



Pension Benefit  
Guaranty Corporation

# STRATEGIC PLAN

FY 2018-2022



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# Message from the Director

Our mission at the Pension Benefit Guaranty Corporation is to protect the retirement security of nearly 40 million Americans in defined benefit pension plans. For over 40 years, we've served to protect the lifetime retirement incomes of workers and retirees whose companies could no longer afford to keep their pension promises. We're also doing what we can to help employers keep their traditional pension plans and continue providing the security of lifetime income to their workers and retirees.

We actively engage with our stakeholders on the issues we face. We are committed to working with our customers and stakeholders to find ways to strengthen and sustain both the Single-Employer and Multiemployer Insurance Programs so that people can rely on them long into the future.

This strategic plan for fiscal years 2018-2022 is our roadmap to enhance PBGC's mission and operations. Built upon best practices, stakeholder feedback and lessons learned, the strategic plan outlines our vision, values and the long-term goals we aim to achieve.

PBGC and its employees remain committed to our core strategic goals: to preserve plans and protect the pensions of covered workers and retirees, pay benefits on time and accurately, and maintain high standards of stewardship and accountability.

With these goals in mind, we will continue to work with others in the retirement community to enhance the security of lifetime pension promises.



***W. Thomas Reeder***



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# PBGC and Its Mission

**The Pension Benefit Guaranty Corporation (PBGC or the Corporation)** is a federal corporation established under the Employee Retirement Income Security Act of 1974 (ERISA). Congress established PBGC to insure the pension benefits of workers and retirees.

ERISA Section 4002(a) states that PBGC is to carry out these purposes:

- Encourage the continuation and maintenance of voluntary private pension plans for the benefit of their participants
- Provide for the timely and uninterrupted payment of pension benefits to participants and beneficiaries under plans to which this title applies
- Maintain premiums established by the Corporation under ERISA Section 4006 at the lowest level consistent with carrying out its obligations under ERISA Title IV

Today, the Corporation guarantees payment of basic pension benefits earned by approximately 40 million American workers and retirees in nearly 24,000 plans. While PBGC encourages companies to maintain their plans, the Corporation will pay benefits when companies cannot. Since 1974, PBGC has become responsible for payment of guarantee amounts that currently cover more than 1.5 million people in over 4,900 failed single-employer and multiemployer plans, making payments of \$5.8 billion annually as of FY 2017.

PBGC operations are financed by insurance premiums paid by companies that sponsor defined benefit pension plans, investment income, assets from plans trusted by PBGC and recoveries from companies formerly responsible for the plans. Congress sets PBGC premium rates. PBGC receives no funds from general tax revenues.



PBGC's business operations, information technology (IT) 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. These highly skilled professionals, committed to the work of PBGC's mission include:

- Accountants
- Actuaries
- Attorneys
- Auditors
- Benefits Specialists
- Financial Analysts
- IT and Cybersecurity Experts

Each PBGC employee has an important role in the Corporation's mission of protecting America's pensions.

# Strategic Plan

The strategic plan describes the mission, long-term goals and end-results that PBGC will strive to accomplish by FY 2022, and how the Corporation will monitor its progress. Additionally, the strategic plan outlines the actions PBGC will take to realize its goals and the approach for addressing challenges and risks. Overall success will be measured by how effectively the Corporation meets its statutory requirements and serves its customers.

The Government Performance and Results Act Modernization Act of 2010 (GPRAMA) requires federal agencies to develop a new strategic plan every four years. PBGC's FY 2018-2022 strategic plan includes updated mission and vision

statements and enhanced strategies to improve the financial status of its insurance programs, as well as promote retirement security for Americans.

PBGC's strategic planning process is informed by current external and internal environments, its corporate risk profile and their impact on the Corporation's programs. Senior leaders provided direct input into the strategic plan and will remain committed to its execution.

The Corporation also reached out to Congress, the public and stakeholder groups for feedback on its draft plan through its website, social media and email. PBGC received and reviewed the feedback, which helped shape this strategic plan.

## Mission, Vision and Values

**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.

**Values:** Our core values include:

- **Excellence is Our Commitment.** We seek results that embody integrity, professionalism, transparency and accountability.
- **Customer Service is Our Passion.** We strive to provide information that is timely and accurate to workers and retirees, stakeholders and partners.
- **People are Our Priority.** Our success depends on the diversity, collaboration and commitment of our workforce.



- **Integrity is Our Touchstone.** We perform our duties honestly, ethically and with a commitment to protecting personal privacy.
- **Innovation Guides Our Work.** We work diligently to improve our technological operations, work products and processes.



# Overview of PBGC's Insurance Programs

PBGC runs two programs to insure different types of defined benefit pension plans: single-employer plans and multiemployer plans.

The Single-Employer Program covers plans that are generally sponsored by one employer. When an underfunded single-employer plan terminates, PBGC steps in to pay guaranteed benefits. This typically occurs when the employer sponsoring an underfunded plan goes bankrupt or out of business and can no longer afford to keep the plan going. In such cases, PBGC will take over the plan's assets

and payment of plan benefits up to the legal limits. The plan sponsor of a single-employer plan may terminate the plan in a standard termination if the plan has enough money to pay all benefits owed to its participants.

The Multiemployer Program covers plans created through a collective bargaining agreement between employers and a union. Employers are usually in the same or related industries. Multiemployer plans provide benefits for people in several industries such as transportation, construction, mining and hospitality. PBGC provides financial assistance to insolvent multiemployer plans and offers technical assistance to multiemployer plan administrators, service providers and other stakeholders.

The two insurance programs are operated and financed separately. Premium rates, the events that trigger PBGC's guarantee, and the level of benefit guarantees are set by Congress and differ between the two programs. Each program presents its own set of challenges. However, PBGC's general goals and commitment to the programs remain the same.



## Strategic Planning and Enterprise Risk Management

Enterprise risk management is an important part of strategic planning. PBGC is currently implementing a program that will focus on four categories of risk: strategic (including structural), operational, reporting and compliance.

As PBGC developed its strategic plan for 2018-2022, the Corporation considered risks that may impact the realization of its mission, strategic goals and objectives. Current risks and how these risks may change over time were considered. Although the Corporation's work

and focus could be influenced by unpredictable events, such as the economy, the Corporation uses trend data, forecasting models and other proven techniques to assist in identifying risks.

The Corporation will continually evaluate and monitor risks to determine how changes could affect its mission and statutory functions. To reduce the impact on achievement of the Corporation's mission, goals and objectives, identified entity-wide risks will be considered in executive management's decision making.



# Management Priorities and Factors Affecting PBGC's Insurance Programs

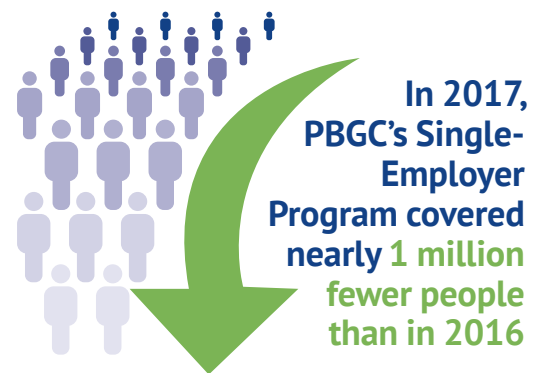
*PBGC has identified five priorities to effectively manage its insurance programs. These priorities are directly related to the Corporation's core mission. Focusing on these five priorities will help the Corporation strengthen its insurance programs, manage resources and improve customer service.*

## Encourage Continuation and Maintenance of Voluntary Private Pension Plans for the Benefit of their Participants

**Traditional Single-Employer Pension Plans Are Available to Fewer People.** While some new defined benefit plans continue to be created, the number of participants in plans leaving the defined benefit system outnumber those entering. This has resulted in a drop in the number of plans and participants insured by PBGC, primarily in the Single-Employer Program. As noted in PBGC's Pension Insurance Data Tables, the total number of PBGC insured single-employer pension plans was 112,208 in 1985. As noted in the Corporation's 2017 Annual Report, that number has declined to about 22,500 plans in 2017. The Single-Employer Program covers about 27.5 million people (excluding those in plans that PBGC has trustee), down from the 28.4 million people PBGC covered in FY 2016. This decline may continue as sponsors are increasingly interested in "risk transfer." Pension plan risk transfer is a method employers use to reduce pension liability and administrative costs. Risk transfer lessens the volatile effects of pension benefits on operating budgets and financial statements, while simultaneously shifting responsibility for retirement security to retirees and other parties. Methods of risk transfer include:

- **Freezing pension benefits and barring new entrants**
- **Offering pension plan participants lump sums instead of lifetime income**
- **Purchasing annuities for retirees**

From 2009 to 2010, PBGC observed a 17 percent increase in the number of plans filing a standard termination.



