

**SUPPORTING STATEMENT
(Form 5307)**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Employers whose pension plans meet the requirements of Internal Revenue Code section 401(a) are permitted a deduction for their contributions to these plans under Code section 404.

To have a plan qualified under section 401(a), the employer must submit an application to the IRS as required by section 1.401-1(b)(2) of the Income Tax Regulations. Form 5307 was developed as an application for use by adopters of master or prototype, regional prototype or volume submitter plans.

2. USE OF DATA

The form provides the IRS with the information necessary to determine that the plan meets all the requirements of the applicable sections of the Code.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing because of the low volume compared to the cost of electronic enabling.

4. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever 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

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Form 5307.

In response to the **Federal Register notice dated October 4, 2010, (75 FR 61243)**, we received no comments during the comment period regarding Form 5307.

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

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and tax 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 is as follows:

Total	Number of <u>Responses</u>	Time per <u>Response</u>	per <u>Hours</u>
Form 5307 5,139,000	100,000	51.39	

Estimates of the annualized cost to respondents for the hour

burdens shown are not available at this time.

The following regulation imposes no additional burden. Please continue to assign OMB number 1545-0200 to this regulation.

1.401-1

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our **Federal Register notice dated October 4, 2010, (75 FR 61243)**, 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

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distributing, and overhead for Form 5307 is \$167,212.

15. REASONS FOR CHANGE IN BURDEN

This revision is attributed to an adjustment due to an error in the burden calculation. An increase of 24,000 hours, totaling 5,139,000, is requested.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

See attachment.

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.