



FY 2020 Agency Performance Plan

PBGC

PENSION BENEFIT GUARANTY CORPORATION

FY 2020 PBGC Annual Performance Plan

PBGC's current FY 2018-2022 Strategic Plan provides a framework for annual performance plans. PBGC conducts regular data-driven performance reviews. Agency leaders review performance data and status reports on a quarterly basis. The continuous evaluation of performance data and customer feedback helps agency leadership monitor what is working well and what may need to be adjusted. These performance reviews allow agency leaders to realign or adjust human capital and other resources to influence progress on agency goals and priorities.

PBGC's business operations, information technology programs, investment portfolios, budgets, finances, facilities, legal review, quality improvement, and procurement services 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. Every federal employee has a performance plan with objectives tied to the agency's strategic goals. Employees review their performance objectives and performance outcomes with their supervisor of record throughout the performance cycle. These highly skilled professionals, who are 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.

We publish an annual performance report of the agency's accomplishments. This framework is consistent with requirements outlined in the Government Performance and Results Modernization Act of 2010.

For the full FY 2018-2022 PBGC Strategic Plan please visit:

<https://www.pbgc.gov/sites/default/files/pb-gc-strategic-plan-2018-2022.pdf>

For the FY 2019 PBGC Annual Performance Plan please visit:

<https://www.dol.gov/sites/default/files/budget/2019/CBJ-2019-V2-02.pdf>

The table that follows is a summary of the FY 2018-2022 PBGC Strategic Plan.

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PBGC Strategic Plan					
Strategic Goal 1: Preserve Plans and Protect the Pensions of Covered Workers and Retirees					
Strategic Objectives	Performance Strategies				
<ul style="list-style-type: none"> • Encourage the continuation and maintenance of pension plans • Protect workers and retirees when plans are at risk • Assist policymaking to address the impending insolvency crisis in the multiemployer insurance program • Reduce the number of missing participants 	<ul style="list-style-type: none"> • Engage with employers, workers, and pension practitioners to encourage pension plan continuation and strengthen retirement security • Maintain a regulatory environment that serves the interests of stakeholders and minimizes the burdens of sponsoring a plan • Preserve plans during bankruptcy and other corporate transactions • Protect the retirement security of workers and retirees and the interest of premium payers in federal courts • Research and forecast insurance program activities • 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 • Provide technical assistance, analysis, and options to policymakers and Congress to improve the financial stability of the multiemployer program • Continue to provide financial assistance to insolvent multiemployer plans • Reunite plan participants with their lost pensions 				
Goal Leaders: <ul style="list-style-type: none"> • Chief of Negotiations and Restructuring • Chief Policy Officer • General Counsel 					
Performance Measures & Targets					
Goal 1 Performance Measures & Targets	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Participants protected as a result of our actions in bankruptcy cases where plan sponsors emerge from bankruptcy with plans ongoing	55,000	26,700	52,000	These activities are not amenable to targets	These activities are not amenable to targets
Additional payments resulting from standard termination enforcement actions	\$4.5 M to 940 people	\$4.6 M to 435 people	\$12.2M to 4,157 people	These activities are not amenable to targets	These activities are not amenable to targets
Performance Area (Dollars in thousands)			FY 2018	FY 2019	FY 2020
Pension Insurance	Total Funding (Dollars in thousands)		79,471	83,539	82,754
	Total FTE		211	209	213

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FY 2020 plan to achieve Goal 1 Performance Objectives:

1. PBGC will support Congressional and Executive Branch policymakers in analyzing and implementing solutions to the solvency issues facing multiemployer plans and PBGC's Multiemployer Insurance Program
2. PBGC will work with stakeholders to promote understanding of major program risks and possible mitigation strategies
3. PBGC will continue to be a primary resource for pension policy analysis and pension research products, education and guidance
4. PBGC will continue to monitor its largest exposures for transactions that may pose substantial risks to participants and retirees
5. PBGC will continue to audit a statistically significant number of plans terminating through standard termination, including all plans with more than 300 participants, to ensure pension plan participants receive the correct pension benefits
6. Monitor all multiemployer plans that receive financial assistance and audit a statistical sample based on risk of the plans to ensure accurate benefit payments to plan participants, efficient management of the remaining assets, and compliance with laws and regulations
7. Using robust search procedures continue to expand efforts to increase the number of missing participants located and paid
8. Communicate benefits of a defined benefit pension lifetime income via PBGC.gov, social media, and PBGC leadership speaking engagements
9. Provide technical assistance and practical guidance to plan sponsors on the implementation of proposed options to reduce employer risks while preserving plans and benefits
10. Perform rigorous cost-benefit analysis
11. Prioritize simplification and transparency
12. Collect pension insurance premiums due
13. Represent PBGC's interest in all bankruptcy cases involving defined benefit pension plans
14. Reduce administrative and regulatory burdens on plan sponsors
15. Deliver an annual projections report on the future status of the Single-Employer and Multiemployer Programs
16. Deliver pension insurance data tables annually to educate stakeholders on the fundamental facts of the single-employer and multiemployer programs
17. Deliver informal guidance to plans on the details of requesting early financial assistance from PBGC, and process applications promptly
18. Initiate regular meetings and/or events to educate and inform the multiemployer community (participants, plan sponsors, and other stakeholders) on the effects of the insolvency
19. Monitor all multiemployer plans that receive financial assistance and audit a statistical sample based on risk of the plans to ensure accurate benefit payments to plan participants, efficient management of the remaining assets, and compliance with laws and regulations

