

**FY 2027**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**PENSION BENEFIT GUARANTY CORPORATION**

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# PENSION BENEFIT GUARANTY CORPORATION

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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, 2027, for the Corporation: Provided, That none of the funds available to the Corporation for fiscal year 2027 shall be available for obligations for administrative expenses in excess of \$484,264,000: 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 2027, an amount not to exceed an additional \$9,200,000 shall be available through September 30, 2031, 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, 2031 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, 2031 to the extent the Corporation’s costs 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.*

# PENSION BENEFIT GUARANTY CORPORATION

## AMOUNTS AVAILABLE FOR OBLIGATION

(Dollars in Thousands)

	<b>FY 2025 Enacted</b>		<b>FY 2026 Enacted</b>		<b>FY 2027 Request</b>	
	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>
<b>Budget Authority Before Committee</b>	<b>933</b>	<b>\$512,900</b>	<b>866</b>	<b>\$494,264</b>	<b>820</b>	<b>\$484,264</b>
Unobligated Balances Brought Forward	0	-\$24,734	0	\$0	0	\$0
Supplemental Appropriation	0	\$12,037,061	58	\$9,033,051	46	\$61,909
Program Activities: Custodian Bank Fees Program	0	\$0	0	\$0	0	\$4,000
Program Activities: Investment Management Fees Program	0	\$139,800	0	\$139,800	0	\$139,800
Program Activities: Multiemployer Program Financial Assistance for Insolvent Plans	0	\$227,000	0	\$187,000	0	\$130,000
Program Activities: Single-Employer Program Benefit Payments	0	\$8,006,000	0	\$7,873,000	0	\$8,377,000
<b>Total Budgetary Resources</b>	<b>933</b>	<b>\$20,898,027</b>	<b>924</b>	<b>\$17,727,115</b>	<b>866</b>	<b>\$9,196,973</b>

# PENSION BENEFIT GUARANTY CORPORATION

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2026 Enacted	FY 2027 Request	Net Change
<b>Budget Authority</b>	0	0	0
Public Enterprise Revolving - Program	\$8,199,800	\$8,650,800	\$451,000
Public Enterprise Revolving - Administrative	\$494,264	\$484,264	-\$10,000
<b>Total</b>	\$8,694,064	\$9,135,064	\$441,000
<b>Full Time Equivalents</b>	0	0	0
Public Enterprise Revolving - Administrative	866	820	-46
<b>Total</b>	866	820	-46

### Explanation of Change

	FY 2026 Enacted		Trust Funds		Federal Funds		FY 2027 Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
Total personnel compensation	866	\$130,429	0	\$0	0	\$0	0	\$0
Personnel benefits	0	\$48,132	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$40	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$869	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$22,694	0	\$0	0	\$0	0	\$0
Communications, utilities, and misc.	0	\$5,111	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$109	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$139,800	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$269,101	0	\$0	0	\$0	0	\$0
Other goods and svcs. from Fed. sources	0	\$14,470	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$914	0	\$0	0	\$0	0	\$0
Equipment	0	\$2,395	0	\$0	0	\$0	0	\$0

## PENSION BENEFIT GUARANTY CORPORATION

Investments and Loans	0	\$187,000	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$7,873,000	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>+866</b>	<b>+\$8,694,064</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>B. Programs:</b>								
Single-Employer Program Benefit Payments			0	\$0	0	\$504,000	0	\$504,000
Realignment of Custodian Bank Fees			0	\$0	0	\$4,000	0	\$4,000
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$508,000</b>	<b>0</b>	<b>+\$508,000</b>
<b>Total Increase</b>	<b>+866</b>	<b>+\$8,694,064</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$508,000</b>	<b>0</b>	<b>+\$508,000</b>
<b>Decreases:</b>								
<b>A. Built-Ins:</b>								
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>B. Programs:</b>								
Multiemployer Program Financial Assistance			0	\$0	0	-\$57,000	0	-\$57,000
Staff Attrition			0	\$0	-46	-\$6,000	-46	-\$6,000
Realignment of Custodian Bank Service Fees			0	\$0	0	-\$4,000	0	-\$4,000
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>-46</b>	<b>-\$67,000</b>	<b>-46</b>	<b>-\$67,000</b>
<b>Total Decrease</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>-46</b>	<b>-\$67,000</b>	<b>-46</b>	<b>-\$67,000</b>
<b>Total Change</b>	<b>+866</b>	<b>+\$8,694,064</b>	<b>0</b>	<b>\$0</b>	<b>-46</b>	<b>+\$441,000</b>	<b>-46</b>	<b>+\$441,000</b>

# PENSION BENEFIT GUARANTY CORPORATION

## SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY

(Dollars in Thousands)

	FY 2025 Enacted		FY 2026 Enacted		FY 2027 Request		Diff. FY 2027 Request / FY 2026 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Consolidated Administrative Activities</b>	<b>933</b>	<b>\$512,900</b>	<b>866</b>	<b>\$494,264</b>	<b>820</b>	<b>\$484,264</b>	<b>-46</b>	<b>-\$10,000</b>
Public Enterprise Revolving - Administrative	933	\$512,900	866	\$494,264	820	\$484,264	-46	-\$10,000
<b>Office of Inspector General (Non-Add)</b>	<b>25</b>	<b>\$7,862</b>	<b>24</b>	<b>\$7,588</b>	<b>23</b>	<b>\$7,397</b>	<b>-1</b>	<b>-\$191</b>
Public Enterprise Revolving - Administrative	25	\$7,862	24	\$7,588	23	\$7,397	-1	-\$191
<b>Investment Management Fees Program</b>	<b>0</b>	<b>\$139,800</b>	<b>0</b>	<b>\$139,800</b>	<b>0</b>	<b>\$139,800</b>	<b>0</b>	<b>\$0</b>
Public Enterprise Revolving - Program	0	\$139,800	0	\$139,800	0	\$139,800	0	\$0
<b>Single-Employer Program Benefits Payments</b>	<b>0</b>	<b>\$8,006,000</b>	<b>0</b>	<b>\$7,873,000</b>	<b>0</b>	<b>\$8,377,000</b>	<b>0</b>	<b>\$504,000</b>
Public Enterprise Revolving - Program	0	\$8,006,000	0	\$7,873,000	0	\$8,377,000	0	\$504,000
<b>Multiemployer Program Financial Assistance</b>	<b>0</b>	<b>\$227,000</b>	<b>0</b>	<b>\$187,000</b>	<b>0</b>	<b>\$130,000</b>	<b>0</b>	<b>-\$57,000</b>
Public Enterprise Revolving - Program	0	\$227,000	0	\$187,000	0	\$130,000	0	-\$57,000
<b>Custodian Bank Fees</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$4,000</b>	<b>0</b>	<b>\$4,000</b>
Public Enterprise Revolving - Program	0	\$0	0	\$0	0	\$4,000	0	\$4,000
<b>Total</b>	<b>933</b>	<b>\$8,885,700</b>	<b>866</b>	<b>\$8,694,064</b>	<b>820</b>	<b>\$9,135,064</b>	<b>-46</b>	<b>\$441,000</b>
<b>Public Enterprise Revolving - Program</b>	<b>0</b>	<b>\$8,372,800</b>	<b>0</b>	<b>\$8,199,800</b>	<b>0</b>	<b>\$8,650,800</b>	<b>0</b>	<b>\$451,000</b>
<b>Public Enterprise Revolving - Administrative</b>	<b>933</b>	<b>\$512,900</b>	<b>866</b>	<b>\$494,264</b>	<b>820</b>	<b>\$484,264</b>	<b>-46</b>	<b>-\$10,000</b>

NOTE: FY 2025 reflects actual FTE.

