



Pension Benefit Guaranty Corporation

Strategic Plan FY 2014-2018



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Message from the Director

Strategic Plan Fiscal Years 2014-2018

More than 42 million Americans look to the Pension Benefit Guaranty Corporation for assurance of a secure retirement. Congress established the PBGC to be a safety net for failed defined benefit plans. Today, we already bridge the gap for almost 1.5 million people.

Across America, concerns about retirement security are growing. In response to the nation's changing economic landscape, PBGC continues our work to enhance retirement security by preserving plans and protecting pensioners. The past decade of economic turmoil has strained people's lives, employers, and the pension funds available for retirees. PBGC plays an important role in providing solutions for these challenges, and we will continue to engage our stakeholders and the retirement community as we explore options.

This strategic plan supports our vision for a sustainable pension insurance program. It demonstrates our commitment to serve customers, and places greater emphasis on collaboration with the retirement community. With them, we will continue to explore options that minimize the burdens on employers and risks to employees, strengthen management of our operations, and expand our communication channels.



Joshua Gotbaum
Director
March 4, 2014

About PBGC and Its Mission

The Pension Benefit Guaranty Corporation (PBGC) is a federal corporation established under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA established PBGC to encourage the continuation of voluntary pension plans, provide timely and uninterrupted payment of pension benefits, and keep pension insurance premiums at a minimum. Today, we guarantee payment of basic pension benefits earned by 42 million American workers and retirees in nearly 25,000 plans. We encourage companies to keep their plans, and we pay benefits when they cannot. Since 1974, PBGC has become responsible for more than 1.5 million people in 4,500 failed plans, making payments of \$5.5 billion annually as of FY 2013.

To enhance retirement security, we have three overarching strategic goals:

- Preserve plans and protect pensioners
- Pay pension benefits on time and accurately
- Maintain high standards of stewardship and accountability

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

PBGC's multidisciplinary workforce consists of about 1,000 federal employees and a comparable number of contractors. These highly skilled professionals, who are committed to the work of our mission, include:

- Actuaries who calculate pensioners' benefits
- Attorneys who litigate pension matters on behalf of pensioners
- Auditors who value plan assets
- Financial analysts who monitor corporate actions that impact pension plans
- Economists who research and forecast future pension liabilities
- Employee benefit law specialists who process benefit applications
- And a host of professionals who support business operations, information technology programs, manage the investment portfolio, and manage the agency's budget and finances

Every PBGC employee plays an important role in PBGC's mission of protecting America's pensions. See Appendix C for information on organizational functions.

About the Strategic Plan

This strategic plan summarizes the direction for PBGC's programs and support functions. It defines PBGC's broad, long-term goals and the results that we strive to accomplish. It further outlines the shorter-term objectives and activities we will undertake and how we will monitor our progress. Our overall measures of success are how well we do our work and serve our customers. The organizational structure aligns with our goals, enabling us to work across the organization to accomplish them.

The Government Performance and Results Act Modernization Act of 2010 (GPRAMA) requires federal agencies to develop a new strategic plan every four years. In FY 2012, we updated and published our strategic plan, which included goals and strategies through FY 2016. While this FY 2014-2018 strategic plan continues in a similar vein, changes in the pension landscape over the past two years make it necessary for us to update our mission and vision statements, enhance our efforts to shore up the pension insurance system, and promote retirement security for all Americans.

Our strategic planning process begins with an overview of the external and internal environment and the impacts on our programs. Senior leaders' direct input to the planning process results in an evidence-based, collaborative strategic plan to which we are committed.

Our Mission, Vision and Values

Mission: PBGC enhances retirement security by preserving plans and protecting pensioners' benefits.

Vision: A sustainable pension insurance agency committed to serving its customers and expanding retirement security opportunities.

Values: We measure our performance by how we work and how we serve our customers. We are committed to excellence through:

- **Professionalism** and **Integrity** in protecting pensions and the expenditure of resources for our operations
- **Quality** and **Timeliness** in the information and services provided to our customers
- **Teamwork** that taps the diverse talent and disciplines needed to achieve the desired results
- **Investment** in our people and technology
- **Benchmarking** our services across government by comparing our performance with other benefit paying agencies

Our Customer Focus

We have built a strong culture of serving the people who count on us. Our [Customer Service Plan](#), in Appendix A, highlights our customer focus. We maintain a rigorous and continuous cycle of soliciting customer feedback, conducting analysis of operational strengths and gaps, and persistently following through on customer concerns. We benchmark our performance against other federal agencies as well as private sector entities.

We use the survey feedback to identify potential improvements and new services for our customers. Our outstanding customer satisfaction scores attest to the success of our efforts in providing timely, accurate, and responsive services. See Appendix B for a summary of our American Customer Satisfaction Index (ACSI) scores and other measures.

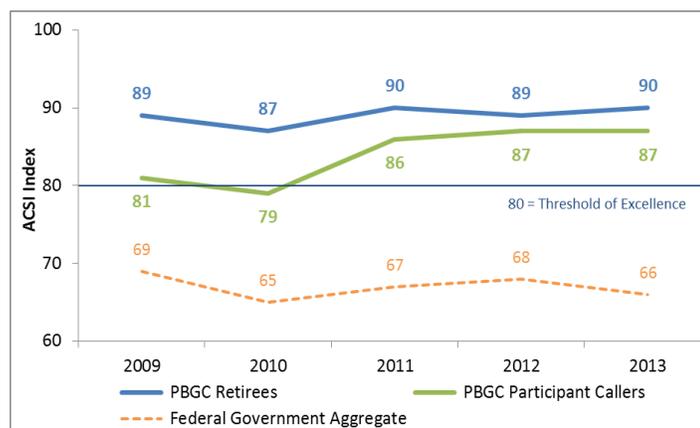
PBGC.gov is our main website for communicating with the public. We also provide three online tools specific to our customer needs. Our online application for workers and retirees is My Pension Benefit Account (MyPBA). MyPBA allows customers to access certain forms and information, and to perform routine transactions. During FY 2013, as customers executed over 515,000 transactions, we upgraded and expanded the services available to MyPBA users. People enjoy the convenience of handling certain transactions online, and they report satisfaction with how MyPBA responds to their needs.

Our online premium-filing application for pension plan administrators is My Plan Administration Account (My PAA), which filers used to transmit more than 37,000 electronic filings in FY 2013.

