



Department of Energy
Savannah River Operations Office
P.O. Box A
Aiken, South Carolina 29802

JUN 13 2018

Mr. John G. Allensworth, Chairperson
Savannah River Site Citizens Advisory Board
P.O. Box A
Aiken, South Carolina 29802

Dear Mr. Allensworth

SUBJECT: Citizens Advisory Board (CAB) Recommendation 355 – Budget Pension and Scope Recommendations (Your letter dated, May 15, 2018)

Thank you for your recommendations on Budget Pension and Scope. The Department of Energy Savannah River Operations Office (DOE-SR) accepts these recommendations and provides the following responses.

CAB Recommendations:

1. *DOE conduct presentations to educate the public about the increasing demands of funding the Savannah River Site (SRS) pension and its potential impact on the site Environmental Management (EM) mission.*

DOE-SR accepts this sub-recommendation. DOE-SR meets quarterly with the board members of the SRS Retiree Association, and can prepare and deliver a presentation to interested parties upon request.

2. *DOE brief political leaders in South Carolina and Georgia on the funding demands of the SRS pension and potential future impact on the EM mission.*

DOE-SR accepts this sub-recommendation. DOE-SR is currently responding to a request from both the Senate and House Appropriation Committees on the Department's plan for ensuring the site's out-year retiree pension obligations are met, including any proposed changes in the manner funding is projected or requested. DOE-SR is also responding to a request from Representative Joe Wilson, which includes projected annual contributions and plan financial liabilities.

3. *DOE conduct a study to determine the funding levels of the pensions at the various other DOE operating sites.*

DOE-SR accepts this sub-recommendation. The result of the study is included in Enclosure 1.

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4. *DOE re-evaluate setting up a separate Project Baseline Summary (PBS) for the pension funding. Currently the pension is a tax on the various site PBSs and the payments are invisible to anyone not intimately involved in the site management.*

DOE-SR accepts this sub-recommendation. DOE-SR has evaluated creating a separate PBS for pension funding in the past and will continue to perform yearly analysis of all options to properly fund the Site pension plan. Currently, creating a separate PBS for the pension is not in DOE-SR's best interest. Pension contributions are expected to increase year after year, DOE-SR cannot risk a pension appropriation being limited to a previous year's funding under a Continuing Resolution. Funding the pension indirectly, at this time, gives DOE-SR the flexibility to ensure the pension is adequately funded. Furthermore, while pension is not an independent PBS, it is shown in the Fiscal Year 2019 Congressional Budget Request on a separate line under each PBS.

5. *DOE should evaluate if there are other funding sources in the system, like site carry over funds or funds from canceled capital projects.*

DOE-SR accepts this sub-recommendation. DOE-SR has and continues to evaluate all potential sources for funding the site pension. Due to appropriation law requirements, there are limitations DOE-SR has with moving money from one source to another. However, these restrictions can potentially be overcome with a reprogramming request to Congress. If additional funds are found, all scope is ranked based off priorities and then funded accordingly, within any restrictions.

If you have any questions, please contact me or have your staff contact Zachary Todd of my staff, at (803) 952-6018.

Sincerely,

Michael D. Budney
Savannah River Site Manager

MPD-18-009

Enclosure:
DOE Contractor Plans' Funded Status

cc:
David Borak, EM-4.32
Kristen Ellis, EM-5.3 I
Michael Mikolanis, DDFO
James Folk, DDFO
David Wilson, SCDHEC
Gwen Keyes, EPA
Mark Williams, GADNR

1. The undersigned hereby certifies that the information furnished herein is true and correct to the best of his knowledge and belief.

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Enclosure – Department of Energy Contractor Plans’ Funded Status

The following definitions apply to the plan status designations in the table:

- **Open:** plans are open to new employees who earn benefits under the plan for each year of service.
- **Closed:** plans are closed to new employees. This group includes two plans where the traditional defined benefit formula has been frozen for existing employees at the time the plan was amended, and a reduced hybrid formula, which result in less volatile plan contributions, is provided to all active participants.
- **Partially closed:** These plans are open to new employees hired into a collective bargaining unit or grandfathered employee transfers only.
- **Frozen:** There are no active participants remaining in the plans, and no one is earning a benefit under the plan.

