

Outcome Goal 2.2 – Protect Worker Benefits

Protecting the benefits earned and promised to U.S. workers is a central feature of DOL's secure workforce strategic goal. DOL helps increase the economic security of America's working families by temporarily protecting wages for the unemployed; protecting private employee pension plans, health plans and other benefits plans against fraud and abuse; protecting Federal and certain other workers from the economic effects of work-related injuries and illness; and protecting against lost or interrupted pension payments of workers whose companies terminate their defined benefit plan. Three DOL agencies and one government corporation chaired by the Secretary of Labor create a more secure U.S. workforce by protecting worker benefits – the Employment and Training Administration (ETA), the Employee Benefits Security Administration (EBSA), the Employment Standards Administration (ESA), and the Pension Benefit Guaranty Corporation (PBGC).

ETA temporarily replaces the wages of the unemployed through the Unemployment Insurance (UI) program, which provides grants to State-operated programs and manages the Unemployment Trust Fund. ETA ensures that States' programs are administered efficiently according to Federal standards and requirements, and manages the trust fund to provide a buffer to volatile cycles in tax revenues and benefit claims. EBSA protects private employee pension plans, health plans and other benefits plans against fraud and abuse by enforcing Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA); through compliance assistance, and through education. Where there has been malfeasance, EBSA restores benefits and assets by bringing civil and criminal cases.

ESA protects Federal and certain other workers from the economic effects of work-related injuries and illness's through the Office of Workers' Compensation Programs' (OWCP) four disability compensation programs. OWCP provides wage replacement and cash benefits, medical treatment, vocational rehabilitation, and other benefits to covered workers, their dependents and survivors. PBGC protects the pension benefits of participants in defined benefit plans that have been terminated, usually due to the sponsoring employer's bankruptcy, by serving as both insurer and administrator. As an insurer, PBGC collects insurance premiums from employers that sponsor insured pension plans. As an administrator, PBGC pays monthly retirement benefits to the participants in terminated plans.

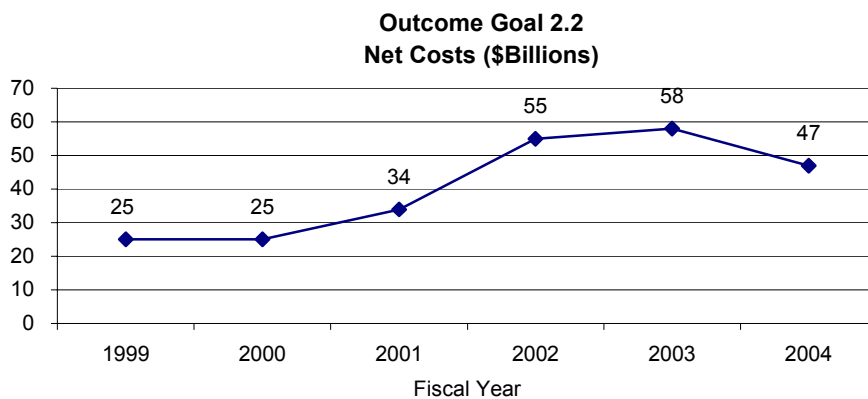
Goal (Agency) – Period Goal Statement [Achievement]	Performance Summary
<p>2.2A (ETA) – FY 2004 Make timely and accurate benefit payments to unemployed workers, facilitate the reemployment of Unemployment Insurance claimants, and set up Unemployment tax accounts promptly for new employers. [Not Achieved]</p>	<p>ETA reached targets for recovery of estimated overpayments, facilitating reemployment and establishing tax accounts. ETA failed to reach its target payment timeliness for first payments.</p>
<p>2.2B (EBSA) – FY 2004 Enhance pension and health benefit security. [Achieved]</p>	<p>EBSA reached all targets, including those for successful conduct of civil and criminal cases against benefit plan malfeasance, and customer satisfaction with participant assistance received.</p>
<p>2.2C (ESA) – FY 2004 Minimize the human, social, and financial impact of work-related injuries for workers and their families. [Substantially Achieved]</p>	<p>ESA reached nine of ten targets. Lost production days fell for USPS employees, but not for all other agencies. ESA also kept Federal Employee Compensation Act medical costs inflation below the national healthcare inflation rate.</p>
<p>2.2D (PBGC) – FY 2004 PBGC will improve customer satisfaction according to the American Customer Satisfaction Index (ACSI). [Not Achieved]</p>	<p>PBGC reached its target for customer satisfaction of participants in trustee plans, but not for sponsors of covered pension plans.</p>

Net Cost of Programs

FY 2004 program costs of \$46.7 billion supported ETA's unemployment insurance and foreign labor certification programs, EBSA efforts to ensure that individuals receive promised benefits, and ESA programs to reduce the consequences of work-related injuries. PBGC is not included in the Consolidated Statement of Net Costs, hence the costs of its programs are not reflected here.

