



Office of Inspector General  
Pension Benefit Guaranty Corporation

January 27, 2017

TO: Karen Morris  
Chief, Office of Negotiations and Restructuring

FROM: Robert A. Westbrooks *Robert A. Westbrooks*  
Inspector General

SUBJECT: Transmittal of Agreed-Upon Procedures Report on the Pension  
Benefit Guaranty Corporation Multiemployer Insurance Program  
(AUP 2017-7/PA-13-94B)

Personal  
identifiable  
information has  
been redacted.

The attached report presents the results of the Agreed-Upon Procedures (AUP) performed by the independent public accounting firm David-James, LLC, Baltimore, Maryland. The scope of this AUP was three multiemployer plans receiving financial assistance from PBGC, and the procedures were as follows:

- Verify the accuracy of the original benefit computations performed by the plan's actuary,
- Verify the benefit payments are being made to eligible participants, and
- Verify the benefits were properly cutback to the PBGC guaranteed level in accordance with Section 4022A of the Employee Retirement Income Security Act of 1974.

This AUP engagement was conducted by the independent public accounting firm in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. The actuarial work was performed in accordance with applicable Actuarial Standards of Practice as promulgated by the Actuarial Standards Board.

As detailed in the report, the actuaries evaluated forty-eight (48) different test lives across the three plans, and they noted a number of exceptions. Specifically, they noted 15 of 48 exceptions in AUP No. 1, 25 of 48 exceptions in AUP No. 2, and 22 of 48 exceptions in AUP No. 3. These exceptions do not necessarily denote overpayments requiring recoupment, but they do warrant further examination by management. The public version of this report has been redacted to remove personally identifiable information.

## OIG Recommendation MEPD-1

Based upon the findings in the AUP (Attachments I and II), we recommend that PBGC:

Review the exceptions identified in the Agreed-Upon Procedures Report on the Pension Benefit Guaranty Corporation Multiemployer Insurance Program, determine which exceptions require benefit adjustments from plan sponsors, and seek recoupment if necessary.

## Management's Response

Management agrees that the exceptions warrant further examination. "After an initial review we have determined that 17 exceptions fall within our materiality threshold (lesser of \$5 or 5%), and we have already obtained additional documentation from the plans' administrators that we believe will resolve a greater number of these exceptions. We agree to review and resolve the remaining exceptions and report our results to the OIG by the end of the quarter, March 31, 2017."

## OIG's Analysis of Management's Response

**Resolved.** Pension Benefit Guaranty Corporation agreed with the recommendation and plans to resolve the recommendation by March 31, 2017. This recommendation can be closed when PBGC determines which exceptions require benefit adjustments from plan sponsors, and seek recoupment if necessary.



# Office of Inspector General Pension Benefit Guaranty Corporation

## **Agreed-Upon Procedures Report on the Pension Benefit Guaranty Corporation Multiemployer Insurance Program**

**For**

**Pension Benefit Guaranty Corporation  
Office of Inspector General**

**July 5, 2016**

**DAVID-JAMES LLC**  
*Certified Public Accountants*

## **Table of Contents**

Independent Accountants' Report	1
Objectives, Scope and Methodology	2-5
Attachment I:	Agreed-Upon Procedures Performed
Attachment II:	Detailed Findings
Attachment III:	Detailed Data Request Example
Attachment IV:	Detailed Test Live Request Example
Attachment V:	Steps to Calculating a Pension Benefit
Attachment VI:	Sample Selection Considerations
Attachment VII:	Detailed Calculation: Finding 1
Attachment VIII:	Detailed Calculation: Finding 2
Attachment IX:	Detailed Calculation: Finding 3

## INDEPENDENT ACCOUNTANTS' REPORT

To: Pension Benefit Guaranty Corporation  
Office of Inspector General

We have performed the procedures enumerated in the Agreed-Upon Procedures Program for the Pension Benefit Guaranty Corporation's (PBGC) Multiemployer Program Division (MEPD). These procedures were agreed to by the Pension Benefit Guaranty Corporation Office of Inspector General (OIG) to assist the OIG in 1) verifying the accuracy of the original benefit computations performed by the plan's actuary; 2) verifying the benefit payments are being made to eligible participants; and 3) verifying the benefits were properly cutback to the PBGC guaranteed level in accordance with ERISA (The Employee Retirement Income Security Act of 1974) Section 4022A.

Actuaries were engaged to complete the procedures using the applicable standards and principles of actuarial science.

This AUP engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which the enclosed report has been requested or for any other purpose.

The procedures we performed, findings from our procedures are enumerated in the accompanying Agreed-Upon Procedures Performed (Attachment I) and the Detailed Findings (Attachment II), respectively.

The agreed-upon procedures do not constitute an examination of the specified elements, accounts, items of a financial statement, or of management's assertions about the MEPD – the objective of which would be the expression of an opinion thereon. Further, these agreed-upon procedures do not constitute an examination of the effectiveness of the internal control over financial reporting or any part thereof. Accordingly, we do not express any such opinions. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report and other attachments are intended solely for the information and use of the OIG and MEPD and is not intended to be, and should not be, used by anyone other than authorized users as deemed appropriate by the OIG.

*David James LLC*

Baltimore, Maryland  
July 5, 2016

## **Objectives, Scope & Methodology**

### **Objectives**

Our objectives in this Agreed-upon Procedures (AUP) engagement were as follows:

- Verify the accuracy of the original benefit computations performed by the plan's actuary;
- Verify the benefit payments are being made to eligible participants; and
- Verify the benefits were properly cutback to the PBGC guaranteed level in accordance with ERISA Section 4022A.

### **Scope & Methodology**

The AUP was applied to three (3) multiemployer plans selected from nine multiemployer plans which we received from the OIG that are receiving financial assistance from the PBGC which are shown below in the following table:

<b>PLAN NAME</b>	<b>FY 2013 Total Financial Assistance</b>	<b>Participant Total</b>	<b>Date of Insolvency</b>	<b>Date of Termination</b>
Buffalo Carpenters (Buffalo Plan)	3,349,400	957	5/21/2004	1/1/2002
Wine And Liquor Salesmen Of NJ (Wine and Liquor Plan)	3,335,500	849	6/1/2010	10/31/2004
Ironworkers Local No. 6 Ironworkers Plan)	2,481,800	716	6/1/2012	5/31/2006

We selected plans based on the following approach:

- We obtained plan documentation and selected statistics on the nine plans.
  - Documents included may include plan documents, amendments, Summary Plan Descriptions, collective bargaining agreements, administrative procedures or manuals, and/or Trustee minutes.
- We prioritized them for testing based on the size of the total financial assistance for FY 2013 and other factors such as the complexity of the plan and the timing of insolvency, among others.
- We then selected the three (3) plans for testing based upon the following:
  - Buffalo Plan – selected due to complexity of and extensiveness of plan benefit features;
  - Wine and Liquor Plan - selected due to simplicity of formula and recent insolvency date; and
  - Ironworkers Plan - selected due to recent insolvency.

- Once we selected the plans, we reviewed the plan documentation and developed a detailed data request from which we developed our detailed test life sample. See **Attachment III** for an example of a detailed data request.
- Once we received the detailed census information for each test life, we selected a sample for each plan which represented a cross section of the plan benefit features, lives that MEPD tested and other unusual observations that we observed on a given participant. Please refer to **Attachment IV** for a detailed test life example and **Attachment VI** for the considerations for the selection of each of the test lives selected.

We used the following methodology to verify the accuracy of the original benefit computations. The methodology comprised the following categories of activity and is explained below:

- Eligibility for benefits
- Basic plan benefits
- Limits of PBGC guarantees
- Accuracy of benefit payments made

### **Eligibility for Benefits**

- We examined each of the sample lives to determine if they were eligible for the benefits being provided to them.
- We examined the participant's record to determine whether he/she is eligible to receive benefits under the terms of the plan. In our analysis we considered things such as:
  - ✓ Whether the participant had sufficient years of service and/or age to qualify for the benefit;
  - ✓ Whether survivor benefit payments were being made without proof of marriage;
  - ✓ Whether the claim for disability was properly determined in accordance with plan provisions;
  - ✓ Temporary supplemental benefits; and
  - ✓ The proper application of any Qualified Domestic Relations Orders.
- We examined benefits paid to determine whether they comply with special requirements of the PBGC. This included such things as:
  - ✓ Benefits payable following the death of a participant after plan termination; and
  - ✓ Disability benefits paid to a participant who becomes disabled following the termination of a plan.
- We will report any benefits which we determine to be paid to ineligible participants.