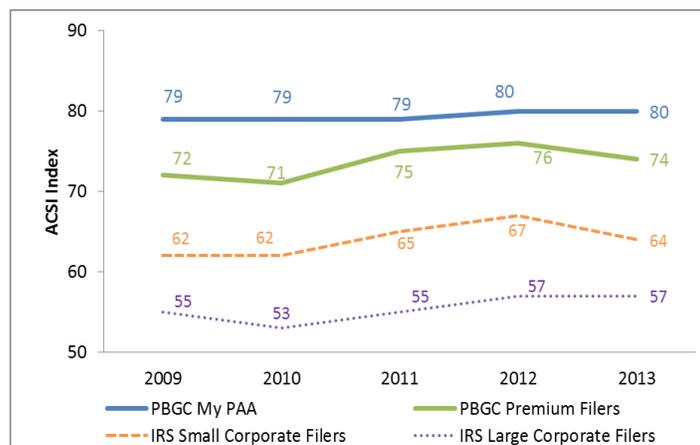
Freedom of Information Act (FOIA) online allows customers and others to request access to their own pension records as well as other PBGC records.

Many of the objectives outlined in this plan exist to ensure our customers will continue to receive the exceptional service they deserve—*timeliness, accuracy, and responsiveness.*

Retirees and Participant Caller ACSI Ratings Among Highest in Federal Government



PBGC Premium Filing Services Highly Rated By Filers



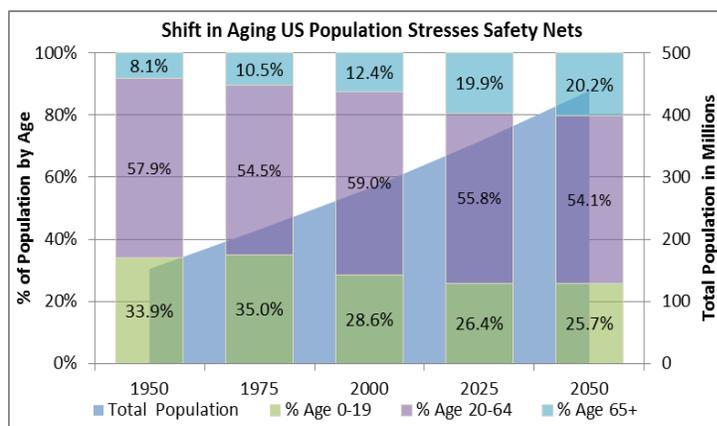
Retirement at a Crossroad

Retirement security is in crisis around the world and in the United States. America is on the verge of seeing millions of workers, unprepared for extended retirement, slide into poverty over the next two decades.

Since PBGC's mission is to enhance retirement security by preserving plans and protecting pensioners, we find the retirement landscape to be unsettling. PBGC is at the confluence of a significant demographic shift, an incomplete economic recovery (burdened by high national debt) and moves away from defined benefit plans as an appropriate and viable path to retirement security. In addition, constricting laws and regulations prohibit necessary modifications to insurance programs and associated premiums designed over 40 years ago. How did we get so near the cliff?

Factors Affecting Retirement Security

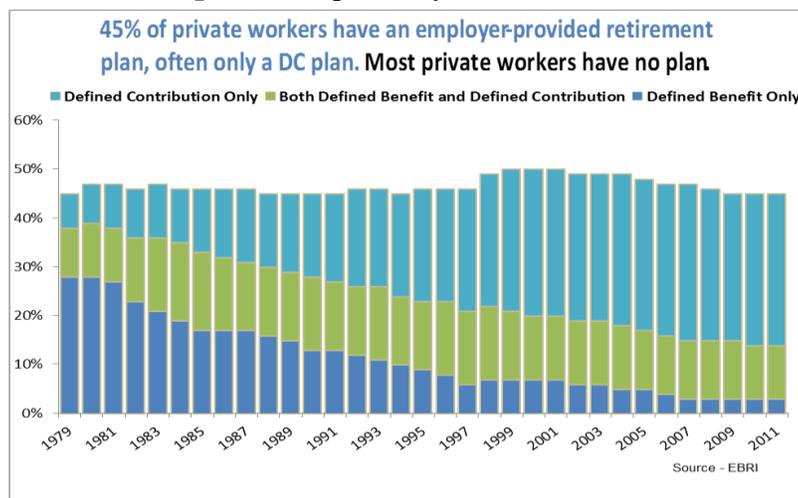
Society is Aging. The United States is in the midst of profound demographic changes: a rapidly aging population, rising life expectancy rates, and declining birth rates. These trends create extraordinary demands on our retirement and health care systems. As government sponsored safety nets are strained, the declining number of workers supporting the 76 million baby boomers who will leave the workforce in the next 20 years face a heavy financial burden for their own retirement.



Current Savings are Insufficient to Cover Retirement. In 2005, our national personal savings rate hit a low of 1 percent. The savings rate is recovering slowly but remained inadequate at 4 percent in 2012. A recent survey by Employee Benefit Research Institute noted that 57 percent of workers and 55 percent of retirees had savings and investments of less than \$25,000. With almost half of American workers unprotected by any sort of employer-sponsored pension, there will be heavy reliance on Social Security and government programs.

Traditional Pension Plans are Available to Fewer People. In the past 10 years, the number of participants in single-employer defined benefit pension plans has declined by about 2.7 million. Based on the pension plan risk mitigation trends described below, these declines may accelerate.

Pension plan de-risking allows employers to reduce pension liability and administrative costs. De-risking lessens the volatile effects of pension benefits on operating budgets – while simultaneously shifting responsibility for retirement security to retirees. Methods of de-risking may include:



- Freezing pension benefits and barring new entrants. About 28% of active participants are in plans that are hard frozen or closed to new entrants
- Purchasing annuities for retirees
- Most disturbing, offering pension plan participants lump sums instead of lifetime income

Multiemployer Pension Plans are Relying on a Smaller Active Worker Base. The combination of a decline in the active worker base and the dramatic underfunding resulting from the 2008 – 2009 market drops has endangered a minority of multiemployer pension plans. Currently 34 percent of participants are in critical status (i.e., plans that are less than 65 percent funded). Since less than 40 percent of plan participants are actively working, and making up underfunding will rely on their contributions, the future of some plans is limited.