# PENSION BENEFIT GUARANTY CORPORATION

## BUDGET AUTHORITY BY OBJECT CLASS

(Dollars in Thousands)

	<b>FY 2025 Enacted</b>	<b>FY 2026 Enacted</b>	<b>FY 2027 Request</b>	<b>Diff. FY 2027 Request / FY 2026 Enacted</b>
11.1 Full-time permanent	134,610	124,557	120,759	-3,798
11.3 Other than full-time permanent	2,554	1,963	1,963	0
11.5 Other personnel compensation	3,909	3,909	3,909	0
12.1 Personnel Benefits	50,002	48,132	45,930	-2,202
13.0 Benefits for former personnel	40	40	40	0
21.0 Travel and transportation of persons	998	869	867	-2
23.1 Rental payments to GSA	22,694	22,694	22,694	0
23.3 Communications, utilities, and misc.	5,111	5,111	5,114	3
24.0 Printing and reproduction	112	109	112	3
25.1 Advisory and assistance services	139,800	139,800	143,800	4,000
25.2 Other services from non-Federal sources	274,533	269,101	254,348	-14,753
25.3 Other goods and svcs. from Fed. sources	15,000	14,470	25,226	10,756
26.0 Supplies and materials	930	914	902	-12
31.0 Equipment	2,407	2,395	2,400	5
33.0 Investments and Loans	227,000	187,000	130,000	-57,000
42.0 Insurance claims and indemnities	8,006,000	7,873,000	8,377,000	504,000
<b>Total</b>	<b>8,885,700</b>	<b>8,694,064</b>	<b>9,135,064</b>	<b>441,000</b>

# 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

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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	Appropriations	FTE
2017			
Base Appropriation	\$519,506	\$519,506	964
2018			
Base Appropriation	\$522,917	\$415,823	966
2019			
Base Appropriation	\$445,363	\$437,018	951
2020			
Base Appropriation	\$452,858	\$444,844	968
2021			
Base Appropriation	\$465,289	\$457,563	968
2022			
Base Appropriation	\$472,955	\$465,003	968
2023			
Base Appropriation	\$493,314	\$484,720	955
2024			
Base Appropriation	\$512,900	\$512,900	965
2025			
Base Appropriation	\$514,063	\$512,900	951
2026			
Base Appropriation	\$494,264	\$494,264	866
2027			
Base Appropriation	\$484,264	\$0	820

# 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 about 30,000,000 of America's workers and retirees participating in about 23,500 private-sector defined benefit pension plans. The Single-Employer Program protects about 18,400,000 workers and retirees in about 22,200 pension plans. The Multiemployer Program protects about 11,100,000 workers and retirees in about 1,305 pension plans. By law, the two programs are funded and administered separately, and their financial conditions, results of operations, and cash flows are reported separately. 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 (Public Law 117-2) established the Special Financial Assistance (SFA) Program for certain financially troubled multiemployer pension plans. The SFA program is funded entirely by an appropriation from the General Fund of the U.S. Department of the Treasury (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 Treasury.

### **Budget Request Summary**

PBGC is requesting \$484,264,000 in spending authority for administrative purposes in FY 2027 to include:

**Realignment of Custodian Bank Service Fees.** This request realigns PBGC's treatment of custodian bank service fees from the administrative expenses budget to the program budget. This request recategorizes funds from consolidated administrative activities to program activities.

### **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.

### **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

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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 budget formulation and execution, 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.

## **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 FY 2025, PBGC:

- Provided \$168,500,000 in traditional financial assistance to 100 multiemployer plans covering 60,244 participants (including beneficiaries) receiving guaranteed benefits
- Protected 2,953 single-employer plan participants by taking action to encourage companies to keep their plans when they emerged from bankruptcy
- Completed 270 standard termination audits to verify plan administrators' calculation of benefits upon plan termination resulting in more than \$3,100,000 in additional benefits distributed to 581 participants and beneficiaries in these plans

To pay timely and accurate benefits in FY 2025, the Corporation:

- Paid over \$6,400,000,000 to nearly 926,000 participants in trusteed single-employer plans
- Assumed responsibility for the benefit payments of 19,908 current and future retirees in the 31 single-employer plans that were trusteed

To maintain high standards of stewardship and accountability in FY 2025, the Corporation:

- Attained an unmodified audit opinion on the financial statements
- Closed 27 audit recommendations
- Continued providing outstanding service to retirees, as demonstrated by a retiree customer satisfaction score of 80, which is considered an excellent rating according to the American Customer Satisfaction Index

## **GOAL NO. 1: PRESERVE PLANS AND PROTECT PENSIONS OF WORKERS AND RETIREES**

PBGC engages in activities to preserve plans and protect participants by administering two separate insurance programs. The Multiemployer Program protects about 11,100,000 workers and retirees in about 1,305 pension plans. The Single-Employer Program protects about 18,400,000 workers and retirees in about 22,200 pension plans.

## **MULTIEMPLOYER INSURANCE PROGRAM**

The Multiemployer Insurance Program covers defined benefit pension plans that are maintained through one or more collective bargaining agreements between employers and one or more employee organizations or unions. The participating employers are usually in the same or related industries, such as transportation, construction, mining, or hospitality. PBGC provides financial

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assistance to insolvent plans to allow them to pay guaranteed benefits and reasonable administrative expenses. PBGC refers to this financial assistance under the Multiemployer Insurance Program as “traditional financial assistance.”

PBGC’s Multiemployer Insurance Program protects approximately 11,100,000 workers and retirees in about 1,305 pension plans. As of September 30, 2025, the Multiemployer Insurance Program had a positive net position of \$2,600,000,000, up from the prior fiscal year-end of \$2,132,000,000. Under most projection scenarios included in PBGC’s FY 2024 Projections Report, the Multiemployer Insurance Program retains a positive net position during the 10-year projection period ending September 30, 2034.

The FY 2024 Projections Report showed that the Multiemployer Program is likely to remain solvent for more than 40 years, with the median projected year of insolvency occurring after 2064, the end of the projection period. While these results are consistent with the prior year’s projections, PBGC’s solvency projections for the Multiemployer Program show a high degree of uncertainty over the long term.

Prior to the enactment of the American Rescue Plan (ARP) Act of 2021 on March 11, 2021, PBGC’s Multiemployer Program was projected to become insolvent in FY 2026 and would have been unable to deliver the financial assistance needed by failed plans to pay benefits at the statutory guaranteed level.

