

pliable reporting, disclosure and other requirements of ERISA as well as accounting, auditing, and actuarial standards. Discloses required plan filings to the public. Provides information, technical, and compliance assistance to benefit plan professionals and participants and to the general public. Conducts policy, research, and legislative analysis on pension, health, and other employee benefit issues. Provides compliance assistance to employers and plan officials. Develops regulations and interpretations. Issues individual and class exemptions from regulations. Provides leadership, policy direction, strategic planning, and administrative guidance in the support of the Department's ERISA responsibilities.

	2015 actual	2016 est. ¹	2017 est.
EMPLOYEE BENEFITS AND SECURITY PROGRAMS²			
Investigations conducted	2,716	N/A	N/A ³
Participant benefit recoveries and plan assets restored	\$668,172,000 ⁴	\$443,100,000	\$443,100,000
Investigative time for major enforcement cases	18.0%	15.0%	15.0%
Civil cases closed or referred for litigation within 30 months	84.0%	86.0%	86.0% ⁵
Criminal cases closed or referred for prosecution within 18 months	87.0%	75.0%	75.0% ⁵
Other civil cases closed or referred for litigation within 18 months	71.0%	69.0%	69.0% ⁵
Inquiries received	201,894	250,000	250,000
Reporting compliance reviews	4,020	4,330	4,330
Exemptions, determinations, interpretations and regulations issued	3,302	3,275	3,284 ⁶
Average days to process exemption requests	345	300	300

¹ Reflects a revision of original FY 2016 estimates based on enacted amounts pursuant to P.L. 114-113.

² Reflects the consolidation of budget activities for Enforcement and Participant Assistance, Policy and Compliance Assistance, and Executive Leadership, Program Oversight and Administration into a single budget activity for Employee Benefits Security Programs.

³ The agency continues its efforts to improve the quality and impact of its investigations and will place special emphasis on the timely conduct and referral of cases, as well as the impact of its investigations (e.g., the amounts recovered for plan participants and beneficiaries). While the agency will continue to report the total number of investigations conducted, it will no longer make projections of the raw number of investigations.

⁴ Reflects over \$476 million in participant benefit recoveries, nearly \$185 million in plan assets restored and over \$7 million in participant health plan recoveries.

⁵ Enforcement measures that reflect the emphasis shift to timely conduct and referral of cases for litigation or prosecution (excludes Major Cases).

⁶ Includes Multiple Employer Welfare Arrangement (MEWA) registration.

Object Classification (in millions of dollars)

Identification code 016-1700-0-1-601	2015 actual	2016 est.	2017 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	89	91	95
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	91	93	97
12.1 Civilian personnel benefits	29	29	31
21.0 Travel and transportation of persons	3	3	3
23.1 Rental payments to GSA	11	11	12
24.0 Printing and reproduction	1	1	1
25.1 Advisory and assistance services	1		
25.2 Other services from non-Federal sources	7	7	17
25.3 Other goods and services from Federal sources	19	17	18
25.5 Research and development contracts	5	4	5
25.7 Operation and maintenance of equipment	11	14	20
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
99.0 Direct obligations	180	181	206
99.0 Reimbursable obligations	6	8	8
99.9 Total new obligations	186	189	214

Employment Summary

Identification code 016-1700-0-1-601	2015 actual	2016 est.	2017 est.
1001 Direct civilian full-time equivalent employment	962	949	965

SALARIES AND EXPENSES
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 016-1700-4-1-601	2015 actual	2016 est.	2017 est.
Obligations by program activity:			
0001 Multiple-Employer Benefits Pilots			100
0900 Total new obligations (object class 41.0)			100
Budgetary resources:			
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation			100
1930 Total budgetary resources available			100
Change in obligated balance:			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts			100
3020 Outlays (gross)			-25
3050 Unpaid obligations, end of year			75
Memorandum (non-add) entries:			
3200 Obligated balance, end of year			75
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross			100
Outlays, gross:			
4100 Outlays from new mandatory authority			25
4180 Budget authority, net (total)			100
4190 Outlays, net (total)			25

The Administration seeks a \$100,000,000 legislative proposal that will further expand access to retirement accounts and sow the seeds for future models that provide portable benefits coverage across multiple employers through: (1) innovation grants to spur the provision of new multiple-employer benefit models and (2) the creation of open multiple employer plans (open MEPS).

