U.S. Department of Labor
Employee Benefits Security Administration

November 2016

Table of Contents

TAB 1: AGENCY ORGANIZATIONAL OVERVIEW

Mission

The mission of the Employee Benefits Security Administration (EBSA) is to assure the security of the retirement, health and other workplace-related benefits of America's workers and their families. The Agency accomplishes this mission by developing effective regulations; assisting and educating workers, plan sponsors, fiduciaries and service providers; and vigorously enforcing the law.

EBSA helps to secure the pensions, health, and other employee benefits for more than 143 million people, and to support the growth of our private benefit system. EBSA's authority extends to an estimated 681,000 private retirement plans, 2.3 million health plans and a similar number of other employee welfare plans which together hold $8.7 trillion in assets.

Authorizing Legislation

EBSA is responsible for the administration, regulation, and enforcement of Title I of the Employee Retirement Income Security Act of 1974 (ERISA), Pub. L. 93–406, 88 Stat. 832, 29 U.S.C. § 1001 et seq. Title I of ERISA establishes standards of fiduciary conduct for persons who are responsible for the administration and management of benefit plans. Under ERISA, fiduciaries are required to discharge their duties solely in the interest of plan participants and for the exclusive purpose of providing benefits and defraying reasonable expenses of plan administration. ERISA also establishes standards for the reporting of plan-related financial and benefit information to the Department, and the disclosure of essential plan-related information to participants and beneficiaries.

EBSA is also responsible for administering provisions of law governing fiduciary conduct for the Thrift Savings Plan (TSP) under the Federal Employees' Retirement System Act of 1986 (FERSA), Pub. L. 99-335, 100 Stat. 514, 5 U.S.C. § 8401 et seq. Accordingly, EBSA has established an audit program to ensure that TSP assets have been properly safeguarded and that appropriate steps have been taken by TSP fiduciaries to comply with FERSA. The TSP is the primary retirement component for nearly all federal government employees. In January 2018, it is expected that over one million military accounts will be added as a part of the military's new blended retirement system. Since its inception, the TSP has grown into the largest defined contribution pension plan in the world with assets in excess of $480 billion. With the magnitude and complexity of its operations, the TSP essentially functions as a very large financial institution.

Organizational Structure

EBSA employs a comprehensive, integrated approach encompassing programs for enforcement, compliance assistance, interpretive guidance, legislation, and research to protect and advance the retirement security and health of our nation's workers and retirees. The Agency is committed to promoting policies that improve health benefits, encourage retirement savings, and protect employer-sponsored benefits. EBSA's economic research program continues to study economic issues affecting all programs. EBSA assists plan fiduciaries and others in understanding their obligations under ERISA by providing interpretive guidance and making related materials available through the Agency's website and publications, training programs, and more. The Agency is also committed to helping workers and retirees understand their benefits and receive the benefits they have earned.

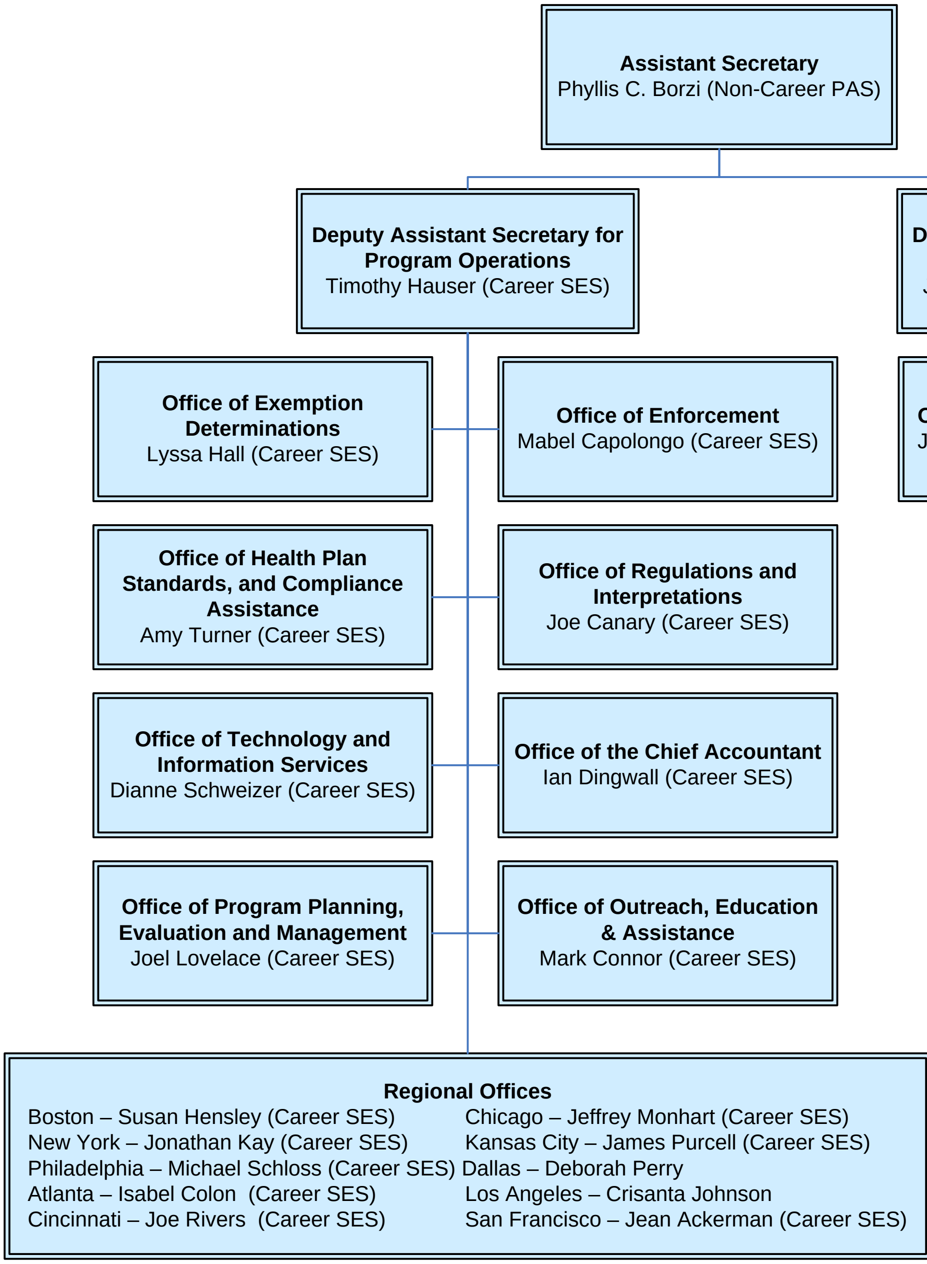
The Assistant Secretary, Deputy Assistant Secretary for Policy (non-career), and Deputy Assistant Secretary for Program Operations (career) are advised by nine National Office Directors. The Agency administers its enforcement and outreach, education and assistance programs via ten regional and three district offices comprised of Investigators, Benefits Advisors and support staff.

Office staffing by budget activity follows. EBSA has no key vacancies at this time.

Budget Activity*	FY 2016 Enacted FTE Level
Enforcement and Participant Assistance	830
Policy and Compliance Assistance	93
Executive Leadership, Program Oversight and Administration	26
National Office	247
Field Offices	702
Benefits Advisors	*124*
Investigators	*532*
Others	*46*

* The FY 2017 President's Budget proposes consolidation of these budget activities.