A company can end a fully funded plan in a standard termination by paying all the benefits it owes to plan participants. Since 2010, the number of plans filing a standard termination has been relatively consistent, ranging from 1,340 to 1,480 plans per year. However, starting in 2014, PBGC noticed an increase in the number of large plans filing standard terminations.

To encourage the continuation and maintenance of voluntary private pension plans, PBGC will provide research and lead engagement and outreach methods to help create a more favorable climate for these plans. PBGC will continue its work to support sponsors by using its existing tools and encouraging the creation of additional options. In addition, the Corporation will provide technical assistance and practical guidance to plan sponsors on the implementation of proposed options to reduce employer risks, while preserving plans and benefits.

**The Multiemployer Program Is at High Risk of Running Out of Money.** Multiemployer plans were weakened by

two recessions in 2001 and 2008, decreasing rates of unionization and overall decreases in employment within some industries. Bankruptcies and plan withdrawals resulted in a decrease in employer contributions to multiemployer plans. In addition, many smaller employers ceased operations during this period, while others laid off workers and/or reduced work hours. As a result, plan contributions, which are based on hours worked, decreased.

The significant underfunding in these plans placed pressure on employers to increase contributions. Minimum required contributions rose precipitously and there were fears that hourly contribution rates for some plans would have to triple or quadruple to avoid a funding deficiency. A significant number of employers responded to these pressures by ending their participation in one or more of the multiemployer plans they previously supported.

Many sponsors of multiemployer plans have now told participants that, absent change, the plans will become insolvent. The timing of insolvency differs for each plan, but in total over 1.2 million participants are in plans that expect to run out of money within the next 20 years. When plans become insolvent, PBGC provides financial assistance. As the number of participants in insolvent plans rise dramatically over the next two decades, so do the demands on PBGC's Multiemployer Insurance Program.

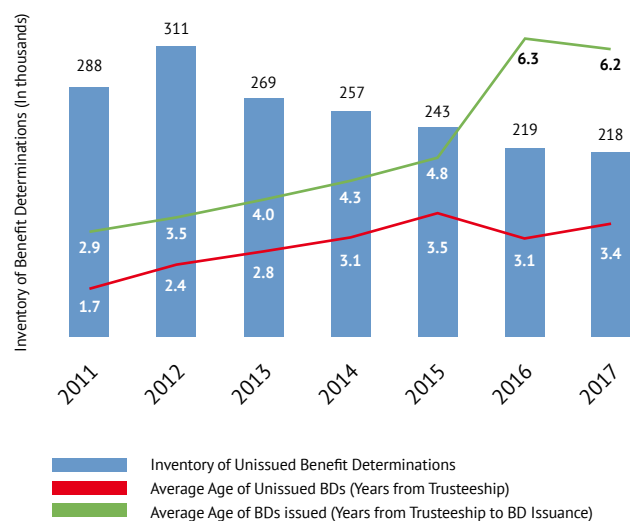
The Multiemployer Insurance Program is likely to run out of money by the end of 2025. While the scope of the problem is beyond the resources or authority of PBGC, the Corporation will provide options to policy makers to improve the financial stability of the Multiemployer Program. The Corporation will also use plan partitions, mergers and other tools to support the financial position of the Multiemployer Program.

## Enhance Production Quality and Reduce the Inventory of Unissued Benefit Determination Letters

During the FY 2014-2018 strategic planning period, PBGC focused on calculating final benefits for participants in some of its oldest, largest or most complex single-employer plans. Additionally, PBGC focused on addressing audit recommendations from the Office of Inspector General (OIG) concerning the quality of work products. As a result, PBGC changed how it processes terminated plans. While processing its old inventory and improving the effectiveness and quality of its benefit administration program, PBGC experienced an increase in the time to issue benefit determinations.

In FY 2017, the average number of years between plan trusteeship and benefit determination letter issuance reached 6.2 years, up from 3.5 years in FY 2012. Although the processing time increased, the inventory of unissued benefit determination letters decreased. The number of unissued benefit determination letters was nearly 311,000 at the end of FY 2012. By the end of FY 2017, the number of unissued letters decreased to almost 218,000, thus achieving a reduction of 30 percent.

### Managing the Inventory of Benefit Determinations



PBGC will remain dedicated to processing terminated plans more rapidly, while maintaining quality. The Corporation will continue to explore and implement process improvements to support these efforts.

## Complete Implementation of Enterprise Risk Management

In 2016, the Office of Management and Budget (OMB) issued guidance requiring all federal agencies to implement Enterprise Risk Management (ERM). PBGC recognizes the benefit of having an effective ERM program and has established an ERM program to address its internal and external risks.

To accomplish an effective risk management program, PBGC hired a Risk Management Officer to oversee the Corporation's management of enterprise-wide risks and ensure that strategic and mission-level risks are considered in PBGC's business and strategic planning. The Corporation also established

a Risk Management Council which supports the Risk Management Officer and provides risk advisory services to PBGC's executive management and Director.

The Risk Management Officer and the Risk Management Council will continue to work together to develop and implement an enterprise risk management framework. They will also provide advice to PBGC's executive management and Director on managing the Corporation's highest-level risks and manage the processes to identify, evaluate, quantify, mitigate and monitor risks.

## Address Workforce Challenges to Prevent an Impact on the Corporation's Ability to Carry Out Its Mission

PBGC's workforce includes federal employees who are assisted by private-sector contractors. Federal employees provide PBGC with a well-trained, experienced core of experts who keep the Corporation operating and are capable of responding to the base level of operations.

In FY 2017, 36 percent of PBGC's workforce was eligible to retire within the next five years. Employees who leave represent a loss of talent and institutional knowledge

across a broad range of skill sets including technical, professional, managerial and executive competencies. As such, PBGC must continue to increase succession planning efforts throughout the Corporation. PBGC will continue to develop departmental succession plans that address not just mission critical positions, but all key positions as identified by management. This includes back-ups for key positions, roles and responsibilities of key positions and knowledge transfer strategies to prevent a loss of institutional knowledge.

## Continue to Improve the Internal Control Environment

In the FY 2017 Annual Report, PBGC's OIG reported that the independent auditor CliftonLarsonAllen LLP opined that the financial statements are presented fairly in all material respects and that PBGC maintained in all material respects effective internal control over financial reporting. The improvements in internal controls led to the resolution of one significant deficiency – "Entity-wide Security Program Planning and Management."

PBGC maintains an Internal Control Committee (ICC) to support compliance with government-wide

requirements, including OMB-Circular A-123, as well as coordinate resolution of OIG findings and recommendations. Chaired by the Chief Financial Officer, the ICC includes members from each major area of the Corporation, including a representative of the OIG as a non-voting member. PBGC will continue to focus on resolving the four internal control weaknesses identified by the OIG. The Corporation has already begun to coordinate its internal controls process with the Risk Management Council.

