

**FY 2017**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**PENSION BENEFIT GUARANTY CORPORATION**

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# PENSION BENEFIT GUARANTY CORPORATION

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# PENSION BENEFIT GUARANTY CORPORATION

## PENSION BENEFIT GUARANTY CORPORATION FUND

The Pension Benefit Guaranty Corporation ("Corporation") is authorized to make such expenditures, including financial assistance authorized by subtitle E of title IV of the Employee Retirement Income Security Act of 1974, within limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, as may be necessary in carrying out the program, including associated administrative expenses, through September 30, [2016] 2017, for the Corporation: *Provided*, That none of the funds available to the Corporation for fiscal year [2016] 2017 shall be available for obligations for administrative expenses in excess of [\$431,799,000] \$421,006,000: *Provided further, an amount not to exceed an additional \$98,500,000 shall be available through September 30, 2021, for costs associated with the acquisition, occupancy, and related costs of headquarters space: Provided further*, That to the extent that the number of new plan participants in plans terminated by the Corporation exceeds 100,000 in fiscal year [2016] 2017, an amount not to exceed an additional \$9,200,000 shall be available through September 30, [2017] 2018, for obligation for administrative expenses for every 20,000 additional terminated participants: *Provided further*, That obligations in excess of the amounts provided in this paragraph may be incurred for unforeseen and extraordinary pretermination expenses or extraordinary multiemployer program related expenses after approval by the Office of Management and Budget and notification of the Committees on Appropriations of the House of Representatives and the Senate. (*P.L. 114-113 Consolidated Appropriations Act, 2016.*)

# PENSION BENEFIT GUARANTY CORPORATION

## EXPLANATION OF LANGUAGE CHANGE

### **Add:**

*Provided further, an amount not to exceed an additional \$98,500,000 shall be available through September 30, 2021, for costs associated with the acquisition, occupancy, and related costs of headquarters space:*

### **Explanation of Change:**

Provides additional funds to the administrative budget to design, build out, and lease a consolidated Headquarters space through GSA and make the funds available for five years as the current Headquarter leases expire in December 2018.

# PENSION BENEFIT GUARANTY CORPORATION

## ANALYSIS OF APPROPRIATION LANGUAGE

### LANGUAGE PROVISION

*Provided further, an amount not to exceed an additional \$98,500,000 shall be available through September 30, 2021, for costs associated with the acquisition, occupancy, and related costs of headquarters space:*

### EXPLANATION

Provides additional funds to the administrative budget to design, build out, and lease a consolidated Headquarters space through GSA and make the funds available for five years as the current Headquarter leases expire in December 2018. This will allow for tracking the lease renewal separate from the rest of the administrative budget.

## PENSION BENEFIT GUARANTY CORPORATION

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>						
(Dollars in Thousands)						
	2015		2016		2017	
	FTE <sup>1</sup>	Amount	FTE	Amount	FTE <sup>2</sup>	Amount
<b>A. Appropriation</b>						
Administrative Activities						
Pension Insurance Operations	210	\$79,526	0	\$0	0	\$0
Pension Plan Termination	340	\$170,261	0	\$0	0	\$0
Operational Support	427	\$156,638	0	\$0	0	\$0
Consolidated Administrative Activities	N/A	N/A	942	\$423,163	942	\$519,506
Total Administrative Activities <sup>3</sup>	977	\$406,425	942	\$423,163	942	\$519,506
Program Activities						
Investment Management Fees Program	0	\$96,384	0	\$103,906	0	\$113,484
Single-Employer Program Benefit Payments	0	\$5,818,000	0	\$6,280,000	0	\$7,195,000
Multiemployer Program Financial Assistance	0	\$152,000	0	\$250,000	0	\$315,000
Total Program Activities	0	\$6,066,384	0	\$6,633,906	0	\$7,623,484
Total Program and Administrative Activities	977	\$6,472,809	942	\$7,057,069	942	\$8,142,990
Offsetting Collections From:						
Interest on Federal Securities	0	\$696,000	0	\$647,000	0	\$776,000
Premium Receipts	0	\$3,496,000	0	\$5,472,000	0	\$5,688,000
Benefit Payment Reimbursements	0	\$3,512,000	0	\$5,012,000	0	\$4,370,000
Investment Management Fees Program	0	\$96,384	0	\$103,906	0	\$113,484
Trust Fund for Administrative Expenses <sup>4</sup>	0	\$368,616	0	\$396,094	0	\$476,516
<i>Subtotal, Offsetting Collections From</i>	<i>0</i>	<i>\$8,169,000</i>	<i>0</i>	<i>\$11,631,000</i>	<i>0</i>	<i>\$11,424,000</i>
<b>B. Gross Budget Authority</b>						
Offsetting Collections To:						
Interest on Federal Securities	0	-\$696,000	0	-\$647,000	0	-\$776,000
Premium Receipts	0	-\$3,496,000	0	-\$5,472,000	0	-\$5,688,000
Benefits Payment Reimbursements	0	-\$3,512,000	0	-\$5,012,000	0	-\$4,370,000
Investment Management Fees Program	0	-\$96,384	0	-\$103,906	0	-\$113,484

<sup>1</sup> FY 2015 reflects FTE authorization and utilization.

<sup>2</sup> FY 2016 and 2017 reflect estimated FTE utilization, however, PBGC's budget was formulated at a justified position level of 980 to meet workload demands.

<sup>3</sup> FY 2015 and FY 2016 Enacted reflect sequestration reductions to mandatory accounts pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

<sup>4</sup> The single-employer trust funds are the only remaining source of trust fund reimbursements to the revolving funds to cover administrative expenses. The single-employer and multiemployer insurance programs are, by law, operated and financed separately. The assets from one program cannot be used to support the other. The multiemployer portion that is not reimbursed represents an outlay in the Federal Budget. The methodology for determining expenses allocated to the Multiemployer insurance program was revised in FY 2015 to ensure we are capturing all such expenses that are solely benefiting the Multiemployer insurance program.



## PENSION BENEFIT GUARANTY CORPORATION

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>						
(Dollars in Thousands)						
	2015		2016		2017	
	FTE <sup>1</sup>	Amount	FTE	Amount	FTE <sup>2</sup>	Amount
Administrative Expenses	0	-\$368,616	0	-\$396,094	0	-\$476,516
<i>Subtotal, Offsetting Collections To</i>	<i>0</i>	<i>-\$8,169,000</i>	<i>0</i>	<i>-\$11,631,000</i>	<i>0</i>	<i>-\$11,424,000</i>
<b>C. Obligating Authority Before Committee</b>	<b>977</b>	<b>\$406,425</b>	<b>942</b>	<b>\$423,163</b>	<b>942</b>	<b>\$519,506</b>
<b>D. Total Budgetary Resource</b>	<b>977</b>	<b>\$6,472,809</b>	<b>942</b>	<b>\$7,057,069</b>	<b>942</b>	<b>\$8,142,990</b>
Unobligated Balance Expiring	0	\$0	0	\$0	0	\$0
Direct BA and FTE	977	\$6,472,809	942	\$7,057,069	942	\$8,142,990
Reimbursable BA and FTE	0	\$0	0	\$0	0	\$0
Total Lapse <sup>5</sup>	-38	-\$16,062	0	\$0	0	\$0
<b>E. Total, Estimated Obligations</b>	<b>939</b>	<b>\$6,456,747</b>	<b>942</b>	<b>\$7,057,069</b>	<b>942</b>	<b>\$8,142,990</b>

<sup>5</sup> Total lapse in FY 2015 applies only to administrative funds.

# PENSION BENEFIT GUARANTY CORPORATION

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2016 Enacted	FY 2017 Request	Net Change
<b>Obligational Authority</b>			
Program Activities	\$6,633,906	\$7,623,484	+\$989,578
Administrative Activities	\$423,163	\$519,506	+\$96,343
<b>Total</b>	<b>\$7,057,069</b>	<b>\$8,142,990</b>	<b>+\$1,085,921</b>
<b>Full Time Equivalents</b>			
Program Activities	0	0	0
Administrative Activities	942	942	0
<b>Total</b>	<b>942</b>	<b>942</b>	<b>0</b>

### FY 2017 Change

Explanation of Change	FY 2016 Base		Administrative Activities		Program Activities		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Costs of pay adjustments	942	\$114,007	0	\$1,791	0	\$0	0	\$1,791
Personnel benefits	0	\$30,721	0	\$703	0	\$0	0	\$703
One day more of Pay	0	\$0	0	0	0	0	0	0
Benefits for former personnel	0	\$0	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$1,759	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$1	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$29,552	0	\$576	0	\$0	0	\$576
Communications, utilities, and miscellaneous charges	0	\$5,795	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$302	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$103,906	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$229,594	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$0	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$4,100	0	\$0	0	\$0	0	\$0
Research & Development	0	\$0	0	\$0	0	\$0	0	\$0
Contracts	0	\$0	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	\$0	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$2,718	0	\$0	0	\$0	0	\$0
Equipment	0	\$4,035	0	\$0	0	\$0	0	\$0