## **Basic Plan Benefits**

- We calculated the basic accrued pension benefit under the provisions of each plan using the plan documents. The certified census information enabled us to calculate the accrued benefit payable at normal retirement date;
- We then calculated the benefit payable at benefit commencement date and adjusted it to reflect the form of benefit being paid; and
- We compared the benefits that we calculated with the benefit calculated by the respective funds and, where possible, reconciled any differences identified.

## **Limits of PBGC Guarantees**

- We verified the various limits that apply to benefits under section 4022(A) of ERISA using the steps below:
  - ✓ The maximum guaranteed benefit was calculated based on the participant's annual accrual rate. The guarantee formula is 100% of the first \$11 of the plan's accrual rate, plus 75% of the next \$33 of the accrual rate, multiplied by the participant's years of service. The benefit in the calculation was checked for consistency with this provision.
  - ✓ Phase-in of guaranteed benefit
    - i. Since pension benefits or benefit increases are not fully guaranteed until they have been part of the plan for 60 full months, we reviewed them to ensure that the phase-in was applied correctly.
    - ii. If a plan under review was insolvent or terminated by mass withdrawal, we reviewed it to ensure that the month of such occurrence is not counted towards the 60-month requirement.
  - ✓ PBGC guarantees apply only to the benefits that would have been paid to the participant as a straight-life annuity starting at normal retirement age. Since early retirement subsidies and temporary supplemental benefits are not guaranteed, we reviewed the calculation to verify that these additional benefits are not included.

## **Accuracy of Benefit Payments Made**

- We examined payment records for a series of monthly payments for each selected participant to determine if actual payment amounts are correct. We did not make a comparison with death records to ensure payments are not made on behalf of the deceased retirees. Please refer to **Attachment V** for an explanation of the steps to calculating a pension benefit.

## **Compliance with Standards**

Our actuarial work was performed in accordance with applicable Actuarial Standards of Practice as promulgated by the Actuarial Standards Board. Specific standards which may be applicable to this work include:

- ASOP 1 – Introductory Actuarial Standard of Practice (updated March, 2013)
- ASOP 4 – Measuring Pension Obligations and Determining Pension Plan Costs or Contributions (updated December, 2013)
- ASOP 23 – Data Quality (updated May, 2011)
- ASOP 17 – Expert Testimony by Actuaries (updated May, 2011)
- ASOP 21 – Responding to or Assisting Auditors or Examiners in Connection with Financial Statements for All Practice Areas (updated May, 2011)
- ASOP 34 – Actuarial Practice Concerning Retirement Plan Benefits in Domestic Relations Action (updated June, 2015)

### **Materiality**

In our testing, we used a materiality threshold for benefit calculations such that anything less than an absolute variance of \$1.00 per month would not be considered an exception.

### **Eligibility Testing**

In our testing, we considered PBGC guaranteed benefits for each participant tested from the later of 1) the date of insolvency; or 2) the date the benefit payment commenced through the earlier of 1) the date the benefit payment ended; or 2) December 31, 2015.

**Attachment I – Agreed-Upon Procedures Performed**

### **Agreed-Upon Procedure 1:**

We compared the benefit that was calculated by our actuaries with the benefits calculated by the actuaries for the funds. For this procedure, we evaluated forty-eight (48) different test lives across three (3) different multiemployer plans (16 in each plan) and noted fifteen (15) exceptions. ***Please refer to Attachment VII for detailed information regarding this testing.***

The Buffalo Plan contained four (4) exceptions for the 16 participants tested which consisted of one (1) overpayment totaling \$3.58 per month and three (3) underpayments totaling \$60.14 per month: The exceptions were broken down as follows:

- an incorrect base benefit used (1 exception);
- an incorrect measure of service was used to calculate the benefit (2 exceptions); and
- certain contributions were improperly excluded from the benefit calculation (1 exception).

The Wine & Liquor Plan contained five (5) exceptions for the 16 participants tested which consisted of one (1) overpayment totaling \$5.79 per month and four (4) underpayments totaling \$104.18 per month: The exceptions were broken down as follows:

- an incorrect benefit calculation used (3 exceptions);
- there was no support provided for the benefit calculation used (1 exception); and
- an incorrect measure of service was used to calculate the benefit (1 exception).

The Ironworkers Plan contained six (6) exceptions for the 16 participants tested which consisted of three (3) overpayments totaling \$1,156.00 per month and three (3) underpayments totaling \$215.00 per month: The exceptions were broken down as follows:

- an incorrect base benefit used (3 exceptions);
- a break in service was not properly accounted for when calculating the base benefit (1 exception); and
- a late retirement benefit was not properly accounted for when calculating the base benefit (2 exceptions).

### **Agreed-Upon Procedure 2:**

We compared the benefit eligibility determination made by the plan actuary for each sampled participant to the terms of the plan and the respective participant's record to determine if the benefit eligibility determination was made according to the terms of the plan. For this procedure, we evaluated forty-eight (48) different test lives across three (3) different multiemployer plans (16 in each plan) and noted twenty-five (25) exceptions. ***Please refer to Attachment VIII for detailed information regarding this testing.***

The Buffalo Plan contained eleven (11) exceptions for the 16 participants tested which represented total PBGC guaranteed payments during the period under our consideration of \$531,122. The exceptions were broken down as follows:

- a lack documentation to support either the age or spousal benefit (5 exceptions);
- a lack documentation to support the service period used in the benefit calculation (1 exception); and
- a lack documentation to support the class of employee used in the benefit calculation (5 exceptions).

The Wine & Liquor Plan contained fourteen (14) exceptions for the 16 participants tested which represented total PBGC guaranteed payments during the period under our consideration of \$400,696. The exceptions were attributed to a lack documentation to support the service period used in the benefit calculation.

The Ironworkers Plan contained no exceptions for the 16 participants tested.

### **Agreed-Upon Procedure 3:**

We compared the benefit that was calculated by our actuaries (applying the limits that apply to benefits under section 4022(A) of ERISA) with the benefits calculated by the actuaries for the funds. For this procedure, we evaluated forty-eight (48) different test lives across three (3) different multiemployer plans (16 in each plan) and noted twenty-two (22) exceptions. ***Please refer to Attachment IX for detailed information regarding this testing.***

The Buffalo Plan contained three (3) exceptions for the 16 participants tested which consisted of two (2) overpayments totaling \$17.86 per month and one (1) underpayment totaling \$14.69 per month. The exceptions were broken down as follows:

- an incorrect base benefit used (1 exception); and
- an incorrect measure of service was used to calculate the benefit (2 exceptions).

The Wine & Liquor Plan contained twelve (12) exceptions for the 16 participants tested which consisted of three (3) overpayments totaling \$8.02 per month and nine (9) underpayments totaling \$93.00 per month: The exceptions were broken down as follows:

- there was no support provided for the benefit calculation used (1 exception); and
- an incorrect measure of service was used to calculate the benefit (11 exceptions).

The Ironworkers Plan contained seven (7) exceptions for the 16 participants tested which consisted of four (4) overpayments totaling \$430.00 per month and three (3) underpayments totaling \$67.00 per month: The exceptions were broken down as follows:

- an incorrect base benefit used (3 exceptions);
- an incorrect measure of service was used to calculate the benefit (3 exceptions); and
- a late retirement benefit was not properly accounted for when calculating the base benefit (1 exception).