Under ARP, Congress established the Special Financial Assistance (SFA) Program, which provides funding to eligible severely underfunded multiemployer pension plans. The program allows PBGC to provide funding assistance to eligible plans so they can pay projected benefits at the plan level through 2051. By providing SFA to the most financially troubled multiemployer plans, ARP significantly extended the solvency of PBGC’s Multiemployer Program. Eligibility to apply for assistance under the program is concluding; as ARP eligible plans were required to have filed an initial application for SFA no later than December 31, 2025, and any revised application must be filed by December 31, 2026.<sup>1</sup> In FY 2027, PBGC will track SFA applications processed (approved or denied) for multiemployer plans within the 120-day statutory deadline, will ensure efficient operation of the SFA application processing system, will conduct ongoing compliance monitoring for recipient plans, and will ensure accurate and timely payments to remaining eligible insolvent plans approved for SFA.

### ***Multiemployer Plan Withdrawal Liability, Plan Mergers, and Transfers***

PBGC approval is required for a multiemployer plan to adopt an alternative method for allocating unfunded vested benefits in determining withdrawal liability. A multiemployer plan may adopt alternative terms and conditions for satisfaction of withdrawal liability if those terms and conditions are consistent with ERISA and PBGC regulations. Plans sometimes request

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<sup>1</sup> On April 29, 2025, the U.S. Court of Appeals for the Second Circuit issued a ruling that, if applied, could increase the number of plans eligible for SFA. The ruling issued in *Board of Trustees of the Bakery Drivers Local 550 and Industry Pension Fund vs. Pension Benefit Guaranty Corporation* interprets ERISA SFA eligibility criteria to include plans that terminated by mass withdrawal. On December 12, 2025, the U.S. Solicitor General and PBGC filed a petition seeking Supreme Court review of the Second Circuit decision.

## **PENSION BENEFIT GUARANTY CORPORATION**

PBGC's determination that proposed alternative terms are consistent with ERISA and PBGC regulations. Special withdrawal liability conditions apply to multiemployer plans that receive SFA.

A multiemployer plan merging with or transferring assets and liabilities to another multiemployer plan must provide PBGC with advance notice in accordance with ERISA and PBGC regulations. Plan trustees may request a compliance determination from PBGC, which, if granted, provides a safe harbor from certain prohibited transaction provisions of ERISA Title I. Special conditions apply to transfers or mergers involving multiemployer plans that receive SFA. In FY 2027, PBGC will engage with employers, workers, and pension practitioners to encourage pension plan continuation and strengthen retirement security. PBGC will protect pensioners by proactively monitoring PBGC's largest exposures for transactions that may pose substantial risks to participants and retirees.

### **SINGLE-EMPLOYER INSURANCE PROGRAM**

The Single-Employer Insurance Program (SE Program) covers defined benefit pension plans that generally are sponsored by a single employer. As part of its risk mitigation activities, PBGC monitors and identifies corporate transactions and events that may pose risks to participants and beneficiaries. PBGC works collaboratively with employers to safeguard pension benefits by reviewing transactions and Reportable Events (where plan administrators and sponsors notify PBGC of the occurrence of certain events that may present a risk to a plan sponsor's ability to continue a pension plan), negotiating agreements, and engaging with plan sponsors to both encourage plan continuation and/or achieve recovery maximization. When an underfunded single-employer plan terminates, PBGC steps in to pay participants' benefits up to legal limits. This typically happens when the employer sponsoring an underfunded plan liquidates in bankruptcy, ceases operation, or can no longer afford to keep the plan going. In FY 2027, PBGC will track and resolve reportable events within 30 days.

In support of these many duties, PBGC maintains a nationwide legal practice that represents the Corporation in negotiations as well as legal proceedings in both federal and state courts throughout the United States. In addition to external plan termination and recovery actions, the Office of General Counsel (OGC) provides internal legal advice and oversight concerning the day-to-day operation of PBGC's Single-Employer Program, including but not limited to issuing investigatory subpoenas, providing legal review of termination, trusteeship, and settlement related documents, and the filing of tens of millions of dollars of statutory liens each year to secure PBGC's financial recoveries.

The SE Program protects approximately 18,400,000 workers and retirees in about 22,200 pension plans. The financial condition of the SE Program showed continuous improvement in recent years and reported a positive net position of \$62,200,000,000 at the end of FY 2025, up from the prior fiscal year-end positive net position of \$54,164,000,000. Estimates from PBGC's FY 2024 Projections Report indicate that the Single-Employer Program financial position is projected to continue to grow over the 10-year projection period.

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## *Standard Terminations*

A standard termination is a termination of a single-employer pension plan that has enough money to pay all benefits owed to participants and beneficiaries. If a plan has enough money to pay all benefits owed to participants and beneficiaries, the plan sponsor can choose to terminate a plan by filing a standard termination. In a standard termination, PBGC does not become responsible for benefit payments.

## **GOAL NO. 2: PAY PENSION BENEFITS ON TIME AND ACCURATELY**

Nearly 1,400,000 current and future retirees in trustee single-employer pension plans rely on PBGC for their pension benefits. PBGC's benefits administration and plan processing teams are committed to serving the American people by paying benefits accurately and on time.

## *Benefits Administration*

PBGC assumes the role of trustee for single-employer pension plans when a plan terminates and lacks the resources to pay benefits according to the plan's provisions. Upon trusteeship, PBGC's foremost responsibility is to ensure uninterrupted benefit payments to existing retirees.

After PBGC becomes trustee of a terminated pension plan, it begins a comprehensive analysis of plan and participant data. At the end of the process, participants are notified of their benefit determination. Prior to the completion of this process and as eligible participants request to commence their benefits, PBGC pays estimated benefit amounts.

In FY 2027, PBGC will provide estimated benefits within 10 percent of the final benefit determination 95 percent of the time, and PBGC will approve benefit applications within 45 days.

## *Reviews and Appeals*

When participants and beneficiaries in trustee single-employer plans do not agree with PBGC's determination of their benefit, they may request review by PBGC's Appeals Board. Employers and plan sponsors may also appeal certain PBGC determinations. The Appeals Board independently reviews each appeal and provides a detailed written explanation for each decision. In FY 2027, PBGC will resolve the majority of appeals within one year.

## **GOAL NO. 3: MAINTAIN HIGH STANDARDS OF STEWARDSHIP AND ACCOUNTABILITY**

### *Accountability: Measuring and Monitoring Performance*

PBGC continuously monitors how well it performs and serves customers using a wide range of performance measures. Among them is how quickly and seamlessly the Corporation pays retirees and accurately calculates benefits. PBGC conducts surveys to help improve the coordination and cooperation essential to meeting customer service goals. Each quarter, PBGC leadership participates in data-driven discussions covering the Corporation's progress in

## **PENSION BENEFIT GUARANTY CORPORATION**

operations, stewardship and accountability, customer satisfaction, and building and maintaining a model workplace.

### **OUTREACH AND CUSTOMER SERVICE**

Central to PBGC's mission is its unwavering commitment to everyone it serves. PBGC relies on surveys to actively engage plan participants, retirees and premium filers. PBGC surveys identify opportunities for enhancement, implement procedural refinements, and continually assess satisfaction levels. Survey scoring methodology aligns with the criteria of the American Customer Satisfaction Index (ACSI). In FY 2027, PBGC will continue to implement communications in response to customer feedback and key performance indicators. PBGC will actively monitor and make real-time improvements to ensure all customer satisfaction survey scores meet or exceed Corporation survey targets.