# PENSION BENEFIT GUARANTY CORPORATION

FY 2017 Change

Explanation of Change	FY 2016 Base		Administrative Activities		Program Activities		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$6,280,000	0	\$0	0	\$0	0	\$0
Investment and Loans	0	\$250,000	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>942</b>	<b>+\$7,056,490</b>	<b>0</b>	<b>+\$3,070</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$3,070</b>
<b>B. Programs:</b>								
Single-Employer Program Benefit Payments	0	\$6,280,000	0	\$0	0	\$915,000	0	\$915,000
Lease Requirements	0	\$0	0	\$98,500	0	\$0	0	\$98,500
Multiemployer Program Financial Assistance	0	\$250,000	0	\$0	0	\$65,000	0	\$65,000
Investment Management Fees Program	0	\$103,906	0	\$0	0	\$9,578	0	\$9,578
Restoration of 2016 sequestration reduction	0	\$0	0	\$8,636	0	\$0	0	\$8,636
Additional Funding for Financial Statement Audit and Support Contracts	0	\$2,178	0	\$103	0	\$0	0	\$103
<b>Programs Subtotal</b>			<b>0</b>	<b>+\$107,239</b>	<b>0</b>	<b>+\$989,578</b>	<b>0</b>	<b>+\$1,096,817</b>
<b>Total Increase</b>	<b>942</b>	<b>+\$7,056,490</b>	<b>0</b>	<b>+\$110,309</b>	<b>0</b>	<b>+\$989,578</b>	<b>0</b>	<b>+\$1,099,887</b>
<b>Decreases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Two days less of pay	0	\$579	0	-\$1,101	0	\$0	0	-\$1,101
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>+\$579</b>	<b>0</b>	<b>-\$1,101</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$1,101</b>
<b>B. Programs:</b>								
To Reduce One-Time Costs to Correct IT Related Material Weaknesses	0	\$0	0	-\$12,865	0	\$0	0	-\$12,865
<b>Programs Subtotal</b>			<b>0</b>	<b>-\$12,865</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$12,865</b>
<b>Total Decrease</b>	<b>0</b>	<b>+\$579</b>	<b>0</b>	<b>-\$13,966</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$13,966</b>
<b>Total Change</b>	<b>942</b>	<b>+\$7,057,069</b>	<b>0</b>	<b>+\$96,343</b>	<b>0</b>	<b>+\$989,578</b>	<b>0</b>	<b>+\$1,085,921</b>

## PENSION BENEFIT GUARANTY CORPORATION

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b>								
(Dollars in Thousands)								
	FY 2015 Enacted		FY 2016 Enacted		FY 2017 Request		Diff. FY17 Request / FY16 Enacted	
	FTE <sup>6</sup>	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Pension Insurance</b>	<b>197</b>	<b>79,526</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Administrative	197	79,526	0	0	0	0	0	0
<b>Pension Plan Termination and Benefits Administration</b>	<b>336</b>	<b>170,261</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Administrative	336	170,261	0	0	0	0	0	0
<b>Operational Support</b>	<b>406</b>	<b>156,638</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Administrative	406	156,638	0	0	0	0	0	0
<b>Office of Inspector General - Non-Add</b>	<b>16</b>	<b>6,157</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Administrative	16	6,157	0	0	0	0	0	0
<b>Consolidated Administrative Activities</b>	<b>0</b>	<b>0</b>	<b>942</b>	<b>423,163</b>	<b>942</b>	<b>519,506</b>	<b>0</b>	<b>96,343</b>
Administrative	0	0	942	423,163	942	519,506	0	96,343
<b>Office of Inspector General - Non-Add</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>6,377</b>	<b>25</b>	<b>6,526</b>	<b>0</b>	<b>149</b>
Administrative	0	0	25	6,377	25	6,526	0	149

<sup>6</sup> FY 2015 reflects actual FTE usage. FY 2016 and 2017 reflect estimated FTE utilization, however, PBGC's budget was formulated at a justified position level of 980 to meet workload demands.

<sup>7</sup> Per Congressional mandate, the notional break out of administrative budgetary resources requested by performance areas is as follows: Pension Insurance - \$78,901 Pension Plan Termination and Benefits - \$180,893 and Operational Support - \$259,712.

## PENSION BENEFIT GUARANTY CORPORATION

### SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY

(Dollars in Thousands)

	FY 2015 Enacted		FY 2016 Enacted		FY 2017 Request		Diff. FY17 Request / FY16 Enacted	
	FTE <sup>6</sup>	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Investment Management Fees Program</b>	<b>0</b>	<b>96,384</b>	<b>0</b>	<b>103,906</b>	<b>0</b>	<b>113,484</b>	<b>0</b>	<b>9,578</b>
Program	0	96,384	0	103,906	0	113,484	0	9,578
<b>Single-Employer Program Benefit Payments</b>	<b>0</b>	<b>5,818,000</b>	<b>0</b>	<b>6,280,000</b>	<b>0</b>	<b>7,195,000</b>	<b>0</b>	<b>915,000</b>
Program	0	5,818,000	0	6,280,000	0	7,195,000	0	915,000
<b>Multiemployer Program Financial Assistance</b>	<b>0</b>	<b>152,000</b>	<b>0</b>	<b>250,000</b>	<b>0</b>	<b>315,000</b>	<b>0</b>	<b>65,000</b>
Program	0	152,000	0	250,000	0	315,000	0	65,000
<b>Total</b>	<b>939</b>	<b>6,472,809</b>	<b>942</b>	<b>7,057,069</b>	<b>942</b>	<b>8,142,990</b>	<b>0</b>	<b>1,085,921</b>
<b>Program<sup>7</sup></b>	<b>0</b>	<b>6,066,384</b>	<b>0</b>	<b>6,633,906</b>	<b>0</b>	<b>7,623,484</b>	<b>0</b>	<b>989,578</b>
<b>Administrative</b>	<b>939</b>	<b>406,425</b>	<b>942</b>	<b>423,163</b>	<b>942</b>	<b>519,506</b>	<b>0</b>	<b>96,343</b>

<sup>7</sup> Program Activities (Benefit Payments, Financial Assistance and Investment Management Fees) are shown in the tables only to represent total mandatory budget requirements.

## PENSION BENEFIT GUARANTY CORPORATION

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
	Full-Time Equivalent				
	Full-time Permanent	947	912	912	0
	Other	30	30	30	0
	<b>Total</b>	<b>977</b>	<b>942</b>	<b>942</b>	<b>0</b>
	Average ES Salary	\$169,498	\$171,193	\$172,905	\$1,712
	Average GM/GS Grade	12	12	12	0
	Average GM/GS Salary	\$97,315	\$98,288	\$99,271	\$983
11.1	Full-time permanent	110,626	108,875	109,805	930
11.3	Other than full-time permanent	1,564	1,564	1,564	0
11.5	Other personnel compensation	4,005	4,005	4,005	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>116,195</b>	<b>114,444</b>	<b>115,374</b>	<b>930</b>
12.1	Civilian personnel benefits	31,547	30,863	31,326	463
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	1,758	1,759	1,759	0
22.0	Transportation of things	1	1	1	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	0	0	0	0
23.2	Rental payments to others	28,489	29,552	30,128	576
23.3	Communications, utilities, and miscellaneous charges	5,979	5,795	5,795	0
24.0	Printing and reproduction	286	302	302	0
25.1	Advisory and assistance services	96,384	103,906	113,484	9,578
25.2	Other services from non-Federal sources	209,271	229,594	323,968	94,374
25.3	Other goods and services from Federal sources 1/	4,100	4,100	4,100	0
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	0	0	0	0
26.0	Supplies and materials	2,818	2,718	2,718	0
31.0	Equipment	5,981	4,035	4,035	0
33.0	Investments and Loans	152,000	250,000	315,000	65,000
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	5,818,000	6,280,000	7,195,000	915,000
	<b>Total</b>	<b>6,472,809</b>	<b>7,057,069</b>	<b>8,142,990</b>	<b>1,085,921</b>
	1/Other goods and services from Federal sources				
	Services by Other Government Departments	4,100	4,100	4,100	0

# PENSION BENEFIT GUARANTY CORPORATION

## AUTHORIZING STATUTES

<b>Public Law / Act</b>	<b>Legislation</b>	<b>Statute No. / US Code</b>	<b>Volume No.</b>	<b>Expiration Date</b>
P.L. 93-406	Title IV of the Employee Retirement Income Security Act of 1974 (ERISA) (1976)	29 U.S.C.	1301, et seq.	Not Applicable
P.L. 96-364	Multiemployer Pension Plan Amendments Act of 1980 (September 26, 1980)	94 Stat.	1208	Not Applicable
P.L. 95-452	Inspector General Act (October 12, 1978)	5 U.S.C.	1101	Not Applicable
P.L. 100-504	Inspector General Act Amendments of 1988 (October 18, 1988)	102 Stat.	2515	Not Applicable
P.L. 99-272	Single-Employer Pension Plan Amendments Act of 1986 (SEPPA) (April 7, 1986)	100 Stat.	82	Not Applicable
P.L. 100-203	Pension Protection Act (PPA) (December 22, 1987)	101 Stat.	1330	Not Applicable
P.L. 103-465	Retirement Protection Act (December 24, 1994)	108 Stat.	4890	Not Applicable
P.L. 109-280	Pension Protection Act of 2006 (August 17, 2006)	120 Stat.	780	Not Applicable
P.L. 109-171	Deficit Reduction Act (DRA) of 2005 (February 8, 2006)	120 Stat.	182	Not Applicable
P.L. 110-409	Inspector General Reform Act (October 14, 2008)	122 Stat.	4302	Not Applicable
P.L. 112-141	Moving Ahead for Progress in the 21st Century Act. (July 6, 2012)	29 U.S.C.	1304 1308	Not Applicable
P.L. 113-67	Bipartisan Budget Act (December 26, 2013)	127 Stat.	1165	Not Applicable
P.L. 113-235	Consolidated and Further Continuing Appropriations Act, 2015 (Divisions O, P, & Q)	128 Stat.	2130	Not Applicable

## PENSION BENEFIT GUARANTY CORPORATION

<b>Public Law / Act</b>	<b>Legislation</b>	<b>Statute No. / US Code</b>	<b>Volume No.</b>	<b>Expiration Date</b>
P.L. 114-74	Bipartisan Budget Act of 2015	129 Stat.	584	Not Applicable
P.L. 114-113	Consolidated Appropriations Act, 2016	TBD	TBD	Not Applicable



## PENSION BENEFIT GUARANTY CORPORATION

<b>APPROPRIATION HISTORY</b>					
(Dollars in Thousands)					
	<b>Budget Estimates to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriations</b>	<b>FTE</b>
2008					
Base Appropriation	\$411,151	\$411,151	\$411,151	\$411,151	870
2009					
Base Appropriation...1/	\$444,722	\$444,722	\$444,722	\$444,722	928
2010					
Base Appropriation	\$464,067	\$464,067	\$464,067	\$464,067	941
2011					
Base Appropriation...2/	\$466,301	\$0	\$0	\$464,066	941
2012					
Base Appropriation...3/	\$476,901	\$476,901	\$476,901	\$476,901	999
2013					
Base Appropriation...4/	\$479,013	\$0	\$0	\$470,906	1,017
2014					
Base Appropriation...5/	\$505,441	\$0	\$0	\$496,634	956
2015					
Base Appropriation...6/	\$415,394	\$0	\$0	\$406,425	977
2016					
Base Appropriation...7/	\$431,799	\$0	\$0	\$423,163	942
2017					
Base Appropriation	\$519,506	\$0	\$0	\$0	942

1/ FY 2009 was only reported out of Subcommittee and was not passed by the Full House.