**Attachment II – Detailed Findings**

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
1. We compared the benefit that was calculated by our actuaries with the benefits calculated by the actuaries for the funds.			
a) Buffalo Plan			
1) [REDACTED]	X		
2) [REDACTED]	X		
3) [REDACTED]		X	The plan used an incorrect base benefit which resulted in an understatement in the monthly benefit of \$19.58/month. Our actuary calculated the benefit at \$600.47/month, the plan calculated the benefit at \$580.89/month.
4) [REDACTED]		X	The plan used an incorrect service period which resulted in an overstatement in the monthly benefit of \$3.58/month. Our actuary calculated the benefit at \$1,215.36/month, the plan calculated the benefit at \$1,218.94/month.
5) [REDACTED]	X		
6) [REDACTED]	X		
7) [REDACTED]	X		
8) [REDACTED]	X		
9) [REDACTED]	X		
10) [REDACTED]		X	The plan used an incorrect service period which resulted in an understatement in the monthly benefit of \$33.37/month. Our actuary calculated the benefit at \$1,047.27/month, the plan calculated the benefit at \$1,013.90/month.
11) [REDACTED]	X		
12) [REDACTED]	X		
13) [REDACTED]	X		
14) [REDACTED]		X	The plan excluded certain contributions from the benefit calculation which resulted in an understatement in the monthly benefit of \$7.19/month. Our actuary calculated the benefit at \$871.00/month, the plan calculated the benefit at \$863.81/month.

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
15) [REDACTED]	X		
16) [REDACTED]	X		
b) Wine & Liquor Plan			
1) [REDACTED]	X		
2) [REDACTED]	X		
3) [REDACTED]		X	The plan used an incorrect measure of service which resulted in an understatement in the monthly benefit of \$2.09/month. Our actuary calculated the benefit at \$360.41/month, the plan calculated the benefit at \$358.32/month.
4) [REDACTED]	X		
5) [REDACTED]	X		
6) [REDACTED]		X	The plan used an incorrect benefit calculation which resulted in an overstatement in the monthly benefit of \$5.79/month. Our actuary calculated the benefit at \$485.61/month; the plan calculated the benefit at \$491.40/month. There was no support for the calculation so the nature of the error could not be determined.
7) [REDACTED]	X		
8) [REDACTED]		X	The plan used an incorrect adjustment for the form of payment which resulted in an understatement in the monthly benefit of \$2.48/month. Our actuary calculated the benefit at \$245.03/month, the plan calculated the benefit at \$242.55/month.
9) [REDACTED]	X		

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
10) [REDACTED]		X	The plan's original calculation was correct. The benefit was incorrectly changed by a new plan administrator in 2010. This produced an incorrect benefit calculation which resulted in an understatement in the monthly benefit of \$98.10/month. Our actuary calculated the benefit at \$523.80/month; the plan calculated the benefit at \$425.70/month.
11) [REDACTED]	X		
12) [REDACTED]	X		
13) [REDACTED]	X		
14) [REDACTED]	X		
15) [REDACTED]		X	The plan understated in the monthly benefit of \$1.51/month. Our actuary calculated the benefit at \$788.17/month; the plan calculated the benefit at \$786.66/month. There was no support for the calculation so the nature of the error could not be determined.
16) [REDACTED]	X		
c) Ironworkers Plan			
1) [REDACTED]		X	The plan used an incorrect base benefit which resulted in an overstatement in the monthly benefit of \$655.00/month. Our actuary calculated the benefit at \$1,157/month, the plan calculated the benefit at \$1,812.00/month.
2) [REDACTED]	X		
3) [REDACTED]	X		
4) [REDACTED]	X		
5) [REDACTED]	X		
6) [REDACTED]	X		
7) [REDACTED]	X		
8) [REDACTED]	X		

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
9) [REDACTED]		X	The plan used an incorrect base benefit which resulted in an overstatement in the monthly benefit of \$44.00/month. Our actuary calculated the benefit at \$1,075.00/month, the plan calculated the benefit at \$1,119.00/month.
10) [REDACTED]	X		
11) [REDACTED]		X	The plan did not adjust the benefit for a late retirement benefit which resulted in an understatement in the monthly benefit of \$146.00/month. Our actuary calculated the benefit at \$2,769.00/month; the plan calculated the benefit at \$2,623.00/month.
12) [REDACTED]		X	The plan did not freeze the benefit prior to a break in service which resulted in an overstatement in the monthly benefit of \$457.00/month. Our actuary calculated the benefit at \$858.00/month, the plan calculated the benefit at \$1,315.00/month.
13) [REDACTED]	X		
14) [REDACTED]		X	The plan did not adjust the benefit for a late retirement benefit which resulted in an understatement in the monthly benefit of \$67.00/month. Our actuary calculated the benefit at \$135.00/month; the plan calculated the benefit at \$68.00/month.
15) [REDACTED]		X	The plan used an incorrect base benefit which resulted in an understatement in the monthly benefit of \$2.00/month. Our actuary calculated the benefit at \$2,688.00/month, the plan calculated the benefit at \$2,686.00/month.
16) [REDACTED]	X		

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
2. We compared the benefit eligibility determination made by the plan actuary for each sampled participant to the terms of the plan and the respective participant's record to determine if the benefit eligibility determination was made according to the terms of the plan.			
a) Buffalo Plan			
1) [REDACTED]		X	There was no supporting documentation in the file obtained from the plan administrator to make a determination of the class of employee. The total PBGC guaranteed payments during the period under our consideration are \$75,876.
2) [REDACTED]	X		
3) [REDACTED]		X	There was no supporting documentation in the file obtained from the plan administrator to make a determination of the class of employee. The total PBGC guaranteed payments during the period under our consideration are \$66,100.
4) [REDACTED]		X	There was neither birth certificate nor supporting documentation in the file obtained from the plan administrator to make a determination of the class of employee. The total PBGC guaranteed payments during the period under our consideration are \$3,325.
5) [REDACTED]		X	There was neither a marriage nor a birth certificate for the spouse. There was no supporting documentation in the file obtained from the plan administrator to make a determination of the class of employee. The total PBGC guaranteed payments during the period under our consideration are \$105,597.

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
6) [REDACTED]		X	There was neither birth certificate nor supporting documentation in the file obtained from the plan administrator to make a determination of the class of employee. The total PBGC guaranteed payments during the period under our consideration are \$48,835.
7) [REDACTED]		X	There was no support for the pension credits. There was no supporting documentation in the file obtained from the plan administrator to make a determination of the class of employee. The total PBGC guaranteed payments during the period under our consideration are \$33,255.
8) [REDACTED]	X		
9) [REDACTED]		X	There was no supporting documentation in the file obtained from the plan administrator to make a determination of the class of employee. The total PBGC guaranteed payments during the period under our consideration are \$37,176.
10) [REDACTED]		X	There was neither a death certificate for the participant nor a birth certificate for the spouse. There was no supporting documentation in the file obtained from the plan administrator to make a determination of the class of employee. The total PBGC guaranteed payments during the period under our consideration are \$43,070.
11) [REDACTED]	X		

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
12) [REDACTED]		X	There was no supporting documentation in the file obtained from the plan administrator to make a determination of the class of employee. The total PBGC guaranteed payments during the period under our consideration are \$33,916.
13) [REDACTED]	X		
14) [REDACTED]		X	There was no supporting documentation in the file obtained from the plan administrator to make a determination of the class of employee. The total PBGC guaranteed payments during the period under our consideration are \$66,468.
15) [REDACTED]	X		
16) [REDACTED]		X	There was no supporting documentation (birth certificate) to support the age for the participant. The total PBGC guaranteed payments during the period under our consideration are \$17,506.
b) Wine & Liquor Plan			
1) [REDACTED]		X	There was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$35,813.
2) [REDACTED]		X	There was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$68,456.
3) [REDACTED]	X		
4) [REDACTED]		X	There was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$33,514.

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
5) [REDACTED]		X	There was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$66,518.
6) [REDACTED]		X	There was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$29,115.
7) [REDACTED]		X	There was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$14,156.
8) [REDACTED]		X	There was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$13,708.
9) [REDACTED]		X	There was not enough pension service earned before plan termination to qualify for the early retirement benefit. In addition, there was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$10,709.
10) [REDACTED]		X	There was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$28,330.