Factors contributing to continuing decline include:

- Industries employing organized labor are contracting or facing non-union competition
- Union membership in the private sector has declined
- Employers are less willing to bear the expense of employee benefits and fear escalating costs

Absent changes to stabilize multiemployer plans and reform PBGC's program and finances, the current multiemployer insurance program is not sustainable.

Alternative Retirement Savings is Inadequate. Defined contribution plans have become the dominant form of employer-provided private sector retirement plans (though most private sector employees have no employer-provided plan at all). These plans offer portability and flexibility, but they also carry substantial risks to participants:

- Individuals decide when and how much to save. Thus far, the evidence is that they save less as a result
- Participants must manage their own investments. As a result, defined contribution plans on average return about 1% per year less in benefits than defined benefit plans
- Participants frequently tap retirement savings to pay current expenses
- People often take their savings out at a lump sum and decline to purchase annuities that would provide lifetime protection

There have been a number of proposals to amend various elements of the pension insurance program, additional innovative proposals companies can afford need to be developed.

Factors Affecting the PBGC Insurance Program

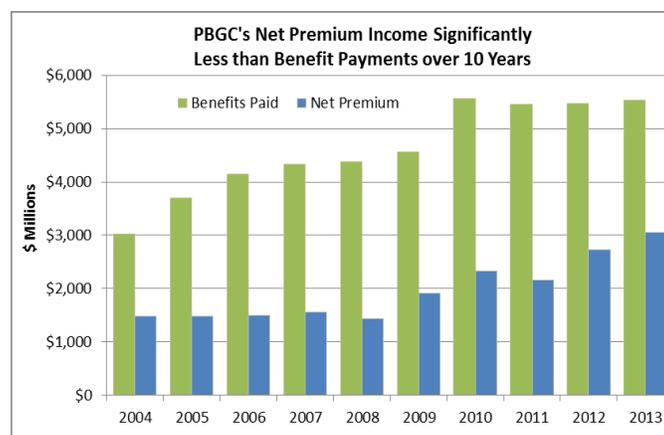
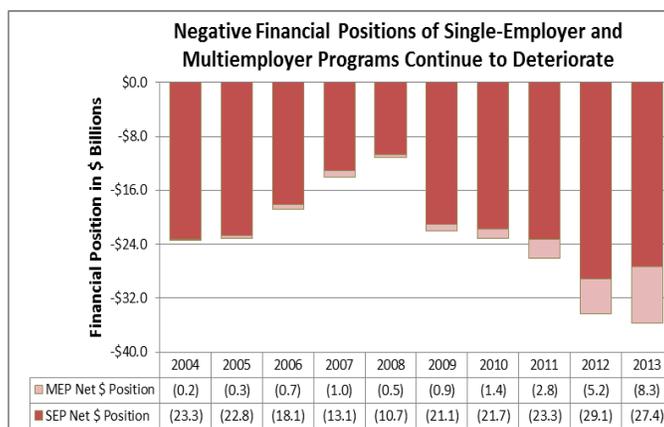
PBGC's strategic position is most strongly affected by the fact it has been unable to charge adequate premiums to cover its obligations. This has been exacerbated by the shift away from private sector defined benefit plans. Both conditions have left PBGC with a growing deficit.

Our 10-year and 20-year [forecasts](#) indicate additional plan failures and even higher deficits. On September 30, 2012 when the Single-Employer Program (SEP) deficit stood at \$29 billion, we forecast it to grow to \$32 billion by 2022. For the same period, we forecast the deficit in the Multiemployer Program (MEP) to reach \$26 billion, up from \$5 billion as of September 30, 2012. Projections show the multiemployer program will run out of money entirely within the decade. On September 30, 2013, the combined single employer and multiemployer deficit was \$36 billion.

Inadequate Premiums. PBGC is self-financing. We do not receive any taxpayer dollars nor do we control either the benefits we pay or the premiums we charge. Congress has repeatedly raised PBGC's premiums, but they remain too low to fund our obligations. The Administration again proposed risk-related premiums for PBGC in its 2014 Budget. This would provide the PBGC Board authority to adjust premiums and make the premium structure fair to all premium payers. PBGC will continue to work with policy makers to determine how best to address pension funding challenges.

Declining Coverage of the Worker Population. More than half of private sector workers have no employer sponsored pension plan while many of the remaining workers often have only a defined contribution plan. Less than a quarter of workers are covered by defined benefit plans as, over the past 10 years, the plan participant counts have dropped by about 2.7 million. We expect this decline to continue.

In multiemployer plans, requests for financial assistance remain high as plans continue to decline. More importantly, forecasts from our Multiemployer Pension Insurance Modeling System show the program could be insolvent by 2022.



Complex Legislative and Regulatory Environment. PBGC does not control the law and regulations for pension plans, and the cumbersome and over-specified system makes reforms difficult. As a result, sponsors are opting out of offering retirement plans to their workers. One way we address this trend is by making proposals to streamline and simplify pension law to reduce unnecessary requirements.

Stronger Standards of Accountability for Financial Institutions. As a major financial and government agency, we are subject—appropriately—to a continuously growing number of financial and ethical standards, which have become more stringent as institutions seek to hold on to the public’s confidence and trust. While we have had 21 consecutive years of unqualified financial audits, these evaluations, as well as internal control reviews and improper payment assessments, highlight areas in which we can improve.

Speed of Information Technology development. PBGC's operations require up-to-date infrastructure and applications. Obsolete measures and equipment create complexities in catch-up modes of operation. System security requirements will continue to absorb resources as IT operations and development meet evolving ways of storing, processing, and accessing information. Examples include increasing mobility demands, personally owned devices interfacing with federal networks, and movement of customer information onto commercial clouds.

Our Performance Management Framework

Every employee has a performance plan with objectives tied to the agency’s goals. Agency leaders hold quarterly reviews to discuss progress toward achieving our goals. The continuous evaluation of performance data and customer feedback helps us monitor what is working well and what may have to be adjusted. This strategic plan provides a framework for agency supporting plans.

We publish an annual performance report of our accomplishments. This framework is consistent with requirements outlined in GPRAMA.