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PBGC Strategic Plan					
Strategic Goal 2: Pay Pension Benefits on Time and Accurately					
Strategic Objectives	Performance Strategies				
<ol style="list-style-type: none"> 1. Promote exceptional customer service to pensioners and provide a positive customer experience for plan participants and beneficiaries 2. Ensure regular monthly benefit payments continue without interruption 3. Provide accurate and timely benefit calculations 	<ul style="list-style-type: none"> • Promote exemplary customer satisfactions ratings and implement sensible solutions to improve the customer experience • Continue uninterrupted benefit payments in newly trustee plans • Process benefit applications timely • Improve the accuracy, timeliness, and completeness of benefit determinations • Provide a timely and efficient appeals process for PBGC benefit determinations 				
Goal Leaders:					
<ul style="list-style-type: none"> • Chief of Benefits Administration 					
Performance Measures & Targets					
Goal 2 Performance Measures & Targets	FY 2016 Result (Target)	FY 2017 Result (Target)	FY 2018 Result (Target)	FY 2019 Target	FY 2020 Target
Customer satisfaction rating for retirees and beneficiaries receiving benefits	90	91 (90)	89 (90)	90	90
Participant caller satisfaction	84 (83)	83 (83)	84 (85)	85	85
My PBA customer satisfaction	76 (77)	77 (77)	77 (77)	77	77
Benefit applications approved within 45 days	87% (87%)	87% (87%)	91% (87%)	87%	87%
Average time (years waiting) to issue benefit determinations (between trusteeship and benefit determination issuance)	6.3 (4.3)	6.2 (4.3)	6.1 (6.0)	(5.7)	(5.5)
Estimated benefits within 10% of final benefit determination	96% (95%)	93% (95%)	95%	95%	95%
Performance Area (Dollars in thousands)			FY 2018	FY 2019	FY 2020
Pension Plan Termination	Total Funding (Dollars in thousands)		170,416	188,353	200,833
	Total FTE		328	322	328

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FY 2020 plan to achieve Goal 2 Performance Objectives:

1. PBGC expects to see an increase in benefits administration activity due to the termination of the Sears pension plans. PBGC trustee the Sears plans on February 11, 2019 and is beginning to provide services to over 90,000 participants
2. Implement a new platform solution to enhance the customer experience through multi-channel, streamlined and modern communication options (web, chat, text, phone)
3. Reduce the number of unissued Benefit Determination Letters (BDLs) by prioritizing the oldest and the largest plans for completion
4. Modernize and consolidate field office operations
5. Resolve the majority of appeals within one year
6. Enhance the quality of OBA production and reduce the plan inventory
7. We expect to have the following annual workload results:
 - Trustee 80 plans with 40,000 participants, taking over payments from the prior plan administrator within 180 days of trusteeship
 - Process 35,000 benefit applications, 90% within 45 days
 - Fulfill 70,000 benefit calculation requests for non-retirees, including approximately 7,500 manual benefit calculations
 - Answer 500,000 calls from participants and process over 300,000 resulting transactions such as address changes and electronic deposit elections
 - Process 300,000 pieces of incoming mail and scanning 3,000,000 pages of documents
 - Take in 2,000 missing participants to locate, from 150 standard termination cases

