

**FY 2019**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**EMPLOYEE BENEFITS SECURITY ADMINISTRATION**

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# EMPLOYEE BENEFITS SECURITY ADMINISTRATION

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# EMPLOYEE BENEFITS SECURITY ADMINISTRATION

## APPROPRIATION LANGUAGE

*For necessary expenses for the Employee Benefits Security Administration, \$189,500,000, of which up to \$3,000,000 shall be made available through September 30, 2020, for the procurement of expert witnesses for enforcement litigation.*

Note.—A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115 – 56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

## EMPLOYEE BENEFITS SECURITY ADMINISTRATION

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>						
(Dollars in Thousands)						
	<b>FY 2017 Enacted</b>		<b>FY 2018 Full Year C.R.</b>		<b>FY 2019 Request</b>	
	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>
<b>A. Appropriation</b>	<b>925</b>	<b>\$181,000</b>	<b>860</b>	<b>\$181,000</b>	<b>875</b>	<b>\$189,500</b>
<i>Subtotal Appropriation</i>	925	\$181,000	860	\$181,000	875	\$189,500
Reduction Pursuant to P.L. 115-56	0	\$0	0	-\$1,229	0	\$0
Offsetting Collections From:						
Reimbursements	0	\$5,671	0	\$8,000	0	\$8,000
Transfer Pursuant to P.L. 115-31	0	\$2,000	0	\$0	0	\$0
<i>Subtotal</i>	925	\$188,671	860	\$187,771	875	\$197,500
<b>B. Gross Budget Authority</b>	<b>925</b>	<b>\$188,671</b>	<b>860</b>	<b>\$187,771</b>	<b>875</b>	<b>\$197,500</b>
Offsetting Collections To:						
Reimbursements	0	-\$5,671	0	-\$8,000	0	-\$8,000
Transfer Pursuant to P.L. 115-31	0	-\$2,000	0	\$0	0	\$0
<i>Subtotal</i>	925	\$181,000	860	\$179,771	875	\$189,500
<b>C. Budget Authority Before the Committee</b>	<b>925</b>	<b>\$181,000</b>	<b>860</b>	<b>\$179,771</b>	<b>875</b>	<b>\$189,500</b>
Offsetting Collections From:						
Reimbursements	0	\$5,671	0	\$8,000	0	\$8,000
Transfer Pursuant to P.L. 115-31	0	\$2,000	0	\$0	0	\$0
<i>Subtotal</i>	925	\$188,671	860	\$187,771	875	\$197,500
<b>D. Total Budgetary Resources</b>	<b>925</b>	<b>\$188,671</b>	<b>860</b>	<b>\$187,771</b>	<b>875</b>	<b>\$197,500</b>
Unobligated Balance Expiring	-12	-\$4	0	\$0	0	\$0
<b>E. Total, Estimated Obligations</b>	<b>913</b>	<b>\$188,667</b>	<b>860</b>	<b>\$187,771</b>	<b>875</b>	<b>\$197,500</b>

# EMPLOYEE BENEFITS SECURITY ADMINISTRATION

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2018 Full Year C.R.	FY 2019 Request	Net Change
<b>Budget Authority</b>			
General Funds	\$179,771	\$189,500	+\$9,729
<b>Total</b>	<b>\$179,771</b>	<b>\$189,500</b>	<b>+\$9,729</b>
<b>Full Time Equivalents</b>			
General Funds	860	875	15
<b>Total</b>	<b>860</b>	<b>875</b>	<b>15</b>

Explanation of Change	FY 2019 Change							
	FY 2018 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Costs of pay adjustments	860	\$92,585	0	\$0	0	\$0	0	\$0
Personnel benefits	0	\$0	0	\$0	0	\$0	0	\$0
One day more of pay	0	\$0	0	\$0	0	\$465	0	\$465
Federal Employees' Compensation Act (FECA)	0	\$119	0	\$0	0	\$80	0	\$80
Benefits for former personnel	0	\$30	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$1,092	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$22	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$10,770	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$31	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$420	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$600	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$350	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$0	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$24,692	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$670	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$720	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$1,127	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$9,726	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$1,071	0	\$0	0	\$0	0	\$0
Equipment	0	\$512	0	\$0	0	\$0	0	\$0

## EMPLOYEE BENEFITS SECURITY ADMINISTRATION

FY 2019 Change

Explanation of Change	FY 2018 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Insurance claims and indemnities	0	\$0	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>860</b>	<b>+\$119,125</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$1,265</b>	<b>0</b>	<b>+\$1,265</b>
<b>B. Programs:</b>								
EFAST Refresh	0	\$0	0	\$0	0	\$5,574	0	\$5,574
Oversight of Federal Retirement Thrift Investment Board	0	\$0	0	\$0	0	\$2,155	0	\$2,155
Association Health Plan (AHP) Assistance	0	\$0	0	\$0	15	\$2,000	15	\$2,000
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>15</b>	<b>+\$9,729</b>	<b>15</b>	<b>+\$9,729</b>
<b>Total Increase</b>	<b>860</b>	<b>+\$144,537</b>	<b>0</b>	<b>\$0</b>	<b>15</b>	<b>+\$10,274</b>	<b>15</b>	<b>+\$10,274</b>
<b>Decreases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Personnel benefits	0	\$29,684	0	\$0	0	-\$80	0	-\$80
Other services from non-Federal sources	0	\$5,550	0	\$0	0	-\$465	0	-\$465
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>+\$35,234</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$545</b>	<b>0</b>	<b>-\$545</b>
<b>B. Programs:</b>								
<b>Total Decrease</b>	<b>0</b>	<b>+\$35,234</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$545</b>	<b>0</b>	<b>-\$545</b>
<b>Total Change</b>	<b>860</b>	<b>+\$179,771</b>	<b>0</b>	<b>\$0</b>	<b>15</b>	<b>+\$9,729</b>	<b>15</b>	<b>+\$9,729</b>



## EMPLOYEE BENEFITS SECURITY ADMINISTRATION

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b>								
(Dollars in Thousands)								
	FY 2017 Enacted		FY 2018 Full Year C.R.		FY 2019 Request		Diff. FY19 Request / FY18 Full Year C.R	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Enforcement and Participant Assistance</b>	<b>820</b>	<b>147,400</b>	<b>762</b>	<b>146,399</b>	<b>767</b>	<b>154,813</b>	<b>5</b>	<b>8,414</b>
General Funds	820	147,400	762	146,399	767	154,813	5	8,414
<b>Policy and Compliance Assistance</b>	<b>71</b>	<b>26,901</b>	<b>73</b>	<b>26,718</b>	<b>83</b>	<b>28,033</b>	<b>10</b>	<b>1,315</b>
General Funds	71	26,901	73	26,718	83	28,033	10	1,315
<b>Executive Leadership, Program Oversight and Administration</b>	<b>22</b>	<b>6,699</b>	<b>25</b>	<b>6,654</b>	<b>25</b>	<b>6,654</b>	<b>0</b>	<b>0</b>
General Funds	22	6,699	25	6,654	25	6,654	0	0
<b>Total</b>	<b>913</b>	<b>181,000</b>	<b>860</b>	<b>179,771</b>	<b>875</b>	<b>189,500</b>	<b>15</b>	<b>9,729</b>
<b>General Funds</b>	<b>913</b>	<b>181,000</b>	<b>860</b>	<b>179,771</b>	<b>875</b>	<b>189,500</b>	<b>15</b>	<b>9,729</b>

NOTE: 2017 reflects actual FTE.