Origin	Plan Name	Plan Status: Open, Closed, Etc.	Plan Year 2017 Funded Status under Current Law with Funding Relief, if applicable	Plan Year 2018 Estimated Funded Status without Funding Relief (for those Plans affected by Funding Relief)	Plan Year 2018 Funded Status under Current Law with Funding Relief, if applicable
Industry	Centerra-Nevada Retirement Plan	Closed	97.70%	78.70%	96.00%
Industry	Centerra-Nevada/IGAN Retirement Plan	Closed	103.80%	78.90%	97.60%
Industry	Consolidated Nuclear Security Retirement Plan for Non-Bargaining Pantex Location Employees	Closed	111.00%	86.90%	106.20%
Industry	Consolidated Nuclear Security, LLC Retirement Plan for Bargaining Unit Members of the Pantex Guards Union	Closed	103.90%	87.90%	99.10%
Industry	DUF6 Pension Plan for Grandfathered Employees	Closed	89.30%	79.30%	95.30%
Industry	East Tennessee Technology Park Pension Plan for Grandfathered Employees	Partially Closed	79.80%	N/A	78.30%
Industry	Fluor Federal Services, Inc. Paducah Deactivation Project United Steel Workers Career Pension Plan for Appendix A-USW Represented Employees (Paducah Plan)	Closed	0.00%	31.30%	39.00%
Industry	Hanford Multi-Employer Pension Plan	Partially Closed	73.30%	N/A	80.60%
Industry	Honeywell Retirement Earnings Plan for Aerospace Employees at the Kansas City Division	Closed	119.10%	104.10%	122.80%

Origin	Plan Name	Plan Status: Open, Closed, Etc.	Plan Year 2017 Funded Status under Current Law with Funding Relief, if applicable	Plan Year 2018 Estimated Funded Status without Funding Relief (for those Plans affected by Funding Relief)	Plan Year 2018 Funded Status under Current Law with Funding Relief, if applicable
Industry	HPMC Occupational Health Services Retirement Plan	Closed	94.00%	74.50%	88.10%
Industry	Idaho National Laboratory Employee Retirement Plan	Closed	102.80%	86.40%	105.80%
Industry	Kansas City Division Hourly Employees' Pension Plan	Closed	122.00%	106.20%	125.00%
Industry	Mission Support and Test Services (MSTS) Employee Retirement Plan	Closed - Hybrid for all	101.30%	85.10%	100.00%
Industry	National Renewable Energy Laboratory Retirement Plan	Closed - Hybrid for all	94.00%	74.70%	89.30%
Industry	National Strategic Protective Services Pension Plan	Closed	90.00%	73.70%	95.10%
Industry	NTESS Retirement Income Plan	Closed	116.30%	93.10%	115.20%
Industry	Pension Plan for Eligible Bettis Employees and Retirees	Closed	100.70%	79.60%	97.90%
Industry	Pension Plan for Employees at ORNL	Open	95.30%	80.30%	96.20%
Industry	Pension Plan for KAPL Employees in Participating Bargaining Units	Closed	101.20%	80.50%	98.30%
Industry	Pension Plan of the Pacific Northwest Laboratories, Battelle Memorial Institute	Open	114.10%	91.40%	111.90%
Industry	Retirement Plan for Bargaining Unit Employees of the Metal Trades Council of Consolidated Nuclear Security, LLC	Closed	99.70%	86.40%	99.80%
Industry	Retirement Program for Employees of Consolidated Nuclear Security, LLC at the U. S. Department of Energy Facilities at Oak Ridge, Tennessee	Closed	101.90%	84.80%	101.00%
Industry	Salaried Employee Pension Plan for KAPL Employees and Retirees	Closed	104.80%	83.60%	101.70%
Industry	Savannah River Nuclear Solutions LLC Multiple Employer Pension Plan	Closed	85.00%	66.40%	80.80%

Industry	Waste Isolation Pilot Plant Pension Plan	Open	93.10%	74.90%	93.30%
Industry	West Valley Pension Plan	Closed	92.20%	76.50%	93.70%
	Industry Origin Plan Averages		95.63%	81.05%	96.46%

Origin	Plan Name	Plan Status: Open, Closed, Etc.	Plan Year 2017 Funded Status under Current Law with Funding Relief, if applicable	Plan Year 2018 Estimated Funded Status without Funding Relief (for those Plans affected by Funding Relief)	Plan Year 2018 Funded Status under Current Law with Funding Relief, if applicable
University	LANS Defined Benefit Pension Plan	Closed	123.80%	87.00%	116.00%
University	LLNS Defined Benefit Pension Plan	Closed	128.50%	89.70%	118.20%
University	University of California Retirement Plan - Lawrence Berkeley National Laboratory	Open	95.80%	N/A	97.10%
University	University of California Retirement Plan - Lawrence Livermore National Laboratory Retained Segment	Frozen	96.80%	N/A	100.40%
University	University of California Retirement Plan - Los Alamos National Laboratory Retained Segment	Frozen	95.40%	N/A	99.10%
	University Origin Plan Averages		108.06%	88.35%	106.16%

The calculation of the funded status depends on the type of plan (single/multiple employer, multiemployer, or state); funding rules are generally more stringent for single-employer plans. Further details are provided in Appendix II. As indicated in the fourth column of Exhibit I, funding relief does not apply to multiemployer plans (ETTP and Hanford) or state plans [University of California (UC) segments].