Organizational Chart



Workforce At-A-Glance

DEPARTMENT OF LABOR EMPLOYMENT *
AS OF 11/1/2016 - EBSA

AGENCY

Subagency	National Office	Regional Office	Total
EBSA	232	745	977
Total	232	745	977

RACE & GENDER

Ethnicity	F	M	Total
American Indian	2	3	5
Asian	49	32	81
Black	125	55	180
Hispanic	53	43	96
Two or more Races	3	1	4
White	307	304	611
Total	539	438	977

BARGAINING UNIT

Local 12	156
NCFLL	604
Non-BU	217

SUPERVISORY**

Non Supervisor	836
Supervisor	141

WORK SCHEDULE

F-Full Time	943
I-Intermittent	14
P-Part Time	20

REGIONS

1 Boston	73
2 New York	70
3 Philadelphia	86
4 Atlanta	166
5 Chicago	66
6 Dallas	67
7 Kansas City	76
9 San Francisco	116
10 Seattle	25
Natl Ofc	232
Total	977

GRADE DISTRIBUTION

00	33
04	2
05	18
06	27
07	30
08	3
09	40
11	70
12	298
13	250
14	166
15	40
Total	977

DISABLED STATUS

No Disability	869
Non-targeted	94
Targeted	14

APPOINTMENT TENURE

Indefinite	12
Permanent	959
Temporary	6

RETIREMENT ELIGIBILITY

Early Out	126
Eligible	130
Not Eligible	721

METRO D.C. AREA EMPLOYEES BY BUILDING

FRANCES PERKINS BLDG	232
Total	232

Includes regional employees working in the D.C. area

GRADE 13 & ABOVE

Ethnicity	F	M
American Indian	2	1
Asian	26	15
Black	33	19
Hispanic	22	13
Two or more Races	1	0
White	176	168

* Permanent and Temporary Employees
** Supervisor count includes manager levels 2 and 4

Organizational Changes During the Past Eight Years

No major changes to report.

Key Leaders

National Office

- Phyllis Borzi, Assistant Secretary
- Judy Mares, Deputy Assistant Secretary for Policy
- Timothy Hauser, Deputy Assistant Secretary for Program Operations
- Lyssa Hall, Director, Office of Exemption Determinations
- Mabel Capolongo, Director, Office of Enforcement
- Joseph Piacentini, Director, Office of Policy and Research
- Amy Turner, Director, Office of Health Plan Standards and Compliance Assistance
- Joe Canary, Director, Office of Regulations and Interpretations
- Ian Dingwall, Chief Accountant
- Diane Schweizer, Director, Office of Technology and Information Services
- Mark Connor, Director, Office of Outreach, Education, and Assistance
- Joel Lovelace, Director, Office of Program Planning, Evaluation and Management

Regional Offices

- Isabel Colon, Director, Atlanta Regional Office
- Susan Hensley, Director, Boston Regional Office
- Jeffrey Monhart, Director, Chicago Regional Office
- Joe Rivers, Director, Cincinnati Regional Office
- Deborah Perry, Director, Dallas Regional Office
- James Purcell, Director, Kansas City Regional Office
- Crisanta Johnson, Director, Los Angeles Regional Office
- Jonathan Kay, Director, New York Regional Office
- Michael Schloss, Director, Philadelphia Regional Office
- Jean Ackerman, Director, San Francisco Regional Office

TAB 2: 30/60/90 DAYS – STATE OF PLAY

Key Meetings, Decisions and Announcements

By end of December 2016

- ERISA Advisory Council. ERISA provides for the establishment of an Advisory Council on Employee Welfare and Pension Benefit Plans. The duties of the ERISA Advisory Council are to advise the Secretary of Labor and submit recommendations regarding the Secretary's functions under ERISA. The ERISA Advisory Council consists of 15 members appointed by the Secretary.

    - By the end of December 2016, the five 2017 ERISA Advisory Council appointees will be announced, notified and sworn in (they have already been selected and approved by Secretary Perez), notified and sworn in.

By end of January 2017

- The Secretary will receive an invitation to attend the first 2017 meeting of the ERISA Advisory Council on March 22, 2017 (alternate date: April 5, 2017). Typically the Secretary attends the first meeting, welcomes the new members and greets the continuing members. Photographs are taken of the Secretary (or his/her designate) presenting the Certificates of Appointment to the new Council members. At this first meeting, the Council (after consultation with EBSA) selects the topics for study for the 2017 year.

By end of March 2017

- Self-Insured Plans Report to Congress. The Affordable Care Act (ACA) requires the Secretary of Labor to provide Congress with an annual report containing general information on self-insured employee health plans and financial information regarding employers that sponsor such plans. The next report is due March 23, 2017. EBSA will begin the clearance process for the report in February.

- Social Security and Medicare Trustees Reports. The Board of Trustees of the Social Security and Medicare Trust Funds is composed of the Secretary of the Treasury, who is the Managing Trustee; the Secretary of Labor; the Secretary of Health and Human Services; the Commissioner of Social Security; and two public representatives appointed by the President and confirmed by the Senate. The 2017 Social Security and Medicare Trustees Reports are due for release on March 28, 2017. The Social Security Act specifies the reports are to be released by April 1 of each year; however, that deadline has not been met in recent years.

- Pension Benefit Guaranty Corporation (PBGC) Board Meeting. The Board of Directors of the PBGC is made up of the Secretary of Labor, who is the Chair, the Secretary of the Treasury, and the Secretary of Commerce. The Secretary of Labor has traditionally designated the Assistant Secretary of Labor for EBSA as Board Representative. The Board is responsible for establishing and overseeing policies of the PBGC. The Moving Ahead for Progress in the 21st Century Act (MAP-21) requires the Board to meet a minimum of four times per year and for the minutes of the meeting to be made public. The Secretary of Labor will call a meeting for the quarter before March 31, 2017.

By end of April 2017

- ACA Regulations and Subregulatory Guidance. The ACA reformed the health market and created significant new consumer protections, including new protections for workers participating in ERISA-covered plans regulated by the Department of Labor. Much of EBSA's ACA work is performed jointly with the Department of Health and Human Services (HHS) and Treasury/Internal Revenue Service (IRS). EBSA anticipates that ACA work will continue through 2017, and that the three agencies will continue to identify areas for additional guidance. The following are some of the notable issues that involve the tri-department team as well as issues within the jurisdiction of IRS or HHS that have potential impact for group health plans regulated by EBSA:
  - Contraceptive Services: The ACA requires non-grandfathered group health plans and health insurance issuers in the group and individual markets to cover certain recommended preventive services without cost sharing. Under these requirements, women's contraceptive health services, as specified in guidelines supported by the Health Resources and Services Administration (HRSA), must be covered without cost sharing.
  - Wellness Programs: Many employers offer wellness programs as a means of improving employee health and containing costs. When these programs use financial incentives for participation, they have to careful to avoid discriminating against individuals on the basis of health care factors. The programs should be aimed at improving health outcomes, not shifting health expenses to employees. Accordingly, EBSA, HHS, and IRS issued regulations (tri-department wellness rules) that explain how employers can design wellness programs that comply with the ACA rules prohibiting plans or insurance companies from discriminating against individuals on the basis of health status factors. In addition, the Equal Employment Opportunity Commission (EEOC), in consultation with HHS, DOL and Treasury, issued final regulations that give guidance on how employers can design wellness programs that do not violate the Americans with Disabilities Act or the Genetic Information Nondiscrimination Act.
  - Student Health Insurance Plans: EBSA, HHS, and IRS have granted enforcement relief from certain requirements of the ACA for premium reduction arrangements offered to students by universities. In some circumstances, for example where certain students also may be considered employees of the university, these premium reduction arrangements may meet the definition of "employer payment plans," which are considered group health plans and are subject to the market requirements of the ACA, including prohibitions on lifetime and annual dollar limits and requirement to cover certain preventive services. The enforcement relief gives these schools additional time to adopt a suitable alternative or make other arrangements to come into compliance with the ACA.
  - "Cadillac" Tax: To slow the rate of growth of health care costs and finance the expansion of health coverage, the ACA added a new section to the Internal Revenue Code to impose an excise tax on high-cost health plans starting January 1, 2018. Under the budget deal reached in the fall of 2015, the imposition of this tax was delayed and now does not start until 2020. This provision is often called the "Cadillac" tax because it targets plans that provide employees the most generous level of benefits, have low deductibles and little cost-sharing.

- Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA). Since passage of MHPAEA, DOL, within the scope of its authority, has enforced the law, assisted consumers, and sought to clarify the responsibility of group health plans and health insurance issuers providing mental coverage to ensure that coverage complies with MHPAEA. EBSA participated in a task force created by presidential memorandum that made several recommendations to improve understanding and compliance with the law based on input from interested stakeholders. Legislation may be forthcoming related to this matter, and EBSA anticipates there will be an ongoing need for additional guidance, as well as enhanced enforcement efforts.

- Federal Retirement Thrift Investment Board Appointments. The Board consists of five members appointed by the President. Three of the five members are currently serving on "expired" terms. Current members include:
  - Dana Bilyeu: confirmed on November 18, 2011, for a term expiring October 11, 2015
  - William Jasien: confirmed on June 27, 2013, for a term expiring October 11, 2015
  - Ronald McCray: confirmed on November 18, 2011, for a term expiring September 25, 2016
  - Michael Kennedy: confirmed on March 27, 2015, for a term expiring September 25, 2018
  - David Jones: confirmed on March 27, 2015, for a term expiring October 11, 2018

(b) (5) [redacted]

Key Agency Stakeholders

EBSA stakeholders that should be engaged by the Secretary in the first 90 days

- AARP is a nonprofit, nonpartisan, social welfare organization with a membership of nearly 38 million. They engage with EBSA on a range of issues of interest to their members, including the conflict of interest rule, lifetime income, state retirement initiatives, ACA implementation, wellness, e-disclosure, and other regulatory initiatives.

- American Benefits Council (ABC) is a national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council's members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans. They engage with EBSA on a range of issues of interest to their members, including the conflict of interest rule, ACA implementation and employer responsibility, mental health parity, e-disclosure, employer reporting and disclosure requirements, and other regulatory initiatives.

- The ERISA Industry Committee (ERIC) is a national trade association advocating solely for the employee benefit and compensation interests of the country's largest employers. They engage with EBSA on health and retirement issues, including reporting requirements, HIPAA, mental health, wellness programs, the conflict of interest rule, and other issues of importance to their members.

- The U.S. Chamber of Commerce is the world's largest business organization representing the interests of more than 3 million businesses of all sizes, sectors, and regions. They engage with EBSA on a range of issues of interest to their members, including the conflict of interest rule, retirement security, health care, reporting requirements, and other regulatory initiatives.

- The American Council of Life Insurers is a Washington, D.C.-based trade association with approximately 280 member companies operating in the United States and abroad. They engage with EBSA around issues of interest to their members, including life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance.

- The Blue Cross and Blue Shield Association is a national federation of 36 independent, community-based and locally operated Blue Cross® and Blue Shield® companies. They engage with EBSA around health care issues.

- America's Health Insurance Plans (AHIP) is the national trade association representing the health insurance and managed care community. AHIP's members provide health and supplemental benefits through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid. They engage with EBSA on health care issues.

- Certified Financial Planner Board (CFP Board) is a non-profit organization whose mission is to benefit the public interest by fostering professional standards in personal financial planning through its setting and enforcement of the education, examination, experience, ethics and other requirements for CFP® certification. CFP professionals voluntarily agree to comply with CFP Board's rigorous standards and subject themselves to disciplinary oversight of CFP Board. The Board works with its certificants to assist them in ensuring they are in compliance with DOL's fiduciary rules and other regulatory requirements.

- Americans for Financial Reform is a nonpartisan and nonprofit coalition of more than 200 civil rights, consumer, labor, business, investor, faith-based, and civic and community groups. They engage with EBSA around the conflict of interest rule, financial literacy, and investment issues.

- Better Markets is a non-profit, non-partisan, and independent organization founded in the wake of the 2008 financial crisis to promote the public interest in the financial markets, support the financial reform of Wall Street and make our financial system work for all Americans again. They engage with EBSA around the conflict of interest rule, fiduciary duties, and investment issues.

- AFL-CIO is the umbrella federation for U.S. unions, with 56 unions representing 12.5 million working men and women. They engage with EBSA on a range of issues of interest to their members, including the regulation of apprenticeship and training programs, the conflict of interest rule, multiemployer plans, modernization of the Form 5500, ACA implementation, and other regulatory initiatives.

- American Federation of State, County, and Municipal Employees (AFSCME) is the nation's largest and fastest growing public services employees union with more than 1.6 million working and retired members. They engage with EBSA on a range of issues of interest to their members, including the conflict of interest rule, ACA implementation, and other regulatory initiatives.

- Service Employees International Union (SEIU) is a labor union with 2 million members, many in health care, public services, and property services. They engage with EBSA around health care and the conflict of interest rule as well as issues with multiemployer plans, state initiatives, , and other regulatory initiatives.

- The Consumer Federation of America (CFA) is an association of non-profit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education. Today, nearly 300 of these groups participate in the federation and govern it through their representatives on the organization's Board of Directors. CFA engages with EBSA around financial literacy, the conflict of interest rule, and other regulatory issues.

- The National Coordinating Committee for Multiemployer Plans (NCCMP) is an organization of national, regional and local multiemployer pension and health and welfare plans, International and Local Unions, national and local employer associations, individual local employers, and multiemployer fund professionals. They engage with EBSA around multiemployer plan issues, particularly composite plan legislation, health care issues and other regulatory issues, including those relating to the Pension Benefit Guaranty Corporation (PBGC)..

TAB 3: INITIATIVES

Policy and Regulatory Issues

EBSA works to promote policies that account for the evolving employee benefits landscape. In the decades since the enactment of ERISA in 1974, there has been a dramatic shift in the retirement savings marketplace from employer-sponsored defined benefit plans to participant-directed 401(k) plans, coupled with the widespread growth in assets in Individual Retirement Accounts and Annuities (IRAs). EBSA's regulatory agenda fulfills its mission to protect, educate, and empower retirement investors as they face important choices in saving for retirement in their IRAs and employee benefit plans. As a result of its recent rule expanding the number of advisers treated as plan and IRA fiduciaries, EBSA also plays an increasingly important role in ensuring that retirement investors receive unbiased investment recommendations that are in their best interest.

EBSA's initiatives also help promote additional savings options. One-third of American workers do not have access to a retirement savings plan through their employers. Workers without access to a plan at work rarely save for retirement: fewer than 10 percent of workers without access to a workplace plan contribute to a retirement savings account on their own. To increase access, many states have been exploring options for creating retirement accounts for workers in the private sector who do not otherwise have access to a workplace retirement plan. EBSA has finalized regulations and guidance to provide a path forward for state retirement savings programs consistent with ERISA, and has proposed similar regulations for political subdivisions of states, such as cities and counties that meet specified criteria.

Multiemployer defined benefit plans provide retirement security to more than 10 million participants and their beneficiaries through 1,400 plans. Tens of thousands of employers, including many small businesses, provide lifetime retirement benefits for their employees by participating in multiemployer pension plans. The PBGC estimates that plans covering about 10% to 15% of the 10 million multiemployer participants are at risk of running out of money over the next 20 years. The multiemployer insurance program needs reform that addresses the problems affecting plans and also makes PBGC's multiemployer fund a reliable backstop for years to come. In 2016, the PBGC Board released a letter with PBGC's FY 2015 Projections Report urging changes to the multiemployer program to improve its solvency.

In the health plan context, workers rely heavily on the promises made by their employers to provide health insurance. For example, workers participating in their employer's group health plan expect to be covered by health insurance in the event of sickness or accident and their health claims to be paid appropriately. If an employer withholds premiums from workers' paychecks, but fails to forward the premiums to the insurance company, workers may suffer significant financial harm due to unpaid medical bills.

