

**SUPPORTING STATEMENT  
(REG-130477-00; REG-130481-00)**

**29540. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Section 403(b)(10) of the Internal Revenue Code of 1986 provides that distribution requirements similar to the distribution requirements of section 401(a)(9) apply to any annuity contract, custodial account, or retirement income account described in section 403(b) (section 403(b) contract). Section 1852(a)(3)(C) of the Tax Reform Act of 1986 provides that the distribution rules of section 403(b)(10) apply to benefits accruing after December 31, 1986. The notice of proposed rulemaking thus provides that the distribution requirements in section 403(b)(10) do not apply to the value of the account balance under the section 403(b) contract valued as of December 31, 1986, exclusive of subsequent earnings (pre-87 account balance). Further, the notice of proposed rulemaking provides that the issuer or custodian of the section 403(b) contract must keep records that enable it to identify the pre-87 account balance and subsequent changes as set forth in the notice and provide such information upon request to the relevant employee and beneficiaries with respect to the contract. The notice provides that if the issuer does not keep such records, the entire balance will be treated as subject to the minimum distribution rules in section 401(a)(9).

**29541. USE OF DATA**

Issuers and custodians of, and participants in, section 403(b) plans will use the information to determine the minimum required distribution from each section 403(b) contract.

**29542. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998.

**29543. EFFORTS TO IDENTIFY DUPLICATION**

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

**5. 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 TO BE 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**

A notice of proposed rulemaking (EE-113-82) was published in the **Federal Register** on July 27, 1987 (52 FR 28070). A public hearing was held on December 4, 1987.

A new comprehensive notice of proposed rulemaking (REG-130477-00 and REG-130481-00) was published in the **Federal Register** on January 17, 2001 (66 FR 3928). The final regulations were published in the **Federal Register** on April 17, 2002 (67 FR 18988).

In response to the **Federal Register Notice** dated May 18, 2009 (74 F. R. 23239) received no comments during the comment period regarding REG-130477-00 and REG-130481-00.

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

Not applicable.

**10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

Generally, tax returns and return information are confidential as required by 26 USC 6103.

**11. JUSTIFICATION OF SENSITIVE QUESTIONS**

Not applicable.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

The burden estimate was arrived at after consultation with returns processing. A-2 of section 1.403(b)-3 of the proposed regulations provides that the issuer or custodian of the section 403(b) contract must keep records that enable it to identify the pre-87 account balance and subsequent changes as set forth in the notice and provide such information upon request to the relevant employee and beneficiaries with respect to the contract. We estimate that there are a total of 8,400 issuers and custodians of section 403(b) contracts and that it takes each issuer or custodian approximately .5 hour annually to maintain these records for all participants. The total recordkeeping burden is 4,200 hours. We estimate that it takes each issuer or custodian .1 hour to provide the information upon request of the relevant employee or beneficiary of the contract. We estimate 42,000 requests for a total burden of 4,200 hours. Therefore, the total burden imposed by this regulation is 8,400 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 May 18, 2009, 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 these 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. We are making this submission to renew the OMB approval.

**16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION**

Not applicable.

**17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPRO- PRIATE**

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulation sunsets 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.

## **OMB EXPIRATION DATE**

We believe the public interest will be better served by not printing an expiration date on the form(s) in this package.

Printing the expiration date on the form will result in increased costs because of the need to replace inventories that become obsolete by passage of the expiration date each time OMB approval is renewed. Without printing the expiration date, supplies of the form could continue to be used.

The time period during which the current edition of the form(s) in this package will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. In addition, usage fluctuates unpredictably. This makes it necessary to maintain a substantial inventory of forms in the supply line at all times. This includes supplies owned by both the Government and the public. Reprinting of the form cannot be reliably scheduled to coincide with an OMB approval expiration date. This form may be privately printed by users at their own expense. Some businesses print complex and expensive marginally punched continuous versions, their expense, for use in their computers. The form may be printed by commercial printers and stocked for sale. In such cases, printing the expiration date on the form could result in extra costs to the users.

Not printing the expiration date on the form(s) will also avoid confusion among taxpayers who may have identical forms with different expiration dates in their possession.

For the above reasons we request authorization to omit printing the expiration date on the form(s) in this package.