Summary of Strategic Objectives and Performance Goals

Strategic Objectives	Performance Goals
Strategic Goal 1: Preserve Plans and Protect Pensioners	
<ul style="list-style-type: none"> • Preserve plans during bankruptcy and other corporate transactions • Encourage flexibility to preserve plans through changes in legislation and regulations 	<ul style="list-style-type: none"> • Work with plan sponsors to preserve plans in a way they can afford using PBGC's existing tools and by encouraging creation of additional options • Encourage legislative and regulatory changes that preserve multiemployer plans and enable them to attract new employers and to keep the ones they have
Strategic Goal 2: Pay Pension Benefits on Time and Accurately	
<ul style="list-style-type: none"> • Promote exceptional customer service to pensioners • Ensure regular monthly benefit payments continue without interruption • Provide accurate and timely benefit calculations 	<ul style="list-style-type: none"> • Maintain exemplary customer satisfaction ratings • Continue uninterrupted benefit payments in newly trusted plans • Approve benefit applications within 45 days • Improve the accuracy, timeliness, and completeness of benefit determinations
Strategic Goal 3: Maintain High Standards of Stewardship and Accountability	
<ul style="list-style-type: none"> • Provide exceptional customer service to plan sponsors and premium filers • Restore PBGC's finances • Meet or exceed the financial and ethical standards that apply to PBGC as a major financial and government agency • Maintain secure, flexible, and scalable technology to support effective and efficient business operations • Maintain a high performing workforce 	<ul style="list-style-type: none"> • Maintain exemplary customer satisfaction ratings • Pursue legislation that allows premiums to adequately finance PBGC's activities • Manage investments consistent with prudence and the investment policy • Collect insurance premiums due • Recruit, train, and retain a high-quality multidisciplinary workforce • Achieve an unqualified audit opinion on PBGC's financial statements; eliminate material weaknesses and significant deficiency; continue compliance with the Improper Payments Elimination and Recovery Act of 2010 to prevent, detect, and recover improper payments • Implement a coherent strategy to upgrade information technology while meeting security requirements

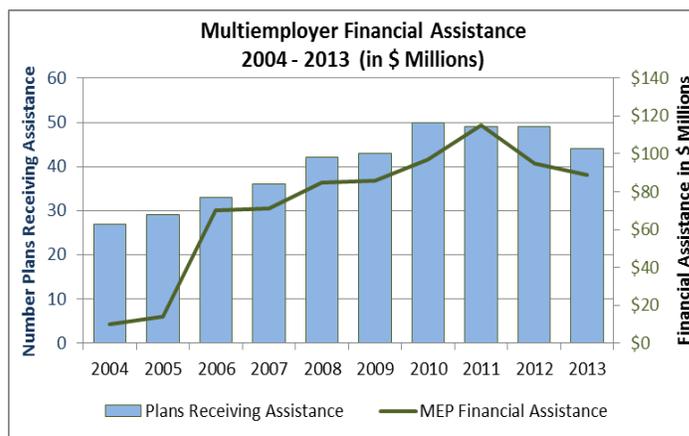
Strategic Goal 1: Preserve Plans and Protect Pensioners

Though the overall economy shows improvement following the economic downturn in 2008 to 2009, pension plans continue to be at risk, and with them, the retirement security of the people who count on them. Our efforts focus on preserving plans and protecting people even before troubled companies enter bankruptcy or multiemployer pension plans become insolvent.

We continuously monitor more than 1,000 companies for transactions that could pose significant risks to underfunded pension plans and negotiate agreements to protect people’s pensions if they do. Even after a company enters bankruptcy, we strive to prevent unnecessary plan terminations and to pursue claims on behalf of the plan participants and the pension insurance program. From FY 2011 through FY 2013, our efforts helped over half a million people keep the benefits they have accrued.

PBGC provided \$90 million in assistance for 44 insolvent multiemployer plans in FY 2013, up from \$10 million for 27 plans in FY 2004. We now anticipate plan insolvencies to potentially double by 2017, with the insurance fund potentially running dry as early as 2022. The multiemployer plan insurance program is in need of fundamental restructuring if these plans are to continue providing retirement benefits in the foreseeable future.

In FYs 2014 to 2018, we will continue to advocate retirement security for all Americans and continue to take actions necessary to preserve plans and protect participants.



Strategic Objective 1.1 – Preserve plans during bankruptcy situations and other corporate transactions

Performance Goal 1.1 – Work with plan sponsors to preserve plans in a way they can afford using PBGC’s existing tools and by encouraging creation of additional options

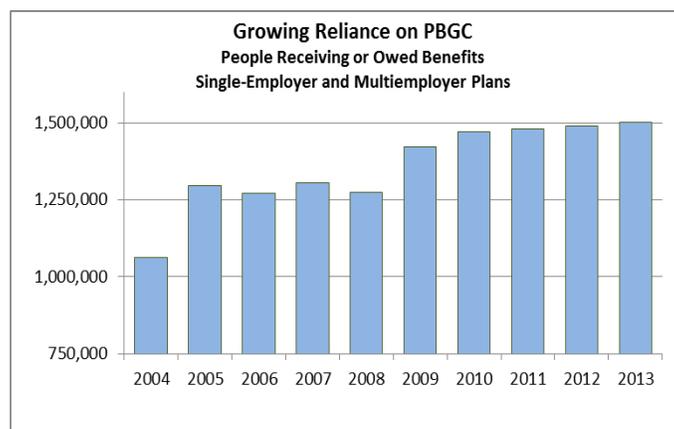
Strategic Objective 1.2 – Encourage flexibility to preserve plans through changes in legislation and regulations

Performance Goal 1.2 – Encourage legislative and regulatory changes that preserve multiemployer plans and enable them to attract new employers and keep the ones they have

Goal 1 Performance Measures and Targets	FY 2013 Result	FY 2018 Target
Participants protected as a result of our actions in bankruptcy cases where plan sponsors emerge from bankruptcy with plans ongoing and in early warning settlements	166,000	These activities are not amenable to targets.
Additional payments resulting from standard termination enforcement actions	\$4 M to 1,579 people	

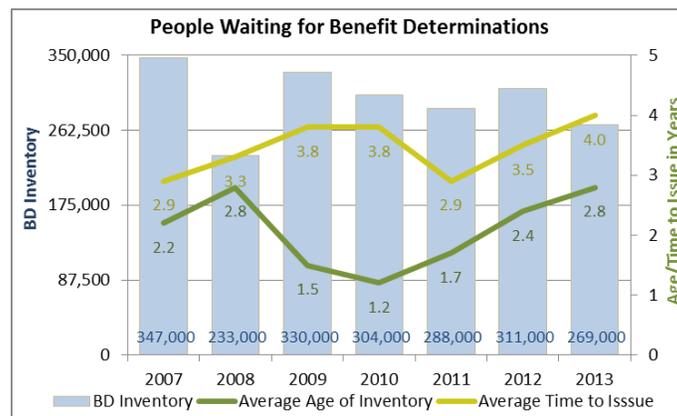
Strategic Goal 2: Pay Pension Benefits on Time and Accurately

Participants and their beneficiaries should receive the benefits to which they are entitled on time. We have assumed responsibility for more than 4,500 failed plans covering 1.5 million people. ***Each and every month, we process and pay benefits on time.*** In FY 2013, we paid \$5.5 billion to nearly 900,000 retirees in those failed plans; additional workers will receive benefits when they retire. For those already receiving benefits when we assume responsibility for their plan, we continue making regular monthly payments. On average, we process about 3,000 benefit applications per month for new retirees. We also provide financial assistance to insolvent multiemployer plans to ensure retirees receive the benefits they have been promised.



