

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

**AGENCY:** Pension Benefit Guaranty Corporation

**TITLE:** Locating and Paying Participants

**STATUS:** Request for approval of modifications to a collection of information under the Paperwork Reduction Act; OMB control number 1212-0054, expires September 30, 2011

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A. Justification.

1. Need for collection. Pension Benefit Guaranty Corporation (“PBGC”) is requesting approval of modifications to a collection of information under the Paperwork Reduction Act. The purpose of the information collection is to enable PBGC to locate and pay benefits to participants and beneficiaries who are entitled to pension benefits under defined benefit plans that have terminated. The collection consists of: (1) benefit application and information forms (2) identifying information provided as part of an initial contact with PBGC when PBGC searches for participants and beneficiaries who are missing, and (3) information necessary to request a benefit estimate. PBGC intends to add three new forms to the information collection and to modify an approved form.

The benefit application and information forms are available in hard copy. Most of the information can also be submitted through My Pension Benefit Account (My PBA), an application on PBGC's Web site, [www.pbgc.gov](http://www.pbgc.gov). Plan participants and beneficiaries can use My PBA to conduct electronic transactions with PBGC, including applying for pension benefits, designating a beneficiary, granting a power of attorney, electing monthly payments, electing to

withhold income tax from periodic payments, changing contact information, and applying for electronic direct deposit.<sup>1</sup> Certain forms are available only in hard copy.

All requested information is needed to enable PBGC to determine benefit entitlements and to make appropriate payments. Most of the applications and forms are covered by the current approval. However, three new forms are being added and an existing form is being modified:

**New forms:**

- **Form 712 (Uniform Services Information Form).** PBGC will use the information collected on this form to determine whether participants who were in the uniformed services on the date their plan terminated are eligible for pension service credit under the Uniformed Services Employment and Reemployment Rights Act, Public Law 103–353 (Oct. 13, 1994) (“USERRA”), through the date of plan termination. Service through the plan’s termination date is credited only if the service member returns to employment with the employer in accordance with USERRA.<sup>2</sup>
- **Form 716 (Certification of Social Security Disability Status).** PBGC will use the information collected on this form to determine the continuing eligibility of participants for Social Security disability benefits where their plan benefits are affected by such eligibility.
- **Form 716A (Certification of Pension Plan Disability Status).** PBGC will use the information collected on this form to determine the continuing eligibility of participants for disability benefits based on plan provisions.

**Modified form:**

- **Form 704 (Request for Earnings).** PBGC needs the earnings information collected on this form where a pension benefit calculated under the plan is offset by some portion of the participant’s earnings. PBGC is modifying the current form to eliminate the requirement that respondents provide copies of IRS Form W-2 (Wage and Tax Statement) to confirm their earnings, thereby reducing the burden for respondents.

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1 PBGC expects to incorporate the modifications that are the subject of this request in My PBA by the Fall of 2011.

2 See PBGC’s final rule on USERRA Benefits Under Title IV of ERISA, 74 FR 59093 (Nov. 17, 2009).

In connection with this request, PBGC is submitting the following documents:

- Benefit applications and other forms covered by the current approval, as well as the new forms and the modified form that are the subject of this request.
  - Paperwork notice, required by 5 CFR §§ 1320.5(b) and 1320.8(b).
- Long form Privacy Act Notice, to be included with **Form 701 (Payee Information Form)** and **Form 702 (General Information Form)**; short form Privacy Act Notice, to be included with the other requests for information except **Form 722 (Financial Statement of Debtor)**; and special Privacy Act Notice for **Form 722**.

2. Use of information. PBGC uses the information to determine whether an individual is (or may be) entitled to a pension benefit from a terminated defined benefit pension plan, to determine the form and amount of the individual's benefit, and to make appropriate payments.

3. Reducing the Burden. The PBGC provides for filing most benefit application forms and for requesting a benefit estimate through My PBA. Individuals who believe they may be entitled to benefits may contact PBGC electronically by facsimile transmission, e-mail, or via the My PBA application on PBGC's Web site, [www.pbgc.gov](http://www.pbgc.gov).

4. Duplication and similar information. A limited amount of the information required to be submitted to PBGC in response to this collection of information (*e.g.*, date of birth, social security number) may already be in the possession of the government. However, there is no timely and reliable way to locate documents that may include the required information, particularly since the reporting person may have submitted to the government some, but not all, of the documents required. In most cases, it would take a respondent more time to assist in tracking down and verifying documents in agencies' files than simply to submit the information to PBGC.

