

FY 2023

CONGRESSIONAL BUDGET JUSTIFICATION

PENSION BENEFIT GUARANTY CORPORATION

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PENSION BENEFIT GUARANTY CORPORATION

TABLE OF CONTENTS

Appropriation Language	1
Amounts Available for Obligation.....	2
Summary of Changes	4
Summary Budget Authority and FTE by Activity	6
Budget Authority by Object Class	7
Authorizing Statutes.....	8
Appropriation History	10
Overview	11
PBGC Annual Performance Plan.....	14
Organization Chart.....	39
Budget Activities	41
Consolidated Administrative Activities.....	41
Office of Inspector General	51
Investment Management Fees Program.....	63
Single-Employer Program Benefit Payments	67
Multiemployer Program Financial Assistance.....	71

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PENSION BENEFIT GUARANTY CORPORATION

APPROPRIATION LANGUAGE

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, 2023, for the Corporation: Provided, That none of the funds available to the Corporation for fiscal year 2023 shall be available for obligations for administrative expenses in excess of \$493,314,000: 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 2023, an amount not to exceed an additional \$9,200,000 shall be available through September 30, 2027, for obligations for administrative expenses for every 20,000 additional terminated participants: Provided further, That obligations in excess of the amounts provided for administrative expenses in this paragraph may be incurred and shall be available through September 30, 2027 for obligation for unforeseen and extraordinary pre-termination or termination 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: Provided further, That an additional amount shall be available for obligation through September 30, 2027, to the extent the Corporation’s expenses exceed \$250,000 for the provision of credit or identity monitoring to affected individuals upon suffering a security incident or privacy breach, not to exceed an additional \$100 per affected individual.

Note. —A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

PENSION BENEFIT GUARANTY CORPORATION

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2021 Revised Enacted		FY 2022 Full Year C.R.		FY 2023 Request	
	FTE¹	Amount	FTE	Amount	FTE	Amount
A. Appropriation						
Consolidated Administrative Activities ²	952	\$457,563	924	\$457,337	940	\$493,314
Total Administrative Activities	952	\$457,563	924	\$457,337	940	\$493,314
Program Activities						
Investment Management Fees Program	0	\$129,700	0	\$138,000	0	\$139,800
Single-Employer Program Benefit Payments	0	\$7,289,000	0	\$7,140,000	0	\$7,344,000
Multiemployer Program Financial Assistance for Insolvent Plans	0	\$350,000	0	\$190,000	0	\$214,000
Total Program Activities	0	\$7,768,700	0	\$7,468,000	0	\$7,697,800
Total Program and Administrative Activities	952	\$8,226,263	924	\$7,925,337	940	\$8,191,114
American Rescue Plan Act of 2021 (ARP)						
Multiemployer - Special Financial Assistance	0	\$0	0	\$55,000,000	0	\$23,418,000
Multiemployer - Special Financial Assistance - Admin Expenses	15	\$12,052	44	\$26,593	44	\$16,000
Total ARP Funding	15	\$12,052	44	\$55,026,593	44	\$23,434,000
Offsetting Collections:						
Interest on Federal Securities	0	\$882,000	0	\$1,275,000	0	\$1,404,000
Premium Receipts	0	\$5,452,000	0	\$5,012,000	0	\$5,677,000
Benefit Payment Reimbursements	0	\$4,794,000	0	\$5,575,000	0	\$6,283,000
Investment Management Fees Program	0	\$129,700	0	\$138,000	0	\$139,800
Trust Fund for Administrative Expenses ³	0	\$450,088	0	\$447,000	0	\$486,200
Mandatory BA anticipated collection, reimbursable ⁴	0	\$1,212	0	\$250	0	\$250
Loan Repayments - MPRA	0	\$0	0	\$385,200	0	\$0
<i>Subtotal, Offsetting Collections</i>	<i>0</i>	<i>\$11,709,000</i>	<i>0</i>	<i>\$12,832,450</i>	<i>0</i>	<i>\$13,990,250</i>
B. Gross Budget Authority	967	\$19,947,315	968	\$75,784,380	984	\$45,615,364
Offsetting Collections:						
Interest on Federal Securities	0	-\$882,000	0	-\$1,275,000	0	-\$1,404,000
Premium Receipts	0	-\$5,452,000	0	-\$5,012,000	0	-\$5,677,000
Benefits Payment Reimbursements	0	-\$4,794,000	0	-\$5,575,000	0	-\$6,283,000
Investment Management Fees Program	0	-\$129,700	0	-\$138,000	0	-\$139,800
Administrative Expenses	0	-\$450,088	0	-\$447,000	0	-\$486,200
Mandatory BA anticipated collection, reimbursable	0	-\$1,212	0	-\$250	0	-\$250
Loan Repayments - MPRA	0	\$0	0	-\$385,200	0	\$0

PENSION BENEFIT GUARANTY CORPORATION

<i>Subtotal, Offsetting Collections</i>	0	-\$11,709,000	0	-\$12,832,450	0	-\$13,990,250
<i>Subtotal, ARP Funding</i>	-15	-\$12,052	-44	-\$55,026,593	-44	-\$23,434,000
C. Obligating Authority Before Committee	952	\$457,563	924	\$457,337	940	\$493,314
D. Total Budgetary Resources	967	\$8,238,315	968	\$62,951,930	984	\$31,625,114
FTE Lapse and Unobligated Balances ⁵	-29	-\$2,856	0	\$0	0	\$0
FTE Lapse and Unobligated Balances, ARP	0	-\$7,797	0	\$0	0	\$0
E. Total, Estimated Obligations (including ARP)	938	\$8,227,662	968	\$62,951,930	984	\$31,625,114

¹ FY 2021 reflects FTE authorization and utilization.

² FY 2021 and FY 2022 reflect sequestration reductions for mandatory accounts pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended.

³ 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.

⁴ Anticipated collection represents budgetary resources from a reimbursable interagency agreement with the U.S. Department of the Treasury.

⁵ Total lapse in FY 2021 applies only to administrative funds.

PENSION BENEFIT GUARANTY CORPORATION

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2022 Full Year C.R.	FY 2023 Request	Net Change
Obligational Authority			
Program Activities	\$7,468,000	\$7,697,800	+\$229,800
Administrative Activities	\$457,337	\$493,314	+\$35,977
Total	\$7,925,337	\$8,191,114	+\$265,777
Full Time Equivalents			
Program Activities	0	0	0
Administrative Activities	924	940	16
Total	924	940	16

Explanation of Change	FY 2022 Base		FY 2023 Change				Total	
	FTE	Amount	Administrative Activities FTE	Amount	Program Activities FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	924	\$127,676	0	\$7,246	0	\$0	0	\$7,246
Personnel benefits	0	\$42,742	0	\$4,227	0	\$0	0	\$4,227
Benefits for former personnel	0	\$40	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$962	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$24,199	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$4,947	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$128	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$138,000	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$243,139	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	\$10,125	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$973	0	\$0	0	\$0	0	\$0
Equipment	0	\$2,406	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$7,140,000	0	\$0	0	\$0	0	\$0
Investment and Loans	0	\$190,000	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	924	+\$7,925,337	0	+\$11,473	0	\$0	0	+\$11,473
B. Programs:								
Single-Employer Program Benefit Payments	0	\$7,140,000	0	\$0	0	\$204,000	0	\$204,000

PENSION BENEFIT GUARANTY CORPORATION

Explanation of Change	FY 2023 Change							
	FY 2022 Base		Administrative Activities		Program Activities		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Multiemployer Program Financial Assistance for Insolvent Plans	0	\$190,000	0	\$0	0	\$24,000	0	\$24,000
Strengthening Cybersecurity and Modernization of Enterprise Systems	0	\$0	0	\$9,979	0	\$0	0	\$9,979
Processing of Mandatory Workload	0	\$0	16	\$7,952	0	\$0	16	\$7,952
FY 2022 Modernizing Enterprise Risk Management Capabilities and Strengthening Internal Control	0	\$0	0	\$4,600	0	\$0	0	\$4,600
Implementing Federal Safety and Security Protocols	0	\$3,973	0	\$3,973	0	\$0	0	\$3,973
Investment Management Fees Program	0	\$138,000	0	\$0	0	\$1,800	0	\$1,800
Programs Subtotal			16	+\$26,504	0	+\$229,800	16	+\$256,304
Total Increase	924	+\$7,925,337	16	+\$37,977	0	+\$229,800	16	+\$267,777
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
FY 2022 eBusiness Suite Upgrade								
One-time Cost	0	\$0	0	-\$2,000	0	\$0	0	-\$2,000
Programs Subtotal			0	-\$2,000	0	\$0	0	-\$2,000
Total Decrease	0	\$0	0	-\$2,000	0	\$0	0	-\$2,000
Total Change	924	+\$7,925,337	16	+\$35,977	0	+\$229,800	16	+\$265,777

PENSION BENEFIT GUARANTY CORPORATION

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2021 Revised Enacted		FY 2022 Full Year C.R.		FY 2023 Request		Diff. FY23 Request / FY22 Full Year C.R.	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Consolidated Administrative Activities	938	457,563	924	457,337	940	493,314	16	35,977
Administrative	938	457,563	924	457,337	940	493,314	16	35,977
Office of Inspector General - Non-Add	19	7,287	25	7,287	25	7,626	0	339
Administrative	19	7,287	25	7,287	25	7,626	0	339
Investment Management Fees Program	0	129,700	0	138,000	0	139,800	0	1,800
Program	0	129,700	0	138,000	0	139,800	0	1,800
Single-Employer Program Benefit Payments	0	7,289,000	0	7,140,000	0	7,344,000	0	204,000
Program	0	7,289,000	0	7,140,000	0	7,344,000	0	204,000
Multiemployer Program Financial Assistance	0	350,000	0	190,000	0	214,000	0	24,000
Program	0	350,000	0	190,000	0	214,000	0	24,000
Total	938	8,226,263	924	7,925,337	940	8,191,114	16	265,777
Program	0	7,768,700	0	7,468,000	0	7,697,800	0	229,800
Administrative	938	457,563	924	457,337	940	493,314	16	35,977

NOTE: FY 2021 reflects actual FTE. FY 2022 reflects estimated FTE usage at the annualized level of the CR.

PENSION BENEFIT GUARANTY CORPORATION

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
	Full-Time Equivalent				
	Full-time Permanent	922	894	910	16
	Other	30	30	30	0
	Total	952	924	940	16
	Average ES Salary	\$189,251	\$194,361	\$203,302	\$8,941
	Average GM/GS Grade	13/8	13/8	13/8	0
	Average GM/GS Salary	\$127,885	\$131,747	\$137,807	\$6,060
11.1	Full-time permanent	121,070	120,746	127,992	7,246
11.3	Other than full-time permanent	3,010	2,895	2,895	0
11.5	Other personnel compensation	3,997	4,035	4,035	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	128,077	127,676	134,922	7,246
12.1	Civilian personnel benefits	42,131	42,742	46,969	4,227
13.0	Benefits for former personnel	40	40	40	0
21.0	Travel and transportation of persons	1,116	962	962	0
22.0	Transportation of things	0	0	0	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	27,714	24,199	24,199	0
23.3	Communications, utilities, and miscellaneous charges	3,740	4,947	4,947	0
24.0	Printing and reproduction	149	128	128	0
25.1	Advisory and assistance services	129,700	138,000	139,800	1,800
25.2	Other services from non-Federal sources	242,287	243,139	263,694	20,555
25.3	Other goods and services from Federal sources 1/	8,777	10,125	14,074	3,949
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	989	973	973	0
31.0	Equipment	2,543	2,406	2,406	0
33.0	Investments and Loans	350,000	190,000	214,000	24,000
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	7,289,000	7,140,000	7,344,000	204,000
	Total	8,226,263	7,925,337	8,191,114	265,777
	1/Other goods and services from Federal sources				
	Services by Other Government Departments	8,777	10,125	14,074	3,949

PENSION BENEFIT GUARANTY CORPORATION

AUTHORIZING STATUTES

Public Law / Act	Legislation	Statute No. / US Code	Volume No.	Page No.	Expiration Date
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. 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. 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. 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

P.L. 114-74	Bipartisan Budget Act of 2015	129 Stat.	584	Not Applicable
P.L. 117-2	American Rescue Plan Act of 2021 (March 11, 2021)	29 U.S.C.	1305 1431	Not Applicable

PENSION BENEFIT GUARANTY CORPORATION

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2013					
Base Appropriation...1/	\$479,013			\$470,906	1,017
2014					
Base Appropriation...2/	\$505,441			\$496,634	956
2015					
Base Appropriation...3/	\$415,394			\$406,425	977
2016					
Base Appropriation...4/	\$431,799	\$431,799	\$431,799	\$423,163	942
2017					
Base Appropriation...5/	\$519,506	\$519,506	\$519,506	\$510,757	964
2018					
Base Appropriation...6/	\$522,917	\$424,417	\$424,417	\$415,823	966
2019					
Base Appropriation...7/	\$445,363	\$445,363	\$445,363	\$437,018	951
2020					
Base Appropriation...8/	\$452,858	\$452,858		\$444,844	968
2021					
Base Appropriation...9/	\$465,289	\$465,289		\$457,563	952
2022					
Base Appropriation...10/	\$472,955	\$472,955			968
2023					
Base Appropriation	\$493,314				968

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

2/ FY 2014 appropriation reflects a temporary sequestration reduction.

