

**FY 2018**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**EMPLOYEE BENEFITS SECURITY ADMINISTRATION**

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# EMPLOYEE BENEFITS SECURITY ADMINISTRATION

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# EMPLOYEE BENEFITS SECURITY ADMINISTRATION

## APPROPRIATION LANGUAGE

*For necessary expenses for the Employee Benefits Security Administration, \$183,926,000, of which not less than \$3,000,000 shall be made available through September 30, 2019, for the procurement of expert witnesses for enforcement litigation.*

Note. – A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

## EMPLOYEE BENEFITS SECURITY ADMINISTRATION

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>						
(Dollars in Thousands)						
	<b>FY 2016 Enacted</b>		<b>FY 2017 Full Year C.R.</b>		<b>FY 2018 Request</b>	
	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>
<b>A. Appropriation</b>	<b>949</b>	<b>\$181,000</b>	<b>925</b>	<b>\$181,000</b>	<b>908</b>	<b>\$183,926</b>
<i>Subtotal Appropriation</i>	<i>949</i>	<i>\$181,000</i>	<i>925</i>	<i>\$181,000</i>	<i>908</i>	<i>\$183,926</i>
Reduction pursuant to P.L. 114-254	0	\$0	0	-\$344	0	\$0
Offsetting Collections From:						
Reimbursements	0	\$6,414	0	\$8,000	0	\$8,000
<i>Subtotal</i>	<i>949</i>	<i>\$187,414</i>	<i>925</i>	<i>\$188,656</i>	<i>908</i>	<i>\$191,926</i>
<b>B. Gross Budget Authority</b>	<b>949</b>	<b>\$187,414</b>	<b>925</b>	<b>\$188,656</b>	<b>908</b>	<b>\$191,926</b>
Offsetting Collections To:						
Reimbursements	0	-\$6,414	0	-\$8,000	0	-\$8,000
<i>Subtotal</i>	<i>949</i>	<i>\$181,000</i>	<i>925</i>	<i>\$180,656</i>	<i>908</i>	<i>\$183,926</i>
<b>C. Budget Authority Before the Committee</b>	<b>949</b>	<b>\$181,000</b>	<b>925</b>	<b>\$180,656</b>	<b>908</b>	<b>\$183,926</b>
Offsetting Collections From:						
Reimbursements	0	\$6,414	0	\$8,000	0	\$8,000
<i>Subtotal</i>	<i>949</i>	<i>\$187,414</i>	<i>925</i>	<i>\$188,656</i>	<i>908</i>	<i>\$191,926</i>
<b>D. Total Budgetary Resources</b>	<b>949</b>	<b>\$187,414</b>	<b>925</b>	<b>\$188,656</b>	<b>908</b>	<b>\$191,926</b>
Unobligated Balance Expiring	-3	-\$8	0	\$0	0	\$0
<b>E. Total, Estimated Obligations</b>	<b>946</b>	<b>\$187,406</b>	<b>925</b>	<b>\$188,656</b>	<b>908</b>	<b>\$191,926</b>

# EMPLOYEE BENEFITS SECURITY ADMINISTRATION

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2017 Full Year C.R.	FY 2018 Request	Net Change
<b>Budget Authority</b>			
General Funds	\$180,656	\$183,926	+\$3,270
Total	\$180,656	\$183,926	+\$3,270
<b>Full Time Equivalents</b>			
General Funds	925	908	-17
Total	925	908	-17

### FY 2018 Change

Explanation of Change	FY 2017 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Costs of pay adjustments	925	\$93,217	0	\$0	0	\$1,580	0	\$1,580
Personnel benefits	0	\$8,458	0	\$0	0	\$711	0	\$711
Employee health benefits	0	\$20,372	0	\$0	0	\$0	0	\$0
Two days less of Pay	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$0	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$30	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$1,512	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$20	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$10,770	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$31	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$400	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$500	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$1,000	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$4,500	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$25,605	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$670	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$0	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$2,000	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$9,500	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$900	0	\$0	0	\$0	0	\$0
Equipment	0	\$1,000	0	\$0	0	\$0	0	\$0

## EMPLOYEE BENEFITS SECURITY ADMINISTRATION

FY 2018 Change

Explanation of Change	FY 2017 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Insurance claims and indemnities	0	\$0	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>925</b>	<b>+\$180,485</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$2,291</b>	<b>0</b>	<b>+\$2,291</b>
<b>B. Programs:</b>								
Oversight of Federal Retirement Thrift Investment Board	0	\$0	0	\$0	0	\$2,000	0	\$2,000
Compliance Assistance for ERISA Disclosure Requirements	0	\$0	0	\$0	0	\$1,270	0	\$1,270
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$3,270</b>	<b>0</b>	<b>+\$3,270</b>
<b>Total Increase</b>	<b>925</b>	<b>+\$180,485</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$5,561</b>	<b>0</b>	<b>+\$5,561</b>
<b>Decreases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Federal Employees' Compensation Act (FECA)	0	\$171	0	\$0	0	-\$52	0	-\$52
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>+\$171</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$52</b>	<b>0</b>	<b>-\$52</b>
<b>B. Programs:</b>								
FTE Reduction to Absorb Inflationary Costs	0	\$0	0	\$0	-17	-\$2,239	-17	-\$2,239
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>-17</b>	<b>-\$2,239</b>	<b>-17</b>	<b>-\$2,239</b>
<b>Total Decrease</b>	<b>0</b>	<b>+\$171</b>	<b>0</b>	<b>\$0</b>	<b>-17</b>	<b>-\$2,291</b>	<b>-17</b>	<b>-\$2,291</b>
<b>Total Change</b>	<b>925</b>	<b>+\$180,656</b>	<b>0</b>	<b>\$0</b>	<b>-17</b>	<b>+\$3,270</b>	<b>-17</b>	<b>+\$3,270</b>



## EMPLOYEE BENEFITS SECURITY ADMINISTRATION

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b>								
(Dollars in Thousands)								
	FY 2016 Enacted		FY 2017 Full Year C.R.		FY 2018 Request		Diff. FY18 Request / FY17 Full Year C.R.	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Enforcement and Participant Assistance</b>	<b>845</b>	<b>147,400</b>	<b>810</b>	<b>147,120</b>	<b>0</b>	<b>0</b>	<b>-810</b>	<b>-147,120</b>
General Funds	845	147,400	810	147,120	0	0	-810	-147,120
<b>Policy and Compliance Assistance</b>	<b>76</b>	<b>26,901</b>	<b>90</b>	<b>26,850</b>	<b>0</b>	<b>0</b>	<b>-90</b>	<b>-26,850</b>
General Funds	76	26,901	90	26,850	0	0	-90	-26,850
<b>Executive Leadership, Program Oversight and Administration</b>	<b>25</b>	<b>6,699</b>	<b>25</b>	<b>6,686</b>	<b>0</b>	<b>0</b>	<b>-25</b>	<b>-6,686</b>
General Funds	25	6,699	25	6,686	0	0	-25	-6,686
<b>Employee Benefits Security Programs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>908</b>	<b>183,926</b>	<b>908</b>	<b>183,926</b>
General Funds	0	0	0	0	908	183,926	908	183,926
<b>Total</b>	<b>946</b>	<b>181,000</b>	<b>925</b>	<b>180,656</b>	<b>908</b>	<b>183,926</b>	<b>-17</b>	<b>3,270</b>
<b>General Funds</b>	<b>946</b>	<b>181,000</b>	<b>925</b>	<b>180,656</b>	<b>908</b>	<b>183,926</b>	<b>-17</b>	<b>3,270</b>

NOTE: 2016 reflects actual FTE.

