

Pension Benefit
Guaranty Corporation

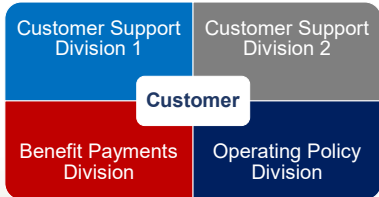
Participant Services Department

Presented By Michele Gray
Benefits Project Manager
November 13, 2023

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Participant Services Department

Structure



Mission
To provide comprehensive benefit administration services, oversight of contractor services, ensure efficiency and effectiveness of PBGC's service delivery to its customers, and develop OBA operational policy in accordance with legislative changes.

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Customer Support Divisions

Mission
To manage the timely and accurate delivery of all customer support services; manage and analyze contract customer support services to ensure the efficiency and effectiveness of services provided to participants.

Staffing
Otis Long and Nicholas Smith, Managers; 45 federal staff; 550 contract staff

Key Functional Areas



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Benefit Payments Division


Mission
To provide benefit payment transmission, disbursement, and reconciliation services for trustee plans, settlements agreements, and assigned non-trustee plans.

Staffing
David Smith, Manager; 9 federal staff; paying agent is a commercial bank

Key Functional Areas

- Payment quality control
- Exception payment handling
- Wire transfers, international direct deposit
- Internal controls and auditing support
- Payment reconciliation

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Operating Policy Division


Mission
To ensure that operational policies comply with regulations and legislative changes while meeting operational needs.

Staffing
Laura Stephens, Manager and 6 federal staff

Key Functional Areas

- Policy Development & Advice
- Policy Training & Education

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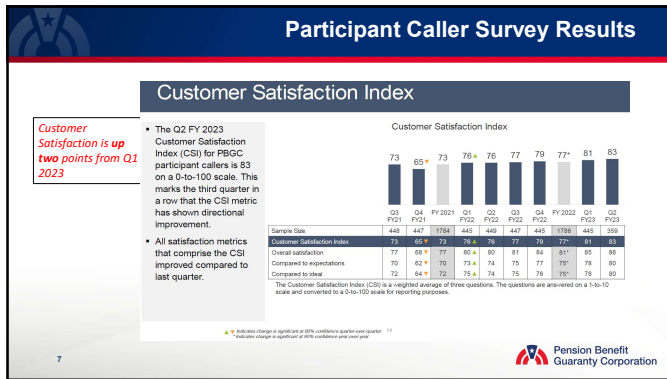
2023 Annual Volumes; Key Lines of Business

- Disbursed \$94M in lump sum and special payments and \$6.2B in regular, recurring payments
- Processed 28,000 benefit applications
- Completed 60,000 requests for calculations
- Issued 24,000 benefit determinations
- Processed 4,000 powers of attorney applications
- Found and paid 1,200 missing participants \$20M
- Received 476,000 phone calls in the Customer Contact Center; 95% answered within 30 seconds or less
- Received and processed 180,000 pieces of participant mail
- Recovered \$12.5M in overpayments

