals were granted, allowing nearly 15,000 additional families to continue their benefits under COBRA and receive the premium reduction valued at \$49,500,000.

Performance and Workload Data

In FY 2012, EBSA will report interim data on the percent of employee benefit plans in compliance with the civil provisions of ERISA as part of its newly implemented Sample Investigation Program (SIP), a first for EBSA. Once sufficient data is gathered, EBSA will also report on the effectiveness of investigations as compared to plans that were not investigated. In the interim, EBSA will continue reporting on its civil and criminal ratios as a means for describing our enforcement performance.

In FY 2012, EBSA estimates it will achieve \$1,147,108,000 in total monetary results (includes \$172,000,000 for participant benefit recoveries) through the conduct of 3,545 civil investigations; secure 91 indictments through the conduct of 267 criminal investigations; complete 4,000 reporting compliance reviews, respond to nearly 300,000 participant inquiries; conduct 500 rapid response sessions held for individuals facing job loss; conduct 400 Congressional office briefings; and complete 10 webcasts and 10 compliance seminars for plan sponsors and participants. EBSA also estimates responding to approximately 100,000 EFAST2 help-desk inquiries and expects to respond to 95 percent of these help-desk inquiries referred to EBSA within 24 hours.

In FY 2012, EBSA will conduct an additional 419 civil and criminal investigations and increase total monetary results by over \$88,000,000 (an increase of nearly 9 percent from FY 2010). EBSA will also recover an estimated \$172,000,000 (an increase of over 37 percent) through

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informal voluntary resolution of benefit disputes between employers, plan officials and participants (a subset of total monetary results).

DETAILED WORKLOAD AND PERFORMANCE				
	FY 2010 Enacted		FY 2011 Full Year C.R.	FY 2012 Request
	Target	Result	Target	Target
Enforcement and Participant Assistance				
Investigations Processed:				
Civil	3,644	3,112	3,282	3,545
Criminal	238	281	247	267
Total	3,882	3,393	3,529	3,812
Inquiries Answered (Participants)				
Field Offices	403,000	356,272	246,000	286,400
National Office	22,000	20,693	10,000	10,000
Total	425,000	376,965	256,000	296,400
Strategic Goal 4: Secure health benefits and, for those not working, provide income security	--	--	--	--
Outcome Goal 4.3: Improve health benefits and retirement security for all workers	--	--	--	--
Ratio of closed civil cases with corrected fiduciary violations to civil cases closed	67.00%	72.00%	67.00%	67.00%
Ratio of criminal cases accepted for prosecution to cases referred	67.00%	79.00%	67.00%	67.00%
Percent of employee benefit plans in compliance with civil provisions of ERISA	--	--	--	Interim data
Percentage point difference in compliance rate between employee benefit plans recently investigated and other employee benefit plans	--	--	--	--
Participant assistance program customer satisfaction index	--	--	(base)	--
Voluntary Fiduciary Correction Program Applications Processed	1,800	1,795	2,000	2,000
Delinquent Filer Voluntary Compliance Program Applications Processed	20,200	28,151	20,500	20,500
Indictments	125	96	84	91
Reporting Compliance Reviews	4,000	4,184	4,000	4,000
CPA Firm Inspections	4	9	4	4
Percent of inquiries responded to within one business day	--	99.92%	95.00%	99.00%
Rapid Response Sessions Held for Individuals Facing Job Loss	--	479	300	500
Congressional Offices Briefed	--	306	200	400
Webcasts Conducted for Plan Sponsors and Participants	--	7	10	10
Compliance Seminars for Plan Sponsors and Participants	--	12	10	10
Percent of COBRA applications processed in 14 days or less	65.00%	99.00%	--	--

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DETAILED WORKLOAD AND PERFORMANCE				
	FY 2010 Enacted		FY 2011 Full Year C.R.	FY 2012 Request
	Target	Result	Target	Target
Total EFAST Help Desk Inquiries	110,000	157,930	90,000	90,000
EFAST Help Desk inquiries referred to EBSA	10,500	12,791	10,000	10,000
Percent of EFAST Help Desk inquiries referred to EBSA responded to within 24 hours	--	100.00%	95.00%	95.00%