PENSION BENEFIT GUARANTY CORPORATION

Federal Funds

PENSION BENEFIT GUARANTY CORPORATION FUND

The Pension Benefit Guaranty Corporation ("Corporation") is authorized to make such expenditures, including financial assistance authorized by subtitle E of title IV of the Employee Retirement Income Security Act of 1974, within limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, as may be necessary in carrying out the program, including associated administrative expenses, through September 30, [2016]2017, for the Corporation: *Provided*, That none of the funds available to the Corporation for fiscal year [2016]2017 shall be available for obligations for administrative expenses in excess of [\$431,799,000] \$421,006,000: *Provided further*, That an amount not to exceed an additional \$98,500,000 shall be available through September 30, 2021, for costs associated with the acquisition, occupancy, and related costs of headquarters space: *Provided further*, That to the extent that the number of new plan participants in plans terminated by the Corporation exceeds 100,000 in fiscal year [2016]2017, an amount not to exceed an additional \$9,200,000 shall be available through September 30, [2017]2018, for obligation for administrative expenses for every 20,000 additional terminated participants: *Provided further*, That obligations in excess of the amounts provided in this paragraph may be incurred for unforeseen and extraordinary pretermination expenses or extraordinary multiemployer program related expenses after approval by the Office of Management and Budget and notification of the Committees on Appropriations of the House of Representatives and the Senate. (Department of Labor Appropriations Act, 2016.)

PENSION BENEFIT GUARANTY CORPORATION FUND—Continued

Program and Financing (in millions of dollars)

Identification code 016-4204-0-3-601	2015 actual	2016 est.	2017 est.
Obligations by program activity:			
0801 Single-employer benefit payment	5,506	6,280	7,195
0802 Multiemployer financial assistance	103	250	315
0803 Pension insurance activities	71	.....	.....
0804 Pension plan termination	148	.....	.....
0805 Operational support	150	.....	.....
0806 Administrative Expenses .....	.....	432	520
0807 Investment Management Fees	96	104	113
0900 Total new obligations	6,074	7,066	8,143
Budgetary resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	16,930	18,004	22,568
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected	7,148	11,630	11,423
1802 Offsetting collections (previously unavailable)	9	9	9
1823 New and/or unobligated balance of spending authority from offsetting collections temporarily reduced	-9	-9	.....
1850 Spending auth from offsetting collections, mand (total)	7,148	11,630	11,432
1930 Total budgetary resources available	24,078	29,634	34,000
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year	18,004	22,568	25,857
Change in obligated balance:			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	226	216	11
3010 Obligations incurred, unexpired accounts	6,074	7,066	8,143
3020 Outlays (gross)	-6,084	-7,271	-8,142
3050 Unpaid obligations, end of year	216	11	12
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	226	216	11
3200 Obligated balance, end of year	216	11	12
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross	7,148	11,630	11,432
Outlays, gross:			
4100 Outlays from new mandatory authority	5,907	7,066	8,142
4101 Outlays from mandatory balances	177	205	.....
4110 Outlays, gross (total)	6,084	7,271	8,142
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4121 Cash Investment Receipts	-1,032	-647	-776
4123 Non-Federal sources	-6,116	-10,983	-10,647
4130 Offsets against gross budget authority and outlays (total)	-7,148	-11,630	-11,423
4160 Budget authority, net (mandatory) .....	.....	.....	9
4170 Outlays, net (mandatory)	-1,064	-4,359	-3,281
4180 Budget authority, net (total) .....	.....	.....	9
4190 Outlays, net (total)	-1,064	-4,359	-3,281
Memorandum (non-add) entries:			
5000 Total investments, SOY: Federal securities: Par value	17,444	18,492	23,057
5001 Total investments, EOY: Federal securities: Par value	18,492	23,057	26,339
5090 Unexpired unavailable balance, SOY: Offsetting collections	9	9	9
5092 Unexpired unavailable balance, EOY: Offsetting collections	9	9	.....