3/ FY 2015 appropriation reflects a temporary sequestration reduction.

4/ FY 2016 appropriation reflects a temporary sequestration reduction.

5/ FY 2017 appropriation reflects a temporary sequestration reduction.

6/ FY 2018 appropriation reflects a temporary sequestration reduction.

7/ FY 2019 appropriation reflects a temporary sequestration reduction.

8/ FY 2020 appropriation reflects a temporary sequestration reduction.

9/ FY 2021 appropriation reflects a temporary sequestration reduction.

10/ FY 2022 appropriation reflects a temporary sequestration reduction. -This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or the full Senate Appropriations Committee. The full-year FY 2022 appropriation was not enacted at the time the budget was prepared.

PENSION BENEFIT GUARANTY CORPORATION

Overview

The Pension Benefit Guaranty Corporation (PBGC or the Corporation) is a federal corporation established under the Employee Retirement Income Security Act (ERISA) of 1974, as amended. It guarantees payment of basic pension benefits earned by over 33,000,000 of America's workers and retirees participating in more than 25,000 private-sector defined benefit pension plans. The Single-Employer Program protects about 22,700,000 workers and retirees in about 23,900 pension plans. The Multiemployer Program protects about 10,900,000 workers and retirees in about 1,360 pension plans. By law, the two programs are financially and operationally separate. Operations are financed by insurance premiums set by Congress and paid by sponsors of defined benefit plans, investment income, assets from pension plans trusted by PBGC, and recoveries from the companies formerly responsible for the plans.

The American Rescue Plan (ARP) Act of 2021 — a historic law passed by Congress and signed by President Biden on March 11, 2021 — established the Special Financial Assistance (SFA) Program for certain financially troubled multiemployer plans. The SFA Program is financed by general taxpayer funds provided by the U.S. Treasury.

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 Corporation'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

PBGC is requesting \$493,314,000 in spending authority for administrative purposes in FY 2023 as follows:

Strengthening Cybersecurity and Modernization of Enterprise Systems, \$9,979,000:

Funding will provide the necessary resources to implement phase 2, multiemployer module, of the Pension Insurance Modeling System (PIMS); fund critical investment program risk mitigation, monitoring and oversight; enable enterprise-wide enhancements to the IT infrastructure and cybersecurity; and provide contractor support to implement automated workflow solutions desperately needed to transition workforce services from manual to automated processes. This request is a recurring cost.

Implementing Federal Safety and Security Protocols, \$3,973,000: Funding will allow PBGC to ensure the safety and security of the workforce and building utilizing Federal Protective Service security as mandated for new General Services Administration office leases. PBGC was previously under a commercial lease, which did not require FPS security. In addition, funding will be used to develop and maintain plans for the continuity of operations, and emergency management and occupational safety as well as cybersecurity and privacy control assessments for PBGC. This request is a recurring cost.

Cost of Living Adjustments, \$11,473,000: Built-ins have been included for personnel costs associated with the cost-of-living adjustment and a 1.1 percent FERS increase. This amount

PENSION BENEFIT GUARANTY CORPORATION

includes funding for the Office of Inspector General. This FY 2022 request of \$5,066,000 and FY 2023 request of \$6,407,000 are recurring costs.

Modernizing Enterprise Risk Management Capabilities and Strengthening Internal Control, \$4,600,000: Funding will provide the necessary resources to procure a modernized acquisition lifecycle management system and fund increased costs for an internal controls contract and several personnel security-related contracts. This FY 2022 request includes recurring costs.

eBusiness Suite Upgrades, - \$2,000,000: Program decrease for a one-time cost to upgrade Oracle's Federal Financial eBusiness Suite applications (Consolidated Financial System and Premium and Practitioner System (PPS)) to the latest version available to ensure a supportable financial management system. This is a one-time FY 2022 reduction.

The Budget calls for the repeal of the provision accelerating fiscal year 2026 premiums into fiscal year 2025. This provision creates unnecessary confusion and burden on insured plans because they are forced to pay premiums early for just one year. The provision will also create additional accounting and management costs for both the plans and PBGC given the high likelihood of late payments. Repealing this provision now will be budget neutral, enhance compliance, and will avoid unnecessary administrative costs for pension plans and PBGC.

PBGC Mission and Vision

Mission: Enhance retirement security by preserving and encouraging the continuation of private pension plans and protecting the benefits of workers and retirees in traditional pension plans.

Vision: A sustainable pension insurance program that supports a robust system of voluntary private plans that provide lifetime retirement income.

PBGC Effectively Protects Retirement Security

PBGC strengthens retirement security by preserving plans and protecting participants' benefits. When companies undertake major transactions that might threaten their ability to pay pensions, PBGC negotiates protections for their pension plans. In 2021, PBGC:

- Provided \$230,000,000 in financial assistance to 109 multiemployer plans, including one facilitated merger
- Helped protect 99,345 single-employer plan participants by taking action to encourage companies to keep their plans when they emerged from bankruptcy
- Conducted 246 standard termination audits of plan sponsor calculations of participants benefits upon plan termination resulting in more than \$2,600,000 in additional benefits distributed to 1,462 participants in these plans

To pay timely and accurate benefits in FY 2021, the Corporation:

- Paid over \$6,400,000,000 to more than 970,000 retirees in single-employer plans
- Assumed responsibility for the benefit payments of an additional 33,895 workers and retirees in the 47 single-employer plans that were trusteed

PENSION BENEFIT GUARANTY CORPORATION

To maintain high standards of stewardship and accountability in FY 2021, the Corporation:

- Attained an unmodified audit opinion on the financial statements
- Closed 55 audit recommendations, including 17 related to three significant deficiencies identified in the Audit of PBGC's Fiscal Year 2019 and 2018 Financial Statements
- Continued providing outstanding service to retirees, as demonstrated by a retiree customer satisfaction score of 88, which is considered an excellent rating according to the American Customer Satisfaction Index

Enterprise Risk Management

PBGC's Enterprise Risk Management (ERM) program continues to facilitate risk-based decision making within the agency, leading to allocation of resources to address priorities. For instance, integration of ERM into the Information Technology Portfolio Review Board process remains intact, with the impact of risk associated with IT system upgrades and implementation being considered during IT portfolio prioritization. Risk-based discussions occur about IT programs and IT project funding to ensure that risk-informed decisions are made while assigning resources. Risk information is also incorporated during strategic planning and organizational performance discussions. In addition, agency-wide risk assessments allow for risk identification and development of mitigation strategies to ensure that safeguards are in place to minimize adverse impacts to mission delivery.

Multiemployer Insurance Program

PBGC's Multiemployer Insurance Program protects about 10,900,000 workers and retirees in about 1,360 pension plans. PBGC's FY 2020 Projections Report shows significant improvements in the projected solvency of the Multiemployer Program. Prior to enactment of ARP, PBGC's Multiemployer Program was projected to become insolvent in FY 2026. By providing special financial assistance to the most financially troubled multiemployer plans, ARP significantly extends the solvency of PBGC's Multiemployer Program.

As of September 30, 2021, the Multiemployer Insurance Program's prior fiscal year-end negative net position of \$63,700,000,000 improved to a positive net position of \$481,000,000.

Single-Employer Insurance Program

The financial condition of the Single-Employer Program showed continuous improvement, reflected in a positive net position of \$30,900,000,000 at the end of FY 2021, up from the prior fiscal year-end of \$15,500,000,000. Estimates from PBGC's FY 2020 Projections Report indicate that the Single-Employer Program likely will avoid a negative net financial position over the next decade. The improvement is welcome, but underfunding in plans sponsored by financially weak sponsors remains high and thus significant exposure remains.

PENSION BENEFIT GUARANTY CORPORATION

PBGC FY 2023 Annual Performance Plan

PBGC's current FY 2022-2026 Strategic Plan provides the framework for this annual performance plan. PBGC conducts regular data-driven performance reviews and strategic reviews. Agency leaders review performance data and status reports on a quarterly basis. The continuous evaluation of performance data and customer feedback helps agency leadership to monitor what is working well and what may need to be adjusted. These performance reviews allow agency leaders to realign or adjust human capital and other resources to influence progress on agency goals and priorities.

PBGC's business operations, information technology programs, investment portfolios, budgets, and finances are managed and supported by a multidisciplinary team of professionals and administrative staff. The current workforce consists of just under 1,000 federal employees, who are supported by contractors. Every federal employee has a performance plan with objectives and performance outcomes with their supervisor of record every 120 days. These highly skilled professionals, who are committed to the work of PBGC's mission include:

- Accountants
- Actuaries
- Attorneys
- Auditors
- Benefit Specialists
- Analysts
- Information Technology and Cybersecurity Experts

Each PBGC employee has an important role in the Corporation's mission of protecting America's pensions. We publish an annual performance report of the agency's accomplishments. The framework is consistent with requirements outlined in Government Performance and Results Modernization Act of 2010.

To view the full PBGC FY 2022-2026 Strategic Plan, please visit:

Placeholder for FY 2022-2026 Strategic Plan link

For the PBGC FY 2021 Annual Performance Report (APR), please visit:

<https://www.pbgc.gov/about/annual-reports/pbgc-annual-performance-financial-report-2021>

PENSION BENEFIT GUARANTY CORPORATION

Strategic Goal 1 Preserve Plans and Protect the Pensions of Covered Workers and Retirees	
Strategic Objectives	Performance Strategies
<p>1. Encourage the continuation and maintenance of pension plans</p>	<ul style="list-style-type: none"> • Engage with employers, workers, and pension practitioners to encourage pension plan continuation and strengthen retirement security • Provide timely, concrete, and practical guidance to plans on the implementation of mergers, partitions, and alternate withdrawal liability proposals to reduce employer risk, while preserving plans and benefits • Maintain a regulatory environment that serves the interests of stakeholders and minimizes the burdens of sponsoring a plan • Educate and inform the multiemployer community (participants, plan sponsors, and other stakeholders) on the effects of the American Rescue Plan Act of 2021 (ARP)
<p>2. Protect workers and retirees when plans are at risk</p>	<ul style="list-style-type: none"> • Preserve plans during bankruptcy and other corporate transactions • Protect the retirement security of workers and retirees and the interest of premium payers in federal courts • Provide technical assistance, analysis, and options to policymakers and Congress to improve the financial stability of the Multiemployer Program • Continue to provide financial assistance to insolvent multiemployer plans
<p>3. ARP Implementation, regulations, guidance to multiemployer plans, and technical assistance to Congress</p>	<ul style="list-style-type: none"> • Research and forecast insurance program activities • Provide guidance to plans on the implementation of mergers, alternate withdrawal liability proposals, and other means to reduce employer risk, while preserving plans and benefits • Provide confidential technical assistance, analysis, and options to Congressional and Executive Branch policy makers to improve the financial stability of PBGC’s insurance programs • Review applications for Special Financial Assistance (SFA) from eligible multiemployer plans and requests for financial assistance from insolvent multiemployer plans • Deliver data tables and the Projections Report to Congress and stakeholders

PENSION BENEFIT GUARANTY CORPORATION

	<ul style="list-style-type: none"> Provide stakeholder education and outreach through meetings with stakeholders Continue to provide financial assistance and provide SFA to multiemployer plans
Goal Leaders: Chief of Negotiations and Restructuring/Chief Policy Officer/General Counsel	

Performance Area (\$ in thousands)		FY 2021	FY 2022	FY 2023
Pension Insurance	Total Funding	97,446	91,713	93,197
	Total FTE	230	230	230

Communications, Outreach, Research, and Policy activities support Strategic Objective 1 (Encourage the continuation and maintenance of pension plans) by providing expert analysis and forecasting, ensuring exceptional customer service, evaluating policy options, and strengthening transparency, disclosure, and communication in order to encourage the continuation and maintenance of pension plans. Results are measured through the following Performance Goals, Strategies, and Measures.	
Performance Goal(s):	Performance Strategies:
<ul style="list-style-type: none"> Receive stakeholder input Provide technical assistance and practical guidance to plan sponsors on the implementation of proposed options to reduce risks, while preserving plans and benefits Perform rigorous cost-benefit analysis Prioritize simplification and transparency Research and implement improvements each year to PBGC’s communications (including PBGC.gov) in response to customer feedback and key performance indicators Provide stakeholder education and outreach by holding meetings with participant groups, plan sponsors, practitioner groups, industry 	<ul style="list-style-type: none"> Engage with employers, participants, and pension practitioners to encourage pension plan continuation and strengthen retirement security Provide timely, concrete, and practical guidance to plans on the implementation of mergers, partitions, and alternate withdrawal liability proposals to reduce employer risk, while preserving plans Maintain a regulatory environment that serves stakeholders and minimizes the burdens of sponsoring a plan Educate and inform the multiemployer community (participants, plan sponsors, and other stakeholders) on the ARP Inform stakeholders about provisions of key regulatory proposals and enacted legislative changes Support Congressional and Executive Branch policymakers in providing technical assistance regarding PBGC’s programs

PENSION BENEFIT GUARANTY CORPORATION

<p>associations, and other interested stakeholders</p> <ul style="list-style-type: none">• Provide data-driven communications to stakeholders based on the latest pension research, data, and projections• Inform practitioners and other stakeholders of key new regulations through speaking engagements at stakeholder conferences and meetings	<ul style="list-style-type: none">• Work with stakeholders to promote understanding of major program risks and possible mitigation strategies• Serve as a resource for pension policy analysis and pension research products, education, and guidance• Develop an annual projections report on the future status of the Single-Employer and Multiemployer Programs• Deliver pension insurance data tables annually to educate stakeholders on the facts of PBGC's programs• Maximize education and outreach through meetings with participant groups, plan sponsors, practitioner groups, industry associations, and other stakeholders
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PENSION BENEFIT GUARANTY CORPORATION

Pension Plan Monitoring and Audit activities support Strategic Objective 2 (Protect workers and retirees when plans are at risk) by reducing liability and exposure to the agency, preserving participants’ pension benefits, and completing audits to ensure accurate benefit distribution. Results are measured through the following Performance Goals, Strategies, and Measures.