# Performance Management Framework

PBGC conducts regular data-driven performance reviews and strategic reviews. The Corporation's leaders review performance data and status reports on a quarterly basis. The continuous evaluation of performance data and customer feedback helps PBGC leadership monitor what is working well and what performance measures may need to be adjusted or revisited. These performance reviews allow the Corporation's leaders to realign or adjust human capital and other resources to influence progress on goals and priorities.

The Corporation has a multidisciplinary professional workforce that is committed to the work of PBGC's mission. Every employee has a performance plan with objectives tied to the Corporation's strategic goals. Employees review their performance objectives and performance outcomes with their supervisor of record every 120 days.

The Corporation publishes an annual performance report of its accomplishments. This framework is consistent with requirements outlined in GPRAMA and OMB Circular No. A-11 Part 6.

## Overview of Strategic Goals

PBGC's three strategic goals flow directly from the purposes the Corporation was created to accomplish. These strategic goals are:

- **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**

### *Strategic Goal 1:*

#### *Preserve Plans and Protect the Pensions of Covered Workers and Retirees*

PBGC protects pensioners and supports the continuation and maintenance of voluntary private pension plans for the benefit of its participants by:

- **Encouraging plan sponsors to continue to maintain their defined benefit plans**
- **Protecting workers and retirees when plans are at risk**
- **Creating a regulatory environment that minimizes burden**
- **Uniting more missing participants with their pensions**
- **Encouraging flexibility to preserve plans through changes in legislation and regulations**
- **Aiding policy makers to address the impending insolvency crisis in the Multiemployer Insurance Program**

Sponsoring a defined benefit plan requires plan sponsors to take on significant commitments to the long-term retirement security of their workforce. The costs of making long-term promises have grown in today's environment of low long-term interest rates. To encourage the continuation and financial stability of voluntary private pension plans, PBGC works toward maintaining a regulatory environment that serves the interest of all its stakeholders and avoids creating additional burdens on plans. PBGC also provides technical expertise to plan sponsors, the pension community, Congress and other stakeholders on ways to strengthen the system.

To protect the interests of plan participants and beneficiaries, PBGC monitors more than 1,500

companies to identify transactions and events that potentially pose a risk to the financial viability of single-employer plans. When appropriate, PBGC will work with plan sponsors to arrange agreements for suitable protections to safeguard benefits.

Another component of protecting pensions is reducing the burden and complexity of regulations. PBGC has a robust retrospective review program designed to ensure that regulations are achieving their objectives with no more burden than is necessary. This program has resulted in burden reductions in premium filing, reporting and multiemployer regulation. PBGC will continue to focus on regulatory activity that provides a net benefit to its stakeholders. A prime example is the simplification and expansion of its Missing Participant Program.

Missing participants are those who cannot be located by their plan administrator when a plan is terminated and those participants are owed money. PBGC currently administers a program that searches for missing participants in single-employer defined benefit plans. Recognizing the value of this program, Congress gave PBGC the authority to broaden the program. PBGC has published a regulation to expand the program to include missing participants in defined contribution plans, multiemployer defined benefit plans and defined benefit plans not covered by the Corporation's insurance program. This expansion will strengthen the current program and enable PBGC to reunite more participants with their pensions.

PBGC projects that its Multiemployer Insurance Program will likely run out of money by the end of 2025. While the majority of multiemployer plans are projected to remain solvent over the next 20 years, over 100 plans that cover more than 1.2 million participants have told their participants they expect to become insolvent.

PBGC will continue to use the tools available to improve the financial status of its Multiemployer Program. One of the most important things PBGC can do for participants is to ensure that options are evaluated to help improve the overall solvency of multiemployer plans, reducing the demands on PBGC's limited multiemployer fund. The Corporation will strive to ensure that all stakeholders are aware of the value of its guarantee programs to the participants who are covered.

The Corporation serves as a resource to policy makers in the Administration and Congress as they consider changes to increase the revenue available to cover the financial obligations of the Multiemployer Program and other changes to stabilize the solvency, funding and benefit security of multiemployer plans. PBGC's work on implementing the Multiemployer Pension Reform Act of 2014 (MPRA) will continue, as well as its partnerships with the Administration, Congress, multiemployer plan sponsors and other stakeholders to find solutions and stabilize the Multiemployer Program.

# Summary of Strategic Goal 1:

## *Preserve Plans and Protect the Pensions of Covered Workers and Retirees*

Strategic Objectives	Performance Strategies	FY 2022 Performance Goals
<p>Encourage the continuation and maintenance of pension plans</p>	<ul style="list-style-type: none"> <li>• Engage with employers, workers and pension practitioners to encourage pension plan continuation and strengthen retirement security</li> <li>• Maintain a regulatory environment that serves stakeholders and minimizes the burdens of sponsoring a plan</li> </ul>	<ul style="list-style-type: none"> <li>• Communicate benefits of a defined benefit pension lifetime income via PBGC.gov, social media and PBGC leadership speaking engagements</li> <li>• Maximize stakeholder input by holding frequent meetings and/or events with participant groups, plan sponsors, practitioner groups, industry associations, and other interested stakeholders</li> <li>• Provide technical assistance and practical guidance to plan sponsors on the implementation of proposed options to reduce employer risks, while preserving plans and benefits</li> <li>• Perform rigorous cost-benefit analysis</li> <li>• Prioritize simplification and transparency</li> </ul>
<p>Protect workers and retirees when plans are at risk</p>	<ul style="list-style-type: none"> <li>• Preserve plans during bankruptcy and other corporate transactions</li> <li>• Protect the retirement security of workers and retirees and the interests of premium payers in federal courts</li> </ul>	<ul style="list-style-type: none"> <li>• Protect pensioners by proactively monitoring PBGC's largest exposures for transactions that may pose substantial risks to participants and retirees</li> <li>• Conduct a statistically significant number of audits of plans ending in standard terminations to ensure that participants receive their full retirement benefits</li> <li>• Represent PBGC's interests in all bankruptcy cases involving defined benefit pension plans</li> </ul>

Strategic Objectives	Performance Strategies	FY 2022 Performance Goals
<p>Assist policy making to address the impending insolvency crisis in the Multiemployer Insurance Program</p>	<ul style="list-style-type: none"> <li>• Research and forecast insurance program activities</li> <li>• 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</li> <li>• Provide technical assistance, analysis, and options to policy makers and Congress to improve the financial stability of the Multiemployer Program</li> <li>• Continue to provide financial assistance to insolvent multiemployer plans</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver an annual projections report on the future status of the Single-Employer and Multiemployer Programs</li> <li>• Deliver informal guidance to plans on the details of requesting early financial assistance from PBGC and process applications promptly</li> <li>• Deliver an annual data book to educate stakeholders on the fundamental facts of the Single-Employer and Multiemployer Programs</li> <li>• Initiate regular meetings and/or events to educate and inform the multiemployer community (participants, plan sponsors, and stakeholders) on the effects of the insolvency</li> <li>• Research options and produce a study of new plan formations that could contribute to reversing the decline of the defined benefit pension market</li> <li>• Monitor all multiemployer plans that receive financial assistance and audit a statistical sample of the plans to ensure accurate benefit payments to plan participants, efficient management of the remaining assets and compliance with laws and regulations</li> </ul>
<p>Reduce the number of missing participants</p>	<ul style="list-style-type: none"> <li>• Reunite plan participants with their lost pensions</li> </ul>	<ul style="list-style-type: none"> <li>• Promote existence of program, implement robust search procedures and provide prompt payout when the identity of missing participants is confirmed</li> </ul>



## Strategic Goal 2: Pay Pension Benefits on Time and Accurately

Protecting retiree income by paying benefits on time and accurately is both a statutory requirement and one of the fundamental reasons for PBGC's existence. To meet this requirement, PBGC will focus on the following:

- **Providing exceptional customer service to pensioners**
- **Ensuring regular monthly benefit payments continue without interruption**
- **Providing accurate and timely benefit calculations subject to the limits set by law**

When a single-employer plan insured by PBGC terminates with insufficient funds to pay promised benefits, PBGC will step in as the plan's trustee to protect the retirement income of plan participants and beneficiaries. As a result, the Corporation has been able to enhance the retirement security of workers, retirees and their families.

