



# 2019

## Annual Performance Plan

PBGCC

# PENSION BENEFIT GUARANTY CORPORATION

## 2019 PBGC Annual Performance Plan

PBGC's current FY 2018-2022 Strategic Plan provides a framework for annual performance plans. PBGC conducts regular data-driven performance reviews and strategic reviews. Agency leaders review performance data and status reports on a quarterly basis. The continuous evaluation of performance data and customer feedback helps agency leadership to monitor what is working well and what may need to be adjusted. These performance reviews allow agency leaders to realign or adjust human capital and other resources to influence progress on agency goals and priorities.

PBGC's business operations, information technology 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. Every federal employee has a performance plan with objectives tied to the agency's strategic goals. Employees review their performance objectives and performance outcomes with their supervisor of record every 120 days. These highly skilled professionals, who are committed to the work of PBGC's mission include:

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

Each PBGC employee has an important role in the Corporation's mission of protecting America's pensions. We publish an annual performance report of the agency's accomplishments. This framework is consistent with requirements outlined in Government Performance and Results Modernization Act of 2010.

For the full FY 2018-2022 PBGC Strategic Plan, please visit:

<https://www.pbgc.gov/about/budget-performance-and-planning>

For the FY 2017 PBGC Annual Performance Report, please visit:

<https://www.pbgc.gov/sites/default/files/pbgc-annual-report-2017.pdf>

The table that follows is a summary of the FY 2018-2022 PBGC Strategic Plan.

## PENSION BENEFIT GUARANTY CORPORATION

<b>PBGC Strategic Plan</b>					
<b>Strategic Goal 1: Preserve Plans and Protect the Pensions of Covered Workers and Retirees</b>					
Strategic Objectives	Performance Strategies				
<ul style="list-style-type: none"> <li>• Encourage the continuation and maintenance of pension plans</li> <li>• Protect workers and retirees when plans are at risk</li> <li>• Assist policy makers in addressing the impending insolvency crisis in the multiemployer insurance program</li> <li>• Reduce the number of Missing Participants</li> </ul>	<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 the interests of stakeholders and minimizes the burdens of sponsoring a plan</li> <li>• Preserve plans during bankruptcy and other corporate transactions</li> <li>• Protect the retirement security of workers and retirees and the interest of premium payers in federal courts</li> <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> <li>• Reunite plan participants with their lost pensions</li> </ul>				
<b>Goal Leaders:</b> <ul style="list-style-type: none"> <li>• <b>Chief of Negotiations and Restructuring</b></li> <li>• <b>Chief Policy Officer</b></li> <li>• <b>General Counsel</b></li> </ul>					
<b>Performance Measures &amp; Targets</b>					
Goal 1 Performance Measures & Targets	FY 2015 Result	FY 2016 Result	FY 2017 Result	FY 2018 Target	FY 2019 Target
Participants protected as a result of our actions in bankruptcy cases where plan sponsors emerge from bankruptcy with plans ongoing	16,000	55,000	26,700	These activities are not amenable to targets	These activities are not amenable to targets
Additional payments resulting from standard termination enforcement actions	\$5.8 million to 1,456 people	\$4.5 million to 940 people	\$4.6 million to 435 people	These activities are not amenable to targets	These activities are not amenable to targets

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<b>PBGC Strategic Plan</b>				
<b>Performance Area (Dollars in thousands)</b>		<b>FY 2017<sup>1</sup></b>	<b>FY 2018<sup>2</sup></b>	<b>FY 2019</b>
Pension Insurance	Total Funding (Dollars in thousands)	72,552	79,471	79,684
	Total FTE	207	211	213