2/ FY 2011 funding at the FY 2010 level was approved in Department of Defense and Full-Year Continuing Appropriations Act.

3/ FY 2012 reflects authorized FTE.

4/ FY 2013 appropriation reflects a full year CR with temporary sequestration reduction and authorized FTE.

5/ FY 2014 appropriation reflects a temporary sequestration reduction.

6/ FY 2015 appropriation reflects a temporary sequestration reduction.

7/ FY 2016 appropriation reflects a temporary sequestration reduction and projected FTE usage.

# PENSION BENEFIT GUARANTY CORPORATION

## Overview

The Pension Benefit Guaranty Corporation (PBGC) is a federal corporation, established under the Employee Retirement Income Security Act of 1974, as amended. It guarantees payment of basic pension benefits earned by more than 40,000,000 American workers in two separate insurance programs. The single-employer program protects about 30,000,000 workers and retirees in over 22,000 pension plans. The multiemployer program protects over 10,000,000 workers and retirees in about 1,400 pension plans. The Corporation receives no funds from general tax revenues. Operations are financed by insurance premiums paid by companies that sponsor defined benefit pension plans, investment income, and assets from terminated plans.

The Corporation is administered by a presidentially-appointed, Senate-confirmed, Director who, subject to the policies established by the Board of Directors, is responsible for the Agency's management, personnel, organization, budget and investments. PBGC's Board of Directors consists of the Secretaries of Labor (Chair), Commerce, and the Treasury.

### **Budget Request Summary**

The Budget includes \$519,506,000 and 942 FTE for PBGC's FY 2017 administrative operating budget. This level of funding includes \$98,500,000 to be spent only on costs associated with the acquisition, occupancy and related costs of headquarters space. Since these costs will need to be obligated periodically over time, the Budget proposes for this funding to remain available for a period of five years.

The Budget also includes a legislative proposal aimed at improving the solvency of PBGC's multiemployer program and protecting workers' retirement security.

### **PBGC Mission and Vision**

**Mission:** PBGC enhances retirement security by preserving plans and protecting pensioners' benefits.

**Vision:** A sustainable pension insurance agency committed to serving its customers and expanding retirement security opportunities.

### **PBGC Effectively Protects Retirement Security**

*Plan Preservation Efforts:* PBGC tries, first, to preserve plans and keep pension promises in the hands of the employers who make them. When companies undertake major transactions that might threaten their ability to pay pensions, PBGC negotiates protections for their pension plans. Last year PBGC negotiated with dozens of companies, both in bankruptcy and otherwise, to preserve their plans. In 2015, PBGC:

- Helped to protect 16,000 people by encouraging companies to keep their plans when they emerged from bankruptcy

## PENSION BENEFIT GUARANTY CORPORATION

- Negotiated almost \$563,000,000 in financial assurance to protect more than 116,000 people in plans at risk from corporate transactions
- Conducted compliance reviews of plan sponsor calculations for plans that end through a standard termination, resulting in almost 1,500 participants receiving corrected benefit amounts totaling \$5,800,000

*Stepping in to Insure Pensions When Plans Fail:* When plans do fail, PBGC steps in to ensure that a portion of benefits continue to be paid. Over the years, PBGC has become responsible for almost 1,500,000 people in nearly 4,800 failed plans. In 2015, PBGC:

- Paid \$5,600,000,000 to almost 826,000 retirees in more than 4,700 failed single-employer plans (an additional 560,000 workers will receive timely and accurate benefits when they retire)
- Provided \$103,000,000 in financial assistance to 57 multiemployer pension plans covering the benefits of 54,000 retirees (an additional 25,000 workers in these multiemployer plans will receive guaranteed benefits when they retire) over the past year
- Assumed responsibility for more than 25,000 people in 65 trusted single-employer plans

### **Protecting Workers' Retirement Security**

PBGC acts as a backstop to insure pension payments for workers whose companies or plans have failed. PBGC's single-employer program covers plans that are sponsored by an individual company; the multiemployer program covers plans maintained pursuant to one or more collective bargaining agreements involving more than one unrelated employer. Both programs are underfunded, with combined liabilities exceeding assets by \$76 billion at the end of 2015. While the single-employer program's financial position is projected to improve over the next 10 years, in part because Congress has raised premiums in that program several times in recent years, the multiemployer program is projected to run out of funds in 2024. Particularly in the multiemployer program, premium rates remain much lower than what a private financial institution would charge for insuring the same risk and well below what is needed to ensure PBGC's solvency.

To address these concerns, the Budget proposes to give the PBGC Board the authority to adjust premiums. The 2016 Budget proposed to raise premiums by \$19 billion, with premiums to be split between the multiemployer and single-employer programs based on the size of their deficits. Given the \$4 billion in recent premium increases enacted in the Bipartisan Budget Act (BBA) of 2015 and the single-employer program's improving financial projections, the Budget directs the Board to raise \$15 billion in additional premium revenue within the Budget window only from the multiemployer program. The Administration believes additional increases in single-employer premiums are unwise at this time and would unnecessarily create further disincentives to maintaining defined benefit pension plans. This level of additional multiemployer premium revenue would nearly eliminate the risk of the multiemployer program becoming insolvent within 20 years.

## **PENSION BENEFIT GUARANTY CORPORATION**

The Budget assumes that the Board will raise these revenues by using its premium-setting authority to create a variable-rate premium (VRP) and an exit premium in the multiemployer program. A multiemployer VRP would require plans to pay additional premiums based on their level of underfunding—as is done in the single-employer program. An exit premium assessed on employers that withdraw from a plan would compensate PBGC for the additional risk imposed on it when healthy employers exit.

### **Budget Demonstrates Ongoing Executive Level Commitment to Cost Control, Monitoring and Resource Reallocation**

PBGC's administrative expenditures were subject to mandatory sequestration in FY 2016. Reductions to PBGC's budget authority require PBGC leadership to restrict spending on lower priority activities and reallocate funds internally as much as possible to achieve organizational objectives. In response to these reductions, PBGC's goal has been to:

- First, allocate resources effectively based on our best projections of workload demands to meet our mission objectives; and
- Second, reallocate resources as necessary during the year of execution to efficiently respond to changing conditions.

In PBGC's case, sequestration is a temporary reduction to be applied only if required in the year of budget execution. Consequently, the FY 2017 budget includes an increase of \$8,636,000 to reflect the temporary nature of the FY 2016 sequestration cuts, which do not represent a permanent reduction to PBGC's baseline.

### **FY 2017 Budget Demonstrates Executive Level Commitment to Strategic Objectives and President's Management Agenda Priorities**

On March 4, 2014, PBGC released its Strategic Plan for FY 2014-2018. This strategic plan supports PBGC's vision for a sustainable pension insurance program. It demonstrates a commitment to serve customers, and places greater emphasis on collaboration with the retirement community.

The following table and narrative highlight completed or ongoing activities of PBGC that support the President's Management Agenda and the PBGC strategic goals and objectives.

## PENSION BENEFIT GUARANTY CORPORATION

<b>Alignment to President's Management Agenda &amp; PBGC Strategic Goals and Objectives</b>									
<b>PBGC Activities/Accomplishments</b>	<b>Management Priorities</b>						<b>PBGC Strategic Goals</b>		
	<b>Effectiveness</b>		<b>Efficiency</b>		<b>Economic Growth</b>	<b>People &amp; Culture</b>	<b>Preserve Plans &amp; Protect Pensioners</b>	<b>Pay Pension Benefits On Time &amp; Accurately</b>	<b>Maintain High Standards of Stewardship &amp; Accountability</b>
	<b>Customer Service</b>	<b>Smarter IT Delivery</b>	<b>Shared Services</b>	<b>Benchmark &amp; Improve Mission Support Operations</b>	<b>Open Data</b>				
Complete and issue Benefit Determinations for Delphi Salaried and Hourly employees	X						X	X	X
Reduce backlogs in Benefit Determination process	X			X			X	X	X
Continue Audit Peer Review in Asset Evaluation Division to improve audit quality and timeliness	X			X			X		X
Examine other business processes and systems to determine how to sustain high customer service while improving quality assurance and internal controls	X	X	X	X		X	X	X	X
Continue to focus on employee engagement through internal departmental customer satisfaction surveys						X			X
Analyze credit, investment, and actuarial risks to quantify and measure the impact of these risks to the insurance programs	X			X			X		X
Continue work on implementing corporate governance improvement as required by Section 40231 of P.L. 112-141, the Moving Ahead for Progress in the 21st Century Act (MAP-21)				X			X		X
Develop and implement incentives/settlements to prevent plan sponsor initiated terminations and maximize recoveries	X			X			X		X
Continue improvements to the internal control program and risk management reviews		X		X					X
Continue to post data sets on PBGC operations which are available to the public					X				X
Continue to promulgate regulations that are understandable, flexible, relevant, and not unduly burdensome especially in light of the new multiemployer legislation in P.L. 113-235, the Consolidated and Further Continuing Appropriations Act, 2015	X			X			X		X
Develop new initiatives as well as improve existing diversity and inclusion across PBGC to maintain a high performing, engaged workforce	X			X		X			X
Maintain systems that generate performance data and make data available for use in monitoring agency progress in achieving program goals		X	X		X		X	X	X

# **PENSION BENEFIT GUARANTY CORPORATION**

## **PBGC Headquarters Replacement Lease**

The FY 2017 Budget requests \$98,500,000 for costs associated with the consolidation of PBGC's three headquarter leases into a single headquarter replacement lease. To support this request, PBGC proposes an appropriation language change to restrict these funds to only lease replacement costs, make them available for 5 years, and ensure any unused funds are retained in the Revolving Fund.