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
11) [REDACTED]		X	There was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$32,261.
12) [REDACTED]	X		
13) [REDACTED]		X	There was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$3,058.
14) [REDACTED]		X	There was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$17,181.
15) [REDACTED]		X	There was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$43,906.
16) [REDACTED]		X	There was no documentation to support the number of hours of service and days of service. The total PBGC guaranteed payments during the period under our consideration are \$3,972.
c) Ironworkers Plan			
1) [REDACTED]	X		
2) [REDACTED]	X		
3) [REDACTED]	X		
4) [REDACTED]	X		
5) [REDACTED]	X		
6) [REDACTED]	X		
7) [REDACTED]	X		
8) [REDACTED]	X		
9) [REDACTED]	X		
10) [REDACTED]	X		
11) [REDACTED]	X		
12) [REDACTED]	X		

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
13) [REDACTED]	X		
14) [REDACTED]	X		
15) [REDACTED]	X		
16) [REDACTED]	X		
3. We compared the benefit that was calculated by our actuaries (applying the limits that apply to benefits under section 4022(A) of ERISA) with the benefits calculated by the actuaries for the funds.			
a) Buffalo Plan			
1) [REDACTED]	X		
2) [REDACTED]	X		
3) [REDACTED]		X	The plan used an incorrect base benefit which resulted in an understatement in the monthly benefit of \$14.69/month. Our actuary calculated the benefit at \$490.23/month, the plan calculated the benefit at \$475.54/month.
4) [REDACTED]	X		
5) [REDACTED]	X		
6) [REDACTED]	X		
7) [REDACTED]	X		
8) [REDACTED]	X		
9) [REDACTED]	X		
10) [REDACTED]		X	The plan used an incorrect measure of service which resulted in an overstatement in the monthly benefit of \$8.93/month. Our actuary calculated the benefit at \$697.13/month, the plan calculated the benefit at \$706.06/month.
11) [REDACTED]	X		
12) [REDACTED]	X		
13) [REDACTED]		X	The plan used an incorrect measure of service resulting from certain service being double-counted which resulted in an overstatement in the monthly benefit of \$8.93/month. Our actuary calculated the benefit at \$983.13/month, the plan calculated the benefit at \$992.06/month.
14) [REDACTED]	X		
15) [REDACTED]	X		
16) [REDACTED]	X		

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
b) Wine & Liquor Plan			
1) [REDACTED]	X		
2) [REDACTED]		X	The plan used an incorrect service period which resulted in an understatement in the monthly benefit of \$1.56/month. Our actuary calculated the benefit at \$1,023.29/month, the plan calculated the benefit at \$1,021.73/month.
3) [REDACTED]	X		
4) [REDACTED]		X	The plan used an incorrect service period which resulted in an understatement in the monthly benefit of \$2.74/month. Our actuary calculated the benefit at \$502.95/month, the plan calculated the benefit at \$500.21/month.
5) [REDACTED]		X	The plan used an incorrect service period which resulted in an overstatement in the monthly benefit of \$1.14/month. Our actuary calculated the benefit at \$991.67/month, the plan calculated the benefit at \$992.81/month.
6) [REDACTED]		X	The plan used an incorrect service period which resulted in an overstatement in the monthly benefit of \$5.26/month. Our actuary calculated the benefit at \$429.29/month, the plan calculated the benefit at \$434.55/month.
7) [REDACTED]		X	The plan used an incorrect service period which resulted in an understatement in the monthly benefit of \$2.21/month. Our actuary calculated the benefit at \$213.49/month, the plan calculated the benefit at \$211.28/month.

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
8) [REDACTED]		X	There was no detail provided for the plan calculation. There was an understatement in the monthly benefit of \$4.61/month. Our actuary calculated the benefit at \$209.21/month, the plan calculated the benefit at \$204.60/month.
9) [REDACTED]		X	The plan used an incorrect service period which resulted in an understatement in the monthly benefit of \$2.01/month. Our actuary calculated the benefit at \$161.85/month, the plan calculated the benefit at \$159.84/month.
10) [REDACTED]		X	The benefit being paid is understated by \$72.22/month. Our actuary calculated the benefit at \$495.06/month, the plan calculated the benefit at \$422.84/month. This difference is due to several errors. First, the basic benefit calculated by the fund was correct but it was later changed by a new administrator. Then, the amount of service used to calculate the PBGC guarantee was incorrect.
11) [REDACTED]		X	The plan used an incorrect service period which resulted in an understatement in the monthly benefit of \$3.96/month. Our actuary calculated the benefit at \$485.46/month, the plan calculated the benefit at \$481.50/month.
12) [REDACTED]	X		
13) [REDACTED]		X	The plan used an incorrect service period which resulted in an understatement in the monthly benefit of \$2.32/month. Our actuary calculated the benefit at \$237.52/month, the plan calculated the benefit at \$235.20/month.
14) [REDACTED]	X		

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
15) [REDACTED]		X	The plan used an incorrect service period which resulted in an overstatement in the monthly benefit of \$1.62/month. Our actuary calculated the benefit at \$653.69/month, the plan calculated the benefit at \$655.31/month.
16) [REDACTED]		X	The plan used an incorrect service period which resulted in an understatement in the monthly benefit of \$1.37/month. Our actuary calculated the benefit at \$442.74/month, the plan calculated the benefit at \$441.37/month.
c) Ironworkers Plan			
1) [REDACTED]		X	The plan used an incorrect base benefit which resulted in an overstatement in the monthly benefit of \$123.00/month. Our actuary calculated the benefit at \$950.00/month, the plan calculated the benefit at \$1,073.00/month.
2) [REDACTED]	X		
3) [REDACTED]	X		
4) [REDACTED]		X	The plan used an incorrect service period which resulted in an understatement in the monthly benefit of \$13.00/month. Our actuary calculated the benefit at \$1,294.00/month, the plan calculated the benefit at \$1,281.00/month.
5) [REDACTED]	X		
6) [REDACTED]	X		
7) [REDACTED]	X		
8) [REDACTED]		X	The plan used an incorrect service period which resulted in an understatement in the monthly benefit of \$3.00/month. Our actuary calculated the benefit at \$829.00/month, the plan calculated the benefit at \$826.00/month.

Agreed-Upon Procedure Performed			
Procedures	No Exception	Exception	Comment
9) [REDACTED]		X	The plan used an incorrect base benefit which resulted in an overstatement in the monthly benefit of \$33.00/month. Our actuary calculated the benefit at \$896.00/month, the plan calculated the benefit at \$929.00/month.
10) [REDACTED]		X	The plan used an incorrect service period which resulted in an overstatement in the monthly benefit of \$10.00/month. Our actuary calculated the benefit at \$987.00/month, the plan calculated the benefit at \$997.00/month.
11) [REDACTED]	X		
12) [REDACTED]		X	The plan used an incorrect base benefit which resulted in an overstatement in the monthly benefit of \$264.00/month. Our actuary calculated the benefit at \$719.00/month, the plan calculated the benefit at \$983.00/month.
13) [REDACTED]	X		
14) [REDACTED]		X	The plan did not adjust the base benefit for a late retirement benefit which resulted in an understatement in the monthly benefit of \$51.00/month. Our actuary calculated the benefit at \$110.00/month, the plan calculated the benefit at \$59.00/month.
15) [REDACTED]	X		
16) [REDACTED]	X		

**Attachment III – Detailed Data Request Example**

## WINE AND LIQUOR SALESMEN OF NEW JERSEY PENSION PLAN

For each Participant in the Plan (from primary source documents)	
Type of Participant	Pensioner, Beneficiary, Spouse, Contingent Annuitant, Vested Terminated Employee, Eligible Employee.
Type or class of Employee	
	Regular Employee
	Display Company Employee
	S. A. Schonbrunn & Co. Employee
	Credited Service before the Employee's Employer began making payments to the Fund (sometimes called Past Credited Service) -- measured in years and months
	Credited Service after the Employee's Employer began making payments to the Fund (sometimes called Future Credited Service) -- measured in years and months
	As an alternative and if easier:
	Years and months of Credited Service before 10/1/1984
	Years and months of Credited Service between 10/1/1984 and 10/1/1990
	Years and months of Credited Service after 10/1/1990
	Vesting Credit -- measured in years
	Pension Credit – service with a reciprocal pension plan
	Date of birth
	Spouse's date of birth
	Date of first hour of service
	Date of termination or last service
	Last plan year a full year of service earned (not needed if year by year service is provided)
	Date of retirement
	Type of retirement
	(Normal retirement, early retirement, disability benefit, retired from vested terminated status, reciprocal, late, survivor)
	Date benefits commenced
	Form of payment of retirement benefit
	50% Joint annuity, full annuity form (5 years certain and life), Option A (100% contingent annuity), Option B (50% contingent annuity)
	Date of death (if applicable)
Please explain any codes or abbreviations used in the census provided.	
Please provide this information in a computer useable format (i.e. Microsoft Excel, Access, etc – not PDF).	

