

# Strategic Plan FY 2022-2026

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## MESSAGE FROM THE DIRECTOR

Established in 1974 by the Employee Retirement Income Security Act (ERISA), the Pension Benefit Guaranty Corporation (PBGC or the Corporation) guarantees the hard-earned pension benefits of over 33 million of America's workers and retirees covered by single-employer and multiemployer defined benefit pension plans. PBGC's Single-Employer Insurance Program pays guaranteed benefits directly to retirees and beneficiaries in failed plans, while the Multiemployer Insurance Program provides financial assistance to insolvent plans to allow them to pay guaranteed benefits and reasonable administrative expenses. The Corporation's two insurance programs are legally separate and operationally and financially independent. For the first time in almost twenty years, both PBGC's Multiemployer and Single-Employer Programs have a positive net position at fiscal year-end. Keeping the Corporation on a strong financial path helps strengthen the safety net for over 33 million American workers and retirees. They will continue to receive their promised pension benefits for years to come.

PBGC's retirement security mission is supported by three strategic goals: to preserve plans and protect the pensions of covered workers and retirees, pay benefits on time and accurately, and maintain high standards of stewardship and accountability. The Strategic Plan for Fiscal Years 2022 – 2026 is a roadmap to achieving those goals and enhancing PBGC's mission and operations. Built upon best practices, stakeholder feedback and lessons learned, the strategic plan outlines the agency's mission, vision, and long-term goals.

Among our top priorities is implementation of the Special Financial Assistance (SFA) Program of the American Rescue Plan Act of 2021 (ARP). This historic law passed by Congress and signed by President Biden on March 11, 2021, contains provisions to provide financial assistance to eligible plans that are severely underfunded and reinstate previously suspended benefits. PBGC issued an interim final rule, along with complementary guidance, to expeditiously implement the SFA Program by issuing regulations and guidance, develop internal controls to mitigate risks, and process applications for financial assistance. The program is up and running with PBGC reviewing applications.

Another key element in the strategic plan focuses on the workers and retirees that PBGC serves by providing the highest-level of customer service. This includes our work with customers and stakeholders to find ways to strengthen and sustain both the Single-Employer and Multiemployer Insurance Programs so that they can rely on these programs into the future.

This strategic plan also includes information technology (IT) modernization efforts that streamline processes and strengthens security to improve customer experience. We recently released a new version of My Plan Administration Account, a premium filing application for practitioners, and a new version of our My Pension Benefits Access, a portal for participants in PBGC trustee plans, and we will continue to provide further advancements into the future.

We also have a strong commitment to our people. We take pride in PBGC being named one of the "Best Places to Work in the Federal Government" among small agencies over the past few years. It is an honor and privilege to lead PBGC's talented staff as we strive to fulfill our vital mission.

I am proud to lead PBGC to provide the highest-level of customer support to workers and retirees, ensure its viability, and help it prepare for the future. Our achievements are due to the efforts of PBGC's talented staff, and the ongoing support of our Board and their staff.

Gordon Hartogenesis

## PBGC'S OVERVIEW

**The Pension Benefit Guaranty Corporation (PBGC or the Corporation)** is a federal agency established under the Employee Retirement Income Security Act of 1974 (ERISA). Congress established PBGC to insure the pension benefits of workers and retirees. ERISA Section 4002(a) states that PBGC is to carry out these purposes:

- Encourage the continuation and maintenance of voluntary private pension plans for the benefit of their participants.
- Provide for the timely and uninterrupted payment of pension benefits to participants and beneficiaries under plans to which this title applies.
- Maintain premiums established by the Corporation under ERISA Section 4006 at the lowest level consistent with carrying out its obligations under ERISA Title IV.

Today, the Corporation guarantees payment of basic pension benefits earned by over 33 million American workers and retirees in more than 25,000 plans. While PBGC encourages companies to maintain their plans, the Corporation will pay benefits when companies cannot. Since 1974, PBGC has become responsible for payment of guarantee amounts that currently cover more than 1.5 million people in over 5,000 failed single-employer plans, making payments of \$6.4 billion annually as of FY 2021.

PBGC's insurance programs are financed differently. The Single-Employer Program is financed by insurance premiums paid by companies that sponsor defined benefit pension plans, investment income from plan assets trusted by PBGC and recoveries from companies formerly responsible for the plans. Congress sets PBGC premium rates. The Multiemployer Program is financed by premiums and investment income. On the other hand, the American Rescue Plan (ARP) Act of 2021 enacted on March 11, 2021, which allows certain financially troubled multiemployer plans to apply for special financial assistance (SFA) payments, provides funding through general Treasury revenues. Upon approval of an application, PBGC will make a single, lump-sum payment to an eligible multiemployer plan to enable the plan to pay benefits at plan levels.

PBGC's business operations, IT programs, investment portfolios, budgets and finances are managed and supported by a multidisciplinary team of professionals and administrative staff. The current workforce consists of just under 1,000 federal employees, who are supported by contractors. These highly skilled professionals, committed to the work of PBGC's mission include:

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

Each PBGC employee has an important role in the Corporation's mission of protecting America's pensions.

## STRATEGIC PLAN FY 2022-2026

This strategic plan describes the mission, long-term goals, and results that PBGC seeks to accomplish by FY 2026. It explains how the Corporation will monitor its progress. Additionally, this strategic plan outlines the actions PBGC will take to address challenges and risks. Key indicators of success are how well the Corporation performs and customers' satisfaction with their PBGC experience.

The Government Performance and Results Act Modernization Act of 2010 (GPRAMA) requires federal agencies to develop a new strategic plan every four years. PBGC's FY 2022-2026 strategic plan includes its mission, vision, and how PBGC supports Biden Administration priorities and promotes enhanced strategies to improve the financial status of its insurance programs, as well as promote retirement security for Americans.

PBGC's strategic planning process is informed by current external and internal environments, its corporate risk profile, and their impact on the Corporation's programs. Senior leaders provide direct input into the strategic plan and will remain committed to its execution.

The Corporation will reach out to Congress, the public, and stakeholder groups for feedback on its draft plan through its website, social media, and internal intranet. PBGC will review the feedback received and use it as is appropriate to shape this strategic plan.

## MISSION AND VISION

**Mission:** Enhance retirement security by preserving and encouraging the continuation of private pension plans and protecting the benefits of workers and retirees in traditional pension plans.

**Vision:** A sustainable pension insurance program that supports a robust system of voluntary private plans that provide lifetime retirement income.

PBGC measures performance by how effectively the Corporation meets its statutory requirements and serves its customers.

## AGENCY STRATEGIC GOALS

PBGC's three strategic goals are derived directly from the purposes the Corporation was created to accomplish. The strategic goals are:

- Preserve plans and protect the pensions of covered workers and retirees.
- Pay pension benefits on time and accurately.
- Maintain high standards of stewardship and accountability.

## OVERVIEW OF BIDEN ADMINISTRATION AND PBGC PRIORITIES

In recent years, PBGC's highest priority has been to encourage policymakers to stabilize the multiemployer pension system, better protect workers' earned pensions, reduce risks to retirees, participating employers, and taxpayers, and ensure the solvency of the Multiemployer Insurance Program. Enactment of ARP in March 2021 addresses the immediate financial crisis threatening the retirement security of over three million American workers, retirees, and their families. The special financial assistance (SFA) that will be provided to

eligible plans will effectively address the near-term crisis faced by the Multiemployer Program, but ARP was not designed to address the underlying structural issues in the multiemployer system that contributed to the crisis.

Implementation of the SFA Program supports the Biden Administration's priority of Building a Bridge to Economic Recovery. For the next four years, implementing ARP's special financial assistance provisions will be PBGC's highest priority. The Biden Administration priorities which align with PBGC priorities include:

- Building a bridge to economic recovery: Ensuring financially troubled multiemployer plans receive the funds to provide increased economic security to over 3 million multiemployer participants.
- Information technology modernization and cybersecurity enhancements that will increase the effectiveness and efficiency of PBGC's overall operations.
- Advancing the customer experience by building upon the FY 2021 implementation of the new My Participant Benefit Access (MyPBA) system and the new My Plan Administration Account (My PAA) which improve customer experience with plan management and premium filing submissions.
- Promoting racial equity: Improving customer outreach and communication to retirees and participants with disabilities, limited English proficiency and limited internet access, educating at-risk older retirees and participants about fraud and expanding small and disadvantaged business utilization.
- Making data-driven decisions based on evidence.

## OVERVIEW OF PBGC'S INSURANCE PROGRAMS

PBGC runs two programs to insure different types of defined benefit pension plans: single-employer plans and multiemployer plans. The two programs differ significantly in the level of benefits guaranteed, the insurable event that triggers the guarantee, and premiums paid by insured plans. Single-employer plans and multiemployer plans have separate funding rules and requirements.

The Single-Employer Program covers plans that are generally sponsored by one employer. When an underfunded single-employer plan terminates, PBGC steps in to pay guaranteed benefits. This typically occurs when the employer sponsoring an underfunded plan goes bankrupt or out of business and can no longer afford to keep the plan going. In such cases, PBGC will take over the plan's assets and payment of plan benefits up to the legal limits. The plan sponsor of a single-employer plan may terminate the plan in a standard termination if the plan has enough money to pay all benefits owed to its participants.

The Multiemployer Program covers plans created through a collective bargaining agreement between two or more employers and a union. Employers are usually in the same or related industries. Multiemployer plans provide retirement benefits for people in industries such as transportation, construction, mining, and hospitality. PBGC provides financial assistance to insolvent multiemployer plans and offers technical assistance to multiemployer plan administrators, service providers, and other stakeholders.

The two insurance programs are operated and financed separately. Premium rates, the events that trigger PBGC's guarantee, and the level of benefit guarantees are set by Congress and differ between the two

programs. Each program presents its own set of challenges. As the number of participants in insolvent plans rises dramatically over the next two decades, so will the demands on PBGC.

## **BIDEN ADMINISTRATION AND PBGC PRIORITIES**

### **BUILDING A BRIDGE TO ECONOMIC RECOVERY: ENSURING FINANCIALLY TROUBLED MULTIEMPLOYER PLANS RECEIVE THE FUNDS TO PROVIDE INCREASED ECONOMIC SECURITY TO OVER THREE MILLION PARTICIPANTS**

The Special Financial Assistance (SFA) Program will provide financial assistance to more than 250 eligible plans that are severely underfunded. The program is available to certain financially troubled multiemployer plans. The SFA provisions of ARP address the immediate financial crisis threatening the retirement security of over 3 million participants and protect the pensions of hardworking Americans whose retirement income was put at risk through no fault of their own. These provisions give hardworking Americans the retirement security they earned through many years of hard work.

The program is funded by Department of the Treasury general revenue transfers and not through PBGC premiums. The window for eligible plans to make an initial application is July 9, 2021, through December 31, 2025.