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
11.1	Full-time permanent	67,137	69,650	79,227	12,090
11.3	Other than full-time permanent	57	57	57	0
11.5	Other personnel compensation	2,395	2,151	2,151	-244
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	69,589	71,858	81,435	11,846
12.1	Civilian personnel benefits	17,920	19,200	22,311	4,391
21.0	Travel and transportation of persons	2,854	2,703	3,480	626
22.0	Transportation of things	96	50	104	8
23.1	Rental payments to GSA	6,936	7,364	9,331	2,395
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	600	410	651	51
24.0	Printing and reproduction	343	203	753	410
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services	2,648	2,365	2,797	149
25.3	Other purchases of goods and services from Government Accounts	13,110	12,981	12,915	-195
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	13,590	10,903	14,047	457
26.0	Supplies and materials	548	548	656	108
31.0	Equipment	965	614	1,404	439
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	129,199	129,199	149,884	20,685
1/Other Purchases of Goods and Services From Government Accounts					
	Working Capital Fund	12,638	12,574	12,520	-118
	DHS Services	472	407	395	-77

ENFORCEMENT AND PARTICIPANT ASSISTANCE

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
One day less of Pay	0
Federal Employees Compensation Act (FECA)	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	1,030
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (Census Bureau)	0
Other government accounts (DHS Charges)	0
Other purchases of goods and services from Government accounts	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$1,030**

Net Program **\$19,655**

Direct FTE **108**

	Estimate	FTE
Base	\$130,229	796
Program Increase	\$19,655	108

POLICY AND COMPLIANCE ASSISTANCE

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	18,994	18,994	40,926	21,932
FTE	86	88	159	73

NOTE: FY 2010 reflects actual FTE. Authorized FTE for FY 2010 was 88

Introduction

In a very complex and evolving regulatory environment, this activity conducts policy and economic analysis, issues regulations and exemption determinations and provides meaningful compliance assistance through interpretations and compliance assistance tools to the regulated community under Title I of ERISA.

With the experience of the recent financial crisis still fresh in the mind of the public and the remaining uncertainty about their financial security including pension and health benefits, the federal government will undoubtedly continue to play a pivotal role in ensuring benefit security and restoring the public's confidence in the voluntary, private benefits system. Recent congressional actions will increase the demand for regulatory activity with regard to both pension and health benefits and require EBSA to expand and strengthen its research capacity to ensure that the regulations and policy decisions are factual, supported by the evidence, and based on sound science. In that regard, EBSA performs three major, research functions:

- *Economic research* – Section 513 of ERISA directs the Secretary of Labor to conduct research and produce statistics on employee benefit programs;
- *Regulatory impact analysis* – Agencies must assess their regulations' economic costs and benefits as required under Executive Order 12866, the Regulatory Flexibility Act and the Paperwork Reduction Act; and,
- *Legislative and policy development and analysis* – EBSA is a lead agency for many of the Administration's employee benefits legislative and policy activities.

From this research foundation, EBSA will implement a regulatory agenda to include, among other things: (a) annual funding notice; (b) pension benefit statements; (c) definition of fiduciary; (d) improved fee disclosure for welfare plans; (e) target date fund disclosure; (f) amendment to claims procedure regulation; and, (g) ex-parte cease and desist and summary seizure orders relating to MEWAs. Additionally, EBSA will continue long-term regulatory action for the Mental Health Parity and Addiction Equity Act. EBSA will also be working with its colleagues at HHS and Treasury to develop regulations implementing the Affordable Care Act requirements for group health plans and health insurance coverage relating to: status as a grandfathered health plan; preexisting condition exclusions; lifetime and annual limits; rescissions and patient protections; group health plan and health insurance issuers relating to internal and external appeal processes; and MEWA registration.