## EMPLOYEE BENEFITS SECURITY ADMINISTRATION

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		FY 2016 Enacted	FY 2017 Full Year C.R.	FY 2018 Request	Diff. FY18 Request / FY17 Full Year C.R.
	Full-Time Equivalent				
	Full-time Permanent	945	921	904	-17
	Other	4	4	4	0
	<b>Total</b>	<b>949</b>	<b>925</b>	<b>908</b>	<b>-17</b>
	Average ES Salary	\$175,857	\$177,401	\$180,775	\$3,374
	Average GM/GS Grade	12/7	12/7	12/8	0
	Average GM/GS Salary	\$91,269	\$93,968	\$95,753	\$1,785
11.1	Full-time permanent	90,675	90,682	90,717	35
11.3	Other than full-time permanent	1,047	1,047	1,047	0
11.5	Other personnel compensation	1,000	1,488	1,488	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>92,722</b>	<b>93,217</b>	<b>93,252</b>	<b>35</b>
12.1	Civilian personnel benefits	28,973	29,001	28,966	-35
13.0	Benefits for former personnel	75	30	30	0
21.0	Travel and transportation of persons	2,659	1,512	1,512	0
22.0	Transportation of things	20	20	20	0
23.1	Rental payments to GSA	10,550	10,770	10,770	0
23.2	Rental payments to others	41	31	31	0
23.3	Communications, utilities, and miscellaneous charges	436	400	400	0
24.0	Printing and reproduction	750	500	500	0
25.1	Advisory and assistance services	0	1,000	1,000	0
25.2	Other services from non-Federal sources	7,043	4,500	7,770	3,270
25.3	Other goods and services from Federal sources 1/	17,305	26,275	26,275	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	4,500	2,000	2,000	0
25.7	Operation and maintenance of equipment	13,700	9,500	9,500	0
26.0	Supplies and materials	975	900	900	0
31.0	Equipment	1,251	1,000	1,000	0
38.0	Depreciation Expense - Unfunded	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>181,000</b>	<b>180,656</b>	<b>183,926</b>	<b>3,270</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	16,635	25,605	25,605	0
	DHS Services	670	670	670	0

# EMPLOYEE BENEFITS SECURITY ADMINISTRATION

## AUTHORIZING STATUTES

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

## EMPLOYEE BENEFITS SECURITY ADMINISTRATION

<b>APPROPRIATION HISTORY</b>					
(Dollars in Thousands)					
	<b>Budget Estimates to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriations</b>	<b>FTE</b>
2008					
Base Appropriation...1/	\$147,425	\$142,925	\$143,262	\$139,313	855
2009					
Base Appropriation...2/3/	\$147,871		\$139,313	\$143,419	835
2010					
Base Appropriation...4/	\$156,060	\$154,060	\$155,662	\$154,861	910
2011					
Base Appropriation...5/	\$161,995		\$161,995	\$154,551	910
2012					
Base Appropriation...6/	\$197,528	\$159,363	\$195,528	\$183,153	1,003
2013					
Base Appropriation...7/	\$183,153			\$173,573	993
2014					
Base Appropriation...8/	\$179,104			\$178,500	985
2015					
Base Appropriation...9/	\$188,447			\$181,000	963
2016					
Base Appropriation...10/	\$207,455	\$180,699	\$168,930	\$181,000	949
2017					
Base Appropriation...11/	\$205,761				0
2018					
Base Appropriation	\$183,926				908

<sup>1</sup> Reflects a reduction of \$2,477 pursuant to the enacted rescissions in P.L. 110-161, the FY 2008 estimate to Congress included \$5,500 for EFAST2 later removed based on funding provided in FY 2007 appropriation.

<sup>2</sup> Excludes \$9,705 for the Recovery Act through a non-expenditure transfer from the Departmental Management (DM) account pursuant to P.L. 111-5

<sup>3</sup> This bill was only reported out of Subcommittee and was not passed by the Full House.

<sup>4</sup> Excludes \$4,434 for emergency transfer pursuant to P.L. 111-17

<sup>5</sup> Excludes a non-expenditure transfer of \$4,502 from the Departmental Management (DM) account pursuant to P.L. 112-10.

<sup>6</sup> Reflects a reduction of \$347 pursuant to the enacted rescission in P.L. 112-74 and does not reflect re-programming levels. Re-programming levels for FY 2012 is reflected in the Summary Budget Authority and FTE by Activity exhibit.

<sup>7</sup> Reflects a reduction of \$366 pursuant to the enacted rescission in P.L. 113-6 and a reduction of \$9,214 pursuant to Section 251A of the Balanced Budget and Emergency Deficit Control Act, as Amended, issued by the President on March 1, 2013.

<sup>8</sup> Reflects the full appropriation pursuant to P.L. 113-76 without enacted rescissions

<sup>9</sup> Reflects the full appropriation pursuant to P.L. 113-235 without enacted rescissions

<sup>10</sup> Reflects the full appropriation pursuant to P.L. 114-113 without enacted rescissions

<sup>11</sup> A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared.

# **EMPLOYEE BENEFITS SECURITY ADMINISTRATION**

## **OVERVIEW**

### **Introduction**

The mission of EBSA is to assure the security of the retirement, health and other workplace related benefits of America's workers and their families. As such, EBSA is charged with protecting more than 149 million workers, retirees and their families who are covered by nearly 685,000 private retirement plans, 2.2 million health plans, and similar numbers of other welfare benefit plans. Together, these plans hold estimated assets of \$9.1 trillion.

The retirement and health benefits security of workers, retirees, and their families continue to be significant factors in the overall financial security of the American public. EBSA's mission and programs are pivotal in providing benefit security to the public and increasing confidence that workers' retirement, health and other benefits will be available when needed. EBSA's mission is carried out in a complex and evolving economic and regulatory environment. In order to enhance benefit security and maintain public confidence in our private benefits system, EBSA administers an integrated program of regulation, compliance assistance and education, civil and criminal enforcement, research and analysis.