PBGC is currently working with the General Services Administration to obtain a replacement lease which will maximize competition, reduce our federal footprint, and maximize workplace flexibility. A Program of Requirements has been completed to support the lease replacement project. PBGC headquarter leases expire in December 2018.

## **PBGC Is Committed To Responding to the Multiemployer Pension Reform Act**

On December 16, 2014, President Obama signed the omnibus spending bill for Fiscal Year 2015 (P.L. 113-235), which included the Multiemployer Pension Reform Act of 2014 (MPRA). MPRA significantly changed multiemployer pension plan rules for financially troubled plans.

MPRA provides tools that deeply troubled multiemployer plans can use to improve the sustainability of their plans. This legislation introduces the capability for plan trustees to suspend benefits and/or request assistance from the PBGC through partitioning. In FY 2015, PBGC published an interim final regulation on the partition of multiemployer pension plans, in compliance with MPRA's partition provisions.

Before MPRA, PBGC could authorize partitions only in situations involving the bankruptcy of one or more of a plan's contributing employers. The benefits of participants who had service with those employers were reduced to PBGC-guaranteed levels. A final version of the regulation with modest changes was published December 18, 2015.

Under the new rule, certain plans that are projected to run out of money within 20 years ("critical and declining" plans) may ask PBGC to approve a partition. A partition transfers responsibility for paying some participant and beneficiary monthly guarantee amounts from the plan to PBGC, relieving plans of some of their financial obligations. This allows plans to preserve benefits for participants at levels above the PBGC-guaranteed amounts and continue to pay retirement benefits over the long term.

In addition, MPRA expanded PBGC's ability to facilitate the merger of two or more plans. A merger may proceed if the transaction is in the interests of participants and beneficiaries of at least one of the plans, and if the merger is not reasonably expected to adversely affect the overall interests of participants and beneficiaries of any of the plans involved.

PBGC's ability to approve partitions or facilitate mergers will be limited by its financial resources. The Agency must certify that providing help to a particular plan does not impair its ability to meet existing financial assistance obligations to participants in other troubled plans.

## **PENSION BENEFIT GUARANTY CORPORATION**

In FY 2017, PBGC is committed to responding to the new requirements imposed by MPRA by continuing to offer consultation to troubled plans, to strengthen its analytic capabilities, and to devote modeling, analytical and policy support to the Multiemployer program.

# PENSION BENEFIT GUARANTY CORPORATION

## PBGC Performance Measures

The PBGC Strategic Plan summarizes the direction for PBGC’s programs and support functions. It defines PBGC’s broad, long-term goals and the results that we strive to accomplish. It further outlines the shorter-term objectives and activities we will undertake and how we will monitor our progress. Our overall measures of success are how well we do our work and serve our customers. The organizational structure aligns with our goals, enabling us to work across the organization to accomplish them.

PBGC's FY 2015 Annual Report provides important information on the PBGC's operations and its finances. It highlights many of the accomplishments of the PBGC over this past fiscal year and also future challenges and program risks.

For the full FY 2014-2018 PBGC Strategic Plan, please visit:

<http://www.pbgc.gov/Documents/PBGC-Strategic-Plan-2014-2018.pdf>

For the FY 2015 PBGC Annual Performance Report, please visit:

<http://www.pbgc.gov/about/reports/ar2015.html>

The table that follows is a summary of the FY 2013-2018 PBGC Strategic Plan.

<b>PBGC Strategic Plan</b>					
<b>Strategic Goal 1: Preserve Plans and Protect Pensioners</b>					
Strategic Objectives	Performance Goals				
<ul style="list-style-type: none"> <li>• Preserve plans during bankruptcy and other corporate transactions</li> <li>• Encourage flexibility to preserve plans through changes in legislation and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Work with plan sponsors to preserve plans in a way they can afford using PBGC's existing tools and by encouraging creation of additional options</li> <li>• Encourage legislative and regulatory changes that preserve multiemployer plans and enable them to attract new employers and to keep the ones they have</li> </ul>				
<b>Goal Leaders: Chief of Negotiations and Restructuring and Chief Policy Officer</b>					
<b>Performance Measures &amp; Targets</b>					
Goal 1 Performance Measures & Targets	FY 2013 Result	FY 2014 Result	FY 2015 Result	FY 2016 Target	FY 2017 Target
Participants protected as a result of our actions in bankruptcy cases where plan sponsors emerge from bankruptcy with plans ongoing and in early warning settlements	161,000	163,000	16,000	These activities are not amenable to targets	
Additional payments resulting from standard termination enforcement actions	\$4M to 1,539 people	\$6.5M to 938 people	\$5.8M to 1,456 people		
<b>Strategic Goal 2: Pay Pension Benefits on Time and Accurately</b>					



## PENSION BENEFIT GUARANTY CORPORATION

<b>PBGC Strategic Plan</b>						
Strategic Objectives		Performance Goals				
<ul style="list-style-type: none"> <li>• Promote exceptional customer service to pensioners Ensure regular monthly benefit payments continue without interruption</li> <li>• Provide accurate and timely benefit calculations</li> </ul>		Maintain exemplary ACSI customer satisfaction ratings  Continue uninterrupted benefit payments in newly trusted plans  <ul style="list-style-type: none"> <li>• Approve benefit applications within 45 days</li> <li>• Improve the accuracy, timeliness, and completeness of benefit determinations</li> </ul>				
<b>Goal Leaders: Chief of Benefits Administration and Payments and General Counsel</b>						
<b>Performance Measures &amp; Targets</b>						
		FY 2013 Result (Target)	FY 2014 Result (Target)	FY 2015 Result (Target)	FY 2016 Target	FY 2017 Target
<b>Goal 2 Performance Measures &amp; Targets</b>						
Customer satisfaction ratings: <ul style="list-style-type: none"> <li>• Customer Contact Center calls</li> <li>• Retirees and beneficiaries receiving benefits</li> <li>• Users of MyPBA</li> </ul>		87% (81%)	85% (81%)	83% (85%)	85%	85%
		90% (85%)	90% (85%)	91% (85%)	85%	85%
		81% (81%)	77% (81%)	77% (81%)	81%	81%
Benefit applications approved within 45 days		88% (87%)	75% (87%)	80% (87%)	87%	87%
Average time (years waiting) to issue benefit determinations (between trusteeship and benefit determination issuance)		4.0	4.3 (4.3)	4.8 (4.3)	4.3	4.3
Estimated benefits within 10 percent of final benefit determination		96% (95%)	97% (95%)	96% (95%)	95%	95%
<b>Strategic Goal 3: Maintain High Standards of Stewardship and Accountability</b>						
Strategic Objectives		Performance Goals				
<ul style="list-style-type: none"> <li>• Provide exceptional customer service to plan sponsors and premium filers</li> <li>• Restore PBGC's finances</li> <li>• Meet or exceed the financial and ethical standards that apply to PBGC as a major financial and government agency</li> <li>• Maintain secure, flexible, and scalable technology to support effective and efficient business operations</li> <li>• Maintain a high performing workforce</li> </ul>		<ul style="list-style-type: none"> <li>• Maintain exemplary customer satisfaction ratings</li> <li>• Pursue legislation that allows premiums to adequately finance PBGC's activities</li> <li>• Manage investments consistent with prudence and the investment policy</li> <li>• Collect insurance premiums due</li> <li>• Recruit, train, and retain high-quality multidisciplinary workforce</li> </ul>				

## PENSION BENEFIT GUARANTY CORPORATION

<b>PBGC Strategic Plan</b>					
	<ul style="list-style-type: none"> <li>• Achieve an unqualified audit opinion on PBGC's financial statements; eliminate material weaknesses and significant deficiency; continue compliance with the Improper Payments Elimination Act of 2010 to prevent, detect, and recover improper payments</li>   <li>• Implement a coherent strategy to upgrade information technology while meeting security requirements</li> </ul>				
<b>Goal Leaders: Chief Management Officer and Chief Financial Officer</b>					
<b>Performance Measures &amp; Targets</b>					
Goal 3 Performance Measures & Targets	FY 2013 Result (Target)	FY 2014 Result (Target)	FY 2015 Result (Target)	FY 2016 Target	FY 2017 Target
Customer satisfaction ratings:					
• Plan sponsors and premium filers	74% (72%)	73% (72%)	76% (72%)	73%	73%
• MyPAA	80% (78%)	81% (78%)	80% (78%)	79%	79%
• Information and services	71% (75%)	76% (75%)	75% (80%)	80%	80%
• PBGC.gov Web site	72% (72%)	73% (73%)	74% (74%)	74%	74%
Financial statement audit	Unqualified	Unmodified	Unmodified	Unmodified	Unmodified
Compliance with Improper Payments Elimination and Recovery Act	Yes	Yes	Yes	Yes	Yes
Material weaknesses and significant deficiency	Progress	Progress	Progress	Progress	Progress
FedView Employee Engagement Index	64%	65%	69%	67%	67%
Compliance with EEOC MD 715 model work environment	Yes	Yes	Yes	Yes	Yes