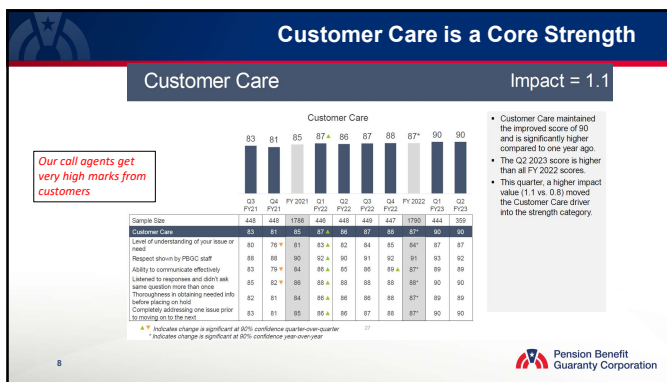
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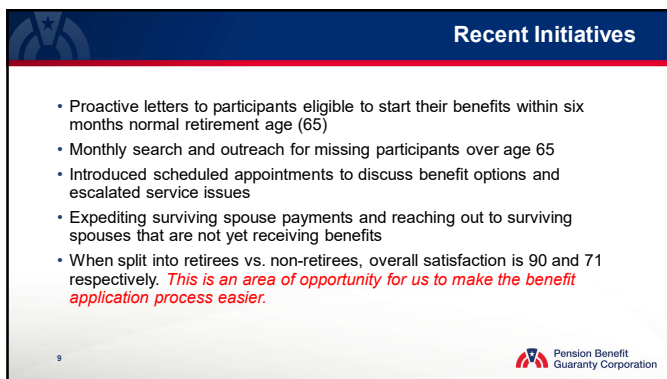
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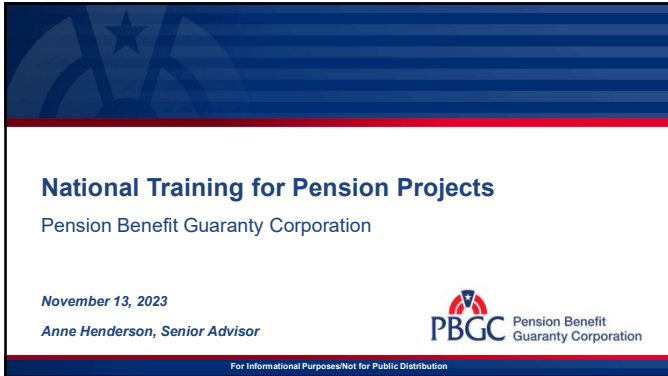


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**Closing**

THANK YOU

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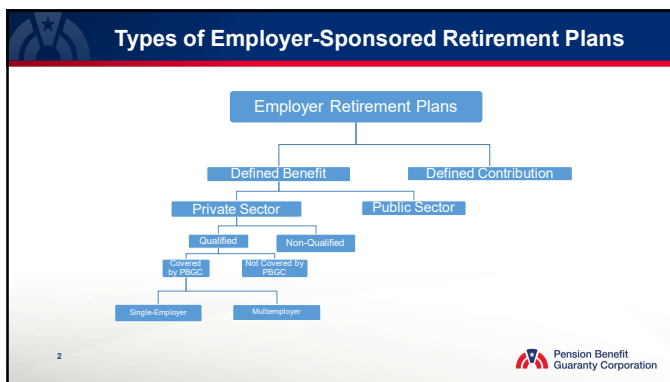
National Training for Pension Projects
Pension Benefit Guaranty Corporation

November 13, 2023
Anne Henderson, Senior Advisor

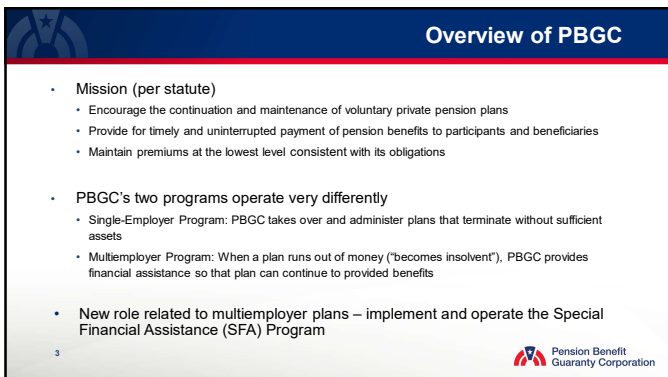
PBGC Pension Benefit Guaranty Corporation