## EMPLOYEE BENEFITS SECURITY ADMINISTRATION

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
	Full-Time Equivalent				
	Full-time Permanent	921	856	871	15
	Other	4	4	4	0
	<b>Total</b>	<b>925</b>	<b>860</b>	<b>875</b>	<b>15</b>
	Average ES Salary	\$183,042	\$186,520	\$186,520	\$0
	Average GM/GS Grade	12/7	12/8	12/8	0
	Average GM/GS Salary	\$95,753	\$97,573	\$97,573	\$0
11.1	Full-time permanent	91,300	90,050	91,810	1,760
11.3	Other than full-time permanent	1,047	1,047	1,047	0
11.5	Other personnel compensation	1,533	1,488	1,488	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>93,880</b>	<b>92,585</b>	<b>94,345</b>	<b>1,760</b>
12.1	Civilian personnel benefits	30,335	29,803	30,508	705
13.0	Benefits for former personnel	30	30	30	0
21.0	Travel and transportation of persons	1,659	1,092	1,092	0
22.0	Transportation of things	20	22	22	0
23.1	Rental payments to GSA	11,080	10,770	10,770	0
23.2	Rental payments to others	31	31	31	0
23.3	Communications, utilities, and miscellaneous charges	400	420	420	0
24.0	Printing and reproduction	500	600	600	0
25.1	Advisory and assistance services	500	350	350	0
25.2	Other services from non-Federal sources	4,050	5,550	7,240	1,690
25.3	Other goods and services from Federal sources 1/	26,275	26,082	26,082	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	1,090	1,127	1,127	0
25.7	Operation and maintenance of equipment	9,500	9,726	15,300	5,574
26.0	Supplies and materials	900	1,071	1,071	0
31.0	Equipment	750	512	512	0
38.0	Depreciation Expense - Unfunded	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>181,000</b>	<b>179,771</b>	<b>189,500</b>	<b>9,729</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	25,605	24,692	24,692	0
	DHS Services	670	670	670	0
	HHS Services	0	720	720	0

# EMPLOYEE BENEFITS SECURITY ADMINISTRATION

## AUTHORIZING STATUTES

<b>Public Law / Act</b>	<b>Legislation</b>	<b>Statute No. / US Code</b>	<b>Volume No.</b>	<b>Page No.</b>	<b>Expiration Date</b>
P.L. 93-406	Employee Retirement Income Security Act of 1974	88 Stat. 832/ 29 U.S.C. 1001 et. seq.	88	832	Indefinite
P.L. 99-335	Federal Employees' Retirement System Act of 1986	100 Stat. 514/ 5 U.S.C. 8401 et. seq.	100	514	Indefinite

## EMPLOYEE BENEFITS SECURITY ADMINISTRATION

<b>APPROPRIATION HISTORY</b>					
(Dollars in Thousands)					
	<b>Budget Estimates to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriations</b>	<b>FTE</b>
2009					
Base Appropriation...1/2/	\$147,871		\$139,313	\$143,419	835
2010					
Base Appropriation...3/	\$156,060	\$154,060	\$155,662	\$154,861	910
2011					
Base Appropriation...4/	\$161,995		\$161,995	\$154,551	910
2012					
Base Appropriation...5/	\$197,528	\$159,363	\$195,528	\$183,153	1,003
2013					
Base Appropriation...6/	\$183,153			\$173,573	993
2014					
Base Appropriation...7/	\$179,104			\$178,500	985
2015					
Base Appropriation...8/	\$188,447			\$181,000	963
2016					
Base Appropriation...9/	\$207,455	\$180,699	\$168,930	\$181,000	949
2017					
Base Appropriation...10/	\$205,761			\$181,000	925
2018					
Base Appropriation...11/	\$183,926	\$175,600			
2019					
Base Appropriation	\$189,500				875

<sup>1</sup> Excludes \$9,705 for the Recovery Act through a non-expenditure transfer from the Departmental Management (DM) account pursuant to P.L. 111-5.

<sup>2</sup> This bill was only reported out of Subcommittee and was not passed by the Full House.

<sup>3</sup> Excludes \$4,434 for emergency transfer pursuant to P.L. 111-17.

<sup>4</sup> Excludes a non-expenditure transfer of \$4,502 from the Departmental Management (DM) account pursuant to P.L. 112-10.

<sup>5</sup> Reflects a reduction of \$347 pursuant to the enacted rescission in P.L. 112-74 and does not reflect re-programming levels. Re-programming levels for FY 2012 is reflected in the Summary Budget Authority and FTE by Activity exhibit.

<sup>6</sup> Reflects a reduction of \$366 pursuant to the enacted rescission in P.L. 113-6 and a reduction of \$9,214 pursuant to Section 251A of the Balanced Budget and Emergency Deficit Control Act, as Amended, issued by the President on March 1, 2013.

<sup>7</sup> Reflects the full appropriation pursuant to P.L. 113-76 without enacted rescissions.

<sup>8</sup> Reflects the full appropriation pursuant to P.L. 113-235 without enacted rescissions.

<sup>9</sup> Reflects the full appropriation pursuant to P.L. 114-113 without enacted rescissions.

<sup>10</sup> Reflects the full appropriation pursuant to P.L. 115-31 without enacted rescissions.

<sup>11</sup> A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

# **EMPLOYEE BENEFITS SECURITY ADMINISTRATION**

## **OVERVIEW**

### **Introduction**

The mission of EBSA is to assure the security of the retirement, health and other workplace related benefits of America's workers and their families. EBSA is charged with protecting more than 150 million workers, retirees, and their families who are covered by nearly 694,000 private retirement plans, 2.2 million health plans, and similar numbers of other welfare benefit plans. Together, these plans hold estimated assets of \$9.3 trillion. EBSA also has audit responsibility for the Thrift Savings Plan (TSP) which is the world's largest employee contributory plan with nearly 5 million participants and \$500 billion in assets.

The retirement and health benefits security of workers, retirees, and their families continue to be significant factors in the overall financial security of the American public. EBSA's mission and programs are pivotal in providing benefit security to the public and increasing confidence that workers' retirement, health and other benefits will be available when needed. EBSA's mission is carried out in a complex and evolving economic and regulatory environment. In order to enhance benefit security and maintain public confidence in our private benefits system, EBSA administers an integrated program of regulation, compliance assistance and education, civil and criminal enforcement, research and analysis.

