

SALARIES AND EXPENSES—Continued  
Program and Financing—Continued

Identification code 016-1700-0-1-601	2018 actual	2019 est.	2020 est.
4080 Outlays, net (discretionary) .....	177	167	191
4180 Budget authority, net (total) .....	181	181	194
4190 Outlays, net (total) .....	177	167	191

*Employee Benefits Security Programs.*—Conducts criminal and civil investigations to ensure compliance with the fiduciary provisions of the Employee Retirement Income Security Act (ERISA) and the Federal Employees' Retirement System Act (FERSA). Assures compliance with applicable 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.

	2018 Actual	2019 est. <sup>1</sup>	2020 est.
<b>EMPLOYEE BENEFITS AND SECURITY PROGRAMS<sup>2</sup></b>			
Investigations conducted .....	1,597	N/A	N/A <sup>3</sup>
Participant benefit recoveries and plan assets restored .....	\$1,645,323,000 <sup>4</sup>	\$647,500,000	\$733,450,000
Investigative time for major enforcement cases .....	26.0%	21.0%	21.0%
Major case monetary recoveries per major case staff day <sup>5</sup> .....	62,956	\$23,151	\$24,309 <sup>5</sup>
Monetary recoveries on major cases closed per staff day <sup>5</sup> .....	22,131	\$23,667	\$24,850 <sup>5</sup>
Other civil cases closed or referred for litigation within 18 months .....	84.0%	70.0%	70.0%
Inquiries received .....	172,124	250,000	200,000
Reporting compliance reviews .....	3,366	3,200	3,300
Exemptions, determinations, interpretations and regulations issued .....	3,549	2,959	3,402 <sup>5</sup>
Average days to process exemption requests .....	382	400	400

<sup>1</sup> Reflects a revision of original estimates based on the full appropriation pursuant to P.L. 115-245.  
<sup>2</sup> Employee Benefits Security Programs encompass three budget activities to include: (1) Enforcement and Participant Assistance; (2) Policy Compliance Assistance; and (3) Executive Leadership, Program Oversight and Administration.  
<sup>3</sup> The agency continues its efforts to enhance the quality and impact of its investigations and has placed special emphasis on Major Case monetary recoveries, 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.  
<sup>4</sup> Reflects over \$1.34 billion in participant benefit recoveries, over \$179.8 million in plan assets restored, \$73.8 million in participant health plan recoveries, \$33.4 million in distribution for abandoned plans, and \$10.8 million for Voluntary Fiduciary Correction Program recoveries.  
<sup>5</sup> Includes Multiple Employer Welfare Arrangement (MEWA) registrations.

Object Classification (in millions of dollars)

Identification code 016-1700-0-1-601	2018 actual	2019 est.	2020 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	87	89	92
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	2	2	2
11.9 Total personnel compensation .....	90	92	95
12.1 Civilian personnel benefits .....	29	30	32
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	11	11	11
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	1	1	3
25.2 Other services from non-Federal sources .....	4	6	7
25.3 Other goods and services from Federal sources .....	27	26	28
25.5 Research and development contracts .....	1	1	2
25.7 Operation and maintenance of equipment .....	12	10	11
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.0 Direct obligations .....	178	181	193
99.0 Reimbursable obligations .....	6	8	8
99.9 Total new obligations, unexpired accounts .....	184	189	201

Employment Summary

Identification code 016-1700-0-1-601	2018 actual	2019 est.	2020 est.
1001 Direct civilian full-time equivalent employment .....	837	840	885

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, [2019] 2020, for the Corporation: *Provided*, That none of the funds available to the Corporation for fiscal year [2019] 2020 shall be available for obligations for administrative expenses in excess of [ \$445,363,000] \$452,858,000: *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 [2019] 2020, an amount not to exceed an additional \$9,200,000 shall [be] remain available until expended [through September 30, 2020,] for obligations for administrative expenses for every 20,000 additional terminated participants: *Provided further*, That obligations in excess of the amounts provided for administrative expenses in this paragraph may be incurred for unforeseen and extraordinary pre-termination or termination expenses or extraordinary multi-employer 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: *Provided further*, That, to the extent the Corporation's expenses exceed \$250,000 for the provision of credit or identity monitoring to affected individuals upon suffering a security incident or privacy breach, an additional amount shall [be] remain available until expended for obligations for such expenses [through September 30, 2020 to the extent the Corporation's costs exceed \$250,000 for the provision of credit or identity monitoring to affected individuals upon suffering a security incident or privacy breach ], not to exceed an additional \$100 per affected individual. (*Department of Labor Appropriations Act, 2019.*)