# **PENSION BENEFIT GUARANTY CORPORATION**

## **Cost Model**

PBGC requests a total of \$519,506,000, an increase of \$96,343,000 over the FY 2016 Request level. This level of funding will enable PBGC to fulfill its mission to preserve plans and protect pensioners' benefits. The FY 2017 Agency Request includes:

## **Increases**

- An increase of \$3,070,000 to reflect inflation adjustments for rent and personnel compensation and benefits
- An increase of \$98,500,000 restricted to costs associated with the acquisition, occupancy and related costs of headquarters space, to remain available for a period of five years
- A baseline increase of \$103,000 to support an Office of Inspector General request for additional Financial Statement Audit funding
- Restoration of FY 2016 sequestration in the amount of \$8,636,000

## **Reductions**

- A reduction of (\$1,101,000) for two days less of pay
- A reduction of (\$12,865,000) for one-time FY 2016 funding for improvements to our IT delivery and security, and correcting long standing IT related material weaknesses

# PENSION BENEFIT GUARANTY CORPORATION

TABLE 1: SUMMARY OF PBGC MEASURES AND ACTIVITIES

	Target	2015	2014
<b>Preserve Plan and Protect Pensioners</b>			
People Protected in Plans Emerging from Bankruptcy		16,000	163,000
Standard Termination Audits: Additional Payments		\$5.8 M to 1,456 people	\$6.5 M to 938 people
<b>Pay Timely and Accurate Benefits</b>			
People Receiving Benefits – Single-employer		826,000	813,000
People to Receive Benefits in Future – Single-employer		560,000	595,000
People Receiving Benefits in Plans Receiving Financial Assistance – Multiemployer		54,000	52,000
People to Receive Benefits in Future in Plans Receiving Financial Assistance – Multiemployer		25,000	23,000
New Retiree On-time Payments	100%	100%	100%
Estimated Benefits within 10 percent of Final Calculation	95%	96%	97%
Average Time to Provide Benefit Determinations (years)	4.3	4.8	4.3
Improper Payment Rates within OMB Threshold <sup>8</sup>	<1.5%	Yes	Yes
Applications Processed in 45 days	87%	80%	75%
<b>Maintain High Standards of Stewardship and Accountability</b>			
Retiree Satisfaction – ACSI <sup>9</sup>	85	91	90
Caller Satisfaction – ACSI	85	83	85
Premium Filer Satisfaction – ACSI	72	76	73
Overall Customer Satisfaction <sup>10</sup>	80	75	76
Contract Awards Fully Completed		92%	91%
Financial Surplus (Deficit) – Single-employer		(\$24.1B)	(\$19.3B)
Financial Surplus (Deficit) – Multiemployer		(\$52.3B)	(\$42.4B)
Unmodified Audit Opinion	Yes	Yes	Yes

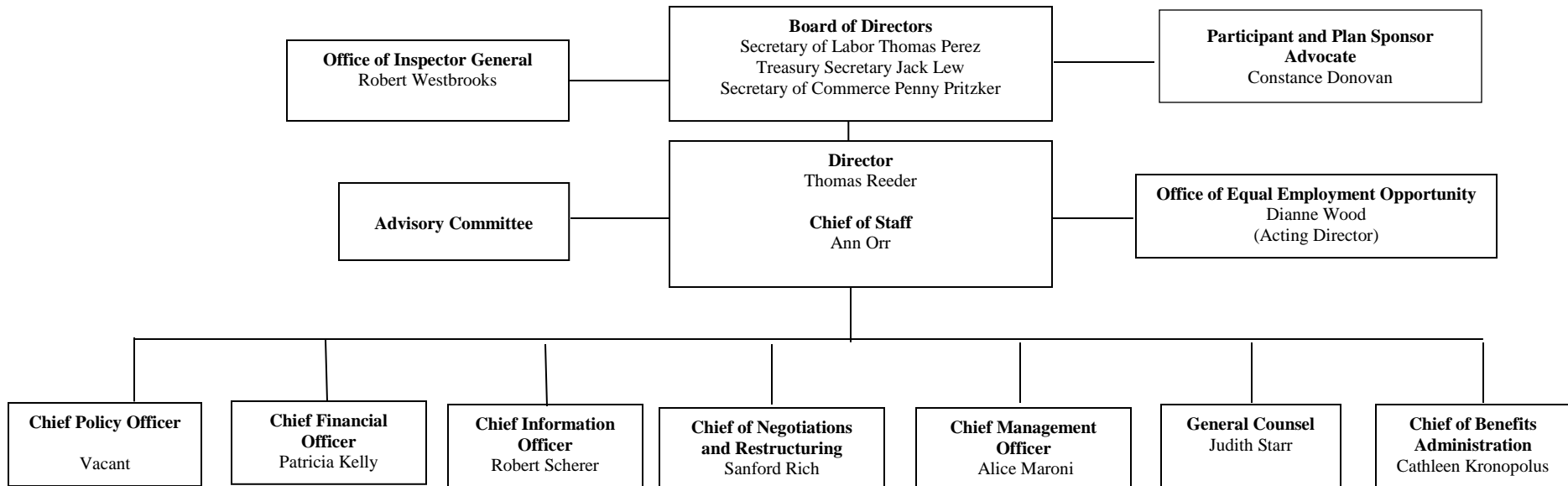
<sup>8</sup> The OMB threshold for significant improper payment reporting is as follows: amounts that exceed (1) both 1.5 percent and \$10 million in improper payments, or (2) \$100 million in improper payments.

<sup>9</sup> The American Customer Satisfaction Index (ACSI) uses a 0-100 scale; 80 or above is considered excellent.

<sup>10</sup> Measures customer satisfaction with information and services provided by the Agency.

# PENSION BENEFIT GUARANTY CORPORATION

## ORGANIZATION CHART





## CONSOLIDATED ADMINISTRATIVE ACTIVITIES

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>406,425</b>	<b>423,163</b>	<b>519,506</b>	<b>96,343</b>
FTE	939	942	942	0

NOTE: FY 2015 reflects actual FTE usage. Authorized FTE for FY 2015 was 977. FY 2016 and 2017 reflect estimated FTE utilization, however, PBGC's budget was formulated at a justified position level of 980 to meet workload demands.

### Introduction

#### *Consolidated Administrative Activity*

PBGC's administrative activities support the following areas:

- Preserve plans and protect pensioners
- Pay pension benefits on time and accurately
- Maintain high standards of stewardship and accountability

These operations are conducted by:

The **Office of Policy and External Affairs (OPEA)** oversees and directs outreach to and interactions with Congress and Executive Branch agencies, the press, stakeholder groups, and the public. It also manages the development, analysis, and review of legislative and policy proposals and regulations. OPEA includes two departments:

- **Communications Outreach and Legislative Affairs (COLA)** - is responsible for organizing, directing, and implementing a comprehensive external and internal communications program to enhance the knowledge and understanding of the PBGC mission, programs and services by the various customers it serves. COLA coordinates PBGC's interactions with the press and various stakeholders, including organizations that represent pension plan participants, pension practitioners/administrators, plan sponsors, and Congress.
- **Policy, Research and Analysis Department (PRAD)** - develops policy for PBGC's insurance programs and conducts related research and modeling. Policy activity encompasses legislative and regulatory analysis and proposal development related to benefit guarantees, employer liability, and premiums. Research addresses actuarial and financial issues to support policy development and involves modeling for forecasting purposes.

The **Office of the Chief Financial Officer (CFO)** includes three PBGC departments that plan and oversee the Corporation's financial and internal control and review functions:

- **Financial Operations Department (FOD)** - establishes and maintains the Corporation's financial and accounting systems, financial management policy, financial procedures,

## CONSOLIDATED ADMINISTRATIVE ACTIVITIES

accounting operations, financial reporting and account analysis activities, the investment management program, the premium income program and the debt collection program.

- **Corporate Investment Department (CID)** - provides investment management services for plans trusted by the PBGC and for assets managed by the Corporation.
- **Contracts and Controls Review Department (CCRD)** - prepares reports regarding: (1) the effectiveness of PBGC internal controls, systems, and programs; (2) whether ongoing defined benefit pension plans are in compliance with PBGC regulations regarding premiums and funds advanced to multiemployer plans; and (3) whether contractors performing services for PBGC are in compliance with PBGC's acquisition policies and contractual requirements. CCRD also serves as the agency liaison for audits conducted by PBGC's Office of Inspector General and the Government Accountability Office and is responsible for administering PBGC's Management Controls Program.

The **Office of Information Technology (OIT)** is responsible for the Corporation's information technology program. OIT provides Information Technology (IT) and electronic communications services and support to PBGC; plans for, directs and coordinates the allocation of corporate resources for IT services, support and related activities; delivers IT business solutions driven by customer requirements; operates, maintains and safeguards PBGC business and infrastructure systems; and oversees the acquisition of IT resources for PBGC.