Under ACA, 20 million Americans have gained health coverage and the nation's uninsured rate is now below 10 percent for the first time ever. The ACA assigned the Department significant new responsibilities. EBSA continues to develop, implement, and enforce the ACA market reform regulations in conjunction with the Departments of Treasury and HHS. EBSA will also continue to implement and enforce MHPAEA, which also assigned the Department significant responsibilities.

MHPAEA requires parity for plans' mental health coverage in the sense that the financial requirements and treatment limitations for mental health and substance use disorder benefits can be no more restrictive than those applied to medical/surgical benefits.

On March 29, 2016, the President signed a Presidential Memorandum creating a Mental Health and Substance Use Disorder Parity Task Force. The Task Force focused key federal agencies, including EBSA, on the work of ensuring that Americans receive the coverage and treatment that they need. The objectives of the Task Force were to (1) increase awareness of the protections that mental health and substance use disorder parity provides; (2) improve understanding of the requirements of mental health and substance use disorder parity among key audiences including health plans, insurers and state regulators; and (3) increased the support, resources, and tools available to ensure coverage is in compliance with mental health and substance use disorder parity. The Task Force presented its findings and recommendations in a report to the President on October 27, 2016. In accordance with several of the recommended actions, EBSA in collaboration with the Departments of HHS and Treasury, issued several guidance documents to improve understanding and enhance compliance with the law, including an additional set of FAQs on ACA and MHPAEA implementation, a disclosure guide for consumers, and a compliance assistance materials index. A commitment was also made to annually release information on investigations involving MHPAEA.

See Tab 2 for a listing of major policy decisions leadership will be facing and ongoing regulatory action with impending deadlines in the first three months.

Major Grants and Contracts

- ERISA Filing Acceptance System (EFAST). The Form 5500 Annual Return/Report is the primary source of information about the operation, funding, and invested assets of pension, health and other employee benefit plans to a wide audience that includes plan participants and beneficiaries, the federal government, Congress, and researchers and others in the private sector. The EFAST contract and associated operations have served the partner agencies (EBSA, IRS, and PBGC) well for a number of years, processing Form 5500 submissions and providing support to filing stakeholders. The EFAST operations contract is scheduled to expire in 2020, however, and a new contract is needed to continue Form 5500 operations throughout and beyond 2020. EBSA is leading a re-compete of this contract which will require one-time FY 2018 resources above steady-state levels. This major effort will incorporate Form 5500 21st century modernization and improvement requirements based on proposed rulemaking. These form revisions seek to align the collected data with market developments and changes in the laws covering employee benefit plans.

- Economic Research. Since 2010, EBSA has awarded between $5 and $10 million of its economic research budget for academic research to inform future projects related to employee benefits. Some of these projects have spanned several years. Over the last five years, EBSA has shifted some of its research resources from more academic research, to topics more focused on program and regulatory support. Due to more austere budgets and increased unfunded (but mandatory) budget items, EBSA has had to cut its research budget nearly $3 million from FY 2015.

For FY2017, EBSA anticipates the following research projects:

- Form 5500 analysis including appendices to the Self-Insured Report to Congress, the Pension Plan Bulletin and other reports.
- Imputed health insurance coverage data and tables based on the March Current Population Survey.
- Support for EBSA's Office of Enforcement including statistical sampling, data analysis, risk modeling, and targeting methods.
- Providing a dynamic income simulation model to the public as well as funding retirement research.
- Analyzing issues implementing MHPAEA in the employer-sponsored health insurance market.
- Data subscriptions for financial data, bankruptcy data, Form 5500 data, hedge fund data, and data on federal and state laws.

Enforcement

In carrying out its enforcement responsibilities, EBSA uses a number of different approaches to ensure employee benefits are protected, including national/regional enforcement priorities and projects, voluntary compliance programs, civil/criminal litigation, and research-based analysis. EBSA regularly works in coordination with other federal and state enforcement agencies, including the Department's Office of Inspector General, the Securities and Exchange Commission (SEC), the Office of the Comptroller of the Currency (OCC), the Consumer Financial Protection Bureau (CFPB), PBGC, HHS, IRS, DOJ, the federal banking agencies, state insurance commissioners, and state attorneys general.

Protecting workers' benefits is a cornerstone of EBSA's work. The primary objectives of EBSA's enforcement program are to improve ERISA compliance by recovering losses and unjust profits as a result of misconduct by plan fiduciaries and service providers; and to increase the deterrent impact of the Agency's enforcement efforts on employee benefit plans, participants and beneficiaries. EBSA accomplishes this through its conduct of civil and criminal investigations. The Agency focuses its enforcement resources on National Enforcement Projects, Major Case and Employee Contributions priorities, and regional projects. The current five National Enforcement Projects include:

- The Contributory Plans Criminal Project (CPCP) targets the abuse of contributory plans and protects the most vulnerable populations by investigating potentially criminal violations and referring appropriate cases for prosecution. The project encompasses a range of criminal actors and crimes, including employers, third party administrators (TPAs) and plan employees who embezzle funds from payroll contributions or participant accounts.

- The Health Benefits Security Project (HBSP) focuses on group health plans and their service providers, and seeks to obtain significant monetary recoveries and global corrections of problematic practices or plan terms that violate ERISA. Such issues include undisclosed TPA fees and improper claims processing. EBSA seeks to identify and correct substantive violations related to the denial of promised benefits, which require the re-adjudication of claims. EBSA also conducts investigations that focus on claims procedure violations.

- Rapid ERISA Action Team (REACT) provides an expedited response to protect the rights and benefits of plan participants when the plan sponsor faces severe financial hardship or bankruptcy. Too often, companies facing dire financial circumstances lose sight of their obligations as plan sponsors and fiduciaries, or even view the plans' assets as a tempting target for theft or abuse.

- The Employee Stock Ownership Plan (ESOP) project investigates transactions that present the potential for fiduciary self-dealing and conflicts of interest. In particular, the project focuses on transactions involving the purchase of employer stock for inflated prices based on unreliable or biased appraisals, a chronic area of abuse. Every year, EBSA recovers tens of millions of dollars (or more) based on such faulty appraisals, restoring the lost assets directly to participants' retirement accounts.

- The Plan Investment Conflicts (PIC) project continues EBSA enforcement efforts to promote clear disclosure by service providers of direct and indirect compensation and mitigates fiduciary service provider self-dealing.

EBSA's two enforcement priorities include the Major Case Enforcement Priority and the Employee Contributions Initiative. Under the Major Case Priority, EBSA focuses its enforcement resources on areas that have the greatest impact on the protection of plan assets and participants' benefits by strategically dedicating more investigative resources on professional fiduciaries and service providers with responsibility for large amounts of plan assets or the administration of benefits for a large number of plan participants. Consistent with EBSA's history of protecting employee contributions to 401(k), health plans, and other contributory plans, EBSA also has a national enforcement priority aimed at the wrongful diversion of employee contributions by employers, a problem that is particularly prevalent in the small plan universe.

EBSA has had considerable success protecting employee benefits through both civil and criminal enforcement actions. EBSA's efforts in both areas achieved total monetary results in FY 2015 of over $696 million and $8.1 billion since the beginning of FY 2009, which includes technical prohibited transactions and plan assets protected. When only including results from investigations that directly impacted plans, participants, and beneficiaries, EBSA has returned more than $1.7 billion to participants, beneficiaries, and plans. EBSA's criminal enforcement program has referred 1,660 criminal cases for prosecution, leading to the indictments of 712 individuals.

EBSA's Benefits Advisors also provide assistance, education, and outreach for workers, retirees, and their employers. Since the beginning of FY 2009 through the end of FY 2015, Benefits Advisors have used informal complaint resolution to help more than 906,000 participants recover more than $2 billion out of the $8.1 billion that EBSA achieved in monetary results. Benefits Advisors have also conducted more than 12,500 education, outreach, and compliance assistance events for over 900,000 people.