Summary of Budget Authority and Outlays (in millions of dollars)

	2015 actual	2016 est.	2017 est.
Enacted/requested:			
Budget Authority .....	.....	.....	9
Outlays	-1,064	-4,359	-3,281
Legislative proposal, subject to PAYGO:			
Outlays .....	.....	.....	-1,083
Total:			
Budget Authority .....	.....	.....	9
Outlays	-1,064	-4,359	-4,364

The Pension Benefit Guaranty Corporation (PBGC) is a Federal corporation established under the Employee Retirement Income Security Act of 1974, as amended. It guarantees payment of basic pension benefits earned by more than 40,000,000 American workers in two separate insurance

programs. The single-employer program protects about 30,000,000 workers and retirees in over 22,000 pension plans. The multiemployer program protects over 10,000,000 workers and retirees in about 1,400 pension plans. The Corporation receives no funds from general tax revenues. Operations are financed by insurance premiums paid by companies that sponsor defined benefit pension plans, investment income, and assets from terminated plans. PBGC is requesting \$519,506,000 in spending authority for administrative purposes in 2017. The request includes costs to acquire a new lease for headquarters space, funds for the Office of Inspector General for additional Financial Statement Audit work, inflationary increases and a restoration of the 2016 sequestration cuts.

Plan Preservation Efforts: PBGC tries, first, to preserve plans and keep pension promises in the hands of the employers who make them. When companies undertake major transactions that might threaten their ability to pay pensions, PBGC negotiates protections for their pension plans. Last year, PBGC negotiated with dozens of companies, both in bankruptcy and otherwise, to preserve their plans. In 2015, PBGC

—Helped to protect 16,000 people by encouraging companies to keep their plans when they emerged from bankruptcy

—Negotiated almost \$563,000,000 in financial assurance to protect more than 116,000 people in plans at risk from corporate transactions

—Conducted compliance reviews of plan sponsor calculations for plans that end through a standard termination, resulting in almost 1,500 participants receiving corrected benefit amounts totaling \$5,800,000

Stepping in to Insure Pensions When Plans Fail: When plans do fail, PBGC steps in to ensure that a portion of benefits continue to be paid. Over the years, PBGC has become responsible for almost 1,500,000 people in nearly 4,800 failed plans. In 2015, PBGC:

—Paid \$5,600,000,000 to almost 826,000 retirees in more than 4,700 failed single-employer plans (an additional 560,000 workers will receive timely and accurate benefits when they retire)

—Provided \$103,000,000 in financial assistance to 57 multiemployer pension plans covering the benefits of 54,000 retirees (an additional 25,000 workers in these multiemployer plans will receive guaranteed benefits when they retire) over the past year

—Assumed responsibility for more than 25,000 people in 65 trusted single-employer plans

PROGRAM ACTIVITIES:

Single-employer benefit payments.—The single-employer program protects about 30,000,000 workers and retirees in about 22,000 pension plans. Under this program, a company may voluntarily seek to terminate its plan, or PBGC may seek termination. The PBGC must seek termination when a plan cannot pay current benefits. A plan that cannot pay all benefits may be ended by a "distress" termination, but only if the employer meets tests proving severe financial distress, such as proving that continuing the plan would force the company to go out of business. If a terminated plan cannot pay at least the PBGC-guaranteed level of benefits, PBGC uses its funds to ensure that guaranteed benefits are paid. A sponsor may terminate a plan in a "standard" termination only if plan assets are sufficient to pay all benefits. In a standard termination, the sponsor closes out the plan by purchasing annuities from an insurance company or by paying benefits in a lump sum. After a standard termination, the PBGC guarantee ends.

Multiemployer financial assistance.—The multiemployer insurance program protects over 10,000,000 workers and retirees in about 1,400 pension plans. Multiemployer pension plans are maintained under collective bargaining agreements involving unrelated employers, generally of the same industry. If a PBGC insured multiemployer plan is unable to pay guaranteed benefits when due, the PBGC will provide the plan with financial assistance (a loan to the plan) to continue paying guaranteed benefits.

Investment management fees.—PBGC contracts with professional financial services corporations to manage Trust Fund assets in accordance with an investment strategy approved by PBGC's Board of Directors. Investment management fees are determined by the amount of assets under management. They are a direct, programmatic expense required to maintain the

Trust Fund which supports single-employer benefit payments. PBGC expects to pay \$113,484,000 in investment management fees in 2017.

ADMINISTRATIVE ACTIVITIES:

PBGC's administrative activities comprise all expenditures and operations that support:

- Direct benefit payments to pension plan participants
- Direct financial assistance to distressed multiemployer pension plans
- Investment management fees

These operations include premium collections, purchase of U.S. Treasury securities using premium receipts, pre-trusteeship work, efforts to preserve pension plans, recovery of assets from former plan sponsors, and pension insurance program protection activities. This area also covers the expenditures that support activities related to trusteeship; plan asset management (excluding investment management fees) and trust accounting; as well as benefit payments and administration services. Finally, this area includes the administrative functions covering administrative and legal support, information technology infrastructure, and other shared program support for both PBGC's insurance and plan termination activities. These funds support the operations of the Pension and Plan Sponsor Advocate as well as the Inspector General and funding to support the required functions and efforts of that office, including training and participation in Council of the Inspector Generals on Integrity and Efficiency (CIGIE) activities.