Program and Financing (in millions of dollars)

Identification code 016-4204-0-3-601	2018 actual	2019 est.	2020 est.
<b>Obligations by program activity:</b>			
0801 Single-employer benefit payment .....	5,699	6,974	7,657
0802 Multiemployer financial assistance .....	153	189	287
0806 Administrative Expenses .....	409	445	453
0807 Investment Management Fees .....	103	117	127
0900 Total new obligations, unexpired accounts .....	6,364	7,725	8,524
<b>Budgetary resources:</b>			
<b>Unobligated balance:</b>			
1000 Unobligated balance brought forward, Oct 1 .....	27,916	30,684	34,988
1001 Discretionary unobligated balance brought fwd, Oct 1 .....	1	1	.....
<b>Budget authority:</b>			
<b>Spending authority from offsetting collections, discretionary:</b>			
1700 Collected .....	1	1	1
<b>Spending authority from offsetting collections, mandatory:</b>			
1800 Collected .....	9,131	12,028	11,643
1802 Offsetting collections (previously unavailable) .....	9	.....	.....
1823 New and/or unobligated balance of spending authority from offsetting collections temporarily reduced .....	-9	.....	.....
1850 Spending auth from offsetting collections, mand (total) .....	9,131	12,028	11,643
1900 Budget authority (total) .....	9,132	12,029	11,644
1930 Total budgetary resources available .....	37,048	42,713	46,632
<b>Memorandum (non-add) entries:</b>			
1941 Unexpired unobligated balance, end of year .....	30,684	34,988	38,108
<b>Change in obligated balance:</b>			
<b>Unpaid obligations:</b>			
3000 Unpaid obligations, brought forward, Oct 1 .....	295	309	298
3010 New obligations, unexpired accounts .....	6,364	7,725	8,524
3020 Outlays (gross) .....	-6,350	-7,736	-8,524
3050 Unpaid obligations, end of year .....	309	298	298
<b>Memorandum (non-add) entries:</b>			
3100 Obligated balance, start of year .....	295	309	298

3200	Obligated balance, end of year .....	309	298	298
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	1	1	1
Outlays, gross:				
4010	Outlays from new discretionary authority .....		1	1
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal sources .....	-1	-1	-1
4040	Offsets against gross budget authority and outlays (total) ....	-1	-1	-1
Mandatory:				
4090	Budget authority, gross .....	9,131	12,028	11,643
Outlays, gross:				
4100	Outlays from new mandatory authority .....	6,147	7,440	8,523
4101	Outlays from mandatory balances .....	203	295	
4110	Outlays, gross (total) .....	6,350	7,735	8,523
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4121	Cash Investment Receipts .....		-1,170	-1,270
4121	Interest on Federal securities .....	1,358		
4123	Non-Federal sources .....	-10,489	-10,858	-10,373
4130	Offsets against gross budget authority and outlays (total) ....	-9,131	-12,028	-11,643
4170	Outlays, net (mandatory) .....	-2,781	-4,293	-3,120
4180	Budget authority, net (total) .....			
4190	Outlays, net (total) .....	-2,782	-4,293	-3,120
<b>Memorandum (non-add) entries:</b>				
5000	Total investments, SOY: Federal securities: Par value .....	28,442	31,659	35,961
5001	Total investments, EOY: Federal securities: Par value .....	31,659	35,961	39,081
5090	Unexpired unavailable balance, SOY: Offsetting collections .....	9	9	9
5092	Unexpired unavailable balance, EOY: Offsetting collections .....	9	9	9

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

	2018 actual	2019 est.	2020 est.
Enacted/requested:			
Outlays .....	-2,782	-4,293	-3,120
Legislative proposal, subject to PAYGO:			
Outlays .....			67
Total:			
Outlays .....	-2,782	-4,293	-3,053

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 37,000,000 American workers in private defined benefit pension plans under two separate insurance programs. The Single-Employer Program protects about 26,200,000 workers and retirees in more than 23,400 pension plans. The Multiemployer Program protects more than 10,600,000 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 plans or the companies that sponsor them, investment income, and, in the Single-Employer Program, assets from terminated plans and recoveries of plan underfunding in sponsor bankruptcies. PBGC is requesting \$452,858,000 in spending authority for administrative purposes in 2020. The request includes \$7,380,000 for administering the termination of pensions from Sears Corporation, as well as an additional \$115,000 for the Office of Inspector General.