We strive to calculate each individual benefit accurately every time using the best available information. The process to determine a benefit amount, however, is complex. First, we must collect plan and pensioner data along with plan asset data, which may be in disparate forms and locations. We use the data to calculate each participant's benefit according to each individual pension plan's provisions; we then apply statutory and regulatory rules to determine how much we can pay. While it is an intricate process, we have issued 406,000 benefit determinations to pensioners since 2009, and, historically, less than one percent of them have been appealed.

In FYs 2011-2012, we reviewed our entire benefits operations. Now we are making changes to meet future challenges, focusing on the benefit administration process and quality assurance. Our objective is to maintain effective and efficient benefit operations.



PBGC has a strong and longstanding tradition of customer service. We strive to deliver an exceptional experience for customers and regularly solicit feedback through customer satisfaction surveys. We follow through on customer concerns and use the data to identify operational strengths and gaps. Our high customer satisfaction scores reflect the success of our efforts.

Strategic Objective 2.1 – Provide exceptional customer service to pensioners

Performance Goal 2.1 – Maintain exemplary ACSI customer satisfaction ratings

Strategic Objective 2.2 – Ensure regular monthly benefit payments continue without interruption

Performance Goal 2.2.A – Continue uninterrupted benefit payments in newly trusted plans

Performance Goal 2.2.B – Approve benefit applications within 45 days

Strategic Objective 2.3 – Provide accurate and timely benefit calculations

Performance Goal 2.3 – Improve the timeliness, accuracy, and completeness of benefit determinations

Goal 2 Performance Measures and Targets	FY 2013 Result	FY 2018 Target
Customer satisfaction ratings:		
• Customer Contact Center calls	87	86
• Retirees and beneficiaries receiving benefits	90	85
• Users of MyPBA	81	81
Benefit applications approved within 45 days	88%	89%
Average time (years waiting) to issue benefit determinations (between trusteeship and benefit determination issuance)	4.0	3.0
Estimated benefits within 10 percent of final benefit determination	96%	95%

Note: Targets align with budgeted resources and performance standards.

Strategic Goal 3: Maintain High Standards of Stewardship and Accountability

As a federal agency with responsibility for 42 million people and obligations of more than \$121 billion in 2013, it is essential that we do our work in ways that maintain the trust of our customers and the public. We hold ourselves to high standards of service, professionalism, accountability, and ethics. Our leaders reinforce this culture and we strive to maintain effective and efficient support operations. For 21 consecutive years, we have attained an unqualified audit opinion on our annual financial statements, even as standards of accountability have strengthened.

To maintain standards of excellence, we listen to our customers and we invest in our people, processes, and systems.

Strategic Objective 3.1 – Provide exceptional customer service to plan sponsors and premium filers

Performance Goal 3.1 – Maintain exemplary ACSI customer satisfaction ratings

Strategic Objective 3.2 – Restore PBGC’s finances

Performance Goal 3.2.A – Pursue legislation that allows premiums to adequately finance PBGC’s activities

Performance Goal 3.2.B – Manage investments consistent with the investment policy

Performance Goal 3.2.C – Collect insurance premiums due

Strategic Objective 3.3 – Maintain a high performing workforce

Performance Goal 3.3 – Recruit, retain, and train a multidisciplinary workforce

Strategic Objective 3.4 – Meet or exceed financial and ethical standards

Performance Goal 3.4.A – Achieve an unqualified audit opinion on PBGC’s financial statements

Performance Goal 3.4.B – Continue compliance with the Improper Payments Elimination and Recovery Act of 2010 to prevent, detect, and recover improper payments

Performance Goal 3.4.C – Eliminate three material weaknesses and one significant deficiency

Material weaknesses:

- BAPD management and oversight
- Entity-wide security program planning and management
- Access controls and configuration management

Significant deficiency: Integrated financial management systems

Strategic Objective 3.5 – Maintain secure, flexible, and scalable technology

Performance Goal 3.5.A – Develop and implement a coherent strategy to upgrade information technology

Performance Goal 3.5.B – Meet security requirements

Goal 3 Performance Measures and Targets	FY 2013 Result	FY 2018 Target
Customer satisfaction ratings:		
• Plan sponsors and premium filers	80	75
• My PAA	74	80
• Information and services	71	80
• PBGC.gov Web site	72	74
Premium collection	\$3.2 B	
Financial statement audit	Unqualified	Unqualified
Compliance with Improper Payments Elimination and Recovery Act	Yes	Yes
Material weaknesses and significant deficiency	Progress	Eliminate
FedView Employee Engagement Index	64	Index in top 25 % of agencies
Compliance with EEOC MD 715 model work environment	Yes	Yes

PBGC Program Evaluations

PBGC conducts rigorous internal program evaluations and frequently uses independent consultants to help make continuous improvements within our program and support operations. The list below includes current and recent evaluations initiated by the PBGC and external stakeholders to ensure PBGC programs are operating effectively, efficiently, and with integrity.

Internal Evaluations

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

Operational Reviews – PBGC periodically assesses the effectiveness of its operations to identify opportunities for improvement. We engage independent consultants to review our operating practices and to suggest improvements. The result of that work, and other analyses performed by management, is used to update our operational procedures, enhance controls, and improve quality assurance.