In addition, EBSA regards voluntary compliance programs as essential to its mission of safeguarding the security of pension and welfare benefits. Recognizing the need for a formal, broad means for plan officials to correct possible fiduciary breaches, the Agency developed the Voluntary Fiduciary Correction Program (VFCP), which became effective on April 14, 2000, and the

Delinquent Filer Voluntary Compliance Program (DFVCP), which became effective on April 27, 1995. The VFCP describes nineteen financial transactions that, based on EBSA's enforcement experience, may readily be self-identified and corrected by plan officials and their advisors without discussion with EBSA. The process involves an application by plan officials to an EBSA field office, where staff examines the application and issue a no-action letter if the applicant satisfies the conditions of the VFCP. In FY 2015, EBSA received 1,478 applications for the VFCP and results totaling $14.3 million related to program corrections. Since its creation, the DFVCP has assisted tens of thousands of plans to correct un-filed or late Form 5500s. Well over 20,000 filings are submitted to the program each year, avoiding both the Department's larger late and non-filer penalties and also similar penalties from the IRS. To use the program, filers electronically file their 5500s and submit reduced penalty payments to the Department. DFVCP penalties are based on the plan size and number of filings, but are never more than $4,000 per plan. In FY 2015, the DFVCP received nearly 23,000 filings and almost $23 million.

The Abandoned Plan Program (APP) facilitates the termination of, and distribution of benefits from, individual account pension plans that have been abandoned by their sponsoring employers. The program was established pursuant to three final regulations and a related class exemption and is administered by EBSA national and regional offices. The APP regulations establish a procedure for certain financial institutions holding the assets of abandoned individual account plans (QTAs) to terminate the plans and distribute benefits to participants and beneficiaries, with limited liability. The APP regulations provide a fiduciary safe harbor for making distributions from terminated plans on behalf of participants and beneficiaries who fail to make an election regarding the form of benefit distribution and establish a simplified method of filing a terminal report for abandoned plans. Prohibited Transaction Exemption 2006-06 provides conditional relief from prohibited transaction restrictions for: (1) a QTA that selects and pays itself to provide services in connection with the termination; (2) certain services rendered prior to becoming a QTA; (3) a QTA that selects and pays itself in connection with rollovers from abandoned plans to individual retirement plans maintained by the QTA; and (4) a QTA that pays itself investment fees as a result of the investment of the individual retirement plan's assets in a proprietary investment product. During FY 2015, EBSA received 590 applications from QTAs and closed 207 applications with terminations approved, with 205 plans making distributions of $13.8 million directly to participants pursuant to termination. In 2012, the Department announced a proposed rule and related class exemption amendments that will make the APP available to Chapter 7 bankruptcy trustees. The amendments are designed to help workers and retirees of bankrupt companies gain access to their retirement money timely and efficiently.

EBSA also has a greatly expanded need for complex economic and statistical enforcement support, as it focuses on major cases and complex transactions. IT innovations and expansion of available data and applications allow increased use of quantitative analysis, risk analysis, monitoring and targeting. The agency's large and complex cases often involve data analysis and/or statistical sampling. EBSA is in the process of hiring additional staff with appropriate skills and education to work closely with the national and regional offices to provide general enforcement support.

Audits and Reports

EBSA Reports Issued in the Past 2 Years

- Assessing the Quality of Employee Benefit Plan Audits (May 2015). As discussed in the report, EBSA concluded that 39% of independent audits of employee benefit plans are not performed in accordance with professional and regulatory standards. Recommendations to improve work in this area included legislative changes, enhanced enforcement, and increased education of benefit plan fiduciaries and service providers.

OIG Audits Completed in the Past 3 Years

- Small Pension Plans Receiving Audit Waivers Need More Frequent Review, Report No. 05-15-002-12-121 (March 31, 2015)

- Limited-Scope Audits Provide Inadequate Protections to Retirement Plan Participants, Report No. 05-14-005-12-121 (September 30, 2014)

- EBSA Could Improve Its Usage of Form 5500 Data, Report No. 05-14-003-12-121 (March 31, 2014)

- EBSA Needs to Provide Additional Guidance and Oversight to ERISA Plans Holding Hard-to-Value Alternative Investments, Report No. 09-13-001-12-121 (September 30, 2013)

Ongoing OIG Audits

Audit/Report Name	Status	Summary
Preventing Improper Denials of Health Benefit Claims	Notification letter received: 9-30-14 Entrance conference held: 11-12-14 Interim/Follow-up meeting held: 4-01-16 Exit conference held: 7-09-15 Draft report received: 9-01-16 Comments on draft report due/sent: 9-22-16 Final report received: Response to final report due/sent:	OIG initiated the audit to review EBSA's process for collecting and evaluating information about the denial of participant benefit claims and how it utilizes this information to protect plan participants from wrongful denials.
[redacted]	(b) (5) [redacted]	[redacted]

GAO High Priority Recommendations

- Area 2: Better protections for retirees. Two priority recommendations concerning protections for retirees remain open from last year, with no change in their status. One of these recommendations calls for the Department to consider making regulatory changes or provide guidance to address issues regarding the fiduciary status of certain managed account providers. The other recommendation calls for the Department to consider establishing a national pension registry to help ensure individuals do not lose access to the multiple 401(k) plan accounts they may have accumulated over the course of their working lives.

  DOL's Response: EBSA's mission is carried out through an integrated program of regulation; compliance assistance and education; civil and criminal enforcement; and research and analysis. More, however, can always be done. Concerning GAO's first recommendation, the fiduciary status of managed account providers does not differ on the basis of whether the managed account is the plan's default investment option or whether the participant affirmatively chooses it, however, the Department agrees that it should consider whether regulatory changes or other guidance is needed to address the fiduciary status of managed account providers in the various settings described in the GAO report. With regard to the proposal to establishing a national pension registry, EBSA advised GAO that the agency shares its concern about the persistence of missing participant issues and the need for a comprehensive solution. EBSA also explained to GAO, however, that it does not have the legal authority necessary to establish and provide funding for such a registry. In its final report, GAO agreed that the Department did not have the authority to establish the registry, and suggested that that the Pension Benefit Guaranty Corporation (PBGC) initiative could address some of the issues identified in GAO's report. Nonetheless, it retained its recommendation that the Department should convene a taskforce that could include industry professionals, plan sponsor representatives, consumer representatives, and relevant federal government stakeholders, such as representatives from SSA, PBGC, and IRS, who could identify areas to be addressed through the regulatory process, as well as those that may require legislative action. The Department disagrees with the recommendation in light of the PBGC's initiative, the Department's limited authority, and resource constraints.

- Solvency of the Pension Benefits Guaranty Corporation. Significant positive steps have been taken by Congress and the PBGC to strengthen the agency over the past two years through various program reforms and premium increases. However, GAO still has concerns related to the multiemployer program and challenges related to PBGC's funding structure and governance GAO made four recommendations to Congress that involves authorizing a redesign of PBGS's single employer program premium structure to better align rates with sponsor risk; adopting additional changes to PBGC's governance structure-in particular, expanding the composition of its board of directors; strengthening funding requirements for plan sponsors as the economy improves; and working with PBGC to develop a strategy for funding PBGC claims over the long term, as defined benefit pension system continues to decline.

  DOL's Response: The PBGC Board agrees that the agency faces significant long-term challenges with its single-employer program and an immediate and critical challenge with its multiemployer program. The PBGC Board agrees that Congress should consider proposals to improve the long-term financial stability of both insurance programs. See the Board's letter to the President of the Senate - http://www.pbgc.gov/documents/TransmittalLetters.pdf. The

Administration's Fiscal Year 2017 budget proposed to give the PBGC Board the authority to adjust premiums and directed the PBGC Board to raise $15 billion in additional premium revenue from the multiemployer program. This level of multiemployer premium revenue would nearly eliminate the risk of the multiemployer program becoming insolvent within 20 years. The PBGC Board also considered various alternative governance structures, but declined to pursue such governance issues in the absence of legislation. The PBGC Board was also actively involved in PBGC's establishment of an Enterprise Risk Management (ERM) function and the hiring of a Risk Management Officer. The ERM function will help guide PBGC in recognizing risks and determining appropriate ways to mitigate such risks.