The **Office of Management and Administration (OMA)** provides advice and services to other PBGC offices and staff in the management support areas of human resources, employee development, personnel and physical security, facility services, emergency preparedness, records management, library services, telework, procurement, budget, process improvement, strategic planning and information technology. The Office of Management and Administration (OMA) includes five PBGC components:

- **Workplace Solutions Department (WSD)** - plans and administers PBGC's facility management, including its lease administration and space utilization programs; administration and office support; building safety and security, Continuity of Operations (COOP), and disaster preparedness and recovery programs; records management program; and PBGC's telework program. WSD also manages the Corporate library and coordinates reference and research resources within PBGC.
- **Procurement Department (PD)** - is responsible for the acquisition of all goods and services used by the PBGC to accomplish its mission. The PD, which follows the procedures established in the Federal Acquisition Regulations in awarding and administering its contracts, ensures that the contracts are performed in accordance with the terms and conditions established during the award process.
- **Budget Department (BD)** - plans, administers, and reports on the Corporation's budget. BD represents PBGC across the executive and legislative branches on budget and manages the formulation and execution of the PBGC budget.
- **Human Resources Department (HRD)** - provides PBGC managers with a team of leaders and professionals, who can learn, contribute and grow to their fullest potential in support of the Corporation's mission. HRD plans and administers the Corporation's human resource management programs, including staffing, employee development and



## CONSOLIDATED ADMINISTRATIVE ACTIVITIES

assistance, employee and labor relations, personnel policy activities, and Special Emphasis and Diversity Programs.

- **Quality Management Department (QMD)** - develops Agency strategic and annual plans, assesses work processes and customer feedback to identify improvements, uses performance data to inform corporate decisions, and employs business analytics to support continuous process improvement.

The **Office of the General Counsel (OGC)** is the chief legal officer of the Corporation and oversees all legal activities. OGC provides legal advice and counsel for the Board on request, as well as the PBGC Director and departments on the full range of legal matters. OGC also decides administrative appeals of Agency decisions concerning benefit coverage and other determinations and administers the disclosure and other requirements of the Freedom of Information and Privacy Acts.

The **Office of Negotiations & Restructuring (ONR)** works with companies, both in and out of bankruptcy, to preserve their pension plans by monitoring, conducting financial, legal, and actuarial analysis, and negotiating protections. When plans cannot be preserved, ONR pursues claims to recover additional assets that help PBGC pay benefits. ONR's responsibilities also include PBGC's review of standard terminations and management of the multiemployer insurance program and actuarial analysis of single-employer and multiemployer plan transactions to enable PBGC to mitigate risks to both of its insurance programs.

- The **Office of the Chief Counsel (OCC)** - provides comprehensive legal services relating to PBGC's ERISA programs involving ongoing and terminated pension plans. The office represents PBGC in litigation in all courts relating to ERISA functions, represents PBGC in bankruptcy or insolvency proceedings, provides legal advice and services to support negotiations and settlements, and makes recommendations concerning the initiation of litigation.
- The **Corporate Finance & Restructuring Department (CFRD)** - monitors the corporate events and transactions of defined benefit pension plan sponsors and provides financial analysis to enable PBGC to mitigate risks to the insurance program, increase overall plan funding levels, and maximize recoveries for plans that terminate. In coordination with the Office of Chief Counsel, CFRD determines and pursues recoveries of employer liability and unpaid employer contributions, makes recommendations concerning the filing of liens, and makes recommendations to the Internal Revenue Service concerning conditions for granting waivers of minimum funding standards.

The **Office of Benefits Administration (OBA)** plans and directs the efficiency and effectiveness of the Corporation's single-employer benefits administration programs through the implementation and completion of program operations relating to insured on-going pension plans, plan termination and benefit administration as well as guides the review and interpretation of the impact of new policies, procedures, regulations and statutes on program operations, and ensures that resources are properly employed to meet their requirements.

## CONSOLIDATED ADMINISTRATIVE ACTIVITIES

- The **Operating Policy and Case Management Department (OPCMD)** - ensures that cases are processed timely and efficiently in accordance with the law, regulations and operational needs which provides oversight for case management activities and policy development and determines operational impact; coordination with departments internal and external to OBA and PBGC on case processing activities and policy; forecasts results to inform senior leadership decisions; and facilitates the resolution of issues affecting case processing or policy.
- The **Plan Asset and Data Management Department (PADMD)** - administers the OBA plan asset evaluations, participant data and records management programs by using auditor judgement and other analytical procedures; and oversees the preservation of evidence supporting individual participant calculations and financial reporting. PADMD oversees the evaluation of trustee plan assets and non-actuarial liabilities; identifies potential instances of plan fraud and fiduciary breach activities; directs trustee plans data management program; oversees the collection and review of financial data and evaluation of internal controls; and administers and monitors the Records Management and IRS/SSA Safeguard Programs for OBA.
- The **Actuarial Services and Technology Department (ASTD)** - provides actuarial oversight and expertise supporting PBGC benefit calculation, valuation, and administration; and provides programmatic management, technical support, and quality assurance for the OBA systems. ASTD provides actuarial expertise and support in the development, operation and evaluation of PBGC insurance programs; develops actuarial principles, policy, and techniques to calculate and value Termination Benefits under Title IV of ERISA and determine post-termination and probable plan reserve calculations of plan liabilities; provides actuarial expertise in training; conducts quarterly valuations for PBGC financial statement purposes and conducts experience studies of the PBGC's actuarial assumptions; provides oversight for the OBA systems (Actuarial, Benefit Administration, and other systems); provides technical services that support OBA plan processing; oversees the planning, organizing and coordinating of OBA's security strategy risk management plan and management of security system assets; and supports other divisions and departments of PBGC.
- The **Participant Services Department (PSD)** - provides benefit administration services for trustee plans, settlement agreements and assigned non-trustee plans in accordance with OBA standards for quality and timeliness. PSD oversees the delivery of tier one customer support; field offices and headquarters staff engaged in benefit administration for both estimated and final plans and tier two customer support; the delivery of foreign language services for oral and written communications with customers; the post-approval processes associated with the disbursement of benefit payments and the aftermath; the prevention, recoupment, and recovery of benefit overpayments; outgoing mail processing associated with benefit administration; the unclaimed pension list and the associated location and payment setup and approval for lost pensioners; PSD ensures the delivery of services satisfy OBA standards for quality and timeliness; oversees commercial contracts and inter-agency agreements associated with the delivery of the above services provides post-approval benefit payment services for trustee plans; and oversees settlement agreements.

## CONSOLIDATED ADMINISTRATIVE ACTIVITIES

The **Office of Inspector General** (OIG) is an independent entity within PBGC. OIG’s mandate is to detect and prevent fraud, waste, abuse, and violations of law, and to promote economy, efficiency and effectiveness in PBGC programs and operations. As an agent of positive change, the OIG provides management advice and makes recommendations to improve PBGC management and program operations as a result of independently conducted audits, evaluations, and investigations. The OIG reports directly to PBGC’s Board of Directors and Congress regarding major developments associated with audit and investigative missions, including a required semiannual report of accomplishments.

The **Participant and Plan Sponsor Advocate** (PPSA) appointed by the PBGC Board of Directors acts as a liaison between PBGC, sponsors of defined benefit plans and participants in plans trusted by the PBGC. The advocate helps resolve disputes between PBGC and sponsors or participants, and advocates for the rights of people in plans trusted by PBGC. The advocate provides an annual report summarizing issues raised and makes recommendations for legislative and administrative changes.

### Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> <sup>11</sup> (Dollars in Thousands)	<u>FTE</u>
2012	\$476,901	999
2013	\$470,906	1,017
2014	\$496,634	956
2015	\$406,425	977
2016	\$423,163	942

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<sup>11</sup> In FY 2012 through FY 2015, the PBGC administrative budget included three activities: Pension Insurance, Pension Plan Termination and Benefits Administration and Operational Support. Investment Management Fees were included in the administrative budget in FY 2012 through FY 2014; beginning in FY 2015, Investment Management Fees are treated as a separate program activity and are not included in the FY 2015 funding column.

### **FY 2017 PBGC priorities include:**

- Continue responding to major statutory changes enacted by MPRA and address the resulting expected increase in the number of partitioned and merger plan requests for financial assistance
- Provide actuarial analysis in response to Department of the Treasury’s request for review of MPRA benefit suspension applications
- Continue efforts to reduce inventory of terminated single-employer plans awaiting final benefit determinations through elevated production levels of Plan Asset Evaluations
- Continue the modernization of the Integrated Present Value of Future Benefits system and the Benefit Calculation and Valuation system, and enhance the Case Management System

## CONSOLIDATED ADMINISTRATIVE ACTIVITIES

- Continue to focus on employee engagement through internal departmental customer satisfaction surveys
- Continue planning and coordinating the HQ lease replacement
- Enhance the peer review of the (Single-employer and Multiemployer) Pension Insurance Modeling System (PIMS)
- Continue to address material weaknesses, significant deficiencies and other IG findings

### **FY 2016 PBGC priorities include:**

- Continue to focus on completing the benefit determination work in our oldest plans
- Continue to process the large influx of plans, which were trusted in prior years, many of which are large complex plans
- Continue to implement recommendations from the strategic review of the benefits administration and payment function
- Initiate vigorous bankruptcy interventions, negotiations and litigation efforts
- Explore, develop, and implement incentives/settlements to prevent plan sponsor initiated terminations and maximize recoveries
- Promulgate regulations that are understandable, flexible, relevant, and not unduly burdensome
- Develop mechanisms to track and report items required for compliance with the Digital Accountability and Transparency Act of 2014 (Data Act)
- Continue IT Development, Modernization and Enhancement (DME) on several efforts across the Corporation that were initiated in prior years
- Initiate IT Alternative Analyses to evaluate future continued maintenance and/or modernization
- Implement IT information security improvements necessary to support corrective action planned to address material weaknesses in PBGC systems
- Implement Homeland Security Policy Directive 12 (HSPD-12) to enhance physical security and support logical access usage for issued PIV cards
- Update the Corporate Human Capital Strategic Plan and conduct outreach on Human Capital Strategic Planning (including workforce planning and succession planning)
- Continue improvement of the Privacy program
- Develop and draft regulations and other guidance stemming from statutory, regulatory, and policy initiatives, improving PBGC's regulatory process for its stakeholders
- Continue work on implementing corporate governance improvement as required by Section 40231 of P.L. 112-141, the Moving Ahead for Progress in the 21st Century Act (MAP-21)