Regulatory Reviews – PBGC strives to have open exchanges of information with stakeholders, including other government officials, experts, and the public. With input from our stakeholders, we continue to focus on reducing burden in various areas, including reporting and disclosure, premiums, plan terminations, and liability for business shutdowns and layoffs. ***The public is encouraged to submit comments on PBGC policy proposals to the PBGC at reg.comments@pbgc.gov as PBGC engages in continuous review of its regulations.***

External Evaluations

American Customer Satisfaction Index (ACSI) – PBGC uses ACSI survey methodology to solicit input from all customer segments about their experiences with PBGC. Because the ACSI is a recognized standard throughout government and industry, we can compare ourselves to other government and private organizations, as well as gauge the effectiveness of our efforts to improve customers' experiences.

Annual Financial Statement Audit – PBGC uses an independent firm to audit its financial statement each year. For 21 consecutive years, we have attained an unqualified audit opinion on our financial statements. These audits also point out areas for improvement in controls and processes.

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

National Academy of Public Administration (NAPA) – NAPA is an independent organization chartered by Congress to help federal agencies improve efficiency and effectiveness. In FY 2013, NAPA reviewed PBGC's governance structure, comparing it with the structures of other governmental and non-governmental organizations.

Office of Inspector General (OIG) – OIG is an independent office within PBGC, established under the Inspector General Act of 1978 to promote program integrity, efficiency, and effectiveness. The OIG initiates program reviews, conducts the annual financial audit, and solicits input from the Board of Directors and senior managers when developing its strategic plan. To view OIG’s strategic plan, visit <http://oig.pbgc.gov>.

Peer Reviews – In response to the Moving Ahead for Progress in the 21st Century Act of 2012, we have added an annual peer review of our Pension Insurance Modeling Systems.

Office of Government Ethics (OGE) – PBGC leadership continues to integrate ethics into the daily work of the Corporation. OGE periodically reviews the effectiveness of our ethics program. In FY 2011, OGE audited our program and found it to be effectively administered and in compliance with applicable laws, regulations, and policy. Our program is a past recipient of the Office of Government Ethics’ Program Excellence and Innovation Award presented at the National Government Ethics Conference.

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

Equal Employment Opportunity Commission (EEOC) – EEOC evaluates the operation of PBGC’s equal employment opportunity programs. It reviews PBGC’s employment data, and its policies and practices to assure compliance with EEO laws and regulations and to advance equal opportunity and affirmative employment in the federal workplace.

Appendix A: PBGC Customer Service Plan

The Pension Benefit Guaranty Corporation (PBGC) is a wholly owned government entity established to guarantee the pension benefits of workers. We have built a strong culture of providing services to meet the needs of those who rely upon our existence.

Our service culture incorporates the question “*What impact will this have on the customer?*” in all of our activities and decisions. Our key customers are:

1. *participants*, the workers and retirees in pension plans;
2. *pension practitioners*, the pension plan sponsors, administrators, and premium filers; and
3. *visitors* to PBGC’s website.

Engaging Customers

Participants: We actively engage participants using a vigorous corporate communications program that includes our website, newsletters, subscriptions and social media.

- **Promote Website Transactions:** PBGC.gov provides multiple resources for finding [insured](#) or [trusteed](#) pension plans, and [locating lost pensions](#). Our online transactional tool, MYPBA (My Pension Benefit Account) lets customers handle routine transactions — such as address changes, updates to tax withholdings and direct deposit changes — at any time of day or night.
- **Provide Newsletters and Subscriptions:** Retiree newsletters provide guidance on how to interact with PBGC and include topics such as tax information and identity protection. An online subscription service allows interested parties to receive news releases and blog entries.
- **Utilize Social Media:** PBGC has an active presence on social media, sharing both PBGC-specific news, as well as stories of general interest to the retirement security community.

Practitioners: We actively engage practitioners in a number of ways, including daily communication, our online premium filing tool, a toll free number and industry event participation.

- **Invite Participation:** We invite industry experts to comment on PBGC proposals to make compliance simpler and easier. We held our first public hearing on June 18, 2013 to discuss reforming our reporting requirements for most companies and pension plans.
- **Promote Daily Communication:** We communicate daily with this tech-savvy group primarily via email and the website. The popular [What’s New for Practitioners](#) feature alerts practitioners to changes in regulations, filing due dates, and technical guidance. Monthly interest rates are posted online. Free email alerts are available for both features.
- **Provide an Online Premium Filing Tool:** My PAA (My Plan Administration Account) is PBGC’s online premium-filing tool. My PAA provides round-the-clock filing capability and access to plan information. Our website also provides extensive information on premium filings and regulations.
- **Participate in Industry Events:** Our service to the practitioner community also includes participation in conferences provided by relevant professional organizations. PBGC regularly provides and solicits information at these events to help practitioners successfully comply with their responsibilities and to address PBGC-related questions.

Website Visitors: We actively engage our visitors by providing the most frequently requested information and by asking for feedback.

- ***Provide Requested Resources Online:*** PBGC.gov provides extensive resources of interest to varied audiences, including: [laws and regulations](#), [listings of trustee and insured pension plans](#), [phone numbers and email addresses](#), and the popular [unclaimed pension search tool](#).
- ***Request Feedback:*** We ask for feedback from our website customers via online surveys so we can identify opportunities for service and information improvements.

Talking with Customers

We operate Customer Contact Centers and when our customers need individual attention we provide experienced assistance. Our Problem Resolution Officers interact with customers to resolve complex problems and the Participant and Plan Advocate liaises between the corporation and its customer groups.

- ***Operate Customer Contact Centers:*** During business hours, our toll-free Customer Contact Centers handle participant and practitioner inquiries in both English and Spanish.
- ***Dedicate Problem Resolution Officers:*** PBGC has long employed two dedicated Problem Resolution Officers. Each is assigned to a customer group of participants or practitioners to resolve their individual questions and concerns.
- ***Offer an Appeals Process:*** We offer an administrative appeals process that allows customers to present additional evidence and request a formal review of a benefits-related decision. Our appeals staff conducts a thorough review of the entire case and affirms or corrects the initial decision.
- ***Provide a Participant and Practitioner Advocate:*** To assure that participants, practitioners, and plan sponsors have a voice in PBGC's policies, practices, and services, a Participant and Practitioner Advocate has been added to PBGC's senior staff. The Advocate is charged with resolving disputes between the agency and its customers and recommending legislative changes.

Listening to Customers

We actively listen to our customers, hear their concerns and ideas, and hold ourselves accountable for providing them with outstanding service.