ARP enables eligible multiemployer plans to apply to PBGC for SFA. Eligibility is limited to financially troubled plans based on specific criteria set by statute. The SFA is calculated to be the amount required for the plan to pay all benefits due through the end of the last plan year ending in 2051. The SFA, which is funded by uncapped appropriations of general revenues, is paid by PBGC to each eligible plan in a one-time lump sum and is not required to be repaid.

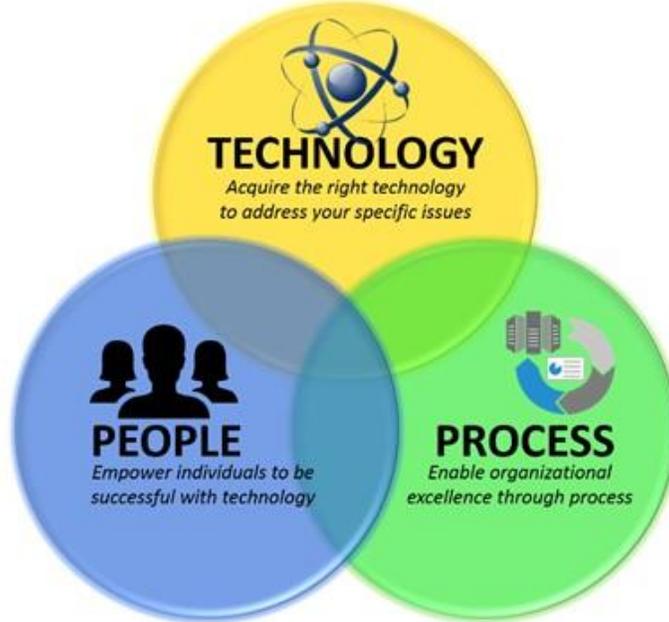
Under ARP, PBGC must process applications received within 120 days. PBGC's application review will be thorough and expeditious. Under PBGC's SFA regulations, priority is given to plans that are already insolvent or those plans projected to become insolvent by March 11, 2022. The SFA regulations also outline a processing system, which will accommodate the filing and review of many applications in a limited amount of time.

PBGC's SFA regulations specify permissible investments for SFA funds, establishes certain restrictions and conditions on plans that receive SFA, and requires annual reporting to ensure compliance.

### **INFORMATION TECHNOLOGY MODERNIZATION AND CYBERSECURITY ENHANCEMENTS THAT WILL INCREASE THE EFFECTIVENESS AND EFFICIENCY OF PBGC'S OVERALL OPERATIONS**

PBGC's IT modernization efforts encompass the three core elements: people, process, and technology (see Figure 1), that are responsible for organizational success or failure. From 2018 to 2022, PBGC's IT modernization efforts supported mission objectives in a secure and cost-effective manner. These efforts used cloud computing, shared and managed services, and in-house systems to enable a flexible, reliable, scalable, secure, and cost-effective IT infrastructure. PBGC's IT modernization efforts are designed to leverage technology to facilitate data driven-decisions throughout the deployment of enterprise-wide platforms and solutions that provide secure and reliable access to PBGC's IT systems to stakeholders at any time and from anywhere. Further support for data driven decisions included the appointment of a Chief Data Officer and the deployment of enterprise-wide reporting tools.

**Figure 1 - IT Modernization: Three Core Elements**



Examples of recent system modernization efforts included Integrated Present Value of Future Benefits (IPVFB), Benefit Calculation and Valuation (BCV) phases 1 and 2, My Plan Administration Account (My PAA) and telephony infrastructure modernization. A [synopsis](#) of these and all significant IT modernization efforts can be found on PBGC.gov. PBGC enhanced the security and reliability of its IT services and solutions through investments in infrastructure, moving to co-located data centers, enabling multi-factor authentication for internal and external facing customer solutions, modernization of mission critical systems, and migrating systems to the cloud. These activities enabled PBGC staff to effectively conduct business during maximum telework necessitated by the coronavirus disease 2019 (COVID-19) pandemic. PBGC became the first small federal agency to deploy a privileged access management solution, CyberArk, through the Department of Homeland Security's (DHS) Continuous Diagnostics and Mitigation (CDM) Program. Today, managing privileged access through CyberArk has become an important part of PBGC's overall IT cybersecurity defense and Insider Threat Program.

During FY 2022-2026, PBGC will continue to leverage IT modernization efforts by increasing the use of cloud computing to enhance the efficiency and effectiveness of operations and continue to provide secure access to PBGC IT solutions at any time and from anywhere. Systems modernization efforts will continue with the implementation of BCV phases 3-6. Examples of systems that will be migrated to the cloud are the Pension Insurance Modeling System (PIMS), the Acquisition Lifecycle Management System (ALMS), and the Budget Department Management System (BDMS). PBGC will continue to leverage the Federal Data Strategy and data sharing and interface capacities of modernized applications. To enable secure access to IT systems at any time and from anywhere, PBGC will continue to enhance IT infrastructure, complete implementation of the Enterprise Identify Management Program, and respond to the requirements of Executive Order 14028 on Improving the Nation's Cybersecurity. In order to establish a modern and scalable network infrastructure and to ensure compliance with OMB memo M-21-07, "Completing the Transition to Internet Protocol Version 6 (IPv6)," PBGC will update its infrastructure hardware and configuration to transition from IPv4 to IPv6. The transition to IPv6, to be completed by FY 2025 to the extent possible and practical, will allow PBGC to take

advantage of the benefits inherent in this new protocol like simplified routing, flow labeling, built-in authentication and more.

On the process front, one of the Office of Information Technology's priorities is the implementation of Continuous Integration and Continuous Delivery Operations (Development/Operations). This capability, available during FY 2022-2026, will allow PBGC to more fully leverage its enterprise platform solutions and to be platform/product focused rather than project focused on its delivery of IT functionality and value. Focusing PBGC efforts on products as opposed to projects will allow technology to be more efficiently integrated and leverage IT capabilities to improve operational efficiency and effectiveness at an even faster rate.

To ensure that IT priorities are fully aligned with the Corporation's three strategic goals, PBGC's IT Portfolio Review Board (ITPRB) meets to conduct formal evaluations of how proposed IT initiatives support the Corporation's three strategic goals and the ITPRB makes appropriate funding recommendations to the Budget and Planning Integration Team (BPIT) on an annual basis. In addition, the ITPRB serves as PBGC's IT Portfolio Management (ITPM) governance body executing the external submissions of OMB Agency IT Portfolio and Major IT Business Cases (E53 & E300).

On the personnel front, the Office of Information Technology continues to build and sustain a skilled IT workforce in the increasingly competitive market by continuing to identify and close skill gaps – both technical and non-technical, making use of an appropriately blended workforce to support PBGC business and technology needs, and making effective use of the annual Federal Employee Viewpoint Survey Results.

#### **ADVANCING THE CUSTOMER EXPERIENCE: BUILDING ON RECENT ENHANCEMENTS TO MY PENSION BENEFIT ACCESS AND MY PLAN ADMINISTRATION ACCOUNT AS REFLECTED BY CUSTOMER SURVEY RESULTS**

Customers are at the core of PBGC's mission. To provide customers with the highest level of customer service, for more than 20 years, PBGC has used surveys to actively listen, identify opportunities for enhancements, implement process improvements, and monitor customers' experiences. PBGC uses the widely recognized American Customer Satisfaction Index (ACSI) as a basis to compare its customer experience across government. Responses to the Retiree Satisfaction survey have consistently placed PBGC among the highest scoring organizations in business or government.

PBGC collects daily feedback from its public facing website pbgc.gov, My Pension Benefit Access (MyPBA) and My Plan Administration Account (My PAA) web portals. Lastly, PBGC collects results from Retiree, Participant Caller, and Premium Filer surveys. All feedback and results are displayed daily on PBGC's intranet page. Additionally, daily customer satisfaction scores are provided to 23 senior agency leaders and staff every day – including nearly all members of the agency's executive leadership.

On a continuous basis, PBGC uses customer satisfaction information to enhance customers' experiences. For example, every month, a cross-agency working group meets to review survey scores and identify areas for improvement.

In addition to monitoring customers' experiences, PBGC has recently implemented service improvements to the My Pension Benefit Access (MyPBA) and the My Plan Administration Account (My PAA) systems that will benefit customers during the FY 2022-2026 Strategic Plan period. The updated version of My PAA has a new modern look. Updates include multiple enhancements to improve customer experience with plan

management and premium filing submissions, such as the ability to send messages to filing team members directly from within the application and enhanced status tracking of uploaded XML files. Additionally, the new My PAA has simplified processes for: (1) initial plan filings; (2) adding a new person to the filing team; and (3) updating information about the plan administrator (e.g., address, telephone number, etc.). Lastly, the new My PAA's training materials are easier to access in the system. Training materials include modules about how to navigate the system, file premiums, make payments, and answers to common premium-related questions are provided in a separate "published answers" (e.g., instruction articles) section that is searchable by key words.

Additional information about plans to monitor and improve customers' experiences can be found in the Customer Service Plan at Appendix D.

**PROMOTING RACIAL EQUITY: IMPROVING CUSTOMER OUTREACH AND COMMUNICATION TO RETIREES AND PARTICIPANTS WITH DISABILITIES, LIMITED ENGLISH PROFICIENCY AND LIMITED INTERNET ACCESS, EDUCATING AT-RISK OLDER RETIREES AND PARTICIPANTS ABOUT FRAUD, AND EXPANDING SMALL AND DISADVANTAGED BUSINESS UTILIZATION**

PBGC has formed a task force with the goal of identifying barriers that plan participants and retirees in underserved communities may experience when accessing agency benefits, services, and contracting opportunities. During FY 2022-2026, PBGC will collaborate with similar teams across government to implement and develop best practices towards advancing racial equity. PBGC will focus on the following areas:

- **Customer Outreach and Communication** – seeking opportunities to reach out to retirees and pension participants with disabilities, limited English proficiency, and limited access to internet via multiple communication methods to ensure they are informed of and can access benefits to which they are entitled by law. Strategies will focus on finding ways to identify these communities by interviewing internal and external stakeholders and reviewing customer survey data.
- **Identify and Educate At-risk Elderly Retirees and Participants** – seeking opportunities to reach out to and educate elderly, at-risk retirees, and pension participants who may be vulnerable to scams designed to access their personal information and retirement savings. In order to educate about retirement fraud, strategies will focus on finding ways to identify this population by interviewing internal and external stakeholders and reviewing customer survey data.
- **Small and Disadvantaged Business Utilization Program** – evaluating PBGC's Small and Disadvantaged Business Utilization Program to determine whether there are opportunities to expand access for women and minority owned businesses to PBGC contracting opportunities. PBGC will explore opportunities to expand access to small disadvantage, woman-owned, veteran businesses. Strategies will focus on engaging internal and external stakeholders to identify and maximize existing authorities and opportunities for small businesses.