FY 2004 program costs decreased by approximately \$11 billion, or 20%, from FY 2003. Unemployment Insurance program costs account for the entire decrease in costs and account for 93 percent of FY 2004 expenditures for this outcome goal. UI Program costs are largely driven by average weekly insured unemployment (AWIU) – the average number of people filing claims for continuing UI benefits each week. The AWIU figure decreased from 3.646 million in FY 2003 to an estimated 3.167 million in FY 2004. UI benefits paid decreased from \$54.0 billion in FY 2003 to an estimated \$42.1 billion in FY 2004.

The considerable decreased costs for Outcome Goal 2.2 were minimally offset by increased costs to ESA’s Black Lung program. In FY 2004, the Special Benefits for Disabled Coal Miners was transferred to ESA from the Social Security Administration. The amount apportioned for this account in FY 2004 is \$403 million.



Results Summary

ETA did not meet its UI performance goal, which saw its intrastate first payment timeliness (within three weeks) fall from 88.9% to a projected 88.7%. However, ETA did improve payment accuracy, facilitation of reemployment, and quick determination of UI claimants’ tax liability. Of particular importance is the improved detection of overpayments, which is crucial to the integrity of UI administration. ESA substantially achieved its goal for Office of Workforce Compensation Programs’ four disability compensation programs. ESA successfully placed 62 injured USPS employees who were vocational rehabilitation program participants with new employers and produced \$23.4 million in savings by carefully reviewing cases for continued disability status, and reemployment potential. The savings resulted from benefit adjustment and roll reduction. ESA also become more efficient in resolving disputed Longshore and Harbor Workers’ program cases and in processing Initial claims of the Energy Employees Occupational Illness Compensation claims.

Meeting its performance goal, EBSA saw its ratios for successful civil and criminal cases improve. Success in the case ratio indicators demonstrates EBSA’s improved selection and conduct of investigations. A successful closed civil investigation is one in which rightful assets are protected or returned to plans and participants. A successful criminal investigation is one that is referred for prosecution. While PBGC managed to improve its customer service score for participants in trusteed plans, it did not reach its target for improving customer service to plan sponsors.

The Oregon Employment Department is making life easier for its unemployment insurance customers through its new debit card option. The ReliaCard Visa functions like a debit card and allows recipients a new level of security in obtaining their benefits by avoiding the possibility of stolen, lost, or destroyed checks – another initiative to guard the Unemployment Insurance program against fraud. This new option has benefited both the state and unemployment insurance recipients. Oregon has saved a considerable amount of money on the printing, mailing, and processing costs associated with payment by paper checks. In addition, customers benefit from faster, easier access to benefits. One happy customer noted, “I have done my banking at U.S. Bank for many years, and when the Oregon Employment Department offered the opportunity to receive my benefits by debit card, I jumped at the chance. It is very convenient.”

Photo credit: Craig Spivey



Future Challenges

Many of the challenges the Department faces in protecting worker benefits are associated with the dynamic nature of the 21st Century workforce. UI program administration must maintain its integrity by preventing tax avoidance and reducing overpayments. In FY 2005, ETA will focus on reducing UI tax avoidance and benefit overpayments, and EBSA will make programmatic adjustments to achieve the right mix of targeted enforcement, compliance assistance, and education in protecting nearly 7,000,000 employee pension, health, and other benefit plans.

Other challenges for DOL’s workforce compensation programs include increasing medical costs and a large expected influx of claimants. As general medical costs continue to rise in line with expanding medical technologies, the compensation programs’ medical costs will also rise. DOL strives to ensure that the inflation rate for these medical costs increases more slowly than the comparable national healthcare rate. The number of Defense Base Act Longshore claims from injured civilian contractors in Iraq and Afghanistan is increasing, and could increase dramatically should the potentially large pool of Iraqi civilians employed by American contractors begin to file claims. PBGC continues to face an unprecedented influx of terminated plans. Meanwhile, participants’ and practitioners’ expectations for speed and accuracy of services continue to rise, specifically in the demand for electronic transactions and information. PBGC will identify opportunities to improve customer service in the face of an increased customer base that demands improved speed, accuracy, and information.

Pay Unemployment Insurance Claims Accurately and Promptly

Performance Goal 2.2A (ETA) – FY 2004

Make timely and accurate benefit payments to unemployed workers, facilitate the reemployment of Unemployment Insurance (UI) claimants, and set up unemployment tax accounts promptly for new employers.

Indicators

Payment Timeliness: 89.2% of all intrastate first payments will be made within 14/21 days;

Payment Accuracy: Establish for recovery at least 59% of the amount of estimated overpayments that the States detect;

Facilitate Reemployment: A method for establishing an entered-employment rate for UI claimants was pilot tested in FY 2003, and a baseline will be established using pilot data; and

Establish Tax Accounts Promptly: 82.2% of determinations about Unemployment Insurance tax liability of new employers will be made within 90 days of the end of the first quarter they become liable for the tax.