### **Employee Benefits Security Programs (EBSP)**

EBSA functions as a highly integrated and adaptive organization that is responsive to the complex environment in which it operates, thus assuring the security of the retirement, health and other workplace benefits of America's workers and their families. EBSA manages an aggressive outreach, education, and participant assistance program to inform the public of their rights and benefits as well as to educate the regulated community regarding their responsibilities and obligations under the law. The Agency's enforcement program utilizes a series of approaches such as national/regional priorities, voluntary compliance programs, civil/criminal litigation, and research-based analysis to accomplish its mission. The economic research program continues to study economic issues regarding employee benefits in order to provide statistics and information for regulatory and legislative policy initiatives. The employee benefits security program consists of budget activities for enforcement and participant assistance, policy and compliance assistance, and executive leadership, program oversight and administration. Consistent with the comprehensive plan for reforming the Federal Government, EBSA's integrated approach to promoting benefits security is developed and implemented in response to public concerns, the Agency's experience with civil and criminal investigations, participant inquiries, research, and trends and vulnerabilities identified in the private sector.

### **Program Workload and Performance Metrics**

The Agency's primary objectives are to improve compliance with ERISA; recover losses to individuals and employee benefit plans and unjust profits resulting from misconduct by plan fiduciaries and service providers; and increase the deterrent impact of its enforcement efforts on employee benefit plans, participants and beneficiaries. An effective employee benefits security

## EMPLOYEE BENEFITS SECURITY ADMINISTRATION

program has overlapping and related attributes that include: effective targeting, prompt detection and pursuit of violations; the successful pursuit of monetary recoveries; non-monetary results that promote compliance with ERISA; and the aggressive and timely pursuit of participant tips and complaints.

In FY 2019, EBSA will continue to use workload measures and performance metrics designed to ensure the effectiveness of the employee benefits security program and continue to shift the emphasis to more complex cases. In previous years, the Agency had given undue weight to cases that yielded quick and easy results, such as cases involving technical violations, bonding, small delays in payment, or technical reporting and disclosure violations. EBSA has implemented a more refined approach to performance measurement that avoids reliance on the number of cases processed as an important component of its metrics for the enforcement program. EBSA has implemented metrics that provide incentives to support its strategic objectives, including:

- 1) Major case monetary recoveries per major case staff day;
- 2) Monetary recoveries on major cases closed per staff day;
- 3) Timeliness of civil non-major cases closed or referred for litigation; and
- 4) Timeliness of criminal cases closed or referred for prosecution.

In FY 2018, EBSA replaced its Major Case time indicator with two performance measures that include: Major Case monetary recoveries per major case staff day; and monetary recoveries on Major Cases closed per staff day. Both metrics measure efficiency by linking outputs (investigative time) to outcomes (monetary recoveries). The measures also reflect better targeting and resource management that will lead to the identification of bad actors and the recovery of benefits to participants, and more efficient use of investigative time that decreases the time charged.

EBSA will continue to invest more time and resources on major cases that are likely to have a greater impact on participants and plans. The shift in emphasis to more challenging and complex civil and criminal cases will take time to come to fruition. EBSA is developing programs to enhance the skills of front line employees that include the extensive financial training required to conduct complex, financial, and resource intensive cases.

In 2019, the Department anticipates it will continue to focus on helping workers transform retirement savings into secure lifetime income and protecting pension and health plan participants. EBSA will continue its successful strategy of bringing plan sponsors and their benefit plans into compliance with the law using an integrated approach. As a general matter, this strategy is reflected in the following employee benefits security programs:

- 1) Informative Compliance Assistance;
- 2) Strategic Enforcement;
- 3) Regulation;
- 4) Targeted Research;

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- 5) Strong Consumer Outreach and Education; and,
- 6) Effective Participant Assistance and Outstanding Customer Service.

### FY 2019 Request

Consistent with the comprehensive plan for reforming the Federal Government to ensure greater efficiency, EBSA requests \$189,500,000 and 875 FTE. This resource request includes the following program increases:

- **\$2,000,000 and 15 FTE for Small Business Health Plan/Association Health Plan (AHP) Assistance.** EBSA seeks an increase of \$2,000,000 to begin implementation of AHP oversight. If legislative and/or regulatory proposals are adopted, DOL will have a direct responsibility to police significantly higher numbers of new health providers to ensure that participants receive the benefits they are promised. Specifically, these resources will enable the Department to bring on staff to perform the initial and preparatory work necessary to provide comprehensive interpretive guidance, enforcement and administration, and compliance assistance activities. This request provides an initial funding source for DOL's initial work to ensure that AHPs are adequately funded; that fiduciaries comply with their obligations of prudence and loyalty; and that fraudulent operators are prevented from taking advantage of small businesses, plan participants, and beneficiaries.
- **\$2,155,000 for Oversight of the Federal Retirement Thrift Investment Board.** EBSA seeks \$2,155,000 to increase DOL oversight of the Federal Retirement Thrift Investment Board. These resources will enable EBSA to better oversee the performance of the Thrift Savings Plan (TSP). In particular, EBSA will use this increased funding to perform a comprehensive, detailed review of the TSP's IT operating environment – specifically to review the adequacy of controls at contractor sites and over contractor IT personnel. These efforts will lead to greater accountability and oversight of the Federal Retirement Thrift Investment Board.
- **\$5,574,000 for ERISA Filing and Acceptance System (EFAST) Refresh.** EBSA seeks an increase of \$5,574,000 of which \$4,674,000 is a one-time request for development and \$900,000 for ongoing expenses for contingency operations for the Employee Retirement Income Security Act (ERISA) Filing Acceptance System (EFAST). The refresh of EFAST is being planned to ensure seamless and uninterrupted Form 5500 collection and processing services. The refresh plan focuses on replacement of obsolete components. Replacement components selected will meet or exceed existing requirements to minimize operational risks. The FY 2019 EFAST refresh will use an “all at once approach” to replace all components expected to expire or reach the end of the manufacturers' life cycle.

