

Premium Accounting System Privacy Impact Assessment Executive Summary

2.1 System Overview

The Pension Benefit Guaranty Corporation (PBGC) protects the retirement benefits of millions of workers and retirees of covered pension plans without the use of funds from general tax revenues. PBGC finances its operations from insurance premiums paid by insured pension plans, from investment income and from recoveries in bankruptcy. Plan sponsors and administrators of covered pension plans are required to file and pay premiums to PBGC under ERISA § 4006 and 4007, 29 U.S.C. § 1306 and 1307. All single-employer pension plans pay a flat-rate annual premium per participant. Underfunded single-employer plans pay an additional annual variable-rate premium based on the plan's unfunded vested benefits and/or participant count. Plans in the multiemployer program pay a smaller flat rate premium per participant. Each individual plan calculates and pays its own premium. All plans must electronically file premiums.

The Premium Accounting System (PAS), PBGC's revenue system, records defined benefit plan premium receipts, generates late notices and premium billings, and calculates applicable penalties and interest for late payments. PAS receives approximately 37,000 filings annually, of which 14,000 filings come from large plans (500 or more participants), who are required to file Form 1 ES and Form 1 with Schedule A, or Form EZ (for 2008 the Form 1, Schedule A and Form EZ will be replaced by a new Comprehensive Form). PBGC may receive requests or correspondence from plans throughout the year. A plan can submit an amended filing to adjust to their financial balances should an error or overpayment occur. In addition, requests can be made for refund, waiver of penalty or exemption from PBGC premium filing requirements. On average, PBGC receives 2,000 requests for refunds annually. PAS processes financial adjustments, requests for refund, and requests for waiver of penalty.

2.2 What information will be collected for this system?

PAS stores premium filing information including plan participant count, flat rate premium, variable rate premium, plan assets, and plan liabilities. Form 5500 data submitted to the Department of Labor is also uploaded and stored in PAS.

Specifically, PAS stores: Employer Identification Number/Plan Number (EIN/PN), Plan Administrator Name, Plan Administrator Address, Plan Administrator Phone Number, Plan Administrator E-Mail, Sponsor Name, Sponsor Address, Actuary Name, Actuary Firm Name, Actuary Address (pre-2008 only), Actuary Phone Number, Actuary E-Mail, Actuary Enrollment Number, Plan Contact Name, Plan Contact Phone Number, Plan Contact E-Mail, Bank Account, Bank Routing and Sub-Account (if any) Number, Plan Participant Count, Flat Rate Premium, Variable Rate Premium, Plan Assets, Plan Liabilities, Disaster relief, Plan Year Beginning and Ending Date, Business Code and CUSIP Number, Plan Type – Multiemployer or Single-employer, Election to Use Alternative Premium Funding Target, Final Filing, New and Newly Covered Plan, Transfers To/From Other Plans, Participant Freeze, Accrual Freeze, and Amended Filing.

PBGC's authority to collect information from the practitioner/filer is derived from 29 U.S.C. §§ 1302, 1306, 1307, 1341, and 1343.

2.3 Why is the information being collected?

PAS collects premium filing data in order to calculate and collect premiums owed by pension plans. Premiums collected partially cover benefits owed to plan participants for underfunded terminated pension plans.

2.4 What is the intended use of the information?

PBGC uses information to accurately record defined benefit plan premium receipts, generate late notices and premium billings, calculate applicable penalties and interest for late payments, and calculate premium overpayments for refunds.

PBGC also uses the information to communicate with the pension plans and their administrators, sponsors, actuaries, and contacts to issue past due filing notices, statements of account, refunds, and correspondence.

2.5 With whom will the information be shared?

The PAS accepts/exposes data with other PBGC systems:

- PAS provides refund transactions to the Consolidated Financial System (CFS) to pay plans for premium overpayments.
- PAS accepts electronic premium filings from My Plan Administration Account (My PAA).
- PAS exposes Plans, Plan Contacts, Filing Information, and Account Balances to My PAA.
- PAS accepts coverage determination, termination, and bankruptcy cases from the Case Administration System (CAS).
- PAS exposes premium data, through a database view, to the Corporate Database Management System (CDMS).

PAS accepts electronic premium filings from My Plan Administration Account (MyPAA). PAS then sends the information to the image viewer. Internal users view this information through the IPS (image viewer).

2.6 What opportunities do individuals have to decline to provide information or to consent to particular uses of information, and how can individuals grant consent?

PAS obtains much of this information through electronic filings. The electronic filings come into PAS from an external system called My PAA. This system controls the consent by an individual if applicable. Any paper filings come in to a repository and are put through a scanning process whereby the information is lifted off the scanned image and put into the system.

2.7 How will the information be secured?

System controls exist within the business rules and configuration decisions embedded in the PAS. Other controls represent the separation of duties defined in the Premium Operations business processes, PBGC applications besides PAS, and management control steps necessary to provide proper oversight to the processes.

2.8 Is this system or collection part of a privacy act system of records?

No. Information about an individual maintained in PAS is not retrievable by the individual's name or other identifier assigned to the individual.