### **SUSTAINING THE PROGRAMS**

PBGC serves as an important source of information on pension and retirement policy. The Corporation implements strategies to strengthen its programs' financial health and continues to successfully manage risks by actively monitoring and reporting on its insurance programs and other relevant information.

As required by Section 4010 Report to Congress, in FY 2027, PBGC will deliver its Annual Report and Annual Projections Report on the future status of the Single-Employer and Multiemployer Programs, and other reports required by law (e.g., annual Section 4010 Report to Congress).



# CONSOLIDATED ADMINISTRATIVE ACTIVITIES

## BUDGET AUTHORITY BEFORE THE COMMITTEE

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
<b>Activity Appropriation</b>	<b>512,900</b>	<b>494,264</b>	<b>484,264</b>	<b>-10,000</b>
FTE	933	866	820	-46

NOTE: FY 2025 reflects actual FTE.

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.

The **Office of Policy and External Affairs** (OPEA) oversees and directs outreach to PBGC’s external stakeholders, including the press; interacts 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 directs and implements a comprehensive external and internal communications program. PRAD develops policy for PBGC’s insurance programs and conducts related research, modeling, and forecasting, produces several PBGC statutory reports, and provides legislative and regulatory analysis.

The **Office of the Chief Financial Officer** (OCFO) includes three PBGC departments that plan and direct the efficiency and effectiveness of the Corporation's financial management programs and operations. The Corporate Controls and Reviews Department (CCRD) conducts comprehensive risk assessments and evaluates PBGC’s internal control effectiveness as required by Federal Managers’ Financial Integrity Act (FMFIA), *Standards for Internal Control in the Federal Government (Green Book)* and OMB Circular A-123 and its appendices and to support the Director’s annual Statement of Assurance to the President and Congress and serves as the agency’s liaison for audits conducted by the Office of Inspector General and the Government Accountability Office. The Corporate Investment Department (CID) implements the investment policy statement established by the Board of Directors consistent with the statutory purposes of

## CONSOLIDATED ADMINISTRATIVE ACTIVITIES

PBGC. The Financial Operations Department (FOD) provides comprehensive accounting, financial reporting, premium filing, and financial management services. FOD ensures statutory compliance, transparent financial disclosures, and robust internal controls in line with the federal laws and regulations.

The **Office of the Chief Information Officer (OCIO)** is responsible for the Corporation's IT program and delivers secure, reliable, and scalable IT to support PBGC carrying out its mission. 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 goods and services for PBGC, 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 the PBGC on all legal matters. This includes enforcement of Title IV of ERISA and bankruptcy related legal actions through litigation, negotiation, drafting regulations and guidance, deciding administrative appeals, and administration of the Freedom of Information Act and 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 (BTTD); General Law and Operations Department (GLOD); and Program Law Department (PLD).

The **Office of Negotiations & Restructuring (ONR)** administers PBGC's two defined benefit plan insurance programs (single-employer and multiemployer). It works with corporate sponsors 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 risks to both of its insurance programs. ONR includes the Corporate Finance & Restructuring

## CONSOLIDATED ADMINISTRATIVE ACTIVITIES

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 timely and accurate estimates for future retirees, efficiently and effectively processing applications, and making benefit 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.

Performance Area (Dollars in Thousands)	FY 2025 Request	FY 2026 Request	FY 2027 Request
Pension Insurance	106,653	96,093	94,638
Pension Plan Termination	203,415	202,195	195,695
Operational Support	202,832	195,976	193,931
<b>Total Administrative Activities</b>	<b>512,900</b>	<b>494,264</b>	<b>484,264</b>

# CONSOLIDATED ADMINISTRATIVE ACTIVITIES

## Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$465,003	968
2023	\$484,720	955
2024	\$512,900	965
2025	\$512,900	951
2026	\$494,264	866

## Workload and Performance Narrative

PBGC's Special Financial Assistance (SFA) program has approved applications from 139 plans totaling \$74,100,000,000 as of September 30, 2025. PBGC will continue to require a significant level of resources in order to conduct reviews of current and future plan applications, execute SFA payments following application review, and address legal and oversight challenges to the SFA program as it enters the period of statutory ending dates for processing of applications. The potential impact of the decision in the Second Circuit could, hypothetically, increase the number of plans eligible for SFA by including certain plans that PBGC has not considered eligible for SFA. This further underscores the critical need for resources. On December 12, 2025, the U.S. Solicitor General and PBGC filed a petition seeking Supreme Court review of the Second Circuit's decision.

PBGC also faces ongoing risks and challenges in its existing insurance programs that reflect those of the defined benefit plans that the Corporation insures. 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 America's workers, retirees, and their families. 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 remains subject to factors largely beyond its control, but exposure to future losses, coupled with the ongoing implementation mandates under ARP 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)

	<b>FY 2025 Enacted</b>	<b>FY 2026 Enacted</b>	<b>FY 2027 Request</b>	<b>Diff. FY 2027 Request / FY 2026 Enacted</b>
11.1 Full-time permanent	134,610	124,557	120,759	-3,798
11.3 Other than full-time permanent	2,554	1,963	1,963	0
11.5 Other personnel compensation	3,909	3,909	3,909	0
12.1 Personnel Benefits	50,002	48,132	45,930	-2,202
13.0 Benefits for former personnel	40	40	40	0
21.0 Travel and transportation of persons	998	869	867	-2
23.1 Rental payments to GSA	22,694	22,694	22,694	0
23.3 Communications, utilities, and misc.	5,111	5,111	5,114	3
24.0 Printing and reproduction	112	109	112	3
25.2 Other services from non-Federal sources	274,533	269,101	254,348	-14,753
25.3 Other goods and svcs. from Fed. sources	15,000	14,470	25,226	10,756
26.0 Supplies and materials	930	914	902	-12
31.0 Equipment	2,407	2,395	2,400	5
<b>Total</b>	<b>512,900</b>	<b>494,264</b>	<b>484,264</b>	<b>-10,000</b>

# CONSOLIDATED ADMINISTRATIVE ACTIVITIES

## CHANGES IN FY 2027

(Dollars in Thousands)

**Activity Changes**

**Built-Ins**

Total personnel compensation	\$0	
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<b>Built-Ins Subtotal</b>	<b>\$0</b>	
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<b>Base</b>	<b>\$494,264</b>	<b>866</b>
Program Decreases	-\$10,000	-46
<b>Net Program Subtotal</b>	<b>-\$10,000</b>	<b>-46</b>
<b>Total Activity Appropriation</b>	<b>\$484,264</b>	<b>820</b>

	Amount	FTE
<b>Base</b>	<b>\$494,264</b>	<b>866</b>
<b>Program Increases</b>	<b>\$0</b>	<b>0</b>
<b>Program Decreases</b>	<b>-\$10,000</b>	<b>-46</b>

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## BUDGET AUTHORITY BEFORE THE COMMITTEE

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
<b>Activity Appropriation</b>	7,862	7,588	7,397	-191
FTE	25	24	23	-1

NOTE: FY 2025 reflects actual FTE.

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, PBGC 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, IT, and programmatic risks.