## **MAKING DATA-DRIVEN DECISIONS BASED ON EVIDENCE**

As a small agency, PBGC uses data to inform internal and external decision-making and to promote learning among PBGC staff regarding data sources.

Key data sources used to inform internal and external decision-making include:

- The Pension Insurance Modeling System (PIMS) is used to make projections on the future status of PBGC's insurance programs. PBGC uses two stochastic modeling systems: the Multiemployer Pension Insurance Modeling System (ME-PIMS) and the Single-Employer Pension Insurance Modeling System (SE-PIMS).
- The Quinquennial Report is required by ERISA section 4022A(f) concerning the adequacy of current multiemployer premium rates to maintain current guarantee levels.
- The Pension Insurance Data Tables provide historical perspective on the long-term trends in PBGC's insurance programs, PBGC annually prepares charts showing basic financial and coverage data.
- PBGC's Annual Report provides financial information on the financial position of the Single and Multiemployer Programs, Investments, Operations, Estimates of Reasonably Possible Contingencies, Financial and Program Risks.
- Information on Quarterly Performance is discussed during Quarterly Performance meetings and included in Annual Performance Information included in Annual Performance Plan and Performance Reports.

Since September 2019, PBGC's Data Governance Board (DGB) has asked PBGC's departments and open dataset owners to make presentations on the data they maintain. These presentations have promoted learning across the agency's departments and disciplines about available PBGC data and its uses. PBGC has also adopted the Federal Data Maturity Model to promote continued learning about data to inform good decision-making.

## **EXTERNAL ENVIRONMENTAL FACTORS AFFECTING PBGC'S INSURANCE PROGRAMS**

### **POST 2021 OUTLOOK FOR SINGLE-EMPLOYER PROGRAM**

Plan sponsor defaults are low. Many plan sponsors have indicated that revenues declined substantially during COVID-19, but the Paycheck Protection Plan funding provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act allowed plan sponsors to maintain operations and avoid layoffs. The Federal Reserve reduced interest rates to near-zero and purchased large amounts of corporate debt and other securities, helping companies reduce their cost of borrowing. ARP implementation allows single-employer plan sponsors to elect interest rate and amortization relief, which will lower their minimum required funding retroactively to 2019 filings and for future years.

## Positive Economic Forecast

- The Single-Employer Program has improved in recent years due to relatively few large claims, increases in premium rates, and positive investment results under PBGC's liability-driven investment policy.
- PBGC's long-term projections show continued improvement in the financial condition of the Single-Employer Program, but significant uncertainty and risk remain.
- ARP implementation may result in a decrease in the minimum required contributions (MRCs) for single-employer pension plans. PBGC will continue to review the impact of ARP's funding relief provisions on plan funding levels, particularly for troubled plans in the open case inventory.

**Traditional Single-Employer Pension Plans Are Available to Fewer People** While some new defined benefit plans continue to be created, the number of participants in plans leaving the defined benefit system outnumber those entering. This has resulted in a drop in the number of plans and participants insured by PBGC, primarily in the Single-Employer Program. As noted in PBGC's Pension Insurance Data Tables, the total number of PBGC insured single-employer pension plans has declined from 112,208 in 1985 to 23,477 in 2020. This decline may continue as sponsors are increasingly interested in "risk transfer." Pension plan risk transfer is a method employers use to reduce pension liability and administrative costs. Risk transfer lessens the volatile effects of pension benefits on operating budgets and financial statements, while simultaneously shifting responsibility for retirement security to retirees and other parties. Methods of risk transfer include:

- Freezing pension benefits and barring new entrants to the plan.
- Offering pension plan participants lump sums instead of lifetime income.
- Purchasing annuities for retirees to transfer the benefit obligation to a private insurer.

In FY 2021, 1,574 plans, covering approximately 145,000 participants, filed standard termination applications with PBGC. The number of terminations received last year is higher than the average of the five previous years. Approximately 1,880 plans with an aggregate of more than 205,000 participants completed standard terminations in FY 2021 by paying full plan benefits to participants and beneficiaries in the form of annuities or lump sums.

To encourage the continuation and maintenance of voluntary private pension plans, PBGC will provide research and lead engagement and outreach methods to help create a more favorable climate for these plans. PBGC will continue its work to support sponsors by using its existing tools and encouraging the creation of additional options. In addition, the Corporation will provide technical assistance and practical guidance to plan sponsors on the implementation of proposed options to reduce employer risks, while preserving plans and benefits.

## PBGC INSURANCE PROGRAM PRIORITIES

### ENHANCE PRODUCTION QUALITY AND REDUCE THE INVENTORY OF UNISSUED BENEFIT DETERMINATION LETTERS

During the FY 2018-2022 strategic planning period, PBGC calculated final benefits for participants in some of its oldest, largest, or most complex single-employer plans. At the end of FY 2018, the annual average age

(the average number of years between plan trusteeship and benefit determination letter issuance) for benefit determinations issued was 6.1 years. Since that time, PBGC implemented changes to how it processes terminated plans, made system updates, and improved the effectiveness and quality of its benefit administration program. During the FY 2022-2026 strategic planning period, PBGC calculated final benefits for participants in some of its oldest, largest, or most complex single-employer plans. In FY 2020, the average age (the average number of years between plan trusteeship and benefit determination letter issuance) was 5.3. Due to the issuance of benefit determinations in more of its oldest plans in FY 2021, the average age increased to 5.9 years. Since that time, PBGC implemented changes to show how it processes terminated plans, made system updates, and improved the effectiveness and quality of its benefit administration program. PBGC expects the average to decrease in the future.

Between FY 2019 and FY 2021, PBGC trusted 167 plans adding a total of 200,000 participants to its inventory. This includes 5 large plans with nearly 5,000 participants or more. For example, PBGC trusted the Sears Plans in FY 2019 with more than 92,000 participants. More recently, almost 30 percent of the plans trusted in FY 2021 had over 500 participants. In a typical year, that number is between 10 – 20 percent.

These trusteeships had an impact on PBGC's inventory of unissued benefit determination letters. While the average age to issue benefit determinations decreased, the inventory of unissued benefit determination letters increased due to the trusteeship of large plans. The number of unissued benefit determination letters was just over 210,000 at the end of FY 2018. By the end of FY 2021, the number of unissued letters increased to over 230,000. However, the age of unissued benefit determination letters decreased from 3.5 years in FY 2018 to only 2.3 years at FY 2021 year-end.

In addition to reducing the time to issue benefit determination letters and the time plan participants have been waiting to receive a benefit determination letter, PBGC also decreased its inventory of terminated defined benefit plans. At the end of FY 2018, PBGC's backlog of plans in estimated status awaiting a final benefit determination numbered 445 plans. By the end of 2021, that backlog had fallen by nearly 35 percent to less than 275 plans.

While the long-term economic impact the pandemic may have on the solvency of defined benefit pension plans is unknown, PBGC will remain dedicated to processing terminated plans more rapidly, while maintaining quality. The Corporation will continue to modernize technology and implement process improvements to support these efforts.

### **ADDRESS WORKFORCE CHALLENGES TO PREVENT AN IMPACT ON THE CORPORATION'S ABILITY TO CARRY OUT ITS MISSION – WORKFORCE 3 R'S**

PBGC's workforce includes federal employees who are assisted by private-sector contractors. Federal employees provide PBGC with a well-trained, experienced core of experts who keep the Corporation operating and are capable of responding to the base level of operations.

In FY 2021, 36.1 percent of PBGC's workforce was eligible to retire within the next five years. Employees who leave represent a loss of talent and institutional knowledge across a broad range of skill sets including technical, professional, managerial, and executive competencies. As such, PBGC must continue to increase succession planning efforts and broaden the utilization of available recruitment and retention incentives throughout the Corporation.

PBGC will continue to develop departmental succession plans and increase access to available recruitment and retention incentives that address not just mission critical occupations, including those identified as key by management. This includes identifying the readiness of employees to serve as back-ups for key positions; identifying roles and responsibilities of key positions; and identifying knowledge transfer strategies to prevent a loss of institutional knowledge. PBGC will continue to offer a robust training program for its employees.

## **CONTINUE TO IMPROVE THE INTERNAL CONTROL ENVIRONMENT**

In the FY 2020 Annual Report, PBGC's Office of Inspector General reported PBGC's sixth consecutive year of an unmodified audit opinion on internal control over financial reporting. The OIG determined that although certain internal controls could be improved, PBGC is currently maintaining effective internal control over financial reporting. Management remains committed to enhancing internal controls to better service the workers and retirees we serve. PBGC maintains an Internal Control Committee (ICC) to support compliance with government-wide requirements. Chaired by the Chief Financial Officer, the ICC includes members from each major area of the Corporation, including a representative of the OIG as a non-voting member. As part of PBGC's mature internal control program, the ICC oversees the assessment and reporting of management controls for key business processes and key entity-wide controls which include internal controls over reporting (financial and non-financial), operations, and compliance with laws and regulations. In 2021, the ICC approved controls pertaining to SFA payments. PBGC's Internal Control Program supports compliance with the Federal Managers Financial Integrity Act (FMFIA), Government Accountability Office (GAO) Standards (Green Book), the Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Enterprise Risk Management and other applicable laws and regulations. PBGC will continue to implement requirements specified in the last revision to the GAO Green Book and OMB Circular A-123 and will perform a number of corporate-wide activities that support the FMFIA Statement of Assurance. For FY 2021, PBGC provided an unmodified FMFIA Statement of Assurance.

## **ADDRESSING COVID-19 SAFETY AND ECONOMIC IMPACTS**

The Corporation remains committed to protecting the retirement security of over 33 million American workers, retirees, and beneficiaries. PBGC is committed to ethically and effectively carrying out the agency's critical mission, as well as ensuring the agency's employees and contractors operate responsibly and transparently. As COVID-19 continues to impact families and individuals across the country, PBGC ensures its strategic goals (preserve plans and protect pensioners, pay timely and accurate benefits, and maintain high standards of stewardship and accountability) are achieved.

Over the next four years PBGC will encourage plan sponsors to schedule pre-filing consultations to aid in determining the appropriateness of a distress termination based on the facts and circumstances of each case. PBGC recognizes that the impact of COVID-19 on plan sponsors is not fully known, and financial projections may change as a result.

## **ENTERPRISE RISK MANAGEMENT**

The Enterprise Risk Management (ERM) program is an important part of strategic planning. PBGC has implemented a robust ERM program that focuses on nine categories of risk: external, financial, human capital, insurance, legal, operational, reputational, strategic, and technology.