PBGC uses certain earnings data maintained by the Social Security Administration in determining benefit entitlements; before PBGC may use this information, the individual must authorize the release of the information from the Social Security Administration to PBGC.

5. Reducing the burden on small entities. Not applicable.

6. Consequence of reduced collection. If this information were collected less frequently, or were not collected, PBGC would be unable effectively to: (1) locate participants and beneficiaries entitled to pension benefits, (2) determine benefits, (3) make appropriate payments, and (4) provide benefit estimates.

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

8. Outside input. A Federal Register notice soliciting public comment on this collection of information pursuant to 5 CFR § 1320.8(d) was published on June 2, 2010, at 75 FR 30865. No public comments were received in response to the notice. A Federal Register notice informing the public of this submission to OMB was published on August 9, 2010, 75 FR 47857.

9. Payment to respondents. PBGC provides no payments or gifts to respondents (other than required benefit payments) in connection with this collection of information.

10. 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.

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

12. Burden on the public. For years 2009-2011, PBGC estimates that 84,800 benefit application or information forms will be filed annually by individuals entitled to benefits from PBGC, and that the associated burden will be 63,550 hours.

Of the 84,800 applications or information forms that will be filed annually, PBGC estimates that the following 37,500 forms or applications will be filed by participants or beneficiaries in newly PBGC-trusted plans:

- 25,000 payee information forms (PIFs), at a total hourly burden of 6,250 hours (15 minutes per respondent).
- 5,000 general information forms (GIFs), at a total hourly burden of 2,500 hours (30 minutes per respondent).
- 7,500 benefit applications, at a total hourly burden of 7,500 hours (one hour per respondent).

In addition to the above forms and applications that will be filed by participants or beneficiaries in newly-trusted plans, PBGC estimates that the following applications will be filed:

- 45,600 benefit applications by participants or beneficiaries from plans that were trusted in prior years, at a total hourly burden of 45,600 hours (one hour per respondent).
- 900 benefit applications by missing participants in PBGC's existing Missing Participant program, at a total hourly burden of 900 hours (one hour per respondent).
- 800 benefit applications by participants or beneficiaries who are entitled to benefits from PBGC but who are not on PBGC's roster of those entitled to benefits (so-called "woodwork participants"), at a total hourly burden of 800 hours (one hour per respondent).

PBGC further estimates that 12,000 individuals annually will provide PBGC with identifying information as part of an initial contact, with an associated burden of 3,500 hours.

Thus, the total estimated annual burden associated with this collection of information is 67,050 hours (63,500 hours for the submission of forms and 3,500 hours in making inquiries to PBGC, and responding to inquiries from PBGC).

PBGC developed the above estimates based on its experience in administering its benefit payment program.

13. Costs. There is very little cost to the public for this collection of information. Since participants and beneficiaries rarely hire contractors to understand or provide this type of information, the only cost is postage. PBGC provides self-addressed stamped envelopes to virtually all missing and woodwork participants and to most other participants and beneficiaries who submit forms and applications to PBGC. In PBGC's experience, few individuals who make inquiries to PBGC do so by mail. PBGC estimates that less than 10% of all other participants and beneficiaries who submit benefit applications and information forms annually will do so by mail, at a cost of \$.44 each, for a total annual postage cost of approximately \$3,730.

14. Costs to the Federal government. PBGC estimates that over the next three years (2009-2011), the total annual cost of processing this information will be \$6,863,600, consisting of \$6,491,749 for processing the benefit application and information forms and \$371,851 for processing the identifying information.

15. Adjustments. Section 410 of the Pension Protection Act of 2006 allows certain terminating plans not covered by PBGC's existing Missing Participants program to participate in that program. Once final regulations are issued, the program will cover multiemployer plans, small professional service employer plans (25 or fewer active participants), and individual account plans. When PBGC submitted its burden estimates for this information collection, as part of the normal rollover process, it based those estimates on an expectation that the expanded

Missing Participants program would be implemented in 2010. PBGC now expects that the program will not be implemented before late 2011 and has revised the total burden estimates accordingly. Leaving aside those revisions, the burden estimates have not otherwise been changed. PBGC expects that the number of respondents that will use the new or modified forms, and the burden associated with those forms, will be very small.

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

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

18. Exceptions to certification statement. There are no exceptions.

B. Collections of Information Employing Statistical Methods.

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