## CONSOLIDATED ADMINISTRATIVE ACTIVITIES

- Analyze credit, investment, and actuarial risks to the pension insurance programs and build and improve risk models to quantify and measure the impact of these risks to the insurance programs
- Enhance the automation of collection and integration of external and internal information to analyze the financial condition of pension plans and plan sponsors

### **FY 2015 PBGC accomplishments include:**

- Continued preparation and issuance of Benefit Determinations for Delphi Salaried and Hourly employees
- Developed new policies and procedures on Case and Data Management that improve data collection and case management activities
- Strengthened SE and ME-PIMS by enhancing policies and procedures and the quality of actuarial work products, providing actuarial evaluations of PBGC's future expected operations and financial status, and effectively implementing requirements of the OIG's Management Advisory Report and MAP-21 legislation
- Implemented statutory requirements of P.L. 113-235, Consolidated and Further Continuing Appropriations Act, 2015; Divisions O, P, and Q
- Continued technology refreshes of PBGC's technical environment components to keep current with vendor maintenance services and supplied security patches
- Developed internal control processes to ensure services are compliant with standards, enforcement is monitored, and compliance is validated
- Developed new initiatives as well as improved existing employee engagement programs to maintain a high performing, well-motivated workforce

## **CONSOLIDATED ADMINISTRATIVE ACTIVITIES**

### **Workload Summary**

The general trends and challenges facing PBGC are those that face the Defined Benefit (DB) Pension Plan community as a whole. The need for financial and actuarial analysis, coupled with a skilled combination of litigation and negotiation activities, remains critical to the Corporation's success in preserving America's defined benefit pension plans. The continuing need to carefully monitor insured pension plans reflects the conditions in industries with a high concentration of large multiemployer plans (e.g., transportation and construction) and single-employer plans (e.g., autos, manufacturing, transportation, newspapers, healthcare, and retail).

The scale of our future workload changes remains subject to factors largely beyond the Corporation's control but the continuing DB plan decline in the U.S., current deficits and significant exposure to future losses suggest increasing risks to the insurance programs and higher demand on PBGC.

## CONSOLIDATED ADMINISTRATIVE ACTIVITIES

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
11.1	Full-time permanent	110,626	108,875	109,805	930
11.3	Other than full-time permanent	1,564	1,564	1,564	0
11.5	Other personnel compensation	4,005	4,005	4,005	0
11.9	<b>Total personnel compensation</b>	<b>116,195</b>	<b>114,444</b>	<b>115,374</b>	<b>930</b>
12.1	Civilian personnel benefits	31,547	30,863	31,326	463
21.0	Travel and transportation of persons	1,758	1,759	1,759	0
22.0	Transportation of things	1	1	1	0
23.2	Rental payments to others	28,489	29,552	30,128	576
23.3	Communications, utilities, and miscellaneous charges	5,979	5,795	5,795	0
24.0	Printing and reproduction	286	302	302	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	209,271	229,594	323,968	94,374
25.3	Other goods and services from Federal sources 1/	4,100	4,100	4,100	0
26.0	Supplies and materials	2,818	2,718	2,718	0
31.0	Equipment	5,981	4,035	4,035	0
	<b>Total</b>	<b>406,425</b>	<b>423,163</b>	<b>519,506</b>	<b>96,343</b>
	1/Other goods and services from Federal sources				
	Services by Other Government Departments	4,100	4,100	4,100	0

# CONSOLIDATED ADMINISTRATIVE ACTIVITIES

## CHANGES IN FY 2017

(Dollars in Thousands)

**Activity Changes**

**Built-In**

To Provide For:

Costs of pay adjustments	\$1,791
Personnel benefits	703
Two days less of Pay	-1,101
Travel and transportation of persons	0
Transportation of things	0
Rental payments to others	576
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Other goods and services from Federal sources	0
Supplies and materials	0
Equipment	0

**Built-Ins Subtotal** **\$1,969**

**Net Program** **\$94,374**

**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$425,132</b>	<b>942</b>
<b>Program Increase</b>	<b>\$107,239</b>	<b>0</b>
<b>Program Decrease</b>	<b>-\$12,865</b>	<b>0</b>



## OFFICE OF INSPECTOR GENERAL

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
Activity Appropriation	6,157	6,377	6,526	149
FTE	16	25	25	0

NOTE: FY 2015 reflects actual FTE usage.

### **Introduction**

The Office of Inspector General (OIG) was established at the Pension Benefit Guaranty Corporation (PBGC) by the 1988 amendments to the Inspector General Act of 1978 (IG Act). Under the IG Act, the OIG is an independent office within PBGC that has no programmatic responsibility so that the OIG can provide the Agency and Congress information from independent audits and investigations related to the Agency's programs and operations.

Under the IG Act, the Agency head is the PBGC Board of Directors. We communicate with the Board through a regular monthly conference call with the Board Representatives and participate in formal Board meetings. On a day-to-day basis, the Inspector General communicates with the PBGC Director and the Executive Management Committee members about the work the OIG conducts to identify problems and deficiencies in programs administered by PBGC, and the need for timely corrective action. We keep Congress informed through meetings and briefings with Members and their staffs, congressional testimony, and the IG's Semiannual Report to the Congress.

In accordance with section 6(f)(1) of the Inspector General Act of 1978, as amended, 5 U.S.C. App. 3, the Inspector General provides the following information:

- The aggregate request for the operations of the OIG is \$6,526,000
- Of that amount, \$74,724 is requested for training
- I certify that \$74,724 would satisfy the training requirements for FY 2017

### **FY 2017**

#### ***Notable OIG Activities include:***

- Initiate an audit of PBGC's Office of Information Technology Incident Response Program.
- Review the implementation and operation of Office of Benefit Administration's Asset Evaluation Division, including its procedures for evaluating pension plan assets.
- Conduct statutorily-required audits, including financial statements, FISMA, IPERA, and DATA Act, and address whistleblower complaints and Congressionally-requested work.

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- We anticipate conducting an audit peer review of another OIG and having another OIG conduct a peer review of our investigative operations.
- Continue to address outstanding audit recommendations, focusing on Material Weaknesses and Significant Deficiencies.
- Conduct investigations that are impactful to our stakeholders, especially in the areas of pension benefits fraud and employee integrity.

### **FY 2016**

#### *Notable OIG Activities include:*

- Issue financial statement-related audit and evaluation reports, including a FISMA narrative report, IT Vulnerability Assessment and Penetration Testing, and financial statement management letter.
- Issue performance audit reports addressing the effectiveness of PBGC's governance of internal control, and the effectiveness, accuracy and completeness of the multiemployer financial assistance program, including accuracy of payments.
- Continue the series of selected multiemployer program issues.
- Initiate work addressing security of information technology, including audits, evaluations and investigations to examine PBGC's security and privacy measures around PBGC's customer service through self-service related to pension benefits.
- Initiate work to review the effectiveness and efficiency of the process to terminate pension plans in accordance with ERISA's standard termination provisions.
- Continue work relating to benefits administration, including reviewing the effectiveness of PBGC's corrective actions as a result of prior audits.
- Conduct statutorily-required audits and issue reports, including financial statements, FISMA, IPERA, and the new DATA Act, and address whistleblower complaints and Congressionally-requested work.
- Reorganize our investigative function to allow for more specialists in the areas of criminal pension benefits fraud, administrative investigations and special inquiries.
- As appropriate, continue to work with DOL EBSA to identify and prosecute fraud in multiemployer pension plans.
- Continue to address outstanding audit recommendations – at 9/30/15 there were 163; we will focus on the one Material Weakness and three Significant Deficiencies.

### **FY 2015**

#### *Notable accomplishments included:*

- **Financial statement audit.** We issued 3 audit reports related to the audit of PBGC's FY

## OFFICE OF INSPECTOR GENERAL

2015 financial statements, including the 23<sup>rd</sup> consecutive unqualified opinion on the financial statements. For the seventh year, we reported an adverse opinion on PBGC's system of internal controls based on one Material Weakness – Controls over the Present Value of Future Benefit (PVFB) Liability and three Significant Deficiencies – Entity-wide Security Program Planning and Management, Access Controls and Configuration Management, and Controls over Premium Income. A separate internal control report provided details of the deficiencies underlying the Material Weakness and Significant Deficiencies. In addition, we issued the Management Letter report from the 2014 financial statement audit.

- **Information security weaknesses.** We filed the FISMA template report with OMB, assessing PBGC's information security posture, and detailed on-going IT security weaknesses in the financial statement internal control report. We issued a narrative FISMA report and a report on vulnerability assessment and penetration testing; each described additional significant vulnerabilities that will require corrective action on the part of PBGC. As a result of these reports, we issued 40 recommendations.
- **Audit of PBGC's Compliance with MAP-21.** We assessed PBGC's corrective actions taken in response to a Management Advisory Report that identified serious internal control deficiencies in the Policy, Research and Analysis Department, resulting in PBGC's FY 2010 Exposure Report containing errors and lacking support. We evaluated how PBGC captures, maintains, and disposes of federal records associated with PRAD's business process for actuarial reporting. While PBGC made progress in establishing internal controls, it did not complete corrective actions by the June 30, 2013 deadline it had reported to Congress. We issued eight recommendations for improvement.
- **Audit of PBGC's cloud computing activities.** We assessed PBGC's efforts to adopt cloud-computing technologies. We reviewed executed contracts between PBGC and cloud service providers for compliance with applicable standards. We issued six recommendations for improvement.
- **Audit of IPERA Compliance.** We concluded PBGC complied with improper payment requirements and concurred in PBGC's assessment that federal employee payments were not susceptible to significant improper payments. However, we could not opine on the lack of susceptibility of improper financial assistance payments to multiemployer plans because insufficient payments were tested for the Corporation's statistical projections. We issued two recommendations for improvement.
- **Investigative Activity.** We adjudicated 141 investigations and complaints and initiated 41 investigations in addition to our ongoing work. Overarching categories of investigations included allegations of non-receipt of pension payments, improper conduct by PBGC management, and other fraud schemes. We investigated a New York woman who was indicted for her alleged theft of more than \$37,000 in PBGC pension payments by assuming the identity of her deceased mother.