POLICY AND COMPLIANCE ASSISTANCE

EBSA's Office of Exemption Determinations will continue to play a critical role as the financial industry restructures itself in response to long-term market forces and reform efforts that were in response to the unprecedented financial crisis. Through this activity, EBSA issues individual and class exemptions from the prohibited transaction provisions of ERISA and the Federal Employees' Retirement Income System (FERSA). These exemptions are necessary to facilitate the financial restructuring occurring in the financial services industry. The Dodd-Frank Reform Act of 2010 creates the need for EBSA to provide assistance to the Securities and Exchange Commission (SEC) and the Commodities Futures Trading Commission (CFTC) as well as issue timely determinations on exemption requests which facilitate changes to the rules which govern swap transactions. EBSA must, in granting exemptions to prohibited transactions, balance the need to issue them quickly and efficiently while at the same time ensure that plan and participant assets are not put at unnecessary risk.

Finally, to ensure that the regulated community has knowledge of their obligations and responsibilities and to increase their ability to comply with the law, EBSA will issue timely advisory opinions and field assistance bulletins addressing relevant interpretive issues considered significant by the Department. EBSA will also provide ongoing compliance and technical assistance to small businesses, plan officials, and the general public to improve their understanding of the complex provisions of ERISA.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$16,885	92
2008	\$17,545	92
2009	\$18,198	88
2010	\$18,994	88
2011	\$0	0

Note – A full-year appropriation for this account was not enacted at the time the budget was prepared.

FY 2012

EBSA seeks \$40,926,000 and 159 FTE for the policy and compliance assistance budget activity. This budget level will enable EBSA to work more aggressively in support of the Secretary's strategic vision of *Good Jobs for Everyone*. The budget request for this activity includes program increases of \$19,583,000 and 69 FTE that will improve pension and health benefits security through research, economic analysis and the promulgation of regulations relating to recently enacted legislation, \$2,188,000 and 2 FTE for regulatory reform and a built-in increase of \$161,000.

POLICY AND COMPLIANCE ASSISTANCE

Improved Pension and Health Benefits Security

In collaboration with the Departments of Health and Human Services (HHS) and Treasury, we will participate in the development of regulations, regulatory impact statements and economic analyses, and conduct the research needed to improve pension and health benefit security. With the additional resources EBSA will: (1) develop regulations to implement the Affordable Care Act (some of which have specified timeframes); (2) administer new responsibilities for the registration of Multiple Employer Welfare Arrangements and related enforcement; (3) develop new and comprehensive compliance assistance programs; (4) develop and implement new and significantly expanded enforcement strategies; and, (5) conduct a number of new health benefit related research studies.

EBSA will commit significant resources to the development of health care-related regulations, interpretive guidance and other materials to implement several significant policies Congress has recently passed and encourage and facilitate compliance with them. The materials EBSA produces will help employers and workers understand the health plan coverage provisions of ERISA, including the Genetic Information Nondiscrimination Act (GINA), the Mental Health Parity and Addiction Equity Act (MHPAEA), the special enrollment and notice provisions added to the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), and the Affordable Care Act (ACA).

The cornerstone of a strong regulatory program is a robust economic analysis and research capability. The research program should be capable of informing policy officials, the Congress and the public of the economic basis for our regulatory initiatives. Our research program is crafted around the central thesis of shaping regulations that eliminate or reduce the hazards with the broadest and most serious consequences. In addition to providing timely statistical and economic research to support the Administration's policies and regulatory agenda, EBSA will complete a series of studies, reports and surveys (most with specified timeframes from one to three years). The program increase includes resources to initiate, complete and/or continue the following:

- **Self-Funded Plans Report:** EBSA will prepare an aggregate annual report on information regarding self-insured group health plans as well as data from the financial filings of self-insured employers. EBSA will produce this report annually.
- **Wellness Program Study:** EBSA will gather relevant information from employers who provide employees with access to wellness programs.
- **Essential Health Benefits Requirement Survey:** EBSA will conduct a survey to determine the scope of benefits provided under a typical employer plan and provide the report to the Secretary of HHS. DOL and HHS will periodically review and update the essential health benefits information.

Further, EBSA will begin to measure and evaluate the impact of the Sample Investigation Program. EBSA will collect data on randomized investigations that will result in measuring the

POLICY AND COMPLIANCE ASSISTANCE

effectiveness of investigations when compared to plans that have not been investigated. These new approaches will measure the performance and effectiveness of our enforcement program and will rely on statistical techniques of random sampling in data collection. Once data from random investigations becomes available, EBSA will analyze these data and calculate baselines in FY 2012.