### **Employee Benefits Security Programs (EBSP)**

EBSA functions as a highly integrated and adaptive organization that is responsive to the complex environment in which it operates, thus assuring the security of the retirement, health and other workplace benefits of America's workers and their families. EBSA utilizes an aggressive outreach, education, and participant assistance program to inform the public of their rights and benefits as well as to educate the regulated community regarding their responsibilities and obligations under the law. The Agency's enforcement program utilizes a series of approaches such as national/regional priorities, voluntary compliance programs, civil/criminal litigation, and research-based analysis to accomplish its mission. The economic research program continues to study economic issues regarding employee benefits in order to provide statistics and information for regulatory and legislative policy initiatives.

EBSA is consolidating budget activities for enforcement and participant assistance, policy and compliance assistance, and executive leadership, program oversight and administration into a single comprehensive budget activity titled employee benefits security programs (EBSP). Given the integrated program components – particularly as it relates to regulatory and enforcement efforts, EBSA believes that restructuring its budget activities will facilitate the allocation and redistribution of resources from lesser performing and lower priority strategies/programs to better performing and higher priority strategies/programs. The restructured budget activities will create a more responsive organization that facilitates results-based management. Additionally, the restructured budget eliminates unhelpful and artificial lines between activities, all of which are aimed at protecting the security of employee benefits.

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## Program Workload and Performance Metrics

The Agency's primary objectives are to improve compliance with ERISA; recover losses to individuals and employee benefit plans and unjust profits resulting from misconduct by plan fiduciaries and service providers; and increase the deterrent impact of its enforcement efforts on employee benefit plans, participants and beneficiaries. An effective employee benefits security program has overlapping and related attributes that include: effective targeting, prompt detection and pursuit of violations; the successful pursuit of monetary recoveries; non-monetary results that promote compliance with ERISA; and the aggressive and timely pursuit of participant tips and complaints.

In FY 2018, EBSA will continue to use workload measures and performance metrics designed to increase the effectiveness of the employee benefits security program and continue to shift the emphasis to more complex cases. In previous years, the Agency had given undue weight to cases that yielded quick and easy results, such as cases involving technical violations, bonding, small delays in payment, or technical reporting and disclosure violations. EBSA has implemented a more refined approach to performance measurement that avoids reliance on the number of cases processed as an important component of its metrics for the enforcement program. EBSA has implemented metrics that provide incentives to support its strategic objectives, including:

- 1) Total investigative time spent on the conduct of major cases;
- 2) Timeliness of civil non-major cases closed or referred for litigation; and
- 3) Timeliness of criminal cases closed or referred for prosecution.

**Target (Civil) – 21 percent of total investigative time will be spent on major enforcement cases.** This program priority was introduced in FY 2013 and has guided the benefits security program to more complex and impactful investigations. EBSA will continue to invest more time and resources on major cases that are likely to have a greater impact on participants and plans. The shift in emphasis to more challenging and complex civil and criminal cases will take time to come to fruition. EBSA is developing programs to enhance the skills of front line employees that include the extensive financial training required to conduct complex, financial, and resource intensive cases.

**Target (Civil) – 87 percent of non-major civil cases will be closed or referred for litigation within 30 months of case opening.** EBSA seeks to promptly detect, pursue and correct violations, and to aggressively pursue tips and complaints from the public. This goal is based on a five year review of historical averages. The metric excludes civil cases involving delinquent employee contributions, abandoned plans, bonding, Health-Part 7, and other reporting and disclosure of non-fiduciary breaches that should be closed or referred for litigation within 18 months of case opening.

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**Target (Civil) – 70 percent of select non-major civil cases will be closed or referred for litigation within 18 months of case opening.** Select non-major civil cases include delinquent employee contributions, abandoned plans, bonding, Health-Part 7, and other reporting and disclosure of non-fiduciary breaches. The issues raised by these select civil cases are generally less complex or stem from participant complaints.

**Target (Criminal) – 87 percent of criminal cases closed or referred for prosecution within 18 months of case opening.** This timeliness measure affects criminal investigations within the employee benefits security program. An analysis of the historical data indicates that the earlier a case is referred for prosecution, the higher the probability of a criminal result (e.g. indictment or guilty plea). For example, more than 87 percent of cases with an indictment were referred within one year of case opening. The basis of this goal is a five year review of historical averages, as well as careful consideration of the time necessary for more complex criminal investigations.

In 2018, the Department will continue to focus on helping workers transform retirement savings into secure lifetime income and protecting pension and health plan participants. EBSA will continue its successful strategy of bringing plan sponsors and their benefit plans into compliance with the law using an integrated approach. As a general matter, this strategy is included in the following employee benefits security programs:

- 1) Vigorous Enforcement;
- 2) Informative Compliance Assistance;
- 3) Proactive Regulation;
- 4) Targeted Research;
- 5) Strong Consumer Outreach and Education; and
- 6) Effective Participant Assistance and Outstanding Customer Service

### FY 2018 Request

Consistent with the comprehensive plan for reforming the Federal Government to ensure greater efficiency, EBSA requests \$183,926,000 and 908 FTE. This resource request includes the following program initiatives and increases:

- **\$2,000,000 – Oversight of Federal Retirement Thrift Investment Board.** EBSA seeks \$2,000,000 to strengthen DOL oversight of the Federal Retirement Thrift Investment Board, which administers the Thrift Savings Plan (TSP). In particular, EBSA will use this increased funding to perform a comprehensive, detailed review of the TSP's IT operating environment – specifically to review the adequacy of controls at contractor sites and over contractor IT personnel and monitor the agency's progress in remediating previously identified issues.
- **\$1,270,000 – Compliance Assistance for ERISA Disclosure Requirements.** EBSA seeks \$1,270,000 to provide resources to assist in identifying ways to improve the quality, readability, and delivery of ERISA disclosures that will help EBSA and plan sponsors to engage more effectively with participants who are increasingly responsible for making important choices about how to access and manage their employment-based

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retirement, health and welfare benefits. Our experience indicates that the volume and complexity of ERISA disclosures can be overwhelming for some participants and beneficiaries. Complying with ERISA's disclosure requirements and effectively communicating with employees can be a particular challenge for small businesses that may not have a dedicated human resources department with employee benefits specialists.

This request also includes built-in adjustments for inflation totaling \$2,291,000, a built-in decrease of \$52,000 to reflect lower FECA costs, and a program decrease of \$2,239,000 and 17 FTE to absorb inflationary costs.

### **FY 2018 Activities, Strategies, and Program Results**

During FY 2018, EBSA will continue to focus its employee benefits security program on major cases. The Major Case Initiative will concentrate resources on areas that have the greatest impact on the protection of plan assets and participants' benefits (e.g., professional fiduciaries and service providers with responsibility for large amounts of plan assets and benefits).

