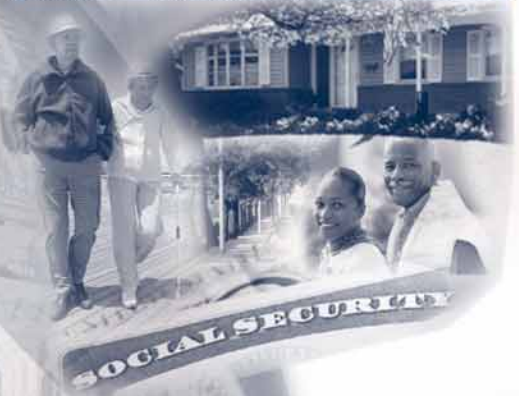


Parts of this plan have been revised.
Clicking within this box will allow you
to scroll through the revisions.

RETIREMENT INCOME SECURITY

STRATEGIC OBJECTIVE PLAN 2000-2002





GAO'S MISSION

GAO exists to support the Congress in meeting its Constitutional responsibilities and to help improve the performance and accountability of the federal government for the benefit of the American people.

CORE VALUES

ACCOUNTABILITY

describes the nature of GAO's work. GAO helps the Congress oversee federal programs and operations to ensure accountability to the American people. GAO's evaluators, auditors, lawyers, economists, public policy analysts, information technology specialists, and other multidisciplinary professionals seek to enhance the economy, efficiency, effectiveness, and credibility of the federal government both in fact and in the eyes of the American people. GAO accomplishes its mission through a variety of activities, including financial audits, program reviews, investigations, legal support, and program analyses.

INTEGRITY

describes the high standards that GAO sets for itself in the conduct of its work. GAO takes a professional, objective, fact-based, nonpartisan, nonideological, fair, and balanced approach to all of its activities. Integrity is the foundation of reputation, and GAO's approach to its work ensures both.

RELIABILITY

describes GAO's goal for how its work is viewed by the Congress and the American public. GAO produces high-quality reports, testimony, briefings, legal opinions, and other products and services that are timely, accurate, useful, clear, and candid.

FOREWORD

In fulfilling its mission, GAO examines the use of public funds; evaluates federal programs and activities; and provides analyses, options, recommendations, and other assistance to help the Congress make effective oversight, policy, and funding decisions. In this context, GAO works to continuously improve the economy, efficiency, and effectiveness of the federal government through the conduct of financial audits, program reviews and evaluations, analyses, legal opinions, investigations, and other services. Most of this work is based upon original data collection and analysis.

To ensure that GAO, in serving the Congress, targets the right issues, provides balanced perspectives, and develops practical recommendations, GAO regularly consults with the Congress and maintains relationships with a variety of federal, state, academic, and professional organizations. GAO also obtains the perspectives of applicable trade groups and associations and attends professional conferences. Moreover, GAO regularly coordinates its work with CRS, CBO, and agency Inspector General offices. Throughout, GAO's core values of accountability, integrity, and reliability are guiding principles.

In keeping with its mission and responsibilities, GAO has developed a strategic plan that includes four strategic goals and 21 related strategic objectives. To ensure that GAO's resources are directed to achieving its goals, a separate strategic plan underlies each objective. In support of GAO's goal of providing timely, quality service to the Congress and the federal government to address current and emerging challenges to the well-being and financial security of the American people, this strategic plan describes the performance goals GAO will use in supporting congressional and federal decisionmaking on a secure retirement for older Americans.

This plan covers a 3-year period; however, because unanticipated events may significantly affect even the best of plans, GAO's planning process allows for updating this plan to respond quickly to emerging issues. If you have questions or desire information on additional or completed work related to this strategic objective, please call or e-mail me or Cynthia M. Fagnoni, who is cited on the following pages.

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SERVING THE CONGRESS

GAO'S STRATEGIC PLAN FRAMEWORK



MISSION

GAO exists to support the Congress in meeting its Constitutional responsibilities and to help improve the performance and accountability of the federal government for the benefit of the American people.

GOALS

PROVIDE TIMELY, QUALITY SERVICE TO THE CONGRESS AND THE FEDERAL GOVERNMENT	SUPPORT THE TRANSITION	MAXIMIZE THE VALUE OF GAO
TO ADDRESS CURRENT AND EMERGING CHALLENGES TO THE WELL-BEING AND FINANCIAL SECURITY OF THE AMERICAN PEOPLE	TO RESPOND TO CHANGING SECURITY THREATS AND THE CHALLENGES OF GLOBAL INTERDEPENDENCE	TO A MORE RESULTS-ORIENTED AND ACCOUNTABLE FEDERAL GOVERNMENT
		BY BEING A MODEL ORGANIZATION FOR THE FEDERAL GOVERNMENT