Management

Budget Activity Consolidation
Through the FY 2017 budget submission, EBSA proposed to consolidate budget activities for Enforcement and Participant Assistance, Policy and Compliance Assistance, and Executive Leadership, Program Oversight and Administration into a single budget activity for Employee Benefits Security Programs. The proposed consolidation merely seeks a technical adjustment (TA) authorizing the obligation of resources for the single budget activity "Employee Benefits Security Programs" at any appropriated level for FY 2017 and beyond. The use of a single consolidated budget activity would enable EBSA to allocate resources in the most efficient way possible, and based solely on how it can most effectively deploy its scarce resources. If, for example, the Agency determined that it could more efficiently and effectively discharge its responsibilities by devoting more resources to one activity, rather than another, it could do so, without regard to arbitrary distinctions between categories of "activities." Without such a change, the Agency's decisions on how to spend its resources can be driven by anachronistic division of tasks and functions into different "activities," rather than on how best to manage its limited resources to serve the public interest. It is especially important that the Agency be given the flexibility necessary to manage its assets as efficiently as possible given the size of its task, the limits of its budget, and its critical responsibility to be a prudent steward of taxpayer funds.

Expert Witness Program Administration
The pursuit of complex ERISA litigation by the Department would not be possible without employing qualified experts. The existing budget, procurement, and litigation environment has made it exceedingly difficult to effectively administer EBSA's expert witness program. The risks and uncertainties of the annual appropriations cycle are a poor match for the demands imposed by complex multi-year litigation. Accordingly, in recent years, EBSA has proposed a permanent change to appropriations language to support the acquisition and administration of expert witness contracts for enforcement litigation. Under EBSA's proposal, it would receive multi-year funding that would enable it to continue to use resources budgeted for expert litigation over a multi-year period. The ability to secure and use expert funds for a protracted period would mitigate the risk associated with the loss of funds due to lack of appropriations, contract structure, or settlement.

Calendar

Regular meetings, regulatory deadlines and other events of importance to EBSA include:

Semiannual Regulatory Agenda
Twice each year, the Department publishes a semiannual regulatory agenda under the direction of Office of Management and Budget (OMB). The spring agenda likely will be published sometime in late April or early May of 2017.

Meetings

- PBGC Board Quarterly Meetings. The PBGC Board of Directors is made up of the Secretary of Labor, who is the Chair, the Secretary of the Treasury, and the Secretary of Commerce. The Secretary has designated the Assistant Secretary of Labor for EBSA as Board Representative. The Board is responsible for establishing and overseeing policies of the PBGC. MAP-21 requires the Board to meet a minimum of four times per year with at least two members present. At least one meeting must be a joint meeting with the PBGC Advisory Committee. The Board meeting minutes are posted on PBGC's website.

- Board of Trustees Semiannual Meetings. The Board of Trustees of the Social Security and Medicare Trust Funds is composed of the Secretary of the Treasury, who is the Managing Trustee; the Secretary of Labor; the Secretary of Health and Human Services; the Commissioner of Social Security; and two public representatives appointed by the President and confirmed by the Senate. The Secretary of Labor has designated the Assistant Secretary of Labor for EBSA as his or her representative when the Secretary is not available. The Board is responsible for holding the Trust Funds and reporting to Congress on the operation and status of the Trust Funds annually and whenever the Board is of the opinion that the amount of the Trust Funds is unduly small. According to the Social Security Act, the Board of Trustees shall meet not less frequently than once each calendar year. However, the by-laws of the Board state that the Trustees shall meet in person not less frequently than twice each calendar year. The meetings are typically in the spring and fall.

EBSA Reports

- Self-Insured Plans Report to Congress. The next report is due March 23, 2017. ACA requires the Secretary to provide Congress with an annual report containing general information on self-insured employee health benefit plans and financial information regarding employers that sponsor such plans.

- Mental Health Parity and Addictions Equity Report to Congress. The next report is due January 1, 2018. MHPAEA requires the Secretary of Labor to provide a biennial report to Congress on compliance of group health plans (and health insurance coverage offered in connection with such plans) with the requirements of the federal mental health and substance use disorder parity provisions (the Secretary of Labor has also voluntarily committed to annually releasing information on investigations involving MHPAEA).

ERISA Advisory Council Reports provided to the Secretary

- The Secretary will receive two reports by the 2016 ERISA Advisory Council with an EBSA cover memo, if not completed before the Inauguration, on the topics of (1) Cybersecurity Considerations for Benefit Plans and (2) Participant Plan Transfers and Account Consolidation for the Advancement of Lifetime Plan Participation. Once the reports and cover memo are received, the Office of the Secretary gives the approval to post the reports on the EBSA website and send copies to the Library of Congress.

PBGC Reports cleared by the PBGC Board of Directors or Board Representatives as permitted under the PBGC bylaws

- Annual Report and Projections Report. The Annual Report is due on November 15 every year. The Projections Report, which is part of the Annual Report, is released as soon as practicable after the close of the fiscal year. ERISA requires the PBGC to transmit to the President and the Congress a report including financial statements setting forth the finances of the corporation at the end of the fiscal year and the result of its operations (including the source and application of its funds) for the fiscal year. The report also includes an actuarial evaluation of the expected operations and status of the funds established under ERISA section 4005 for the next five years (including a detailed statement of the actuarial assumptions and methods used in making such evaluation), which PBGC refers to as the Projections Report.

- ERISA Section 4010 Report. The next 4010 Report is expected to be issued in 2016. The Pension Protection Act of 2006 requires the PBGC to provide an annual report to Congress of a summary in the aggregate of the information submitted by single-employer plan sponsors under ERISA section 4010. Certain single employer plan sponsors and members of their control groups that have a plan that is less than 80% funded, or missed contributions from which a lien arises under the tax code, or obtained a funding waiver in excess of $1,000,000 must submit information, including (1) the amount of benefit liabilities under the plan determined using the assumptions used by the corporation in determining liabilities; (2) the funding target of the plan determined as if the plan has been in at-risk status for at least 5 plan years; and (3) the funding target attainment percentage of the plan.

- Five-Year Report on Multiemployer Pension Plans. The next report is due in 2020. The Multiemployer Plan Amendments Act of 1980 (MPPAA) requires, at least every fifth year since the enactment of MPPAA, PBGC to report to Congress on PBGC's review of its multiemployer insurance program, to determine the premiums needed to maintain the current guarantee levels and whether the guarantee levels may be increased without increasing the premiums.

PBGC Reports provided to the PBGC Board of Directors

- PBGC Participant and Plan Sponsor Report. The next report is due December 31, 2016. MAP-21 requires the Participant and Plan Sponsor Advocate to report annually to PBGC's committees of jurisdiction on the activities of the Office of the Participant and Plan Sponsor Advocate during the fiscal year ending during such calendar year.

- PBGC Inspector General Semiannual Report to Congress. The next reports are due October 31, 2016 and April 30, 2017. Under 1988 amendments to the Inspector General Act of 1978, the Inspector General is required to prepare semiannual reports summarizing the activities of PBGC during the immediately preceding six-month periods ending March 31 and September 30. Such reports include: a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of such establishment disclosed by such activities during the reporting period; and a description of the recommendations for corrective action made by the Office. The reports are furnished to the PBGC Board not later than April 30 and October 31 of each year and are transmitted by the Board to Congress within thirty days after receipt of the report. The Inspector General report must be accompanied by, among other things, any comments the Board determines appropriate, and statistical tables regarding disallowed costs, audit reports, and management decisions and actions regarding issues raised in such reports.

