

**SUPPORTING STATEMENT
(TD 9052)**

18600. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This document contains final regulations providing guidance on the notification requirements under section 4980F of the Internal Revenue Code (Code) and section 204(h) of the Employee Retirement Income Security Act of 1974 (ERISA). Under these final regulations, a plan administrator must give notice of a plan amendment to certain plan participants and beneficiaries when the plan amendment provides for a significant reduction in the rate of future benefit accrual or the elimination or significant reduction in an early retirement benefit or retirement-type subsidy.

18601. USE OF DATA

The information contained in the notice will be used to inform qualified plan participants that their future benefit accrual under the plan may be reduced in the future.

18602. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The Final provides rules for use of new technology in providing the required notice. Twenty percent of the responses will be collected electronically.

18603. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever possible.

18604. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

Not applicable.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

Not applicable.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION INCONSISTENT WITH GUIDELINES IN 5 cfr 1320.5(D)(2).

Not applicable

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

On April 23, 2002, proposed regulations (REG-136193-01, 2002-1 C.B. 995 [67 FR 19713]) under section 4980F of the Code and section 204(h) of ERISA were published in the Federal Register. On August 15, 2002, the IRS held a public hearing on the proposed regulations. Written comments responding to the notice of proposed rulemaking were also received. After consideration of all the comments, the proposed regulations are adopted, as amended by this Treasury decision, and the regulations under §1.411(d)-6 are removed.

In response to the Federal Register notice (72 FR 71739), dated December 18, 2007, we received no comments during the comment period regarding TD 9052.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Not applicable.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The collection of information in the NPRM (proposed 54.4980F-1 would implement the statutory requirements of section 4980F of the Code as well as section 204(h) of ERISA. Section 4980F and section 204(h) require a plan administrator to provide notice to participants and certain

other parties if certain pension plans are amended to provide for a significant reduction in the rate of future benefit accrual. We estimate that 4,000 respondents will spend an average of 10 hours preparing the notices. The reporting burden for this requirement is 40,000 hours.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated December 18, 2007, requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any response from taxpayers on this subject. As a result, estimates of the cost burdens are not available at this time.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Not applicable.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB.

This form is being submitted for renewal purposes only.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulations sunset as of the

expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB FORM 83-I

Not applicable.

Note: The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.