## **BUFFALO CARPENTERS PENSION PLAN**

For each Participant in the plan (from primary source documents)	
Type of Participant	Pensioner, Beneficiary, Employee, Vested Former Employee
Type / class of employee	
	Commercial carpenters
	Floor Coverers
	Lumbermill Workers
	Pile drivers
	Lathers
Service before the Contribution Period -- measured in years	
Service during the Contribution Period -- for each fiscal year please provide	
Hours of Service	
Hourly contribution rate	
Dollars of contributions	
Vesting Service – number of years	
Date of birth	
Spouse's date of birth	
Date of retirement	
Type of retirement	
	(Normal, Regular Pension, Regular Early Pension, Vested Pension, Disability Pension, Late, Survivor)
Date benefits commenced	
Form of payment of retirement benefit	
	Life Only, Husband and Wife Pension (specify 50%, 75% or 100%), Lump Sum Payment Option, Level Income Option, Level Income Option in coordination with the Husband and Wife Pension (please specify 50%, 75% or 100%)
Estimated Social Security Benefit for Pensioners who elected a Level Income Option	
Date of death (if applicable)	
<p>Please explain any codes or abbreviations used in the census provided.</p> <hr/> <p>Please provide this information in a computer useable format (i.e. Microsoft Excel, Access, etc – not PDF.</p>	

**Attachment IV – Detailed Test Live Request Example**

November 6, 2015

MEMO:

TO: Rashmi Bartlett

FR: Scott Wilson

CC: Scott Gregory, Jess Feinman

RE: Retirement Plan for the Amalgamated Insurance Fund

Our actuaries have carefully reviewed the census data for the Retirement Plan for the Amalgamated Insurance Fund and have selected an initial pool of possible test lives. These test lives were selected with several objectives in mind:

- Address all of the significant benefit features of the plan.
- Address anomalies found in their review of the initial census.

We now request complete pension records for each of these potential test lives.

The lives we have chosen, and the detailed information we will need for each test life, are listed in the Exhibits attached.

The specific information we are requesting will serve several purposes. It will allow us to select a smaller subset of lives (from the larger list contained in the attached exhibit) to be fully tested. It will allow us to calculate pension benefit amounts for each of the selected participants, taking into consideration the unique features of the plan.

If you have any questions about this request, please do not hesitate to call me.

**Exhibit A****Lives to be examined:**

Sample No	PERSON ID	RECIP_NAME	BIRTH DATE
A-1			
A-2			
A-3			
A-4			
A-5			
A-6			
A-7			
A-8			
A-9			
A-10			
A-11			
A-12			
A-13			
A-14			
A-15			
A-16			
A-17			
A-18			
A-19			
A-20			
A-21			
A-22			
A-23			
A-24			
A-25			
A-26			
A-27			
A-28			
A-29			
A-30			
A-31			
A-32			
A-33			
A-34			
A-35			
A-36			

PHI Information Removed

**Sample**

No	PERSON ID	RECIP_NAME	BIRTH DATE
A-37			
A-38			
A-39			
A-40			
A-41			
A-42			
A-43			
A-44			
A-45			
A-46			
A-47			
A-48			
A-49			
A-50			
A-51			

**Exhibit B**  
**Detailed data needed for each participant listed**

<b>Item Requested</b>	<b>Purpose</b>
Pension Application	Benefit calculation
Benefit election/request form, approval form	Payments are in accordance with plan provisions
Proof of marriage (marriage certificate) (where applicable)	To verify survivor benefit or QDRO
Qualified Domestic Relations Order (where applicable)	Payments are in accordance with plan provisions
Pension plan enrollment form	Demographic info
Proof of disability / Social Security Disability Award(for disability benefit payments)	Payments are in accordance with plan provisions
Employment application	Demographic information
Birth certificate	To verify age
Spouse birth certificate (if applicable)	
I-9 form	Employment Eligibility / Age
Death certificate (where applicable) Spouse death certificate (if applicable)	To verify distribution payment and / or survivor benefit
Employer contribution Reports showing hours and contributions by participant.	
Permanent Record of Pension Credits showing year by year history of weeks of service prior to January 1, 1976 and hours of service for years beginning on or after January 1, 1976.*	Benefit calculation
Reciprocity service (if any)	Benefit calculation
Worksheet showing the calculation of the amount of the pension benefit	Benefit calculation
Cancelled check or wire confirmation of benefit payment (see item below)	Payments are made to those entitled to them; transactions are recorded in the amount and period

Item Requested	Purpose
<p>For each applicable participant, please provide supporting documentation for the September 2012 (or next year if participant not retired then, i.e. 9/2013).</p> <p>Supporting documentation to include:            a copy of the cancelled check/ACH instruction and the payment appearing on the applicable bank statement. If the payment selected is part of a larger ACH or check, please furnish enough documentation so the selected payment can be identified and traced to the bank statement.</p>	

\* The plan says that, “for purposes of determining participation, credited years of service for deferred vesting purposes and credited years of service for retirement purposes”, shall be based on “the 12 month period beginning with the first day of credited employment and each 12 month period starting with each anniversary of such first day of credited employment”. Please explain how this is applied in practice and show service records supporting this requirement.

**Attachment V – Steps to Calculating a Pension Benefit**

## **Steps to Calculating a Pension Benefit**

To properly calculate a pension benefit one must:

1. Gather and study plan documents. Documents include the formal legal plan documents over time. The benefit for each participant should be based on the plan documents in effect at the time of termination or retirement. Thus, it is not sufficient to look only at the current document. In addition, PBGC does not cover benefits increases in the last five years prior to termination so such changes must be identified. Finally, some plan changes or interpretations require a review of other documents such as the minutes of Trustee minutes and/or Summary Plan Descriptions.
2. Account for service. Benefits and eligibility are typically based on such things as service, contributions, and/or compensation. Such service may be within the jurisdiction of the local union or may be reciprocated from work in another jurisdiction. Service may be based on hours, days, shifts, weeks, months, etc. Service is measured differently to determine participation, vesting, benefits and eligibility for benefits. Service may be lost if the participant has a break in service. Basic participant records should account for service in accordance with the terms of the plan.
3. Determine if the participant is eligible for the benefit. Eligibility is typically based on service and age. But, some benefits are also based on disability status or court domestic relation orders (QDRO). A participant who does not meet all of the requirements for a benefit at the time the plan terminates may lose some benefits.
4. Calculate the amount of the benefit. This is based on the detailed provisions of the plan and, perhaps, administrative procedures adopted by the trustees or administrator. Administrative procedure deal with such things as rounding, measurement of age (last birthday, nearest birthday, or next birthday). Service earned under a reciprocal plan must be properly calculated.
5. Adjust the basic amount of benefit for early or late retirement and alternate forms of payment.
6. There may be additional adjustments for the suspension of benefits after retirement or additional service earned after retirement.
7. Split benefits as necessary in accordance with any applicable Qualified Domestic Relations Orders (divorce decrees). Or, adjust benefits as appropriate for a surviving spouse.
8. Apply PBGC adjustments (reductions) as appropriate. On plan termination, some benefits are eliminated. Benefit increases awarded in the 5 years before termination or insolvency may be cut back. As plan assets decline, benefits may be cut back to a “resource benefit level (the amount that can be paid with existing plan assets). Finally, if a plan becomes insolvent, benefits are cut back to PBGC guaranty levels. Different rules may apply when a benefit is split between a participant and an alternate payee or to a surviving spouse.