As PBGC developed its strategic plan for FY 2022-2026, the Corporation considered risks that may impact the realization of its mission, strategic goals, and objectives. Additionally, each year when formulating the Annual Performance Plan, departments are surveyed about their risks. The agency recently completed its annual risk assessment, resulting in development of the FY 2021 risk profile, which is the list of top entity-wide risks. Integrating the results of the risk assessment into strategic planning and organizational performance management processes helps improve budgeting, operational, and resource allocation planning. Although the Corporation's work could be influenced by unpredictable events, such as a downturn in the economy, the Corporation uses trend data, forecasting models and other proven techniques to assist in identifying risks.

The Risk Management Officer (RMO) and the Risk Management Council (RMC) will continue to work together to implement an enterprise risk management framework and provide advice to the Executive Management Committee and PBGC Director on managing the Corporation's highest-level risks and manage the processes to identify, evaluate, quantify, mitigate, monitor, and communicate about risks.

During the FY 2021 annual risk assessment, PBGC identified several entity-wide risks that will be focused on over the next four years. Those risk areas include:

- **Recruitment and Retention** – PBGC's ability to attract, hire and retain candidates with specialized skills is negatively impacted by federal government limitations on pay and benefits compared to the private sector and certain other federal agencies.
- **Technology Modernization** – If technology modernization is limited and enterprise solutions are not consistently working, stable and reliable, then PBGC operations and delivery of its mission may be negatively impacted.
- **Defined Benefit Market** – If sponsors of and contributors to pension plans continue their exit from the system, and new sponsors and contributors do not enter, PBGC's ability to promote retirement security could be undermined.
- **Succession Planning** – If there is a lack of a strategic approach to workforce planning, then it could lead to reactive, sub-optimal responses to workforce changes and missed opportunities to prepare for change.
- **Planning Uncertainty related to Large Influx of Plans** – Uncertainty caused by a large influx of plans and participants could pose critical operational planning challenges and have adverse impacts on PBGC's ability to perform its mission.
- **ARP Implementation Oversight** – Sufficient operational, monitoring, oversight, operations or and other conditions are necessary for the special financial assistance program in order to mitigate risks, including errors in the calculation of the amount or payment, misuse of funds by plans and/or reputational damage to PBGC.
- **Infectious airborne diseases** (covers COVID-19, Influenza, and other bio-risks that could potentially occur) may adversely impact staff and contractors' ability to work.

PBGC has made substantial progress in implementing its ERM program. Since its inception in 2016, the program's maturity has advanced with the establishment of policies and procedures for all activities, organizational recognition, and management engagement with the program, and preparedness related to

anticipating risks. An automated Risk Dashboard was recently implemented, which will facilitate discussions with leadership and moves the organization forward in demonstrating effectiveness of the program. Additional areas of Risk Management focus included integration of strategic planning, succession planning, delivering ERM-related training for those directly involved with the program, and updating all related risk management directives.

## **PERFORMANCE MANAGEMENT FRAMEWORK**

PBGC conducts regular data-driven strategic performance reviews. The Corporation's leaders review performance data on a quarterly basis. The continuous evaluation of performance data and customers' experience helps PBGC's leadership monitor what is working well and what may need to be adjusted. These performance reviews allow the Corporation's leaders to realign or adjust human capital and other resources to influence progress on goals and priorities.

The Corporation has a multidisciplinary professional workforce that is committed to the work of PBGC's mission. Every employee has a performance plan with objectives tied to the Corporation's strategic goals. Employees review their performance objectives and performance outcomes with their supervisor of record every 120 days.

The Corporation publishes an Annual Performance Report of its accomplishments. This framework is consistent with requirements outlined in GPRAMA and OMB Circular No. A-11 Part 6.

## **OVERVIEW OF STRATEGIC GOALS**

### **STRATEGIC GOAL 1: PRESERVE PLANS AND PROTECT THE PENSIONS OF COVERED WORKERS AND RETIREES**

PBGC protects pensioners and supports the continuation and maintenance of voluntary private pension plans for the benefit of its participants by:

- Encouraging plan sponsors to continue to maintain their defined benefit plans.
- Protecting workers and retirees when plans are at risk.
- Creating a regulatory environment that minimizes burden.
- Encouraging flexibility to preserve plans.

Sponsoring a defined benefit plan requires plan sponsors to take on significant commitments to the long-term retirement security of their workforce. The costs of making long-term promises have grown in today's environment of low long-term interest rates. To encourage the continuation and financial stability of voluntary private pension plans, PBGC works toward maintaining a regulatory environment that serves the interest of all its stakeholders and avoids creating additional burdens on plans. PBGC also provides technical expertise to plan sponsors, the pension community, Congress, and other stakeholders on ways to strengthen the system.

To protect the interests of plan participants and beneficiaries, PBGC monitors more than 1,500 companies to identify transactions and events that potentially pose a risk to the financial viability of single-employer plans.

When appropriate, PBGC will work with plan sponsors to arrange agreements for suitable protections to safeguard benefits.

Another component of protecting pensions is reducing the burden and complexity of regulation. PBGC has a robust retrospective review program designed to ensure that regulations are achieving their objectives with no more burden than is necessary. This program has resulted in burden reductions in premium filing, reporting and multiemployer regulations. PBGC will continue to focus on regulatory activity that provides a net benefit to its stakeholders.

## SUMMARY OF STRATEGIC GOAL 1: OBJECTIVES, GOALS, AND STRATEGIES

| Strategic Goal 1: Preserve Plans and Protect the Pensions of Covered Workers and Retirees    |  |   |
|--|--|---|
| Goal Leaders: Chief of Negotiations and Restructuring, Chief Policy Officer, General Counsel |  |   |
| Strategic Objectives   | FY 2026 Performance Goals  | Performance Strategies  |
| Encourage the continuation and maintenance of pension plans                                  | <ul style="list-style-type: none"> <li>Communicate benefits of a defined benefit pension lifetime income via PBGC.gov, social media and PBGC leadership speaking engagements</li> <li>Maximize stakeholder input by holding frequent meetings and/or events with participant groups, plan sponsors, practitioner groups, industry associations, and other interested stakeholders</li> <li>Provide technical assistance and practical guidance to plan sponsors on the implementation of proposed options to reduce employer risks, while preserving plans and benefits</li> <li>Perform rigorous cost-benefit analysis</li> <li>Prioritize simplification and transparency</li> </ul> | <ul style="list-style-type: none"> <li>Engage with employers, workers, and pension practitioners to encourage pension plan continuation and strengthen retirement security</li> <li>Provide timely, concrete, and practical guidance to plans on the implementation of mergers, partitions, and alternate withdrawal liability proposals to reduce employer risk, while preserving plans and benefits</li> <li>Maintain a regulatory environment that serves stakeholders and minimizes the burdens of sponsoring a plan</li> <li>Educate and inform the multiemployer community (participants, plan sponsors, and other stakeholders) on the effects of ARP</li> </ul> |
| Protect workers and retirees when plans are at risk  | <ul style="list-style-type: none"> <li>Protect pensioners by proactively monitoring PBGC's largest exposures for transactions that may pose</li> </ul>   | <ul style="list-style-type: none"> <li>Preserve plans during bankruptcy and other corporate transactions</li> <li>Protect the retirement security of workers and retirees and the</li> </ul>  |

|   |   |   |
|---|---|---|
|   | <p>substantial risks to participants and retirees</p> <ul style="list-style-type: none"> <li>• Conduct a statistically significant number of audits of plans ending in standard terminations to ensure that participants receive their full retirement benefits</li> <li>• Represent PBGC's interests in all bankruptcy cases involving defined benefit pension plans</li> </ul>  | <p>interests of premium payers in federal courts</p> <ul style="list-style-type: none"> <li>• Provide confidential technical assistance, analysis, and options to Congressional and Executive Branch policy makers to improve the financial stability of PBGC's insurance programs and retirement security of retirees</li> <li>• Continue to provide financial assistance to insolvent multiemployer plans</li> </ul>  |
| <p>ARP Implementation, regulations, guidance to multiemployer plans, and technical assistance to Congress</p> | <ul style="list-style-type: none"> <li>• Deliver annual projections report on the future status of the Single-Employer and Multiemployer Programs</li> <li>• Deliver guidance to plans that may be eligible for special financial assistance and process plan applications timely</li> <li>• Publish annual pension data to educate stakeholders on the Single-Employer and Multiemployer Programs</li> <li>• Educate and inform the multiemployer community on the effects of ARP Implementation</li> <li>• Monitor all multiemployer plans for compliance with laws and regulations</li> <li>• For insolvent plans, maintain rigorous audit standards to ensure accurate benefit payments to plan participants, efficient management of any remaining assets, and compliance with laws and regulations</li> </ul> | <ul style="list-style-type: none"> <li>• Research and forecast insurance program activities</li> <li>• Provide guidance to plans on the implementation of mergers, alternate withdrawal liability proposals, and other means to reduce employer risk, while preserving plans and benefits</li> <li>• Provide technical assistance, analysis, and options to policy makers and Congress to improve the financial stability of the Multiemployer Program</li> <li>• Review applications for SFA from eligible multiemployer plans and requests for financial assistance from insolvent multiemployer plans</li> <li>• Deliver data tables and the Projections Report to Congress and stakeholders</li> <li>• Provide stakeholder education and outreach through meetings with stakeholders</li> <li>• Continue to provide financial assistance and begin to provide SFA to multiemployer plans</li> </ul> |

## STRATEGIC GOAL 2: PAY PENSION BENEFITS ON TIME AND ACCURATELY

Protecting retiree income by paying benefits on time and accurately is both a statutory requirement and one of the fundamental reasons for PBGC's existence. To meet this requirement, PBGC will focus on the following:

- Ensuring regular monthly benefit payments continue without interruption.
- Providing accurate and timely benefit calculations subject to the limits set by law.

When a single-employer plan insured by PBGC terminates with insufficient funds to pay promised benefits, PBGC will step in as the plan's trustee to protect the retirement income of plan participants and beneficiaries. As a result, the Corporation has been able to enhance the retirement security of workers, retirees, and their families.

In FY 2021, PBGC paid \$6.4 billion in benefits to nearly 970,000 participants in more than 5,000 failed single-employer plans. An additional 570,000 participants are scheduled to receive benefits in the future. PBGC ensures that existing retirees in newly trustee plans continue to receive retirement benefits without interruption. In addition, the Corporation ensures that applications for retirement benefits are processed, and benefits start in a timely manner.

PBGC's commitment to paying retirees accurately and timely is validated by its customers. Since 2013, retirees have rated their satisfaction with the Corporation an average of 90 percent. The Corporation recognizes that even with those high satisfaction ratings, there are still challenges that lie ahead and room for improvement.

When PBGC becomes the trustee of a pension plan, its priority is to continue uninterrupted payments to retirees and beneficiaries. PBGC pays estimated benefits, while a complex, detailed, and multi-year process begins. To make final benefit determinations, PBGC is required to collect and analyze plan and participant data, value plan assets, and complete an actuarial valuation.