THEMES

Demographics	Globalization	Quality of Life	Security	Technology
Government Performance and Accountability				

OBJECTIVES

Health care needs and financing RETIREMENT INCOME SECURITY Social safety net Education/workforce issues Effective system of justice Community investment Natural resources use and environmental protection Physical infrastructure	Diffuse security threats Military capabilities and readiness Advancement of U.S. interests Global market forces	Fiscal position of the government Government financing and accountability Governmentwide management reforms Economy, efficiency, and effectiveness improvements in federal agencies	Client relations Strategic and annual planning Human capital Core business and supporting processes Information technology services
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CORE VALUES

Accountability	Integrity	Reliability
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PROVIDE TIMELY,
QUALITY SERVICE TO THE
CONGRESS AND THE
FEDERAL GOVERNMENT



TO ADDRESS
CURRENT AND EMERGING
CHALLENGES TO THE
WELL-BEING AND
FINANCIAL SECURITY
OF THE
AMERICAN PEOPLE

Health care needs and
financing
**RETIREMENT INCOME
SECURITY**
Social safety net
Education/workforce issues
Effective system of justice
Community investment
Natural resources use and
environmental protection
Physical infrastructure

A SECURE RETIREMENT FOR OLDER AMERICANS

Increasing life expectancies and the prospective retirement of the “baby boom” generation raise questions about the ability of Social Security, pension plans, and private savings to provide an adequate retirement income for an aging population. In particular, Social Security solvency is quite simply one of the vital social challenges of our day. Social Security program expenditures are expected to exceed payroll tax revenues beginning in 2014. Actuaries project that the Social Security trust funds will be depleted by 2034, and unless corrective action is taken, the program will experience a shortfall of over \$3 trillion by 2075. The Congress is currently considering a number of proposals to address the problem, some involving a major restructuring of the program. The administration has also identified Social Security reform as a top priority. In addition, there is concern about recent trends in pension plans’ characteristics and the security of pension income for the longer term.

GAO’s strategic plan identifies three multiyear performance goals to support congressional and federal decisionmaking on a secure retirement for older Americans. The following pages discuss the significance of the performance goals, the key efforts that will be undertaken, and the potential outcomes.

Performance Goals

- Assess the Implications of Various Social Security Reform Proposals Within a Developed Framework and Evaluation Criteria
- Identify Opportunities to Foster Greater Participation and Ensure Adequate Retirement Income Levels by Private Pension Systems
- Identify Opportunities to Improve the Ability of the Pension Benefit Guaranty Corporation’s and the Department of Labor’s Pension Welfare Benefits Administration’s Programs to Protect Workers in Private Pension Systems



Assess the Implications of Various Social Security Reform Proposals Within a Developed Framework and Evaluation Criteria

Significance

Social Security reform continues to be one of the most pressing issues facing this country, and it remains a major legislative priority for both the administration and the Congress. The Social Security system faces insolvency within the next 40 years, requiring difficult choices now to avoid potentially catastrophic problems later. The main policy choices include increasing program revenues, investing Social Security trust funds in the private sector, reducing benefits, or some combination of the three. Some analysts call for major structural revisions in the program through the creation of individual retirement accounts for workers, either in addition to the current program or in lieu of some portion of current benefits. All of these proposals have consequences for retirees' benefits, the federal budget, and long term economic growth. They also would influence the willingness of employers to offer private pension plans to their employees and the types of plans offered. These problems are not unique to the United States—virtually all of the advanced industrialized countries are now grappling with similar issues. Many of these nations are also experimenting with innovative solutions to these problems, and the success or failure of these initiatives can have important consequences for how the Congress responds to the crisis in this country.



Key Efforts

Analyze Social Security reform proposals for their impact on workers' benefits (especially for at-risk populations); trust fund solvency; the budget, national savings and economic growth; and related programs like Medicare

Assess the current Social Security program and various reform proposals for their effect on minorities

Assess various Social Security reform proposals for their effect on the private pension system

Assess the implications of Social Security reform for the federal civil service and military retirement systems

Assess reforms other countries have made to their public retirement systems for their impact on retiree benefits, budgetary and economic effects, and applicability to the United States

Potential Outcomes

Greater congressional understanding of various Social Security reform proposals and implications for retiree benefits, trust fund solvency, program sustainability, the budget, and the national economy



Identify Opportunities to Foster Greater Participation and Ensure Adequate Retirement Income Levels by Private Pension Systems

Significance

The private pension system remains one of the cornerstones for ensuring retirement income adequacy for our nation's workers. Nevertheless, tens of millions of U.S. workers—close to half of the labor force—continue to have no individual pension coverage, placing them at risk during their retirement years. The private pension system also continues to evolve, with a growing number of employers moving towards defined contribution plans and continuing the long-term trend away from defined benefit plans. Further, current efforts to reform the Social Security system can have potentially dramatic effects for the scope of private pension coverage, the level of benefits provided, and the type of pension vehicle by which such benefits are provided. Our work is aimed at improving the linkage between the private pension and Social Security systems and enhancing private pension coverage.