Social Security and Medicare Reports

- The Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds. The next report is due April 1, 2017. Under the Social Security Act, the Board of Trustees reports annually to Congress on the operation and status of the Trust Funds during the preceding fiscal year and on their expected operation and status during the next ensuing five fiscal years.

- The Annual Report of the Board of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds. The next report is due April 1, 2017. The Board of Trustees reports annually to Congress on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next two fiscal years.

TAB 4: BUDGET

BUDGET AUTHORITY AND FTE SUMMARY

(Dollars in millions)

	FY 2013 Enacted	FY 2014 Enacted	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Request
Budget Authority	$173.5	$178.5	$181.0	$181.0	$205.8
FTE	977	963	962	944	965

<u>At-A-Glance</u>

- The Employee Benefits Security Administration (EBSA) is funded by an annual discretionary appropriation. EBSA protects the retirement and health benefit security of workers, retirees, and their families through an integrated program of regulation, compliance assistance and education, civil and criminal enforcement, research, and analysis.
- EBSA utilizes 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.
- EBSA component programs utilize a number of different approaches to ensuring employee benefits are protected, including national/regional enforcement priorities and projects, voluntary compliance programs, civil/criminal litigation, and research based analysis.
- EBSA strives to deploy its scarce investigative and other resources in a way that maximizes the agency's impact on the vast universe of regulated plans and service providers. Although EBSA is responsible for the security and integrity of more than 3 million plans providing benefits to more than 143 million workers, it has only 962 FTEs total (less than half of whom are investigators). Accordingly, the agency focuses on investigations, litigation, research and regulatory activities that are likely to have a positive impact that far outstrips the resources expended.
- EBSA has proposed to consolidate budget activities for Enforcement and Participant Assistance, Policy and Compliance Assistance, and Executive Leadership, Program Oversight and Administration. The prior specification of three budget activities failed to recognize the interconnected nature of work performed within program components and unduly restricted the Agency's ability to rationally allocate tasks and resources between categories. The consolidated budget activity will ensure optimal allocation of resources between related program components based on an ongoing assessment of the best means to promote agency goals and outcomes.
- EBSA's approach to promoting benefits security is developed and implemented in response to public concerns, experience with civil and criminal investigations, participant inquiries, research, and trends and vulnerabilities identified in the private sector.

<u>Budget and FTE Trends</u>

- From the FY 2010 appropriation through FY 2012 appropriation, EBSA budget resources increased nearly 28 percent (from $143,419,000 to $183,153,000) and financed an additional 168 FTE (a 20 percent FTE increase). These resources enhanced employee benefits security, enforcement program support and health care reform.

- However, beginning in FY 2013, program increases were not appropriated by Congress for employee benefits security programs. In fact, FTE levels have declined three percent (977 FTE to 949 FTE) from FY 2013 to date. This has occurred because of reduced funding (a $9,214,000 sequester reduction) and absorption of increased costs per FTE.
- Through one-time, re-programming authority, EBSA was able to mitigate the adverse impact of sequestration for employees nationwide. EBSA was still required to significantly reduce resources for enforcement and regulatory programs that directly protect employee benefits for America's workers, retirees and their families.

Upcoming Issues

ERISA Filing and Acceptance System (EFAST)

EFAST is a multi-agency program that currently enables three sponsoring agencies – The Department of Labor (DOL), Internal Revenue Service (IRS), and Pension Benefit Guaranty Corporation (PBGC) – to perform their missions under the three Titles of ERISA, the Pension Protection Act (PPA), the Affordable Care Act (ACA) and other statutes. EFAST uses an outsourced performance-based operations contract to ensure the successful collection, processing, and distribution of ERISA filing information and support of filing stakeholders. The current EFAST operations contract is scheduled to expire in 2020.

(b) (5) [redacted]

Expert Witness Program Administration

The pursuit of complex ERISA litigation by the Department would not be possible without employing qualified experts. The existing budget, procurement, and litigation environment has made it exceedingly difficult to effectively administer EBSA's expert witness program. The risks and uncertainties of the annual appropriations cycle are a poor match for the demands imposed by complex multi-year litigation. Accordingly, in recent years, EBSA has proposed a permanent change to appropriations language to support the acquisition and administration of expert witness contracts for enforcement litigation. Under EBSA's proposal, it would receive multi-year funding that would enable it to continue to use resources budgeted for expert litigation over a multi-year period. The ability to secure and use expert funds for a protracted period would mitigate the risk associated with the loss of funds due to lack of appropriations, contract structure, or settlement.

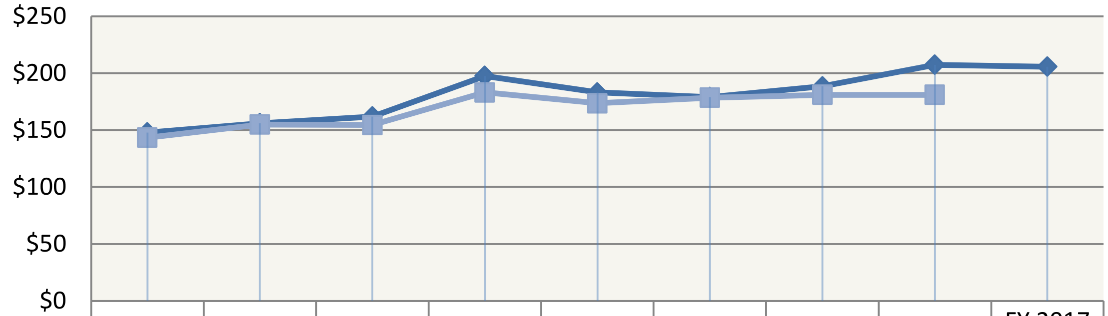
Budget Activity Consolidation (Technical Account Restructuring)

Through the FY 2017 budget submission, EBSA has already proposed to consolidate budget activities for Enforcement and Participant Assistance, Policy and Compliance Assistance, and Executive Leadership, Program Oversight and Administration into a single budget activity for Employee Benefits Security Programs. (b) (5) [redacted]

EBSA

Request vs. Enacted, FY 2009-FY 2016

(Dollars in millions)

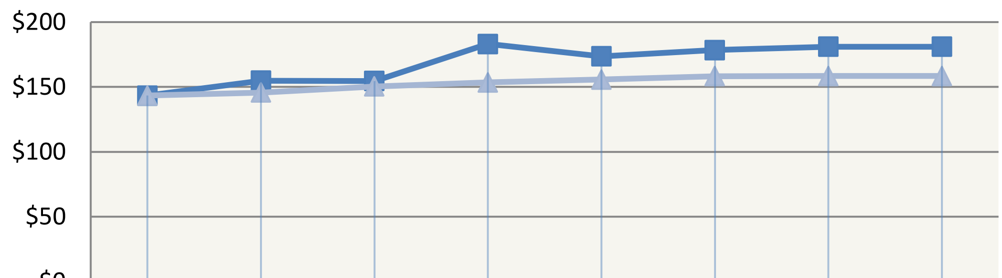


	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 PB
Request	$147.9	$156.1	$162.0	$197.5	$183.2	$179.1	$188.4	$207.5	$205.8
Enacted	$143.4	$154.9	$154.6	$183.2	$173.6	$178.5	$181.0	$181.0	