Program Perspective

By temporarily replacing part of lost wages, the Federal-State Unemployment Insurance (UI) system ameliorates personal financial hardship due to unemployment and stabilizes the economy during economic downturns. For both workers and employers, the program's success depends upon: timely payment of benefits; prevention or prompt detection of erroneous payments; timely establishment of new employers' tax accounts to ensure the reporting of workers' wages and payment of taxes to fund benefits; and promoting and facilitating workers' return to suitable work. States operate their own programs under their own laws. As the Federal partner, DOL provides program leadership, allocates administrative funds, provides technical assistance, and exercises performance oversight to help ensure that the system efficiently provides the greatest security to workers and that States meet requirements of federal UI laws and regulations.

Economic conditions and the resulting program workloads affect many aspects of UI performance. For example, when unemployment rises, more claims are filed, and UI payment timeliness generally declines. On the other hand, slower new business creation reduces the number of new employer tax accounts, and the timeliness of tax liability determinations generally goes up. Higher levels of claims and payments tend to increase the number/dollar amount of overpayments – often temporarily outpacing detection and recovery efforts.

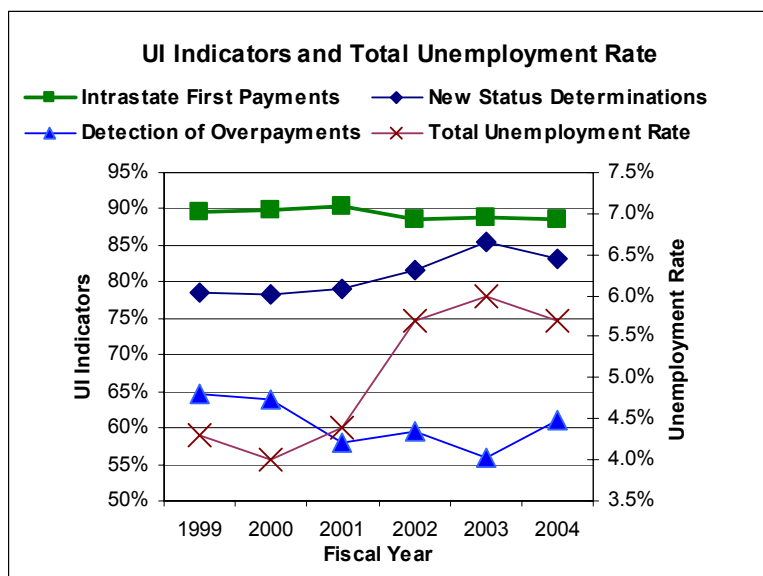
Results, Analysis and Future Plans

The goal was not achieved, but three of the four targets were reached:

- *Payment Timeliness:* 88.7 percent of first payments were made within three weeks, just short of the target of 89.2 percent.
- *Payment Accuracy:* States established for recovery 61 percent of the estimated amount of overpayments they could detect and recover.
- *Facilitate Reemployment:* After completion of a successful 6-state pilot and establishment of a baseline of 51.5 percent based on pilot results, DOL began to seek Office of Management and Budget (OMB) approval to collect data from all states on re-employment of UI claimants. States' reporting would begin no earlier than the first quarter of FY 2006.
- *Establish Tax Accounts Promptly:* 83 percent of determinations establishing employers as newly liable for filing UI reports and paying UI taxes were made within 90 days of the end of the quarter they became liable.

The UI system performed extremely well in the face of high claims workloads. The number of beneficiaries, 8.7 million, was lower than in FY 2003 (10.3 million), but one million of them received over \$4 billion in extended benefits – mostly Temporary Extended Unemployment Compensation – as well as regular benefits. Benefit payments totaled \$40.8 billion, down from \$53.3 billion in FY 2003. States maintained first payment and new employer status determinations timeliness at a high level and improved detection of overpayments.

ETA continues to emphasize payment integrity. In March, 2004, ETA signed a memorandum of understanding with the Social Security Administration (SSA) to allow State Workforce Agencies (SWAs) and SSA to exchange data in real time. SWAs that have met the system security requirements and have established a data-sharing agreement will have access to SSA data to verify personal information, such as name, social security number, and date of birth for those applying for unemployment benefits. In August, the President signed a law giving States access to the National Directory of New Hires, an additional tool for swiftly detecting and preventing payments to claimants who have returned to work. For FY 2005, targets for all indicators will be raised.



Management Issues

DOL is seeking authorization to collect data for the Facilitate Reemployment indicator for reporting in FY 2006. Because of established reporting schedules, 4th quarter data for the Payment Accuracy and Establish Tax Accounts Promptly indicators were not available in time for publication in this report. The results reported are projections of fiscal year performance using regression models that incorporate the latest available performance data and reflect OMB's mid-FY 2004 economic assumptions.