Performance Goal(s):	Performance Strategy:
<ul style="list-style-type: none"> • Protect pensioners by proactively monitoring PBGC’s largest exposures for transactions that may pose substantial risks to participants and retirees • Ensure all plans identified in the statistical sample are opened for audit during the year to ensure that participants receive their full retirement benefits. • Represent PBGC’s interests in all bankruptcy cases involving defined benefit pension plans 	<ul style="list-style-type: none"> • Preserve plans during plan sponsor bankruptcies and other corporate transactions • Protect the retirement security of workers and retirees and the interests of premium payers in federal courts • Provide technical assistance, analysis, and options to policymakers and Congress to improve the financial stability of the Multiemployer Program • Continue to provide financial assistance to insolvent multiemployer plans

Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
Reportable events resolved within 30 days	N/A (New Measure)	100% (95%)	100% (95%)	N/A (95%)	N/A (95%)
Percent of termination recommendations approved by senior Agency officials	N/A (New Measure)	100% (90%)	100% (90%)	N/A (90%)	N/A (90%)
Standard termination audits completed	N/A (New Measure)	313 (300)	246 (300)	N/A (250)	N/A (225)

What actions will you take in FY 2023 to achieve the targets described above?

- Reportable Events – A triage team will review reportable events. The reportable events are submitted electronically by pension plan sponsors, some via an e-filing portal (that is linked directly to a database) and some via a more traditional email box. In FY 2022, use of the e-filing portal became mandatory. The change was implemented to reduce human error associated with checking the e-mail box and improve Corporate Financing and Restructuring Department’s (CFRD) ability to resolve the events timely

PENSION BENEFIT GUARANTY CORPORATION

- Termination Recommendations – A multi-layered review process for termination recommendation will be used (detailed in CFRD FMFIA statement) and CFRD will continue to rely on this process to produce well-documented and supported recommendations
- Standard Termination Audits – Management will continue to monitor case submissions to ensure a consistent inventory of audits are reviewed and closed. Additionally, management will periodically evaluate audit closing count and shifts resources as needed to enable meeting the goal and continue to review each audit performed to ensure compliance with PBGC regulations, relevant IRS rules and regulations, and plan provisions

Multiemployer activities support Strategic Objective 3 (ARP Implementation, regulations, guidance to multiemployer plans, and technical assistance to Congress) by issuing regulations, evaluating policy options, providing guidance to multiemployer plans, and delivering technical assistance to Congress. Results are measured through the following Performance Goals, Strategies, and Measures.

Performance Goal(s):	Performance Strategy:
<ul style="list-style-type: none"> • Deliver annual projections report on the future status of the Single-Employer and Multiemployer Programs • Deliver guidance to plans that may be eligible for Special Financial Assistance (SFA) and process plan applications promptly • Publish annual pension data to educate stakeholders on the Single-Employer and Multiemployer programs • Educate and inform the multiemployer community on the effects of ARP • Monitor all multiemployer plans that receive special and regular financial assistance for compliance with laws and regulations • For insolvent plans, maintain rigorous audit standards to ensure accurate benefit 	<ul style="list-style-type: none"> • Research and forecast insurance program activities • Provide guidance to plans on the implementation of mergers, alternate withdrawal liability proposals, and other means to reduce employer risk, while preserving plans and benefits • Provide confidential technical assistance, analysis, and options to Congressional and Executive Branch policy makers to improve the financial stability of PBGC’s insurance programs • Review applications for Special Financial Assistance (SFA) from eligible multiemployer plans and requests for financial assistance from insolvent multiemployer plans • Deliver data tables and the Projections Report to Congress and stakeholders • Provide stakeholder education and outreach through meetings with stakeholders • Continue to provide financial assistance and begin to provide SFA to multiemployer plans

PENSION BENEFIT GUARANTY CORPORATION

payments to plan participants, efficient management of any remaining assets, and compliance with laws and regulations					
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
Number of SFA applications processed for ME plans	N/A (N/A)	N/A (N/A)	N/A (N/A)	N/A (N/A)	New Measure (268)
Amount of SFA payments to eligible ME plans	N/A (N/A)	N/A (N/A)	N/A (N/A)	N/A (N/A)	New Measure (97.2 B)
What actions will you take in FY 2023 to achieve the targets described above?					
<ul style="list-style-type: none"> Action has not been determined 					

Strategic Goal 2 Pay Pension Benefits on Time and Accurately				
Strategic Objectives		Performance Strategies		
4. Ensure regular monthly benefit payments continue without interruption	<ul style="list-style-type: none"> Continue uninterrupted benefit payments in newly trustee plans Process benefit applications timely Prioritize processing plans with greatest number of participants 			
5. Provide accurate and timely benefit calculations	<ul style="list-style-type: none"> Improve the timeliness and completeness of benefit determinations Provide a timely and efficient appeals process for PBGC benefit determinations Resolve appeals quickly and fairly 			
Goal Leaders: Chief of Benefits Administration/Chief Policy Officer/General Counsel				
Performance Area (\$ in thousands)		FY 2021	FY 2022	FY 2023
Pension Plan Termination	Total Funding	195,913	199,213	212,435
	Total FTE	328	328	328

PENSION BENEFIT GUARANTY CORPORATION

Benefit Administration activities support Strategic Objective 4 (Ensure regular monthly benefit payments continue without interruption) by processing benefit applications as they are received. Results are measured through the following Performance Goals, Strategies, and Measures.					
Performance Goal(s):	Performance Strategy:				
<ul style="list-style-type: none"> Deliver the first payment on the requested annuity start date 90 percent of time 	<ul style="list-style-type: none"> Process benefit applications timely 				
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
Benefit applications approved within 45 days	90% (87%)	78% (87%)	76% (87%)	N/A (Retire)	N/A (Eliminate)
First payment delivered on requested annuity start date 90 percent of the time	N/A (N/A)	N/A (N/A)	N/A (N/A)	N/A (N/A)	New Measure (90%)
What actions will you take in FY 2023 to achieve the targets described above?					
<ul style="list-style-type: none"> Regular monitoring of applications in process 					

Final Benefit Determination activities support Strategic Objective 5 (Provide accurate and timely benefits calculations) by estimating initial benefit amounts when pension plans are trusted as well as reviewing pension plan records to determine the final benefit and issuing a Benefit Determination Letter. Results are measured through the following Performance Goals, Strategies, and Measures.					
Performance Goal(s):	Performance Strategy:				
<ul style="list-style-type: none"> Ensure that the average time in years to issue a benefit determination (time between trusteeship and benefit determination issuance is 4.5 years) 	<ul style="list-style-type: none"> Improve the timeliness and completeness of benefit determinations 				
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
Average time in years to issue a benefit determination (time between	5.6	5.3	5.9	N/A	N/A

PENSION BENEFIT GUARANTY CORPORATION

trusteeship and benefit determination issuance) is 4.5 years	(5.5)	(5.5)	(5.0)	(4.5)	(4.5)
What actions will you take in FY 2023 to achieve the targets described above?					
<ul style="list-style-type: none"> • Prioritize plans based on age and size, assign resources, and monitor progress 					

Initial Benefit Estimation activities support Strategic Objective 5 (Provide accurate and timely benefits calculations) by estimating initial benefit amounts when pension plans are trusted as well as reviewing pension plan records to determine the final benefit and issuing a Benefit Determination Letter. Results are measured through the following Performance Goals, Strategies, and Measures.					
Performance Goal(s):		Performance Strategy:			
<ul style="list-style-type: none"> • Provide estimated benefits within 10 percent of the final benefit determination 95 percent of the time 		<ul style="list-style-type: none"> • Improve the accuracy of benefit determinations 			
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
Estimated benefits within 10 percent of the final benefit determination 95 percent of time	96% (95%)	96% (95%)	98% (95%)	N/A (95%)	N/A (95%)
What actions will you take in FY 2023 to achieve the targets described above?					
<ul style="list-style-type: none"> • Continue to monitor estimated benefits to assure accuracy 					

The Appeals Program supports Strategic Objective 5 (Provide accurate and timely benefit calculations) by providing Appeals Board decisions on appeals and written explanations on all other inquiries that do not qualify as appeals. Results are measured through the following Performance Goals, Strategies, and Measures.					
Performance Goal(s):		Performance Strategy:			
<ul style="list-style-type: none"> • Resolve majority of appeals within one year 		<ul style="list-style-type: none"> • Provide a timely and efficient appeals process for PBGC benefit determinations • Resolve appeals quickly and fairly 			

PENSION BENEFIT GUARANTY CORPORATION

Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
Percentage of appeals resolved within 365 days	98% (N/A)	99% (90%)	97% (90%)	N/A (90%)	N/A (90%)
<p>What actions will you take in FY 2023 to achieve the targets described above?</p> <ul style="list-style-type: none"> Based on current inventory and expected FY 2022 and FY 2023 incoming appeals, the FY 2022 and FY 2023 target of closing 90 percent of all appeals in 365 days is achievable. FY 2022 and FY 2023 of 90 percent is reasonable based on current workload 					

PENSION BENEFIT GUARANTY CORPORATION

Strategic Goal 3 Maintain High Standards of Stewardship and Accountability	
Strategic Objectives	Performance Strategies
6. Provide excellent customer service	<ul style="list-style-type: none"> • Research and implement improvements each year to PBGC’s communications (including PBGC.gov) in response to customer feedback and key performance indicators (e.g., surveys, etc.) • Seek opportunities to reach out to retirees and pension participants with disabilities, limited English proficiency, and limited access to internet
7. Meet or exceed the financial and ethical standards that apply to PBGC as a major financial and government institution, and monitor cash flows (including appropriated funds for SFA payments)	<ul style="list-style-type: none"> • Manage investments prudently consistent with investment policy • Collect insurance premiums due • Continue to monitor the efficient use of PBGC’s cash flows • Maintain a robust control environment that will prevent, detect, and recover improper payments • Conduct quality due diligence on the PBGC investment portfolios
8. Maintain effective IT Security	<ul style="list-style-type: none"> • Maintain adequate IT Security posture based on NIST guidance and implement DHS Cybersecurity Directives • Ensure on-going authorization of all FISMA reportable system by overseeing information security continuous monitoring (ISCM) • Utilize cloud technology and build towards a Zero-Trust Architecture (ZTA) • Fully integrate identify and credential access management (ICAM) solutions
9. Retain a highly skilled workforce	<ul style="list-style-type: none"> • Train a high-quality multidisciplinary workforce • Train supervisors and managers on managing telework employees • Increase and develop innovative virtual management training • Support supervisors and managers on managing employee performance • Incorporate in the monthly Work Life and Wellness themes with live virtual webinars hosted through Federal Occupation and Health (FOH) and Work Life for You

PENSION BENEFIT GUARANTY CORPORATION

		<ul style="list-style-type: none"> • Provide live webinars and Department training for Employee Assistance Program (EAP) services • Update respective policies i.e., Student Loan Repayment Program (SLRP) 		
10. Encourage and support a diverse and inclusive work environment that encourages employee engagement		<ul style="list-style-type: none"> • Foster a diverse, high-performing workforce drawn from all segments of American society • Foster a culture of inclusion that encourages collaboration, flexibility, and fairness • Continue to conduct YOUiversity Bias Training to create opportunities for individuals to investigate their bias and to understand bias’s impact on equal employment opportunity 		
11. Strengthen transparency, disclosure, and communication		<ul style="list-style-type: none"> • Provide effective and timely communication with plan participants and other stakeholders • Inform stakeholders about provisions of key legislative and regulatory proposals • Make improvements to annual communications based on quarterly analytics • Foster consistent, fair, and impartial treatment of participants and stakeholders, including those who belong to historically underserved communities • Maintain a secure hosting environment, closely monitor web logs, and respond quickly to any issues that arise 		
12. Strengthen enterprise risk management		<ul style="list-style-type: none"> • Educate and inform stakeholders on the impact of entity-wide risks 		
13. Strengthen contractor oversight to reduce enterprise-wide risks		<ul style="list-style-type: none"> • Identify root causes and incorporate lessons-learned to improve future acquisitions • Improve accountability of acquisition processes 		
Goal Leaders: Chief Management Officer/Chief Financial Officer/ Chief Information Officer/General Counsel/Chief Policy Officer				
Performance Area (\$ in thousands)		FY 2021	FY 2022	FY 2023
Operational Support	Total Funding	164,204	166,410	187,683
	Total FTE	410	410	410