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 (IG) 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 406(g)(1) of the IG Act, as amended, 5 U.S.C. Ch. 4, the IG provides the following information:

- The aggregate request for the operations of the OIG for FY 2027 is \$7,397,000, which includes money for the statutorily required Financial Statement Audit, Payment Integrity Information Act audit, and Cybersecurity oversight. Of that amount, \$52,500 is requested for training and \$36,287 is requested to support the Council of Inspectors General on Integrity and Efficiency.
- The IG certifies that \$52,500 will satisfy the training requirements for FY 2027.

# OFFICE OF INSPECTOR GENERAL

## BUDGET ACTIVITY BY OBJECT CLASS

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
11.1 Full-time permanent	3,268	3,143	3,004	-139
11.3 Other than full-time permanent	137	137	137	0
11.5 Other personnel compensation	83	83	83	0
12.1 Personnel Benefits	1,253	1,207	1,156	-51
21.0 Travel and transportation of persons	40	40	40	0
25.2 Other services from non-Federal sources	598	499	66	-433
25.3 Other goods and svcs. from Fed. sources	2,444	2,444	2,906	462
26.0 Supplies and materials	7	3	0	-3
31.0 Equipment	32	32	5	-27
<b>Total</b>	<b>7,862</b>	<b>7,588</b>	<b>7,397</b>	<b>-191</b>

### Department’s Work Alignment to Corporate Strategic Goals

The OIG provides deep knowledge and sensible solutions through independent, positive engagement. Resources are focused on high-risk areas, and the OIG is continuously implementing ways to increase value to stakeholders, which directly supports all three of PBGC’s Strategic Goals.

### Department’s Workload, Performance Targets, Performance Gaps

- *The OIG:*
  - Conducts independent and objective audits and investigations of PBGC programs and operations;
  - Provides leadership to promote efficiency and effectiveness;
  - Prevents and detects fraud and abuse in PBGC programs and operations;
  - Keeps the Board and Congress fully and currently informed about problems and deficiencies;
  - Reports immediately to the Board whenever the Inspector General becomes aware of any particularly serious or flagrant problem; and
  - Reports expeditiously to the Attorney General whenever the Inspector General has reasonable ground to believe there has been a violation of federal criminal law.
  
- *FY 2027*

*Planned Activities Include:*

## OFFICE OF INSPECTOR GENERAL

- Conduct statutorily required audits, including financial statements, Federal Information Security Modernization Act of 2014 (FISMA), and Payment Integrity Information Act of 2019 (PIIA), and to address whistleblower complaints and congressionally requested work.
  - Continue oversight work to identify top management and performance challenges for PBGC.
  - Initiate oversight engagements of PBGC in areas related to programs and operations. Specifically, the OIG may perform work over plan promotions from non-seriatim valuation to seriatim valuation or over internal controls in the procurement process.
- *FY 2026*

### *Planned Activities Include:*

- Conduct statutorily required audits, including financial statements, Federal Information Security Modernization Act of 2014 (FISMA), and Payment Integrity Information Act of 2019 (PIIA), and to address whistleblower complaints and congressionally requested work.
- Conduct investigations that are impactful to PBGC's stakeholders, especially in the areas of preventing financial abuse of vulnerable participants, procurement fraud, and employee integrity.
- Initiate oversight engagements related to PBGC's succession planning and follow-up on contracting officer representative's invoice reviews.

### *Completed Work:*

#### **Financial Audits and Evaluations**

- **Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2025 Financial Statements (AUD-2026-02), issued January 16, 2026.** The Office of Inspector General contracted with Klynveld Peat Marwick Goerdeler (KPMG) to perform this audit. The OIG issued the audit report of the financial statements of the Single-Employer and Multiemployer Program Funds administered by PBGC as of and for the year ended September 30, 2025, finding: The financial statements present fairly, in all material respects, the financial position of the Single-Employer and Multiemployer Program Funds of PBGC as of September 30, 2025, and the results of their operations and cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles. The Single-Employer and Multiemployer Program Funds maintained, in all material respects, effective internal control over financial reporting as of September 30, 2025, based on criteria established in the Standards for Internal Control in the Federal Government, September 2014, issued by the United States Government Accountability Office (the Green Book). PBGC has one significant deficiency related to monitoring of internal controls at service organizations. No instances 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.

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- **Fiscal Year 2025 Financial Statement Audit Management Letter Report (AUD-2026-04), issued January 16, 2026.** The OIG contracted with KPMG to perform this audit. The issues noted in KPMG's report do not represent a material weakness or significant deficiency. Therefore, these deficiencies were not required to be reported in the Independent Auditors' Report dated January 16, 2026. During FY 2025 KPMG issued six new recommendations, closed five prior year recommendations and one current year recommendation leaving a total of five open recommendations at fiscal year-end.
- **Audit of Pension Benefit Guaranty Corporation's Limited Purpose Financial Statements for Fiscal Year 2025 (AUD-2026-03), issued January 16, 2026.** The OIG contracted with KPMG to perform this audit. KPMG 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.

### **Performance Audits, Reviews, and Related Work**

- **Inspection of PBGC Employees with Delinquent Federal Debt (INSP-2026-05), Issued March 02, 2026.** The OIG inspected whether any PBGC employees had outstanding federal debt and conducted the review in accordance with federal inspection standards. Using Do Not Pay (DNP) data and coordination with the Information Technology Infrastructure Operations Department (ITIOD), the OIG identified 11 employees with potentially delinquent debt. After validating the cases, officials determined that seven debts had been inaccurately reported, three employees were actively repaying their debts, and one employee was appealing. ITIOD verified and documented each case in compliance with federal suitability requirements. The review found no evidence of deliberate noncompliance, concluded that internal controls and interoffice coordination operate effectively, and made no recommendations for corrective action.

### *On-Going Work:*

### **Performance Audits, Reviews, and Related Work**

- **Audit of Pension Benefit Guaranty Corporations' oversight of Small, Single-Employer Plans (Project PA-25-193).** The purpose of this engagement is to determine if PBGC adequately reviewed trustee small, single-employer pension plans. Estimated report issuance date is August 2026.

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- *FY 2025*

The OIG work products focus on the four Top Management Challenges: (1) Strengthening PBGC's Information Technology, (2) Contracting Officers' Representatives' oversight of Contracts, (3) Human Capital: Mission Critical Skills, and (4) Acquisition Challenges; as well as other statutorily required and risk-based projects.

*Notable Accomplishments Include:*

### **Financial Audits and Evaluations**

- **Pension Benefit Guaranty Corporation's Information Security Program and Practices for Fiscal Year 2024 (AUD-2025-02), issued October 31, 2024.** The OIG contracted with Ernst and Young (EY) to assess PBGC's information security program as required by FISMA. EY reviewed a sample of nine systems and completed fieldwork to address the FY 2024 IG FISMA metrics developed by OMB, DHS, and the Council of the Inspectors General on Integrity and Efficiency. Our independent auditors found PBGC's information security program to be effective with the Identify, Protect, Respond, and Recover function areas assessed at Managed and Measurable and the Detect function area assessed at Optimized. EY issued six recommendations to address weaknesses associated with PBGC's supply chain risk management, configuration management, data protection and privacy, and security training programs. PBGC agreed with all the recommendations and closed five of the six recommendations. The remaining recommendation is projected to be reviewed by September 30, 2026.
- **Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2024 and 2023 Financial Statements (AUD-2025-03), issued November 15, 2024.** The OIG contracted with EY to perform this audit. The OIG issued the audit reports of the financial statements of the Single-Employer and Multiemployer Program Funds administered by the PBGC as of and for the years ended September 30, 2024, and 2023. The OIG found that the financial statements present fairly, in all material respects, the financial position of the Single-Employer and Multiemployer Program Funds and the results of their operations and cash flows for the years then ended. PBGC maintained, in all material respects, effective internal control over financial reporting as of September 30, 2024. No instances 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.
- **Audit of Pension Benefit Guaranty Corporation's Limited Purpose Financial Statements for Fiscal Year 2024 and 2023 (AUD-2025-04), issued November 15, 2024.** The OIG 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

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was fairly stated, in all material respects, in relation to the financial statements as a whole.