**Plan Preservation Efforts.**—PBGC works 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 worked with dozens of companies, both in bankruptcy and otherwise, to preserve their plans that were at risk. In 2018, PBGC:

—Paid \$153,000,000 in financial assistance to 81 multiemployer pension plans covering the benefits of over 62,300 existing retirees and 27,800 people entitled to benefits once they retire. Seven of the 81 plans, covering about 1,100 participants, became insolvent during FY 2018.

—Performed 13 multiemployer plan audits to protect the benefits of more than 14,000 people.

**Stepping in to Insure Pensions When Plans Fail.**—When plans do fail, PBGC steps in to ensure that basic benefits continue to be paid. Over the years, PBGC has become responsible for almost 1,500,000 people in over 5,000 failed plans. In 2018, PBGC:

—Paid \$5,800,000,000 in benefits to more than 861,000 retirees in single-employer plans.

—Monitored on average 1,500 companies for financial transactions that potentially pose risks to the financial viability of plans.

**Single-employer benefit payments.**—The Single-Employer Program protects about 26,200,000 workers and retirees in over 23,400 pension plans. Under this program, a company may voluntarily seek to terminate its plan, or PBGC 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.

**Multiemployer financial assistance.**—The Multiemployer Insurance Program protects over 10,600,000 workers and retirees in about 1,400 pension plans. Multiemployer pension plans are maintained under collective bargaining agreements involving unrelated employers, generally in 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 driven 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.

**Consolidated Administrative Budget.**—PBGC's administrative budget comprises all expenditures and operations that support:

- Benefit payments to pension plan participants;
- Financial assistance to distressed multiemployer pension plans; and
- Stewardship and accountability.

These operations include premium collections, 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 procurement, financial management, human resources, facilities management, communications, legal support, and information technology infrastructure. These funds support the operations of the Participant and Plan Sponsor Advocate. They also support the required functions and efforts of the Office of the Inspector General, 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	2018 actual	2019 est.	2020 est.
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	111	112	113
11.3 Other than full-time permanent .....	1	2	2
11.5 Other personnel compensation .....	3	4	4
Total personnel compensation .....	115	118	119
12.1 Civilian personnel benefits .....	37	37	38
21.0 Travel and transportation of persons .....	1	1	1
23.2 Rental payments to others .....	30	30	30
23.3 Communications, utilities, and miscellaneous charges .....	4	4	4

PENSION BENEFIT GUARANTY CORPORATION FUND—Continued  
Object Classification—Continued

Identification code 016-4204-0-3-601	2018 actual	2019 est.	2020 est.
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	103	117	127
25.2 Other services from non-Federal sources .....	206	242	247
25.3 Other goods and services from Federal sources .....	8	5	5
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	6	6	6
33.0 Investments and loans .....	153	188	287
42.0 Insurance claims and indemnities .....	5,698	6,974	7,657
99.9 Total new obligations, unexpired accounts .....	6,364	7,725	8,524

Employment Summary

Identification code 016-4204-0-3-601	2018 actual	2019 est.	2020 est.
2001 Reimbursable civilian full-time equivalent employment .....	926	951	968

PENSION BENEFIT GUARANTY CORPORATION FUND  
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 016-4204-4-3-601	2018 actual	2019 est.	2020 est.
<b>Obligations by program activity:</b>			
0802 Multiemployer Financial Assistance .....			65
0900 Total new obligations, unexpired accounts (object class 33.0) .....			65
<b>Budgetary resources:</b>			
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....			-2
1930 Total budgetary resources available .....			-2
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....			-67
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 New obligations, unexpired accounts .....			65
3020 Outlays (gross) .....			-65
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....			-2
Outlays, gross:			
4101 Outlays from mandatory balances .....			65
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4121 Interest on Federal securities: .....			2
4180 Budget authority, net (total) .....			
4190 Outlays, net (total) .....			67
<b>Memorandum (non-add) entries:</b>			
5001 Total investments, EOY: Federal securities: Par value .....			-63

The Budget proposes changes to PBGC's Multiemployer Program that would raise about \$18,000,000,000 in new premiums over the budget window, as well as new changes to the Single-Employer Program.