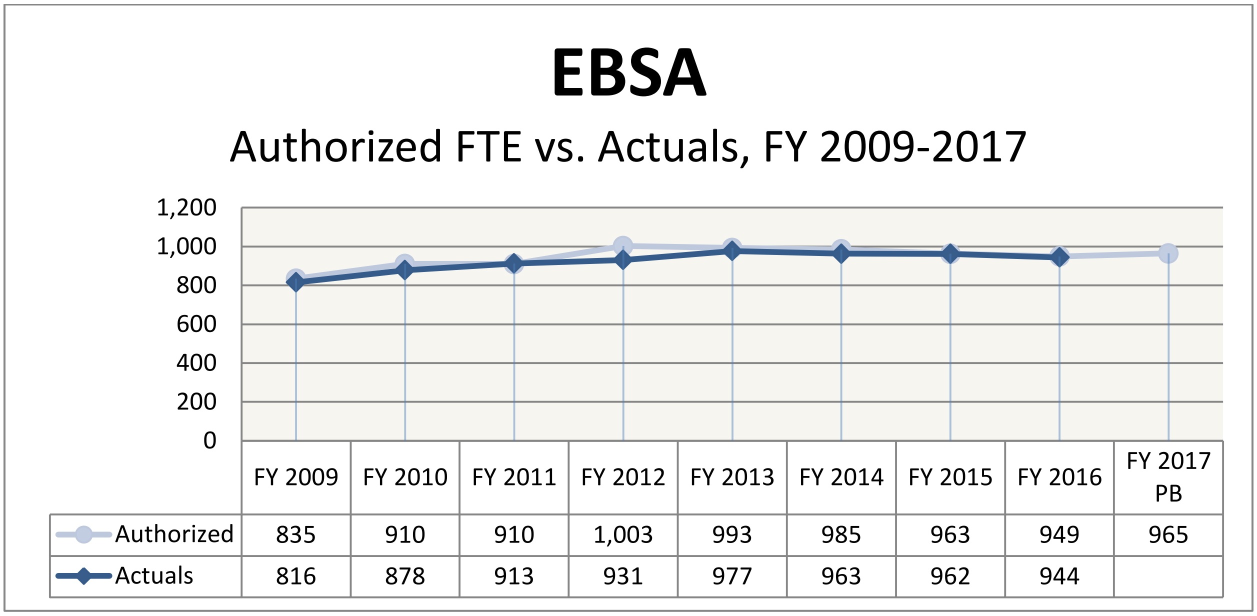
EBSA

FY 2009 Inflation Adjusted BA vs. FY 2009-FY 2016 Enacted BA

(Dollars in millions)



	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Enacted	$143.4	$154.9	$154.6	$183.2	$173.6	$178.5	$181.0	$181.0
Inflation Adjusted	$143.4	$145.8	$150.4	$153.5	$155.7	$158.3	$158.4	$158.4



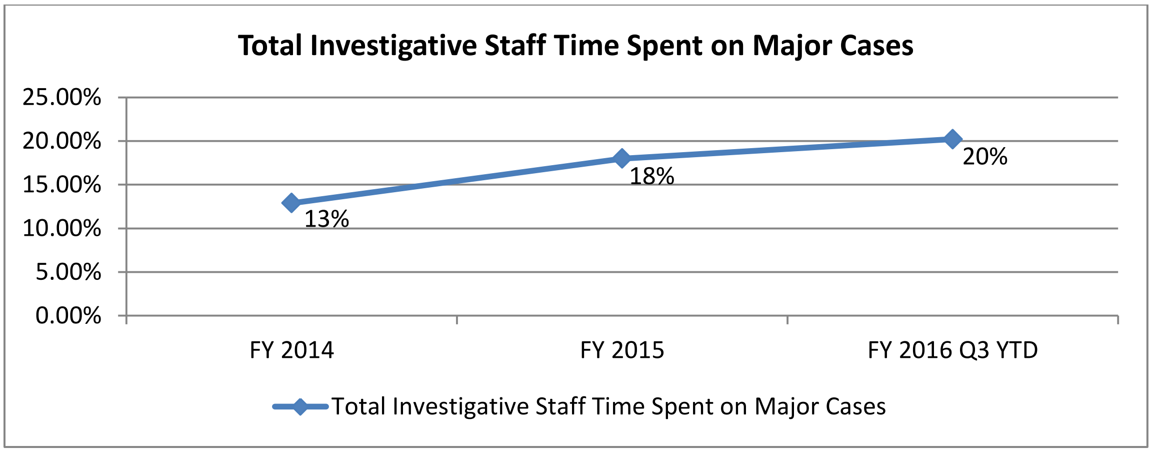
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 PB
Authorized	835	910	910	1,003	993	985	963	949	965
Actuals	816	878	913	931	977	963	962	944	

TAB 5: AGENCY PERFORMANCE

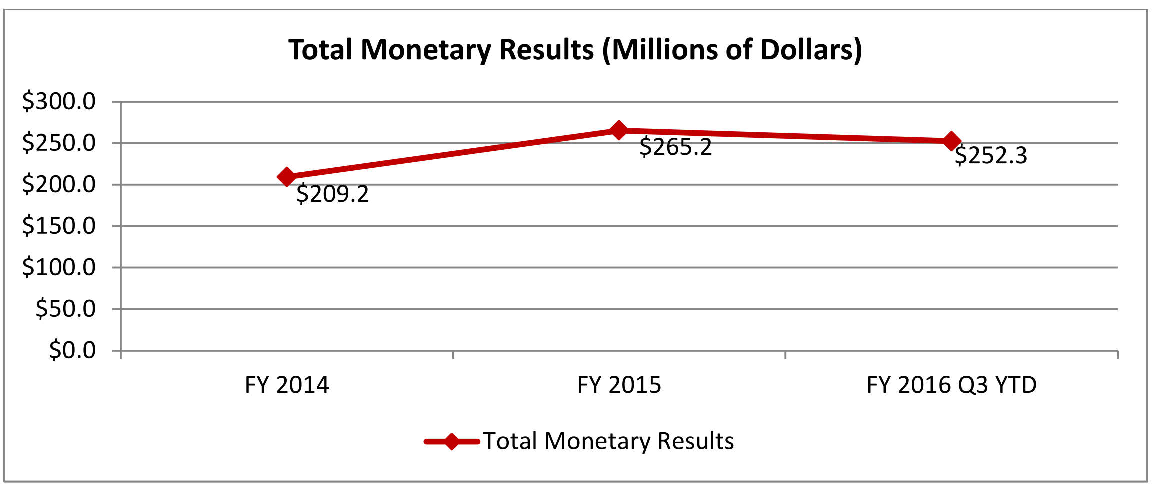
During the last three years, EBSA has strategically changed its performance measures to emphasize the overall impact of its investigations instead of the number of cases processed.

Performance Goal EBSA 4.2 – Improve health benefits and retirement security for all workers.

EBSA's workload measures and performance metrics are designed to increase the number of workers impacted by its investigations by incentivizing larger and more complex cases. Since FY 2014, when the agency implemented the Major Case priority, time spent on major cases has risen sharply.



As shown on the following page, this approach also improved monetary recoveries.



In FY 2015, EBSA implemented three timeliness measures in order to promptly detect, pursue and correct violations, and to be aggressive in pursuing tips and complaints from the public.

- Civil Non-Major Case Timeliness is measured as the **Percent of Non-Major Civil Cases Closed or Referred for Litigation in the fiscal year within 30 Months of Case Opening**.

- EBSA also tracks a category of civil cases separately, which often are processed more swiftly, in the measure **Percent of Delinquent Employee Contribution, Abandoned Plan, Bonding, Health-Part 7 Violation, and other Reporting and Disclosure Non-Fiduciary Breach Cases Closed or Referred for Litigation in the fiscal year within 18 Months of Case Opening**.

- Criminal Case Timeliness is measured as **Percent of Criminal Cases Closed or Referred for Litigation in the fiscal year within 18 Months of Case Opening**.

Timeliness measure results were on track over the last two fiscal years. However, there are opportunities for further improvements to occur as the majority of remaining open cases from prior years, when performance measures focused on the number of case closings, are resolved.

EBSA expects to receive approximately 225,000 inquiries in FY 2017. The Agency's Benefits Advisors will assist these participants and beneficiaries in understanding their rights, responsibilities and benefits under ERISA; intervene on their behalf with plan sponsors in order to assist them in obtaining the health and retirement benefits to which they are entitled; and provide outstanding customer service. EBSA plans to continue measuring the level of customer satisfaction with the participant assistance program in FY 2017.