For Informational Purposes/Not for Public Distribution

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Overview of PBGC

- **Mission (per statute)**
 - Encourage the continuation and maintenance of voluntary private pension plans
 - Provide for timely and uninterrupted payment of pension benefits to participants and beneficiaries
 - Maintain premiums at the lowest level consistent with its obligations
- **PBGC's two programs operate very differently**
 - **Single-Employer Program:** PBGC takes over and administer plans that terminate without sufficient assets
 - **Multiemployer Program:** When a plan runs out of money ("becomes insolvent"), PBGC provides financial assistance so that plan can continue to provided benefits
- **New role related to multiemployer plans – implement and operate the Special Financial Assistance (SFA) Program**

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PBGC Pension Benefit Guaranty Corporation

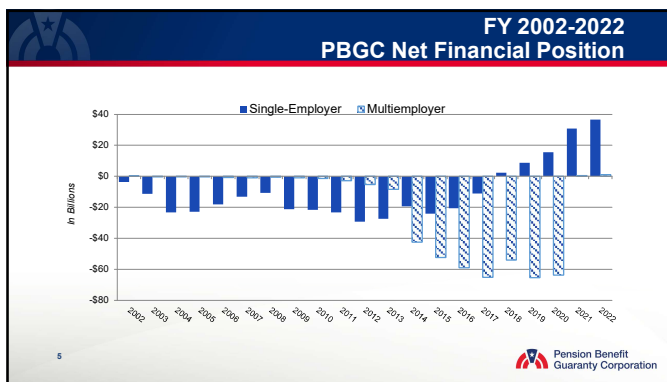
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Program Comparison FY 2022		
	Single-Employer	Multiemployer
Number of covered plans	23,800	1,360
Number of participants in covered plans	22.3 million	11.2 million
Insurable event	Plan Termination	Plan Insolvency
FY 2022 PBGC financial position		
• Assets	\$ 124.4B	\$ 3.5B
• Liabilities (includes "probable" losses)	87.8B	2.4B
• Net position	\$ 36.6B	\$ 1.1B
FY 2022 premium income	\$ 4.6B	\$ 339M
FY 2022 payouts for retirees & beneficiaries	\$ 7.0B	\$ 226M*
2023 maximum annual guaranteed benefit	\$ 81,000	\$ 12,870**
	SLA for age 65 retiree, regardless of service	Retiree w/30 years of service, any age

* Excludes payouts funded by Special Financial Assistance.
** Two-tier guarantee: 100% of the first \$3,960, 75% of the next \$11,880. Not indexed.

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PBGC Coverage	
• PBGC covers most private-sector qualified DB plans unless exemption applies	
• Exceptions:	
• Substantial Owner Plans	
• Small Professional Service Plans	
• Certain Puerto Rico Plans, unless they opt in	
• Church Plans, unless they opt in	
• Covered plans can't opt out	
• Except as noted above, non-covered plans can't opt in	

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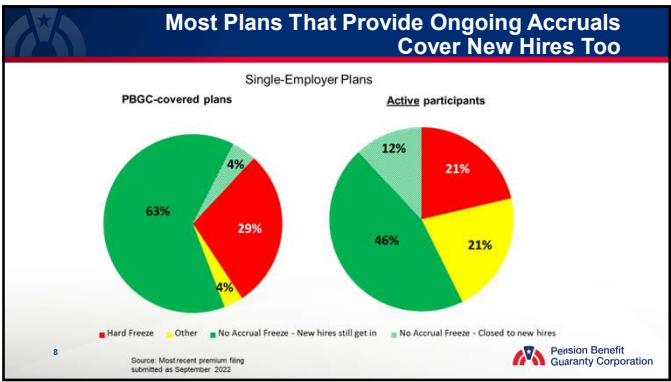
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PBGC's Single-Employer Program



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Single-Employer Plan Guarantee

- Amount varies based on:
 - Participant's age when benefit payments begin
 - Year plan terminates (annual indexing)
 - Form of payment
- Indexed
- Sample annual limit* for 2023 terminations
 - Age 55: \$36,450
 - Age 60: \$52,650
 - Age 65: \$81,000
 - Age 70: \$134,460
- In some cases, PBGC pays more than the guarantee to participants in terminated single-employer plans.