PENSION BENEFIT GUARANTY CORPORATION

<p>Customer Service measurement activities support Strategic Objective 6 (Provide excellent customer service) by responding to requests for service and information from pension plan sponsors as well as providing online tools for plan sponsors. Results are measured through the following Performance Goals, Strategies, and Measures.</p>					
Performance Goal(s):		Performance Strategy:			
<p>PBGC actions result in achievement of:</p> <ul style="list-style-type: none"> 80 or higher customer satisfaction score on PBGC's online premium filing tool, My Plan Administration Account (My PAA), by 2022 74 or higher on PBGC's premium filer customer satisfaction survey by 2022 		<ul style="list-style-type: none"> Research and implement improvements each year to PBGC's communications in response to customer feedback and key performance indicators (e.g., surveys, etc.) 			
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
PBGC's actions result in satisfaction scores which meet or exceed targets for My PAA Online survey	79 (80)	90 (80)	71 (80)	N/A (80)	N/A (80)
PBGC's actions result in satisfaction scores which meet or exceed targets for Premium Filer survey	74 (74)	76 (74)	77 (74)	N/A (74)	N/A (74)
<p>What actions will you take in FY 2023 to achieve the targets described above?</p> <ul style="list-style-type: none"> Continue to provide a Problem Resolution Officer to monitor and assist practitioners with system or regulatory updates, issues, or concerns. Review and update the My PAA annual filing system to improve functionality, technical enhancements, and security to ensure PBGC continues providing an outstanding customer experience 					
<p>Customer Service Participant activities support Strategic Objective 6 (Provide excellent customer service) by operating a customer contact center and web portal My Participant Benefit Access (MyPBA) to respond to requests for assistance and provide useful information for pension plan participants, requests for service and information from pension plan sponsors, as well as providing online tools for plan sponsors. Results are measured through the following Performance Goals, Strategies, and Measures.</p>					
Performance Goal(s):		Performance Strategy:			

PENSION BENEFIT GUARANTY CORPORATION

<ul style="list-style-type: none"> Achieve scores which meet or exceeds the targets on all three Customer Satisfaction surveys Frequently promote equity through customer outreach and communication, identifying and educating at-risk elderly customers 	<ul style="list-style-type: none"> Research and implement improvements each year to PBGC's communications in response to customer feedback and key performance indicators (e.g., surveys, etc.) Seek opportunities to reach out to retirees and pension participants with disabilities, limited English proficiency, and limited access to internet 				
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
PBGC's actions result in achievement of a score of 90 or higher on PBGC's Retiree customer satisfaction survey	91 (90)	89 (90)	88 (90)	N/A (90)	N/A (90)
PBGC's actions result in achievement of a score of 77 or higher on PBGC'S MyPBA customer satisfaction survey	77 (77)	78 (77)	64 (77)	N/A (77)	N/A (77)
PBGC's actions result in achievement of 83 or higher on PBGC's Participant Caller satisfaction survey	84 (85)	81 (85)	76 (85)	N/A (83)	N/A (83)
What actions will you take in FY 2023 to achieve the targets described above?					
<ul style="list-style-type: none"> Regular monitoring of customer service delivery 					

Financial Operations activities support Strategic Objective 7 (Meet or exceed the financial and ethical standards that apply to PBGC as a major financial and government institution and monitor flows) by producing financial statements. Results are measured through the following Performance Goals, Strategies, and Measures.					
Performance Goal(s):		Performance Strategy:			
<ul style="list-style-type: none"> Attain an unmodified audit opinion on annual financial statements 		<ul style="list-style-type: none"> Collect insurance premiums due Continue to monitor the efficient use of PBGC's cash flows 			
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)

PENSION BENEFIT GUARANTY CORPORATION

PBGC's actions will result in an unmodified Financial Statement Audit	Yes (Yes)	Yes (Yes)	Yes (Yes)	N/A (Yes)	N/A (Yes)
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What actions will you take in FY 2023 to achieve the targets described above?

- Continue to provide accounting, financial reporting and management, as well as premium filing services to the practitioner community and PBGC's financial information to external users
- Perform the following: ascertain and report PBGC's financial condition, perform financial related tasks in compliance with laws and regulations, fulfill premium filing and payment obligations, adhere to applicable accounting principles, and support management's representation as to the adequacy of PBGC's internal controls

Corporate Controls and Reviews Department activities support Strategic Objective 7 (Meet or exceed the financial and ethical standards that apply to PBGC as a major financial and government institution and monitor flows) by providing a written report on results of Improper Payment Risk Assessment for selected payment streams. Results are measured through the following Performance Goals, Strategies, and Measures.

Performance Goal(s):	Performance Strategy:				
<ul style="list-style-type: none"> • Compliance with the Payment Integrity Information Act of 2019 to prevent, detect, and recover improper payments 	<ul style="list-style-type: none"> • Maintain a robust control environment that will prevent, detect, and recover improper payments 				
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
PBGC's actions will result in compliance with the Payment Integrity Information Act of 2019 (PIIA)	Yes (Compliance with Improper Payments Elimination and Recover Act of 2012)	Yes (Compliance with Improper Payments Elimination and Recovery Act of 2012)	Yes (Compliance with PIIA)	N/A (Compliance with PIIA)	N/A (Compliance with PIIA)

What actions will you take in FY 2023 to achieve the targets described above?

PENSION BENEFIT GUARANTY CORPORATION

- Conduct improper payments risk assessment on selected payment streams

Corporate Investment activities support Strategic Objective 7 (Meet or exceed the financial and ethical standards that apply to PBGC as a major financial and government institution and monitor cash flows) by providing investment management service for plans trusted by the PBGC and for assets managed by the Corporation. Results are measured through the following Performance Goals, Strategies, and Measures.

Performance Goal(s):	Performance Strategy:				
<ul style="list-style-type: none"> • Comply with the asset allocation set forth in the Investment Policy Statement 	<ul style="list-style-type: none"> • Manage investments prudently and consistent with investment policy • Conduct quality due diligence on the PBGC investment portfolios 				
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
PBGC's actions result in compliance with asset allocation listed in current Investment Policy Statement	Yes (Yes)	Yes (Yes)	Yes (Yes)	N/A (Yes)	N/A (Yes)
What actions will you take in FY 2023 to achieve the targets described above?					
<ul style="list-style-type: none"> • Continue to meet the requirements under the Board approved Investment Policy Statement 					

Information Technology activities support Strategic Objective 8 (Maintain effective IT Security) by producing Annual and quarterly Federal Information Security Management Act (FISMA) reports, “Managing Risk” ratings for Cybersecurity Framework (CSF) functions (identify, protect, detect, respond, and recover), operationalizing an insider-threat program, and automating ICAM functions. Results are measured through the following Performance Goals, Strategies, and Measures.

Performance Goal(s):	Performance Strategy:				
<ul style="list-style-type: none"> • Achieve “Managing Risk” on OMB’s Annual FISMA Report Cybersecurity Risk Management Assessment (RMA) • Maintain or exceed “level 4: Managed and Measurable Rating” or as determined by 	<ul style="list-style-type: none"> • Maintain adequate IT Security posture based on NIST guidance and implement DHS Cybersecurity Directives • Ensure on-going authorization of all FISMA reportable system by overseeing ISCM • Utilize cloud technology and build towards a ZTA • Fully integrate ICAM solutions 				

PENSION BENEFIT GUARANTY CORPORATION

<p>the IG as effective overall on the OIG Cybersecurity Framework Functions</p> <ul style="list-style-type: none"> Align agency resources to ensure 100 percent active compliance with Executive Order 14028 requirements and the corresponding agency reporting 					
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
OMB RMA	Yes (Managing Risk)	Yes (Managing Risk)	Yes (Managing Risk)	N/A (Managing Risk)	N/A (Managing Risk)
<p>What actions will you take in FY 2023 to achieve the targets described above?</p> <ul style="list-style-type: none"> Conduct independent control assessments and maximize use of common controls Continually assess FISMA reportable systems for compliance with OMB/DHS mandates Implement applicable CDM requirements utilized for the PBGC cybersecurity dashboard 					

<p>Human Resources activities support Strategic Objective 9 (Retain a highly skilled workforce) through recruitment and retention of a highly skilled and diverse workforce; train leaders who can properly address employee performance and misconduct and operate a comprehensive virtual Work Life and Wellness Program. Results are measured through the following Performance Goals, Strategies, and Measures.</p>	
Performance Goal(s):	Performance Strategy:
<ul style="list-style-type: none"> Increase management participation in training on managing teleworking employees by 10 percent Increase participation in the SLRP by 5 percent by continuing education for management recruitment and retention incentives, increase eligible application pool, and increasing the use of marketing 	<ul style="list-style-type: none"> Train a high-quality multidisciplinary workforce Train supervisors and managers on managing telework employees Increase and develop innovative virtual management training Support supervisors and managers on managing employee performance Incorporate in the monthly Work Life and Wellness themes with live virtual webinars hosted through FOH and Work Life for You

PENSION BENEFIT GUARANTY CORPORATION

<p>tools such as program videos, cartoons, and intranet presence</p> <ul style="list-style-type: none"> • Provide 10 virtual Work Life and Wellness Programs annually 	<ul style="list-style-type: none"> • Provide live webinars and Department training for EAP services • Update respective policies i.e., SLRP 				
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
Conduct a minimum of two performance and employee conduct trainings	8 (2)	3 (2)	18 (2)	N/A (2)	N/A (2)
Participate in a minimum of two targeted job fairs	2 (2)	3 (2)	4 (2)	N/A (2)	N/A (2)
Provide work life balance and wellness events	42 (20)	40 (25)	97 (25)	N/A (25)	N/A (25)
Conduct a minimum of two managing telework employee trainings	N/A (N/A)	N/A (N/A)	N/A (N/A)	New Measure (2)	N/A (2)
Promote retention incentives	N/A (N/A)	N/A (N/A)	N/A (N/A)	New Measure (2)	N/A (2)
What actions will you take in FY 2023 to achieve the targets described above?					
<ul style="list-style-type: none"> • Update the SLRP Directive • Continue offering virtual training courses on managing employees 					

<p>Equal Employment Opportunity activities support Strategic Objective 10 (Encourage and support a diverse and inclusive work environment that encourages employee engagement) by assisting in the eradication of employment discrimination, improving diversity in the workplace, and creating an environment where all PBGC employees are valued, respected, and free to develop and perform to their fullest potential. Results are measured through the following Performance Goals, Strategies, and Measures.</p>	
Performance Goal(s):	Performance Strategy:
<ul style="list-style-type: none"> • Achieve 85 percent positive score for employee engagement on the Federal 	<ul style="list-style-type: none"> • Foster a diverse, high-performing workforce drawn from all segments of American society

PENSION BENEFIT GUARANTY CORPORATION

Employee Viewpoint Survey by 2026 <ul style="list-style-type: none"> By 2026 and per EEOC's benchmark, have GS-15 and SL grade representation more reflective of the agency's total workforce 	<ul style="list-style-type: none"> Foster a culture of inclusion that encourages collaboration, flexibility, and fairness Continue to conduct YOUniversity Bias Training to create opportunities for individuals to investigate their bias and to understand bias's impact on equal employment opportunity 				
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
Increase gradually – half percent each year until grade representation for these groups increases in GS-15 and SL	Yes (Yes)	No (Yes)	No (Yes)	N/A (Yes)	N/A (Yes)
What actions will you take in FY 2023 to achieve the targets described above? <ul style="list-style-type: none"> Continue to conduct barrier analysis to identify potential barriers to equal employment opportunity Continue to build relationships with and support each PBGC Department Director's EEO efforts with the ongoing OEEO point of contact assignment Continue to leverage affirmative employment committees to assist in determining the needs of PBGC's workforce Continue to be proactive in mitigating complaints by providing EEO training that informs and educates on anti-discriminatory and anti-harassment behavior Continue to offer YOUniversity Bias Awareness Training and other programs that support inclusivity in an effort to guide individuals in identifying workplace behaviors that support equal employment opportunity and behaviors that help mitigate discrimination Continue to offer the Education & Enrichment Book Club Series and Daring Dialogue and other ad hoc workshops that support opportunities for perspective-sharing and to understand another's dimensions of identity in the workplace 					

External Corporate Internet Program activities support Strategic Objective 11 (Strengthen transparency, disclosure, and communication) by providing online tools for plan participants and plan sponsors and continuing to enhance the website experience for the general public, plan participants, and sponsors. Results are measured through the following Performance Goals, Strategies, and Measures.	
Performance Goal(s):	Performance Strategy:

PENSION BENEFIT GUARANTY CORPORATION

<ul style="list-style-type: none"> • Comply with all FOIA deadlines and maintain model disclosure program • Research and implement improvements each year to PBGC’s communications (including PBGC.gov) in response to customer feedback and key performance indicators (surveys, etc.) • Maximize stakeholder education and outreach, including published regulation by holding frequent meetings with participant groups, plan sponsors, practitioner groups, industry associations, and other interested stakeholders • Provide annual data-driven data tables and projection reports to stakeholders based on the latest pension research, data, and projections • Ensure stakeholder access to information on PBGC.gov by monitoring and improving the website’s performance and security, and working with its host to minimize service interruptions 	<ul style="list-style-type: none"> • Provide effective and timely communication with plan participants and other stakeholders • Inform stakeholders about provisions of key legislative and regulatory proposals • Make improvements to annual communications based on quarterly analytics • Foster consistent, fair, and impartial treatment of participants and stakeholders, including those who belong to historically underserved communities • Maintain a secure hosting environment, closely monitor web logs, and respond quickly to any issues that arise 				
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
Number of improvements to the usability and content of PBGC.gov per year	N/A (New Measure)	7 (6)	10 (8)	N/A (10)	N/A (10)
PBGC.gov website availability (New Measure starting in FY 2022)	N/A (N/A)	N/A (N/A)	N/A (N/A)	N/A (99%)	N/A (99%)

PENSION BENEFIT GUARANTY CORPORATION

PBGC’s actions result in satisfaction scores which meet or exceed targets website customer satisfaction online survey	75 (75)	73 (75)	64 (75)	N/A (Retire)	N/A (Eliminate)
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What actions will you take in FY 2023 to achieve the targets described above?