- **Fiscal Year 2024 Financial Statement Audit Management Letter Report (AUD-2025-05), issued December 18, 2024.** The OIG contracted with EY, an independent, certified public accounting firm, to perform the audit. 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; and, therefore, the deficiencies were not required to be reported in the Independent Auditor's Report (AUD-2025-03) issued on November 15, 2024. In FY 2024, EY issued four new recommendations and closed five prior years' recommendations with a total of five open recommendations remaining at the end of FY 2024. PBGC remediated all five recommendations in FY 2025.
- **Fiscal Year 2025 Pension Benefit Guaranty Corporation Federal Information Security Modernization Act of 2014 (FISMA) Independent Performance Audit (AUD-2025-12), issued September 30, 2025.** The OIG contracted with KPMG to assess PBGC's information security program as required by Federal Information Security Modernization Act of 2014 (FISMA). KPMG reviewed a sample of eight systems and completed fieldwork to address the FY 2025 IG FISMA metrics developed by OMB, DHS, and the Council of the Inspectors General on Integrity and Efficiency. PBGC's independent auditors found the Corporation's information security program to be effective with six function areas assessed at Managed and Measurable. KPMG issued four recommendations to address weaknesses identified with PBGC's risk and asset management and contingency planning programs. PBGC plans to complete corrective actions by June 30, 2026.

### Performance Audits, Reviews, and Related Work

- **Evaluation of PBGC's Fiscal Year 2024 Compliance with the Payment Integrity Information Act of 2019 (EVAL-2025-07), issued March 24, 2025.** The OIG determined that PBGC complied with the applicable PIIA requirements outlined in M-21-19, Transmittal of Appendix C to Office of Management and Budget (OMB) Circular A-123, Requirements for Payment Integrity Improvement, dated March 5, 2021. The OIG concluded that PBGC's efforts to prevent and reduce Improper Payments and Unknown Payments are adequate considering that its payment streams are not susceptible to significant improper payments and that it complied with applicable PIIA requirements. This report did not contain any recommendations to PBGC.
- **PBGC's Software Self-Attestation Efforts (AUD-2025-10), issued August 6, 2025.** The OIG found that PBGC made some efforts to meet the critical software self-attestation requirements. Specifically, PBGC established a process for the Critical Software Inventory and obtained some attestations for critical software. However, while PBGC inventoried critical software, the inventory did not contain all the data elements needed. Additionally, the OIG also found instances where the Corporation

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did not adequately collect, review, and manage attestations; this led to PBGC utilizing critical software that may not meet minimum secure software development requirements. The report contained five recommendations to which PBGC management agreed and plans to close by July 31, 2026.

- **Evaluation of Centenarian Participants Receiving Benefits (EVAL-2025-11), issued September 9, 2025.** A review of the Single-Employer Program's participant data revealed that PBGC made improper pension payments to six deceased individuals that might have been prevented if it had used Treasury's Do Not Pay (DNP) system as a verification tool. Specifically, the OIG analyzed 1,358 participants aged 100 or older using Treasury's DNP system and identified six individuals who were reported as deceased but were in active pay status in PBGC's pension payment system, a low number (just 0.4%), especially considering the vulnerability of the centenarian population. These six participants were receiving pension payments totaling approximately \$1,911 per month, resulting in \$89,865 combined improper payments. This report contained two recommendations to which PBGC management agreed and plans to complete by March 31, 2026.

### Special Reports

- **Top Management and Performance Challenges Facing PBGC in FY 2025 (SR-2025-01), issued October 17, 2024.** In accordance with the Reports Consolidation Act of 2000, the OIG issued the Inspector General's summary of the top management and performance challenges facing the PBGC in Fiscal Year 2025 and briefly assesses management's progress in addressing these challenges. The OIG identified four management and performance challenges: (1) strengthening PBGC's information technology; (2) Contracting Officers' Representatives' oversight of contracts; (3) human capital: mission critical skills; and (4) acquisition challenges. These challenges were identified based on oversight work performed for the OIG, input from PBGC management, and knowledge of the PBGC's programs and operations.

### Investigative Activity

The OIG continues to address the integrity of PBGC programs and operations by focusing investigative resources on detecting and uncovering fraud, waste, and abuse. The OIG investigates the intentional deception designed to defraud PBGC, such as securing a benefit to which a person is not entitled, or identity theft of a participant. The OIG also examines the careless or needless expenditure of Government funds that result from deficient practices, systems, controls, or decisions. Lastly, the OIG investigates the deliberate improper use of Government resources, including excessive or inappropriate use of one's position.

- **Fayetteville, North Carolina Couple Sentenced for Impersonating a Deceased PBGC Participant.** On April 3, 2024, a 42-year-old Fayetteville, North Carolina man was indicted by a federal grand jury for redirecting a plan participant's monthly PBGC pension benefits into a bank account he controlled, stealing the elderly

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- victim's identity, and attempting to conduct a multitude of financial transactions in the participant's name after he died. The OIG's investigation revealed evidence that the PBGC plan participant, while he was alive, was a victim of elder financial exploitation and identity theft by the defendant. Further, the evidence indicated the defendant and his girlfriend continued to assume the participant's identity after his death in May 2022. The defendant was ultimately indicted on 14 counts related to federal fraud violations. On August 19, 2024, the defendant pleaded guilty to 3 of the 14 counts, which included (1) Aggravated Identity Theft, (2) Conspiracy to Commit Wire Fraud, and (3) Wire Fraud. On November 8, 2024, the primary defendant received 71 months for convictions of (1) conspiracy to commit wire fraud and (2) wire fraud, and 24 months for (3) aggravated identity theft, totaling 95 months of incarceration. Additionally, he was ordered to pay \$83,586 in restitution (\$1,259.85 to PBGC and \$82,362 to the Estate of the Victim). Lastly, he will be on 3 years of supervised probation after his release. On November 12, 2024, the girlfriend of the primary defendant pled guilty to conspiracy to commit wire fraud, mainly because she was a financial benefactor of the fraud scheme that victimized the plan participant. In February 2025, this defendant was sentenced to 18 months of incarceration, 3 years of supervised probation, and ordered to pay \$19,000 to the Estate of the victim. The case was prosecuted by a Special Assistant U.S. Attorney in the Eastern District of North Carolina.
- **Somerset County Man Sentenced for Stealing Government Funds Intended for His Deceased Father.** The investigation revealed that the son of a PBGC plan participant deliberately provided false and misleading data on his father's death certificate to conceal his death from government entities. This was done so the son could continue to collect various government benefits intended for his father. In sum, the defendant caused a total loss of \$624,231 to the U.S. government, these funds were deemed to have been used for the defendant's personal benefit. The three federal agencies affected were PBGC - \$12,419, Social Security Administration - \$295,520, and Department of Defense - \$316,292. Additionally, the defendant defrauded a private financial institution of \$67,306. On November 26, 2024, the defendant pled guilty for the violation of 18 USC 641; Theft of government funds. In July 2025, the defendant was sentenced to one year and one day in prison for fraudulently obtaining benefits from various programs and institutions and ordered to pay \$691,465.44 in total restitution, PBGC is slated to receive \$12,419 of this money.
  - **Savannah, Georgia Woman Sentenced for Stealing Government Funds Intended for her Deceased Mother.** On January 28, 2025, a Savannah, Georgia woman was sentenced to five years supervised probation, 40 hours of community service, and ordered to pay restitution to the government in the amount of \$230,556, of which \$40,995 went to PBGC. She had previously plead guilty to one count of theft of government funds. The investigation determined that the daughter of a plan participant failed to report her mother's death and continued to receive and spend her mother's benefit payments from PBGC and Social Security Administration (SSA) for approximately 17 years after her death. The investigation further determined that there was no attempt during those 17 years to report the participant's death to PBGC.