* Payable as a single life annuity



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PBGC's Role with Respect to Multiemployer Plans

- Insurable event is insolvency
- Upon insolvency, PBGC provides "financial assistance," but Board of Trustees continues to administer the plan
- Financial assistance provided to enable payment benefits only up to statutory guarantee level
 - Benefits above the guarantee are not payable
 - Guarantee level and PBGC premiums for multiemployer plans much lower than for single-employer plans

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Multiemployer Plan Guarantee

- Guarantee - Participant's service multiplied by:
 - 100% of the first \$11 of the monthly benefit rate, plus
 - 75% of the next \$33 of the monthly benefit rate
- Example
 - Benefit formula - \$50 per month per year of service
 - Joe retires with 20 years of service
 - Joe's accrued benefit is \$1,000 per month (\$50 x 20) or \$12,000 per year
- PBGC guarantee

	Monthly Benefit	Annual Benefit
100% of 1st \$11	\$11 x 20 = \$220	\$2,640
75% of next \$33	(.75 x \$33) x 20 = \$495	\$5,940
0% of the remaining \$6	\$0	\$0
Total guarantee		\$8,580

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Guarantee covers 72% of Joe's benefit

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SFA Overview

- The SFA Program authorized under the American Rescue Plan Act ensures that millions of America's workers, retirees, and their families receive the pension benefits they earned through many years of hard work.
- Additionally, it assists plans by providing funds to reinstate suspended benefits and addresses the solvency of PBGC's Multiemployer Insurance Program, which was projected to become insolvent in 2026.
- PBGC's final rule implements the program and establishes conditions to keep multiemployer plans sustainable long into the future.

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Special Financial Assistance Expected Reach

The American Rescue Plan Act provides for special financial assistance to enhance retirement security for millions of Americans.

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graph LR; A((About 210 plans likely eligible)) --> B((Impacting millions of participants)); B --> C((Estimated $79.7 billion in SFA payments));
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SFA Applications – Current Status			
(as of October 16, 2023)			
	Applications Approved	Applications Denied	Applications in Review**
Number of Applications	100*	1	25
Aggregate \$ SFA (approved or requested)	\$53.4 billion	\$132.2 million	\$11.7 billion
Aggregate Participant Count	767,692	1,122	588,262

* Includes 65 full applications and 35 supplemented applications.
** 10 plans have withdrawn their applications and not yet reapplied. In addition, 111 plans have submitted requests to be added to the application waiting list, 17 of which have since applied.

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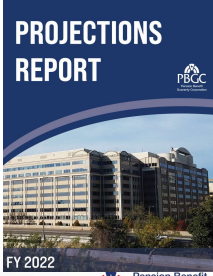
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Provides financial projections under a range of possible outcomes based on stochastic modeling, and includes:


- Annual 10-year projection of PBGC's financial position
- 40-year projection of Multiemployer Program solvency
- Stress test of Single-Employer Program




PROJECTIONS
REPORT
FY 2022

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Key Results – Multiemployer Program

Likely to remain solvent beyond FY 2062

- Insolvent by FY 2026 prior to American Rescue Plan Act


Mean financial position is a deficit of \$7.1B in FY 2032

- But >50% of scenarios result in a positive 10-year net position

Total mean SFA payments now \$79.7B, down from \$82.7B

- Final amount still uncertain until all applications received

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Key Results – Single-Employer Program

Projected FY 2032 surplus is \$63.6B (in 2022 dollars)

- Net position at 9/30/2022 is \$36.6B
- Nearly all scenarios have a positive net position during the forecast period

Claims projected to remain low due to improved plan funding

- 85% of scenarios have 10-year claims below \$12B


In an extreme stress test the SE Program does not fall into deficit

- Stress test includes 10-year claims of \$40B with -20% return on plan assets in first year