EBSA will continue to implement compliance related programs to aid in the Agency's oversight and audit initiatives involving Multiple Employer Welfare Arrangements (MEWA) enforcement to combat health care fraud. EBSA will also continue to develop materials and conduct compliance workshops across the country to educate industry professionals about MEWA provisions and will enhance the MEWA Registration Form to facilitate targeting entities for investigation that may not have sufficient reserves to pay legitimate health care claims.

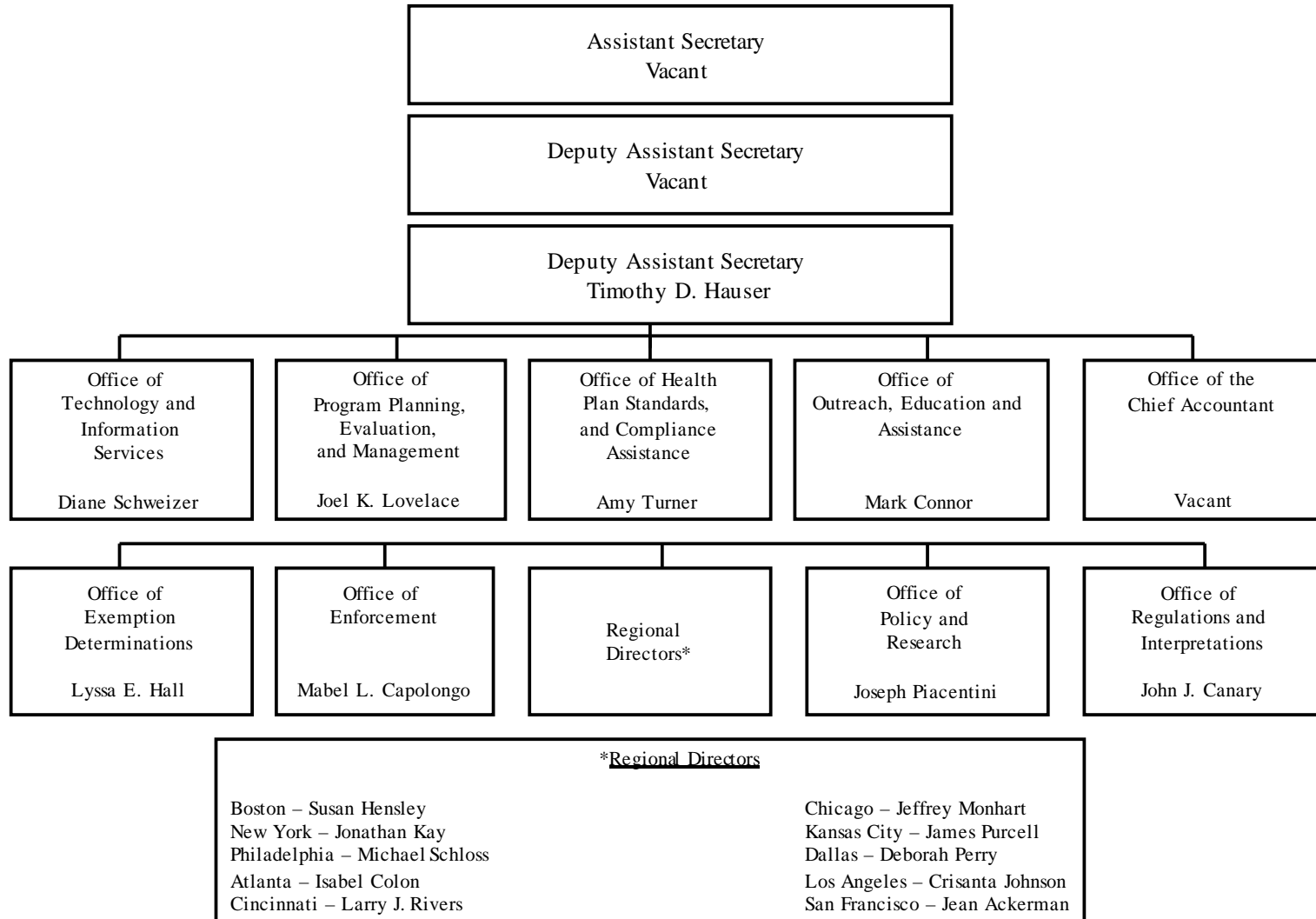
In FY 2018, EBSA anticipates allocating 21 percent of total investigative time on major case enforcement, closing or referring for litigation 87 percent of its non-major cases within 30 months of case opening, closing or referring for litigation 70 percent of its other non-major cases (includes delinquent employee contribution, abandoned plan, bonding, health part 7 and non-fiduciary breach cases) within 18 months of case opening, and closing or referring 87 percent of criminal cases for prosecution within 18 months of case opening. Legacy benefits security program workload and demand measures continuing into FY 2018 include, but are not limited to: responding to an estimated 250,000 participant inquiries; obtaining 97 indictments through the criminal investigation program; completing 3,500 reporting compliance reviews; conducting 734 rapid response sessions for individuals facing job loss; conducting 250 Congressional office briefings; and completing 10 webcasts and 10 compliance seminars for plan sponsors and participants.

In FY 2018, EBSA will continue to carry out the agency's interpretive activities through the timely issuance of advisory opinions and field assistance bulletins that address relevant issues raised by the regulated community or the Department. EBSA will be positioned to meet anticipated workload estimates for interpretative and other technical assistance projects. EBSA will complete an estimated 2,925 interpretive and other associated technical assistance projects/plan inquiries and targeted technical assistance. These projects include 1,650 for health plan standards, 775 for regulations and interpretations, 350 for mental health parity, and 150 for implementation of multiple employer welfare arrangements (MEWA).



