

**SUPPORTING STATEMENT FOR REQUEST FOR OMB APPROVAL  
UNDER THE PAPERWORK REDUCTION ACT AND 5 CFR PART 1320**

**AGENCY:** Pension Benefit Guaranty Corporation

**TITLE:** Reconsideration of Initial Determinations

**STATUS:** Request for OMB control number for existing collection of information

**CONTACT:** Catherine B. Klion (326-4223, ext. 3041) or Donald F. McCabe (326-4223, ext. 3872)

A. Justification.

1. Need for collection. PBGC's regulation on Rules for Administrative Review of Agency Decisions (29 CFR part 4003) prescribes rules governing the issuance of initial determinations by PBGC and the procedures for requesting and obtaining review of initial determinations through reconsideration or appeal. Subpart A of the regulation specifies which initial determinations are subject to reconsideration. Subpart C prescribes rules on who may request reconsideration, when to make such a request, where to submit it, form and content of reconsideration requests, and other matters relating to reconsiderations.

Any person aggrieved by an initial determination of PBGC under § 4003.1(b)(1) (determinations that a plan is covered by section 4021 of ERISA), § 4003.1(b)(2) (determinations concerning premiums, interest, and late payment penalties under section 4007 of ERISA), § 4003.1(b)(3) (determinations concerning voluntary terminations), or § 4003.1(b)(4) (determinations concerning allocation of assets under section 4044 of ERISA) may request reconsideration of the initial determination. Requests for reconsideration must be in writing, be clearly designated as requests for reconsideration, contain a statement of the grounds for reconsideration and the relief sought, and contain or reference all pertinent information.

2. Use of Information. The purpose of the collection of information is to enable affected parties to file requests for reconsideration of initial determinations made by PBGC. The information is used by the relevant offices in PBGC to resolve matters raised in such requests for reconsideration.

3. Reducing the Burden. The burden on persons affected is already very small.

4. Duplicate or similar information. The bulk of the information collected is not otherwise available to PBGC. Even for those items of information that have otherwise been provided to other parts of PBGC, the relatively small burden associated with this collection is far offset by the greater assurance that requests for reconsideration will be processed correctly.

5. Consequence of reduced collection. This collection of information is necessary for persons to file requests for reconsideration of initial determinations by PBGC. If this collection of information were required less frequently or not at all, persons would not be able to file requests for reconsideration.

6. Consistency with guidelines. This collection of information is consistent with the guidelines in 5 CFR § 1320.6.

7. Outside input. Pursuant to OMB regulations, PBGC published a Federal Register notice soliciting public comment on this collection of information on May 8, 2007, at 72 FR 26184. No public comments were received in response to the May 2007 notice.

8. Payment to respondents. PBGC provides no payments or gifts to respondents in connection with this collection of information.

9. Confidentiality. Confidentiality of information is that afforded by the Freedom of Information Act and the Privacy Act. PBGC's rules that provide and restrict access to its records are set forth in 29 CFR Part 4901.

10. Sensitive Questions. This collection of information does not call for submission of information of a sensitive or private nature.

11. Burden on the public. PBGC based its estimates in items 11 and 12 on its experience. The burden on the person filing for a reconsideration will vary depending on the nature of the initial determination, and on whether ~~he~~ the person hires professionals..

PBGC estimates that, over the next three years, 15 reconsideration requests for determinations under § 4003.1(b)(1) ~~and or~~ (3) will be made per year. Of these, ~~3.33~~ will be for reconsideration of coverage determinations under § 4003.1(b)(1), 10 for reconsideration of audit determinations, and ~~1.672~~ for standard termination nullification reconsiderations. PBGC estimates that the number of reconsiderations of determinations under § 4003.1(b)(2) of premiums, interest, and late payment penalties will be 925 per year over the three years. Thus, PBGC estimates that there will be an average of 940 reconsideration requests per year over the next three years.

PBGC estimates that 7.5% of the reconsideration requests under § 4003.1(b)(1) and (3), ~~or one request per year,~~ will be made without professional assistance. ~~This is 1.125 such requests per year. PBGC estimates this request will have a time burden of one hour (15 times .075), with a total time burden of 5 hours. PBGC estimates each will have a time burden of 5 hours, so that the total time burden will be 5.625 hours (1.125 times 5 hours).~~ PBGC further estimates that 35% of the reconsideration requests under § 4003.1(b)(2), or 324 requests per year, will be made without professional assistance. PBGC estimates, ~~and that~~ each will have a time burden of 1 hour, so the total time burden will be. ~~Thus, for the 323.75 such requests per year (one-third of 350 + 350 + 271.25,) the time burden will be 323.75~~324 hours.

Thus, the total time burden for requests made without professional assistance per year over the three years is ~~330 329.375~~ hours (~~5.6256 + 323.75324~~). ~~We divide this by 940 persons to get~~ The average ~~time~~ burden per person is approximately one half hour. ~~This is 0.35 (330 divided by 940).~~ hours.

12. Costs. PBGC estimates the cost of contracted services to be \$325 an hour.

~~\_\_\_\_\_~~ PBGC estimates that 92.5% of the reconsideration requests under § 4003.1(b)(1) and (3), or 14 requests per year, will be made with the help of a professional. ~~Thus, there will be 13.875 such requests per year (15 times .925).~~ PBGC estimates that each will require ~~6.927~~ hours of professional work, with a total cost of ~~and thus cost \$2,250 31,850 (14 x 6.927 times x \$325 per hour).~~.

~~\_\_\_\_\_~~ ~~This means a total cost of \$31,218.75 (\$2,250 times 13.875).~~ PBGC further estimates that 65% of the reconsideration requests under § 4003.1(b)(2), or 600 requests per year, will be made with the help of a professional. PBGC estimates that each will require, ~~and that each will require~~ 2.46 5 hours of professional work, with a total for a cost of ~~\$800 487,500 (600 x 2.5 x \$325) (2.46 times \$325 per hour).~~.

~~\_\_\_\_\_~~ Thus the total cost of contracted services will be \$519,350 (\$31,380 plus \$487,500). The average cost per person is approximately \$550 (\$487,500 divided by 940). ~~There will be 601.25 such requests per year (one-third of 650 + 650 + 503.75).~~ The professional work for them will cost ~~\$481,000 (601.25 times \$800).~~

~~\_\_\_\_\_~~ Thus, the total cost of hiring professionals per year over the three years is \$512,218.75 (\$31,218.75 plus \$481,000). ~~We divide by 940 to get the average per person. This is \$544.91.~~

13. Costs to the Federal government. PBGC estimates that the annual cost to the government of this collection of information will be \$114,550. This estimate is based on an

average cost of \$106 per filing for a reconsideration under § 4003.1(b)(2) and \$1,100 per filing for a reconsideration under § 4003.1(b)(1) or (3). These estimates, including cover administrative staff time and prorated cost of equipment for reading the incoming information, sending it for imaging, adding it to PBGC's software system, and sending a letter to filing acknowledging receipt.

14. Adjustments. Not applicable. (Because this is a request for a new OMB control number, there is no current inventory.)

15. Publication plans. PBGC does not intend to publish the results of this collection of information.

16. Display of expiration date. PBGC is not seeking approval to not display the expiration date for OMB approval of this information collection.

17. Exceptions to certification statement. There are no exceptions to the certification statement.

**B. Collections of Information Employing Statistical Methods.**

This collection of information is not intended for statistical analysis or publication.