

September 25, 2015

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Submitted via email to [reg.comments@pbgc.gov](mailto:reg.comments@pbgc.gov) and via the Federal eRulemaking [Portal](http://www.regulations.gov)  
[www.regulations.gov](http://www.regulations.gov)

Office of the General Counsel  
Pension Benefit Guaranty Corporation  
1200 K Street NW  
Washington, DC 20005-4026

**Re: RIN 1212-AB30-Comments on Proposed Regulations under ERISA Section 4010 Annual Financial and Actuarial Information Reporting**

Dear Sir,

Temple University Health System Inc. (TUHS) thanks you for the opportunity to comment on the proposed changes to the employer reporting regulations under ERISA section 4010 as published in the Federal Register on July 27, 2015.

TUHS is an academic health system dedicated to providing access to quality patient care and supporting excellence in medical education and research. TUHS includes three (3) hospitals providing services at five (5) clinical campuses, a ground and air-ambulance company, and a network of community-based specialty and primary-care physician practices. Temple University Hospital is one of the most respected academic medical centers in its geographic region. It is a 722-bed facility located in a federally designated medically underserved area where 85% of the patients are covered by government programs (Medicare/Medicaid) and 37% of the families with children in its primary service area live below the federal poverty level.

The proposed changes to the Annual Financial and Actuarial Information Reporting regulations to codify guidance under the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) and the Highway and Transportation Funding Act of 2014 (HATFA) will negatively impact TUHS and other plan sponsors. Specifically, limiting the existing \$15 million reporting waiver to controlled groups with fewer than 500 plan participants in aggregate will place an administrative and financial burden on plan sponsors like TUHS.

TUHS maintains six defined benefit plans for the benefit of more than [700] of its employees. Our operating budget goal is to maintain the plans at a funding level of 80% or better, in aggregate. This goal is in the best interest of our employees and is viewed favorably by all regulatory agencies, including the PBGC. TUHS' six defined benefit plans aggregated together have a funded ratio of 84% (using non-stabilized PPA interest rates) and a funding deficit (under current 4010 filing rules) of just \$85,000. Two of the smaller plans in this group fail to meet an 80% funding level when measured individually. One of these two small plans is "underfunded" due only to the existence of "Carryover" and "Prefunding" balances. Without those balances, the plan would be 90% funded. The current \$15 million waiver eliminates the need for a filing in a case such as this, where a plan is well funded but measures

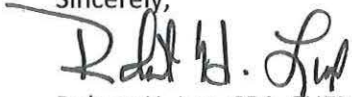
result is an unnecessary additional filing requirement for an employer with well-funded plans which pose no significant risk of bankruptcy.

Although these two defined benefit plans are not significantly underfunded (73% and 78% respectively), requiring the additional filings under the proposed rules would add financial and administrative strain and costs to the plan sponsor. In addition, the prospective changes to the statutory mortality table and PBGC per participant premium have increased the anticipated cash outlay to most plans, without regard to funding status. All of the benefit plans of TUHS have experienced these additional costs, which are reflected in our projected budgets. Moreover, TUHS, like other healthcare systems, is currently faced with the additional challenges and costs associated with the implementation of the federally mandated new clinical coding methodology known as ICD 10 and the Patient Protection and Affordable Care Act. Both of these federal initiatives have affected and will continue to affect, operating margins in the hospital industry.

Finally, it was TUHS' understanding that Map-21 and HATFA, inclusive of the \$15 million waiver, were established to stabilize funding levels during this historically low interest rate environment. It was also our understanding that as interest rates normalize; the offsetting effects would lead to a balanced and normalized contribution payment stream. Eliminating the ability to aggregate plans in a controlled group, prior to the normalization of interest rates, could have the opposite effect for many plans, and undermine the intended purpose of MAP-21 and HATFA. Such would be the case for the two TUHS plans referenced above.

In the current economic and dynamic health care environment, TUHS is exploring and implementing any and all measures to contain costs, while we continue to provide accessible quality patient care, support medical education and research and provide meaningful benefits to our employees. Our defined benefit pension plans are an important element of achieving our mission. To that end, we are providing this feedback and appreciate the opportunity to do so.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert H. Lux". The signature is written in a cursive, flowing style.

Robert H. Lux, CPA, FHFMA  
Senior Vice President, Treasurer and  
Chief Financial Officer