In its FY 2004 report listing DOL's top management challenges, the Office of Inspector General (OIG) listed identity theft, UI overpayments, and State UI trust fund solvency. OIG recommended that ETA enhance investigative training for State UI personnel to focus on fraud prevention and detection. ETA provided funding to States to: (1) implement data exchanges with the Social Security Administration for the purpose of matching Social Security Numbers to identify false numbers; and (2) access data from other States to verify identities. ETA also provided States with a written alert suggesting action that States could take to combat identity theft problems.

A recent OIG study found that the new hire detection method is better for establishing UI overpayments than the wage/UI benefit cross-match (Study 6 in Appendix 2). In response to OIG's recommendation, ETA provided funds and encouraged States to access their new hire directories and other State databases. In August 2004, the President signed into law a bill giving States access to the National Directory of New Hires, thereby removing a critical barrier to improved overpayment detection. ETA is pilot testing cross-matching of its Benefit Accuracy Measurement (BAM) investigation case database against State wage records to more completely detect overpayments. If this process proves cost-effective, it will be incorporated into the BAM methodology.

OIG remains concerned that States' trust funds may not have adequate reserves to meet projected UI compensation demands. ETA has developed and regularly publishes various measures of State solvency to help inform and guide State decisions on tax rates. In the short term, the system loans funds to States that have encountered serious cash flow problems, thus enhancing UI's impact as an automatic economic stabilizer.

DOL also commissioned a study, *Internet Initial Claims Evaluation* (Study 22 in Appendix 2) that evaluated service delivery; security; fraud and abuse controls; and cost effectiveness, and concluded that Internet initial claims filing is a convenient and cost-effective method of claims taking, and that there is no evidence that this method leads to increased erroneous payments or system security breaches. In its 2003 Program Assessment Rating Tool (PART) review, the Administration concluded that the UI program is effectively managed. Among recommendations was completion of efforts to reduce the overpayment rate. As noted above, the Department has made significant progress in this area.

Provide for Secure Pension and Health Plans

Performance Goal 2.2B (EBSA) – FY 2004

Enhance Pension and Health Benefit Security

Indicator

Enforcement

Achieve greater than a 50% ratio of closed civil cases with corrected violations to civil closed cases;

Achieve greater than a 25% ratio of criminal cases referred for prosecution to total criminal cases; and

Participant Assistance

Achieve a Customer Satisfaction Index of 61, or comparable measurement, for participants and beneficiaries who have contacted EBSA for assistance.

Program Perspective

EBSA is responsible for enforcing the Employee Retirement Income Security Act (ERISA), and the main challenge is to maintain trust and confidence in the employee benefits system. By achieving successful civil and criminal case closure and referral rates, DOL shows its success in targeting wrongdoers. DOL also combines an aggressive outreach and education program with a highly motivated and trained staff of customer assistance experts in the field of pension and health laws. By directly assisting plan participants and beneficiaries in understanding their rights and protecting their benefits, we help workers monitor their own benefit rights.

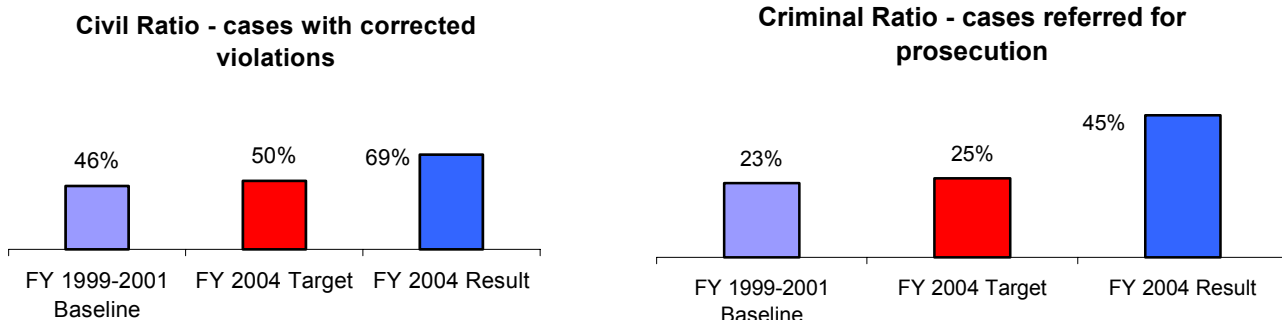
EBSA has steadily improved its performance in the respective areas improving from a civil ratio of 46 percent in FY 1999 to 69 percent in FY 2004, a criminal ratio of 26 percent in FY 2001 to a 45 percent in FY 2004 and a customer satisfaction baseline of 53 in FY 2001 to a satisfaction score of 62 in FY 2004.