**Attachment VI – Sample Selection Considerations**

**Table 1 - Buffalo Plan**

<b>Sample</b>	<b>Reason Selected</b>	<b>Sample</b>	<b>Reason Selected</b>
1	Early Retirement, Life Only form of payment	9	Reported with less than 15 years of service at 6/1/1996 so different benefit formula applies
2	Early Retirement, Vested Terminated participant, quit with 15 years	10	Regular retirement deferred after 62, MEPD tested
3	Vested Terminated participant, Normal Retirement at 65	11	Lumbermill employee, Vested Termination retirement
4	Less than 15 years of service at 6/1/1996 so different benefit formula may apply	12	Less than 15 years of service at 6/1/1996 so different benefit formula applies
5	Qualified Domestic Relations Order (QDRO) for divorce, Level Income form of payment, MEPD tested	13	Service as both a Commercial & Lumbermill employee, disability retirement
6	Survivor Benefit	14	Early Retirement, Level income form of payment with Joint & Survivor feature and Lump Sum withdrawal
7	Disability Retirement	15	Level income form of payment, Lumbermill employee
8	Regular pension at age 62 with 15 years of service	16	50% Joint & Survivor form of payment, Lumbermill employee, Vested Terminated employee

**Table 2 - Wine & Liquor Plan**

<b>Sample</b>	<b>Reason Selected</b>	<b>Sample</b>	<b>Reason Selected</b>
1	Early Retirement with 30 years of Credited Service, 50% Joint & Survivor form of payment, MEPD reviewed	9	Early Retirement, 50% Joint & Survivor form of payment, MEPD tested
2	Late Retirement before age 65, 5 year certain and life form of payment	10	Pre-Ret Survivor benefit, Life Only form of payment, MEPD tested
3	Vested Terminated participant who terminated before 1997, different benefit formula may apply.	11	Qualified Domestic Relations Order (QDRO) for divorce
4	Early Retirement, retired after 1997, 5 year certain and life form of payment, MEPD tested	12	Vested Termination benefit, terminated after 1998 with 5 years of Vesting Service, Display employee??
5	Normal Retirement before 10/1/2003, 5 year certain and life form of payment	13	Vested Termination benefit, approved to start collecting.
6	Early Retirement before 1998, 5 year certain and life form of payment	14	Normal Retirement, 5 year certain and life form of payment, MEPD tested
7	Early Retirement, 5 year certain and life form of payment, MEPD tested	15	Disability benefit, 5 year certain and life form of payment
8	Normal Retirement after 10/1/2003, 100% Joint & Survivor form of payment, MEPD tested	16	Disability benefit, 50% Joint & Survivor form of payment, MEPD tested, participant has now died

**Table 3 - Ironworkers Plan**

<b>Sample</b>	<b>Reason Selected</b>	<b>Sample</b>	<b>Reason Selected</b>
1	Not 55 at plan termination, retired under plan provision which allows retirement age 55 with 30 years of Credited Service, large benefit	9	Rule of 85 retirement (retirement when age plus years of Vesting Service is at least 85), PBGC benefit appears large, retired and rehired several times.
2	Rule of 85 retirement (i.e. plan allows a participant to retire at any time after age 50 if age plus years of Vesting Service is at least 85), recent retiree	10	Survivor benefit, MEPD tested, MEPD differs from plan
3	Large Break in Service, 100% Joint & Survivor form of payment	11	Large benefit, no record originally supplied by plan
4	100% Joint & Survivor form of payment, large benefit, vesting service originally supplied by plan is less than 5 years	12	Late Retirement, MEPD tested, Qualified Domestic Relations Order (QDRO) for divorce, Break in Service
5	30 & out retirement (subsidized early benefit for participants who have at least 30 years of Credited Service), participant has past service (service prior to contributions)	13	MEPD, Qualified Domestic Relation Order (QDRO) for divorce, 100% Joint & Survivor form of payment with second wife, question of eligibility for rule of 85 (retirement when age plus years of Vesting Service is at least 85), \$20 bonus, PBGC guaranteed benefit includes spouse's QDRO (divorce) benefit
6	Retired after the benefit was frozen, Late Retiree, 100% Joint & Survivor form of payment, MEPD test differs from the plan's calculated benefit	14	Vesting service is reported to be less than 5 years, odd work history
7	MEPD test, Qualified Domestic Relations Order (QDRO) for divorce	15	30 & out retirement (retirement at any time after age 55 with at least 30 years of Credited Service); 50% Joint & Survivor form of payment; large benefit
8	Normal retirement, 10 years certain and life form of payment, PBGC benefit originally supplied by plan is less than the accrued benefit	16	PBGC benefit appears large, left plan before 1996 with large benefit, 30 and out retirement (i.e. retirement after age 55 with at least 30 years of Credited Service)

**Attachment VII – Detailed Calculation: Finding 1**

## Buffalo Benefit Calculation

Sample #	Name	Plan Benfit Calculation	DJ Benfit Calculation	Variance Over (Under) Note 1	Reason for Variance
1	[REDACTED]	\$ 665.46	\$ 665.46	n/a	
2	[REDACTED]	267.62	267.63	n/a	
3	[REDACTED]	580.89	600.47	(19.58)	
4	[REDACTED]	1,218.94	1,215.36	3.58	
5	[REDACTED]	1,268.53	1,268.53	n/a	
6	[REDACTED]	408.84	408.84	n/a	
7	[REDACTED]	728.55	728.55	n/a	
8	[REDACTED]	1,249.66	1,250.04	n/a	
9	[REDACTED]	296.10	296.10	n/a	
10	[REDACTED]	1,013.90	1,047.27	(33.37)	
11	[REDACTED]	75.41	75.41	n/a	
12	[REDACTED]	266.72	266.72	n/a	
13	[REDACTED]	1,230.20	1,230.20	n/a	
14	[REDACTED]	863.81	871.00	(7.19)	
15	[REDACTED]	403.32	403.33	n/a	
16	[REDACTED]	\$ 125.94	\$ 125.94	n/a	

### Errors

Total \$ Monthly Variance Overpayment	\$ 3.58
# Monthly Variance Overpayment	1
Total \$ Monthly Variance Underpayment	\$ (60.14)
# Monthly Variance Underpayment	3

Note 1: variance between \$1/month and (\$1)/month were considered not material

### Recap of variances by cause

	# if instances	\$ Amt
Incorrect Service	2	\$ (29.79)
Excluded contributions	1	(7.19)
Incorrect base benefit	1	(19.58)
	4	\$ (56.56)

## Wine & Liquor Benefit Calculation

Sample #	Name	Plan Benefit Calculation	DJ Benefit Calculation	Variance Over (Under) Note 1	Reason for Variance
1		\$ 601.78	\$ 601.78	n/a	
2		1,200.00	1,200.00	n/a	
3		358.32	360.41	(2.09)	Incorrect Service
4		569.16	569.15	n/a	
5		1,200.00	1,200.00	n/a	
6		491.40	485.61	5.79	Incorrect benefit calculation
7		244.42	244.32	n/a	
8		242.55	245.03	(2.48)	Incorrect benefit calculation
9		178.29	177.30	n/a	
10		425.70	523.80	(98.10)	Incorrect benefit calculation
11		538.12	538.80	n/a	
12		641.43	641.65	n/a	
13		269.24	269.33	n/a	
14		313.20	313.33	n/a	
15		786.66	788.17	(1.51)	No Support for Calculation
16		\$ 496.82	\$ 496.82	n/a	

### Errors

Total \$ Monthly Variance Overpayment	\$ 5.79
# Monthly Variance Overpayment	1
Total \$ Monthly Variance Underpayment	\$ (104.18)
# Monthly Variance Underpayment	4

Note 1: variance between \$1/month and (\$1)/month were considered not material

### Recap of variances by cause

	# if instances	\$ Amt
Incorrect Service	1	\$ (2.09)
No Support for Calculation	1	\$ (1.51)
Incorrect benefit calculation	3	\$ (94.79)
	5	\$ (98.39)