The Secretary of Labor was recently given the authority to issue administrative cease and desist and asset seizure orders when it appears that the conduct of a Multiple Employer Welfare Arrangement (MEWA) is fraudulent, creates an immediate danger to the public safety or welfare, or can be reasonably expected to cause significant, imminent and irreparable public injury. EBSA must develop and issue regulations requiring MEWAs to register with the Secretary before initiating operations. This increased authority requires EBSA to establish and implement a framework for MEWA reporting and enforcement that significantly expands our programmatic responsibilities. Additional programmatic responsibilities include administration of a new adjudication process, establishing reporting/registration requirements and a filing system, and developing enforcement strategies. EBSA estimates there are over 10,000 MEWA entities.

Regulatory Provisions

The enactment of several new laws has required a significant increase in the amount of regulatory resources needed to meet the compliance assistance needs of the public and regulated community in areas that include: health and retirement plans, fiduciary education, abandoned plans, self correction programs, small employers, and assistance for reporting and filing. The additional resources requested will support the increased demand for interpretive, technical assistance and regulatory projects that will enhance benefit security to America's workers, retirees and their families.

In support of the regulatory program, EBSA must also enhance economic research, regulatory impact analyses, and benefits policy activities. A robust research program expands knowledge of employee benefits and their role in meeting the economic security needs of the nation. EBSA applies current economic theory to better understand the ways in which economic and demographic forces influence private employee benefits, and the ways in which employee benefits interact with public social insurance programs and influence economic behavior. The additional resources will support: timely statistical and economic research in retirement and health care areas; production of the annual national pension and health benefit statistics; and maintenance and application of pension simulation models that provide current forecasts to prospective retirees. Together, these research strategies and continuing communication with the employee benefits policy/research community via written materials and briefings will better position workers, retirees and their families to access a secure retirement and affordable health insurance.

POLICY AND COMPLIANCE ASSISTANCE

Regulatory Reform

EBSA will strengthen regulatory programs and improve transparency and public disclosure through a reexamination and, as necessary, a revamping of current ERISA reporting and disclosure requirements and programs for private employee benefit plans. As we further elaborated on in the overview, this reexamination will enable EBSA to better understand how we can minimize compliance burdens on the regulated community, make sure information requested in the Form 5500 Annual Return/Report is pertinent, better target our regulatory and enforcement resources, and provide a more effective basis for policy decisions.

Under ERISA, and the Internal Revenue Code, as amended, pension and other employee benefit plans generally are required to file annual returns/reports concerning, among other things, the financial condition and operations of the plan. Filing the Form 5500 generally satisfies these annual reporting requirements. The Form 5500 is the primary source of information concerning the operation, funding, assets, and investments of pension and other employee benefit plans. In addition to being an important disclosure document for plan participants and beneficiaries, the Form 5500 Annual Return/Report is a compliance and research tool for the Department, the Internal Revenue Service (IRS), and the Pension Benefit Guaranty Corporation (PBGC) and a source of information and data for use by other federal agencies, Congress, and the private sector in assessing employee benefit, tax, and economic trends and policies.

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution (CR) level as a full-year appropriation and have not been enacted at the time the budget was produced. Since the FY 2011 level is based on the FY 2010 enacted level, operations and performance under a full-year Continuing Resolution would generally be consistent with FY 2010 workload and end-of-year results.

FY 2010

EBSA continued to develop interpretive, regulatory and other guidance necessary for the protection of plan assets and participant benefits. In FY 2010, EBSA completed and/or closed 3,456 interpretations and other technical assistance issues. EBSA also completed 296 regulatory and interpretative projects relating to retirement and health plan standards, research statistical reviews, policy and legislative analyses. Additionally, EBSA closed, proposed or granted 125 individual exemptions and completed project work on five (5) class exemptions. Finally, with respect to the Pension Protection Act of 2006 (PPA), EBSA continued to develop interpretive, regulatory and other guidance to ensure its efficient and effective implementation.