EBSA oversees benefit security for nearly seven million plans, 150 million participants and beneficiaries, and in excess of \$4 trillion in assets. Externalities, such as the economy and tax policy, have a significant impact on whether employers opt to offer benefits, and whether employees choose to participate and to what extent.

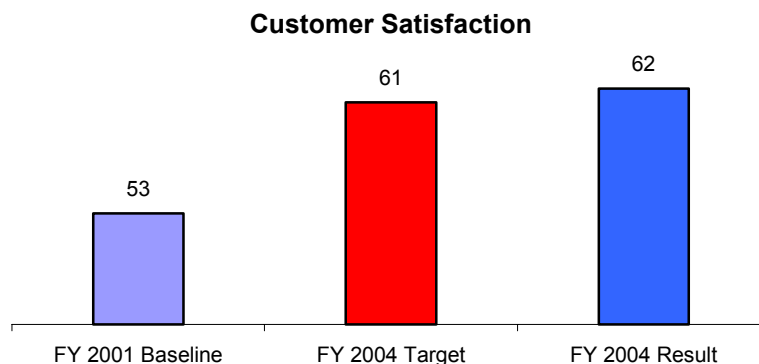
After receiving a telephone call from a worker alleging that a Connecticut employer had failed to credit him with years of service toward his pension, DOL investigated the participant's retirement plan and determined that the participant's complaint was valid and that other workers were improperly excluded from the plan for an assortment of invalid reasons. As a result of this intervention, the company agreed to increase the pensions of 101 employees by more than \$63,000.

Results, Analysis, Future Plans

The goal was achieved. The Department achieved a civil ratio of 69 percent and a criminal ratio of 45 percent while receiving a customer satisfaction score of 62 percent from the Gallup Organization.



DOL obtained monetary results of over \$3.1 billion as a result of its investigative and participant assistance activities; a record year. While monetary results can fluctuate significantly from year to year, monetary results have followed an upward trend over the past several years. DOL investigated a number of high profile, resource intensive cases with far reaching effects on the participant benefits community. Benefit Advisors responded to over 99 percent of all written inquiries within 30 days of receipt and responded to over 99 percent of telephone inquiries by the close of the next business day.



In addition to long-term targets for our civil and criminal ratios, we have added annual targets to reflect our success with respect to national enforcement initiatives, consistent with national priorities, which may change from year-to-year, taking into account new enforcement problems. EBSA has worked with Gallup to refine the long-term target consistent with other industry standards and experience. EBSA also added a internal compliance assistance measure that will demonstrate success in voluntary compliance programs such as the Voluntary Fiduciary Correction Program and our Delinquent Filer Voluntary Correction Program. EBSA has also developed an efficiency measure that will provide, as a ratio, costs per enforcement result.

A plan participant needed a lung transplant and filed a pre-service claim to determine if the transplant would be approved. If approved, he would be first on the transplant list. Without the approval, his prognosis was not good. After being told that it might take several weeks to receive a response, the participant contacted DOL. We explained to the employer that the law requires a response within 72 hours for urgent or emergency requests. The employer quickly reviewed the claim and determined that the transplant procedure was covered. As a result, the participant was placed at the top of the waiting list.

Management Issues

EBSA's Enforcement Management System (EMS) provides the data used to measure the enforcement ratios. EMS and EBSA continually receive high marks from the Office of Inspector General for data integrity and quality. EBSA's quality assurance processes require that individuals not directly involved with the investigation at hand approve all case openings. Cases with monetary results receive several levels of scrutiny including national office oversight and review. Additionally, EBSA uses a peer review method to conduct quality assurance reviews on randomly selected closed cases. In the participant assistance area, The Gallup Organization performed the customer satisfaction evaluation and provided the customer satisfaction score.

EBSA has acted on recommendations from its PART assessments in FY 2004 and FY 2005 by establishing proactive evaluation initiatives and a regulatory review program. Specifically, EBSA is conducting a follow-up of its FY 1995 audit quality study to determine the level of compliance of pension plan audits to professional accounting standards. In FY 2005, EBSA expects results from the investigative portion of a baseline compliance study being conducted to measure ERISA compliance in contributory pension plans, focusing on the timeliness and remittance of employee contributions.

In FY 2004, OIG completed audits of EBSA's participant and compliance assistance program and of the process used by EBSA to identify and correct substandard audits of employee benefit plans (Studies 2 and 3 in Appendix 2). Also, EBSA concluded program evaluations of its participant assistance and enforcement programs with the assistance of The Gallup Organization and Mathematica Policy Research, respectively (Studies 16 and 17 in Appendix 2). In FY 2005 Gallup will perform a follow-up study of EBSA's participant assistance program.