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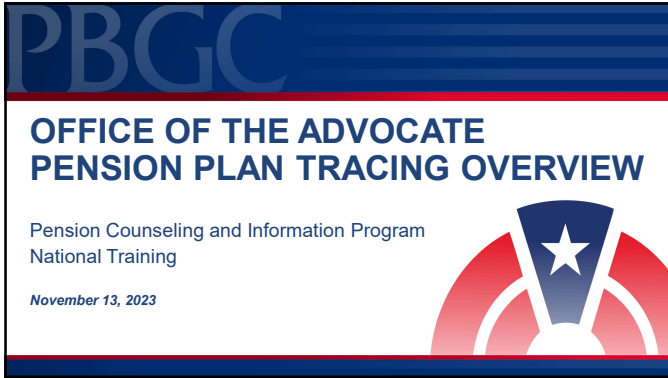
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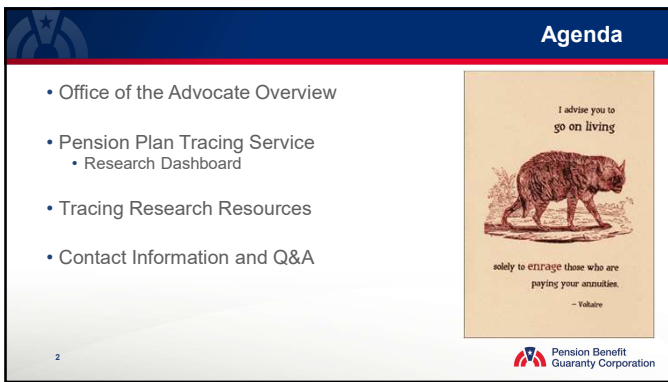
PBGC.gov Tour and Questions



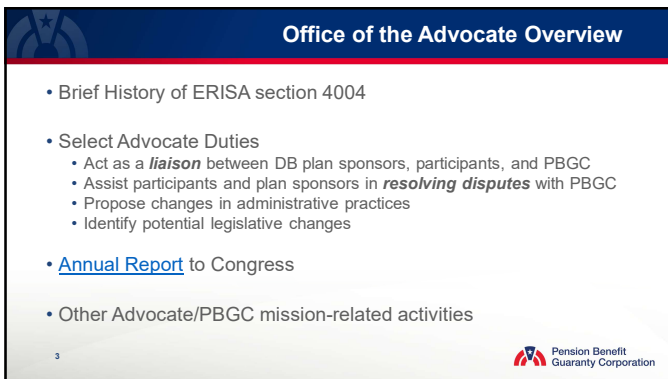
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Pension Plan Tracing Service


History

- Assistance requests to the Advocate
- Efforts to transform internal PBGC data into a searchable database


Current Objectives

- Offer pension plan tracing assistance
- Develop a Pension Plan Tracing Research Dashboard
- Increase public awareness of service

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How Can the Pension Plan Tracing Service Help Participants?


- Searches records that are not easily accessible to the public
- Another source of information to support claim for benefits
- Coordination with PBGC's Office of Benefits Administration



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Pension Plan Tracing Service vs. Lost Plan Search



Lost Plan Search

Pension Plan Tracing Service

Pension Plan Tracing Service is a single tool as part of your larger lost plan search


Office of the Advocate's Pension Plan Tracing Service does *not* include:

- Broad Corporate History Research
- Determining Likelihood of Benefit Entitlement
- Reaching out to plan sponsors or plan administrators directly
- DC Plan Research

Does include:

- Searching through existing PBGC historical/current data to identify possible leads

6



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Internal Research Dashboard – PPS data

PPS Search Results

PLAN NAME	EIN	PN	PLAN SPONSOR	PLAN STATUS
IO83705	130797520	001	R.W. GREEFF & CO., INC.	TR
PL OF NATL SERV INDUST INC	316057718	001	R B TAYLOR & SONS	IA
BOND BUYER PENSION PLAN	586121246	000	NATL SERV INDUST INC	IA
FARR CONST	134964100	011	BOND BUYER	IA
FIRST NATION SANTA FE S E I PROGRAM	0	001	FARR CONSTRUCT CO INC	IA
FIRST STATE NEWMAN EM	5	126	FIRST NATL BANK OF SANTA FE	IA
GROUP ANNUITY PL FOR EMP OF LYNCHBURGH ENGRAVING CO IN	190090025		NEWMAN	IA
			GRAVING CO INC	IA

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PPS Filing Data

PPS-Plan Information

PPS -Plan Transfers

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Internal Research Dashboard – PPS data (cont.)