- Continue to implement site improvements as informed by customer feedback, audit results, security enhancements, and web best practices. Continue to host in a FedRAMP environment and closely monitor web performance to minimize service interruptions

Enterprise Risk Management activities support Strategic Objective 12 (Strengthen enterprise risk management) by maintaining an Entity-wide Risk Profile, and Entity-wide Risk Register, monitoring Key Risk Indicators, and emerging risks, and promoting Enterprise Risk Management (ERM) Integration with budget, organizational performance, and strategic planning. Results are measured through the following Performance Goals, Strategies, and Measures.

Performance Goal(s):	Performance Strategy:
<ul style="list-style-type: none"> Implement enterprise risk management requirements by conducting a risk assessment and providing risk-related training to the Risk Management Council (RMC) and department directors (or their designees) annually Seven FY 2021 entity-wide risks identified will 	<ul style="list-style-type: none"> Educate and inform stakeholders on the impact of entity-wide risks Continuously seek to improve program maturity level by identifying emerging risks Complete annual risk assessment by OMB deadline Brief key decision-making bodies on entity-wide risks Implement Risk Management Office (RMO) succession planning Deliver ERM training to RMC and Department Directors to ensure consistent knowledge base

PENSION BENEFIT GUARANTY CORPORATION

be evaluated during the annual risk assessment					
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
Identification of emerging entity-wide risks in a timely manner	N/A (N/A)	Identified 21 emerging risks (Increased identification of emerging entity-wide risks in a timely manner)	Yes (Increase identification of entity-wide risks in a timely manner)	N/A (Increase identification of entity-wide risks in a timely manner)	N/A (Increase identification of entity-wide risks in a timely manner)
Continue knowledge-sharing related to risks	N/A (N/A)	Considered risks, included as decision criteria for budget decisions. Collected risk responses from the APP Point of Contacts (POCs) to identify risks that impeded delivery on FY 2022 performance goals and reviewed with RMC (Increased risk-informed decision-making)	Yes (Increase in risk-informed decision-making)	N/A (Increase in risk-informed decision-making)	N/A (Increase in risk-informed decision-making)
Constant vigilance to foster a risk management culture	N/A (N/A)	RMO webpage updated, quarterly RMO messages distributed to PBGC Federal employees	Yes (Continue to communicate ERM status)	N/A (Continue to communicate ERM status)	N/A (Continue to communicate ERM status)

PENSION BENEFIT GUARANTY CORPORATION

		(Continued communication regarding ERM)	
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<p>What actions will you take in FY 2023 to achieve the targets described above?</p> <ul style="list-style-type: none"> Conduct entity-wide risk assessment Work with business owners to identify and review key risk indicators and emerging risks Integrate enterprise risk management with strategic planning and organizational performance processes Include risks as a consideration and decision criteria for budget decisions
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Procurement and Acquisition activities support Strategic Objective 13 (Strengthen contractor oversight to reduce enterprise-wide risks) by providing resources for the PBGC acquisition community to strengthen contractor oversight. Results are measured through the following Performance Goals, Strategies, and Measures.

Performance Goal(s):	Performance Strategy:				
<ul style="list-style-type: none"> Ensure 100 percent of contract actions marked “applicable” undergo legal review 	<ul style="list-style-type: none"> Identify root causes and incorporate lessons-learned to improve future acquisitions Improve accountability of acquisition processes 				
Performance Measures and Targets	FY 2019 Actual (Target)	FY 2020 Actual (Target)	FY 2021 Actual (Target)	FY 2022 Actual (Target)	FY 2023 Actual (Target)
Number of activities and streamlined guidance implemented	16 (5)	6 (5)	5 (5)	N/A (5)	N/A (5)
Percentage of contract actions marked “Applicable” undergo legal review	N/A (N/A)	N/A (N/A)	N/A (N/A)	N/A (New Measure)	N/A (100%)
Percentage of requirements originating within OMA sent to CMO for review	N/A (N/A)	N/A (N/A)	N/A (N/A)	N/A (New Measure)	N/A (100%)

<p>What actions will you take in FY 2023 to achieve the targets described above?</p> <ul style="list-style-type: none"> Launching the new Acquisition Lifecycle Management System (ALMS) requirements. ALMS will be preceded by streamlining the Procurement Department’s website, processes, documentation, and reporting
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PENSION BENEFIT GUARANTY CORPORATION

FY 2021 OPERATIONS IN BRIEF⁶

	2022 Target	2021 Actual	2020 Actual
GOAL 1: Preserve Plans and Protect Pensions			
Single-Employer Plan Participants Protected – Employers Emerging from Bankruptcy During the Year		99,345	127,000
Single-Employer Plan Standard Termination Audits: Additional Payments		\$2.6M paid to 1,462 participants	\$1.9M paid to 1,909 participants
Single-Employer Benefit Payments for Terminated Plans			
<ul style="list-style-type: none"> • Participants Receiving Benefits 		970,000	984,000
<ul style="list-style-type: none"> • Benefits Paid 		Over \$6.4B	Over \$6.1B
<ul style="list-style-type: none"> • Participants Expected to Receive Future Benefits 		525,000	552,000
Multiemployer Plan Financial Assistance (FA)			
<ul style="list-style-type: none"> • FA Payments for Facilitated Mergers 		\$9M	\$9M
Multiemployer Participants in Insolvent Plans			
<ul style="list-style-type: none"> • Total Participants in Plans Receiving FA 		117,958	107,200
<ul style="list-style-type: none"> ○ Participants in Plans that have Received SFA 		n/a	n/a
<ul style="list-style-type: none"> ○ Participants Expected to Receive Future FA Benefits 		37,172	27,600
<ul style="list-style-type: none"> ○ Participants in Plans Receiving Regular FA 		80,786	79,600
<ul style="list-style-type: none"> • Total Amount of FA Paid to ME Plans 		\$230M	\$173M
<ul style="list-style-type: none"> ○ SFA Payments 		n/a	n/a
<ul style="list-style-type: none"> ○ Regular FA Payments 		\$221M	\$164M
GOAL 2: Pay Timely and Accurate Benefits			

⁶ Numbers in this report have been rounded.

PENSION BENEFIT GUARANTY CORPORATION

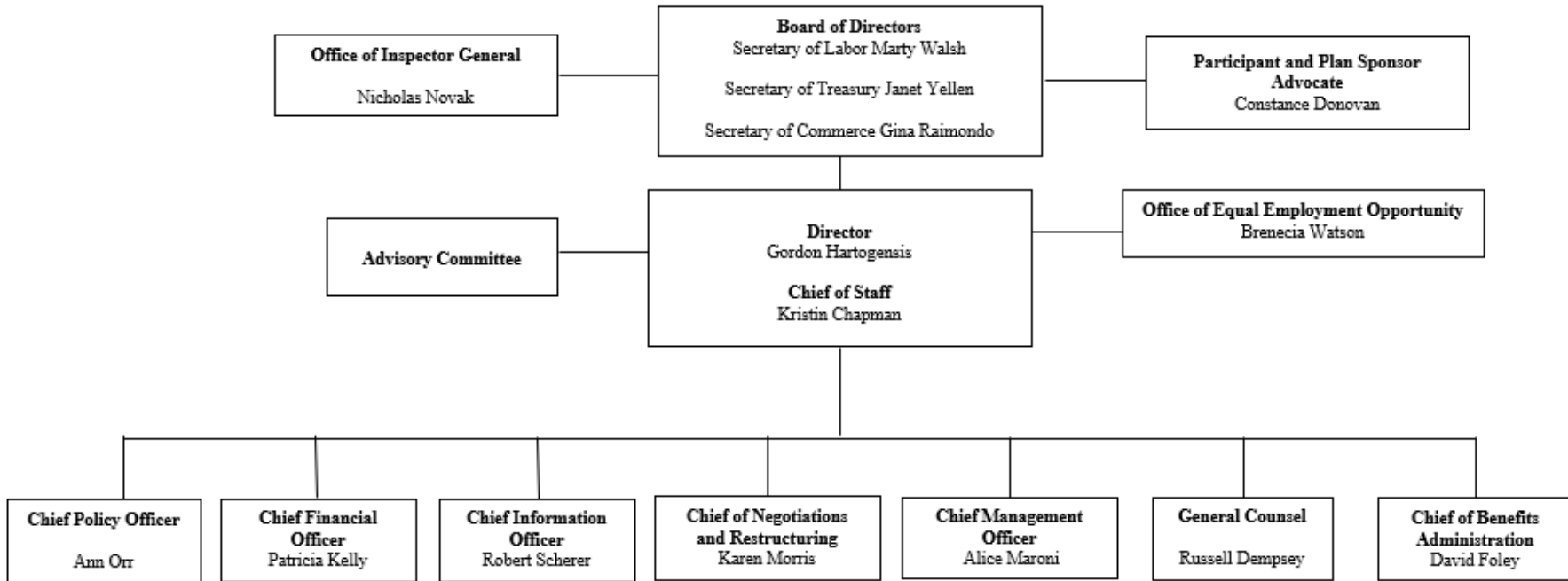
FY 2021 OPERATIONS IN BRIEF ⁶			
Estimated Benefits Within 10% of Final Calculation	95%	98%	96%
Average Time to Provide Benefit Determinations (Years)	4.5	5.9	5.3
Improper Payment Rates Within OMB Threshold⁷	<1.5%	Yes	Yes
GOAL 3: Maintain High Standards of Stewardship and Accountability			
Retiree Satisfaction – ACSI⁸ Score	90	88	89
Participant Caller Satisfaction – ACSI Score	83	76	81
Premium Filer Satisfaction – ACSI Score	74	77	76
Single-Employer - Financial Net Position		\$30.9B	\$15.5B
Multiemployer - Financial Net Position		\$0.5B	(\$63.7B)
Unmodified Financial Statement Audit Opinion	Yes	Yes	Yes
Achieve “Managing Risk” on OMB’s Annual FISMA Report Cybersecurity Risk Management Assessment (RMA)	Yes	Yes	Yes

⁷The 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.

⁸ The American Customer Satisfaction Index (ACSI) uses a 0-100 scale; 80 or above is considered excellent.

PENSION BENEFIT GUARANTY CORPORATION

ORGANIZATION CHART



CONSOLIDATED ADMINISTRATIVE ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
Activity Appropriation	457,563	457,337	493,314	35,977
FTE	938	924	940	16

NOTE: FY 2021 reflects actual FTE. Authorized FTE for FY 2021 was 952. FY 2022 reflects estimated FTE usage at the annualized level of the CR.

Introduction

Consolidated Administrative Activity

PBGC’s administrative activities support the following areas:

- Preserve plans and protect the pensions of covered workers and retirees
- Pay pension benefits on time and accurately
- Maintain high standards of stewardship and accountability

These operations are conducted by:

The **Office of the Director** (OD) plans, administers, and directs PBGC’s programs in accordance with the requirements of Title IV of ERISA and is subject to the direction of the Chairman of the Board of Directors to implement the policies of the Board of Directors; and provide appropriate advice and assistance to the Chairman and Board of Directors. Within the OD, there is the Equal Employment Opportunity Office, which assists in the eradication of employment discrimination and improves diversity in the workplace and the Risk Management Officer, who oversees enterprise-wide risks, ensuring that risk assessment results are considered in the strategic planning process, and that governance and controls are in place to manage and quantify risks.