- ***Listen to Participants:*** We invite participants' feedback via surveys of callers to our toll free number, monthly payees, and users of MyPBA. All three surveys provide a "please contact me" option so that we can immediately handle individual questions and concerns without the customer needing to contact us again. We further ensure the quality of service by call monitoring of our customer service representatives and following up with a sample of customers to ensure their concerns were handled promptly, courteously, and correctly.
- ***Listen to Practitioners:*** PBGC listens and seeks to build on its successes with ever-improving service. We host forums to air practitioners' varying perspectives on PBGC regulations and policies. We further solicit feedback via surveys of premium filers and users of My PAA.
- ***Listen to Visitors:*** PBGC welcomes visitors to our websites and callers to our Customer Contact Center. We work to improve the visitor experience by asking our customers to evaluate their experience and provide comments using our Customer Satisfaction and Pbgc.gov surveys.

Benchmarking Our Performance

Customer service is intrinsic to PBGC's mission. We set targets, measure our performance and compare our results to the best in business and government and use this information to reinforce our commitment.

- **Set Targets:** We maintain [service targets](#) for customer groups and regularly report on [performance](#) against goals. Our high customer satisfaction scores reflect the success of our efforts to serve the people who count on us and the companies and professionals that sponsor and administer ongoing pension plans.
- **Compare Our Service to the Best:** We use an objective third-party approach of the American Customer Satisfaction Index survey methodology to compare our performance to the services provided by both government and private entities. We use feedback from the survey internally to target our resources, inform decisions and make improvements that matter to customers.
- **Reinforce our Commitment:** Supervisors evaluate all employees against a customer service performance results. We also keep employees aware of customer needs, wants, and perceptions. We routinely:
 - **Post customer survey data daily** on our internal website for all employees to view;
 - **Train customer service representatives** and conduct quality reviews of customer calls;
 - **Review our policies and regulations** to assure ease of use by our customers;
 - **Use customer and employee suggestions** to improve our service; and
 - **Highlight customer feedback** and satisfaction levels in our quarterly and annual performance reports.

Planning for the Future

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

- **Reduce** the time it takes to notify participants of their final benefit;
- **Add** frequently requested functions to MyPBA, our online self-service tool for participants and retirees;
- **Finalize** additional rules to streamline the premium filing process;
- **Establish** an online newsletter subscription to better inform all our customer groups and the broader community; and
- **Simplify** navigation and search features of PBGC.gov so customers can quickly get to the information they want.

PBGC will continue to listen to its customers so that we can allocate our resources to the delivery of outstanding customer service.

Appendix B: PBGC Contextual Data and Performance Measures

The table below provides historical data about our performance measures, workload drivers, and other activities.

Measure	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Goal 1: Preserve Plans and Protect Pensioners					
Workers and retirees in insured pension plans	44 Million	44 Million	44 Million	43 Million	42 Million
Reportable events received	1,206	1,103	1,174	1,087	1,122
Participants protected in bankruptcy cases with plans ongoing and in early warning settlements as a result of our actions		250,000	275,614	41,930	166,000
Additional payments resulting from standard termination enforcement actions		\$10 M to 1,700 people	\$2 M to 920 people	\$3 M to 454 people	\$4 M to 1,579 people
Goal 2: Pay Pension Benefits on Time and Accurately					
Customer satisfaction of workers and retirees who call PBGC	82	79	86	87	87
Customer satisfaction of people receiving benefits	88	87	90	89	90
Customer satisfaction of workers and retirees who use MyPBA	83	83	83	83	81
New underfunded plan terminations	144	147	152	155	111
People in new underfunded plan terminations	201,000	100,000	57,000	47,000	57,000
People receiving benefits – single-employer plans	743,610	747,530	819,000	836,000	851,000
People due future benefits	625,000	669,000	650,000	656,000	654,000
People waiting to receive a benefit determination	330,000	304,000	287,000	310,000	279,000
Average time (years waiting) to issue benefit determinations from trusteeship	3.8	3.8	2.9	3.5	4.0
Average age (years) of unissued benefit determinations	1.5	1.2	1.7	2.4	2.8
Estimated benefits within 10 percent of final benefit determination	93%	94%	92%	95%	96%
Benefit applications approved within 45 days	91%	87%	85%	90%	88%

Measure	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Benefits paid to pensioners	\$4.5 B	\$5.5 B	\$5.3 B	\$5.4 B	\$5.5 B
People receiving financial assistance – multiemployer plans		54,000	54,000	51,000	50,000
Financial assistance to multiemployer plans	\$86 M	\$97 M	\$115 M	\$95 M	\$90 M
Goal 3: Maintain High Standards of Stewardship and Accountability					
Customer satisfaction of plan sponsors	72	71	75	76	74
Customer satisfaction of premium filers who perform online transactions using My PAA	79	79	79	80	80
Customer satisfaction of people seeking information and services				72	71
Customer satisfaction of visitors to PBGC.gov	72	71	69	71	72
Financial surplus/deficit – Single-Employer and Multiemployer programs	(\$22 B)	(\$23 B)	(\$26 B)	(\$34 B)	(\$36 B)
Audit opinion on PBGC’s financial statements	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
Improper Payments Elimination and Recovery Act of 2010 compliance			Yes	Yes	Yes
Premium collection	\$1.8 B	\$2.2 B	\$2.1 B	\$2.6 B	\$3.2 B
Average time (days) to complete hiring process	102	109	142	148	117
Employee engagement index				67	64
Contract awards fully competed (dollars)			87%	89%	86%

Appendix C: PBGC Organizational Structure and Functions

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

PBGC is organized by departments and offices assigned various functions to carry out its mission. See our [Organization Chart](#).

The Corporation is aided by a seven-member Advisory Committee appointed by the President to represent the interests of labor, employers, and the general public. ERISA outlines several specific responsibilities for PBGC's Advisory Committee, including advising on policies and procedures for PBGC's investments, the trusteeship of terminated plans, and other matters as determined by PBGC.

PBGC Offices

The office of the **Chief Policy Officer (CPO)** includes two departments--Communications and Public Affairs and Policy, Research and Analysis Department. CPO oversees and directs outreach to PBGC external stakeholders, including the press and interacts with the Congress, executive branch agencies, and industry and labor groups on ERISA and PBGC issues.