In FY 2010, EBSA published five final rules, one to establish a safe harbor period for participant contributions to small pension and welfare plans and a second under the PPA to establish new guidelines on the disclosure of funding and other financial information to participants, beneficiaries, employee representatives and contributing employers in multiemployer retirement plans. The third rule establishes procedures relating to the assessment of civil penalties against plan sponsors of multiemployer defined benefit pension plans for certain violations of the

POLICY AND COMPLIANCE ASSISTANCE

funding rules for multiemployer plans in endangered or critical status, implementing a new civil penalty provision adopted as part of the PPA. The fourth rule, also issued under the PPA, provides guidance clarifying certain issues relating to the timing and order of qualified domestic relations orders under ERISA. The final rule provides guidance on disclosure of fee and expense information to pension plan fiduciaries.

EBSA continues to issue advisory opinions and field assistance bulletins addressing relevant interpretive issues raised by the regulated community or considered significant by the Department. In FY 2010, EBSA issued three advisory opinions addressing:

- the application of the prohibited transaction provisions to certain transactions involving an IRA;
- the annual reporting exemption for allocated insurance contracts; and,
- the fiduciary provisions applicable to target-date or lifecycle mutual funds.

EBSA also issued guidance concerning the scope of and conditions for transition relief for 403(b) plans subject to expanded Form 5500 annual reporting requirements beginning with the 2009 plan year and on the new e-signature option for Forms 5500 and 5500-SF benefit plan annual reports. Finally, EBSA updated Frequently Asked Questions providing guidance on annual reporting for trustee expense reimbursements.

EBSA remained very active in processing a number of individual exemption applications regarding transactions that have arisen out of the current economic crisis. Although these requests typically are submitted by large financial institutions, which are plan fiduciaries, three requests were filed by the automotive giants, GM and Chrysler, as part of their bankruptcy filing, and by Ford. In FY 2010, EBSA granted exemptive relief for extension of credit arrangements involving “mitigation” for health care funding through a “Voluntary Employees’ Beneficiary Association” (VEBA) sponsored by GM and Ford for participants and retirees.

With respect to the financial institutions, EBSA granted exemptive relief where plans have interests in investment pools that hold assets that have become distressed or illiquid. Since February 2010, EBSA provided individual exemptions to several financial institutions seeking relief for sales of auction rate securities by plans to provide temporary liquidity. During FY 2010, EBSA began working with the CFTC and SEC regarding new requirements for certain types of financial transactions under the recently enacted Dodd-Frank Reform Act of 2010.

EBSA continued to dedicate significant resources in providing legislative analysis and technical assistance on several bills that were subsequently enacted in the health care arena. These bills include the Heroes Earning Assistance and Relief Act and Michelle’s Law. Our efforts in providing technical guidance on various Mental Health Parity legislative proposals helped facilitate the enactment of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act. EBSA continues to work within the framework of the HIPAA working group structure (with representatives of the Treasury, the Internal Revenue Service, and Health and Human Services) to promulgate effective and timely regulatory and compliance assistance guidance.

POLICY AND COMPLIANCE ASSISTANCE

In FY 2010, EBSA and the SEC issued guidance in the form of an Investor Bulletin, to help investors and plan participants better understand the operations and risks of target date fund investments. This Investor Bulletin addressed relevant interpretive issues considered significant by the DOL and the regulated community for improving the efficiency of business and better protecting employee pension and health benefits.

Performance and Workload Data

With the resources requested in FY 2012, EBSA will be positioned to meet an anticipated 125 percent increase in interpretative and other technical assistance projects. The significant portion of this increase (an additional 4,500) is to meet MEWA registration requirements. EBSA also anticipates completing 296 regulatory projects in areas involving regulations and interpretations, health plan standards, research statistical reviews, policy, and legislative and regulatory analyses. Additionally, EBSA expects to close, propose or grant 140 individual exemptions, complete project work on five (5) class exemptions and reduce exemption processing time over eight (8) percent (from 301 days to 275 days).

