



Highlights of [GAO-08-624](#), a report to congressional committees

Why GAO Did This Study

The Pension Benefit Guaranty Corporation (PBGC) employs over 800 federal employees and uses some 1,500 private sector employees to insure the pensions of millions of private sector workers and retirees in certain employer-sponsored pension plans. In recent years, PBGC's projected financial liabilities and workloads have increased greatly due to a large number of pension plan terminations. Given this, it is important that PBGC remain well positioned to fulfill its promise to those retirees who depend on it. GAO was asked to report on (1) PBGC's recent experience in hiring and retaining key staff and how it compares to other federal agencies and (2) the actions PBGC has taken to strategically hire and retain key staff and what additional steps, if any, can be taken. To do this, we analyzed PBGC's workforce by using the Office of Personnel Management's (OPM) Central Personnel Data File to identify data and compared those data to data from other federal agencies. We also interviewed officials from selected agencies, including PBGC, OPM, and the Department of Labor.

What GAO Recommends

GAO recommends that PBGC integrate workforce and succession planning into its human capital planning approach, systematically collect and analyze necessary workforce data, and fully explore compensation options under its statutory authority. In response, PBGC generally concurred with our recommendations.

To view the full product, including the scope and methodology, click on [GAO-08-624](#). For more information, contact Barbara Bovbjerg, 202-512-7215, bovbjergb@gao.gov.

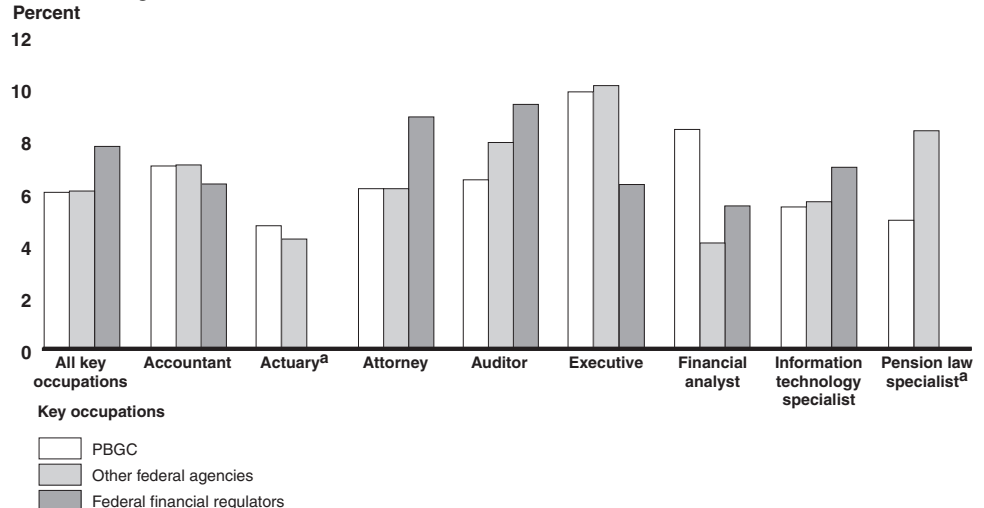
PENSION BENEFIT GUARANTY CORPORATION

A More Strategic Approach Could Improve Human Capital Management

What GAO Found

From fiscal years 2000 to 2007, PBGC was generally able to hire staff in its key occupations—such as accountants, actuaries, and attorneys—and retain them at rates similar to those of the rest of the federal government. However, PBGC has had some difficulty with hiring and retaining staff for specific occupations and positions, including executives and senior financial analysts. Despite the general ability to hire and retain key staff, data also suggest that PBGC may be faced with workforce challenges; these include managing a workforce with relatively few years of federal experience, the prospect of nearly one-quarter of its key staff retiring within the next 4 years, and difficulty hiring and retaining key staff in the future due to PBGC's existing compensation structure, which offers salaries lower than some federal agencies that employ similar staff, such as the Federal Deposit Insurance Corporation.

PBGC Attrition Rates Compared to Those of the Rest of the Federal Government and Federal Financial Regulators, Fiscal Years 2000 to 2007



Source: GAO analysis of Central Personnel Data File data.

^aData indicated that the financial regulators did not employ actuaries or pension law specialists from 2000 to 2007.

While PBGC is making progress in its human capital management approach by taking steps to improve its human capital planning and practices—such as drafting a succession management plan—the corporation lacks a formal, comprehensive human capital plan that integrates several critical components such as workforce planning. Also, even though it collects workforce data, PBGC has not routinely and systematically targeted and analyzed all necessary workforce data—such as attrition rates, occupational skills mix, and trends—to understand its current and future workforce needs. Instead, officials stated that they generally reacted to management personnel requests, and developed human capital data as needed. In addition to limited planning and data analysis, PBGC has not fully explored all available compensation options under its existing statutory authority, even though officials say and data suggest that the corporation's current compensation structure may limit its ability to hire and retain certain key staff.