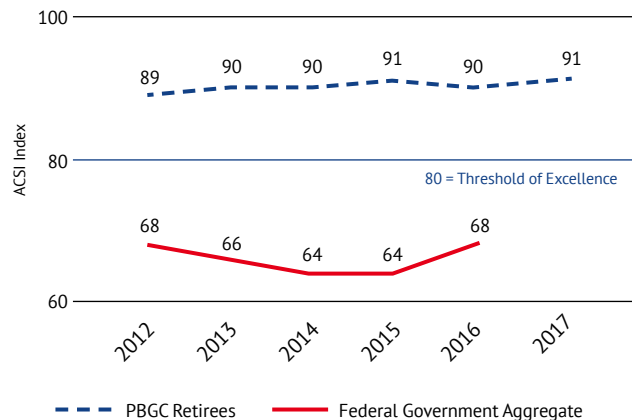
In FY 2017, PBGC paid \$5.7 billion in benefits to almost 840,000 retirees in more than 4,845 failed single-employer plans. An additional 552,000 participants are scheduled to receive benefits in the future. PBGC ensures that existing retirees in newly trustee plans continue to receive retirement benefits without interruption. In addition, the Corporation ensures that applications for retirement benefits are processed and benefits start in a timely manner.



PBGC's commitment to paying retirees accurately and timely is validated by its customers. Since 2013, retirees have rated their satisfaction with the Corporation at 90 or higher. The Corporation recognizes that even with those high satisfaction ratings, there are still challenges that lie ahead and room for improvement.

When PBGC becomes the trustee of a pension plan, its first priority is to continue uninterrupted payments to retirees and beneficiaries. PBGC pays estimated benefits, while a complex, detailed and multi-year process begins. To make final benefit determinations, PBGC is required to collect and analyze plan and participant data, value plan assets and complete an actuarial valuation.

**PBGC Retiree Satisfaction**



Between FY 2009 and FY 2012, PBGC experienced a surge in workload, with an average intake of 145 plans each year, adding over 400,000 new participants during the four year period. This surge included some of the largest and most complex plans in terms of plan assets and benefit structures in PBGC's history. In FY 2017, the average time to provide a benefit determination reached 6.2 years as the Corporation focused on its oldest, largest and most complex plans. With changes made over the last few years to both processes and organizational structure, the Corporation has taken steps to improve plan processing time.

PBGC will continue to ensure a seamless transition of benefits when a plan terminates, and will continue to place retirees and beneficiaries in estimated pay until a benefit determination is completed. On average, over the last six years, PBGC's benefit estimates remained within 10 percent of the final benefit amount 95 percent of the time.

# Summary of Strategic Goal 2:

## *Pay Pension Benefits on Time and Accurately*

Strategic Objectives	Performance Strategies	FY 2022 Performance Goals
Promote exceptional customer service to pensioners	<ul style="list-style-type: none"> <li>• Maintain exemplary customer satisfaction ratings</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve a score of 90 or higher on PBGC's retiree and beneficiary customer satisfaction survey</li> </ul>
Ensure regular monthly benefit payments continue without interruption	<ul style="list-style-type: none"> <li>• Continue uninterrupted benefit payments in newly trustee plans</li> <li>• Process benefit applications timely</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure uninterrupted benefit payments to retirees in newly trustee plans 99% of the time</li> <li>• Approve benefit applications within 45 days 87% of the time</li> </ul>
Provide accurate and timely benefit calculations	<ul style="list-style-type: none"> <li>• Improve the accuracy, timeliness and completeness of benefit determinations</li> <li>• Provide a timely and efficient appeals process for PBGC benefit determinations</li> </ul>	<ul style="list-style-type: none"> <li>• Provide estimated benefits within 10 percent of the final benefit determination 95% of the time</li> <li>• Ensure that the average time in years to issue a benefit determination (time between trusteeship and benefit determination issuance) is 4.5 years</li> <li>• Resolve majority of appeals within one year</li> </ul>

### *Strategic Goal 3: Maintain High Standards of Stewardship and Accountability*

PBGC is responsible for insuring the pensions of tens of millions of people, whose benefits are valued at hundreds of billions of dollars, while collecting over \$6 billion in premiums per year. The Corporation holds itself to the highest standards of care in the management of over \$100 billion in assets and has attained 25 consecutive unmodified audit opinions on its financial statements. PBGC will continue to work in ways that maintain the trust of its customers and the public. PBGC remains committed to the highest standards of service, professionalism, accountability and ethics. PBGC will demonstrate its commitment by:

- **Providing exceptional customer service**
- **Seeking opportunities to improve PBGC's finances**
- **Maintaining a high performance workforce**
- **Maintaining effective information technology (IT) and security programs**

PBGC's first priority is to its customers. Whether it is a participant in a pension plan PBGC insures, a plan sponsor or a partner in the pension community, PBGC actively and continuously solicits customer feedback. Generally, customer satisfaction among the Corporation's seven customer surveys is good, with some groups rating PBGC higher than others. Using comments generated from customer surveys, PBGC is actively working toward improving and increasing the level of services and resources it offers to its customers.

To effectively serve its customer base, PBGC's finances must be sound. To support PBGC's work to improve the financial condition of both the Single-Employer and Multiemployer Programs, the Corporation will continue to diligently collect premiums, efficiently assume the assets of terminated plans, invest assets prudently, follow internal controls and monitor risks. The Corporation will continue its work to prevent, detect and recover improper payments.

PBGC recognizes that it must invest in human capital to serve its customers and achieve its mission. PBGC

maintains a core multidisciplinary workforce of just under 1,000 federal employees and a comparable number of contractors to respond to the anticipated base level of long-term operations. To execute its work at the highest level, it is important for PBGC to seek skilled professionals, often in competitive career fields, by recruiting diverse candidates from all segments of American society. The Corporation believes that this approach will result in a diverse, high performing, engaged and valued workforce.



PBGC employees use technology and other resources to execute their assigned duties and responsibilities. As IT capabilities evolve, PBGC anticipates delivering modernized IT resources to support business operations, while effectively maintaining an adequate level of security to protect the privacy of its customers, employees and contractors. PBGC's Office of Information Technology leverages technology to improve Federal Information Security Management Act (FISMA) compliance and to maximize federal strategies and priorities for a digital government. PBGC's suite of IT tools capitalize on a cost-effective mix of cloud technologies, shared services and internal solutions. These tools will allow PBGC to meet or exceed goals, objectives and performance measures.

Finally, accountability requires transparency. PBGC will continue to maintain its Freedom of Information Act (FOIA) program in full compliance with all legal deadlines and maintain its status as a model small agency program.