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On-going work includes:

- Audits with a focus on the three new Top Management Challenges, (1) Information Technology, (2) Modernization of Benefit Calculation and Valuation Information Systems, and (3) Transparency and Accountability of Professional Services Contracting.
- Investigative activities in process include investigations stemming from the multiemployer program data analytics fraud indicator pilot project, which involves collaboration with other DOL components.

## OFFICE OF INSPECTOR GENERAL

<b>DETAILED WORKLOAD AND PERFORMANCE</b>					
		<b>FY 2015 Enacted</b>		<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Consolidated Administrative Activities</b>					
<b>Strategic Goal 4 - Secure retirement, health, and other employee benefits and, for those not working, provide income security</b>					
<b>Strategic Objective 4.2 - Improve health benefits and retirement security for all workers</b>					
OIG-1	Percentage of OIG professional staff direct time dedicated to critical, high risk, or high-impact activities	85%	100%	85% [e]	90% [e]
OIG-2	Percentage of audits and evaluations where findings and recommendations are presented to auditee within established timeframes	85%	73%	85% [e]	85% [e]
OIG-3	Percentage of complaint/allegation inquiries timely converted to investigations or closed	80%	68%	80% [e]	85% [e]

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

# OFFICE OF INSPECTOR GENERAL

## Workload Summary

We provide this context for our FY 2015 performance results:

- We strive to conduct audits and investigations that address critical, high risk or high-impact PBGC activities; we exceeded our target, yielding 100 percent of our auditors' and investigators' direct time on such activities. We have increased our target to 90, based on our recent experience but also recognizing that occasionally investigations and audit work must be done that may not be critical or high risk.
- We missed our target of 85 percent by 12 points for the performance goal of timely presenting audit/evaluation findings and recommendations to PBGC. In FY 2015, our audit work resulted in 11 products, which is the second consecutive year of high productivity for our Office of Audit; however, 3 were not timely. Our audit staffing level was low and recruitment efforts not fruitful, resulting in redeployment of staff to the highest priority work designed to keep the Board, Congress and the public informed. We expect to be fully staffed in mid-FY 2016 and anticipate this will allow us to achieve our target of 85 percent.
- We did not meet our timeliness, 80 percent goal to close or convert complaints to investigations within 60 days. Of the 74 complaints we received, 50 were adjudicated within 60 days. In the fourth quarter we focused on working and closing older cases; as a result we closed 141 complaints and investigations and our open matters are current.

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<b>BUDGET ACTIVITY COMPONENT BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
11.1	Full-time permanent	2,976	2,995	3,026	31
11.3	Other than full-time permanent	31	31	31	0
11.5	Other personnel compensation	36	36	36	0
11.9	<b>Total personnel compensation</b>	<b>3,043</b>	<b>3,062</b>	<b>3,093</b>	<b>31</b>
12.1	Civilian personnel benefits	746	757	772	15
21.0	Travel and transportation of persons	48	48	48	0
22.0	Transportation of things	0	0	0	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	1	1	1	0
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	2,263	2,453	2,556	103
25.3	Other goods and services from Federal sources 1/	0	0	0	0
26.0	Supplies and materials	25	25	25	0
31.0	Equipment	31	31	31	0
	<b>Total</b>	<b>6,157</b>	<b>6,377</b>	<b>6,526</b>	<b>149</b>
	1/Other goods and services from Federal sources				

# OFFICE OF INSPECTOR GENERAL

## CHANGES IN FY 2017

(Dollars in Thousands)

**Activity Changes**

**Built-In**

To Provide For:

Costs of pay adjustments	\$48
Personnel benefits	20
Two days less of Pay	-22
Travel and transportation of persons	0
Transportation of things	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Other goods and services from Federal sources	0
Supplies and materials	0
Equipment	0

**Built-Ins Subtotal** **\$46**

**Net Program** **\$103**

**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$6,423</b>	<b>25</b>
<b>Program Increase</b>	<b>\$103</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## INVESTMENT MANAGEMENT FEES PROGRAM

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>96,384</b>	<b>103,906</b>	<b>113,484</b>	<b>9,578</b>
FTE	0	0	0	0

### Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> <sup>12</sup> (Dollars in Thousands)	<u>FTE</u>
2012	\$0	0
2013	\$0	0
2014	\$0	0
2015	\$96,384	0
2016	\$103,906	0

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<sup>12</sup> Prior to FY 2015, Investment Management Fees were included in the administrative budget.

## INVESTMENT MANAGEMENT FEES PROGRAM

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
25.1	Advisory and assistance services	96,384	103,906	113,484	9,578
	<b>Total</b>	<b>96,384</b>	<b>103,906</b>	<b>113,484</b>	<b>9,578</b>

# INVESTMENT MANAGEMENT FEES PROGRAM

## CHANGES IN FY 2017

(Dollars in Thousands)

<b>Activity Changes</b>		
<b>Built-In</b>		
To Provide For:		
Advisory and assistance services		\$0
<b>Built-Ins Subtotal</b>		<b>\$0</b>
<b>Net Program</b>		<b>\$9,578</b>
Direct FTE		<b>0</b>
	<b>Estimate</b>	<b>FTE</b>
<b>Base</b>	<b>\$103,906</b>	<b>0</b>
<b>Program Increase</b>	<b>\$9,578</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## SINGLE-EMPLOYER PROGRAM BENEFIT PAYMENTS

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>5,818,000</b>	<b>6,280,000</b>	<b>7,195,000</b>	<b>915,000</b>
FTE	0	0	0	0

### Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2012	\$6,011,000	0
2013	\$5,800,000	0
2014	\$5,827,000	0
2015	\$5,818,000	0
2016	\$6,280,000	0

## SINGLE-EMPLOYER PROGRAM BENEFIT PAYMENTS

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		FY 2015 Enacted	FY 2016 Enacted	FY 2017 Request	Diff. FY17 Request / FY16 Enacted
11.1	Full-time permanent	0	0	0	0
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	0	0	0	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
12.1	Civilian personnel benefits	0	0	0	0
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	0	0	0	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	0	0	0	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	0	0	0	0
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
25.3	Other goods and services from Federal sources 1/	0	0	0	0
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	0	0	0	0
26.0	Supplies and materials	0	0	0	0
31.0	Equipment	0	0	0	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	5,818,000	6,280,000	7,195,000	915,000
	<b>Total</b>	<b>5,818,000</b>	<b>6,280,000</b>	<b>7,195,000</b>	<b>915,000</b>
	1/Other goods and services from Federal sources				

# SINGLE-EMPLOYER PROGRAM BENEFIT PAYMENTS

## CHANGES IN FY 2017

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments		\$0
Personnel benefits		0
Benefits for former personnel		0
Travel and transportation of persons		0
Transportation of things		0
Rental payments to GSA		0
Rental payments to others		0
Communications, utilities, and miscellaneous charges		0
Printing and reproduction		0
Advisory and assistance services		0
Other services from non-Federal sources		0
Other goods and services from Federal sources		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** **\$0**

**Net Program** **\$915,000**

**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$6,280,000</b>	<b>0</b>
<b>Program Increase</b>	<b>\$915,000</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>





## MULTIEMPLOYER PROGRAM FINANCIAL ASSISTANCE

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>	<b>Diff. FY17 Request / FY16 Enacted</b>
<b>Activity Appropriation</b>	<b>152,000</b>	<b>250,000</b>	<b>315,000</b>	<b>65,000</b>
FTE	0	0	0	0

### Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2012	\$123,000	0
2013	\$118,000	0
2014	\$112,000	0
2015	\$152,000	0
2016	\$250,000	0

## MULTIEMPLOYER PROGRAM FINANCIAL ASSISTANCE

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		FY 2015 Enacted	FY 2016 Enacted	FY 2017 Request	Diff. FY17 Request / FY16 Enacted
11.1	Full-time permanent	0	0	0	0
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	0	0	0	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
12.1	Civilian personnel benefits	0	0	0	0
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	0	0	0	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	0	0	0	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	0	0	0	0
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
25.3	Other goods and services from Federal sources 1/	0	0	0	0
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	0	0	0	0
26.0	Supplies and materials	0	0	0	0
31.0	Equipment	0	0	0	0
33.0	Investments and Loans	152,000	250,000	315,000	65,000
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>152,000</b>	<b>250,000</b>	<b>315,000</b>	<b>65,000</b>
	1/Other goods and services from Federal sources				

# MULTIEMPLOYER PROGRAM FINANCIAL ASSISTANCE

## CHANGES IN FY 2017

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Other goods and services from Federal sources	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
Investment and Loans	0

**Built-Ins Subtotal** \$0

**Net Program** \$65,000

**Direct FTE** 0

	Estimate	FTE
<b>Base</b>	<b>\$250,000</b>	<b>0</b>
<b>Program Increase</b>	<b>\$65,000</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>