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PBGC Strategic Plan	
Strategic Goal 3: Maintain High Standards of Stewardship and Accountability	
Strategic Objectives	Performance Strategies
<ul style="list-style-type: none"> • Provide exceptional customer service • Meet or exceed the financial and ethical standards that apply to PBGC as a major financial and government institution, and monitor cash flows • Maintain effective IT security • Maintain a high-performing workforce • Encourage and support a diverse and inclusive work environment that encourages employee engagement • Strengthen enterprise risk management • Strengthen transparency, disclosure, and communication • Strengthen contractor oversight to reduce enterprise-wide risks 	<ul style="list-style-type: none"> • Maintain exemplary customer satisfaction ratings • Manage investments prudently consistent with investment policy • Collect insurance premiums due • Continue to monitor the efficient use of PBGC’s cash flows • Maintain adequate IT security posture based on FISMA guidance and as measured by FISMA metrics • Retain and train a high-quality multidisciplinary workforce • Implement succession planning and workforce management activities • Foster a diverse, high-performing workforce • Support supervisors and managers on managing employee performance and conduct • Foster a culture of inclusion that encourages collaboration, flexibility, and fairness • Implement enterprise risk management strategies • Provide effective and timely communication with plan participants and other stakeholders • Inform stakeholders of provisions of key legislative and regulatory proposals • Implement an enterprise-wide plan to improve contract oversight
<p>Goal Leaders:</p> <ul style="list-style-type: none"> • Chief Management Officer • Chief Financial Officer • Chief Information Officer 	<ul style="list-style-type: none"> • General Counsel • Chief of Benefits Administration • Chief Policy Officer

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Performance Measures & Targets					
Goal 3 Performance Measures & Targets	FY 2016 Result (Target)	FY 2017 Result (Target)	FY 2018 Result (Target)	FY 2019 Target	FY 2020 Target
Customer satisfaction ratings:					
• Plan sponsors and premium filers	79 (73)	77 (73)	76 (74)	74	74
• My PAA	83 (79)	85 (79)	84 (80)	80	80
• Overall Customer Satisfaction	73 (80)	72 (80)	77 (80)	78	78
• PBGC.gov website	74 (74)	72 (75)	75 (75)	75	75
• Participant Caller	84 (83)	83 (83)	84 (85)	85	85
• My PBA	76 (77)	76 (77)	77 (77)	77	77
Financial statement audit	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified
Compliance with Improper Payments Elimination and Recovery Act	Yes	Yes	Yes	Yes	Yes
Reduce material weaknesses and significant deficiencies	Progress	Progress	Reduce	Reduce	Reduce
Compliance with the asset allocation listed in the current Investment Policy Statement	NA	NA	Yes	Yes	Yes
Compliance with EEOC MD-715 model work environment	Yes	Yes	Yes	Yes	Yes
Compliance with OMB A-123 enterprise risk management requirements	NA	Yes	Yes	Yes	Yes
Score in the top 40% of reporting agencies on OMB's Annual FISMA Report	NA	NA	Yes	Yes	Yes
Achieve a 69% positive score for	Yes	Yes	TBD (Yes)	Yes	Yes

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employee engagement on the Federal Employee Viewpoint Survey					
Achieve a Diversity and Inclusion/New IQ Index score of 62% or higher on the annual Federal Employee Viewpoint Survey	Yes	Yes	TBD (Yes)	Yes	Yes
Develop a succession plan and a workforce management plan for every office and critical position	NA	NA	75% complete	TBD (100% complete)	TBD
Performance Area (Dollars in thousands)			FY 2018	FY 2019	FY 2020
Operational Support	Total Funding (Dollars in thousands)		162,901	165,126	169,271
	Total FTE		427	420	427

FY 2020 plan to achieve Goal 3 Performance Objectives:

1. Research and implement at least six targeted improvements per year to agency communications (including PBGC.gov) in response to customer feedback and key performance indicators (surveys, etc.)
2. Maximize stakeholder education and outreach by holding frequent and regular meetings with participant groups, plan sponsors, practitioner groups, industry associations, and other stakeholders
3. Provide data-driven communications to stakeholders based on the latest pension research, data and projections
4. Inform plan participants and practitioners of key newly published regulations through speaking engagements at stakeholder conferences and through interviews
5. Collect pension insurance premiums due
6. Conduct quality due diligence on the PBGC investment portfolios
7. Continue to develop and implement risk management frameworks with continuous monitoring to ensure compliance with OMB circular A-123 to mitigate, reduce or accept identified risks
8. Integrate the Framework for Improving Critical Infrastructure Cybersecurity (M-17-25) into the IT management process
9. Ensure legal and regulatory compliance through implementation of appropriate policies, procedures, standards and guidance to achieve an unmodified audit opinion
10. Provide ethics training to at least 98% of new employees within 90 days of hiring
11. Provide privacy training for all new employees and contractors before badging or network access 99% of the time
12. Continue to implement recommendations and training that will improve contractor oversight