# EMPLOYEE BENEFITS SECURITY ADMINISTRATION

## Employee Benefits Security Administration





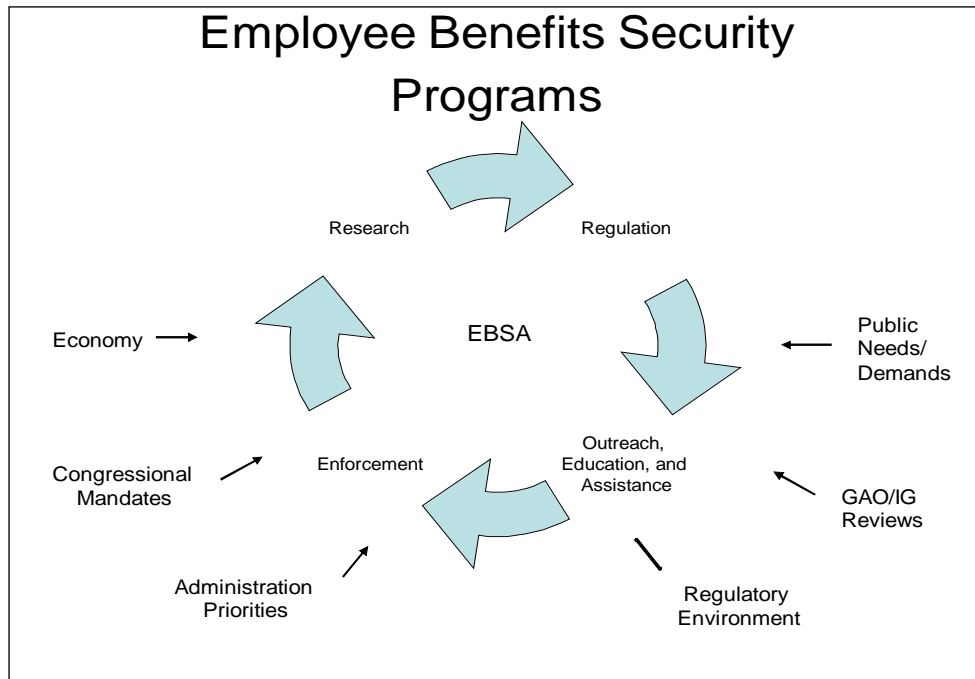
## EMPLOYEE BENEFITS SECURITY PROGRAMS

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2016 Enacted</b>	<b>FY 2017 Full Year C.R.</b>	<b>FY 2018 Request</b>	<b>Diff. FY18 Request / FY17 Full Year C.R.</b>
Activity Appropriation	181,000	180,656	183,926	3,270
FTE	946	925	908	-17

NOTE: FY 2016 reflects actual FTE. Authorized FTE for FY 2016 was 949.

### Introduction

The retirement and health care benefit security of workers, retirees, and their families are significant factors in the public’s overall financial security. EBSA’s mission and programs are pivotal in providing benefit security to the public and increasing confidence that retirement, health and other benefits will be there when needed. EBSA’s mission is carried out in a very complex and evolving economic and regulatory environment where the public’s demands, needs, and perceptions are influenced by many factors. Through this single budget activity, EBSA administers an integrated program of regulation; compliance assistance and education; civil and criminal enforcement; and research and analysis. The graphic below depicts this integrated effort to provide benefit security to America’s workers, retirees and their families.



EBSA’s regulatory guidance and enforcement programs (pension and health) are developed and implemented to assure the security of the retirement, health and other workplace related benefits of America's workers and their families. EBSA utilizes an aggressive outreach, education, and participant assistance program to inform the public of rights and benefits, and educates the regulated community regarding rights and responsibilities under the law. EBSA has numerous outreach and educational strategies to achieve this end. At the same time the EBSA enforcement

## **EMPLOYEE BENEFITS SECURITY PROGRAMS**

program must ensure compliance with the law. Additionally, the EBSA research program continues to analyze and study the benefit industry to identify emerging trends. To ensure that the Agency can respond efficiently and effectively to a complex regulatory and financial environment, the Agency has proposed to restructure budget activities to permit greater flexibility in achieving program goals by managing and budgeting at a more efficient level of aggregation. The single “employee benefits security programs” budget activity combines and replaces the former budget activities for enforcement and participant assistance, policy and compliance assistance, and executive leadership, program oversight and administration.

Regulatory work, enforcement, outreach, participant assistance, research, and compliance assistance are interrelated activities that promote the common goal to improve health benefits and retirement income security for all workers – all of which should be conducted in a collaborative manner that avoids needless fragmentation and stovepipes. A single budget activity for employee benefits security programs will facilitate the allocation and redistribution of resources from lesser performing and lower priority strategies/programs to better performing and higher priority strategies/programs. Restructuring the budget activities will create a responsive organization that facilitates results-based management.

### ***Enforcement, Compliance and Customer Assistance Programs***

Through employee benefits security programs, EBSA develops and implements a comprehensive enforcement program using civil and criminal investigations that target the most egregious and persistent violators, while also implementing voluntary compliance programs. The enforcement program detects and investigates civil and criminal violations of ERISA and other related criminal laws and, as appropriate, refers them for civil litigation or to prosecutors for criminal prosecution; ensures that annual reports are filed timely and accurately; and determines that public accountant audits of employee benefit plans comply with professional standards. To help plan sponsors and fiduciaries comply with ERISA’s complex provisions, EBSA administers the Fiduciary Education program that informs plan sponsors and their service providers about their basic fiduciary responsibility under the law.

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

Complementing the Agency’s investigative work, EBSA’s participant assistance staff responds to inquiries from members of the public who are seeking information or have complaints about their benefits. The agency’s benefits advisors are able to assist the public in understanding their rights under their plans and are often able to informally resolve disputes thereby obtaining benefits for workers and their families. This informal dispute resolution process enables EBSA to effectively respond to participant complaints without utilizing the more resource intensive

## **EMPLOYEE BENEFITS SECURITY PROGRAMS**

investigative process, and promotes EBSA's ability to direct its investigative resources to more egregious and widespread violations of ERISA. The participant assistance program is also the source of some of the Agency's best investigative leads, producing several hundred cases per year—cases that, in the absence of this program, might not have been discovered.

EBSA educates plan participants and officials by conducting outreach and education programs regarding their rights and responsibilities under ERISA. Benefits are more secure when plan officials and plan participants know their rights and responsibilities. Better informed plan participants are better prepared to ensure they receive all the benefits to which they are entitled under their plan and to bring potential violations to the attention of EBSA. EBSA benefits security programs include three education campaigns: (1) the Retirement Savings Education Campaign (RSEC); (2) the Health Benefits Education Campaign (HBEC); and (3) the Fiduciary Education Campaign. These campaigns target plan sponsors and officials, service providers, and plan participants to inform them of their rights and responsibilities under ERISA. As part of its outreach and education efforts, EBSA endeavors to work cooperatively with private and public sector organizations such as the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the Certified Financial Planner Board and state commissioners of insurance. In addition to these three campaigns, EBSA also conducts outreach to dislocated workers through rapid response events delivered in conjunction with states and other DOL agencies. Outreach is also conducted via public awareness events such as Congressional office briefings, job fairs and other venues.