Following the economic downturn PBGC experienced a workload surge. This surge included some of the largest and most complex plans in terms of plan assets and benefit structures in PBGC's history. As a result of this experience, PBGC made changes to both processes and its organizational structure to improve plan processing time. The Corporation is now better prepared for future economic shifts which may result from the recent pandemic, and which may have an impact on the financial health of defined benefit pension plans.

PBGC will continue to ensure a seamless transition of benefits when a plan terminates and will continue to place retirees and beneficiaries in estimated pay until a benefit determination is completed. On average, over the last eight years, PBGC's benefit estimates remained within 10 percent of the final benefit amount 95 percent of the time. The Corporation will remain focused on the needs of its customers and improving services, processes, and systems to meet statutory requirements.

## SUMMARY OF STRATEGIC GOAL 2: OBJECTIVES, GOALS, AND STRATEGIES

| Strategic Goal 2: Pay Pension Benefits on Time and Accurately                         |   |   |
|---|---|---|
| Goal Leaders: Chief of Benefits Administration, Chief Policy Officer, General Counsel |   |   |
| Strategic Objectives  | FY 2026 Performance Goals   | Performance Strategies  |
| Ensure regular monthly benefit payments continue without interruption                 | <ul style="list-style-type: none"> <li>• Ensure uninterrupted benefit payments to retirees in newly trustee plans 99% of the time</li> <li>• Place priority on processing plans with greatest number of participants</li> </ul>   | <ul style="list-style-type: none"> <li>• Continue uninterrupted benefit payments in newly trustee plans</li> <li>• Process benefit applications timely</li> </ul>   |
| Provide accurate and timely benefit calculations                                      | <ul style="list-style-type: none"> <li>• Provide estimated benefits within 10 percent of the final benefit determination 95% of the time</li> <li>• Ensure that the average time in years to issue a benefit determination (time between trusteeship and benefit determination issuance) is 4.5 years</li> <li>• Resolve majority of appeals within one year</li> <li>• Resolve appeals quickly and fairly</li> </ul> | <ul style="list-style-type: none"> <li>• Improve the timeliness and completeness of benefit determinations</li> <li>• Provide a timely and efficient appeals process for PBGC benefit determinations</li> </ul> |

## STRATEGIC GOAL 3: MAINTAIN HIGH STANDARDS OF STEWARDSHIP AND ACCOUNTABILITY

PBGC is responsible for ensuring the pensions of tens of millions of people, whose benefits are valued at hundreds of billions of dollars, while collecting over \$5.5 billion in premiums per year. The Corporation holds itself to the highest standards of care in the management of approximately \$154 billion in total assets and has attained 29 consecutive unmodified audit opinions on its financial statements. PBGC will continue to work in ways that maintain the trust of its customers and the public. PBGC remains committed to the highest standards of service, professionalism, accountability, and ethics. PBGC will demonstrate its commitment by:

- Providing excellent customer service.
- Seeking opportunities to improve PBGC's finances.
- Maintaining a high performing workforce.
- Maintaining effective IT and security programs.

PBGC's first priority is its customers. Whether it is a participant in a pension plan PBGC insures, a plan sponsor or a partner in the pension community, PBGC actively and continuously solicits customer feedback. Generally, customer satisfaction among the Corporation's seven customer surveys is good, with some groups

rating PBGC higher than others. Using comments generated from customer surveys, PBGC is actively working toward improving and increasing the level of services and resources it offers to its customers.

To effectively serve its customer base, PBGC's finances must be sound. To support PBGC's work to improve the financial condition of both the Single-Employer and Multiemployer Programs, the Corporation will continue to diligently collect premiums, efficiently assume the assets of terminated plans, invest assets prudently, follow internal controls and monitor risks. The Corporation will continue its work to prevent, detect, and recover improper payments.

PBGC recognizes that it must invest in human capital to serve its customers and achieve its mission. PBGC maintains a core multidisciplinary workforce of just under 1,000 federal employees and a comparable number of contractors to respond to the anticipated base level of long-term operations. To execute its work at the highest level, it is important for PBGC to seek highly skilled professionals, often in competitive career fields, by recruiting candidates from all segments of American society. The Corporation believes that this approach will result in a diverse, high performing, engaged and valued workforce.

PBGC will maintain and continue to improve its procurement and contracting oversight through the following:

- Strengthening internal controls surrounding people, processes, and technology.
- Investing in the development and sustainment of a qualified, competent procurement workforce.
- Establishing new policy for requirements originating within the Procurement Department (i.e., requirements that support the PD) to ensure proper oversight, separation of duties, and compliance.
- Increasing transparency by, clarifying that ratifications arising under PD contracts will be approved by the General Counsel, the CMO and the CFO.
- Performing strategic assessments of PBGC contracts portfolio, aligning PD resources appropriately and conducting program portfolio reviews.
- Streamlining processes and procedures to enhance procurement outcomes.
- Ensuring compliance with the legal review policy for solicitations, contracts, and modifications.
- Incorporating new internal controls into modernized technology systems.

PBGC employees use technology and other resources to execute their assigned duties and responsibilities. As IT capabilities evolve, PBGC anticipates delivering modernized IT resources to support business operations, while effectively maintaining an adequate level of security to protect the privacy of its customers, employees, and contractors. PBGC's Office of Information Technology leverages technology to improve Federal Information Security Modernization Act of 2014 (FISMA) compliance and to maximize federal strategies and priorities for a digital government. In FY 2021, PBGC also continued to improve the agency's IT infrastructure, services, and security posture. These improvements resulted in PBGC achieving for the first time in the agency's history the highest possible ratings on the following scorecards — "managing risk" on the White House Office of Management and Budget's (OMB) Risk Management Scorecard; "effective" against the OIG FISMA Metrics; and achieving all Cybersecurity Cross Agency Priorities (Cyber CAP) goals. PBGC's suite of IT tools capitalize on a cost-effective mix of cloud technologies, shared services, and internal solutions. These tools will allow PBGC to meet or exceed goals, objectives, and performance measures.

Finally, accountability requires transparency. PBGC will continue to maintain its Freedom of Information Act (FOIA) program in full compliance with all legal deadlines and maintain its status as a model small agency program.

### SUMMARY OF STRATEGIC GOAL 3: OBJECTIVES, GOALS, AND STRATEGIES

| Strategic Goal 3: Maintain High Standards of Stewardship and Accountability   |  |  |
|---|--|--|
| Goal Leaders: Chief Management Officer, Chief Financial Officer, Chief Information Officer, General Counsel, Chief Policy Officer, Chief of Benefits Administration |  |  |
| Strategic Objectives  | FY 2026 Performance Goals  | Performance Strategies   |
| Provide excellent customer service  | <p>Achieve a score of:</p> <ul style="list-style-type: none"> <li>90 or higher customer satisfaction score on PBGC’s retiree customer satisfaction survey</li> <li>80 or higher customer satisfaction score on PBGC’s online premium filing tool, My PAA by FY 2026</li> <li>74 or higher on PBGC’s premium filer customer satisfaction survey by FY 2026</li> <li>77 or higher on PBGC’s MyPBA customer satisfaction survey by FY 2026</li> <li>83 or higher on PBGC’s participant caller customer satisfaction survey by FY 2026</li> <li>Research and implement improvements each year to PBGC’s communications (including PBGC.gov) in response to customer feedback and key performance indicators (e.g., surveys, etc.)</li> </ul> | <ul style="list-style-type: none"> <li>Maintain excellent customer satisfaction ratings</li> </ul>   |
| Meet or exceed the financial and ethical standards that apply to PBGC as a major financial and government institution, and monitor cash flows (including            | <ul style="list-style-type: none"> <li>Comply with the asset allocation set forth in the Investment Policy Statement</li> <li>Conduct quality due diligence on the PBGC investment portfolios</li> </ul>   | <ul style="list-style-type: none"> <li>Manage investments prudently consistent with investment policy</li> <li>Collect insurance premiums due</li> </ul> |

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| <p>appropriated funds for SFA payments)</p>   | <ul style="list-style-type: none"> <li>• Attain an unmodified audit opinion on annual financial statements</li> <li>• Comply with the Payment Integrity Information Act of 2019, to prevent, detect, and recover improper payments</li> </ul>   | <ul style="list-style-type: none"> <li>• Continue to monitor the efficient use of PBGC's cash flows</li> <li>• Maintain a robust control environment that will prevent, detect, and recover improper payments</li> </ul>  |
| <p>Maintain effective IT security</p>   | <ul style="list-style-type: none"> <li>• Achieve "Managing Risk" on OMB's Annual FISMA Report Cybersecurity Risk Management Assessment (RMA)</li> <li>• Achieve 90% or higher overall average on the Cybersecurity Cross-Agency Priority (CAP) goals</li> <li>• Maintain or exceed "Level 4: Managed and Measurable Rating" or as determined by the IG as effective overall on the Cybersecurity Framework Functions</li> </ul> | <ul style="list-style-type: none"> <li>• Maintain adequate IT security posture based on NIST guidance and implement DHS Cybersecurity Directives</li> <li>• Ensure on-going authorization of all FISMA reportable system by overseeing information security continuous monitoring (ISCM)</li> <li>• Fully integrate identify and credential access management (ICAM) solutions</li> </ul> |
| <p>Retain a highly skilled workforce</p>  | <ul style="list-style-type: none"> <li>• Increase management participation in training on managing teleworking employees</li> <li>• Promote Student Loan Repayment Program (SLRP)</li> <li>• Promote virtual Work Life and Wellness Programs</li> </ul>   | <ul style="list-style-type: none"> <li>• Train a high-quality multidisciplinary workforce</li> <li>• Increase and develop innovative virtual management training</li> <li>• Support supervisors and managers on managing employee performance</li> </ul>  |
| <p>Encourage and support a diverse and inclusive work environment that encourages employee engagement</p> | <p>Achieve:</p> <ul style="list-style-type: none"> <li>• 85% positive score for employee engagement on the Federal Employee Viewpoint Survey by 2026</li> <li>• An increase by 2026 in Persons with Disabilities and Targeted Disabilities, Asian, Black and Hispanic Representation in GS-15 and SL positions by 1-2% among</li> </ul>   | <ul style="list-style-type: none"> <li>• Foster a diverse, high-performing workforce drawn from all segments of American society</li> <li>• Foster a culture of inclusion that encourages collaboration, flexibility, and fairness</li> <li>• Continue to conduct YOUiversity Bias</li> </ul>   |