### **FY 2019 plan to achieve Goal 1 Performance Objectives:**

1. Communicate benefits of a defined benefit pension lifetime income via PBGC.gov, social media, and PBGC leadership speaking engagements.
2. Maximize stakeholder input by holding frequent meetings and/or events with participant groups, plan sponsors, practitioner groups, industry associations, and other interested stakeholders
3. Provide technical assistance and practical guidance to plan sponsors on the implementation of proposed options to reduce employer risks, while preserving plans and benefits.
4. Perform rigorous cost-benefit analysis.
5. Prioritize simplification and transparency.
6. Protect pensioners by proactively monitoring PBGC's largest exposure for transactions that may pose substantial risks to participants and retirees.
7. Represent PBGC's interest in all bankruptcy cases involving defined benefit pensions plans.
8. Reduce administrative and regulatory burdens on plan sponsors.
9. Audit a statistically significant number of plans terminating through standard termination, including all plans with more than 300 participants, to ensure pension plan participants receive the correct pension benefits.
10. Deliver an annual projections report on the future status of the Single-Employer and Multiemployer Programs.
11. Deliver an annual data book to educate stakeholders on the fundamental facts of the Single-Employer and Multiemployer Programs
12. Deliver informal guidance to multiemployer plans on the details of requesting early financial assistance from PBGC and process applications promptly.
13. Initiate meetings and/or events to educate and inform the multiemployer community (participants, plan sponsors, and stakeholders) on the effects of PBGC's solvency.
14. Monitor all multiemployer plans that are receiving financial assistance from PBGC and audit requests for financial assistance, insolvent plans, and higher risk terminated multiemployer plans to ensure accurate benefit payments to plan participants, efficient management of the remaining assets, and compliance with laws and regulations.
15. Promote the expanded Missing Participants Program, implement robust search procedures, and provide prompt payout when the identity of missing participants is confirmed.

<sup>1</sup> Enacted amount includes \$8.7 million for sequestration. It includes \$41.5 million not apportioned in FY 2017.

<sup>2</sup> The contingent increase included in the FY 2018 President's Budget for the costs associated with the acquisition and occupancy of a new headquarters space is not included.

## PENSION BENEFIT GUARANTY CORPORATION

16. Collect pension insurance premiums due.

<b>PBGC Strategic Plan</b>					
<b>Strategic Goal 2: Pay Pension Benefits on Time and Accurately</b>					
Strategic Objectives			Performance Strategies		
<ul style="list-style-type: none"> <li>• Promote exceptional customer service to pensioners</li> <li>• Ensure regular monthly benefit payments continue without interruption</li> <li>• Provide accurate and timely benefit calculations</li> </ul>			<ul style="list-style-type: none"> <li>• Maintain exemplary customer satisfaction ratings</li> <li>• Continue uninterrupted benefit payments in newly trustee plans</li> <li>• Process benefit applications timely</li> <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>		
<b>Goal Leaders:</b>					
<ul style="list-style-type: none"> <li>• Chief of Benefits Administration</li> </ul>					
<b>Performance Measures &amp; Targets</b>					
Goal 2 Performance Measures & Targets	FY 2015 Result (Target)	FY 2016 Result (Target)	FY 2017 Result (Target)	FY 2018 Target	FY 2019 Target
Customer satisfaction rating for retirees and beneficiaries receiving benefits	91 (85)	90 (90)	91 (90)	90	90
Retirees in newly trustee plans receive uninterrupted benefit payments	100%	100%	(100%)	99%	99%
Benefit applications approved within 45 days	80% (87%)	87% (87%)	87% (87%)	87%	87%
Average time (years waiting) to issue benefit determinations (between trusteeship and benefit determination issuance)	4.8 (4.3)	6.3 (4.3)	6.2	6.0	5.5
Estimated benefits within 10 percent of final benefit determination	96% (95%)	96% (95%)	93% (95%)	95%	95%
<b>Performance Area (Dollars in thousands)</b>			<b>FY 2017<sup>3</sup></b>	<b>FY 2018<sup>4</sup></b>	<b>FY 2019</b>
Pension Plan Termination	Total Funding (Dollars in thousands)		164,416	170,040	194,179
	Total FTE		336	328	328

<sup>3</sup> Enacted amount includes \$8.7 million for sequestration. It includes \$41.5 million not apportioned in FY 2017.

<sup>4</sup> The contingent increase included in the FY 2018 President's Budget for the costs associated with the acquisition and occupancy of a new headquarters space is not included.

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## FY 2019 plan to achieve Goal 2 Performance Objectives:

1. Reduce the number of unissued Benefit Determination Letters (BDLs) by prioritizing the oldest and the largest plans for completion.
2. Modernize and consolidate field office operations.
3. Resolve the majority of appeals within one year.