# Summary of Strategic Goal 3:

## *Maintain High Standards of Stewardship and Accountability*

Strategic Objectives	Performance Strategies	FY 2022 Performance Goals
Provide exceptional customer service	<ul style="list-style-type: none"> <li>• Maintain exemplary customer satisfaction ratings</li> </ul>	Achieve a score of: <ul style="list-style-type: none"> <li>• 83 or higher on PBGC's Customer Satisfaction survey by FY 2022</li> <li>• 77 or higher on PBGC's MyPBA customer satisfaction survey by FY 2022</li> <li>• 84 or higher customer satisfaction score on PBGC's online premium filing tool, My PAA, by FY 2022</li> <li>• 78 or higher on PBGC's premium filer customer satisfaction survey by FY 2022</li> <li>• 78 or higher on PBGC's website customer satisfaction survey by FY 2022</li> <li>• 83 or higher on PBGC's participant caller customer satisfaction survey by FY 2022</li> </ul>
Meet or exceed the financial and ethical standards that apply to PBGC as a major financial and government institution, and monitor cash flows	<ul style="list-style-type: none"> <li>• Manage investments prudently consistent with investment policy</li> <li>• Collect insurance premiums due</li> <li>• Continue to monitor the efficient use of PBGC's cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with the asset allocation set forth in the Investment Policy Statement</li> <li>• Conduct quality due diligence on the PBGC investment portfolios</li> <li>• Attain an unmodified audit opinion on annual financial statements</li> <li>• Comply with the Improper Payments Elimination and Recovery Act of 2010 to prevent, detect and recover improper payments</li> </ul>
Maintain effective IT security	<ul style="list-style-type: none"> <li>• Maintain adequate IT security posture based on FISMA guidance and as measured by FISMA metrics</li> </ul>	<ul style="list-style-type: none"> <li>• Consistently score in the top 40% of reporting agencies on OMB's Annual FISMA Report</li> <li>• Reduce or eliminate existing OIT significant deficiencies by the end of fiscal year 2022</li> </ul>

Strategic Objectives	Performance Strategies	FY 2022 Performance Goals
Maintain a high performing workforce	<ul style="list-style-type: none"> <li>• Retain and train a high-quality multidisciplinary workforce</li> <li>• Implement succession and workforce planning activities</li> <li>• Support supervisors and managers on managing employee performance and conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Transition from a pilot program to a permanent mentoring program</li> <li>• Develop a succession and workforce plan for every office and critical position</li> <li>• Ensure supervisors and managers are trained on managing employee performance and conduct</li> <li>• Ensure employee relations specialists are proficient in the Performance Management and Employee and Labor Relations Programs</li> </ul>
Encourage and support a diverse and inclusive work environment that encourages employee engagement	<ul style="list-style-type: none"> <li>• Foster a diverse, high-performing workforce</li> <li>• Foster a culture of inclusion that encourages collaboration, flexibility and fairness</li> </ul>	<p>Achieve a:</p> <ul style="list-style-type: none"> <li>• 69% positive score for employee engagement on the Federal Employee Viewpoint Survey</li> <li>• 62% or higher for the Diversity and Inclusion/ New Inclusion Quotient on the annual Federal Employee Viewpoint Survey</li> </ul>
Strengthen enterprise risk management	<ul style="list-style-type: none"> <li>• Implement enterprise risk management strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Implement OMB A-123 enterprise risk management requirements</li> </ul>
Strengthen transparency, disclosure and communication	<ul style="list-style-type: none"> <li>• Provide effective and timely communication with plan participants and other stakeholders</li> <li>• Inform stakeholders about provisions of key legislative and regulatory proposals</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with all FOIA deadlines and maintain model disclosure program</li> <li>• Research and implement improvements each year to PBGC's communications (including PBGC.gov) in response to customer feedback and key performance indicators (surveys, etc.)</li> <li>• Maximize stakeholder education and outreach by holding frequent meetings with participant groups, plan sponsors, practitioner groups, industry associations, and other interested stakeholders</li> <li>• Provide data-driven communications to stakeholders based on the latest pension research, data and projections</li> <li>• Inform plan participant and practitioners of key newly published regulations through speaking engagements at stakeholder conferences and media interviews</li> </ul>
Strengthen contract oversight to reduce enterprise-wide risk	<ul style="list-style-type: none"> <li>• Implement an enterprise-wide plan to improve contract oversight</li> </ul>	<ul style="list-style-type: none"> <li>• Implement ongoing workshops or training to improve contractor oversight</li> </ul>

# PBGC Program Evaluations

*PBGC conducts rigorous internal program evaluations. The Corporation frequently uses independent consultants to help make continuous improvements to programs and support operations. In the following sections, PBGC has outlined current and recent evaluations initiated by the Corporation and its external stakeholders to ensure that programs are operating effectively, efficiently and with integrity.*

## Internal Evaluations

**Internal Control Committee** – PBGC has established its own Internal Control Committee to oversee the testing and reporting of management controls for key business processes. PBGC maintains an active internal control program to ensure that financial reporting, IT and other controls are in place and effective. This program includes performing improper payment and other risk assessments where controls should be continuously reviewed for adequacy. Each year, senior managers sign an annual assurance statement regarding compliance with the Federal Managers' Financial Integrity Act. This statement is included in PBGC's annual report.

**Operational Reviews** – PBGC periodically assesses the effectiveness of its operations to identify opportunities for improvement. The Corporation collaborates with other federal agencies through inter-agency agreements to review services, operating practices and security. PBGC also has a Quality Management Department that serves as a resource for PBGC executives and managers to review programs and processes. These resources are used to identify potential improvements, update or develop new procedures and improve the effectiveness and efficiency of corporate operations and customer support through process mapping and improvement and automation activities.

**Regulatory Reviews** – PBGC strives to have open exchanges of information with stakeholders, including other government officials, experts and the public. With input from stakeholders, the Corporation continues to focus on reducing burden in various areas including reporting and disclosure, premiums,

plan terminations and liability for business shutdowns and layoffs. In July 2017, PBGC issued a Request for Information to obtain public input on future regulatory and deregulatory activities. The public is encouraged to submit comments on PBGC policy proposals via email to [reg.comments@pbgc.gov](mailto:reg.comments@pbgc.gov) as PBGC continuously reviews regulations.

## External Evaluations

### **American Customer Satisfaction Index (ACSI) and ForeSee Customer Experience Analytics (CXA)** –

PBGC uses ACSI and CXA survey methodologies to solicit input from all customer segments about their experiences with the Corporation. Because these methodologies are research-backed and widely used throughout government and industry, PBGC is able to compare itself to other government and private organizations, as well as gauge the effectiveness of its efforts to improve customers' experiences.

**Annual Financial Statement Audit** – An independent firm audits PBGC's financial statement each year. For 25 consecutive years, PBGC has attained an unmodified audit opinion on its financial statements. These audits point out areas for improvement in controls and processes.

### **Equal Employment Opportunity Commission (EEOC)** –

EEOC evaluates the operation of PBGC's equal employment opportunity programs. EEOC reviews PBGC's employment data, policies and practices to ensure compliance with EEO laws and regulations and advance equal opportunity and affirmative employment in the federal workplace.

**Government Accountability Office (GAO)** – GAO routinely studies the effectiveness and efficiency of the federal pension insurance program administered by PBGC. Its studies and recommendations have led to legislative and policy changes, as well as process improvements. PBGC management will continue to rely upon the GAO for guidance to help improve performance and ensure accountability.

**Office of Government Ethics (OGE)** – PBGC leadership continues to integrate ethics into the daily work of the Corporation. OGE periodically reviews the effectiveness of PBGC's ethics program. In 2016, OGE performed an inspection review of PBGC's program and found it to be effectively administered and in compliance with applicable laws, regulations and policy. The Corporation's program is a past recipient of the Office of Government Ethics' Program Excellence and Innovation Award presented at the National Government Ethics Conference.

**Office of Inspector General (OIG)** – OIG is an independent office within PBGC, established under the Inspector General Act of 1978 to promote program integrity, efficiency and effectiveness. The OIG initiates program reviews and conducts the annual financial audit.

**Office of Management and Budget (OMB)** – OMB in accordance with the Federal Information Security Modernization Act of 2014 (FISMA) publishes a report for the Executive Office of the President that provides agency cybersecurity performance summaries. PBGC is included as a one of the agencies in this government-wide assessment.