The **Office of Policy and External Affairs** (OPEA) oversees and directs outreach to PBGC’s external stakeholders, including the press; interact with the Congress, Executive Branch agencies and industry and labor groups on ERISA and PBGC issues; and coordinates analysis, research, and recommendations for the development of policy, regulations, and legislation. OPEA includes the Communications, Outreach and Legislative Affairs (COLA) Department and the Policy, Research, and Analysis Department (PRAD). COLA is responsible for implementing a comprehensive external and internal communications program and PRAD develops policy for PBGC’s insurance programs and conducts related research and modeling, as well as provides legislative and regulatory analysis.

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

CONSOLIDATED ADMINISTRATIVE ACTIVITIES

Controls and Reviews Department (CCRD) prepares reports relating to the effectiveness of internal controls and compliance and serves as the agency's liaison for audits conducted by the OIG and the Government Accountability Office. The Corporate Investment Department (CID) provides investment management services for plans trusted by the PBGC and for assets managed by the Corporation. The Financial Operations Department (FOD) establishes and maintains PBGC's financial and accounting systems, financial management policy, and financial operations, as well as premium operations and collections.

The **Office of the Chief Information Officer (OCIO)** is responsible for the Corporation's IT program. The OCIO provides IT and electronic communications services and support to PBGC; plans, 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; manages cybersecurity; administers agency IT governance structures; and oversees the acquisition of IT resources for PBGC. To accomplish its functions, the OCIO has four departments: the Business Innovation Services Department (BISD), Enterprise Governance Department (EGD), Information Technology Infrastructure Operations Department (ITIOD), and the Enterprise Cybersecurity Department (ECD).

The **Office of Management and Administration (OMA)** plans and directs the efficiency and effectiveness of the Corporation's management and administrative policies and programs including formulation and execution of the budget, procurement of all goods and services for the Agency, recruitment and various human capital initiatives, quality and performance management, strategic planning, customer service, and facility management. OMA includes the Budget Department (BD), Human Resources Department (HRD), Procurement Department (PD), Quality Management Department (QMD), and Workplace Solutions Department (WSD).

The **Office of the General Counsel (OGC)** provides legal advice and counsel for the Director and PBGC departments on all legal issues confronting the Corporation, including ERISA and bankruptcy related legal actions; decides administrative appeals of benefits, coverage, and other determinations; and administers the disclosure and other requirements of the Freedom of Information Act (FOIA) and the Privacy Act. OGC represents PBGC in all state, federal and administrative litigation and manages PBGC's regulatory program. OGC is composed of the Bankruptcy, Litigation and Terminations Department (BLTD); Bankruptcy, Transactions, and Terminations Department (BTDD); General Law and Operations Department (GLOD); and Program Law and Policy Department (PLPD).

The **Office of Negotiations & Restructuring (ONR)** works with pension plan sponsors of single-employer plans and with trustees and administrators of multiemployer plans to preserve their pension plans by monitoring, conducting financial and actuarial analysis, and negotiating plan protections. When plans cannot be preserved, ONR coordinates termination and collection of liabilities of single-employer plans, and payment of financial assistance to multiemployer plans. ONR reviews all applications for SFA received by eligible multiemployer pension plans under the provisions of ARP and reviews standard terminations of single-employer plans to ensure that participants receive their promised benefits. All ONR operations are supported by actuarial analysis. PBGC's engagement with plan sponsors on single-employer and multiemployer plan transactions, including review of SFA applications, enable PBGC to mitigate

CONSOLIDATED ADMINISTRATIVE ACTIVITIES

risks to both of its insurance programs. ONR includes the Corporate Finance & Restructuring Department (CFRD); the Negotiations & Restructuring Actuarial Department (NRAD); and the Plan Compliance Department (PCD).

The **Office of Benefits Administration** (OBA) performs audit, actuarial and benefit administration work for the Corporation's Single-Employer Benefits Administration Programs. When a single-employer plan is terminated and trusteed, OBA collects all the data on the plan, takes over the payments for retirees, and adjusts individual benefit payments to an estimated amount, taking into account the legal limits. Next, the Plan Asset and Data Management Department (PADMD) audits all the participant data to correctly determine the plan population and all the data elements required to calculate each participant's benefits. At the same time, PADMD audits the assets at date of plan termination to provide to the actuaries for calculations. Next, the Actuarial Services and Technology Department (ASTD) will value the total plan liability and calculate each participant's benefit. Finally, our Participant Services Department (PSD) will provide participants with a final benefit determination letter and make any adjustments to benefits for participants that are already in pay status at an estimated amount. PSD also performs ongoing benefit administration activities for all of PBGC's trusteed plans. This includes managing customer communications through our call center and online application, providing estimates for future retirees, processing applications, and making payments to retirees and beneficiaries.

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

CONSOLIDATED ADMINISTRATIVE ACTIVITIES

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2018	\$415,823	966
2019	\$437,018	951
2020	\$444,844	968
2021	\$457,563	952
2022	\$457,337	924

NOTE: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared.

FY 2023 Goals:

- Deliver an annual projections report on the future status of the Single-Employer and Multiemployer Insurance Programs and an annual data book to educate stakeholders
- Establish and strengthen Cybersecurity Programs to perform ongoing security monitoring and assessment activities for PBGC information systems
- Continue to incorporate the risk management system into its investment process as well as work related to a smaller asset manager program
- Provide mobility options to support the changing needs of PBGC's customers and workforce
- Publish interest rates in advance of the quarter to which they apply for 4044 calculations
- Implement Risk Management Framework into security management and communication programs
- Ensure timely, accurate, and responsive customer service and self-service tools are demonstrated by providing high quality customer service, streamlining processes, implementing legislative changes, deployment of improved processes and technology, and performing timely processing of premium filings, refunds, waivers, and requests for reconsideration
- Proactively prevent unlawful discrimination
- Manage Enterprise Cybersecurity / Risk Management Program consistent with Federal laws, regulations, and PBGC directives and policies
- Implement the Investment Policy Statement (IPS) and glide path
- Retain and train a highly-skilled multidisciplinary workforce
- Establish and maintain the strategic, operational, and technical decision-making process enabling the corporation to achieve its mission and objectives
- Establish an Information Technology Security Workforce Improvement Program
- Enhance human capital resources and assets through focus on recruiting, empowering, and supporting a high-performing, competent, and diverse IT workforce that combines business expertise and technology expertise to deliver exceptional IT services
- Maintain succession and workforce planning activities
- Advocate for equal opportunity

CONSOLIDATED ADMINISTRATIVE ACTIVITIES

FY 2022 Priorities:

- Maintain, publish, train, and implement modernized IT Program and Project Management practices and associated artifacts
- Provide the best customer service possible for PBGC's practitioner community by relying upon specific customer feedback commentary as well as related (aggregate) American Customer Satisfaction Index (ACSI) customer service ratings for two survey areas: (1) Premium filer ACSI scores and (2) My Plan Administration Account ACSI scores
- Administer seven Customer Satisfaction surveys; four web, three non-web and advanced analytics tool to analyze survey results and customer feedback
- Maintain and update the System Security Plans (SSP) that include approximately 600 security controls per application
- Conduct statutorily required audits, including financial statements, Federal Information Security Modernization Act (FISMA), Vulnerability Assessments, Payment Information Integrity Act, and Digital Accountability and Transparency Act, and to address whistleblower complaints and congressionally requested work
- Recognize employee and contractor accomplishments by leveraging performance ratings, awards, and promotions for high performers
- Rebalancing the Investment Portfolio will continue this fiscal year and into FY 2023 with assets being re-allocated within the overall portfolio
- Increase Awareness and Incentives Program utilization to include the Student Loan Repayment Program (SLRP) and 3R's. Program trends forecast budget maximization for 3R's annually and at least 75-80% utilization for SLRP
- Provide high quality customer service to PBGC staff and contractors for Service Desk interactions and Information Technology Infrastructure Operations Department assigned incidents (more than 85% will rate their service good or excellent)
- Collaborate with PBGC Departments in support of the Pension Plan Registry Project, including exploring options to develop a searchable registry tool and collaborating with PBGC's procurement department, as needed, to procure contractor/consultant support
- Conduct eight or more internal departmental customer satisfaction surveys
- Continue performing normal testing of key controls, performing risk assessments, and supporting the FMFIA Statement of Assurance process
- Continue to search for innovative ideas and approaches to improve both the effectiveness and efficiency of our operations going forward
- Support Executive Order 13548 and 18583 and Management Directive 715, by targeting recruitment efforts to increase representation of minority groups and persons with disabilities at PBGC
- Support Actuarial Services and Technology Department and the Office of Benefits and Administration in setting up a system that allows the department to track work closing out from their current contract over the next 5-years while also allowing incoming plans to be assigned on their new contract vehicle
- Complete legal, actuarial, auditing, criminal investigative, and data analytics to provide oversight of the PBGC's implementation of the Emergency Pension Plan Relief Act of 2021.

CONSOLIDATED ADMINISTRATIVE ACTIVITIES

- Meet with PBGC Director as needed and provide updates to the Board Representatives and the Advisory committee, as requested

FY 2021 Accomplishments:

- Maintained the Agency's approved Budget by ensuring that all departments stayed within the allotted budget during the fiscal year
- Processed 835,000 monthly payments totaling \$5.6 billion in annual payments
- Closed outstanding audit findings FS-15-04, FISMA-17-01, FISMA-18-04, FISMA 2021-05-10 and FISMA 2021-05-11
- Attained an overall FISMA audit performance rating of "Effective" for first time
- Fully compliant, to date, with Executive Order 14028, Improving the Nation's Cybersecurity
- Implemented recommended Address Validation Service Roadmap releases, ensuring that AVS continues to meet functional, technical and security requirements, integration planning with OBA's Customer Relationship Management Modernization; Socialize AVS to maximize adoption and effectiveness
- Devoted significant resources to requests for modeling various proposals from the Congress
- Continued to support new development, enhancement, and modernization activities, including the implementation of My PAA 2.0 for external users
- Provided support to all departments on budgetary matters and adhere to various internal and external reporting requirements
- Answered 500,000 calls from participants and processed over 300,000 resulting transactions such as address changes and electronic deposit elections
- Maintained system and application availability (excluding planned outages) at 99.0% or better.
- Tested business level and entity-wide controls in accordance with OMB Circular A-123 and General Accountability Office Green Book
- Monitored hearings related to PBGC program interests
- Stood-up Business Innovation Service Department's Playbook leveraging BISD's Agile Community of Practice to share Agile practices and facilitate increased Agile adoption
- Redesigned certain areas of the Premium and Practitioner System Trading Community Architecture Contact Center Dashboard to improve user experience and expose relevant Service Request data
- Completed upgrade of Desktop/Laptop/Tablet Computers
- Received an "unmodified audit opinion" related to the FY 2021 financial reporting
- Coordinated quarterly reporting on key controls with control owners throughout the Corporation
- Attended four job fairs for, diversity, veteran and disabled veterans hiring
- Implemented the PPS Comprehensive Premium Filing Search Form which will replace the reliance on the Image Viewer application to view premium filing images/receipts
- Stopped payments for 30,000 deceased retirees and quickly place beneficiaries in pay or recover overpayments made after death

CONSOLIDATED ADMINISTRATIVE ACTIVITIES

- Updated Architectures (Layers): Strategy and Performance, Business, Application, Data, Infrastructure, Information Security
- Established a Human Resources Department liaison cadre to provide support and information-sharing amongst designated department Points of Contacts
- Completed upgrade of the Oracle 12c middle tier from the soon-to-be end of service life Oracle 11g
- Developed streamlined and standardized Executive Agile Reporting; Developed standardized PBGC Agile Product Delivery Guidance (e.g., Role-based participation matrices for Agile-Scrum events)
- Increased enterprise common control offerings – adjudicated 322 security controls for enterprise system inheritance
- Completed and issue the Fiscal Year 2021 Annual Report on November 16, 2021
- Published FY2020 EA Value Metric (including EA Maturity Model update)
- Managed existing HRMS (Human Resources Management Systems) to ensure compliance with procedures for all applicable Federal legislation, regulations, and policies

CONSOLIDATED ADMINISTRATIVE ACTIVITIES

Workload and Performance

Implementing ARP's SFA program requires PBGC rulemaking and extensive operational changes to stand up a new program. These implementation efforts significantly increase PBGC's resource requirements. Additional resources have been deployed to promulgate rules, issue guidance, implement systems changes, create new budgetary and accounting processes, create a SFA application process, scale-up operations to conduct reviews of incoming plan applications over several years, and execute payments of SFA following application review.

PBGC also faces significant risks and challenges in its existing insurance programs that reflect those of the defined benefit plans we insure. The need for financial and actuarial analysis, along with a combination of skilled litigation and negotiation activities, remain critical to the Corporation's success in preserving and protecting the retirement security of the millions of Americans who rely on PBGC. The need to closely monitor insured pension plans is rooted in the substantial risks related to plan failure that are borne by PBGC's stakeholders -- plan participants, workers and employers in the defined benefit pension system, and taxpayers.

The scale of PBGC's future workload changes remains subject to factors largely beyond its control, but significant exposure to future losses, coupled with the urgent implementation mandates under ARP, will create higher demands on PBGC's policy, legal, operations, accounting and budgeting, and administrative units, particularly in the Multiemployer Program.