# **EMPLOYEE BENEFITS SECURITY ADMINISTRATION**

## **FY 2019 Activities, Strategies, and Program Results**

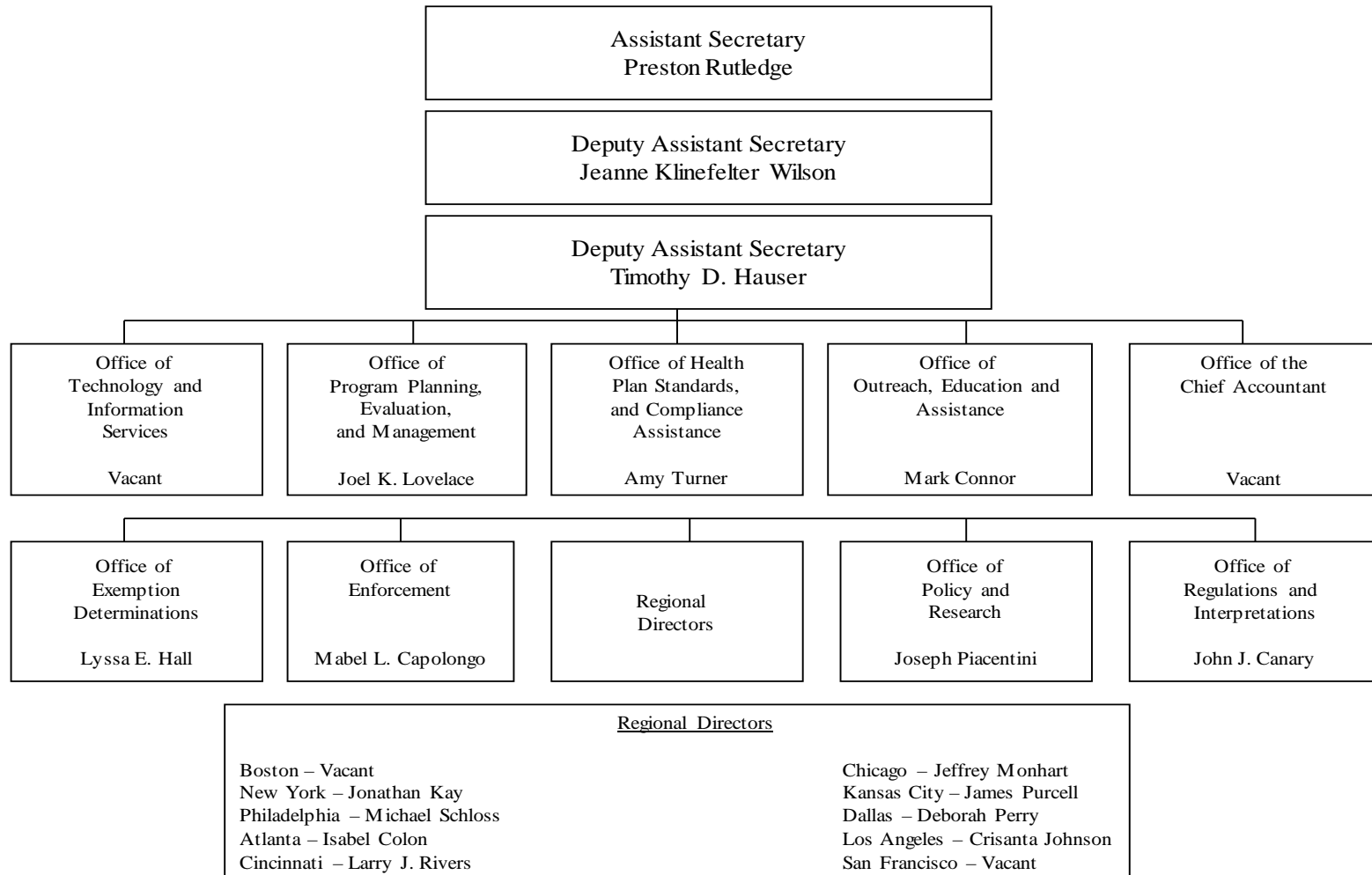
The EBSA Major Case Initiative will concentrate resources on areas that have the greatest impact on the protection of plan assets and participants' benefits (e.g., professional fiduciaries and service providers with responsibility for large amounts of plan assets and benefits). EBSA will continue to implement compliance related programs to aid in the Agency's oversight and audit initiatives involving Multiple Employer Welfare Arrangements (MEWA) enforcement to combat health care fraud. EBSA will also continue to develop materials and conduct compliance workshops across the country to educate industry professionals about MEWA provisions and will enhance the MEWA Registration Form to facilitate targeting entities for investigation that may not have sufficient reserves to pay legitimate health care claims.

EBSA will continue to carry out the agency's interpretive activities concerning the provisions of ERISA and related statutes through the timely issuance of advisory opinions and field assistance bulletins addressing relevant interpretive issues raised by the regulated community or considered significant by the Department. EBSA will be positioned to meet anticipated workload estimates for interpretative and other technical assistance projects. EBSA will complete interpretive and other associated technical assistance projects/plan inquiries (instances of work) and targeted technical assistance and will also pursue a proactive regulatory agenda that includes completing regulatory projects to better protect health care and retirement benefits. These projects include providing guidance, developing regulatory standards, conducting statistical research, policy, regulatory analysis, and issuing ERISA exemptions.



# EMPLOYEE BENEFITS SECURITY ADMINISTRATION

## Employee Benefits Security Administration





## ENFORCEMENT AND PARTICIPANT ASSISTANCE

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
<b>Activity Appropriation</b>	<b>147,400</b>	<b>146,399</b>	<b>154,813</b>	<b>8,414</b>
FTE	820	762	767	5

NOTE: FY 2017 reflects actual FTE. Authorized FTE for FY 2017 was 821.

### **Introduction**

Through this budget activity, EBSA develops and implements a comprehensive enforcement program using civil and criminal investigations that target the most egregious and persistent violators, while also implementing voluntary compliance programs. The enforcement program detects and investigates civil and criminal violations of ERISA and other related criminal laws and, as appropriate, refers them for civil litigation or to prosecutors for criminal prosecution; ensures that annual reports are filed timely and accurately; and determines that public accountant audits of employee benefit plans comply with professional standards. To help plan sponsors and fiduciaries comply with ERISA’s complex provisions, EBSA administers the Fiduciary Education program that informs plan sponsors and their service providers about their basic fiduciary responsibility under the law.

EBSA implements two highly successful self-correction programs designed to encourage voluntary compliance in order to better leverage its resources. The agency’s Voluntary Fiduciary Correction Program (VFCP) encourages plan officials to voluntarily comply with ERISA’s fiduciary and prohibited transactions provisions by self-correcting certain specified violations of the law. The Delinquent Filer Voluntary Compliance Program (DFVCP) encourages voluntary compliance with the annual reporting requirements under ERISA. Together, these two programs provide an efficient mechanism for self-identifying and correcting violations, enabling the Agency to focus more investigative resources on other, more complex issues.

Complementing the Agency’s investigative work, EBSA’s participant assistance staff responds to inquiries from members of the public who are seeking information or have complaints about their benefits. The agency’s benefits advisors are able to assist the public in understanding their rights under their plans and are often able to informally resolve disputes thereby obtaining benefits for workers and their families. This informal dispute resolution process enables EBSA to effectively respond to participant complaints without utilizing the more resource intensive investigative process, and promotes EBSA’s ability to direct its investigative resources to more egregious and widespread violations of ERISA. The participant assistance program is also the source of some of the Agency’s best investigative leads, producing several hundred cases per year—cases that, in the absence of this program, might not have been discovered.