## Ironworker Benfit Calculation

Sample #	Name	Plan Benfit Calculation	DJ Benfit Calculation	Variance Over (Under) Note 1	Reason for Variance
1	[REDACTED]	\$ 1,812.00	\$ 1,157.00	\$ 655.00	Incorrect base benefit
2	[REDACTED]		822.00	822.00	n/a
3	[REDACTED]		693.00	693.00	n/a
4	[REDACTED]		1,706.00	1,706.00	n/a
5	[REDACTED]		1,924.00	1,924.00	n/a
6	[REDACTED]		1,680.00	1,680.00	n/a
7	[REDACTED]		2,051.00	2,051.00	n/a
8	[REDACTED]		1,014.00	1,014.00	n/a
9	[REDACTED]		1,119.00	1,075.00	44.00
10	[REDACTED]		1,375.00	1,375.00	n/a
11	[REDACTED]		2,623.00	2,769.00	(146.00)
12	[REDACTED]		1,315.00	858.00	457.00
13	[REDACTED]		886.00	886.00	n/a
14	[REDACTED]		68.00	135.00	(67.00)
15	[REDACTED]		2,686.00	2,688.00	(2.00)
16	[REDACTED]	\$ 2,350.00	\$ 2,350.00		n/a

### Errors

Total \$ Monthly Variance Overpayment	\$ 1,156.00
# Monthly Variance Overpayment	3
Total \$ Monthly Variance Underpayment	\$ (215.00)
# Monthly Variance Underpayment	3

Note 1: variance between \$1/month and (\$1)/month were considered not material

### Recap of variances by cause

	# if instances	\$ Amt
Excluded late retirement adj	2	\$ (213.00)
Break in service not accounted for	1	457.00
Incorrect base benefit	3	697.00
	6	\$ 941.00

**Attachment VIII – Detailed Calculation: Finding 2**

**Buffalo Plan Finding 2**

Sample #	Name	PBGC Guaranteed Benefit Paid	Date Benefit Started	Benefit Paid Until (Note 1)	Number of Months	Subject to Testing	Finding 2 Over (Under) Pymt	Reason for Exception
1	[REDACTED]	545.87	6/1/2004	12/31/2015	139	75,876	75,876	Lack of Documentation: Class of Employee or Other
2	[REDACTED]	255.80	6/1/2004	12/31/2015	139	35,556	N/A	Lack of Documentation: Class of Employee or Other
3	[REDACTED]	475.54	6/1/2004	12/31/2015	139	66,100	66,100	Lack of Documentation: Age or Spousel Benefit
4	[REDACTED]	554.13	6/1/2004	11/20/2004	6	3,325	3,325	Lack of Documentation: Age or Spousel Benefit
5	[REDACTED]	759.69	6/1/2004	12/31/2015	139	105,597	105,597	Lack of Documentation: Age or Spousel Benefit
6	[REDACTED]	351.33	6/1/2004	12/31/2015	139	48,835	48,835	Lack of Documentation: Age or Spousel Benefit
7	[REDACTED]	615.83	6/1/2004	11/17/2008	54	33,255	33,255	Lack of Documentation: Service
8	[REDACTED]	1,019.25	6/1/2004	10/11/2007	41	41,789	N/A	Lack of Documentation: Class of Employee or Other
9	[REDACTED]	267.45	6/1/2004	12/31/2015	139	37,176	37,176	Lack of Documentation: Age or Spousel Benefit
10	[REDACTED]	706.06	6/1/2004	6/1/2009	61	43,070	43,070	Lack of Documentation: Age or Spousel Benefit
11	[REDACTED]	75.40	6/1/2004	12/31/2015	139	10,481	N/A	Lack of Documentation: Class of Employee or Other
12	[REDACTED]	244.00	6/1/2004	12/31/2015	139	33,916	33,916	Lack of Documentation: Age or Spousel Benefit
13	[REDACTED]	992.06	6/1/2004	12/31/2015	139	137,896	N/A	Lack of Documentation: Service
14	[REDACTED]	598.81	6/1/2004	8/20/2013	111	66,468	66,468	Lack of Documentation: Class of Employee or Other
15	[REDACTED]	385.69	6/1/2004	12/11/2013	115	44,354	N/A	Lack of Documentation: Age or Spousel Benefit
16	[REDACTED]	125.94	6/1/2004	12/31/2015	139	17,506	17,506	Lack of Documentation: Age or Spousel Benefit
						801,199	531,122	
				# of exceptions			11	

Recap of Variances	
# of Except	\$ Amount
5	\$ 218,332
1	33,255
5	279,535
11	\$ 531,122

Lack of Documentation: Age or Spousel Benefit  
Lack of Documentation: Service  
Lack of Documentation: Class of Employee or Other

Wine & Liquor Plan Finding 2

Sample #	Name	Finding 2						Reason for Exception
		PBGC Guaranteed Benefit Paid	Date Benefit Started	Benefit Paid Until (Note 1)	Number of Months	Subject to Testing	Over (Under) Pymt	
1	[REDACTED]	534.52	6/1/2010	12/31/2015	67	35,813	35,813	Lack of Documentation: Service
2	[REDACTED]	1,021.73	6/1/2010	12/31/2015	67	68,456	68,456	Lack of Documentation: Service
3	[REDACTED]	n/a	n/a	n/a	n/a	n/a	n/a	N/A - not yet retired
4	[REDACTED]	500.21	6/1/2010	12/31/2015	67	33,514	33,514	Lack of Documentation: Service
5	[REDACTED]	992.81	6/1/2010	12/31/2015	67	66,518	66,518	Lack of Documentation: Service
6	[REDACTED]	434.55	6/1/2010	12/31/2015	67	29,115	29,115	Lack of Documentation: Service
7	[REDACTED]	211.28	6/1/2010	12/31/2015	67	14,156	14,156	Lack of Documentation: Service
8	[REDACTED]	204.60	6/1/2010	12/31/2015	67	13,708	13,708	Lack of Documentation: Service
9	[REDACTED]	159.84	6/1/2010	12/31/2015	67	10,709	10,709	Lack of Documentation: Service
10	[REDACTED]	422.84	6/1/2010	12/31/2015	67	28,330	28,330	Lack of Documentation: Service
11	[REDACTED]	481.50	6/1/2010	12/31/2015	67	32,261	32,261	Lack of Documentation: Service
12	[REDACTED]	n/a	n/a	n/a	n/a	n/a	n/a	N/A - not yet retired
13	[REDACTED]	235.20	12/1/2014	12/31/2015	13	3,058	3,058	Lack of Documentation: Service
14	[REDACTED]	256.43	6/1/2010	12/31/2015	67	17,181	17,181	Lack of Documentation: Service
15	[REDACTED]	655.31	6/1/2010	12/31/2015	67	43,906	43,906	Lack of Documentation: Service
16	[REDACTED]	441.37	6/1/2010	2/16/2011	9	3,972	3,972	Lack of Documentation: Service
						400,696	400,696	
				# of exceptions				14

Recap of Variances		
# of Except	\$ Amount	
-	\$ -	Lack of Documentation: Age or Spouse Benefit
14	\$ 400,696	Lack of Documentation: Service
-	\$ -	Lack of Documentation: Class of Employee or Other
14	\$ 400,696	

**Attachment IX – Detailed Calculation: Finding 3**

## Buffalo Plan Finding

### Finding 3

Sample #	Name	PBGC Guaranteed Benefit Paid	DJ Calc PBGC Garuanteed Payment	Date Benefit Started	Benefit Paid Until (Note 1)	Number of Months	Subject to Testing	Over (Under) Pymt	Reason for Variance
1	[REDACTED]	545.87	545.85	6/1/2004	12/31/2015	139	\$ 75,876	n/a	
2	[REDACTED]	255.80	255.72	6/1/2004	12/31/2015	139	35,556	n/a	
3	[REDACTED]	475.54	490.23	6/1/2004	12/31/2015	139	66,100	(14.69)	Incorrect base benefit
4	[REDACTED]	554.13	554.13	6/1/2004	11/20/2004	6	3,325	n/a	
5	[REDACTED]	759.69	759.69	6/1/2004	12/31/2015	139	105,597	n/a	
6	[REDACTED]	351.33	351.32	6/1/2004	12/31/2015	139	48,835	n/a	
7	[REDACTED]	615.83	615.79	6/1/2004	11/17/2008	54	33,255	n/a	
8	[REDACTED]	1,019.25	1,019.34	6/1/2004	10/11/2007	41	41,789	n/a	
9	[REDACTED]	267.45	267.45	6/1/2004	12/31/2015	139	37,176	n/a	
10	[REDACTED]	706.06	697.13	6/1/2004	6/1/2009	61	43,070	8.93	Incorrect Service
11	[REDACTED]	75.40	75.41	6/1/2004	12/31/2015	139	10,481	n/a	
12	[REDACTED]	244.00	244.04	6/1/2004	12/31/2015	139	33,916	n/a	
13	[REDACTED]	992.06	983.13	6/1/2004	12/31/2015	139	137,896	8.93	Incorrect Service
14	[REDACTED]	598.81	598.81	6/1/2004	8/20/2013	111	66,468	n/a	
15	[REDACTED]	385.69	385.69	6/1/2004	12/11/2013	115	44,354	n/a	
16	[REDACTED]	125.94	125.94	6/1/2004	12/31/2015	139	17,506	n/a	
							\$ 801,199	\$ 3.17	
						# of exceptions			3