**Office of Personnel Management (OPM)** – OPM monitors the effectiveness and compliance of PBGC's human capital practices and systems to ensure all federal employees operate in a fair and discrimination-free environment. Its recommendations and evaluations have led to policy changes and process improvements. OPM provides guidance in recruiting, developing and maintaining a high-performing workforce that draws from all segments of society and values fairness, diversity and inclusion.

**Peer Reviews** – In response to the Moving Ahead for Progress in the 21st Century Act of 2012, PBGC works with a capable agency or organization that is independent from PBGC to conduct an annual peer review of the Single-Employer Pension Insurance Modeling System and the Multiemployer Pension Insurance Modeling System.

# Appendix A:

## PBGC Customer Service Plan

PBGC guarantees the pension benefits of workers and retirees in covered defined benefit pension plans. The Corporation has built a strong culture of providing services to meet the needs of its customers. PBGC considers the customer in all related activities and decisions.

PBGC's key customers are:

- **Workers, retirees and beneficiaries in pension plans**
- **Pension plan sponsors, administrators, premium filers and practitioners**
- **Visitors to PBGC's website**

### Engaging Customers

**Participants:** PBGC hosts meetings with representatives of the participant community to educate and solicit feedback. PBGC also actively engages participants using a dynamic corporate communications program that includes website transactions, newsletters, subscriptions and social media.



- **Promote Website Transactions:** PBGC.gov provides multiple resources for finding insured or trustee pension plans, as well as locating lost pensions. MyPBA (My Pension Benefit Account), PBGC's online transactional tool, lets customers handle routine transactions such as address changes, updates to tax withholdings, and direct deposit changes at any time of day or night.
- **Provide Newsletters and Subscriptions:** Retiree newsletters provide options on how to interact with PBGC and include topics such as tax information and identity protection. The newsletter for future retirees includes topics such as applying for benefits and requesting benefit estimates. An online subscription service allows interested parties to receive news releases and blog entries, as well as updated content on selected topics, such as the Health Coverage Tax Credit.
- **Use Social Media:** PBGC has an active presence on social media, sharing both PBGC-specific news and stories of general interest to the retirement security community.

**Practitioners:** PBGC actively engages practitioners in a number of ways including regular communication, an online premium filing tool, a toll-free number and industry event participation.

- **Invite Participation:** Industry experts are invited to comment on PBGC proposals to make compliance simpler and easier.
- **Promote Frequent Communication:** PBGC communicates regularly with practitioners primarily via email and the website. The popular What's New for Practitioners feature alerts practitioners to changes in regulations, filing due dates and technical guidance. Monthly interest rates are posted online. Free email alerts are available for both features.



- **Provide an Online Premium Filing Tool:** My PAA (My Plan Administration Account) is PBGC's online premium filing tool. My PAA provides round-the-clock filing capability and access to plan information. PBGC's website also provides extensive information on premium filings and regulations.
- **Participate in Industry Events:** PBGC services to the practitioner community include participation in conferences provided by relevant professional organizations. PBGC regularly provides and solicits information at these events to help practitioners successfully comply with their responsibilities and to address PBGC-related questions. PBGC maintains a speakers bureau of experts willing and available to speak to interested groups.

**Website Visitors:** PBGC actively engages visitors by providing the most frequently requested information and soliciting feedback.

- **Provide Requested Resources Online:** PBGC.gov provides extensive resources of interest to varied audiences including laws and regulations, listings of trustee and insured pension plans, phone numbers and email addresses, and the popular unclaimed pension search tool.
- **Make Regular Improvements:** PBGC.gov incorporates customer feedback and web analytics information into improvements to site content, navigation and design. The site is redesigned as needed to keep up with customers' changing needs and expectations.

## Talking with Customers

PBGC operates customer contact centers to provide individual attention and experienced assistance. PBGC's problem resolution officers help customers resolve complex problems.

- **Operate Customer Contact Centers:** During business hours, PBGC's toll-free customer contact centers handle participant and practitioner inquiries in both English and Spanish. To accommodate high-volume periods, expanded hours are periodically offered.

- **Dedicate Problem Resolution Officers:** PBGC has long employed two dedicated problem resolution officers. Each officer is assigned to a customer group of participants or practitioners to resolve individual questions and concerns.

## Listening to Customers

PBGC actively listens to its customers, hears their concerns and ideas, and maintains accountability for providing customers with the highest level of service.

- **Listen to Participants:** PBGC uses three surveys to invite feedback from monthly payees, users of MyPBA and participants who call its toll-free number. All three surveys provide a "please contact me" option so that PBGC can respond to individual questions and concerns. PBGC further ensures the quality of service provided to its customers by monitoring calls and following up with a sample of customers to ensure their concerns were handled promptly, courteously and correctly.
- **Listen to Practitioners:** PBGC listens and seeks to build on its successes with ever-improving service. PBGC hosts forums to air practitioners' varying perspectives on PBGC regulations and policies, and solicits feedback via surveys of premium filers and users of My PAA. The Office of the General Counsel also staffs a general inquiry line to field legal questions from practitioners.
- **Listen to Website Visitors:** PBGC works to improve the visitor experience by asking customers to evaluate their experience and provide comments using the Customer Satisfaction and PBGC.gov surveys. PBGC uses the feedback from these surveys to identify customer needs and improve programs and services.



## Benchmarking Performance

Customer service is intrinsic to PBGC's mission. PBGC sets targets, measures performance and compares results to the best in the private sector and government, then uses this information to reinforce its commitment.

- **Set Targets:** PBGC maintains [service targets](#) for customer groups and regularly reports on [performance](#) against goals. Customer satisfaction scores reflect the success of PBGC's efforts to serve both the people who count on the Corporation, and the companies and professionals that sponsor and administer ongoing pension plans.
- **Compare PBGC Service to the Best:** PBGC uses the objective third-party American Customer Satisfaction Index and ForeSee Customer Experience Analytics survey methodologies to compare its performance to the services provided by both government and private entities. Feedback from the surveys is used to allocate resources and to make informed decisions and improvements that matter to customers.
- **Reinforce PBGC's Commitment:** Supervisors evaluate all employees against a customer service performance standard. PBGC employees are kept aware of customer needs, wants and perceptions. PBGC routinely performs the following to promote awareness:

- » Post customer survey data daily on the internal website for all employees to view
- » Train customer service representatives and conduct quality reviews of customer calls
- » Review policies and regulations to assure ease of use by customers
- » Use customer and employee suggestions to improve service
- » Highlight customer feedback and satisfaction levels in quarterly and annual performance reports

## Planning for the Future

PBGC will continue providing outstanding customer service. Initiatives underway will:

- **Reduce** the time it takes to notify participants of their final benefit
- **Add** frequently requested functions to MyPBA, the online self-service tool for participants and retirees
- **Simplify** navigation and search features of PBGC.gov so customers can quickly get to the information they need
- **Reunite** plan participants with their lost pensions

PBGC will continue to listen to its customers in order to appropriately allocate resources and deliver outstanding customer service.

# Appendix B: PBGC Contextual Data and Performance Measures

The following table provides historical data about PBGC's performance measures, workload drivers and other activities.