EBSA is establishing a regulatory review program that will: (a) set forth a process for identifying initiatives for review, (b) provide for cost and benefit evaluation of identified regulations and exemptions and, (c) explore modifying or eliminating those rules for which costs and administrative burdens outweigh benefits. EBSA and DOL's Assistant Secretary for Policy are developing a Departmental Federal Register notice to seek public input on which pension and benefit regulations should be reviewed.

Reduce the Consequences of Work-Related Injuries

Performance Goal 2.2C (ESA) – FY 2004

Minimize the human, social, and financial impact of work-related injuries for workers and their families.

Indicators

For Federal Employees' Compensation Act (FECA) cases of the United States Postal Service, reduce the lost production days rate (LPD per 100 employees) by 1% from the FY 2003 baseline;

For FECA cases of All Other Governmental Agencies, reduce the lost production days rate (LPD per 100 employees) by 1% from the FY 2003 baseline;

Increase FECA Vocational Rehabilitation placements with new employers for injured USPS employees by 15% over FY 2002;

Through use of Periodic Roll Management, produce \$38 million in cumulative (FY 2003-FY 2004) first-year savings in the FECA program;

The trend in the indexed cost per case of FECA cases receiving medical treatment will remain below the comparable measure for nationwide health care costs;

Meet 60% of the annual targets for five communications performance areas;

Reduce by 4% over the FY 2002 established baseline the average time required to resolve disputed issues in Longshore and Harbor Worker's Compensation Program contested cases;

Increase by 8% over the FY 2001 established baseline the percentage of Black Lung benefit claims filed under the revised regulations for which, following an eligibility decision by the district director, there are no requests for further action from any party pending one year after receipt of the claim;

77% of Initial Claims for benefits in the Energy Program; and

77% of Final Decisions in the Energy Program are processed within standard timeframes

Program Perspective

ESA protects Federal and certain other workers from the economic effects of work-related injuries and illness's through OWCP's four disability compensation programs. OWCP accomplishes this by providing wage replacement and cash benefits, medical treatment, vocational rehabilitation, and other benefits to covered workers, their dependents and survivors. These programs are:

- Federal Employees' Compensation for civilian Federal workers;
- Longshore and Harbor Workers' Compensation for private-sector maritime workers;
- Black Lung Benefits program for coal miners;
- Energy Employees Occupational Illness Compensation for nuclear weapons employees of the Department of Energy or its contractors.

Results, Analysis and Future Plans

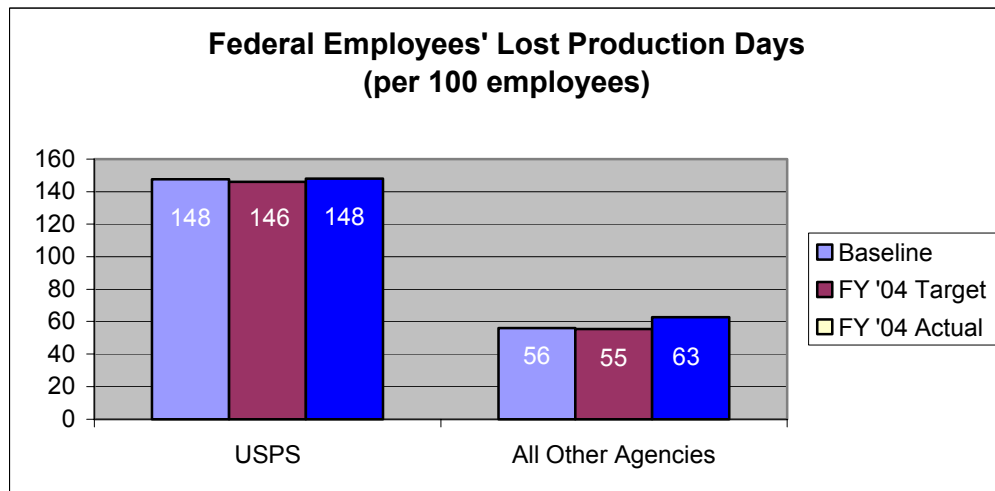
The performance goal was substantially achieved. Discussion of results at the performance indicator level is organized into three categories: *Returning Injured Federal Employees to Work*, *Reducing Program Expenses* and *Customer Service*.

Returning Injured Federal Employees to Work

OWCP continued to reduce average time loss in cases receiving FECA benefits through its early intervention strategy, Quality Case Management and active partnerships with postal and other government employers. Despite

this, LPD rates continued to rise.¹⁶ The USPS LPD rate rose to 148 days against a target of 146 days. Declining employment and greater challenges on reemploying injured USPS workers remain factors in this result. The target for the non-postal agencies also was not reached, as LPD increased by 12 percent to 63, compared to the target of 55 days. The Department of Homeland Security accounted for 90 percent of this increase.