PLAN TRANSFERS

ASSOCIATED EIN-PN	PLAN NAME	EIN/PN	EFFECTIVE DATE	RELATIONSHIP TYPE
11197822-001	VERIZON PENSION PLAN FOR MD-ATLANTIC AND SOUTH ASSOCIATES	23225884-002	12/31/2011	Other
11118009-012	VERIZON PENSION PLAN FOR MD-ATLANTIC AND SOUTH ASSOCIATES	23225884-002	12/31/1996	Spin-Off
23225884-006	VERIZON PENSION PLAN FOR MD-ATLANTIC AND SOUTH ASSOCIATES	23225884-002	11/30/2007	Merger
23225884-012	VERIZON PENSION PLAN FOR MD-ATLANTIC AND SOUTH ASSOCIATES	23225884-002	12/31/2009	Other
23225884-019	VERIZON PENSION PLAN FOR MD-ATLANTIC AND SOUTH ASSOCIATES	23225884-002	12/31/2010	Other
23225884-017	VERIZON PENSION PLAN FOR MD-ATLANTIC AND SOUTH ASSOCIATES	23225884-002	12/31/2010	Other
23225884-018	VERIZON PENSION PLAN FOR MD-ATLANTIC AND SOUTH ASSOCIATES	23225884-002	12/31/2011	Other
31169981-006	VERIZON PENSION PLAN FOR MD-ATLANTIC AND SOUTH ASSOCIATES	23225884-002	11/1/2010	Merger
510002-006	VERIZON PENSION PLAN FOR MD-ATLANTIC AND SOUTH ASSOCIATES	23225884-002	11/6/2010	Merger
50005680-001	VERIZON PENSION PLAN FOR MD-ATLANTIC AND SOUTH ASSOCIATES	23225884-002	11/2/2010	Merger

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Internal Research Dashboard – CMS data

CMS Results

PLAN NAME	EIN	PN	CASE NUMBER
CONFIDENTIAL RET.	999999999	999	19495600
ANNL PI			
NORAH PROFIT TRUST	999	1	8236400
HAROLD PL	355	1	8223100
ADAMS PENSION PLAN			
ADAMS HARD FACING CO PENSION PLAN	999994318	1	13573600
VICTOR S GROSS DEF BEN PL TR	999992292	1	10569600
RENFIELD IMPORTERS LTD RET PLAN	999992147	1	8774000
ELEANOR J. CARMAN & LEON J. CARMAN	999910299	1	7640400

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CMS-Case Information

CMS-Standard Termination/Trusteeship Information

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Internal Research Dashboard – CMS data (cont.)

CASE INFORMATION									
CASE NUMBER	EN	PH	CASE CATEGORY	CASE CLOSE CATEGORY	CASE TYPE	CASE RECEIVED DATE	CASE CLOSED DATE	CASE CLOSE REASON	
18031800		41082680	002	STANDARD TERMINATION/ TRUSTEESHIP	CASE COMPLETED	POST SEPRA STANDARD TERMINATION	4/17/1998	1/6/1999	CASE COMPLETED

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Internal Research Dashboard – CMS data (cont.)