<b>PBGC Strategic Plan</b>	
Strategic Goal 3: Maintain High Standards of Stewardship and Accountability	
Strategic Objectives	Performance Strategies
<ul style="list-style-type: none"> <li>• Provide exceptional customer service</li> <li>• Meet or exceed the financial and ethical standards that apply to PBGC as a major financial and government institution, and monitor cash flows</li> <li>• Maintain effective IT Security</li> <li>• Maintain a high performing workforce</li> <li>• Encourage and support a diverse and inclusive work environment that encourages employee engagement</li> <li>• Strengthen enterprise risk management</li> <li>• Strengthen transparency, disclosure and communication</li> <li>• Strengthen contractor oversight to reduce enterprise-wide risks</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain exemplary customer satisfaction ratings</li> <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> <li>• Maintain adequate IT security posture based on FISMA guidance and as measured by FISMA metrics</li> <li>• Retain and train a high-quality multidisciplinary workforce</li> <li>• Implement succession planning and workforce management activities</li> <li>• Foster a diverse, high-performing workforce</li> <li>• Support supervisors and managers on managing employee performance</li> <li>• Foster a culture of inclusion that encourages collaboration, flexibility and fairness</li> <li>• Implement enterprise risk management strategies</li> <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> <li>• Implement an enterprise-wide plan to improve contract oversight</li> </ul>
Goal Leaders: <ul style="list-style-type: none"> <li>• Chief Management Officer</li> <li>• Chief Financial Officer</li> <li>• Chief Information Officer</li> <li>• General Counsel</li> </ul>	
Performance Measures & Targets	



## PENSION BENEFIT GUARANTY CORPORATION

<b>PBGC Strategic Plan</b>					
Goal 3 Performance Measures & Targets	FY 2015 Result (Target)	FY 2016 Result (Target)	FY 2017 Result (Target)	FY 2018 Target	FY 2019 Target
<b>Customer satisfaction ratings:</b>					
• Plan filers	76 (72)	79 (73)	77 (73)	74	74
• My PAA	80 (78)	83 (79)	85 (79)	80	80
• Overall customer satisfaction*	75 (80)	73 (80)	72 (80)	80	80
• PBGC.gov website	74 (74)	74 (74)	72 (75)	75	75
• Participant caller	83 (85)	84 (83)	83 (83)	85	85
• MyPBA	77 (81)	76 (77)	76 (77)	77	77
Financial statement audit	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified
Compliance with Improper Payments Elimination and Recovery Act	Yes	Yes	Yes	Yes	Yes
Reduce material weaknesses and significant deficiency	Progress	Progress	Progress	Reduce	Reduce
Compliance with the asset allocation listed in the current Investment Policy Statement	NA (New Metric)	NA (New Metric)	NA (New Metric)	Yes	Yes
Compliance with EEOC MD 715 model work environment	Yes	Yes	Yes	Yes	Yes
Compliance with OMB A-123 enterprise risk management requirements	NA (New Metric)	NA (New Metric)	NA (New Metric)	Yes	Yes
Score in the top 40% of reporting agencies on OMB's Annual FISMA Report	NA (New Metric)	NA (New Metric)	NA (New Metric)	Yes	Yes
Achieve a 69% positive score for employee engagement on the Federal Employee Viewpoint Survey	69%	72%	75%	69%	69%
Achieve a Diversity and Inclusion/New IQ Index score of 62% on the annual Federal Employee Viewpoint Survey	62%	64%	69%	62%	62%

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PBGC Strategic Plan					
Develop a succession plan and a workforce management plan for every office and critical position	NA (New Metric)	NA (New Metric)	NA (New Metric)	75% complete	100% complete
<b>Performance Area (Dollars in thousands)</b>			<b>FY 2017<sup>5</sup></b>	<b>FY 2018<sup>6</sup></b>	<b>FY 2019</b>
Operational Support	Total Funding (Dollars in thousands)		232,289	162,901	171,500
	Total FTE		421	425	427

\*Targets are set for six-month calendar-year periods and do not necessarily align with the fiscal year

