



**Opening Statement of Rep. Bob Good (R-VA), Chairman
Subcommittee on Health, Employment, Labor, and Pensions
Hearing: “Examining the Policies and Priorities of the Pension Benefit Guaranty
Corporation”
March 20, 2024**

(As prepared for delivery)

Mr. Hartogensis, as you near the end of your five-year term as the Director of the Pension Benefit Guaranty Corporation (PBGC), the day has finally come for appropriate oversight and accountability. The 31 million Americans with private pension plans deserve to hear from the top government official responsible for safeguarding their retirement.

The PBGC was created to be the insurance company for private pension plans. If the employer is unable to pay out the benefits by the time a worker retires, that worker should have confidence that he or she will still receive their benefits because of PBGC’s protection.

Under the law, the Pension Benefit Guaranty Corporation was created to be self-sustaining, meaning that it should operate under Congress’s oversight, but independent of taxpayer funds. The pension insurance and PBGC operations are supposed to be funded primarily through employer premiums, not covered by the U.S. Treasury. However, this all changed under the Biden administration.

The so-called American Rescue Plan Act gave a \$91 billion bailout to the failing multiemployer pension fund.

The need for the bailout underscores the ongoing mismanagement of funds at the PBGC. Mr. Hartogensis, your time at PBGC has been marked by waste, fraud, and neglect.

In disbursing funds made available to you by the American Rescue Plan, PBGC sent almost \$127 million to fund pensions for nearly 3500 dead people. This happened under your watch, despite the Office of Inspector General's warning to cross-check the payments with the Social Security Administration's Death Master File.

Then, you refused to claw back or collect those funds. In January and February, Chairwoman Foxx and I sent you letters detailing the Committee's concerns and seeking answers from PBGC. Unfortunately, the responses we received from your agency were inadequate and failed to provide clear answers. I hope you take the opportunity today to be more forthcoming and come clean about PBGC's implementation of the American Rescue Plan and its inexcusable payments to multiemployer pension plans for dead people. This may come as a surprise to you, but dead people don't need pension checks.

Additionally, the PBGC has also looted the Treasury of over \$4.6 billion by intentionally lowering interest rate data below the statutory limit. This willful misuse of data is another affront to taxpayers and goes against the PBGC's initial evaluation of the calculation, which stated that: "PBGC does not have the authority to provide a different rate or bifurcate the statutorily mandated interest rate."

Finally, while PBGC has loosely handled taxpayer dollars by bailing out failed multiemployer pension plans, it has given no such relief to businesses with solvent plans. Single-employer programs have consistently paid high insurance premiums and consistently avoided insolvency.

The single-employer pension surplus is \$44.6 billion. I think it is time to come to the table with policymakers and legislators to reward these plans for their good stewardship, by lowering premiums.

For many to achieve the American Dream of a comfortable and secure retirement, they need to rely on personal savings, Social Security, and a pension.

Sadly, the government poses a threat to all three.

Bidenflation is devaluing personal savings.

Social Security faces a 23 percent benefits cut if Congress doesn't act to make it solvent.

And the security of pension programs is at the mercy of bureaucrats like those at PBGC.

Retirement security is quickly eroding thanks to bureaucrats like you. We must uphold the retirement promises made to 31 million American workers with pension plans, without sacrificing the promises to the other 310 million Americans.

Today that means embracing accountability and oversight.