## ENFORCEMENT AND PARTICIPANT ASSISTANCE

EBSA educates plan participants and officials by conducting outreach and education programs regarding their rights and responsibilities under ERISA. Benefits are more secure when plan officials and plan participants know their rights and responsibilities. Better informed plan participants are better prepared to ensure they receive all the benefits to which they are entitled under their plan and to bring potential violations to the attention of EBSA. EBSA benefits security programs include three education campaigns: (1) the Retirement Savings Education Campaign (RSEC); (2) the Health Benefits Education Campaign (HBEC); and, (3) the Fiduciary Education Campaign. These campaigns target plan sponsors and officials, service providers, and plan participants to inform them of their rights and responsibilities under ERISA. As part of its outreach and education efforts, EBSA endeavors to work cooperatively with private and public sector organizations such as the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the Certified Financial Planner Board and state commissioners of insurance. In addition to these three campaigns, EBSA also conducts outreach to dislocated workers through rapid response events delivered in conjunction with states and other DOL agencies. Outreach is also conducted via public awareness events such as Congressional office briefings, job fairs, and other venues.

EBSA also has responsibility to ensure that the regulated community files its employee benefit plan annual reports (Forms 5500) timely and accurately via an electronic filing system. First implemented in January 2010, the electronic filing system has created more transparency by providing for the public disclosure of plan information, and by providing a free web-based program that plan administrators can use to meet the electronic filing requirement at no additional cost to them. Annually, the electronic filing system receives and processes 1.2 million Forms 5500 that are filed with DOL, IRS, and the PBGC. EBSA also operates the ERISA Information System (EIS) that provides plan data for the Agency's enforcement, research, and policy development programs. Together these systems support enforcement-related targeting, comprise essential databases for the agency's research and regulatory activities, and are the primary sources of employee benefit plan information to Congress and interested stakeholders, including plan participants and beneficiaries. The electronic filing system is also the primary source of employee benefit plan data for the IRS, the PBGC, the Government Accountability Office (GAO) and others. The benefit plan data provided by the electronic filing system support IRS oversight of private-sector retirement and health plans and directly impact the PBGC's ability to manage the risks associated with underfunded defined benefit plans.

### **Reimbursable Account**

Program Description: A reimbursable account is established in EBSA to receive funds from other Federal agencies to support the electronic filing system and other work involving pension or health care issues performed on their behalf.

FY 2019 Request: The FY 2019 request level of \$8,000,000 for this purpose will allow EBSA to collect and obligate funds for any authorized reimbursable work associated with the electronic filing system and other reimbursable agreements with the IRS and PBGC.

# ENFORCEMENT AND PARTICIPANT ASSISTANCE

## Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$145,000	857
2015	\$147,400	844
2016	\$147,400	830
2017	\$147,400	821
2018	\$0	0

NOTE: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

## FY 2019

EBSA seeks \$154,813,000 and 767 FTE for the enforcement and participant assistance budget activity. The request level includes program increases totaling \$8,414,000 and 5 FTE. This budget request provides resources that directly support the comprehensive plan for reforming the Federal Government and strengthening the cybersecurity of federal networks and critical IT infrastructure. Through this budget activity, EBSA proposes to: (a) begin implementation of Association Health Plan (AHP) oversight to directly respond to significantly higher numbers of new health providers; (b) increase DOL oversight of the Federal Retirement Thrift Investment Board (FRTIB) and improve mechanisms for overseeing the performance of the Thrift Savings Plan (TSP); and (c) refresh the ERISA filing and acceptance system (EFAST) through an extension of the performance based service contract and the replacement of obsolete components to strengthen cybersecurity and minimize operational risks.

During FY 2019, EBSA will continue to focus its employee benefits security program on major cases. The Major Case Initiative will concentrate resources on areas that have the greatest impact on the protection of plan assets and participants' benefits (e.g., professional fiduciaries and service providers with responsibility for large amounts of plan assets and benefits).

EBSA will continue to implement compliance related programs to aid in the Agency's oversight and audit initiatives involving Multiple Employer Welfare Arrangements (MEWA) enforcement to combat health care fraud. As resources permit, EBSA will continue to develop materials and conduct compliance workshops across the country to educate industry professionals about MEWA provisions and will enhance the MEWA Registration Form to facilitate targeting entities for investigation that may not have sufficient reserves to pay legitimate health care claims.

As resources permit, EBSA will continue its three education campaigns: (1) the Retirement Savings Education Campaign (RSEC); (2) the Health Benefits Education Campaign (HBEC); and, (3) the Fiduciary Education Campaign. EBSA will update, print and distribute publications which explain participant rights and plan sponsor responsibilities. The Agency will also conduct local seminars and national webcasts for its compliance assistance constituencies. EBSA will continue to participate in rapid response sessions to reach dislocated workers and will continue to update and distribute educational materials with the latest information on managing benefits through job loss.

## **ENFORCEMENT AND PARTICIPANT ASSISTANCE**

EBSA will leverage its resources by partnering with numerous organizations such as the Social Security Administration (SSA), AARP, Financial Literacy Education Commission (FLEC), Women's Institute for a Secure Retirement (WISER), labor unions, state insurance commissioners, IRS, Department of Health and Human Services (HHS), Society of Human Resource Management (SHRM), the American Institute of Certified Public Accountants (AICPA), the Society of Actuaries, and others to reach target audiences. The Agency will also maintain a Web site and utilize webcasts as an efficient way to inform stakeholders about its programs, services and initiatives and to assist the regulated community with compliance. EBSA conducts numerous webcasts which are attended by thousands of stakeholders each year. These sessions are archived on EBSA's Web site for future review by other interested parties. EBSA continues to believe that partnering with worker and community-based organizations to educate workers, small business owners, and others about ERISA's requirements is an effective way to create broad-based compliance.

### **FY 2018**

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

### **FY 2017**

#### **Enforcement**

In FY 2017, EBSA processed 1,707 civil cases that included 1,114 cases closed with a result that benefited plan participants (including 852 cases closed with monetary results). EBSA has focused on monetary recoveries that are directly paid to plans, participants, and their beneficiaries, whether in the form of loss recoveries, disgorgement of unjust enrichment, or increased benefit payments. To that end, EBSA recovered \$430,673,000 in participant benefits; restored \$156,036,000 to benefit plans; recovered \$95,613,000 in monetary results under civil health enforcement; facilitated the distribution of 3,190 account balances totaling \$27,975,000 to plan participants under the Abandoned Plan Program; and verified \$10,023,000 in restored assets under the Voluntary Fiduciary Correction Program (VFCP). EBSA enforcement efforts resulted in \$720,320,000 of monetary recoveries directly paid to plans, participants and their beneficiaries. Additionally, EBSA enforcement efforts included documented "prohibited transactions corrected" of \$30,671,000 and the protection of plan assets involving \$270,294,000 bringing the total direct and indirect enforcement monetary results to \$1,021,285,000.

