

MICHAEL R. TURNER

TENTH DISTRICT, OHIO

COMMITTEE ON ARMED SERVICES
CHAIRMAN
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ON INTELLIGENCE

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GOVERNMENT REFORM

ASSISTANT MAJORITY WHIP



Congress of the United States
House of Representatives
Washington, DC 20515

2239 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-6465

DISTRICT OFFICE:

120 WEST 3RD STREET
SUITE 305
DAYTON, OH 45402
(937) 225-2843

December 9, 2015

Mr. Robert Westbrooks
Inspector General
Pension Benefit Guaranty Corporation
1200 K Street, NW, Suite 480
Washington, D.C. 20005

Dear Mr. Westbrooks:

In 2014, I was joined by a number of my colleagues in requesting that your office conduct an inquiry into the Pension Benefit Guaranty Corporation's (PBGC) delay in processing the final benefit determination letters (BDL's) for plan participants in the Delphi Retirement Program for Salaried Employees (the Salaried Plan). On September 2, 2014, your predecessor provided a response to that request, in which she noted that PBGC planned on issuing detailed benefit determination letters to participants in the Salaried Plan in October 2015.

The inquiry concluded that PBGC's own timetable for completion of the relevant documents was "aggressive," and relied upon "cascading dependencies – that is, one activity must be completed before the next can begin." One of these "cascading dependencies" was completion of the Plan Asset Audit, which PBGC estimated would be completed in February 2015. PBGC indicated that after the completion of the Plan Asset Audit in February 2015, it would need to be reconciled by PBGC's Financial Operations Department; while PBGC did not provide a completion date for the reconciliation, PBGC noted that neither the Actuarial Case Memo, nor the Actuarial Case Report, would be started until the reconciliation was completed. The response noted that "[i]n order for PBGC to achieve its stated milestones, all preceding steps must occur on time," and cautioned that the Inspector General's office was "concerned that deadlines for the asset evaluation will be met (otherwise, the BDL's will not be issued on schedule) but at the risk of a robust quality review."

I have been informed by participants in the Salaried Plan that while PBGC met its October deadline for issuing BDL's, PBGC has not provided supporting documentation for those benefit determinations. This situation – that PBGC appears unable to support the final benefit determinations it has reached for more than 20,000 Delphi Salaried retirees – is incredibly troubling.

PBGC provides participants with only forty-five (45) days to make a decision about whether to appeal its benefit determinations, yet it appears that PBGC has not yet responded to the requests of retirees, made more than a month ago, for copies of the documents needed to make an informed decision about whether to appeal. These documents include, among others, Benefit Statement Worksheets explaining how the PBGC arrived at its determinations, copies of their participant files, or copies of the Plan Asset

Audit, the Actuarial Case Memo, and the Actuarial Case Report. It is unfair to expect one of these retirees to make a decision about whether to appeal the determination in the absence of a timely response from PBGC for such basic information.

Moreover, PBGC has apparently indicated that it will take four to six weeks to provide retirees with Benefit Statement Worksheets (“BSW’s”). As I understand it, the BSW outlines calculations already performed by PBGC and used in making its final benefit determinations. Additionally, the BDL’s that have been issued thus far are extremely simplistic, and do not offer even a basic explanation of how a benefit has been determined. For example, these BDL’s do not explain whether, or to what extent, a benefit comes from PBGC’s insurance guarantee, the Salaried Plan’s asset allocation, or the participant’s share in PBGC’s recoveries from Delphi and GM.

Further, I am deeply concerned with PBGC’s response to retiree requests for the Plan Asset Audit. In your predecessor’s September 2014 response, she made clear that benefit determinations would not, and could not be issued until the Plan Asset Audit had been finalized and reconciled. However, retirees who have received final benefit determinations from PBGC and requested this document have received telephone calls from PBGC informing them the Audit has not yet been completed.

These final benefit determinations depend upon an accurate and final valuation of the Salaried Plan’s assets, and these retirees deserve the information necessary to make informed decisions about whether to appeal PBGC’s determinations. The delays and lack of information are simply unacceptable.

Accordingly, I request that your office conduct an inquiry into the following subjects:

1. Plan Asset Audit for the Salaried Plan: Please determine the date of completion and what justification, if any, PBGC has for informing plan participants that it has not yet been completed. If the document has not been completed, please determine how PBGC arrived at its final benefit determinations in the absence of the necessary supporting calculations and documentation.
2. Benefit Statement Worksheets: Please determine why PBGC has provided benefit determinations that fail to explain whether, and/or to what extent, a benefit comes from PBGC’s insurance guarantee, the Salaried Plan’s asset allocation, or the participant’s share in PBGC’s recoveries from Delphi and GM. Please also determine the cause of PBGC’s delays in fulfilling requests for Benefit Statement Worksheets.

Thank you for your consideration of this request, and please do not hesitate to contact me if I may be of any assistance.

Sincerely,



Michael R. Turner
Member of Congress