DETAILED WORKLOAD AND PERFORMANCE				
	FY 2010 Enacted		FY 2011 Full Year C.R.	FY 2012 Request
	Target	Result	Target	Target
Policy and Compliance Assistance				
Interpretations & Other Technical Assist				
Health Plan Standards	1,100	1,835	1,900	6,400
Regulations & Interpretations	1,700	1,621	1,700	1,700
Total	2,800	3,456	3,600	8,100
Strategic Goal 4: Secure health benefits and, for those not working, provide income security	--	--	--	--
Outcome Goal 4.3: Improve health benefits and retirement security for all workers	--	--	--	--
Ratio of closed civil cases with corrected fiduciary violations to civil cases closed	67.00%	79.00%	67.00%	67.00%
Ratio of criminal cases accepted for prosecution to cases referred	67.00%	72.00%	67.00%	67.00%
Participant assistance program customer satisfaction index	--	--	. (base)	--
Percent of employee benefit plans in compliance with civil provisions of ERISA	--	--	--	Interim data
Percentage point difference in compliance rate between employee benefit plans recently investigated and other employee benefit plans	--	--	--	--
Regulations/Projects	229	296	237	296
Individual Exemptions & Expro (Proposed & Granted)	150	125	122	150
Section 502(l) Waivers	20	7	15	15
Exemption Processing Time (avg #days)	220	328	301	275

POLICY AND COMPLIANCE ASSISTANCE

DETAILED WORKLOAD AND PERFORMANCE				
	FY 2010 Enacted		FY 2011 Full Year C.R.	FY 2012 Request
	Target	Result	Target	Target
Increase interpretations and other technical assistance (health plans) workload from 1,900 to 6,400	--	--	1,900	6,400
Increase regulations/projects related to research statistical from 57 to 86	--	--	57	86
Increase regulations/projects related to regulatory analysis from 50 to 80	--	--	50	80

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined

POLICY AND COMPLIANCE ASSISTANCE

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
11.1	Full-time permanent	9,399	10,214	17,811	8,412
11.3	Other than full-time permanent	2	2	2	0
11.5	Other personnel compensation	65	350	350	285
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	9,466	10,566	18,163	8,697
12.1	Civilian personnel benefits	2,531	2,681	4,935	2,404
21.0	Travel and transportation of persons	114	114	611	497
22.0	Transportation of things	22	22	56	34
23.1	Rental payments to GSA	1,059	1,003	1,298	239
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	16	119	759	743
24.0	Printing and reproduction	157	157	157	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services	900	366	653	-247
25.3	Other purchases of goods and services from Government Accounts	2,103	2,013	2,013	-90
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	1,100	1,000	8,750	7,650
25.7	Operation and maintenance of equipment	1,330	757	2,942	1,612
26.0	Supplies and materials	69	69	140	71
31.0	Equipment	127	127	449	322
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	18,994	18,994	40,926	21,932
1/Other Purchases of Goods and Services From Government Accounts					
	Working Capital Fund	2,045	1,948	1,948	-97
	DHS Services	58	65	65	7

POLICY AND COMPLIANCE ASSISTANCE

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
One day less of Pay	0
Federal Employees Compensation Act (FECA)	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	161
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (Census Bureau)	0
Other government accounts (DHS Charges)	0
Other purchases of goods and services from Government accounts	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$161**

Net Program **\$21,771**
Direct FTE **71**

	Estimate	FTE
Base	\$19,155	88
Program Increase	\$21,771	71

EXECUTIVE LEADERSHIP, PROGRAM OVERSIGHT AND ADMINISTRATION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Diff. FY 12 Req. / FY 10 Enacted
Budget Authority	6,668	6,668	6,718	50
FTE	26	26	26	0

NOTE: FY 2010 reflects actual FTE. Authorized FTE for FY 2010 was 26

Introduction

The EBSA Executive Leadership, Program Oversight and Administration budget activity provides the overall leadership and direction for the policy, regulatory, enforcement and all other program and administrative activities that support the Secretary’s strategic vision of *Good Jobs for Everyone*. This activity supports the Secretary’s strategic vision through our component program offices and will improve pension and health benefits security with increased enforcement, enhanced participant assistance and outreach programs, and strengthened regulatory programs to improve transparency and public disclosure.