In partnership with other Departmental, federal, state, and local authorities, EBSA also closed 307 criminal cases that resulted in 113 indictments and 79 cases closed with guilty pleas and/or convictions. This demonstrates that EBSA's strategies for enforcement targeting and partnering with other law enforcement organizations is effective in finding the most egregious and persistent violators. EBSA also actively involved the regulated community in efforts to identify

## **ENFORCEMENT AND PARTICIPANT ASSISTANCE**

and remedy violations through two highly successful self-correction programs designed to encourage voluntary compliance. The Voluntary Fiduciary Correction Program (VFCEP) and the Delinquent Filer Voluntary Compliance Program (DFVCEP) encourage plan officials to identify and remedy certain ERISA violations. During FY 2017, EBSA closed 1,446 applications under the VFCEP and 22,139 delinquent filers came into compliance with ERISA under the DFVCEP.

### **Participant Assistance, Outreach and Education**

The EBSA Participant Assistance Program assists workers in obtaining promised benefits that have been inappropriately denied and helps workers understand their benefits rights so they can make informed decisions about their health and retirement benefits. During FY 2017, EBSA's Benefits Advisors responded to 174,603 inquiries and recovered \$418,741,000 for participants through informal dispute resolution.

EBSA conducts education and outreach events for workers, employers, plan officials, service providers and members of Congress and their staffs. During FY 2017, EBSA conducted a total of 1,815 outreach activities reaching 70,370 individuals nationwide. These nationwide activities included compliance assistance, participant assistance and public awareness activities. In the compliance assistance program, EBSA conducted 367 activities that included presentations, workshops, national compliance and consumer webcasts, and compliance assistance seminars. Taken together, compliance assistance activities reached 13,580 participants and stakeholders. EBSA undertook 1,063 nationwide participant assistance activities that reached 39,633 participants and stakeholders in FY 2017. Nationwide participant assistance activities also included active participation in 735 rapid response sessions reaching 18,050 individuals thereby assisting dislocated workers who were facing job loss. Public awareness activities in FY 2017 also included using a train-the-trainer format to inform Congressional staff in 234 district offices of EBSA programs for their use in constituent services; providing employees with information concerning their rights under the law and educating employers and their service providers of their obligations under ERISA. Public awareness activities also included 99 briefings, 57 exhibits, 52 presentations, and three workshops that reached 17,157 participants or stakeholders of the regulated community.

EBSA conducted 292 health outreach activities in FY 2017 reaching 9,825 individuals. Additionally, nearly 322,000 publications were distributed via our toll-free publication hotline at outreach events. All the publications are available and accessible on line. EBSA's Web site has become the primary means of reaching the public and in FY 2017 the Web site hosted over 4.1 million visitors, viewing over 5.4 million pages.

## ENFORCEMENT AND PARTICIPANT ASSISTANCE

### Workload and Performance Summary

Beginning in FY 2018 and beyond, EBSA will replace its Major Case time indicator with two performance measures that include: Major Case monetary recoveries per major case staff day; and monetary recoveries on Major Cases closed per staff day. Both metrics measure efficiency by linking outputs (investigative time) to outcomes (monetary recoveries). The measures also reflect better targeting and resource management that will lead to the identification of bad actors and the recovery of benefits to participants, and more efficient use of investigative time that decreases the time charged.

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
11.1	Full-time permanent	77,742	76,437	77,196	759
11.3	Other than full-time permanent	940	940	940	0
11.5	Other personnel compensation	1,193	1,148	1,148	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>79,875</b>	<b>78,525</b>	<b>79,284</b>	<b>759</b>
12.1	Civilian personnel benefits	24,943	24,265	24,577	312
13.0	Benefits for former personnel	30	30	30	0
21.0	Travel and transportation of persons	1,414	980	980	0
22.0	Transportation of things	20	22	22	0
23.1	Rental payments to GSA	9,227	8,917	8,917	0
23.2	Rental payments to others	31	31	31	0
23.3	Communications, utilities, and miscellaneous charges	252	290	290	0
24.0	Printing and reproduction	315	440	440	0
25.1	Advisory and assistance services	500	350	350	0
25.2	Other services from non-Federal sources	3,256	5,200	6,969	1,769
25.3	Other goods and services from Federal sources 1/	19,708	19,343	19,343	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.7	Operation and maintenance of equipment	6,686	7,238	12,812	5,574
26.0	Supplies and materials	702	501	501	0
31.0	Equipment	441	267	267	0
38.0	Depreciation Expense - Unfunded	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>147,400</b>	<b>146,399</b>	<b>154,813</b>	<b>8,414</b>
1/Other goods and services from Federal sources					
	Working Capital Fund	19,161	18,199	18,199	0
	DHS Services	547	547	547	0
	HHS Services	0	597	597	0



# ENFORCEMENT AND PARTICIPANT ASSISTANCE

## CHANGES IN FY 2019

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	-80
One day more of pay	386
Federal Employees' Compensation Act (FECA)	80
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	-386
Working Capital Fund	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

**Built-Ins Subtotal** **\$0**

**Net Program** **\$8,414**

**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$146,399</b>	<b>762</b>
<b>Program Increase</b>	<b>\$8,414</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## POLICY AND COMPLIANCE ASSISTANCE

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
<b>Activity Appropriation</b>	<b>26,901</b>	<b>26,718</b>	<b>28,033</b>	<b>1,315</b>
FTE	71	73	83	10

NOTE: FY 2017 reflects actual FTE. Authorized FTE for FY 2017 was 79.

### **Introduction**

EBSA constantly seeks to improve policy and regulatory programs and routinely evaluates and adjusts regulatory activities. The Agency provides thoughtful and useful compliance assistance and engages the regulated community in designing and implementing compliance assistance tools and materials. EBSA formulates policy, promulgates regulations and provides interpretations and other guidance to the regulated community under Title I of ERISA. The Agency also implements a proactive regulatory agenda that includes providing detail and clarity to the law by rulemaking, thereby offering a path to more secure health and retirement benefits.

EBSA will continue its research activities relating to employer-sponsored pension and health benefit plans. EBSA performs three major, non-discretionary research functions:

- *Economic research* – Section 513 of ERISA directs the Secretary of Labor to conduct research and produce statistics on employee benefit programs, and health care reform initiatives include many additional specific areas of research;
- *Regulatory impact analysis* – Agencies must assess their regulations’ economic costs and benefits as required under Executive Order 12866, the Regulatory Flexibility Act and the Paperwork Reduction Act; and
- *Legislative and policy development and analysis* – EBSA is a lead agency for many of the legislative and policy activities relating to employee benefits.