Object Classification (in millions of dollars)

Identification code 016-4204-0-3-601	2015 actual	2016 est.	2017 est.
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent	104	113	113
11.3 Other than full-time permanent	1	1	2
11.5 Other personnel compensation	2	4	4
11.9 Total personnel compensation	107	118	119
12.1 Civilian personnel benefits	32	32	33
21.0 Travel and transportation of persons	1	2	2
23.2 Rental payments to others	28	29	29
23.3 Communications, utilities, and miscellaneous charges	5	6	6
24.0 Printing and reproduction	1	1	1
25.1 Advisory and assistance services	96	104	113
25.2 Other services from non-Federal sources	184	231	317
25.3 Other goods and services from Federal sources	4	4	4
26.0 Supplies and materials	2	3	3
31.0 Equipment	5	6	6
33.0 Investments and loans	103	250	315
42.0 Insurance claims and indemnities	5,506	6,280	7,195
99.9 Total new obligations	6,074	7,066	8,143

Employment Summary

Identification code 016-4204-0-3-601	2015 actual	2016 est.	2017 est.
2001 Reimbursable civilian full-time equivalent employment	939	942	942

PENSION BENEFIT GUARANTY CORPORATION FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 016-4204-4-3-601	2015 actual	2016 est.	2017 est.
Obligations by program activity:			
0802 Multiemployer financial assistance			160
0900 Total new obligations (object class 33.0)			160
Budgetary resources:			
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected			1,243
1930 Total budgetary resources available			1,243
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year			1,083
Change in obligated balance:			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts			160

3020 Outlays (gross)			-160
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross			1,243
Outlays, gross:			
4100 Outlays from new mandatory authority			160
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4121 Interest on Federal securities:			-23
4123 Non-Federal sources:			-1,220
4130 Offsets against gross budget authority and outlays (total)			-1,243
4170 Outlays, net (mandatory)			-1,083
4180 Budget authority, net (total)			
4190 Outlays, net (total)			-1,083
Memorandum (non-add) entries:			
5001 Total investments, EOY: Federal securities: Par value			1,083

Both the single-employer and multiemployer programs are underfunded, with combined liabilities exceeding assets by \$76 billion at the end of 2015. While the single-employer program's financial position is projected to improve over the next 10 years, the multiemployer program is projected to run out of funds in 2024. The Budget proposes to give the PBGC Board the authority to adjust premiums. The Budget directs the Board to raise \$15 billion in additional premium revenue within the Budget window only from the multiemployer program. This level of multiemployer premium revenue would nearly eliminate the risk of the multiemployer program becoming insolvent within 20 years.

EMPLOYMENT STANDARDS ADMINISTRATION

Federal Funds

SALARIES AND EXPENSES

Program and Financing (in millions of dollars)

Identification code 016-0105-0-1-505	2015 actual	2016 est.	2017 est.
Change in obligated balance:			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	10	7	7
3011 Obligations incurred, expired accounts	3		
3041 Recoveries of prior year unpaid obligations, expired	-6		
3050 Unpaid obligations, end of year	7	7	7
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	10	7	7
3200 Obligated balance, end of year	7	7	7
4180 Budget authority, net (total)			
4190 Outlays, net (total)			

In 2010, the Department of Labor abolished the Employment Standards Administration (ESA) to streamline administration of the programs. As the Department was reinvigorating its enforcement of worker protection laws, this reorganization supported the Administration's Worker Protection efforts by eliminating redundant management efforts by elevating program issues directly to the Secretarial level. It also reflected the importance of these programs and increased enforcement supporting the Secretary's Worker Protection goals. The Consolidated Appropriations Act, 2012 (P.L. 112-74) accepted the Administration's proposal to replace the appropriation for the Employment and Standards Administration by four individual appropriations for the component agencies and offices previously under the heading "Employment Standards Administration Salaries and Expenses." In the 2014 Budget, funding was requested separately for the Office of Workers' Compensation Programs, Wage and Hour Division, Office of Federal Contract Compliance Programs, and Office of Labor-Management Standards.