This budget activity is responsible for the development and implementation of the agency’s administrative policy, strategic planning, and operational guidance by: (a) planning and overseeing human capital management programs to build, sustain, and effectively deploy the skilled, knowledgeable, diverse, and high-performing workforce needed to meet current and emerging needs; (b) providing leadership in the development of the agency’s training goals and delivery mechanisms; (c) providing leadership in the development of long-term and annual performance plans and reports; (d) overseeing the development and implementation of the agency’s Continuity of Operations Plan (COOP) to ensure timely and effective continuation of critical agency operations in the event of a major disruption; (e) planning and directing the analysis, justification, execution and evaluation of the agency budget - integrating the agency’s strategic performance goals with budget formulation and execution; (f) providing advice and oversight regarding the prudent management and use of resources and compliance with governing laws and regulations; and, (g) planning and coordinating the overall facilities management plan including space, telecommunications, mail, and printing management.

Through this activity, EBSA also carries out its responsibilities under the Debt Collection and Debt Collection Improvement Acts, specifically, those related to debts arising from civil penalties assessed under sections 502(c), 502(i) and 502(l) of ERISA.

EXECUTIVE LEADERSHIP, PROGRAM OVERSIGHT AND ADMINISTRATION

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2007	\$5,270	25
2008	\$5,178	25
2009	\$5,530	24
2010	\$6,668	26
2011	\$0	0

Note – A full-year appropriation for this account was not enacted at the time the budget was prepared.

FY 2012

EBSA seeks \$6,718,000 and 26 FTE for the Executive Leadership, Program Oversight and Administration budget activity. This budget will enable EBSA to continue to provide the leadership and administrative support for all of the agency's programs including enforcement, compliance assistance, fiduciary education, and participant education. The budget request for this activity includes a built-in increase of \$50,000 and there are no program increases or decreases. EBSA will utilize human capital, financial and other information systems to provide decision-makers with the timely analysis required to monitor and update strategic plans and to measure the results of program and management initiatives.

Through this budget activity, EBSA will ensure effective and consistent employee and labor relations; promote a positive labor management relationship with the employees' exclusive representatives; plan and execute Executive Orders and Departmental special emphasis programs such as those for Historically Black Colleges and Universities, Hispanic Serving Institutions, Tribal Colleges and Universities, Asian American and Pacific Islanders, and individuals with disabilities; develop policy and operational guidance regarding the prudent management and use of resources and compliance with governing laws and regulations; and, oversee the agency's procurement, travel and other financial management activities.

EBSA plans to continue to administer its comprehensive training and development program and anticipates offering technical training courses in fiduciary provisions, investigative techniques, criminal enforcement, employee benefit plan accounting and Benefits Advisor training. In addition to the technical training, EBSA will offer career development training for managers, supervisors and senior rank and file employees who demonstrate the potential for assuming managerial and supervisory responsibilities. Lastly, during FY 2012, EBSA will continue to effectively administer its responsibilities for the management of debts arising from the assessment of civil penalties under sections 502(c)(2), 502(i) and 502(l) of ERISA. This will be accomplished in accordance with the requirements of the Debt Collection and Debt Collection Improvement Acts.

EXECUTIVE LEADERSHIP, PROGRAM OVERSIGHT AND ADMINISTRATION

FY 2011

Figures shown for FY 2011 reflect the annualized Continuing Resolution (CR) level as a full-year appropriation and have not been enacted at the time the budget was produced. Since the FY 2011 level is based on the FY 2010 enacted level, operations and performance under a full-year Continuing Resolution would generally be consistent with FY 2010 workload and end-of-year results.