Measure	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
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## Goal 1: Preserve Plans and Protect Pensioners

Workers and retirees in insured pension plans	42 Million	41 Million	40 Million	40 Million	40 Million
Reportable events received	1,122	954	789	703	704
Participants protected in bankruptcy cases with plans ongoing	161,000	163,000	16,000	55,000	26,700
Additional payments resulting from standard termination enforcement actions	\$3.7 M to 1,539 people	\$6.5 M to 938 people	\$5.8 M to 1,456 people	\$4.5M to 940 people	\$4.6M to 435 people

## Goal 2: Pay Pension Benefits on Time and Accurately

Customer satisfaction of workers and retirees who call PBGC	87	85	83	84	83
Customer satisfaction of people receiving benefits	90	90	91	90	91
Customer satisfaction of workers and retirees who use MyPBA	81	77	77	76	76
New underfunded plan terminations	111	86	69	67	76
People in new underfunded plan terminations	57,000	40,000	29,000	45,000	16,000
People receiving benefits – single-employer plans	851,000	813,000	826,000	840,000	840,000
People to receive benefits in future – single-employer	596,000	595,000	560,000	559,000	552,000
People in plans receiving financial assistance – multiemployer plans	50,000	52,000	54,000	59,000	63,000
People to receive benefits in future in plans receiving financial assistance - multiemployer	21,000	23,000	25,000	27,000	30,000
People waiting to receive a benefit determination	279,000	257,000	243,000	219,000	218,000
Average time (years waiting) to issue benefit determinations from trusteeship	4.0	4.3	4.8	6.3	6.2

Measure	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Average age (years) of unissued benefit determinations	2.81	3.08	3.48	3.06	3.39
Estimated benefits within 10 percent of final benefit determination	96%	97%	96%	96%	93%
Benefit applications processed within 45 days	88%	75%	80%	87%	87%
Benefits paid to pensioners in single-employer plans	\$5.5 B	\$5.5 B	\$5.6 B	\$5.7 B	\$5.7 B
Financial assistance to multiemployer plans	\$89 M	\$97 M	\$103 M	\$113 M	\$141 M

### Goal 3: Maintain High Standards of Stewardship and Accountability

Customer satisfaction of premium filers	74	73	76	79	77
Customer satisfaction of pension practitioners who perform online transactions using My PAA	80	81	80	83	85
Overall customer satisfaction of people seeking information and services	71	76	75	73	72
Customer satisfaction of visitors to PBGC.gov	72	73	74	74	72
Financial surplus/deficit – Single-Employer Program	(\$27.4 B)	(\$19.3 B)	(\$24.1 B)	(\$20.6 B)	(\$10.9B)
Financial surplus/deficit – Multiemployer Program	(\$8.3 B)	(\$42.4 B)	(\$52.3 B)	(\$58.8 B)	(\$65.1B)
Audit opinion on PBGC's financial statements	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified
Improper Payments Elimination and Recovery Act of 2010 compliance	Yes	Yes	Yes	Yes	Yes
Premium collection (cash basis)	\$3.2 B	\$1.8B	\$3.7B	\$5.5B	\$7.2B
Average time (days) to complete hiring process	119	120	111	130	66
Employee engagement index	64%	65%	69%	72%	75%
Contract Awards Fully Completed	86%	91%	92%	75%	77%

# Appendix C: PBGC Organizational Structures and Functions

PBGC is administered by a Director, who is appointed by the President and confirmed by the United States Senate. Policy oversight is provided by a Board of Directors, which consists of the Secretaries of Labor (Chair), Treasury and Commerce.

The Corporation is aided by a seven-member Advisory Committee appointed by the President to represent the interests of labor, employees and the general public. The Advisory Committee advises PBGC on its investments, regulations and other matters. PBGC is organized by departments and offices assigned various functions to carry out its mission.

## PBGC Offices

The **Office of the Director** (OD) plans, administers and directs PBGC's programs in accordance with the requirements of Title IV of the Employee Retirement Income Security Act of 1974 and is subject to the direction of the Chairman of the Board of Directors to implement the policies of the Board of Directors; and provides appropriate advice and assistance to the Chairman and the Board of Directors.

- **Equal Employment Opportunity Office** assists in the eradication of employment discrimination, improves diversity in the workplace and creates an environment where all PBGC employees are valued, respected and free to develop and perform to their fullest potential.
- **Risk Management Officer** oversees enterprise-wide risks, ensuring that risk assessment is considered in the strategic planning process, and that governance and controls are in place to manage and quantify risks.

The **Office of Benefits Administration** (OBA) manages the termination process for defined benefit plans, provides participant services (including calculation and payment of benefits) for PBGC-trusted plans, provides actuarial support for PBGC and carries out PBGC's responsibilities under settlement agreements.

- The **Actuarial Services and Technology Department** (ASTD) provides actuarial oversight and expertise supporting PBGC benefit calculation, valuation and administration, and provides programmatic management, technical support and quality assurance for OBA IT systems.
- The **Participant Services Department** (PSD) ensures that cases are processed timely and efficiently in accordance with the law, regulations and operational needs; provides oversight for case management activities and policy development, and determines operational impact; coordinates with departments internal and external to OBA and PBGC on case processing activities and policy; forecasts results to inform senior leadership decisions; facilitates the resolution of issues affecting case processing or policy; and provides post-approval benefit payment services for trusted plans, settlement agreements and assigned non-trusted plans in accordance with PSD standards for quality and timeliness.
- The **Plan Asset and Data Management Department** (PADMD) provides oversight of the asset evaluation branches and determines the value of assets and non-actuarial liabilities for all PBGC trusted pension plans, as of their date of plan termination.

The **Office of the Chief Financial Officer** (CFO) plans and directs the efficiency and effectiveness of the financial management programs and operations of the Corporation; oversees the investment portfolio and serves as principal advisor to the Director on the

establishment and maintenance of adequate internal controls; and ensures program compliance with respect to premium and financial assistance. The CFO includes three departments:

- **Corporate Controls and Reviews Department (CCRD)** performs evaluations and management advisory services for PBGC management and provides objective reports and other products to PBGC management.
- **Corporate Investment Department (CID)** provides investment management services for plans trustee by PBGC and assets managed by the Corporation.
- **Financial Operations Department (FOD)** administers the Corporation's financial and accounting programs.

The **Office of the General Counsel (OGC)** provides legal advice and counsel for the Director and the Corporation on all legal issues pertaining to ERISA, bankruptcy related legal actions, insolvency proceedings, and settlement decisions. OGC also decides administrative appeals of benefit coverage and other determinations, and administers the disclosure and other requirements of the Freedom of Information Act and the Privacy Act. OGC consists of four departments: General Law and Operations; Program Law and Policy; Bankruptcy, Litigation and Terminations; and Bankruptcy, Transactions and Terminations.

- The **Bankruptcy, Litigation and Terminations Department** and the **Bankruptcy, Transactions and Terminations Department** provide the legal support for the Single-Employer Program work of the Office of Negotiations and Restructuring by advising on ERISA, bankruptcy, and administrative law issues, performing legal work for transactions to mitigate program risk, and conducting litigation in all federal, state and bankruptcy courts.
- The **General Law and Operations Department** is the catch-all department within OGC. It is responsible for FOIA, privacy, ethics, procurement, personnel and labor law, appropriations questions, and includes the Appeals Division, which reviews decisions on participants' benefits and employer liability.
- The **Program Law and Policy Department** provides comprehensive legal advice and counsel for

the General Counsel and the Corporation with respect to legislative, regulatory and policy issues pertaining to PBGC's mission; comprehensive legal services with respect to PBGC's Multiemployer Program; and legal advice with respect to PBGC's benefit determinations.

The **Chief Information Officer** is responsible for the Corporation's IT program. The CIO 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; and oversees the acquisition of IT resources for PBGC. The Office of the CIO consists of three departments and one division that executes the Chief Information Security Officer function:

- **Business Innovation Services Department (BISD)** delivers IT solutions and support systems for the Corporation. This includes the modernization of key systems and the execution of technology to support business process improvements across the Corporation.
- **Enterprise Cybersecurity Division (ECD)** under the leadership of the Chief Information Security Officer (CISO), implements, manages and oversees all aspects of cybersecurity for PBGC. This includes developing and promulgating corporate-wide security policies, standards, procedures, training and guidance, while monitoring and assessing the compliance of those security policies and procedures within the PBGC business areas.
- **Enterprise Governance Department (EGD)** develops and manages the strategic planning, policy, enterprise architecture, capital planning and budget formulation and execution for IT investments functions. Collectively, these activities form the cradle to grave governance structure for IT products and services for the Corporation.
- **Information Technology Infrastructure Operations Department (ITIOD)** manages the delivery of the infrastructure systems and services, measuring

capabilities to ensure service levels are met and ensure the delivery of a secure, cost effective and sustained level of availability that supports the overall business continuity.