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|   | <p>these categories per the EEOC's benchmark of having grade representation more reflective of the representation in the agency's total workforce</p>  | <p>Training to create opportunities for individuals to investigate their bias and to understand bias's impact on equal employment opportunity</p>   |
| <p>Strengthen transparency, disclosure, and communication</p>       | <ul style="list-style-type: none"> <li>• Comply with all FOIA deadlines and maintain model disclosure program</li> <li>• Research and implement improvements each year to PBGC's communications (including PBGC.gov) in response to customer feedback and key performance indicators (surveys, etc.)</li> <li>• Maximize stakeholder education and outreach by holding frequent meetings with participant groups, plan sponsors, practitioner groups, industry associations, and other interested stakeholders</li> <li>• Provide data-driven communications to stakeholders based on the latest pension research, data, and projections</li> <li>• Inform plan participant and practitioners of key newly published regulations through speaking engagements at stakeholder conferences and media interviews</li> </ul> | <ul style="list-style-type: none"> <li>• Provide effective and timely communication with plan participants and other stakeholders</li> <li>• Inform stakeholders about provisions of key legislative and regulatory proposals</li> <li>• Foster consistent, fair, and impartial treatment of participants and stakeholders, including those who belong to historically underserved communities</li> </ul> |
| <p>Strengthen enterprise risk management</p>                        | <ul style="list-style-type: none"> <li>• Implement OMB A-123 enterprise risk management requirements</li> </ul>  | <ul style="list-style-type: none"> <li>• Continuously seeking to improve program maturity level</li> </ul>  |
| <p>Strengthen contract oversight to reduce enterprise-wide risk</p> | <ul style="list-style-type: none"> <li>• Implement ongoing workshops or training to improve contractor oversight</li> <li>• Implement an enterprise-wide plan to improve contract oversight</li> </ul>   | <ul style="list-style-type: none"> <li>• Implement an enterprise-wide plan to improve contract oversight</li> <li>• Implement ongoing activities and training to streamline and improve contractor oversight</li> </ul>   |

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|  | <ul style="list-style-type: none"> <li>• Improve accountability of acquisition processes</li> </ul> | <ul style="list-style-type: none"> <li>• Identify root causes and incorporate lessons-learned to improve future acquisitions</li> </ul> |
|--|---|---|

## OPERATIONS IN BRIEF

| OPERATIONS-IN-BRIEF <sup>1</sup>  |             |             |                                   |
|---|-------------|-------------|-----------------------------------|
|   | 2022 Target | 2022 Actual | 2021 Actual                       |
| <b>GOAL 1: Preserve Plans and Protect Pensions</b>  |             |             |                                   |
| Single-Employer Plan Participants Protected – Employers Emerging from Bankruptcy During the Year  |             | TBD         | 99,345                            |
| Single-Employer Plan Standard Termination Audits: Additional Payments   |             | TBD         | \$2.6M paid to 1,462 participants |
| Single-Employer Benefit Payments for Terminated Plans   |             |             |                                   |
| <ul style="list-style-type: none"> <li>• Participants Receiving Benefits</li> </ul>   |             | TBD         | 970,000                           |
| <ul style="list-style-type: none"> <li>• Benefits Paid</li> </ul>   |             | TBD         | Over \$6.4B                       |
| <ul style="list-style-type: none"> <li>• Participants Expected to Receive Future Benefits</li> </ul>  |             | TBD         | 570,000                           |
| Multiemployer Plan Financial Assistance   |             | TBD         | \$230M to 109 plans               |
| Multiemployer Participants in Insolvent Plans   |             |             |                                   |
| <ul style="list-style-type: none"> <li>• Total Participants in Plans Receiving Financial Assistance (FA) <ul style="list-style-type: none"> <li>○ Participants in Plans that have Received SFA</li> <li>○ Participants in Plans Receiving Regular FA</li> </ul> </li> </ul> |             | TBD         | 80,786                            |
| <ul style="list-style-type: none"> <li>○ Participants in Plans that have Received SFA</li> </ul>  |             | New         | n/a                               |
| <ul style="list-style-type: none"> <li>○ Participants in Plans Receiving Regular FA</li> </ul>  |             | New         | n/a                               |
| <ul style="list-style-type: none"> <li>• Total Amount of FA Paid to ME Plans <ul style="list-style-type: none"> <li>○ SFA Payments</li> <li>○ Regular FA Payments</li> </ul> </li> </ul>  |             | New         | n/a                               |
| <ul style="list-style-type: none"> <li>○ SFA Payments</li> </ul>  |             | New         | n/a                               |
| <ul style="list-style-type: none"> <li>○ Regular FA Payments</li> </ul>   |             | New         | n/a                               |
| <b>GOAL 2: Pay Timely and Accurate Benefits</b>   |             |             |                                   |
| Estimated Benefits Within 10% of Final Calculation  | 95%         | TBD         | 98%                               |
| Average Time to Provide Benefit Determinations (Years)  | 5.0         | TBD         | 5.9                               |
| Improper Payment Rates Within OMB Threshold <sup>2</sup>  | <1.5%       | TBD         | Yes                               |
| <b>GOAL 3: Maintain High Standards of Stewardship and Accountability</b>  |             |             |                                   |
| Retiree Satisfaction – ACSI <sup>3</sup> Score  | 90          | TBD         | 88                                |

<sup>1</sup> Numbers in this report have been rounded.

<sup>2</sup> The OMB threshold for significant improper payment reporting is as follows: amounts that exceed (1) both 1.5 percent and \$10 million in improper payments, or (2) \$100 million in improper payments

<sup>3</sup> The American Customer Satisfaction Index (ACSI) uses a 0-100 scale; 80 or above is considered excellent.

| <b>OPERATIONS-IN-BRIEF<sup>1</sup></b>   |     |     |         |
|--|-----|-----|---------|
| Participant Caller Satisfaction – ACSI Score   | 85  | TBD | 76      |
| Premium Filer Satisfaction – ACSI Score  | 74  | TBD | 77      |
| Single-Employer – Financial Net Position   |     | TBD | \$30.9B |
| Multiemployer – Financial Net Position   |     | TBD | \$0.5B  |
| Unmodified Financial Statement Audit Opinion   | Yes | TBD | Yes     |
| <b>Achieve “Managing Risk” on OMB’s Annual FISMA Report Cybersecurity Risk Management Assessment (RMA)</b> | Yes | TBD | Yes     |

## PBGC PROGRAM EVALUATIONS

PBGC conducts rigorous internal program evaluations. The Corporation frequently uses independent consultants to help make continuous improvements to programs and support operations. In the following sections, PBGC has outlined current and recent evaluations initiated by the Corporation and its external stakeholders to ensure that programs are operating effectively, efficiently and with integrity.

### INTERNAL EVALUATIONS

**Internal Control Committee** – PBGC’s Internal Control Committee oversees the testing and reporting of management controls for key business processes. PBGC maintains an active internal control program to ensure that financial reporting, IT, and other controls are in place and effective. This program 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. This statement is included in PBGC’s annual report.

**Operational Reviews** – PBGC periodically assesses the effectiveness of its operations to identify opportunities for improvement. The Corporation collaborates with other federal agencies through inter-agency agreements to review services, operating practices, and security. PBGC also has a Quality Management Department that serves as a resource for PBGC executives and managers to review programs and processes. These resources are used to identify potential improvements, update, or develop new procedures and improve the effectiveness and efficiency of corporate operations and customer support through process mapping and improvement and automation activities.

**Regulatory Reviews** – PBGC strives to have open exchanges of information with stakeholders, including the public, experts, and policymakers. With input from stakeholders, the Corporation continues to focus on reducing burden in various areas including reporting and disclosure, premiums, plan terminations and liability for business shutdowns and layoffs. PBGC continuously reviews regulations and obtains public input on future regulatory and deregulatory activities.

**Data Verification and Validation Assurance** – In compliance with OMB Circular A-11, Part 6, PBGC implemented new data verification procedures. The Corporation implemented rigorous data verification and validation actions to provide reasonable assurance that data information is reliable. Using an interactive Excel spreadsheet, departments:

- Indicate whether the data source is internal or external.
- Insert data source references from credible data source reports and/or electronic links for any source document data.
- Provide brief explanation of efforts taken to verify and validate performance data including oversight and certifications.
- Provide a data quality rating of either high, medium, or low.

PBGC recognizes the importance of collecting complete, accurate, and reliable performance data, because it helps determine progress toward achieving program and agency goals and objectives. This new process will ensure data is reliable and accurate.

## EXTERNAL EVALUATIONS

**American Customer Satisfaction Index (ACSI) and ForeSee Customer Experience Analytics (CXA) –** PBGC uses ACSI and CXA survey methodologies to solicit input from all customer segments about their experiences with the Corporation. Because these methodologies are research-backed and widely used throughout government and industry, PBGC is able to compare itself to other government and private organizations, as well as gauge the effectiveness of its efforts to improve customers’ experiences.

**Annual Financial Statement Audit –** PBGC has contracted one of the top four independent accounting firms to audit its financial statements each year. For 29 consecutive years, PBGC has attained an unmodified audit opinion on its financial statements. These audits point out areas for improvement in controls and processes.

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

**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. PBGC management will continue to rely upon the GAO for guidance to help improve performance and ensure accountability.

**Office of Government Ethics (OGE) –** PBGC leadership continues to integrate ethics into the daily work of the Corporation. OGE periodically reviews the effectiveness of PBGC’s ethics program. In 2020, when OGE last performed an inspection review of PBGC’s program, OGE found it to be effectively administered and in compliance with applicable laws, regulations, and policy.”

The Corporation’s 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 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 and conducts the annual financial audit.

**Office of Management and Budget (OMB)** – OMB in accordance with the Federal Information Security Modernization Act of 2014 (FISMA) publishes a report for the Executive Office of the President that provides agency cybersecurity performance summaries. PBGC is included as one of the agencies in this government-wide assessment.

**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. 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.

**Peer Reviews** – In response to the Moving Ahead for Progress in the 21st Century Act of 2012, PBGC works with a capable agency or organization that is independent from PBGC to conduct an annual peer review of the Single-Employer Pension Insurance Modeling System and the Multiemployer Pension Insurance Modeling System.

## **BENCHMARKING PERFORMANCE**

Customer service is inherent to PBGC's mission. PBGC sets targets, measures performance, and compares results to the best in the private sector and government, then uses this information to reinforce its commitment to excellent customer service.

- **Set Targets:** PBGC maintains [service targets](#) for customer groups and regularly reports on [performance](#) against goals. Customer satisfaction scores reflect the success of PBGC's efforts to serve both the people who count on the Corporation, and the companies and professionals that sponsor and administer ongoing pension plans.
- **Compare PBGC Service to the Best:** PBGC uses the objective third-party American Customer Satisfaction Index and ForeSee Customer Experience Analytics survey methodologies to compare its performance to the services provided by both government and private entities. Feedback from the surveys is used to allocate resources and to make informed decisions and improvements that matter to customers.
- **Reinforce PBGC's Commitment:** Supervisors evaluate all employees against a customer service performance standard. PBGC employees are kept aware of customer needs, wants and perceptions. PBGC routinely performs the following to promote awareness:
  - Post customer survey data daily on the internal website for all employees to view.
  - Train customer service representatives and conduct quality reviews of customer calls.
  - Review policies and regulations to assure ease of use by customers.
  - Use customer and employee suggestions to improve service.
  - Highlight customer feedback and satisfaction levels in quarterly and annual performance reports.

