PENSION BENEFIT GUARANTY CORPORATION

Semiannual Report to Congress

Management's Response to the OIG Semiannual Report:

April 1, 2025 to September 30, 2025

PENSION BENEFIT GUARANTY CORPORATION

SEMIANNUAL REPORT TO CONGRESS

The Pension Benefit Guaranty Corporation (PBGC) celebrated its 50-year anniversary of working diligently to preserve plans, protect plan participants, and ensure participants in trusteed plans and their beneficiaries receive timely, uninterrupted benefit payments. PBGC remains dedicated to enhancing the retirement security of about 30 million American workers, retirees, and beneficiaries. We effectively carry out the agency's critical mission and ensure the agency's employees and contractors operate responsibly, transparently, and in accordance with the law. PBGC's Office of Inspector General (OIG) is important to our continued success in serving the public. PBGC continues to diligently address OIG's recommendations.

The American Rescue Plan Act of 2021 (ARP), enacted on March 11, 2021, established the Special Financial Assistance Program (SFA), funded by taxpayer funds. As of September 30, 2025, PBGC approved applications from 139 plans for a total of nearly $74.1 billion in taxpayer funded assistance and 22 applications were under review requesting funds of approximately $3.6 billion.

PBGC appreciates the Inspector General's recognition of our efforts to safeguard taxpayer dollars in the SFA Program. As noted in the OIG's Semiannual Report, our SFA procedures were sufficient to ensure increases in projected benefit payments were consistently identified, evaluated against appropriate criteria and documented. With respect to the 64 SFA approvals prior to PBGC conducting full census data audits against the Social Security Administration's full file of death information, PBGC completed full-scope death audits on the plans' census data (referred to as retrospective death audits). As of September 30, 2025, 60 plans have repaid a total of $119.5 million and 4 plans have determined there was no excess SFA amount. In addition, 3 plans settled with the Department of Justice and/or PBGC's OIG for $142.4 million. The United States Department of the Treasury (Treasury) has been repaid a total of $261.9 million of SFA amounts attributable to deceased participants. In addition, in the OIG Special Report, *Follow up to Recommendation Regarding Projected Benefit Payments in SFA Applications* (Report SR-2026-01), issued December 9, 2025, the OIG determined we implemented corrective actions, ensuring the return of overpayments. As a result of the actions taken, the OIG closed the recommendation related to the retrospective death audits.

We continue to improve our processes and controls to reduce risk in the program. We value the work OIG has done in reviewing the risk environment of the SFA Program and the OIG's role and working relationship to prevent fraud and eliminate waste.

Last year, PBGC attained its 32nd consecutive unmodified audit opinion and maintained, in all material respects, effective internal control over financial reporting.

Table 1 presents resolved audit reports over twelve months old with recommendations that remain open. I am pleased to report that PBGC has closed 100 percent of the recommendations in these reports. Table 2 summarizes OIG reports requiring final action.

Our ongoing work with Congress, the PBGC Board, and the OIG is critical to carrying out PBGC's vital mission. We remain committed to enhancing internal controls and operations to better protect the workers and retirees we serve.

JANET DHILLON

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Janet Dhillon
Director

Table 1

Management Statement on Resolved Audit Reports Over Twelve Months Old With Final Action Pending as of September 30, 2025

Date Issued	Report No.	Title of Report	Status of Management Actions
12/08/2020	2021-01	Internal Controls Must be Strengthened to Promote Procurement Integrity	Of the three recommendations included in the report, two recommendations have closed. Subsequent to the reporting period, the final recommendation was closed.
02/01/2021	2021-06	Fiscal Year 2020 Financial Statement Audit - Management Letter Report	Of the nine recommendations included in the report, eight have closed. Subsequent to the reporting period, the final recommendation was closed.
09/26/2024	2024-11	PBGC Needs to Strengthen Oversight Controls Between CORs and Other Technical Personnel	Of the ten recommendations included in the report, seven recommendations have closed. Subsequent to the reporting period, the final three recommendations were closed.
09/26/2024	2024-12	Limited Scope Evaluation of Projected Benefit Payments in Selected SFA Applications	Of the two recommendations included in the report, one recommendation has closed. Subsequent to the reporting period, the final recommendation was closed.

Table 2

Management Statement on OIG Reports Requiring Final Action
For the Period Ending September 30, 2025

	Ref. 5a U.S.C. 5(b)(2)(A)-(D)	Number of Reports	Disallowed Costs	Funds Put to Better Use
A.	For which final action had not been taken by the commencement of the reporting period.	10	$ -	$ -
B.	For which management decisions were made during the reporting period.	3*	$ -	$ -
C.	For which final action had been taken by the end of the reporting period, including — i. dollar value of disallowed costs that were recovered by management ii. dollar value of disallowed costs that were written off by management iii. dollar value of recommendations that were actually completed iv. dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed No. of reports for which final action was taken during the period.	2	$ -	
D.	For which no final action has been made by the end of the reporting period.	11	$ -	$ -

* During the reporting period, the OIG issued four (4) reports, three (3) of which contained recommendations.