#### Errors

Total \$ Monthly Variance Overpayment	\$ 17.86
# Monthly Variance Overpayment	2
Total \$ Monthly Variance Underpayment	\$ (14.69)
# Monthly Variance Underpayment	1

#### Recap of variances by cause

	# if instances	Over (Under) Pymt	Subject to Testing
Incorrect Service	2	\$ 18	\$ 180,966
No adj for Late Retirement	-	-	-
No Support for Calculation	-	-	-
Incorrect base benefit	1	(15)	66,100
	3	\$ 3	\$ 247,066

## Wine & Liquor Plan Finding

### Finding 3

Sample #	Name	PBGC Guaranteed Benefit Paid	DJ Calc PBGC Garuanteed Payment	Date Benefit Started	Benefit Paid Until (Note 1)	Number of Months	Subject to Testing	Over (Under) Pymt	Reason for Variance
1	[REDACTED]	534.52	534.29	6/1/2010	12/31/2015	67	35,813	n/a	
2	[REDACTED]	1,021.73	1,023.29	6/1/2010	12/31/2015	67	68,456	(1.56)	Incorrect Service
3	[REDACTED]	n/a	306.52	n/a	n/a	n/a	n/a	n/a	Incorrect Service
4	[REDACTED]	500.21	502.95	6/1/2010	12/31/2015	67	33,514	(2.74)	Incorrect Service
5	[REDACTED]	992.81	991.67	6/1/2010	12/31/2015	67	66,518	1.14	Incorrect Service
6	[REDACTED]	434.55	429.29	6/1/2010	12/31/2015	67	29,115	5.26	Incorrect Service
7	[REDACTED]	211.28	213.49	6/1/2010	12/31/2015	67	14,156	(2.21)	Incorrect Service
8	[REDACTED]	204.60	209.21	6/1/2010	12/31/2015	67	13,708	(4.61)	No Support for Calculation
9	[REDACTED]	159.84	161.85	6/1/2010	12/31/2015	67	10,709	(2.01)	Incorrect Service
10	[REDACTED]	422.84	495.06	6/1/2010	12/31/2015	67	28,330	(72.22)	Incorrect Service
11	[REDACTED]	481.50	485.46	6/1/2010	12/31/2015	67	32,261	(3.96)	Incorrect Service
12	[REDACTED]	n/a	530.05	n/a	n/a	n/a	n/a	n/a	Incorrect Service
13	[REDACTED]	235.20	237.52	12/1/2013	12/31/2015	25	5,880	(2.32)	
14	[REDACTED]	256.43	256.54	6/1/2010	12/31/2015	67	17,181	n/a	
15	[REDACTED]	655.31	653.69	6/1/2010	12/31/2015	67	43,906	1.62	Incorrect Service
16	[REDACTED]	441.37	442.74	6/1/2010	2/16/2011	9	3,972	\$ (1.37)	Incorrect Service
							403,519	(84.98)	
						# of exceptions			12

#### Errors

Total \$ Monthly Variance Overpayment	\$ 8.02
# Monthly Variance Overpayment	3
Total \$ Monthly Variance Underpayment	\$ (93.00)
# Monthly Variance Underpayment	9

#### Recap of variances by cause

	# if instances	Over (Under) Pymt	Subject to Testing
Incorrect Service	11	\$ (80)	\$ 336,817
No adj for Late Retirement	-	-	-
No Support for Calculation	1	(5)	13,708
Incorrect base benefit	-	-	-
	12	\$ (85)	\$ 350,525

## IronWorkers Plan Finding :

### Finding 1

Sample #	Name	PBGC Guaranteed Benefit Paid	DJ Calc PBGC Garanteed Payment	Date Benefit Started	Date Benefit Paid Until	Number of Months	Subject to Testing	Over (Under) Pymt	Reason for Variance
1	[REDACTED]	1,073.00	950.00	6/1/2012	12/31/2015	43	46,139	\$ 123.00	Incorrect base benefit
2	[REDACTED]	673.00	673.00	6/1/2012	12/31/2015	43	28,939	n/a	
3	[REDACTED]	593.00	593.00	6/1/2012	12/31/2015	43	25,499	n/a	
4	[REDACTED]	1,281.00	1,294.00	6/1/2012	12/31/2015	43	55,083	(13.00)	Incorrect Service
5	[REDACTED]	1,359.00	1,359.00	6/1/2012	12/31/2015	43	58,437	n/a	
6	[REDACTED]	1,178.00	1,178.00	6/1/2012	12/31/2015	43	50,654	n/a	
7	[REDACTED]	1,335.00	1,335.00	6/1/2012	12/31/2015	43	57,405	n/a	
8	[REDACTED]	826.00	829.00	6/1/2012	12/31/2015	43	35,518	(3.00)	Incorrect Service
9	[REDACTED]	929.00	896.00	6/1/2012	5/1/2014	24	22,296	33.00	Incorrect base benefit
10	[REDACTED]	997.00	987.00	6/1/2012	7/4/2012	2	1,994	10.00	Incorrect Service
11	[REDACTED]	1,430.00	1,430.00	6/1/2012	12/31/2015	43	61,490	n/a	
12	[REDACTED]	983.00	719.00	6/1/2012	12/31/2015	43	42,269	264.00	
13	[REDACTED]	732.00	732.00	6/1/2012	12/31/2015	43	31,476	n/a	
14	[REDACTED]	59.00	110.00	6/1/2012	12/31/2015	43	2,537	(51.00)	No adj for Late Retirement
15	[REDACTED]	1,339.00	1,339.00	6/1/2012	12/31/2015	43	57,577	n/a	
16	[REDACTED]	1,270.00	1,270.00	6/1/2012	12/31/2015	43	54,610	n/a	
							631,923	\$ 363.00	
						# of exceptions		7	

#### Errors

Total \$ Monthly Variance Overpayment	\$ 430.00
# Monthly Variance Overpayment	4
Total \$ Monthly Variance Underpayment	\$ (67.00)
# Monthly Variance Underpayment	3

#### Recap of variances by cause

		Over (Under)	Subject to
	# if instances	Pymt	Testing
Incorrect Service	3	\$ (6)	\$ 92,595
No adj for Late Retirement	1	(51)	2,537
No Support for Calculation	-	-	-
Incorrect base benefit	3	420	110,704
	7	\$ 363	\$ 205,836



**Pension Benefit Guaranty Corporation**  
1200 K Street, N.W., Washington, D.C. 20005-4026

January 25, 2017

**To:** Robert A. Westbrooks  
Inspector General

**Through:** Karen L. Morris Chief of Negotiations and Restructuring

**From:** Rossi Marcellin Division Manager, Multiemployer Program Division

**SUBJECT:** Transmittal of Agreed-Upon Procedures Report on the Pension Benefit Guaranty Corporation Multiemployer Insurance Program

Management agrees that the exceptions warrant further examination. After an initial review we have determined that 17 exceptions fall within our materiality threshold (lesser of \$5 or 5%), and we have already obtained additional documentation from the plans' administrators that we believe will resolve a greater number of these exceptions. We agree to review and resolve the remaining exceptions and report our results to the OIG by the end of the quarter, March 31, 2017.