## PLANNING FOR THE FUTURE

PBGC will continue to deliver an outstanding customer experience. Initiatives underway will:

- **Decrease** the time it takes to notify participants of their final benefit.
- **Enhance** MyPBA with frequently requested functions like online self-service tools for participants and retirees.
- **Simplify** navigation and search features of PBGC.gov so customers can quickly get to the information they need.

PBGC continues to listen to its customers to appropriately allocate resources and deliver responsive customer service.

## APPENDIX A: PBGC FIVE-YEAR TREND DATA

Using the following charts and dates as an example, PBGC will provide a snapshot of strategic goal alignment with priority performance measures with key workload drivers highlighted. Trend analysis will inform strategy and resource needs.

| Goal 1. Preserve Plans and Protect Pensions  |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|
| Measure  | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
| Single-Employer Plan Participants Protected – Employers Emerging from Bankruptcy During the Year |         |         |         |         |         |
| Single-Employer Plan Standard Termination Audits: Additional Payments                            |         |         |         |         |         |
| <b>Single-Employer Benefit Payments for Terminated Plans:</b>                                    |         |         |         |         |         |
| • Participants Receiving Benefits  |         |         |         |         |         |
| • Benefits Paid  |         |         |         |         |         |
| • Participants Expected to Receive Future Benefits   |         |         |         |         |         |
| Multiemployer Plan Financial Assistance  |         |         |         |         |         |
| <b>Multiemployer Participants in Insolvent Plans:</b>  |         |         |         |         |         |
| • Total Participants in Plans Receiving Financial Assistance (FA)                                |         |         |         |         |         |
| ○ Participants in Plans that have Received SFA   |         |         |         |         |         |
| ○ Participants in Plans Receiving Regular FA   |         |         |         |         |         |
| • Total Amount of FA Paid to ME Plans  |         |         |         |         |         |
| ○ SFA Payments   |         |         |         |         |         |
| ○ Regular FA Payments  |         |         |         |         |         |
| Goal 2. Pay Timely and Accurate Benefits   |         |         |         |         |         |
| Estimated Benefits Within 10% of Final Calculation   |         |         |         |         |         |
| Average Time to Provide Benefit Determinations (Years)   |         |         |         |         |         |

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| Improper Payment Rates Within OMB Threshold <1.5%   |  |  |  |  |  |
| <b>Goal 3. Maintain High Standards of Stewardship and Accountability</b>                            |  |  |  |  |  |
| Retiree Satisfaction – ACSI Score   |  |  |  |  |  |
| Participant Caller Satisfaction – ACSI Score  |  |  |  |  |  |
| Premium Filer Satisfaction – ACSI Score   |  |  |  |  |  |
| Single-Employer – Financial Net Position  |  |  |  |  |  |
| Multiemployer – Financial Net Position  |  |  |  |  |  |
| Unmodified Financial Statement Audit Opinion  |  |  |  |  |  |
| Achieve “Managing Risk” on OMB’s Annual FISMA Report Cybersecurity Risk Management Assessment (RMA) |  |  |  |  |  |

## APPENDIX B: PBGC ORGANIZATIONAL STRUCTURES AND FUNCTIONS

PBGC is managed 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.

The Corporation is aided by a seven-member Advisory Committee appointed by the President to represent the interests of labor, employees, and the general public. The Employee Retirement Income Security Act of 1974 (ERISA) outlines several responsibilities for PBGC's Advisory Committee, including advising on investment policy and on other matters related to PBGC's mission.

### PBGC OFFICES

The **Office of the Director** (OD) plans, administers, and directs PBGC's programs in accordance with the requirements of Title IV of the Employee Retirement Income Security Act of 1974 and is subject to the direction of the Chairman of the Board of Directors to implement the policies of the Board of Directors; and provide appropriate advice and assistance to the Chairman and Board of Directors.

- **Equal Employment Opportunity Office** assists in the eradication of employment discrimination, improves diversity in the workplace and creates an environment where all PBGC employees are valued, respected and free to develop and perform to their fullest potential.
- **Risk Management Officer** oversees enterprise-wide risks, ensuring that risk assessment results are considered in the strategic planning process, and that governance and controls are in place to manage and quantify risks.

The **Office of Policy and External Affairs** (OPEA) oversees and directs outreach to PBGC's external stakeholders, including the press; interacts with the Congress, Executive Branch agencies and industry and labor groups on ERISA and PBGC issues; and coordinates analysis, research, and recommendations for the development of policy, regulations, and legislation. OPEA includes two departments:

- **Communications Outreach and Legislative Affairs** (COLA) organizes, directs, and implements a comprehensive external and internal communications program to enhance the knowledge and understanding of the PBGC mission, programs, and services through the various public entities it serves. Stakeholders include participants, the pension community (e.g., practitioners, plan sponsors, plan administrators), and groups and organizations representing labor, retirees, and businesses that sponsor pension plans.
- **Policy, Research and Analysis Department** (PRAD) 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 **Office of the Chief Financial Officer** (OCFO) plans and directs the efficiency and effectiveness of the financial management programs and operations of the Corporation; oversees the investment portfolio and serves as principal advisor to the Director on the establishment and maintenance of adequate internal controls; and ensures program compliance with respect to premium and financial assistance. The OCFO includes three departments:

- **Corporate Controls and Reviews Department** (CCRD) performs evaluations and management advisory services for PBGC management and provides objective reports and other products to PBGC management.
- **Corporate Investment Department** (CID) provides investment management services for plans trusted by PBGC and assets managed by the Corporation.
- **Financial Operations Department** (FOD) administers the Corporation's financial and accounting programs.

The **Office of Management and Administration** (OMA) plans and directs the efficiency and effectiveness of the Corporation's management and administrative policies and programs including strategic planning, customer service, budget formulation and execution, procurement, human resources, quality management, and facilities and services. The OMA includes five departments:

- **Budget Department** (BD) plans, administers, and reports on the Corporation's budget. BD manages the formulation and execution of PBGC's budget, ensuring that it is executed within resources provided and manages the allocation and reallocation of resources, including full-time-equivalent work years. BD serves as PBGC's primary contact for budget matters at OMB, DOL and Congress.
- **Human Resources Department** (HRD) provides PBGC managers with a diverse team of leaders and professionals who can learn, contribute, and grow to their fullest potential in support of the Corporation's mission. HRD formulates, coordinates, and executes initiatives, programs and policies that support the federal human capital needs of the Corporation's mission, strategic plan, and business objectives.
- **Procurement Department** (PD) is responsible for the acquisition of all goods and contract services used by PBGC to accomplish its mission.
- **Quality Management Department** (QMD) develops the Corporation's strategic plan, annual performance plan and annual performance report, while assessing business processes and customer feedback to identify improvements. QMD uses performance data to inform corporate decisions and employs business analytics to support continuous process improvement in support of PBGC's mission.
- **Workplace Solutions Department** (WSD) plans and administers PBGC's facility management, including its lease administration and space utilization programs, office support, building safety and security, Continuity of Operations (COOP), disaster preparedness and recovery programs, records management program and Controlled Unclassified Information (CUI) program.

The **Office of the General Counsel** (OGC) provides legal advice and counsel for the Director and the Corporation on all legal issues pertaining to ERISA, bankruptcy related legal actions, insolvency proceedings, and settlement decisions. OGC also decides administrative appeals of benefit coverage and other determinations and administers the disclosure and other requirements of the Freedom of Information Act and the Privacy Act. OGC consists of four departments: General Law and Operations; Program Law and Policy; Bankruptcy, Litigation and Terminations; and Bankruptcy, Transactions and Terminations.

- The **Bankruptcy, Litigation and Terminations Department** and the **Bankruptcy, Transactions and Terminations Department** provide the legal support for the single-employer program work of the Office of Negotiations and Restructuring by advising on ERISA, bankruptcy, and administrative law issues, performing legal work for transactions to mitigate program risk, and conducting litigation in all federal, state and bankruptcy courts.
- The **General Law and Operations Department** is the catch-all Department within OGC. It is responsible for FOIA, privacy, ethics, procurement, personnel and labor law, appropriations questions, and includes the Appeals Division, which reviews decisions on participants' benefits and employer liability.
- The **Program Law and Policy Department** provides comprehensive legal advice and counsel for the General Counsel and the Corporation with respect to legislative, regulatory and policy issues pertaining to PBGC's mission; comprehensive legal services with respect to PBGC's Multiemployer Program; and legal advice with respect to PBGC's benefit determinations.

The **Office of Negotiations and 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, ONR pursues claims to recover additional assets that help PBGC pay benefits. ONR's responsibilities also include PBGC's review of standard terminations and management of the multiemployer insurance program and actuarial analysis of single-employer and multiemployer plan transactions to enable PBGC to mitigate risks to both of its insurance programs.

- The **Corporate Finance and Restructuring Department** (CFRD) monitors the corporate events and transactions of insured, defined benefit pension plan sponsors, and provides financial analysis, actuarial analysis and negotiations support that enables PBGC to mitigate risk exposure to the defined benefit insurance program, the participants, and PBGC.
- The **Negotiations and Restructuring Actuarial Department** (NRAD) supports the Single-Employer and Multiemployer Insurance Programs by providing actuarial analysis of underfunded plans and the implications of changes to plans and their sponsors in pursuit of mitigating the risk exposure to the insurance programs, the participants and PBGC. NRAD delivers its mission through the Negotiations and Restructuring Actuarial Branch 1 (NRAB1) and Negotiations and Restructuring Actuarial Branch 2 (NRAB2).
- The **Plan Compliance Department** (PCD) manages PBGC's multiemployer insurance program, standard termination activities, and ensure plan compliance with PBGC regulations and ERISA. Makes determinations on plan coverage and classifications. Provides advice and technical assistance to plan administrators, service providers, the general public, and other stakeholders. Monitors, reviews, and acts on required multiemployer and standard termination filings. Provides financial

assistance to insolvent multiemployer plans. Conducts audits of terminated or insolvent multiemployer plans and a statistically significant number of standard termination filings.

The **Office of Benefits Administration** (OBA) 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.