CONSOLIDATED ADMINISTRATIVE ACTIVITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
11.1	Full-time permanent	121,070	120,746	127,992	7,246
11.3	Other than full-time permanent	3,010	2,895	2,895	0
11.5	Other personnel compensation	3,997	4,035	4,035	0
11.9	Total personnel compensation	128,077	127,676	134,922	7,246
12.1	Civilian personnel benefits	42,131	42,742	46,969	4,227
13.0	Benefits for former personnel	40	40	40	0
21.0	Travel and transportation of persons	1,116	962	962	0
22.0	Transportation of things	0	0	0	0
23.2	Rental payments to others	27,714	24,199	24,199	0
23.3	Communications, utilities, and miscellaneous charges	3,740	4,947	4,947	0
24.0	Printing and reproduction	149	128	128	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	242,287	243,139	263,694	20,555
25.3	Other goods and services from Federal sources 1/	8,777	10,125	14,074	3,949
26.0	Supplies and materials	989	973	973	0
31.0	Equipment	2,543	2,406	2,406	0
33.0	Investments and Loans	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	457,563	457,337	493,314	35,977
	1/Other goods and services from Federal sources				
	Services by Other Government Departments	8,777	10,125	14,074	3,949

CONSOLIDATED ADMINISTRATIVE ACTIVITIES

CHANGES IN FY 2023

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$7,246
Personnel benefits	4,227
Benefits for former personnel	0
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
Working Capital Fund	0
Other goods and services from Federal sources	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0
Investment and Loans	0

Built-Ins Subtotal **\$11,473**

Net Program **\$24,504**

Direct FTE **0**

	Estimate	FTE
Base	\$468,810	940
Program Increase	\$26,504	0
Program Decrease	-\$2,000	0

OFFICE OF INSPECTOR GENERAL

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / Full Year C.R.
Activity Appropriation	7,287	7,287	7,626	339
FTE	19	25	25	0

NOTE: FY 2021 reflects actual FTE. Authorized FTE for FY 2021 was 25. FY 2022 reflects estimated FTE usage at the annualized level of the CR.

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 and has no programmatic responsibility. The OIG provides objective written work products to the PBGC Board of Directors, agency management, and Congress about PBGC programs and operations. These work products include audits, evaluations, inspections, investigations, reviews, and risk advisories. In addition to conducting statutorily-required projects and reports, the OIG responds to Hotline complaints and requests from Members of Congress, and conducts other projects as necessary to address operational, financial, Information Technology (IT), and programmatic risks.

Under the IG Act, the agency head is the PBGC Board of Directors. The OIG communicates with Board Representatives through regular monthly conference calls and participates in formal Board meetings usually once per quarter. On a day-to-day basis, the Inspector General communicates with the PBGC Director, Executive Management Committee members, and department directors about risks, problems and deficiencies in programs administered by PBGC, and the need for timely corrective action. The OIG keeps Congress informed through the IG's Semiannual Report to the Congress, audit reporting requirements, meetings and briefings with Members and their staffs, and congressional testimony.

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 for FY 2023 is \$7,626,000, which includes a request for additional funds to complete the Financial Statement Audit, Payment Integrity Information Act audit, and Cybersecurity oversight. Of that amount, \$70,000 is requested for training, and \$24,434 is requested to support the Council of Inspectors General on Integrity and Efficiency.
- I certify that \$70,000 will satisfy the training requirements for FY 2023.

OFFICE OF INSPECTOR GENERAL

FY 2023

- Conduct statutorily-required audits, including financial statements, FISMA, and PIIA, and to address whistleblower complaints and congressionally-requested work.
- Conduct investigations that are impactful to our stakeholders, especially in the areas of preventing financial abuse of vulnerable participants, procurement fraud, and employee integrity.
- Conduct periodic assessment of PBGC's compliance with the Government Charge Card Abuse Prevention Act of 2012.
- Potentially initiate engagements in Multiemployer Pension Insurance Modeling Systems and Projections Reporting, PBGC's Use of Interagency Agency Agreements, Data Center Management, PBGC's Implementation of Fraud Reduction and Data Analytics Act, and/or PBGC's Management of Mobile Devices.

FY 2022

Planned OIG Activities Include:

- Conduct statutorily-required audits, including financial statements, FISMA, Payment Integrity Information Act (formerly Improper Payment Elimination and Recovery Improvement Act of 2012), and Digital Accountability and Transparency Act of 2014.
- Complete engagements, if required, to address whistleblower complaints and congressionally requested work.
- Conduct investigations that are impactful to our stakeholders, especially in the areas of preventing financial abuse of vulnerable participants, procurement fraud, and employee integrity.
- Provide oversight in the conduct of contracted work associated with the information technology vulnerability assessment and penetration testing.
- Conduct a review relating to PBGC's Contract Administration Procedures.
- Conduct an audit of PBGCs review procedures for Multiemployer Plans receiving Special Financial Assistance.
- Conduct a review of PBGC's Special Financial Assistance Applications

FY 2021

Notable OIG Accomplishments Include:

Our Assistant Inspector General for Investigations and our Assistant Inspector General for Audits led teams that received CIGIE Awards for Excellence in 2021. The Award for Excellence in Investigations was in recognition of exemplary investigative efforts resulting in the prosecution of the former PBGC Procurement Department Director and two co-conspirators for their roles in a complex bribery scheme. The Award for Excellence in Multiple Disciplines was in recognition of investigative and audit efforts resulting in the prosecution of the former PBGC Procurement Director and two co-conspirators, as well as recommendations to strengthen the

OFFICE OF INSPECTOR GENERAL

internal controls to improve procurement integrity. In total, ten people contributed to the hard work mentioned in both awards: six within PBGC OIG and four external to our office, demonstrating the value of teamwork within and across the OIG community.

OIG work products with a focus on the three Top Management Challenges include: (1) Information Technology, (2) Transparency and Accountability of Professional Services Contracting, and (3) Modernization of PBGC's Key Benefits-Related Technology Systems and other statutorily-required and risk-based projects.

Financial Audits and Evaluations

- **Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2020 and 2019 Financial Statements, issued December 9, 2020.** We contracted with the independent public accounting firm, Ernst and Young (EY) and oversaw this audit. EY determined the financial statements were presented fairly, in all material respects, in conformity with accounting principles generally accepted in the U.S. This is the 28th consecutive unmodified financial statement audit opinion. PBGC maintained, in all material respects, effective internal control over financial reporting as of September 30, 2020. PBGC continues to develop and execute corrective actions to remediate previously reported internal control deficiencies related to its actuarial liability estimates. As of September 30, 2020, PBGC had two significant deficiencies: (1) Controls over Actuarial Liability Estimates and (2) Controls over Information Systems-Segregation of Duties.

EY did not find any instance of noncompliance or other matters with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

- **FY2020 Financial Statement Audit Management Letter Report.** This management letter summarizes EY's findings and recommendations related to PBGC's internal control deficiencies and other matters. The issues noted in this report are not significant; therefore, the deficiencies were not required to be reported in the Independent Auditor's Report (AUD-2021-02). However, the observations and recommendations offer opportunities for PBGC to strengthen its operations.

In addition to the seven prior years' open recommendations, EY issued 9 new recommendations, for a total of 16 open recommendations at the end of FY 2020. PBGC will continue working with EY to resolve these recommendations.

- **PBGC's Implementation of the Federal Information Security Modernization Act of 2014 for FY 2020.** We contracted with EY to perform an evaluation of PBGC's information security program as required by FISMA. EY concluded that PBGC's cybersecurity program fell below the specified threshold of effectiveness, Managed and Measurable (Level 4). PBGC's information security program achieved an overall Consistently Implemented (Level 3) maturity level. However, two functional areas,

OFFICE OF INSPECTOR GENERAL

Detect and Respond, were found to meet the Managed and Measurable (Level 4) maturity level. In addition, EY noted improvement in configuration management and security training, each moving up one level. EY issued recommendations and noted weaknesses in 5 of the 8 Inspector General FISMA Metric Domains; and made 17 new recommendations (11 in this report and 6 in the financial statements audit report) and repeated 1 recommendation to assist PBGC in strengthening its information security program. PBGC agreed with the 11 new recommendations in this report and previously agreed with the 6 recommendations in the financial statements audit report.

- **Audit of PBGC's Limited Purpose Financial Statements for FY 2020.** We contracted with EY to perform this audit. EY determined the financial statements were presented fairly, in all material respects, in conformity with accounting principles generally accepted in the U.S. The Supplemental Information was fairly stated, in all material respects, in relation to the financial statements as a whole.
- **PBGC Security Assessment Report.** During the financial statement audit, EY assessed PBGC's network for technical weaknesses that may allow employees or outsiders to cause harm or impact PBGC's business processes and information. This report includes no formal recommendations, as they are consolidated and presented in the FY2020 FISMA report. The OIG determined this report is for official use only. The report detailing the security assessment has been redacted in its entirety because it contains privileged and confidential information.

Performance Audits, Reviews, and Related Work

- **Internal Controls Must be Strengthened to Promote Procurement Integrity.** Following the former PBGC Procurement Department Director's guilty plea in May 2020, we found he steered the contract in the bribery case by including overly restrictive personnel requirements in the solicitation and then increased its value to \$3.3 million through out-of-scope modifications. In addition, a follow-on contract was awarded to the same contractor for \$1.5 million. In total, we identified \$4.8 million as questioned costs because the contracts were obtained through fraudulent means. His actions were enabled by internal control weaknesses; specifically, inadequate oversight of PD procurements and a lack of a control mechanism to ensure that PD sent all requisite contract actions for legal review. While PBGC began requiring that more contract actions receive legal review after the PD Director resigned in February 2020, and developed an interim solution, PBGC is still developing its final solution as part of modernizing several systems. Finally, although we did not identify other contracts that the former PD Director steered, we found internal control deficiencies allowed PD to avoid competition requirements when awarding five other contracts, three of which were for PD support. Four of the contracts were awarded on a sole-source basis, including three using small business set-aside programs.

OFFICE OF INSPECTOR GENERAL

- **PBGC Can Improve the Effectiveness of the ERM Program.** We found PBGC has made substantial progress in implementing its ERM program. However, we also found PBGC lacks a properly documented succession plan for the Risk Management Officer position. The lack of a plan may hinder proper succession and continuity of operations and formalized training for those directly involved with the ERM program, which may cause inconsistencies in knowledge bases across PBGC. Finally, we noted PBGC uses an outdated directive that does not capture the current ERM guidance covered in OMB Circular A-123, which may lead to ineffective guidance for remediating risks. We made four recommendations. PBGC agreed with them and to take the corrective action identified in the report.
- **PBGC Needs to Strengthen Acquisition Planning for Actuarial Support Services.** PBGC's acquisition planning for actuarial support services did not meet its needs timely and effectively. Delays in acquisition planning led PBGC to extend the previous contracts and award follow-on contracts on a sole-source basis. Furthermore, PBGC awarded a contract to assist PBGC with planning for these contracts that had duplicative requirements of an existing contract. As a result, we identified \$447,780 in funds that could have been put to better use from the duplicative procurement support contract. Furthermore, the initial task orders had poorly defined requirements and different amounts of work for the same price. In addition, the new actuarial support services multiple award Indefinite Delivery, Indefinite Quantity contracts each contained different timeliness measures and did not have performance measures for the accuracy of contractors' calculations of benefits and related liabilities; this may lead to additional costs from contractors' time spent correcting errors under labor-hour and time-and-materials task orders. PBGC agreed to our five recommendations to improve its processes regarding acquisition planning, avoiding duplicative contract requirements, and improving its review process of contractors' Quality Assurance Surveillance Plans. We are in the process of closing 2 of the 5 recommendations.
- **PBGC's FY 2020 Compliance with the Payment Integrity Information Act of 2019.** In accordance with the Payment Integrity Information Act of 2019 (PIIA) (PL 116-117), as amended, we reviewed PBGC's compliance with the PIIA requirements. PBGC has taken actions to comply with all applicable requirements established in OMB Circular A-123, Appendix C. For FY 2020, PBGC assessed Payments to Federal Employee and determined that the payment stream was not susceptible to significant improper payments. We determined that PBGC is compliant with the improper payment requirements.

Investigative Activity. In FY 2021, OIG continued to focus on the integrity of PBGC operations and educating stakeholders on its importance. The OIG conducted stakeholder presentations for the PBGC Enterprise Risk Management Team and the Department Directors in the Office of Management and Administration. The presentations expanded the organization's understanding of the various internal and external fraud schemes that the OIG investigates. The presentations also support information sharing, communication, and collaboration in the joint effort to identify

OFFICE OF INSPECTOR GENERAL

and address risk. In addition to the stakeholder presentations, we focused investigative attention on a contract bribery investigation, theft of pension benefits, and deceased participant fraud.

- **Second Contracting Executive Sentenced for Bribery Conspiracy.** On January 27, 2021, U.S. District Judge Anthony J. Trenga of the Eastern District of Virginia sentenced a former Chief Operating Officer (COO) of a government contracting firm to 2 years' probation, including 6 months home confinement, 200 hours of community service, and a \$100 Special Assessment. The defendant was also ordered to pay a forfeiture money judgment of \$293,788. In August 2020, this defendant pleaded guilty to conspiring to bribe a public official. Previously, the former Director of Procurement for PBGC and the president and Chief Executive Officer (CEO) of this same government contracting firm pleaded guilty and were sentenced for their roles in this conspiracy. From at least 2015 through August 2017, the Procurement Director solicited and received cash payments and other things of value, including the promise of a job valued at \$1 million, from the CEO. In exchange, the PBGC official agreed to steer PBGC contracts to the CEO and COO's company.