EBSA also has responsibility to ensure that the regulated community files its employee benefit plan annual reports (Form 5500) timely and accurately via an electronic filing system. First implemented in January 2010, the electronic filing system has created more transparency by providing for the public disclosure of plan information, and by providing a free web-based program that plan administrators can use to meet the electronic filing requirement at no additional cost to them. Annually, the electronic filing system receives and processes 1.2 million Forms 5500 that are filed with DOL, IRS and the PBGC. EBSA also operates the ERISA Information System (EIS) that provides plan data for the Agency's enforcement, research, and policy development programs. Together these systems support enforcement-related targeting, comprise essential databases for the agency's research and regulatory activities, and are the primary sources of employee benefit plan information to Congress and interested stakeholders, including plan participants and beneficiaries. The electronic filing system is also the primary source of employee benefit plan data for the IRS, the PBGC, the Government Accountability Office (GAO) and others. The benefit plan data provided by the electronic filing system support IRS oversight of private-sector retirement and health plans and directly impact the PBGC's ability to manage the risks associated with underfunded defined benefit plans.

### ***Regulatory and Research Programs***

EBSA constantly seeks to improve policy and regulatory programs and routinely evaluates and adjusts regulatory activities. The Agency provides thoughtful and useful compliance assistance and engages the regulated community in designing and implementing compliance assistance tools and materials. EBSA formulates policy, promulgates regulations and provides interpretations and other guidance to the regulated community under Title I of ERISA. The

## **EMPLOYEE BENEFITS SECURITY PROGRAMS**

Agency also implements a proactive policy agenda that includes providing detail and clarity to the law by rulemaking, thereby offering a path to more secure health and retirement benefits.

EBSA will continue its research activities relating to employer-sponsored pension and health benefit plans. EBSA performs three major, non-discretionary research functions:

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

Through employee benefits security programs, EBSA also issues administrative individual and class exemptions from the prohibited transaction provisions of ERISA. These exemptions are necessary to facilitate transactions between employee benefit plans and related parties, such as service providers, that would otherwise be prohibited but that are considered beneficial to employee benefit plans. Additionally, EBSA provides ongoing compliance and technical assistance to small businesses, plan officials, and the general public to improve compliance with statutory and regulatory requirements.

### ***Agency Oversight and Administrative Programs***

Through employee benefits security programs, EBSA ensures overall leadership and direction for the policy, regulatory, enforcement and all other program and administrative activities. This program function supports EBSA's component program offices of enforcement and regulatory programs that improve transparency through public disclosure and helpful participant assistance and outreach programs.

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

## EMPLOYEE BENEFITS SECURITY PROGRAMS

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

### Reimbursable Account

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

FY 2018 Request: The FY 2018 request level of \$8,000,000 for this purpose will allow EBSA to collect and obligate funds for any authorized reimbursable work associated with the electronic filing system and other reimbursable agreements with the IRS and PBGC.

### Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2013	\$173,573	993
2014	\$178,500	985
2015	\$181,000	963
2016	\$181,000	949
2017	\$0	0

NOTE: A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared.

### FY 2018

EBSA requests \$183,926,000 and 908 FTE for employee benefits security programs in FY 2018. This request includes built-in adjustments for inflation totaling \$2,291,000, a built-in decrease of \$52,000 to reflect lower FECA costs, and a program decrease of \$2,239,000 and 17 FTE to absorb inflationary costs.

The proposed increases include: (a) \$2,000,000 for focused oversight of the Thrift Savings Plan's internal control operating environment and additional audits to improve IT security; and (b) \$1,270,000 for compliance assistance involving ERISA disclosure requirements, particularly for small businesses to improve the quality, readability, and delivery of ERISA disclosures. EBSA also seeks an appropriation language change authorizing multi-year funding for the management and administration of expert witnesses who consult with and testify on behalf of the Federal Government. EBSA is restructuring budget activities to permit greater flexibility in achieving program goals by managing and budgeting at a more efficient level of aggregation.

## **EMPLOYEE BENEFITS SECURITY PROGRAMS**

### *Enforcement, Compliance and Customer Assistance Programs*

In FY 2018, EBSA will continue to focus program resources on creating a more evaluative and innovative program that increases compliance with ERISA. For example, EBSA will continue the major case enforcement initiative and develop data-driven enforcement and targeting strategies. Field offices will also be required to place special investigative emphasis on national enforcement projects and will respond to emerging issues by developing regional enforcement initiatives. EBSA will continue to work aggressively in support of our mission to assure the security of the retirement, health and other workplace related benefits of America's workers and their families.

Strengthening oversight of the Federal Retirement Thrift Investment Board is a key priority for EBSA, and the Budget includes an increase of \$2,000,000 to achieve that goal. Given the Thrift Savings Plan's (TSP) large transaction volumes, its number of participants, and the size of its investments, EBSA believes that these resources are critical in allowing it to improve focus and oversight in areas where weaknesses have been identified but not adequately mitigated. EBSA has become increasingly concerned about the TSP's management of its IT systems, and the security of those systems.

For over 25 years, the Agency's strategy has been to conduct a specialized fiduciary audit of the operation and administration of the TSP. Specifically, the fiduciary audit has the following major objectives: (1) establish/maintain a strategic audit plan; (2) review whether the TSP fiduciaries act in the sole interest of the participants and beneficiaries; (3) review whether all plan fiduciaries comply with the fiduciary rules and prohibited transactions requirements of FERSA; (4) review the security of personal and financial data; (5) review benefit records, customer service recordkeeping systems, and administrative policies and procedures; and (6) review investment management organization and operation.

In FY 2018, EBSA will use this increased funding to perform a comprehensive, detailed review of the TSP's IT operating environment – specifically to review the adequacy of controls at contractor sites and over contractor IT personnel. The control risk environment in which the TSP operates includes routinely using contractors to perform many critical functions, including its IT services. EBSA will look at such areas as: computer access and security controls, security vulnerability assessments, IT operations management, systems enhancements and software change controls, service continuity controls and participant website controls. The expected outcomes of these reviews are to: (a) determine the Board's progress in identifying, achieving, and maintaining an effective IT control environment, and (b) ensure that all IT related recommendations, scheduled by the Board to be implemented in response to past audits, have in fact been properly implemented.

The FY 2018 budget also includes \$1,270,000 to facilitate identifying ways to improve the quality, readability, and delivery of ERISA disclosures to small businesses. An enhanced ERISA disclosure program will help EBSA and plan sponsors engage more effectively with participants who are increasingly responsible for making important choices about how to access and manage their employment-based retirement, health and welfare benefits. Our experience indicates that the volume and complexity of ERISA disclosures can be overwhelming for some participants



## **EMPLOYEE BENEFITS SECURITY PROGRAMS**

and beneficiaries. Complying with ERISA's disclosure requirements and effectively communicating with employees can be a particular challenge for small businesses that may not have a dedicated human resources department with employee benefits specialists.

EBSA will continue its three education campaigns: (1) the Retirement Savings Education Campaign (RSEC); (2) the Health Benefits Education Campaign (HBEC); and, (3) the Fiduciary Education Campaign. As resources permit, EBSA will update, print and distribute publications which explain participant rights and plan sponsor responsibilities. The Agency will also conduct local seminars and national webcasts for its compliance assistance constituencies. EBSA will continue to participate in rapid response sessions to reach dislocated workers and will continue to update and distribute educational materials with the latest information on managing benefits through job loss.