FY 2010

Extensive discussions of the agency achievements are found in the Overview and in the other budget activity sections. However, the following are a few of the significant accomplishments in the administrative areas. Effective human capital management requires us to identify and recruit qualified candidates, train and develop them for current positions and prepare them for progressively more responsible positions with EBSA. To identify and recruit qualified, diverse entry level employees our recruitment teams conducted on-campus recruiting at local colleges and universities throughout the country. We utilized internship programs at undergraduate, graduate and professional institutions. In FY 2010, 158 employees were hired as the result of these programs. To enhance employee development and succession planning, we utilized intra-agency development assignments, the DOL Senior Executive Service (SES) Candidate Development Program, OPM sponsored management development training, and USDA sponsored long term career development programs and other management development assignments (e.g., developmental details, management courses and seminars). Fifty-one EBSA employees completed such developmental assignments during FY 2010.

We developed an extensive internal training curriculum to ensure that our employees maintained the technical knowledge needed to successfully meet our strategic and performance objectives. The training curriculum consists of a two-part Basic Training Course, Benefits Advisor Training Course, Criminal Enforcement Training Course, Benefit Plan Accounting Course, and an independent study course for the Introduction to Employee Benefits and Fiduciary Conduct. In FY 2010, EBSA trained approximately 435 employees in technical, professional and leadership areas, resulting in over 12,000 hour of training. These courses are designed to provide a foundation of legal knowledge and an understanding of industry practices required to effectively regulate the employee benefits industry and provide compliance assistance to stakeholders. Additionally, 44 employees completed Federal Law Enforcement Training Center (FLETC) courses to enhance their skills in areas unique to conducting criminal employee benefit plan investigations.

Lastly, EBSA effectively administered its responsibilities under the Debt Collection and Debt Collection Improvement Acts resulting in the collection of approximately \$25,150,000 during FY 2010.

EXECUTIVE LEADERSHIP, PROGRAM OVERSIGHT AND ADMINISTRATION

DETAILED WORKLOAD AND PERFORMANCE				
	FY 2010 Enacted		FY 2011 Full Year C.R.	FY 2012 Request
	Target	Result	Target	Target
Executive Leadership, Program Oversight and Administration				
Strategic Goal 4: Secure health benefits and, for those not working, provide income security	--	--	--	--
Outcome Goal 4.3: Improve health benefits and retirement security for all workers	--	--	--	--
Ratio of closed civil cases with corrected fiduciary violations to civil cases closed	67.00%	72.00%	67.00%	67.00%
Ratio of criminal cases accepted for prosecution to cases referred	67.00%	79.00%	67.00%	67.00%
Participant assistance program customer satisfaction index	--	--	(base)	--
Percent of employee benefit plans in compliance with civil provisions of ERISA	--	--	--	Interim data
Percentage point difference in compliance rate between employee benefit plans recently investigated and other employee benefit plans	--	--	--	--

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined

**EXECUTIVE LEADERSHIP, PROGRAM OVERSIGHT AND
ADMINISTRATION**

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2010 Enacted	FY 2011 Full Year C.R.	FY 2012 Request	Change FY 12 Req. / FY 10 Enacted
11.1	Full-time permanent	3,500	3,200	3,200	-300
11.3	Other than full-time permanent	117	117	117	0
11.5	Other personnel compensation	99	99	99	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	3,716	3,416	3,416	-300
12.1	Civilian personnel benefits	1,205	905	905	-300
21.0	Travel and transportation of persons	58	58	58	0
22.0	Transportation of things	3	3	3	0
23.1	Rental payments to GSA	379	433	483	104
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	117	117	117	0
24.0	Printing and reproduction	100	75	75	-25
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services	225	325	325	100
25.3	Other purchases of goods and services from Government Accounts	454	475	475	21
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	290	740	740	450
26.0	Supplies and materials	62	62	62	0
31.0	Equipment	59	59	59	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	6,668	6,668	6,718	50
1/Other Purchases of Goods and Services From Government Accounts					
	Working Capital Fund	441	449	449	8
	DHS Services	13	26	26	13

EXECUTIVE LEADERSHIP, PROGRAM OVERSIGHT AND ADMINISTRATION

CHANGES IN FY 2012

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
One day less of Pay	0
Federal Employees Compensation Act (FECA)	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	50
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (Census Bureau)	0
Other government accounts (DHS Charges)	0
Other purchases of goods and services from Government accounts	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$50**

Net Program **\$0**

Direct FTE **0**

	Estimate	FTE
Base	\$6,718	26