



December 09, 2025

MEMORANDUM REPORT

TO: John Hanley
Chief of Negotiations and Restructuring

FROM: John Seger
Assistant Inspector General for Audits, Evaluations, and Inspections

SUBJECT: Special Report: Follow up to Recommendation Regarding Projected Benefit Payments in Special Financial Assistance Applications (SR-2026-01)

This Special Report presents the results of the actions taken by the Pension Benefit Guaranty Corporation (PBGC or the Corporation) in response to open recommendation 2024-12-02 from Report No. EVAL-2024-12, Projected Benefit Payments in Selected Special Financial Assistance (SFA) Applications. The objective of the Special Report was to determine whether PBGC effectively implemented the corrective actions to address recommendation 2024-12-02. We conducted our work in accordance with the Quality Standards for Federal Offices of Inspector General (Silver Book) issued by the Council of the Inspectors General on Integrity and Efficiency.

We appreciate the cooperation PBGC and its staff extended to the Office of Inspector General (OIG) during this project. PBGC was provided an opportunity to review the draft report. The agency had no comments. We thank PBGC for its receptiveness to our recommendations and commitment to reducing risk and improving the effectiveness and efficiency of PBGC's programs and operations. The measures taken reflect PBGC's commitment to fiscal responsibility and the integrity of the SFA program.

This report contains public information and will be posted in its entirety on our website and provided to the PBGC Board of Directors and Congress in accordance with the Inspector General Act.

Summary

We reviewed five multiemployer plans paid SFA, prior to November 1, 2023, to determine whether PBGC implemented its retrospective death audit procedures, which included repayment of any excess SFA. Based on our review, we determined PBGC

implemented corrective actions, ensuring the return of overpayments. Specifically, over a period of about 18 months, PBGC reviewed 64 plans for the inclusion of deceased participants in their SFA applications and directed the repayment of \$262 million in taxpayer dollars to the U.S. Treasury Department. As a result of the actions taken the recommendation is now closed.

Background

Established by the Employee Retirement Income Security Act of 1974, PBGC protects the retirement security of about 31 million workers, retirees, and beneficiaries in both single-employer and multiemployer private-sector pension plans. In fiscal year 2024, PBGC paid over \$5.8 billion in benefits to 912,000 participants in trustee single-employer plans and made SFA payments of \$14.6 billion to multiemployer plans. To support its mission, one of the three strategic goals articulated in PBGC's Strategic Plan is to "maintain high standards of stewardship and accountability."

For the first time in its history, PBGC received taxpayer funds to provide SFA to financially troubled multiemployer plans under the American Rescue Plan Act, which was signed into law on March 11, 2021. At the time, many multiemployer pension funds were already insolvent, and PBGC's multiemployer pension fund, an insurance fund which provides financial support to troubled plans, was expected to become insolvent in 2026. Under the SFA program, PBGC expected to provide about \$80 billion in financial assistance to an estimated 200 plans. As of September 30, 2025, PBGC had approved 174 applications for about \$74 billion in SFA.

In three reports on the SFA program since 2023, we identified that many multiemployer plans included deceased participants in their SFA applications, resulting in overpayments. In September 2024, we published report 2024-12 and recommended PBGC review the plans paid SFA before the Corporation implemented its full death audit procedures and collect the outstanding overpayments.¹ We estimated potential repayments of about \$250 million. We note PBGC implemented full death audit procedures prospectively as well as retroactively, so all plans under review or yet to apply for SFA were reviewed as well.