- The **Actuarial Services and Technology Department** (ASTD) provides actuarial oversight and expertise supporting PBGC benefit calculation, valuation, and administration, and provides programmatic management, technical support, and quality assurance for OBA IT systems.
- The **Participant Services Department** (PSD) ensures cases are processed timely and efficiently in accordance with the law, regulations and operational needs; provides oversight for case management activities and policy development, and determines operational impact; coordinates with departments internal and external to OBA and PBGC on case processing activities and policy; forecasts results to inform senior leadership decisions; facilitates resolution of issues affecting case processing or policy; and provides post-approval benefit payment services for trusted plans, settlement agreements, and assigned non-trusted plans in accordance with PSD standards for quality and timeliness.
- The **Plan Asset and Data Management Department** (PADMD) provides oversight of the asset evaluation branches and determines the value of assets and non-actuarial liabilities for all PBGC trusted pension plans, as of their date of plan termination.

The **Chief Information Officer** is responsible for the Corporation's IT program. The CIO provides IT and electronic communications services and support to PBGC; plans, 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 for PBGC. The Office of the CIO consists of four departments:

- **Business Innovation Services Department** (BISD) delivers IT solutions and support systems for the Corporation. This includes the modernization of key systems and the execution of technology to support business process improvements across the Corporation.
- **Enterprise Cybersecurity Department** (ECD) implements, manages, and oversees all aspects of cybersecurity for PBGC. This includes developing and promulgating corporate-wide security policies, standards, procedures, training, and guidance, while monitoring and assessing the compliance of those security policies and procedures within the PBGC business areas.
- **Enterprise Governance Department** (EGD) develops and manages the strategic planning, policy, enterprise architecture, capital planning and budget formulation and execution for IT investments functions. Collectively, these activities form the cradle to grave governance structure for IT products and services for the Corporation.
- **Information Technology Infrastructure Operations Department** (ITIOD) 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 that supports the overall business continuity.

The **Office of Inspector General** (OIG) is an independent entity within PBGC. OIG's mandate is to detect and prevent fraud, waste, abuse, and violations of law, and promote economy, efficiency, and effectiveness in

PBGC programs and operations. The OIG provides independent, positive engagement through its audits, investigations, inspections, reviews, and evaluations. In addition, the OIG provides objective information on significant conditions and events to improve PBGC management and program operations. The OIG reports directly to PBGC's board of directors and Congress regarding major developments associated with audit and investigative missions, including a required semi-annual report of accomplishments.

The **Office of Participant and Plan Sponsor Advocate** (OPPSA) is an independent entity within PBGC. The Advocate is selected by PBGC's board of directors and reports to PBGC's board of directors and Congress. The Advocate acts as liaison between PBGC and participants and plan sponsors of defined benefit plans. The Advocate helps participants with the full attainment of their rights in plans trusted by the corporation and assists plan sponsors in resolving disputes with the corporation. The Advocate may also propose changes to PBGC administrative practice to mitigate problems as well as suggest legislative changes to address systemic problems. The Advocate also identifies areas where participants and plan sponsors have persistent problems in dealings with PBGC and may propose changes in PBGC's administrative practices and recommend legislative changes to mitigate problems. The Advocate provides an annual report to PBGC's congressional committees of jurisdiction, PBGC's board of directors, and PBGC's Director.

## **APPENDIX C: EVIDENCE BUILDING**

PBGC maintains a robust suite of research tools that provide evidence to support strategic and annual planning, as well as monitor progress toward achieving performance objectives and strategic goals.

### ***Long-Term Forecasting***

#### **Projections Report**

The Projections Report provides multi-year projections of the financial condition of PBGC's Single-Employer and Multiemployer Insurance Programs. The Projections Report starts from the current financial position and then simulates PBGC's financial condition 10 or more years into the future based on different economic scenarios. The projections are estimates, not predictions.

#### **Pension Insurance Modeling System (PIMS)**

To make projections on the future status of PBGC's insurance programs, PBGC uses two stochastic modeling systems: the Multiemployer Pension Insurance Modeling System (ME-PIMS) and the Single-Employer Pension Insurance Modeling System (SE-PIMS). Each model relies on running many simulations under differing economic scenarios to derive a range of possible future outcomes. However, there is no single projection that represents the expected results under either program. During the time period covered by this Strategic Plan, PBGC will be developing a new model architecture for PIMS to achieve improved modeling performance, scalability, and stability. This modernization effort will transform the technical infrastructure of the PIMS model to strengthen PBGC's security posture and streamline maintenance and operational costs.

#### **Pension Insurance Data Tables**

To provide historical perspective on the long-term trends in PBGC's insurance program, PBGC annually prepares charts showing basic financial and coverage data, as well as time series information regarding important aspects of the insurance programs.

### ***Intermediate Planning***

#### **Early Warning**

An important aspect of the pension preservation mission is PBGC's Early Warning Program (EWP) for single-employer plans, which dates back more than 20 years. Under the EWP, PBGC works with employers to preserve their pension plans and protect the retirement security of their workers and retirees, while maintaining premiums at the lowest level consistent with carrying out its obligations under ERISA Title IV.

To protect participants, PBGC regularly monitors corporate transactions or events that could affect a plan sponsor's ability to continue to support its pension plan. The regular monitoring of corporate transactions also helps PBGC project its workload, manage its resources, and mitigate program risks.

## APPENDIX D: CUSTOMER SERVICE PLAN

Customers are at the core of PBGC's mission. PBGC gathers feedback from its customers through customer surveys, reviews gaps in customer service expectations, and implements technology and process improvements to close gaps and improve the customers' experiences. Surveys provide valuable benchmarking insight and track trends in customer satisfaction.

### PBGC SURVEYS

#### *Federal Employee Viewpoint Survey (FedView)*

The FedView Survey is an OPM sponsored survey that measures employees' perceptions of whether, and to what extent, conditions that characterize successful organizations are present in their agencies. The survey results are used to support employee engagement, foster a diverse work culture, and improve the work environment.

#### *Telephone Surveys*

PBGC uses telephone surveys to gather feedback from its customers, including retirees, premium filers, and callers to the Corporation's Customer Contact Center. Surveys are conducted by Claes Fornell International (CFI) Group using The American Customer Satisfaction Index (ACSI) methodology to evaluate PBGC's services to these customers. ACSI surveys use a proven statistical methodology to identify where improvements can be made and allow benchmarking with other organizations.

#### *Online Surveys*

Online surveys collect continuous feedback, enabling PBGC to promptly address customer concerns. PBGC conducts four online surveys measuring user satisfaction. These surveys cover:

- Online service for participants using My Pension Benefit Access (MyPBA).
- Online service for practitioners using My Plan Administration Account (My PAA).
- The PBGC.gov website.
- Opt-in Feedback survey invites customer feedback via key website pages. These informal surveys are used to identify page-specific improvements.

PBGC customers include participants, practitioners, and website visitors. The online surveys are conducted by a private third-party vendor, ForeSee using the ForeSee Customer Experience Analytics.

### CUSTOMER SERVICE FOR PARTICIPANTS

- **Online Web Portal, MyPBA:** PBGC provides customers with a self-service web portal, My Pension Benefit Access (MyPBA).
  - MyPBA allows customers to update profile information such as address and phone number, request a benefit calculation, apply for benefits, update tax withholding or direct deposit information, or print income verifications or end of year tax statements (1099-R).

- PBGC upgraded MyPBA in 2021 to provide more robust security and identity authentication, incorporating multi-factor authentication. This enhanced security allows customers to set up their own account and simplifies the password requirement, addressing two of the most common customer complaints over the last three years.
- MyPBA will also serve as the future platform for providing online benefit estimates. Online estimates are something customers have been requesting for years, and it will shorten the time of delivery from 45 days to just minutes.
- **Customer Contact Center:** PBGC provides a toll-free customer contact center to handle participant inquiries. The Customer Contact Center can handle approximately 2,500 calls per day, with the intention of answering 80 percent of calls within the first 30 seconds.
  - PBGC modernized its phone system in 2019 and its customer relationship management (CRM) software in 2021. These modernizations enable better integration and enhanced customer recognition and identity verification. The modernized CRM also provides for more real-time transparency and analytics related to call topics and workflow status.
- **Dedicated Problem Resolution Officers:** For more than 20 years, PBGC has long employed two dedicated problem resolution officers (PRO) – one for participants and one for practitioners. Each PRO is assigned to resolve individual questions and concerns.
- **Social Media:** PBGC hosts an online subscription service for news releases and updated content on selected topics. PBGC also has Facebook, Twitter, and LinkedIn accounts to share both PBGC-specific news, and stories of general interest, to the retirement security community.
- **Solicit Customer Feedback:** PBGC gathers feedback from customers daily. PBGC uses three surveys to invite feedback from monthly payees, users of MyPBA, and participants who call its toll-free number. All three surveys allow customers to request a “callback” to allow PBGC to address individual questions and concerns.
- **Quality Monitoring:** PBGC records and reviews customer calls to ensure the quality of service. Calls are rated and the ratings are used to correct quality issues.

**Customer Service for Practitioners:** PBGC actively engages practitioners in many ways, including regular communication, an online premium filing tool, a toll-free number, and industry event participation.

- **Solicit Comments:** Industry experts comment on PBGC proposals to make compliance more straightforward and easier.
- **Provide Frequent Communication:** Through social media, email, and web content, PBGC communicates regularly with practitioners. “What’s New for Practitioners” listserv alerts practitioners to changes in regulations, filing due dates, technical guidance, and other policy-related information.
- **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. PBGC’s website also provides extensive information on premium filings and regulations.

- New and improved My PAA Tool: a new and improved version of My PAA launched in April 2021 with a new look and feel designed to enhance customer experiences with plan management, premium filing, and payment processing. System improvements will continue based upon practitioner feedback.
- ***Participate in Industry Events:*** PBGC participates in several conferences sponsored by relevant professional organizations. PBGC presents invaluable information at these events to help practitioners successfully comply with their responsibilities in addition to seeking opportunities to address PBGC-related questions. PBGC maintains a speaker's bureau of experts willing and available to speak to interested groups.
- ***Website Visitors:*** PBGC actively engages visitors via PBGC.gov by providing timely information and soliciting customer feedback. The Feedback surveys allow PBGC to capture actionable, page-specific, customer input on key website pages. They are brief opt-in surveys accessed by clicking on a "feedback" badge.
- ***Provide Important Resources Online:*** PBGC.gov provides extensive resources of interest to varied audiences including the latest information for workers, retirees, plan administrators, policymakers, and other stakeholders; PBGC-related laws and regulations; listings of trusted and insured pension plans; and information about how to contact PBGC.
- ***Make Continuous Improvements:*** PBGC.gov incorporates customer feedback, web analytics, and site performance metrics into improvements to site content, navigation, and design. The site is constantly being improved to meet customers' changing needs and expectations, as well as to comply with the latest security and privacy requirements.
- ***Listen to Practitioners:*** PBGC listens and seeks to build on its successes with ever-improving service. PBGC hosts forums to air practitioners' varying perspectives on PBGC regulations and policies and solicits feedback via surveys of premium filers and users of My PAA. The Office of the General Counsel also staffs a general inquiry line to field legal questions from practitioners.