STANDARD TERMINATION/TRUSTEESHIP INFORMATION									
CASE NUMBER	EN	PH	TERMINATION/ TRUSTEESHIP	TERMINATION/ TRUSTEESHIP	TERMINATION/ TRUSTEESHIP	TERMINATION/ TRUSTEESHIP	DATE OF PLAN TERMINATION	DATE OF TERMINATION	LAST DATE OF DISTRIBUTION (FORM 991)
18031800		41082680	002	WALSH LIFE INSURANCE COMPANY (WALSH) PREFERRED HEALTH (PH-02)	WALSH LIFE INSURANCE COMPANY (WALSH) PREFERRED HEALTH (PH-02)	WALSH LIFE INSURANCE COMPANY (WALSH) PREFERRED HEALTH (PH-02)	12/31/1997	12/31/1997	12/31/1997

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PBGC.gov Tracing Research Resources

- [Tips for Finding a Lost Pension Benefit](#)
- [Trusteed Pension Plan Search](#)
- [Plans Paying PBGC Premiums Search](#)
- [Historical Summary Plan Description Database](#)

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Other External Tracing Research Resources

- Department of Labor Form 5500 Filings
- Securities and Exchange Commission Filings
- Federal Deposit Insurance Corporation BankFind Suite
- FreeERISA
- Online Collective Bargaining Agreement Collections

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Other External Tracing Research Resources

- State Business/Corporate Filings
- Google/Internet Search
- Westlaw/LexisNexis
- National Organization of Life & Health Insurance Guaranty Associations
- P&I Pension Risk Transfer Research Center

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Other Items for Consideration

- Status of Defined Benefit System
 - PBGC Premiums
 - Increased pension risk transfer activity
 - PBGC Opinion Letter [91-1](#)
- Office of the Advocate's De-risking Study
 - [Part I](#) and [Part II](#)
- Office of the Advocate's Retirement Security Initiative



"My pension has been renegotiated, and in lieu of a monthly check I'll receive a crateful of seasonal fruit."

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Contact Information

Office of the Advocate
Hotline: (202) 229-4448
Email: Advocate@pbgc.gov
Website: www.pbgc.gov/Advocate

Connie Donovan
Participant & Plan Sponsor Advocate
Donovan.Constance@pbgc.gov
(202) 229-4877

Camille Castro
Senior Associate Participant & Plan Sponsor Advocate
Castro.Camille@pbgc.gov
(202) 229-3310

Emily Spreiser
Associate Participant & Plan Sponsor Advocate
Spreiser.Emily@pbgc.gov
(202) 229-5078

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Pension Plan Tracing Resources/Links

PBGC Website/Resources

- [Tips for Finding a Lost Pension Benefit](#)
- [Trusted Pension Plan Search](#)
- [Plans Paying PBGC Premiums Search](#)
- [Historical Summary Plan Description Collection](#)
- Office of the Advocate's Pension Tracing Service
 - Advocate@pbgc.gov; (202) 229-4448

Other Research Resources

- [DOL Form 5500 Search](#)
- [FDIC BankFind Suite](#)
- [SEC EDGAR Search](#)
- Collective Bargaining Agreement (CBA) Collections
 - [DOL Office of Labor-Management Standards CBA Search](#)
 - [Historical CBA Database](#)
- State business/corporate filings –
 - Individual state websites
 - [OpenCorporates](#)
- Google/Internet search
 - Company alumni websites
- Westlaw/Lexis Nexis
- [National Organization of Life & Health Insurance Guaranty Associations](#)
- [P&I Pension Risk Transfer Research Center](#)

MAP-21: Moving Ahead for Progress in the 21st Century Act

SEC. 40232. PARTICIPANT AND PLAN SPONSOR ADVOCATE

(a) IN GENERAL.—Title IV of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1301 et seq.) is amended by inserting after section 4003 the following:

“SEC. 4004. PARTICIPANT AND PLAN SPONSOR ADVOCATE.

“(a) IN GENERAL.—The board of directors of the corporation shall select a Participant and Plan Sponsor Advocate from the candidates nominated by the advisory committee to the corporation under section 4002(h)(1) and without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or Senior Executive Service.