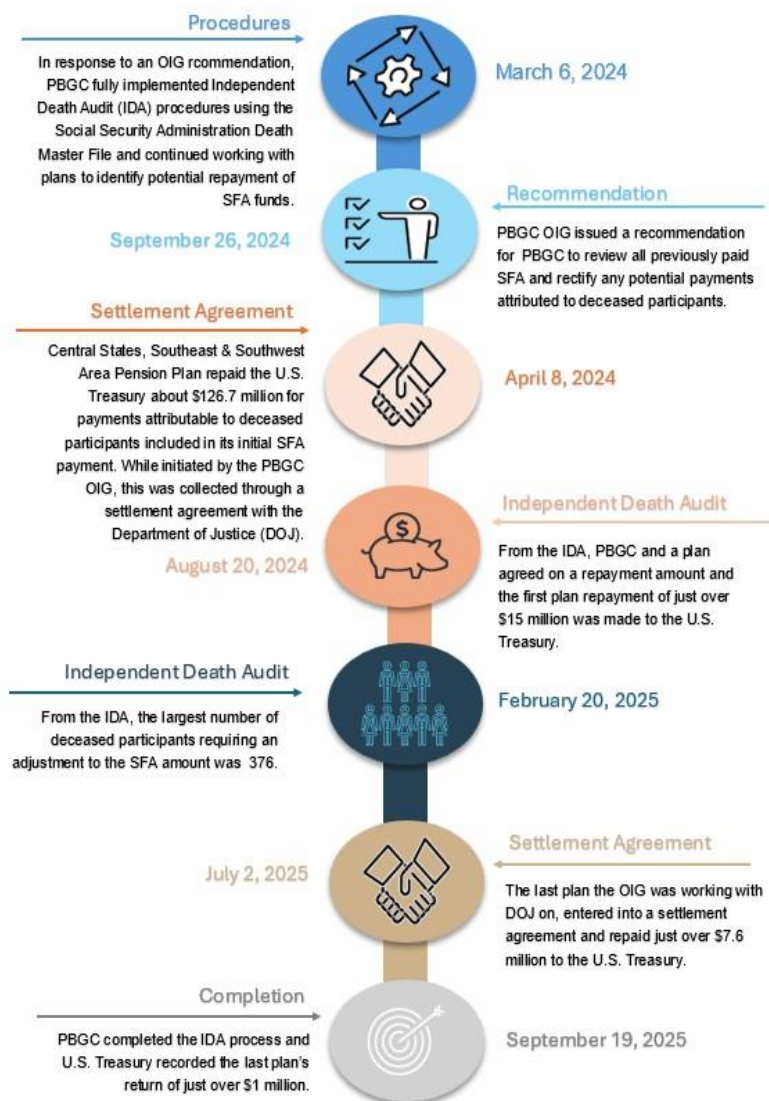
¹ [Projected Benefit Payments in Selected Special Financial Assistance Applications](#)

Details

For our review, we selected a judgmental sample of five multiemployer plans that received SFA payments before PBGC implemented its full independent death audit (IDA) procedures. The procedures required PBGC to check for deceased participants in the Social Security Administration Death Master File (SSA DMF), review the plans' treatment of the participants for reasonableness, confirm the recalculation of SFA with deceased participants excluded, and ensure repayment of funds to the Treasury Department.²

As of September 22, 2025, PBGC reported it had completed reviews of all 64 plans paid SFA prior to the implementation of full death audit procedures and ensured repayment of \$262 million to the Department of the Treasury. Figure 1 illustrates the general recommendation implementation process.

Figure 1: Recommendation Implementation Flowchart



Source: OIG analysis.

To determine whether to close the recommendation, we reviewed the Corporation's IDA process identified above. For each of the sampled plans we found the Corporation:

² PBGC is one of about 10 federal Agencies with access to the Social Security Administration's Death Master File (SSA DMF), a database considered to be an important listing of deceased people in America. Private pension plans do not have access to the full SSA DMF. Therefore, PBGC's check for deceased participants is an important part of its SFA process.

- Accounted for participants who died before the census date and ensured the deceased were either removed from the SFA calculation, or had a reasonable basis for being included, such as the participant's name did not match the name found in the SSA DMF.³
- Followed IDA procedures that required sampling (based on an established threshold) for any plan that maintained participants identified in PBGC's death audit were alive, did not match, or had living beneficiaries entitled to payments, and reviewed supporting documentation.
- Reviewed the plans' SFA re-calculation to confirm the redetermined SFA amount (i.e. the amount excluding deceased participants) was reasonable.
- Confirmed repayment of excess SFA funds to the Treasury Department.