Through this budget activity, EBSA also issues administrative individual and class exemptions from the prohibited transaction provisions of ERISA. These exemptions are necessary to facilitate transactions between employee benefit plans and related parties, such as service providers, that would otherwise be prohibited but that are considered beneficial to employee benefit plans. Additionally, EBSA provides ongoing compliance and technical assistance to small businesses, plan officials, and the general public to improve compliance with statutory and regulatory requirements.

# POLICY AND COMPLIANCE ASSISTANCE

## Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$26,901	102
2015	\$26,901	93
2016	\$26,901	93
2017	\$26,901	79
2018	\$0	0

NOTE: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

## FY 2019

EBSA seeks \$28,033,000 and 83 FTE for the Policy and Compliance Assistance budget activity. This request level includes a program increase of \$1,315,000 and 10 FTE that will enable EBSA to begin implementation of AHP oversight to directly respond to significantly higher numbers of new health providers and to ensure participants receive promised benefits. Fiduciary education, regulations, exemptions, compliance assistance, policy and research, and interpretive guidance have and will continue to substantially contribute to the protection of employee pension and health benefits. As resources permit, EBSA will develop more sophisticated analytical tools that will enhance data compilation, risk assessment and modeling to help better target enforcement efforts and improve statistical and analytic support for cases in which large volumes of data must be examined for evidence of violations, such as cases involving the mass administration of claims arising under health and welfare plans.

In FY 2019, EBSA will continue to carry out interpretive activities concerning the provisions of ERISA and related statutes through the timely issuance of advisory opinions and field assistance bulletins addressing relevant interpretive issues raised by the regulated community or considered significant by the Department. EBSA will also pursue a regulatory agenda that includes completing regulatory projects for the advancement of health care reform and retirement security. These projects include providing guidance, developing regulatory standards, conducting statistical research, policy, regulatory analysis, and issuing ERISA exemptions. Specific proposed regulatory actions include, but are not limited to: (a) new prohibited transaction exemptions related to the fiduciary advice rule; (b) revision of Form 5500 series and implementing related regulations under ERISA; (c) amendment of abandon plan program; (d) electronic filing of apprenticeship & training notices, and top hat plan statements; and (e) adoption of amended and restated voluntary fiduciary correction program. EBSA will also continue to advance the goals of health care reform by publishing compliance assistance guidance regarding the health plan coverage provisions of ERISA, including the Genetic Information Nondiscrimination Act (GINA), and the Mental Health Parity and Addiction Equity Act (MHPAEA).

Through these comprehensive regulatory programs, EBSA provides guidance and engages the regulated community in achieving compliance while protecting the benefits of workers, retirees and their families.

## **POLICY AND COMPLIANCE ASSISTANCE**

### **FY 2018**

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

### **FY 2017**

In FY 2017, EBSA pursued a proactive regulatory agenda that included completing 288 projects to better protect employee health benefits and retirement security. Specifically, the projects encompassed interpretive guidance, health plan standards, MHPAEA implementation, MEWA registration, class exemptions (closed, proposed or granted), statistical research, policy and legislative analysis, and regulatory analysis. These overall efforts encompassed regulations involving: target date disclosure; guide or similar requirement for Section 408 (b)(2) disclosures; standards for brokerage windows; savings arrangements established by States and qualified political subdivisions for non-governmental employees; interpretive bulletin relating to the exercise of shareholder rights and written statements of investment policy, including proxy voting policies or guidelines; and definition of the term fiduciary – delay of applicability date.

Additionally, EBSA addressed 3,434 technical and compliance assistance inquiries or projects involving Part 7 of ERISA by providing interpretive and other technical assistance to plan sponsors and employers for program areas encompassing: 2,173 technical and compliance assistance projects for health plan standards involving benefits security; 702 interpretive and technical assistance inquiries or projects; 470 inquiries or projects involving Mental Health Parity and Addiction Equality Act (MHPAEA) implementation; and 89 projects involving MEWA registration in FY 2017.

On March 23, 2017, EBSA transmitted the 2017 annual Self-Insured Group Health Plan Report to Congress and will coordinate with HHS and Treasury regarding the transmission of the fourth Mental Health Parity and Addiction Equality Act (MHPAEA) Report to Congress. EBSA will also consider any supplements to prior MHPAEA compliance reports as more data becomes available. EBSA also processed 50 individual exemption actions (including EXPRO) and processed nine (9) class exemptions (includes class exemptions that have been closed, proposed or granted) and completed work on these exemptions within an average of 502 days.

### **Workload and Performance Summary**

Through the Policy and Compliance budget activity, EBSA will provide guidance and engage the regulated community in achieving compliance while protecting the benefits of workers, retirees and their families. Additionally, Multiple Employer Welfare Arrangements (MEWA) registration and Mental Health Parity and Addiction Equity Act (MHPAEA) program activities will likely result in increased workload in FY 2019 and beyond. In FY 2019, EBSA will review and process class and individual exemption applications with the ultimate objective of protecting plans and their participants and beneficiaries while facilitating necessary business transactions.

## POLICY AND COMPLIANCE ASSISTANCE

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
11.1	Full-time permanent	10,335	10,347	11,336	989
11.3	Other than full-time permanent	90	90	90	0
11.5	Other personnel compensation	230	230	230	0
11.9	<b>Total personnel compensation</b>	<b>10,655</b>	<b>10,667</b>	<b>11,656</b>	<b>989</b>
12.1	Civilian personnel benefits	3,958	4,056	4,443	387
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	153	52	52	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	1,528	1,528	1,528	0
23.3	Communications, utilities, and miscellaneous charges	105	105	105	0
24.0	Printing and reproduction	175	150	150	0
25.2	Other services from non-Federal sources	433	200	139	-61
25.3	Other goods and services from Federal sources 1/	5,695	5,695	5,695	0
25.5	Research and development contracts	1,090	1,127	1,127	0
25.7	Operation and maintenance of equipment	2,799	2,473	2,473	0
26.0	Supplies and materials	156	550	550	0
31.0	Equipment	154	115	115	0
	<b>Total</b>	<b>26,901</b>	<b>26,718</b>	<b>28,033</b>	<b>1,315</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	5,605	5,488	5,488	0
	DHS Services	90	90	90	0
	HHS Services	0	117	117	0

# POLICY AND COMPLIANCE ASSISTANCE

## CHANGES IN FY 2019

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
One day more of pay	61
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Other services from non-Federal sources	-61
Working Capital Fund	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0

**Built-Ins Subtotal** **\$0**

**Net Program** **\$1,315**

**Direct FTE** **10**

	Estimate	FTE
<b>Base</b>	<b>\$26,718</b>	<b>73</b>
<b>Program Increase</b>	<b>\$1,315</b>	<b>10</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>





## EXECUTIVE LEADERSHIP, PROGRAM OVERSIGHT AND ADMINISTRATION

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
<b>Activity Appropriation</b>	<b>6,699</b>	<b>6,654</b>	<b>6,654</b>	<b>0</b>
FTE	22	25	25	0

NOTE: FY 2017 reflects actual FTE. Authorized FTE for FY 2017 was 25.