EBSA will leverage its resources by partnering with numerous Federal and State government, employer, and nonprofit organizations to reach target audiences. The Agency will also maintain a Web site and utilize webcasts as an efficient way to inform stakeholders about its programs, services and initiatives and to assist the regulated community with compliance. EBSA conducts numerous webcasts which are attended by thousands of stakeholders each year. These sessions are archived on EBSA's Web site for future review by other interested parties. EBSA continues to believe that partnering with worker and community-based organizations to educate workers, small business owners, and others about ERISA's requirements is an effective way to create broad-based compliance.

### ***Regulatory and Research Programs***

Fiduciary education, regulations, exemptions, compliance assistance, policy and research, and interpretive guidance have and will continue to substantially contribute to the protection of employee pension and health benefits. As resources permit, EBSA will develop more sophisticated analytical tools that will enhance data compilation, risk assessment and modeling to help better target enforcement efforts and improve statistical and analytic support for cases in which large volumes of data must be examined for evidence of violations, such as cases involving the mass administration of claims arising under health and welfare plans.

EBSA will continue to carry out interpretive activities concerning the provisions of ERISA and related statutes through the timely issuance of advisory opinions and field assistance bulletins that address relevant interpretive issues raised by the regulated community or the Department. With the proposed resources for employee benefits security programs in FY 2018, EBSA will meet anticipated workload estimates for interpretive and other technical assistance projects. EBSA will complete an estimated 2,925 interpretive and other associated technical assistance projects/plan inquiries and instances of targeted technical assistance. EBSA will also be positioned to pursue a policy agenda that includes completing 289 projects for the advancement of retirement and health benefits security. These projects include providing guidance, developing regulatory standards, conducting statistical research, policy, and regulatory analysis, and issuing ERISA exemptions. Finally, EBSA will review and process class and individual exemption applications with the ultimate objective of protecting plans and their participants and beneficiaries while facilitating necessary business transactions.

## **EMPLOYEE BENEFITS SECURITY PROGRAMS**

### ***Agency Oversight and Administrative Programs***

EBSA will continue to provide the leadership and administrative support for all of the agency's programs including enforcement, participant assistance, policy, compliance assistance, and regulatory initiatives. EBSA will utilize human capital, financial and other information systems to provide decision-makers with the timely analysis required to monitor and update strategic plans and to measure the results of program and management initiatives. Through the oversight and administrative function, EBSA will ensure effective and consistent employee and labor relations; promote a positive labor management relationship with the employees' exclusive representatives; plan and execute Executive Orders and Departmental special emphasis programs; develop policy and operational guidance regarding the prudent management and use of resources in compliance with governing laws and regulations; and, oversee the agency's procurement, travel and other financial management activities.

The budget level proposed for employee benefits security programs will ensure the execution of functions that include: (a) human capital management programs to build, sustain, and effectively deploy the skilled, knowledgeable, diverse, and high-performing workforce needed to meet current and emerging demands; (b) development of strategic training goals and delivery mechanisms that meet both programmatic and individual needs; (c) development of long-term and annual performance plans and reports; (d) development and implementation of the Agency Continuity of Operations Plan for continuation of critical agency operations in the event of a major disruption; (e) formulation, execution and evaluation of the Agency budget; and (f) overall facilities management planning including space, telecommunications, mail, and printing management.

Lastly, during FY 2018, EBSA will continue to effectively administer its responsibilities for the management of debts arising from the assessment of civil penalties under ERISA sections 502(c)(2), 502(i) and 502(l). This will be accomplished in accordance with the requirements of the Debt Collection and Debt Collection Improvement Acts.

### **FY 2017**

Figures shown for FY 2017 reflect the annualized Continuing Resolution level, as a full-year appropriation had not been enacted at the time the budget was produced. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

## EMPLOYEE BENEFITS SECURITY PROGRAMS

<b>DETAILED WORKLOAD AND PERFORMANCE</b>					
		<b>FY 2016 Enacted</b>		<b>FY 2017 Full Year C.R.</b>	<b>FY 2018 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Employee Benefits Security Programs</b>					
<b>Investigations Processed:</b>					
EBSA-ENF-1	Civil Investigations Processed	--	1,678	--	--
EBSA-ENF-2	Criminal Investigations Processed	--	198	--	--
EBSA-ENF-1a	Health Related Civil Investigations Processed	--	324	--	--
EBSA-ENF-2a	Health Related Criminal Investigations Processed	--	135	--	--
<b>Interpretations &amp; Other Technical Assist</b>					
EBSA-OHPSCA-1	Health Plan Standards	2,150	3,302	1,650	1,650
EBSA-ORI-1	Regulations & Interpretations	775	773	775	775
EBSA-ENF-3	Delinquent Filer Voluntary Compliance Program Applications Processed	20,500[p]	22,070	20,500[p]	20,500[p]
EBSA-ENF-4	Indictments	97[e]	96	97[e]	97[e]
EBSA-OCA-1	Reporting Compliance Reviews	4,330	4,018	4,000	3,500
EBSA-OCA-2	CPA Firm Inspections	10	9	5	5
EBSA-OEA-1	Rapid Response Sessions Held for Individuals Facing Job Loss	734[p]	772	734[p]	734[p]
EBSA-ENF-5	EFAST Help Desk Inquiries by Contractors	58,000[p]	31,618	58,000[p]	58,000[p]

## EMPLOYEE BENEFITS SECURITY PROGRAMS

<b>DETAILED WORKLOAD AND PERFORMANCE</b>					
		<b>FY 2016 Enacted</b>		<b>FY 2017 Full Year C.R.</b>	<b>FY 2018 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
EBSA-ENF-6	EFAST Help Desk inquiries referred to EBSA	7,000[p]	3,225	7,000[p]	7,000[p]
EBSA-REG-1	Regulations/Projects	290	326	299	289
EBSA-OED-1	Individual Exemptions & EXPRO (Proposed & Granted)	60[e]	77	53[e]	60
EBSA-OED-2	Section 502(l) Waivers	3	9	2	3
EBSA-OED-3	Exemption Processing Time (avg #days)	300	345	590	500
EBSA-OEA-2	Inquiries Answered (Participants)	250,000[p]	193,669	250,000[p]	250,000[p]
EBSA-OE-01	Total Investigative Staff Time Spent on Major Cases	15%	22%	21%	21%
EBSA-OE-02	Civil Non-Major Case Timeliness – Percent of Non-Major Civil Cases Closed or Referred for Litigation in the fiscal year within 30 Months of Case Opening Except for Category EBSA-OE-02a Cases	86%	87%	87%	87%
EBSA-OE-02a	Percent of Delinquent Employee Contribution, Abandoned Plan, Bonding, Health-Part 7 Violation, and other Reporting and Disclosure Non-Fiduciary Breach Cases Closed or Referred for Litigation in the fiscal year within 18 Months of Case Opening	69%	76%	70%	70%
EBSA-OE-02b	Criminal Case Timeliness – Percent of Criminal Cases Closed or Referred for Litigation in the fiscal year within 18 Months of Case Opening	75%	90%	87%	87%
EBSA-OE-03	Voluntary Fiduciary Correction Program Applications Processed	1,400[p]	1,441	1,200[p]	1,200[p]
EBSA-OEA-09	Participant Assistance Program Customer Satisfaction Index (discontinued in FY 2018)	72%	73%	72%	--