As a result, we determined PBGC implemented corrective actions to address the recommendation.

Conclusion

Based on the results of our review, we concluded that the corrective actions taken by PBGC sufficiently address the original recommendation. Accordingly, this recommendation is now considered closed.

cc: Janet Dhillon, Director
Lisa Carter, Acting CFO and Director, CCRD
Karen Morris, General Counsel
Latreece Wade, Risk Management Officer
Charlie Bolton, Senior Policy Advisor
LaTasha Thomas, Senior Advisor to the Director
Department of Labor Board staff
Department of Treasury Board staff
Department of Commerce Board staff
House committee staff (Education and Workforce, Ways and Means, HOCR)
Senate committee staff (HELP, Finance, HSGAC)

³ The census date was the date used by the plan for the SFA calculation. Any participants who died before the census date were not entitled to SFA benefits (though beneficiaries were); any participants who died after the census date were entitled to benefits per the SFA calculation.

Appendix I: Objective, Scope, Methodology, and Standards

Objective

The objective was to determine whether PBGC effectively implemented the corrective action to address recommendation 2024-12-02: For plans paid SFA prior to implementation of the Corporation's full death audit procedure, continue to implement the new death audit procedures, and rectify with the plans the value attributed to deceased participants to include repayment to Treasury. The estimate from this recommendation results in approximately \$250 million in questioned costs, including the \$140 million identified in the sampled plans.

Scope

The scope of our review was IDAs performed between November 1, 2023 and March 31, 2025.

Methodology

We selected a judgmental sample of five plans for review. When we began the engagement, PBGC had completed full IDA reviews for approximately 51 plans, so our sample represented about 10 percent of the total plans eligible for review. For each selected plan, we assessed whether PBGC adhered to IDA procedures, including:

1. Reviewing all participants identified as deceased and determining whether it was reasonable to include the participant or beneficiary in the SFA calculation.
2. Applying the established threshold to determine when plans were required to provide additional supporting documentation.
3. Confirming recalculated SFA amounts after excluding deceased participants.
4. Ensuring appropriate repayments were made to the U.S. Treasury Department.

Applicable Professional Standards

We conducted the review under the authority of the Inspector General Act of 1978, as amended, and in accordance with the Council of the Inspectors General on Integrity and Efficiency Quality Standards for Federal Offices of Inspector General (Silver Book). The Silver Book contains quality standards for the management, operation, and conduct of

the Federal Offices of Inspector General. It is intended to guide the Inspector General community's efforts.

As this review was limited to validating implementation of a previous OIG recommendation, we did not audit or comprehensively review all documentation associated with the recommendation closure package or review other information related to SFA applications. As such, our limited review was not intended to identify potential errors, omissions, or areas of concern related to SFA applications. The findings and observations presented herein are based solely on the information made available to us during this review and should not be construed as definitive or exhaustive.

Appendix II: Acronyms

Acronym	Meaning
IDA	Independent Death Audit
OIG	Office of Inspector General
PBGC	Pension Benefit Guaranty Corporation
SFA	Special Financial Assistance
SSA DMF	Social Security Administration's Death Master File

Appendix III: Staff Acknowledgments

PBGC OIG Contact

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Staff Acknowledgments

In addition to the contact above, David Reynolds, Audit Manager, Marcie McIsaac, Audit Manager, Richard McCaffery, Sr. Auditor and Project Team Lead, Natali Harner, Auditor, and Jessica Kim, Auditor, made key contributions to this report.

Appendix IV: Feedback

Please send your comments, suggestions, and feedback to OIGFeedback@pbgc.gov and include your name, contact information, and the report number. You may also mail comments to us:

Office of Inspector General
Pension Benefit Guaranty Corporation
445 12th Street SW
Washington, DC 20024

If you want to discuss this report or your comments with a member of the Office of Inspector General staff, please contact our office at (202) 326-4030.