In 2015, the PBGC Procurement Director offered to help the contracting firm win a PBGC contract worth approximately \$55 million in exchange for a future job with the company. Among other things, he provided the company's CEO with sample bid proposals; helped draft, review, and edit the company's bid proposal; and disclosed labor pricing estimates. When the company did not win the contract, the Procurement Director helped the CEO draft the company's bid protest. The CEO admitted that his business partners were aware of his arrangement with the PBGC official.

In 2016, the Procurement Director proposed a second arrangement with the contracting firm's CEO in which the PBGC official would receive up to \$125,000 from the CEO and his company in exchange for steering a contract to the company. PBGC awarded the contract to the CEO's company, which resulted in payments to the company totaling approximately \$3.29 million. The Procurement Director official steered the contract by, among other things, providing sensitive, non-public information and work product to the CEO; providing guidance for contract pricing; and adjusting the terms of the contract to align with the qualifications of the company's personnel. The Procurement Director received at least \$48,000 in cash, plus additional gifts. The defendants also took extraordinary steps to conceal the scheme and their communications with each other; for example, they used separate, dedicated cellular telephones and e-mail accounts, and used encrypted software for messaging.

This case was investigated by the PBGC OIG and the FBI.

- **Debarments in Bribery Conspiracy Investigation.** Due to the bribery conspiracy investigation that resulted in three defendants pleading guilty, including the former Procurement Department Director, PBGC's Office of General Counsel began debarment proceedings to prevent the defendants' ability to conduct business with the federal

OFFICE OF INSPECTOR GENERAL

government. Effective May 13, 2021, the former Procurement Department Director, the government contracting firm's chief executive officer, and the contracting firm were debarred through May 21, 2030. Additionally, effective June 21, 2021, the chief operating officer was debarred through September 16, 2030. The debarments prevent the defendants and the contractor from contracting with any agency in the executive branch of the federal government. Generally, debarments do not exceed three years unless the debarring official determines that the circumstances warrant a longer period. The criminal investigation was conducted by the PBGC Office of Inspector General and the Federal Bureau of Investigation.

- **Ohio Woman Sentenced for Impersonating PBGC Participant and Theft of Pension Benefits.** On October 2, 2020, a 38-year-old woman entered a guilty plea in the U.S. District Court, Southern District of Ohio to one count of aggravated identity theft. On February 8, 2021, the defendant was sentenced to 24 months incarceration, restitution of \$2,758.59, one year of probation after incarceration, and 20 hours of community service. The defendant was arrested by the Michigan State Police in Lansing, Michigan in July 2020, as a result of an indictment alleging she stole the identity of a 72-year-old PBGC participant and redirected his \$919 monthly pension benefits to a bank account she controlled. On one occasion, the defendant allegedly called PBGC, identified herself as a relative of the victim, and had someone impersonate the victim on the phone call. This investigation was conducted by the PBGC OIG and the SSA OIG. This case was prosecuted as part of the Justice Department's Elder Fraud Initiative.
- **Connecticut Man Sentenced for Theft of Pension Benefits.** On September 7, 2021, a 52-year-old Woodbury, Connecticut man was sentenced to 4 years' probation, ordered to pay restitution of \$36,067.38 (\$22,689.08 to the Social Security Administration and \$13,378.30 to PBGC), 100 hours of community service, and a \$100 Special Assessment. The defendant previously pleaded guilty on May 11, 2021, in the U.S. District Court, District of Connecticut to a one count information charging a violation of 18 U.S.C. § 641, Theft of Public Funds. The defendant's father received Retirement Insurance Benefits from the Social Security Administration (SSA) and a monthly pension benefit from PBGC. The defendant's father passed away in November 2015. The defendant admitted that, between approximately December 2015 through and including April 2019, he knowingly used PBGC and SSA benefits intended for his deceased father. This investigation was conducted by the PBGC OIG and the SSA OIG. This case was initiated as a result of the deceased participant data matching project of the Investigations Division.
- **Pennsylvania Woman Sentenced for Theft of Government Funds.** On May 17, 2021, a 70-year-old Philadelphia, Pennsylvania woman was sentenced to 3 years' probation (first 6 months home confinement). She was also ordered to pay \$1,599.60 in restitution to PBGC, \$133,914.00 in restitution to the Social Security Administration (SSA), and a \$100 Special Assessment. She previously pleaded guilty on February 4, 2021 to a charge of Theft of Public Funds in violation of 18 U.S.C. Section 641, after she was charged via information in the Eastern District of Pennsylvania, U.S. District Court on January 7, 2021. After the PBGC participant passed away in July 2011, beginning in or about

OFFICE OF INSPECTOR GENERAL

August 2011 and through in or about November 2019, the defendant knowingly converted to her own use SSA and PBGC benefits. This was a joint investigation between the SSA OIG and the PBGC OIG.

- **Deceased Participants Program.** We continued our efforts under the fraud detection/computer matching initiative to identify deceased participants in the single-employer and multiemployer programs. As of September 30, 2021, we have identified 207 instances of improper payment or fraud relating to deceased participants in the single-employer and multiemployer programs and referred those cases to PBGC for coordination to terminate benefit payments and seek recoupment.

On-Going OIG Work and Reports Issued in FY 2022 Includes:

- **PBGC's FY 2021 Compliance with the Payment Integrity Information Act.** The objective of this audit is to determine whether PBGC has met all requirements of the Payment Integrity Information Act of 2019 (PIIA) in the Payment Integrity section of the FY 2020 Agency Financial Report /Performance and Accountability Report and accompanying materials. During this audit, we will also evaluate the agency's efforts to prevent and reduce improper payments.
- **Evaluation of PBGC's Purchase Card Program.** In May 2021, we initiated an evaluation of PBGC's purchase card program. Our objective in this evaluation is to analyze the risks of illegal, improper, or erroneous purchases and payments associated with PBGC's purchase card program to determine whether the corporation's internal controls are sufficient to detect and prevent fraud, waste, and abuse.
- **PBGC's Compliance with Requirements of the Digital Accountability and Transparency Act of 2014 for FY 2020 and FY 2021.** The objective of this audit is to assess the (1) completeness, accuracy, timeliness, and quality of the financial and award data submitted for publication on USASpending.gov and (2) PBGC's implementation and use of the Government-wide financial data standards established by OMB and Treasury. The scope of this audit will be a fiscal quarter of agency financial and award data submitted for publication on USASpending.gov and any applicable procedures, certifications, documentation, and controls. The quarter will be selected from FY 2020 third quarter through FY 2021 second quarter. The final audit report was issued on October 14, 2021.
- **PBGC's Financial Statements for FY 2021 and Related Work.** The OIG has contracted with EY to conduct the financial statements audit on our behalf, subject to OIG oversight. The purpose of this audit is to express an opinion as to whether the PBGC's financial statements are prepared in accordance with prescribed accounting principles and provide other relevant conclusions based on the work performed. The following final reports were issued as follows:

OFFICE OF INSPECTOR GENERAL

- Audit of PBGC's FY 2021 and FY 2020 Financial Statement, issued on November 15, 2021;
 - Audit of PBGC's Limited Purpose Financial Statements for FY 2021 and FY 2020, issued on November 15, 2021;
 - FY2021 Financial Statement Audit Management Letter Report, issued January 14, 2022;
 - PBGC's Implementation of the Federal Information Security Modernization Act (FISMA) for FY 2021, issued February 3, 2022; and
 - PBGC Security Assessment Report, issued February 3, 2022.
- **Evaluation of PBGC's Missing Participant Program.** The objective of this audit is to determine the effectiveness of PBGC's Missing Participants Program in locating missing participants. The final report was issued January 7, 2022.
 - **Survey of PBGC's Contracting Officers' Representatives.** This memorandum report was issued on January 10, 2022, and provided results of the OIG survey of Contracting Officer Representatives (COR). The survey found that most of the respondents reported sufficient time and training for their responsibilities as COR. Some areas for improvement identified by respondents included timeliness of the source selection process, turnover in Contracting Officers, and communication. No formal recommendations were made.
 - **Evaluation of PBGC's Implementation of the American Rescue Plan (ARP) Act's Special Financial Assistance Program.** The objective of this evaluation is to determine whether PBGC's policies, procedures, and controls are sufficient to deliver timely special financial assistance to eligible multiemployer plans. The estimated completion date is June 2022.
 - **Assessment of PBGC's Multiemployer Plan Special Assistance Fund.** The objective of this assessment is to review PBGC's assessment of and responses to risks related to implementation of ARP, and to share potential risk mitigations. The estimated completion date is March 2022.
 - **Evaluation of Hotline Complaints Regarding a PBGC Contract.** This evaluation reviews whether allegations in two Hotline complaints related to services that PBGC purchased under subject contract have merit and determine whether allegations warrant further management attention. The estimated completion date is June 2022.
 - **Audit of Initial Special Financial Assistance Applications.** The purpose of this audit is to determine if PBGC adequately reviewed applications for the Special Financial Assistance prior to approval. The estimated completion date is July 2022.

OFFICE OF INSPECTOR GENERAL

BUDGET ACTIVITY COMPONENT BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
11.1	Full-time permanent	3,033	3,033	3,257	224
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	60	60	60	0
11.9	Total personnel compensation	3,093	3,093	3,317	224
12.1	Civilian personnel benefits	1,072	1,072	1,187	115
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	40	40	40	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	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	601	624	624	0
25.3	Other goods and services from Federal sources 1/	2,462	2,444	2,444	0
26.0	Supplies and materials	13	9	9	0
31.0	Equipment	5	5	5	0
	Total	7,287	7,287	7,626	339
1/Other goods and services from Federal sources					
	Services by Other Government Departments	2,462	2,444	2,444	0

OFFICE OF INSPECTOR GENERAL

CHANGES IN FY 2023

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$224
Personnel benefits	115
Benefits for former personnel	0
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 **\$339**

Net Program **\$0**

Direct FTE **0**

	Estimate	FTE
Base	\$7,626	25
Program Increase	\$0	0
Program Decrease	\$0	0

INVESTMENT MANAGEMENT FEES PROGRAM

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
Activity Appropriation	129,700	138,000	139,800	1,800
FTE	0	0	0	0

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2018	\$110,630	0
2019	\$117,400	0
2020	\$124,300	0
2021	\$129,700	0
2022	\$138,000	0

NOTE: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared.

INVESTMENT MANAGEMENT FEES PROGRAM

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
25.1	Advisory and assistance services	129,700	138,000	139,800	1,800
	Total	129,700	138,000	139,800	1,800

INVESTMENT MANAGEMENT FEES PROGRAM

CHANGES IN FY 2023

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services \$0

Built-Ins Subtotal \$0

Net Program \$1,800

Direct FTE 0

	Estimate	FTE
Base	\$138,000	0
Program Increase	\$1,800	0
Program Decrease	\$0	0

SINGLE-EMPLOYER PROGRAM BENEFIT PAYMENTS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
Activity Appropriation	7,289,000	7,140,000	7,344,000	204,000
FTE	0	0	0	0

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2018	\$6,576,000	0
2019	\$6,974,000	0
2020	\$6,855,000	0
2021	\$7,289,000	0
2022	\$7,140,000	0

NOTE: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared.

SINGLE-EMPLOYER PROGRAM BENEFIT PAYMENTS

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
42.0	Insurance claims and indemnities	7,289,000	7,140,000	7,344,000	204,000
	Total	7,289,000	7,140,000	7,344,000	204,000

SINGLE-EMPLOYER PROGRAM BENEFIT PAYMENTS

CHANGES IN FY 2023

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Insurance claims and indemnities	\$0
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Investment and Loans	0
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Built-Ins Subtotal	\$0
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Net Program	\$204,000
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Direct FTE	0
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	Estimate	FTE
Base	\$7,140,000	0
Program Increase	\$204,000	0
Program Decrease	\$0	0

MULTIEMPLOYER PROGRAM FINANCIAL ASSISTANCE

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
Activity Appropriation	350,000	190,000	214,000	24,000
FTE	0	0	0	0

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2018	\$167,000	0
2019	\$189,000	0
2020	\$190,000	0
2021	\$350,000	0
2022	\$190,000	0

NOTE: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared.

MULTIEMPLOYER PROGRAM FINANCIAL ASSISTANCE

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
33.0	Investments and Loans	350,000	190,000	214,000	24,000
	Total	350,000	190,000	214,000	24,000

MULTIEMPLOYER PROGRAM FINANCIAL ASSISTANCE

CHANGES IN FY 2023

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Investment and Loans \$0

Built-Ins Subtotal \$0

Net Program \$24,000

Direct FTE 0

	Estimate	FTE
Base	\$190,000	0
Program Increase	\$24,000	0
Program Decrease	\$0	0