The Budget proposes to reform multiemployer premiums and improve the solvency of the program by creating a variable-rate premium (VRP) and an exit premium. A multiemployer VRP would require plans to pay additional premiums based on their level of underfunding, up to a cap, as is done in the Single-Employer Program. An exit premium, equal to ten times the variable-rate premium cap, would be assessed on employers that withdraw from a multiemployer plan to compensate the Multiemployer Program for the additional risk imposed on it when employers exit and cease making plan contributions. PBGC would have limited authority to design waivers for some or all of the VRP assessed to terminated plans or ongoing plans that are in critical status, if there is a substantial risk that the payment of premiums will accelerate plan insolvency resulting in earlier financial assistance to the plan. Aggregate waivers for a year would be

limited to 20 percent of anticipated total multiemployer VRP for all plans. The multiemployer premiums proposed in the Budget are expected to be sufficient to fund the Multiemployer Program for the next 20 years.

The Budget also calls for the repeal of provisions accelerating fiscal year 2026 premiums into fiscal year 2025 and repeals the requirement for certain multiemployer premium revenues to be held in non-interest bearing investments.

The Budget proposes to rebalance premiums in the Single-Employer program by pausing the indexation of single-employer premiums for one year and increasing the cap on the VRP, currently \$541 in 2019, to \$900 in 2020 and indexed thereafter. This targets higher premiums on plans with greater outstanding underfunding that pose a greater risk to PBGC. On net, these changes are expected to lower PBGC single-employer premium receipts by approximately \$30 million over the coming decade, granting employers relief and better aligning premium burden on higher risk plans.

OFFICE OF WORKERS' COMPENSATION PROGRAMS

Federal Funds

SALARIES AND EXPENSES

For necessary expenses for the Office of Workers' Compensation Programs, **[\$115,424,000]** \$115,609,000, together with **[\$2,177,000]** \$2,173,000 which may be expended from the Special Fund in accordance with sections 39(c), 44(d), and 44(**[j]**) of the Longshore and Harbor Workers' Compensation Act. (*Department of Labor Appropriations Act, 2019.*)

Program and Financing (in millions of dollars)

Identification code 016-0163-0-1-505	2018 actual	2019 est.	2020 est.
<b>Obligations by program activity:</b>			
0003 Federal programs for workers' compensation .....	115	115	116
0801 Trust Funds, Federal Programs for Workers' Compensation .....	38	38	40
0900 Total new obligations, unexpired accounts .....	153	153	156
<b>Budgetary resources:</b>			
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	115	115	116
Spending authority from offsetting collections, discretionary:			
1700 Collected .....	38	38	40
1900 Budget authority (total) .....	153	153	156
1930 Total budgetary resources available .....	153	153	156
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	10	11	16
3010 New obligations, unexpired accounts .....	153	153	156
3020 Outlays (gross) .....	-152	-148	-154
3050 Unpaid obligations, end of year .....	11	16	18
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	10	11	16
3200 Obligated balance, end of year .....	11	16	18
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	153	153	156
Outlays, gross:			
4010 Outlays from new discretionary authority .....	143	142	145
4011 Outlays from discretionary balances .....	9	6	9
4020 Outlays, gross (total) .....	152	148	154
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources .....	-36	-38	-40
4034 Offsetting governmental collections .....	-2		
4040 Offsets against gross budget authority and outlays (total) .....	-38	-38	-40
4070 Budget authority, net (discretionary) .....	115	115	116
4080 Outlays, net (discretionary) .....	114	110	114
4180 Budget authority, net (total) .....	115	115	116
4190 Outlays, net (total) .....	114	110	114