The majority of injured workers who return to work do so with their previous employers, but that has been made more difficult with declining employment levels at USPS. So, beginning in FY 2003, OWCP began emphasizing placement of injured postal workers with new employers. In FY 2004 OWCP reached the target for placing USPS employees who participate in the

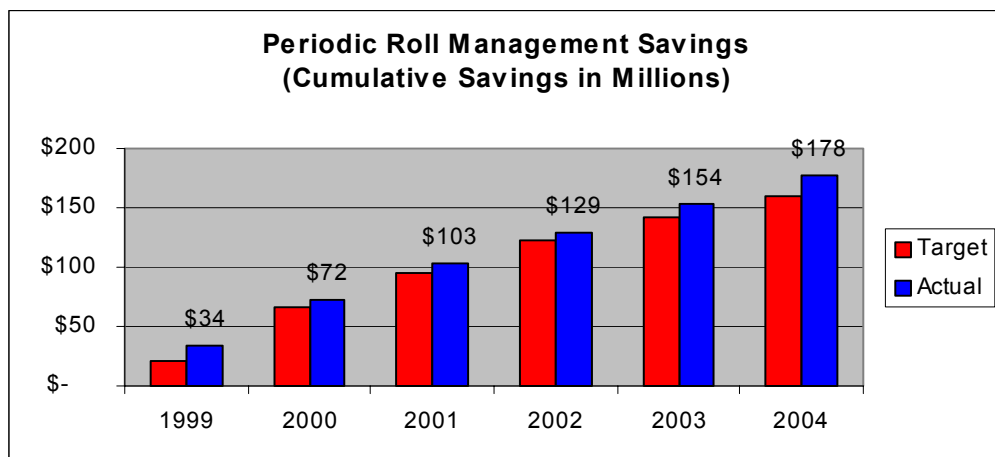


vocational rehabilitation program into new jobs, placing 62 USPS workers compared to a target of 56. The emphasis on assistance to Postal Service employees will continue in FY 2005.

Reducing Program Expenses

The use of Periodic Roll Management (PRM) to generate savings target was also reached. PRM includes careful review of cases to determine if continued disability status is warranted, and to determine the reemployment potential of those current receiving compensation. DOL saved \$49 million over the two-year period (FY 2003 – 2004)

compared to a target of \$38 million. FY 2004 savings from PRM were \$24.4 million compared to a target of \$18 million. In FY 2005, DOL has set a target of achieving an additional \$17 million in PRM savings.



DOL also reached its target of keeping the inflation of Federal Employees' Compensation Act (FECA) medical costs below the Nation's rate of healthcare inflation (according to the Milliman USA Health Cost Index, which is updated quarterly). FECA experienced a medical cost inflation of 2.4 percent, while the Milliman Index predicts a national rate of healthcare inflation of 8.8 percent. Responding to recent medical care cost increases, in August 2003 FECA converted medical bill processing from district offices to a centralized operation under contract to Lockheed Martin. More stringent bill reviews under this system are expected to further reduce average FECA medical costs.

¹⁶ In FY 2004, OWCP changed the way it measures LPD, and thereby changed its FY 2003 baseline data for the USPS and all other government agencies' lost production days rate measures. LPD's are now measured in real-time rather than with accumulated data, as they were in the past. Please see Appendix 1 for the changes to the baseline data.

Customer Service

OWCP reached four of the five sub-targets to improve communications with benefit recipients, including increased use of electronic services, reducing average caller wait times, increasing response timeliness and resolving more inquiries without call-back. OWCP did not reach the communications sub-target for handling calls according to program quality standards. OWCP also reached its target to reduce the time required to resolve disputed issues in Longshore and Harbor Workers' Program contested cases. Disputed issues were resolved, on average, in 247 days. The target was 273 days. Further, OWCP reached its target to reduce requests for further action following Black Lung benefit eligibility decisions (for claims subject to revised regulations). Performance for this indicator was 82.2 percent, against a target 74.5 percent. DOL also reached its Energy program targets for initial claims processing and for reaching a final decision. This program processed 92 percent of initial claims and 99 percent of final decisions within standard time frames, against targets of 77 percent for both indicators.

For FY 2005, OWCP will have a more ambitious target for communications with customers: reaching four of the five sub-targets. Strategies are in place to improve communications with customers through greater Internet access for claims purposes. The indicator for timely Longshore and Harbor Worker's dispute resolution is intended to measure OWCP's success in serving as mediator injured workers and their employers. To continue the positive trend in this indicator, OWCP will provide claims staff with further training to improve mediation skills.

The revised regulations for Black Lung benefit claims did not change eligibility requirements, but were designed to produce faster and fairer final benefit determinations. The result has been an increase in the number of stakeholders who accept the district director's initial decision and decide not to pursue the claim further. The Energy Program's success in efficient initial claims processing and final decisions results from attention to customer communications, accurate claims processing, and automated data processing. We are committed to improving the employment verification process by obtaining access to former worker program records, sharing more data for dual claims and enhancing working relationships with DOE facility contacts. Based on performance that far exceeded targets, the Energy Program has set more ambitious targets of seven percent increases for both indicators in FY 2005.