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 strategic planning, customer service, budget, procurement, human resources, quality management, and facilities and services. The OMA includes five departments:

- **Budget Department** (BD) plans, administers and reports on the Corporation's budget. BD manages the formulation and execution of PBGC's budget, ensuring that it is executed within resources provided and manages the allocation and reallocation of resources, including full-time-equivalent work years. BD serves as PBGC's primary contact for budget matters at OMB, DOL and Congress.
- **Human Resources Department** (HRD) fosters an inclusive work environment by formulating, coordinating and executing human capital initiatives, programs and policies that support the Corporation's mission, goals, and business objectives. HRD implements strategies to attract and retain a diverse and highly skilled workforce to include persons with disabilities and disabled veterans, while also supporting PBGC supervisors, managers and senior leaders by providing a robust Management and Leadership (M&L) Training Program designed to strengthen leadership and individual performance.
- **Procurement Department** (PD) is responsible for the acquisition of all goods and contract services used by PBGC to accomplish its mission.
- **Quality Management Department** (QMD) develops the Corporation's strategic plan, annual performance plan and annual performance report, while assessing business processes and customer feedback to identify improvements and opportunities for learning and development. QMD uses performance data to inform corporate decisions and employs business analytics to support continuous process improvement in support of PBGC's mission.

- **Workplace Solutions Department** (WSD) plans and administers PBGC's facility management, including its lease administration and space utilization programs, office support, building safety, Continuity of Operations (COOP), disaster preparedness and recovery programs, and records management program.

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

- The **Corporate Finance and Restructuring Department** (CFRD) monitors the corporate events and transactions of insured, defined benefit pension plan sponsors and provides financial analysis, actuarial analysis and negotiations support to enable PBGC to mitigate risk exposure to the defined benefit insurance program, participants and PBGC.

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 two departments:

- **Communications Outreach and Legislative Affairs** (COLA) organizes, directs, and implements a comprehensive external and internal communications program to enhance the knowledge and understanding of the PBGC mission, programs and services through the various public entities it serves. Stakeholders include participants, the pension community (e.g., practitioners, plan sponsors,

plan administrators), Congress and closely allied groups and organizations.

- **Policy, Research and Analysis Department (PRAD)** develops policy for PBGC's insurance programs and conducts related research and modeling. Policy activity encompasses legislative and regulatory analysis and proposal development related to benefit guarantees, employer liability and premiums. Research addresses actuarial and financial issues to support policy development and involves modeling for forecasting purposes.

The **Office of 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 promote economy, efficiency and effectiveness in PBGC programs and operations. The OIG provides independent, positive engagement through its audits, investigations, inspections, reviews and evaluations. In addition, the OIG provides objective information on significant conditions and events to improve PBGC management and program operations. The OIG reports directly to PBGC's

Board of Directors and Congress regarding major developments associated with audit and investigative missions, including a required semi-annual report of accomplishments.

The **Office of Participant and Plan Sponsor Advocate (OPPSA)** is an independent entity within PBGC. The Advocate is selected by PBGC's Board of Directors and reports to PBGC's Board of Directors and Congress. The Advocate acts as a liaison between PBGC, sponsors of insured defined benefit plans and participants in PBGC-trusted plans. The duties of the position include advocating for the full attainment of the rights of participants in trusted plans, as well as assisting participants and plans sponsors in resolving disputes with the Corporation. The Advocate also identifies areas where participants and plan sponsors have persistent problems in dealings with PBGC and may propose changes in PBGC's administrative practices and recommend legislative changes to mitigate problems. The Advocate provides an annual report to PBGC's congressional committees of jurisdiction, PBGC's Board of Directors and PBGC's Director.



# Appendix D: Evidence Building

PBGC maintains a robust suite of research tools that provide evidence to support strategic and annual planning, as well as monitor progress toward achieving performance objectives and strategic goals.

## Long-Term Forecasting

### Projections Report

The Projections Report provides multi-year projections of the financial condition of PBGC's Single-Employer and Multiemployer Insurance Programs. The Projections Report starts from the current financial position and then simulates PBGC's financial condition 10 or more years into the future based on different economic scenarios. The projections are estimates, not predictions.

### Pension Insurance Modeling System (PIMS)

To make projections on the future status of PBGC's insurance programs, PBGC uses two stochastic modeling systems: the Multiemployer Pension Insurance Modeling System (ME-PIMS) and the Single-Employer Pension Insurance Modeling System (SE-PIMS). Each model relies on running many simulations under differing economic scenarios to derive a range of possible future outcomes. However, there is no single projection that represents the expected results under either program.

### Pension Insurance Data Tables

To provide historical perspective on the long-term trends in PBGC's insurance program, PBGC annually prepares charts showing basic financial and coverage data, as well as time series information regarding important aspects of the insurance programs.

## Intermediate Planning

### Early Warning

An important aspect of the pension preservation mission is PBGC's Early Warning Program (EWP) for single-employer plans, which dates back more than 20 years. Under the EWP, PBGC works with employers to preserve their pension plans and protect the retirement security of their workers and retirees, while maintaining premiums at the lowest level consistent with carrying out its obligations under ERISA Title IV.

To protect participants, PBGC regularly monitors corporate transactions or events that could affect a plan sponsor's ability to continue to support its pension plan. PBGC internally identifies about 100 transactions or events each year that could potentially be of concern, and engages the plan sponsors to obtain additional information. The regular monitoring of corporate transactions also helps PBGC project its workload, manage its resources and mitigate program risks.

## Near-Term Operational

### Corporate Performance Systems Program

The Corporate Performance Systems Program consists of two applications: the Corporate Data Management System (CDMS) for data capture from multiple systems across PBGC, and the Corporate Performance Reporting System (CPRS) for calculating performance metrics and reporting for multiple departments.

CDMS is the corporate data warehouse that stores data from major systems for a variety of uses across the corporation. It provides access to historical premium and plan filing information.

CPRS delivers corporate performance measurement, analysis and reporting. This performance reporting fosters and facilitates corporate-wide understanding of established performance measures and outcomes. It also improves the overall level of information sharing between departments.

Both systems are used to improve the efficiency and effectiveness of PBGC's programs and to improve customer service.

### Surveys

#### **Federal Employee Viewpoint Survey (FedView)**

The FedView Survey is an OPM sponsored tool that measures employees' perceptions of whether, and to what extent, conditions that characterize successful organizations are present in their agencies. The survey results are used to support employee engagement, foster a diverse work culture and improve the work environment.

#### **Telephone Surveys**

PBGC uses telephone surveys to gather feedback from its customers including retirees, premium filers, and callers to the Corporation's Customer Contact

Center. Surveys are conducted by Claes Fornell International (CFI) using The American Customer Satisfaction Index (ACSI) methodology to evaluate PBGC's services to these customers. ACSI surveys use a proven statistical methodology to identify where improvements can be made.

#### **Online Surveys**

PBGC conducts four online surveys measuring user satisfaction. These surveys cover:

- Online service for participants using My Pension Benefit Account (MyPBA)
- Online service for practitioners using My Plan Administration Account (My PAA)
- The PBGC.gov website
- Overall satisfaction of all customers

These surveys provide valuable benchmarking insight and track trends in customer satisfaction. Online surveys collect continuous feedback, enabling PBGC to promptly address customer concerns. Online surveys are conducted by a private third-party vendor, ForeSee using the ForeSee Customer Experience Analytics.



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