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

## **EMPLOYEE BENEFITS SECURITY PROGRAMS**

### **Workload Summary**

#### ***Enforcement, Compliance and Customer Assistance Programs***

Based on refinements in enforcement program direction and performance reporting, EBSA estimates increasing enforcement recoveries from the five year rolling average, which is currently at \$280,000,000 for FY 2017. Successfully meeting this measure will result in monetary recoveries from \$285,600,000 to \$294,000,000 that are directly paid to plans, participants, and their beneficiaries, whether in the form of loss recoveries, disgorgement of unjust enrichment, or increased benefits payments. In the conduct of civil and criminal investigations, EBSA anticipates allocating 21 percent of total investigative time on major case enforcement, closing or referring for litigation 87 percent of its non-major cases within 30 months of case opening, closing or referring for litigation 70 percent of its other non-major cases (includes delinquent employee contribution, abandoned plan, bonding, health-part 7 and non-fiduciary breach cases) within 18 months of case opening, and closing or referring 87 percent of criminal cases for prosecution within 18 months of case opening.

Legacy workload and demand measures continuing into FY 2018 include, but are not limited to: securing 97 indictments through the criminal enforcement program; completing 3,500 reporting compliance reviews; processing an estimated 21,700 applications through voluntary compliance programs (Voluntary Fiduciary Correction Program and Delinquent Filer Voluntary Compliance Program); and responding to approximately 65,000 Electronic Filing Acceptance System help-desk inquiries. EBSA will continue to contract with qualified non-governmental organizations to provide Thrift Savings Plan (TSP) audit services with increasing focus on TSP's management of its IT systems, and the security of those systems.

EBSA will continue to operate and administer a consumer outreach and public education program in FY 2018. The Agency anticipates receiving 250,000 participant inquiries and estimates that recoveries obtained through informal, voluntary resolution of benefit disputes between employers, plan officials and participants will be approximately \$215,000,000. Additionally, EBSA will: conduct 734 rapid response sessions held for individuals facing job loss; conduct 250 Congressional office briefings; and complete 10 webcasts and 10 compliance seminars for plan sponsors and participants.

#### ***Regulatory and Research Programs***

EBSA will be positioned to effectively complete interpretative and other technical assistance projects. EBSA will complete an estimated 2,925 interpretive and other associated technical assistance projects/plan inquiries and targeted technical assistance. EBSA also estimates completing 289 projects involving interpretive issues, health plan standards, research statistical projects, policy and legislative analysis projects, regulatory analysis projects, MHPAEA implementation and MEWA registration requirements.

Additionally, EBSA will review and process class and individual exemption applications with the ultimate objective of protecting plans and their participants and beneficiaries while facilitating necessary business transactions. Specifically, EBSA will close, propose or grant an

## **EMPLOYEE BENEFITS SECURITY PROGRAMS**

estimated 60 individual exemption actions (includes EXPRO), complete project work on three (3) class exemptions and attain an exemption processing time of less than 500 days. Through these programs, the Agency provides guidance and engages the regulated community in achieving compliance while protecting the benefits of workers, retirees and their families.

### ***Agency Oversight and Administrative Programs***

EBSA will continue to ensure the execution of functions that include: (a) human capital management programs to build, sustain, and effectively deploy the skilled, knowledgeable, diverse, and high-performing workforce needed to meet current and emerging needs; (b) development of strategic training goals and delivery mechanisms that meet both programmatic and individual needs; (c) development of long term and annual performance plans and reports; (d) development and implementation of the agency Continuity of Operations Plan for continuation of critical agency operations in the event of a major disruption; (e) formulation, execution and evaluation of the agency budget; and (f) overall facilities management planning including space, telecommunications, mail, and printing management.

## EMPLOYEE BENEFITS SECURITY PROGRAMS

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2016 Enacted</b>	<b>FY 2017 Full Year C.R.</b>	<b>FY 2018 Request</b>	<b>Diff. FY18 Request / FY17 Full Year C.R.</b>
11.1	Full-time permanent	90,675	90,682	90,717	35
11.3	Other than full-time permanent	1,047	1,047	1,047	0
11.5	Other personnel compensation	1,000	1,488	1,488	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>92,722</b>	<b>93,217</b>	<b>93,252</b>	<b>35</b>
12.1	Civilian personnel benefits	28,973	29,001	28,966	-35
13.0	Benefits for former personnel	75	30	30	0
21.0	Travel and transportation of persons	2,659	1,512	1,512	0
22.0	Transportation of things	20	20	20	0
23.1	Rental payments to GSA	10,550	10,770	10,770	0
23.2	Rental payments to others	41	31	31	0
23.3	Communications, utilities, and miscellaneous charges	436	400	400	0
24.0	Printing and reproduction	750	500	500	0
25.1	Advisory and assistance services	0	1,000	1,000	0
25.2	Other services from non-Federal sources	7,043	4,500	7,770	3,270
25.3	Other goods and services from Federal sources 1/	17,305	26,275	26,275	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	4,500	2,000	2,000	0
25.7	Operation and maintenance of equipment	13,700	9,500	9,500	0
26.0	Supplies and materials	975	900	900	0
31.0	Equipment	1,251	1,000	1,000	0
38.0	Depreciation Expense - Unfunded	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>181,000</b>	<b>180,656</b>	<b>183,926</b>	<b>3,270</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	16,635	25,605	25,605	0
	DHS Services	670	670	670	0

# EMPLOYEE BENEFITS SECURITY PROGRAMS

## CHANGES IN FY 2018

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$1,580
Personnel benefits	711
Employee health benefits	0
Two days less of Pay	0
Federal Employees' Compensation Act (FECA)	-52
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

**Built-Ins Subtotal** **\$2,239**

**Net Program** **\$1,031**

**Direct FTE** **-17**

	Estimate	FTE
<b>Base</b>	<b>\$182,895</b>	<b>925</b>
<b>Program Increase</b>	<b>\$3,270</b>	<b>0</b>
<b>Program Decrease</b>	<b>-\$2,239</b>	<b>-17</b>