Management Issues

Performance data used for OWCP's indicators are extracted from the four benefit programs' automated case management systems, benefit payment systems, internal managerial audits or other reviews. OWCP maintains strict management oversight of data entry, including regular on-site review by district directors to ensure accuracy, and periodic reviews that sample and assess data quality and accuracy.

A FY 2003 Office of Inspector General financial audit found ineffective medical evidence controls (Study 4 in Appendix 2). To remedy this, in December 2004 DOL will begin using an automated tracking mechanism that will alert claims staff when medical evaluations are due. ICF Consulting recently completed a broad review of the FECA program's effectiveness (Study 18 in Appendix 2). OWCP is currently reviewing its recommendations. Provisions which create disincentives for returning to work as opposed to remaining on full disability are built into the Federal Employees' Compensation Act, which has not been significantly amended in 30 years. DOL has developed a legislative proposal which would reform these provisions.

The number of Defense Base Act Longshore claims from injured civilian contractors in Iraq and Afghanistan is increasing, and this trend is projected to continue. There is also a potentially very large pool of Iraqi civilians employed by American contractors who may not be reporting injuries or may not be aware they are entitled to coverage. Should this group begin to file claims, Longshore cases could increase dramatically.

Provide Timely and Responsive Services to Customers

Performance Goal 2.2D (PBGC) – FY 2004

PBGC will improve customer satisfaction according to the American Customer Satisfaction Index (ACSI).

Indicators

Achieve an ACSI of 71 for sponsors of covered pension plans who have contacted PBGC for assistance

Achieve an ACSI of 77 for participants in trustee plans who have contacted PBGC for assistance

Program Perspective

The Secretary of Labor chairs the Pension Benefit Guaranty Corporation’s Board of Directors, and PBGC provides timely and uninterrupted payment of pension benefits to participants whose defined benefit pension plans were terminated. Plan termination most frequently results from the sponsoring employer’s bankruptcy. For participants in plans for which PBGC has become the trustee, benefit determinations tell them what pension benefits they will receive. PBGC pays estimated benefits to all eligible participants retiring prior to the issuance of a benefit determination, thus ensuring that retirees receive their benefits when due and without interruption.

Results, Analysis and Future Plans

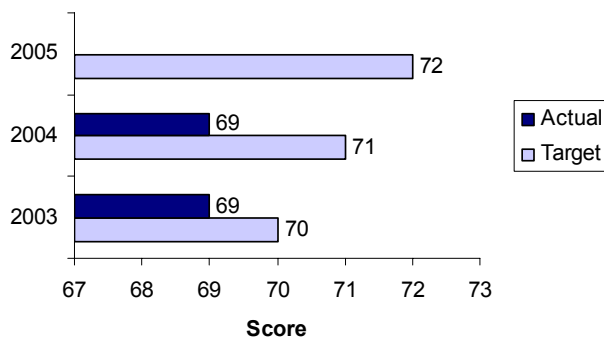
PBGC did not achieve this goal. The overall rating for practitioners remained at 69 – only slightly lower than the national ACSI of 71 for the Federal government as a whole, and higher than other agencies with similar financial collection responsibilities. Although practitioners are generally satisfied with many aspects of the service they receive, PBGC has identified several opportunities for improvement: improve written communication and handling of calls; and simplify the premium payment form and promote use of e-filing. Some of these efforts are underway and others will get started in 2005. PBGC achieved an ACSI score of 78 for participants in trustee plans, exceeding the target of 77. This is one point higher than the 2003 score of 77 and seven points higher than the current national ACSI of 71 for the Federal government.

Overall, the scores for components that PBGC has tracked in the past three years are all performing very well. By using the ACSI, PBGC can identify the service elements that have a greater impact on customer satisfaction. For example, there is a direct correlation between satisfaction and customer complaints, meaning that as satisfaction increases, the rate of complaints would likely decrease. PBGC experienced a significant decrease in complaints in 2004 over the previous two years through improved responsiveness to customers.

Management Issues

For both indicators, data is collected by the Federal Consulting Group, a franchise of the U.S. Department of Treasury. The Federal Consulting Group uses the American Customer Satisfaction Index (ACSI) to determine the satisfaction of PBGC plan sponsors and participants. Developed by the University of Michigan, the ACSI is a national measure for customer satisfaction, and is recognized as a credible and valid independent, third party measure. As mentioned above, PBGC continues to face an unprecedented influx of terminated plans. Meanwhile, participants’ and practitioners’ expectations for speed and accuracy of services continue to rise, specifically in the demand for electronic transactions and information.

ACSI for Practitioners



ACSI for Participants