### **Introduction**

Through this budget activity, EBSA ensures overall leadership and direction for the policy, regulatory, enforcement and all other program and administrative activities. This program function supports EBSA's component program offices of enforcement and regulatory programs that improve transparency through public disclosure and helpful participant assistance and outreach programs.

This function also provides for the development and implementation of the agency's administrative policy, strategic planning, and operational guidance by: (a) planning and overseeing human capital management programs to build, sustain, and effectively deploy the skilled, knowledgeable, diverse, and high-performing workforce needed to meet current and emerging needs; (b) providing leadership in the development of the agency's training goals and delivery mechanisms; (c) providing leadership in the development of long-term and annual performance plans and reports; (d) overseeing the development and implementation of the agency's Continuity of Operations Plan (COOP) to ensure timely and effective continuation of critical agency operations in the event of a major disruption; (e) planning and directing the analysis, justification, execution and evaluation of the agency budget, and integrating the agency's strategic performance goals with budget formulation and execution; (f) providing advice and oversight regarding the prudent management and use of resources and compliance with governing laws and regulations; and, (g) planning and coordinating the overall facilities management plan including space, telecommunications, mail, and printing management.

Through this function, EBSA carries out its responsibilities for the management of debts arising from the assessment of civil penalties under ERISA sections 502(c)(2), 502(i) and 502(l). This is accomplished in accordance with the requirements of the Debt Collection and Debt Collection Improvement Acts.

# EXECUTIVE LEADERSHIP, PROGRAM OVERSIGHT AND ADMINISTRATION

## Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$6,599	26
2015	\$6,699	26
2016	\$6,699	26
2017	\$6,699	25
2018	\$0	0

NOTE: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

### FY 2019

EBSA seeks \$6,654,000 and 25 FTE for the Executive Leadership, Program Oversight and Administration budget activity. There are no program increases or decreases for this budget activity. This budget enables EBSA to continue to provide the leadership and administrative support for all of the agency's programs including enforcement, participant assistance, policy, compliance assistance, and regulatory initiatives. EBSA will utilize human capital, financial and other information systems to provide decision-makers with the timely analysis required to monitor and update strategic plans and to measure the results of program and management initiatives. Additionally through this activity, EBSA will ensure the proper execution of responsibilities to sustain employee benefits security and health care reform.

In FY 2019, the Executive Leadership, Program Oversight, and Administration budget activity will continue to ensure the execution of functions that include: (a) human capital management programs to build, sustain, and effectively deploy the skilled, knowledgeable, diverse, and high-performing workforce needed to meet current and emerging needs; (b) development of strategic training goals and delivery mechanisms that meet both programmatic and individual needs; (c) development of long term and annual performance plans and reports; (d) development and implementation of the agency Continuity of Operations Plan for continuation of critical agency operations in the event of a major disruption; (e) formulation, execution and evaluation of the agency budget; and (f) overall facilities management planning including space, telecommunications, mail, and printing management.

Lastly, during FY 2019, EBSA will continue to effectively administer its responsibilities for the management of debts arising from the assessment of civil penalties under ERISA sections 502(c)(2), 502(i) and 502(l). This will be accomplished in accordance with the requirements of the Debt Collection and Debt Collection Improvement Acts.

### FY 2018

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended). The amounts included for

## **EXECUTIVE LEADERSHIP, PROGRAM OVERSIGHT AND ADMINISTRATION**

2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

### **FY 2017**

To enhance employee development and succession planning, EBSA utilized intra-agency development assignments, OPM-sponsored management development training, USDA Graduate School sponsored classes and seminars, and other management development assignments (e.g., developmental details, EBSA management courses and seminars, annual employee needs assessments). Sixty-One (61) EBSA employees completed such developmental assignments during FY 2017.

EBSA continued to develop an extensive internal training curriculum to ensure that our employees maintain the technical knowledge needed to successfully meet our strategic and performance goals. The training curriculum consists of a Basic Training Course, two Techniques Courses (one each for Investigators and Benefits Advisors), Criminal Enforcement Training Course, Benefit Plan Accounting and Finance Course, Advanced Issues Course, a newly introduced Health Plan Investigation Course and an independent study course for the Introduction to Employee Benefits and Fiduciary Conduct. In FY 2017, EBSA trained approximately 161 employees in technical and professional areas, resulting in over 10,000 hours of training. These courses are designed to provide a foundation of legal knowledge and an understanding of industry practices required to effectively regulate the employee benefits industry and provide compliance assistance.

Lastly, EBSA effectively administered its responsibilities under the Debt Collection and Debt Collection Improvement Acts resulting in net final assessments of approximately \$21,722,327 and net collections of approximately \$20,550,563 in FY 2017.

### **Workload and Performance Summary**

The Executive Leadership, Program Oversight and Administration budget activity will continue to ensure the execution of functions that include: (a) human capital management programs to build, sustain, and effectively deploy the skilled, knowledgeable, diverse, and high-performing workforce needed to meet current and emerging needs; (b) development of strategic training goals and delivery mechanisms that meet both programmatic and individual needs; (c) development of long term and annual performance plans and reports; (d) development and implementation of the agency Continuity of Operations Plan for continuation of critical agency operations in the event of a major disruption; (e) formulation, execution and evaluation of the agency budget; and (f) overall facilities management planning including space, telecommunications, mail, and printing management.

**EXECUTIVE LEADERSHIP, PROGRAM OVERSIGHT AND  
ADMINISTRATION**

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
11.1	Full-time permanent	3,223	3,266	3,278	12
11.3	Other than full-time permanent	17	17	17	0
11.5	Other personnel compensation	110	110	110	0
11.9	<b>Total personnel compensation</b>	<b>3,350</b>	<b>3,393</b>	<b>3,405</b>	<b>12</b>
12.1	Civilian personnel benefits	1,434	1,482	1,488	6
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	92	60	60	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	325	325	325	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	43	25	25	0
24.0	Printing and reproduction	10	10	10	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	361	150	132	-18
25.3	Other goods and services from Federal sources 1/	872	1,044	1,044	0
25.7	Operation and maintenance of equipment	15	15	15	0
26.0	Supplies and materials	42	20	20	0
31.0	Equipment	155	130	130	0
	<b>Total</b>	<b>6,699</b>	<b>6,654</b>	<b>6,654</b>	<b>0</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	839	1,005	1,005	0
	DHS Services	33	33	33	0
	HHS Services	0	6	6	0

# EXECUTIVE LEADERSHIP, PROGRAM OVERSIGHT AND ADMINISTRATION

## CHANGES IN FY 2019

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
One day more of pay	18
Federal Employees' Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	-18
Working Capital Fund	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0

**Built-Ins Subtotal** **\$0**

**Net Program** **\$0**

**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$6,654</b>	<b>25</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>