### FY 2019 plan to achieve Goal 3 Performance Objectives:

1. Conduct quality due diligence on PBGC's investment portfolios.
2. Continue to develop and implement risk management frameworks with continuous monitoring to ensure compliance with OMB circular A-123 to mitigate, reduce or accept identified risks.
3. Integrate the Framework for Improving Critical Infrastructure Cybersecurity (M-17-25) into the IT management process.
4. Insure legal and regulatory compliance through implementation of appropriate policies, procedures, standards and guidance to achieve an unmodified audit opinion.
5. Adhere to GSA guidelines to acquire new office space.
6. Provide ethics training to at least 98% of new employees within 90 days of hiring.
7. Provide privacy training for all new employees and contractors before badging or network access 99% of the time.
8. Research and implement at least six targeted improvements per year to agency communications (including PBGC.gov) in response to customer feedback and key performance indicators (surveys, etc.).
9. Maximize stakeholder education and outreach by holding frequent meetings with participant groups, plan sponsors, practitioner groups, industry associations, and other interested stakeholders.
10. Provide data-driven communications to stakeholders based on the latest pension research, data and projections.
11. Inform plan participant and practitioners of key newly published regulations through speaking engagements at stakeholder conferences and through interviews.
12. Implement ongoing workshops or training to improve contractor oversight.

<sup>5</sup> Enacted amount includes \$8.7 million for sequestration. It includes \$41.5 million not apportioned in FY 2017.

<sup>6</sup> The contingent increase included in the FY 2018 President's Budget for the costs associated with the acquisition and occupancy of a new headquarters space is not included.



## PENSION BENEFIT GUARANTY CORPORATION

TABLE 1: SUMMARY OF PBGC MEASURES AND ACTIVITIES			
	2017 Target	2017 Actuals	2016 Actuals
<b>Preserve Plan and Protect Pensioners</b>			
People Protected in Plans Emerging From Bankruptcy		26,700	55,000
Standard Termination Audits: Additional Payments		\$4.6 million to 435 people	\$4.5 million to 940 people
<b>Pay Timely and Accurate Benefits</b>			
People Receiving Benefits – Single-Employer		840,000	840,000
People to Receive Benefits in Future – Single-Employer		552,000	559,000
People Receiving Benefits in Plans Receiving Financial Assistance – Multiemployer		63,000	59,000
People to Receive Benefits in Future in Plans Receiving Financial Assistance – Multiemployer		30,000	27,000
New Retiree On-time Payments	100%	100%	100%
Estimated Benefits Within 10 Percent of Final Calculation	95%	93%	96%
Average Time to Provide Benefit Determinations (years)	4.3	6.2	6.3
Improper Payment Rates within OMB Threshold <sup>7</sup>	<1.5%	Yes	Yes
Applications Processed in 45 Days	87%	87%	87%
<b>Maintain High Standards of Stewardship and Accountability</b>			
Retiree Satisfaction – ACSI <sup>8</sup>	90	91	90
Caller Satisfaction – ACSI	83	83	84
Premium Filer Satisfaction – ACSI	73	77	79
Overall Customer Satisfaction <sup>9</sup>	80	72	73
Contract Awards Fully Completed		77%	75%
Financial Surplus (Deficit) – Single-employer		(\$10.9 billion)	(\$20.6 billion)
Financial Surplus (Deficit) – Multiemployer		(\$65.1 billion)	(\$58.8 billion)

<sup>12</sup> The OMB threshold for significant improper payment reporting is as follows: amounts that exceed (1) both 1.5 percent and \$10 million in improper payments, or (2) \$100 million in improper payments as outlined in OMB Circular No. A-123, Management’s Responsibility for Enterprise Risk Management and Internal Control, Appendix C, Requirements for Effective Estimation and Remediation of Improper Payments (10/20/2014).

<sup>13</sup> The American Customer Satisfaction Index (ACSI) uses a 0-100 scale; 80 or above is considered excellent.

<sup>14</sup> Measures customer satisfaction with information and services provided by the Corporation.

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Unmodified Audit Opinion	Yes	Yes	Yes
Compliance with EEOC Management Directive 715	Yes	Yes	Yes