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TABLE 1: FY2018 SUMMARY OF PBGC MEASURES AND ACTIVITIES

	Target	2018	2017
Preserve Plans and Protect Pensions			
Participants Protected in Plans Emerging From Bankruptcy		52,000	26,700
Standard Termination Audits: Additional Payments		\$12.2 to 4,157 people	\$4.6M to 435 people
Pay Timely and Accurate Benefits			
Single-Employer –Participant Benefit Payments		861,000	840,000
Future Single-Employer – Participant Benefit Payments		532,474	559,000
Multiemployer Plan Financial Assistance – Number of Participants		62,300	63,700
Future Multiemployer Plan Financial Assistance – Number of Participants		27,800	30,000
Estimated Benefits Within 10 Percent of Final Calculation	95%	93%	93%
Average Time to Provide Benefit Determinations (Years)	4.3	6.1	6.2
Improper Payment Rates Within OMB Threshold ⁷	<1.5%	Yes	Yes
Applications Processed in 45 Days	87%	91%	87%
Ensure Superior Stewardship and Accountability			
Retiree Satisfaction – ACSI ⁸	90	89	91
Caller Satisfaction – ACSI	85	84	83
Premium Filer Satisfaction – ACSI	74	76	77
Overall Customer Satisfaction ⁹	80	77	72
Financial Position Surplus – Single-Employer		\$2.439B	(\$10.9B)
Financial Position (Deficit) – Multiemployer		(\$53.876B)	(\$65.1B)
Unmodified Financial Statement Audit Opinion	Yes	Yes	Yes

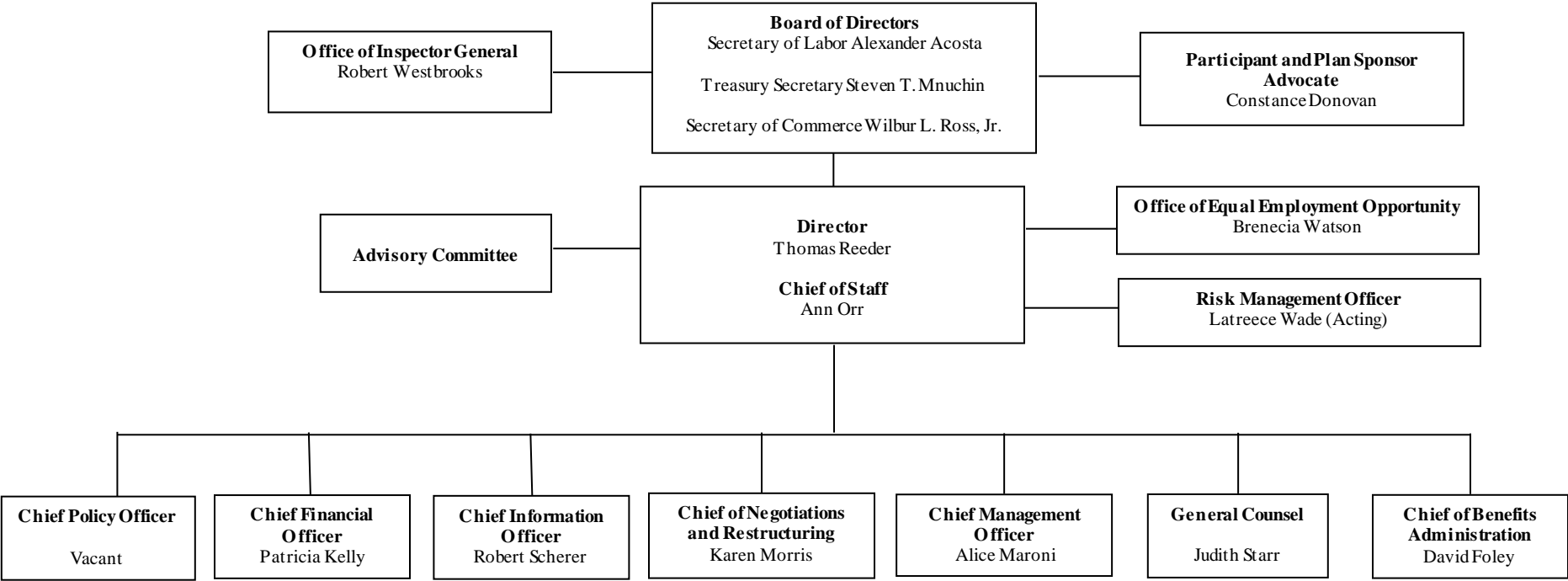
⁷ The OMB threshold for significant improper payment reporting is as follows: amounts that exceed (1) both 1.5 percent and \$10 million in improper payments, or (2) \$100 million in improper payments.


⁸ The American Customer Satisfaction Index (ACSI) uses a 0-100 scale; 80 or above is considered excellent.

⁹ This measures customer satisfaction with information and services provided by the Corporation.

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ORGANIZATION CHART





PENSION BENEFIT GUARANTY CORPORATION
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