September 21, 2015

Office of the General Counsel
Pension Benefit Guaranty Corporation
1200 K Street, NW.
Washington, DC 20005-4026

Dear Sir or Madam,

Subject: Comment Letter Regarding Proposed Rule under ERISA Section 4010 – Changes to Waivers (RIN 1212-AB30)

WellStar Health System respectfully requests your consideration of our comments regarding the proposed regulation to restrict the reporting waiver under the current regulation to small controlled groups (i.e., those groups with less than 500 plan participants) with aggregate plan underfunding of $15 million or less. We realize that the current regulations with respect to this waiver present many complex challenges, and appreciate this opportunity to respond with our comments.

Who We Are

WellStar is the largest not-for-profit community health system in Georgia operating five community hospitals serving northwest metro Atlanta. With nearly 14,000 team members, WellStar is recognized as a national leader in comprehensive care. Each year, more than 600,000 of our neighbors receive world-class service at a WellStar facility. Our pension plan is a key factor that allows us to attract and retain top talent to deliver world-class healthcare.

WellStar has an open pension plan that currently provides benefits to over 10,000 active participants and over 6,000 inactive participants. WellStar’s ability to attain the 80% threshold on a non-stabilized interest rate basis has become difficult due to the decline in interest rates. However, WellStar has been exempt from ERISA Section 4010 reporting because the WellStar pension plan is overfunded on a stabilized interest rate basis. As a result, the $15 million exemption has become critical in order for WellStar to avoid the ERISA Section 4010 reporting.
Comments
We realize that the PBGC believes this waiver, especially after MAP-21 and HATFA, resulted in critical information not being reported to the PBGC. As a result, the waiver increased the PBGC’s exposure by undermining its ability to timely intervene to protect potentially troubled plans, participant benefits, and the pension insurance system.

The restriction of the waiver (to smaller plans) will capture many large well-funded pension plans with $0 to $15 million in unfunded benefits, like WellStar’s, for which the PBGC may have little, if any, exposure. WellStar is one of several large, financially sound companies that would need to complete the ERISA Section 4010 filing on an annual basis if the proposed regulation was made into law. The PBGC would be targeting a much wider audience than necessary. This reporting is especially burdensome for large companies with complex controlled group arrangements.

Tying the $15 million threshold to non-stabilized rates wouldn’t be effective either because the PBGC would capture too many plans where the plan sponsors aren’t in any financial hardship. Essentially, this would be taking the PBGC from one extreme to another.

WellStar requests that the PBGC reconsider this proposed regulation with respect to the $15 million waiver only applying to smaller plans. We suggest the PBGC consider an alternative waiver for larger plans that would capture the target audience while still continuing to provide some relief as a result of the low interest rate environment. The following are a couple of suggestions for alternative waivers for larger plans:

- **Suggestion #1**: All plans within the controlled group must have a funded ratio of at least a certain percent (e.g., 90%) on a stabilized interest rate basis.
- **Suggestion #2**: Both criteria below must be met:
  1. All plans within the controlled group must have a funded ratio of at least a certain percent (e.g., 90%) on a stabilized interest rate basis.
  2. No more than $15 million in aggregate plan underfunding on a stabilized interest rate basis for the controlled group.
- **Suggestion #3**: Both criteria below must be met:
  1. All plans within the controlled group must have a per-participant underfunding of less than a certain amount on a stabilized interest rate basis.
  2. No more than $15 million in aggregate plan underfunding on a stabilized interest rate basis for the controlled group.

By including a funded ratio as part of the criteria (rather than a dollar-based threshold), the PBGC would be able to achieve its objectives irrespective of the size of the plan.

The PBGC may also want to consider using a percentage-based threshold as part of the waiver for smaller plans to keep a consistent measure across all plans. The PBGC’s exposure for smaller plans is probably just as great as that for larger plans that are exempt from the ERISA Section 4010 reporting due to the $15 million waiver.
Closing

WellStar appreciates the opportunity to provide input to the PBGC on this important proposed regulation. We would be happy to discuss any of this with you at your convenience. Please contact Teresa Hamilton, Executive Director, Employee Benefits at, 470-644-0341 or by email at teresa.hamilton@wellstar.org, if you have any questions or would like to discuss these items further.

Sincerely,

David W. Anderson, Executive Vice President
Human Resources/OL/CCO
WellStar Health System