- The **Policy, Research and Analysis Department** develops policy for PBGC's insurance programs and conducts related research and modeling. Policy activity encompasses legislative and regulatory analysis and proposal development related to benefit guarantees, employer liability, and premiums. Research addresses actuarial and financial issues to support policy development and involves modeling for forecasting purposes.
- The **Communications and Public Affairs Department** is responsible for organizing, directing, and implementing a comprehensive external and internal communications program to enhance the knowledge and understanding of the PBGC mission, programs and services by the various publics it serves. Stakeholders include participants, the pension community (e.g., practitioners, plan sponsors, plan administrators), Congress and closely allied groups and organizations.

The office of the **Chief of Benefits Administration (CBA)** plans and directs the efficiency and effectiveness of the Corporation's single-employer plans. The office includes the Benefits Administration and Payment Department.

- The **Benefits Administration and Payment Department (BAPD)** manages the termination process for defined benefit plans, provides participant services (including calculation and payment of benefits) for PBGC-trusted plans, provides actuarial support for PBGC, and carries out PBGC's responsibilities under settlement agreements. When it is necessary to terminate a defined benefit pension plan, BAPD values plan assets and liabilities, and collects, evaluates, and performs participant and plan financial audits, calculating participant benefit entitlements and plan worth.

The office of the **Chief of Negotiations & Restructuring (ONR)** works with companies, both in and out of bankruptcy, to preserve their pension plans by monitoring, conducting financial, legal, and actuarial analysis, and negotiating protections. When plans cannot be preserved, the office

pursues claims to recover additional assets that help PBGC pay benefits. Its responsibilities also include PBGC's review of standard terminations and management of the multiemployer insurance program. The office includes two departments – the Corporate Finance & Restructuring Department and the Office of the Chief Counsel, and the multiemployer and standard termination operations.

- The **Corporate Finance & Restructuring Department (CFRD)** monitors the corporate events and transactions of defined benefit pension plan sponsors and provides financial and actuarial analyses to enable PBGC to mitigate risks to the insurance program and increase overall plan funding levels. In coordination with the OCC, CFRD determines and pursues recoveries of employer liability and unpaid employer contributions, makes recommendations to the Executive Director concerning the filing of liens, and makes recommendations to the Internal Revenue Service concerning conditions for granting waivers of minimum funding standards.
- The **Office of the Chief Counsel (OCC)** provides comprehensive legal services relating to PBGC's ERISA programs involving ongoing and terminated pension plans. The office represents PBGC in litigation in all courts relating to ERISA functions, represents PBGC in bankruptcy or insolvency proceedings, provides legal advice and services to support negotiations and settlements, and makes recommendations concerning the initiation of litigation.

The office of the **Chief Financial Officer** includes three PBGC departments - Financial Operations, Corporate Investment Department, and Contracts and Controls Review - that plan and oversee the Corporation's financial and internal control and review functions.

- The **Financial Operations Department** establishes and maintains the Corporation's financial and accounting systems, financial management policy, financial procedures, accounting operations, financial reporting and account analysis activities, the investment management program, the premium income program and the debt collection program.
- The **Corporate Investments Department** provides investment management services for plans trustee by the PBGC and for assets managed by the Corporation.
- The **Contracts and Controls Review Department (CCRD)** prepares reports regarding: (1) the effectiveness of PBGC internal controls, systems, and programs; (2) whether ongoing defined benefit pension plans are in compliance with PBGC regulations regarding premiums and funds advanced to multiemployer plans; and (3) whether contractors performing services for PBGC are in compliance with PBGC's acquisition policies and contractual requirements. CCRD also serves as the agency liaison for audits conducted by PBGC's Office of Inspector General and the Government Accountability Office and is responsible for administering PBGC's Management Controls Program.

The office of the **Chief Management Officer** includes organizations that provide advice and service to other PBGC offices and staff in the management support areas of information technology, human resources, employee development, procurement, budget, personnel security, facility services, emergency preparedness, and quality management.

- The **Office of Information Technology (IT)** is responsible for the Corporation's information technology program. The Chief Information Officer provides IT and electronic communications services and support; plans for, directs and coordinates the allocation of corporate resources for IT services, support and related activities; delivers

IT business solutions driven by customer requirements; operates, maintains and safeguards PBGC business and infrastructure systems; and oversees the acquisition of IT resources. It consists of two departments:

- **Information Technology Infrastructure Operations Department** manages the delivery of the infrastructure systems and services, measuring capabilities to ensure service levels are met; and ensure the delivery of a secure, cost effective and sustained level of availability, supporting overall business continuity.
- **Information Technology and Business Modernization Department** develops and manages the enterprise architecture and capital planning for IT investments.
- The **Human Resources Department** plans and administers the Corporation's human resource management programs, including staffing, employee development and assistance, employee and labor relations, and personnel policy activities. The **Procurement Department (PD)** is responsible for the acquisition of all goods and services used by the PBGC. PD follows the procedures established in the Federal Acquisition Regulations in awarding and administering its contracts, ensures that the contracts are executed in accordance with the terms and conditions established during the award process.
- The **Budget Department (BD)** plans, administers, and reports on the corporation's budget. BD manages the formulation and execution of the PBGC budget and represents PBGC across the executive and legislative branches on budget.
- The **Workplace Solutions Department** provides services to PBGC in management of corporate policies, procedures, delegations, and directives; corporate library management and research services; records management, contingency planning, emergency preparedness and management, personnel and physical security, lease administration, and space utilization and management.
- The **Quality Management Department** works with management to develop agency strategic and annual plans; assesses work processes and customer feedback to identify improvements; uses performance data to inform corporate decisions; and employs business analytics to support continuous process improvement.

The **General Counsel (GC)** is the chief legal officer for the Corporation. The GC's office provides legal advice and counsel for the Director and the Corporation on a broad range of issues, decides administrative appeals of benefit coverage and other determinations, and administers the disclosure and other requirements of Freedom of Information Act and the Privacy Act. It provides legal advice on appropriations/fiscal law, corporate governance, administrative law, ERISA, ethics, EEO, fiduciary law, financial and accounting law, fiscal law, labor relations, premiums, procurement, and other laws that affect independent agencies. It represents the Corporation in fiduciary breach actions, defends challenges to Appeals Board decisions and is responsible for drafting the Corporation's regulations and guidance. The General Counsel serves as Secretary to PBGC's Board of Directors.

The **Equal Employment Opportunity Department (EEOD)** provides support to the Corporation for integrating the full spirit of EEO requirements within the agency's overall work environment, strategic mission and corporate initiatives and developing and maintaining a diverse, discrimination-free work environment.