“(b) DUTIES.—The Participant and Plan Sponsor Advocate shall—

“(1) act as a liaison between the corporation, sponsors of defined benefit pension plans insured by the corporation, and participants in pension plans trusted by the corporation;

“(2) advocate for the full attainment of the rights of participants in plans trusted by the corporation;

“(3) assist pension plan sponsors and participants in resolving disputes with the corporation;

“(4) identify areas in which participants and plan sponsors have persistent problems in dealings with the corporation;

“(5) to the extent possible, propose changes in the administrative practices of the corporation to mitigate problems;

“(6) identify potential legislative changes which may be appropriate to mitigate problems; and

“(7) refer instances of fraud, waste, and abuse, and violations of law to the Office of the Inspector General of the corporation.

“(c) REMOVAL.—If the Participant and Plan Sponsor Advocate is removed from office or is transferred to another position or location within the corporation or the Department of Labor, the board of the directors of the corporation shall communicate in writing the reasons for any such removal or transfer to Congress not less than 30 days before the removal or transfer. Nothing in this subsection shall prohibit a personnel action otherwise authorized by law, other than transfer or removal.

“(d) COMPENSATION.—The annual rate of basic pay for the Participant and Plan Sponsor Advocate shall be the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code, or, if the board of directors of the corporation so determines, at a rate fixed under section 9503 of such title.

“(e) ANNUAL REPORT.—

“(1) IN GENERAL.—Not later than December 31 of each calendar year, the Participant and Plan Sponsor Advocate shall report to the Health, Education, Labor, and Pensions Committee of the Senate, the Committee on Finance of the Senate, the Committee on Education and the Workforce of the House of Representatives, and the Committee on Ways and Means of the House of Representatives on the activities of the Office of the Participant and Plan Sponsor Advocate during the fiscal year ending during such calendar year.

“(2) CONTENT.—Each report submitted under paragraph (1) shall—

“(A) summarize the assistance requests received from participants and plan sponsors and describe the activities, and evaluate the effectiveness, of the Participant and Plan Sponsor Advocate during the preceding year;

“(B) identify significant problems the Participant and Plan Sponsor Advocate has identified;

“(C) include specific legislative and regulatory changes to address the problems; and

“(D) identify any actions taken to correct problems identified in any previous report.

“(3) CONCURRENT SUBMISSION.—The Participant and Plan Sponsor Advocate shall submit a copy of each report to the Secretary of Labor, the Director of the corporation, and any other appropriate official at the same time such report is submitted to the committees of Congress under paragraph (1).”.

(b) **ADVISORY COMMITTEE NOMINATIONS.**—Section 4002(h)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1302(h)(1)) is amended by adding at the end the following new sentence: “In the event of a vacancy or impending vacancy in the office of the Participant and Plan Sponsor Advocate established under section 4004, the Advisory Committee shall, in consultation with the Director of the corporation and participant and plan sponsor advocacy groups, nominate at least two but no more than three individuals to serve as the Participant and Plan Sponsor Advocate.”.

(c) **CLERICAL AMENDMENT.**—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 4003 the following new item: “4004. Participant and Plan Sponsor Advocate.”.

Legislative History

Participant and Plan Sponsor Advocate

The conference agreement establishes a new Participant and Plan Sponsor Advocate. The Advocate is chosen by the Board of Directors from the candidates nominated by the Advisory Committee. This individual will act as a liaison between the corporation and participants in terminated plans. The Advocate will ensure that participants receive everything they are entitled to under the law. The Advocate will also provide plan sponsors with assistance in resolving disputes with the corporation. Each year, the Advocate will provide a report on their activities to the Committee on Health, Education, Labor and Pensions and Committee on Finance of the Senate, the Committee on Education and the Workforce of the House of Representatives, and the Committee on Ways and Means of the House of Representatives summarizing the issues raised by participants and plan sponsors and making recommendations for changes to improve the system.