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The investigation was conducted by SSA OIG and PBGC OIG and prosecuted by the United States Attorney's Office in the Southern District of Georgia.

- **Former HUD Federal Employee, Who Moonlighted as a contractor for PBGC and other Federal Agencies, Sentenced for Making False Claims.** Between October 2021, through May 2025 the defendant served as a full-time Management and Program Analyst with the Department of U.S. Housing and Urban Development (HUD). Between October 2021, through September 2024, the defendant obtained multiple full-time government contractor positions to perform Human Resources services for three other federal agencies, one of them being PBGC. PBGC OIG discovered that from September 2023 through September 2024, PBGC employed the defendant as a contractor to perform full-time work in Human Resources Recruitment Support. In that time, the defendant submitted invoices claiming she worked a total of 1,688 hours, which led to PBGC being billed for \$110,327 in labor hours. During this time, the defendant also was simultaneously employed as a full-time Human Resources contractor for AmeriCorps and the National Institutes of Health (NIH), in addition to her federal employment with HUD. As a result, the defendant falsely claimed to work more hours for the federal government than she actually worked, causing the U.S. government to pay her for hours she did not work. The defendant concealed her employment with HUD, PBGC, AmeriCorps, and NIH from each other. She was able to successfully conceal her employment because she teleworked in all four positions. In June 2025, the defendant pleaded guilty to making false, fictitious, or fraudulent claims in connection with claiming to work more hours for the government than she actually did. In September 2025, the defendant was sentenced to probation for a term of one year and ordered to pay restitution to the U.S. government in the amount of \$225,866.99.
- **Audit of Centenarian Participants Receiving Benefits Leads to Multiple Criminal Investigations.** Starting in March 2025, the Social Security Administration (SSA) made a modification to the death master file they send to PBGC. Now, SSA inserts a date of death into all records where the person would chronologically be over age 125. To gauge the impact, PBGC's Participant Services Department (PSD) ran a report to see the distribution of the oldest payees in the database. PSD didn't find anyone that was over age 125 and in pay status in PBGC records. However, PSD found 65 people who are age 105 to 110 and requested the assistance of the OIG to validate the living status of these 65 people. Through the audit, the OIG found indications of fraud regarding individual participants, and those specific cases were referred to the OIG Office of Investigation (OI) for additional inquiry. This project has yielded at least three viable cases for criminal investigation.
- **OIG Hotline.** The OIG Hotline serves as a tool to report fraud, waste, and abuse, but it also provides a method for participants to report missing benefits, request assistance with applying for benefits and report mistreatment by a caregiver or family member. As a result of OIG investigations, PBGC recovered \$437,658 over a five-year period.

# OFFICE OF INSPECTOR GENERAL

## CHANGES IN FY 2027

(Dollars in Thousands)

### Activity Changes

#### Built-Ins

Total personnel compensation \$0

**Built-Ins Subtotal \$0**

**Base \$7,588 24**

**Net Program Subtotal \$0 0**

Other -\$191 -1

**Total Activity Appropriation \$7,397 23**

**Base Amount \$7,588 FTE 24**

**Program Increases \$0 0**

**Program Decreases \$0 0**

# INVESTMENT MANAGEMENT FEES PROGRAM

## BUDGET AUTHORITY BEFORE THE COMMITTEE

(Dollars in Thousands)

	<b>FY 2025 Enacted</b>	<b>FY 2026 Enacted</b>	<b>FY 2027 Request</b>	<b>Diff. FY 2027 Request / FY 2026 Enacted</b>
<b>Activity Appropriation</b>	<b>139,800</b>	<b>139,800</b>	<b>139,800</b>	<b>0</b>
FTE	0	0	0	0

NOTE: FY 2025 reflects actual FTE.

### Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$138,000	0
2023	\$139,800	0
2024	\$139,800	0
2025	\$139,800	0
2026	\$139,800	0

# INVESTMENT MANAGEMENT FEES PROGRAM

## BUDGET ACTIVITY BY OBJECT CLASS

(Dollars in Thousands)

	<b>FY 2025 Enacted</b>	<b>FY 2026 Enacted</b>	<b>FY 2027 Request</b>	<b>Diff. FY 2027 Request / FY 2026 Enacted</b>
25.1 Advisory and assistance services	139,800	139,800	139,800	0
<b>Total</b>	<b>139,800</b>	<b>139,800</b>	<b>139,800</b>	<b>0</b>

# INVESTMENT MANAGEMENT FEES PROGRAM

## CHANGES IN FY 2027

(Dollars in Thousands)

### Activity Changes

<b>Built-Ins</b>		
<b>Built-Ins Subtotal</b>	<b>\$0</b>	
<b>Base</b>	<b>\$139,800</b>	<b>0</b>
<b>Net Program Subtotal</b>	<b>\$0</b>	<b>0</b>
<b>Total Activity Appropriation</b>	<b>\$139,800</b>	<b>0</b>
	<b>Amount</b>	<b>FTE</b>
<b>Base</b>	<b>\$139,800</b>	<b>0</b>
<b>Program Increases</b>	<b>\$0</b>	<b>0</b>
<b>Program Decreases</b>	<b>\$0</b>	<b>0</b>



# SINGLE-EMPLOYER PROGRAM BENEFIT PAYMENTS

## BUDGET AUTHORITY BEFORE THE COMMITTEE

(Dollars in Thousands)

	<b>FY 2025 Enacted</b>	<b>FY 2026 Enacted</b>	<b>FY 2027 Request</b>	<b>Diff. FY 2027 Request / FY 2026 Enacted</b>
<b>Activity Appropriation</b>	<b>8,006,000</b>	<b>7,873,000</b>	<b>8,377,000</b>	<b>504,000</b>
FTE	0	0	0	0

NOTE: FY 2025 reflects actual FTE.

### Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$7,140,000	0
2023	\$8,009,000	0
2024	\$7,776,300	0
2025	\$8,006,000	0
2026	\$7,873,000	0

# SINGLE-EMPLOYER PROGRAM BENEFIT PAYMENTS

## BUDGET ACTIVITY BY OBJECT CLASS

(Dollars in Thousands)

	<b>FY 2025 Enacted</b>	<b>FY 2026 Enacted</b>	<b>FY 2027 Request</b>	<b>Diff. FY 2027 Request / FY 2026 Enacted</b>
42.0 Insurance claims and indemnities	8,006,000	7,873,000	8,377,000	504,000
<b>Total</b>	<b>8,006,000</b>	<b>7,873,000</b>	<b>8,377,000</b>	<b>504,000</b>

# SINGLE-EMPLOYER PROGRAM BENEFIT PAYMENTS

## CHANGES IN FY 2027

(Dollars in Thousands)

**Activity Changes**

<b>Built-Ins</b>		
<b>Built-Ins Subtotal</b>	<b>\$0</b>	
<b>Base</b>	<b>\$7,873,000</b>	<b>0</b>
Program Increases	\$504,000	0
<b>Net Program Subtotal</b>	<b>\$504,000</b>	<b>0</b>
<b>Total Activity Appropriation</b>	<b>\$8,377,000</b>	<b>0</b>

	Amount	FTE
<b>Base</b>	<b>\$7,873,000</b>	<b>0</b>
<b>Program Increases</b>	<b>\$504,000</b>	<b>0</b>
<b>Program Decreases</b>	<b>\$0</b>	<b>0</b>



# MULTIEMPLOYER PROGRAM FINANCIAL ASSISTANCE

## BUDGET AUTHORITY BEFORE THE COMMITTEE

(Dollars in Thousands)

	<b>FY 2025 Enacted</b>	<b>FY 2026 Enacted</b>	<b>FY 2027 Request</b>	<b>Diff. FY 2027 Request / FY 2026 Enacted</b>
<b>Activity Appropriation</b>	<b>227,000</b>	<b>187,000</b>	<b>130,000</b>	<b>-57,000</b>
FTE	0	0	0	0

NOTE: FY 2025 reflects actual FTE.

### Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$270,000	0
2023	\$239,000	0
2024	\$254,000	0
2025	\$227,000	0
2026	\$187,000	0

**MULTIEMPLOYER PROGRAM FINANCIAL ASSISTANCE**

**BUDGET ACTIVITY BY OBJECT CLASS**

(Dollars in Thousands)

	<b>FY 2025 Enacted</b>	<b>FY 2026 Enacted</b>	<b>FY 2027 Request</b>	<b>Diff. FY 2027 Request / FY 2026 Enacted</b>
33.0 Investments and Loans	227,000	187,000	130,000	-57,000
<b>Total</b>	<b>227,000</b>	<b>187,000</b>	<b>130,000</b>	<b>-57,000</b>

# MULTIEMPLOYER PROGRAM FINANCIAL ASSISTANCE

## CHANGES IN FY 2027

(Dollars in Thousands)

### Activity Changes

<b>Built-Ins</b>		
<b>Built-Ins Subtotal</b>	<b>\$0</b>	
<b>Base</b>	<b>\$187,000</b>	<b>0</b>
Program Decreases	-\$57,000	0
<b>Net Program Subtotal</b>	<b>-\$57,000</b>	<b>0</b>
<b>Total Activity Appropriation</b>	<b>\$130,000</b>	<b>0</b>

	<b>Amount</b>	<b>FTE</b>
<b>Base</b>	<b>\$187,000</b>	<b>0</b>
<b>Program Increases</b>	<b>\$0</b>	<b>0</b>
<b>Program Decreases</b>	<b>-\$57,000</b>	<b>0</b>



# CUSTODIAN BANK FEES

## BUDGET AUTHORITY BEFORE THE COMMITTEE

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
<b>Activity Appropriation</b>	<b>0</b>	<b>0</b>	<b>4,000</b>	<b>4,000</b>
FTE	0	0	0	0

NOTE: FY 2025 reflects actual FTE.

### Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$0	0
2023	\$0	0
2024	\$0	0
2025	\$0	0
2026	\$0	0

# CUSTODIAN BANK FEES

## BUDGET ACTIVITY BY OBJECT CLASS

(Dollars in Thousands)

	<b>FY 2025 Enacted</b>	<b>FY 2026 Enacted</b>	<b>FY 2027 Request</b>	<b>Diff. FY 2027 Request / FY 2026 Enacted</b>
25.1 Advisory and assistance services	0	0	4,000	4,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>4,000</b>	<b>4,000</b>

# CUSTODIAN BANK FEES

## CHANGES IN FY 2027

(Dollars in Thousands)

### Activity Changes

<b>Built-Ins</b>		
<b>Built-Ins Subtotal</b>	<b>\$0</b>	
<b>Base</b>	<b>\$0</b>	<b>0</b>
Program Increases	\$4,000	0
<b>Net Program Subtotal</b>	<b>\$4,000</b>	<b>0</b>
<b>Total Activity Appropriation</b>	<b>\$4,000</b>	<b>0</b>
	<b>Amount</b>	<b>FTE</b>
<b>Base</b>	<b>\$0</b>	<b>0</b>
<b>Program Increases</b>	<b>\$4,000</b>	<b>0</b>
<b>Program Decreases</b>	<b>\$0</b>	<b>0</b>

## GOOD ACCOUNTING OBLIGATION IN GOVERNMENT ACT (GAO-IG Act) REPORT

	<b>Report Number</b>	<b>Report Title</b>	<b>Report Date</b>	<b>Recommendation Number</b>	<b>Recommendation</b>	<b>Proposed Date of Implementation</b>	<b>Justification for Non-Implementation</b>
1	GAO-24-103577	401(K) Plans: Additional Federal Actions Would Help Participants Track and Consolidate Their Retirement Savings	01/18/2024	GAO-24-103577	The Director of the PBGC should assess and report to Congress on the feasibility of amending current law to allow active 401(k) plans to transfer small inactive account balances subject to forced transfers to the PBGC's program, currently known as the Missing Participants Program for terminated defined contribution plans.	09/30/2026	Management concurs with this recommendation. PBGC assembled an internal working group to collect information and conduct the study. PBGC's project plan includes further consultation with Department of Labor's Employee Benefits Security Administration (EBSA), Department of the Treasury, Internal Revenue Service officials and private sector entities that provide services to 401(k) plan sponsors, including services related to portability of 401(k) accounts. We plan to request information on the volume of small inactive accounts, data quality, and best practices on accomplishing distribution to plan participants. This additional information will aid in assessing the resources that would be required to design, set up and operate a new, significantly expanded program.
2	AUD-2025-02	Pension Benefit Guaranty Corporation's Information Security Program and Practices for Fiscal Year 2024	10/31/2024	2025-02-04-OGC	PBGC should establish a comprehensive system for monitoring, analyzing, and reporting on quantitative performance measures to evaluate the effectiveness of its Data Breach Response policies and procedures.	12/31/2025	Management concurs with this recommendation. PBGC collected metrics to support this analysis. We used the newly collected metrics in support of the annual Breach Response Plan update. The closure request is pending with the OIG.