Key Efforts

Assess the implications of Social Security reform packages for the private pension system and individual savings

Identify opportunities to foster greater participation and ensure adequate retirement income levels by private pension systems

Analyze “top-heavy” rules—designed to prevent a company's highest-paid workers from accruing a disproportionate share of pension benefits—for their effect on pension plan formation

Evaluate the demographic characteristics of those workers who have no pension coverage or inadequate retirement savings

Assess the implications of the shift in pension plan structure from defined benefit to defined contribution, and the increasing importance of hybrid structures such as cash balance plans for workers, employers, and future retirement income

Potential Outcomes

Greater congressional understanding of proposals for increasing employer and worker participation in the private pension system



Identify Opportunities to Improve the Ability of the Pension Benefit Guaranty Corporation and the Department of Labor's Pension Welfare Benefits Administration's Programs to Protect Workers in Private Pension Systems

Significance

Workers covered by the private pension system will continue to require effective, performance-based management and oversight by the Pension Benefit Guaranty Corporation and the Pension Welfare Benefits Administration. GAO's work is aimed at enhancing the benefit protections enjoyed by workers already covered by private pensions and assessing the effectiveness of the operations of the relevant federal agencies.



Key Efforts

Determine the degree to which the formula for calculating pension payouts results in erroneous underpayments to workers

Assess the consequences of the proliferation of cash balance plans for pension coverage and on older workers

Evaluate federal oversight programs to protect workers in private pension systems

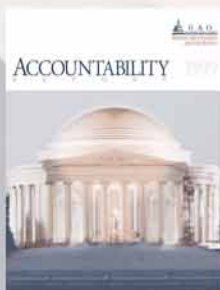
Evaluate the Pension Benefit Guaranty Corporation's use of contractors to carry out its mission

Assess and monitor the adequacy of Pension Benefit Guaranty Corporation premiums to guarantee pension benefits

Potential Outcomes

Increase agency administrative and enforcement efficiency to provide better protection to workers at lower taxpayer expense

The full set of GAO's strategic planning, performance, and accountability documents are listed below. All of these documents, as well as other GAO reports and documents, may be obtained electronically on our website, www.gao.gov.



Accountability Report for fiscal year 1999

Strategic Plan, 2000-2005

Strategic Plan Executive Summary

Strategic Plan Framework

Strategic Objective Plans

Health Care Needs and Financing

Retirement Income Security

Social Safety Net

Education/Workforce Issues

Effective System of Justice

Community Investment

Natural Resources Use and Environmental Protection

Physical Infrastructure

Diffuse Security Threats

Military Capabilities and Readiness

Advancement of U.S. Interests

Global Market Forces

Fiscal Position of the Government

Government Financing and Accountability

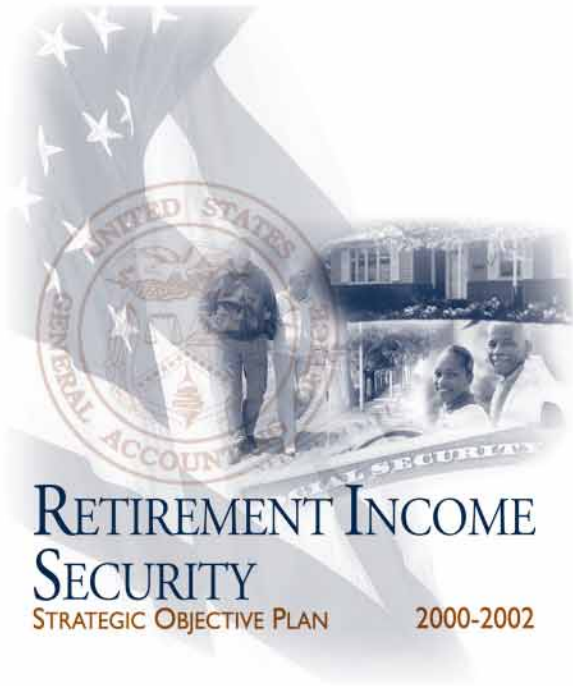
Governmentwide Management Reforms

Economy, Efficiency, and Effectiveness

Improvements in Federal Agencies

Maximize the Value of GAO

Performance Plan Fiscal Year 2001



RETIREMENT INCOME SECURITY

STRATEGIC OBJECTIVE PLAN

2000-2002