

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

**AGENCY:** Pension Benefit Guaranty Corporation

**TITLE:** Reportable Events (29 CFR Part 4043)

**STATUS:** Request for renewal of a currently approved collection of information (OMB control no. 1212-0013; expires March 31, 2012)

**CONTACT:** James Bloch (202-326-4000, ext. 3530) or Catherine Klion (202-326-4000, ext. 3041)

1. Need for collection. Section 4043 of the Employee Retirement Income Security Act of 1974 (ERISA) and PBGC's reportable events regulation (29 CFR part 4043) require plan administrators and plan sponsors to report certain plan and corporate events to PBGC. The reporting requirements give PBGC timely notice of events that indicate plan or contributing sponsor financial problems.

On November 23, 2009, PBGC published (at 74 FR 61248) a proposed rule to amend the reportable events regulation to accommodate changes to the variable-rate premium rules made pursuant to PPA 2006. The rule also proposed to eliminate most automatic waivers and filing extensions, create two new reportable events based on provisions in PPA 2006, and make other changes to the reportable events regulation as well as conforming changes. Public comment on the proposed rule was directed primarily at the proposed elimination of the waivers and extensions and was generally negative. In response to the comments and in the spirit of Executive Order 13563 on Improving Regulation and Regulatory Review, PBGC plans to issue a new proposal in 2012 that will more effectively target troubled plans and sponsors while reducing burden for those that are financially sound.

2. Use of information. PBGC uses the information provided in determining what, if any, action it needs to take. For example, PBGC might need to institute proceedings to terminate a plan (placing it in trusteeship) under ERISA section 4042 to ensure the continued payment of benefits to plan participants and their beneficiaries and/or to prevent unreasonable increases in its losses.

3. Information technology. PBGC permits reportable event notices to be filed by electronic transmission to the address specified in the instructions to the appropriate form on PBGC's Web site.

4. Duplicate or similar information. Some of the required information may already be in the possession of other Federal agencies. However, there is no timely and reliable way to locate the required documents, particularly since the person reporting may have submitted to Federal agencies some, but fewer than all, of the documents required under this regulation. In most cases, it would take a respondent more time to assist PBGC in tracking down and verifying documents in other agencies' files than simply to submit the information to PBGC.

To the extent PBGC has the information through another filing, respondents may identify that other filing rather than refile the information. Furthermore, one party may file on behalf of all those who are required to file.

The reportable event notice requirement for a failure to make required minimum funding payments is satisfied if a timely and complete Form 200 is submitted with respect to the same failure (see 29 CFR § 4043.25(d)).

PBGC believes that there is no information similar to that required under the regulation that could be used instead of the required information for the purposes served by the regulation.

5. Reducing the burden on small entities. Not applicable. This information collection does not have a significant economic impact on a substantial number of small entities.

6. Consequences of no or less frequent collection. The statutory requirement to notify PBGC is triggered by the occurrence of an infrequent or nonrecurring event. No reporting, or less frequent or timely notice, would impair PBGC's ability to fulfill its statutory responsibilities.

7. Special circumstances. Reporting is required whenever a reportable event occurs. In extremely rare cases, a respondent could incur several reportable events within a quarter, thereby requiring reporting more frequently than quarterly.

In some cases, PBGC may require the submission of additional information. In general, the submission of additional information is required within 30 days after PBGC makes a written request. However, for advance reporting, the additional information is required within 7 days of the written request. This is necessary to ensure that PBGC has sufficient time to evaluate the event and determine if action is required before the event becomes effective (*i.e.*, 30 days after the initial report). In addition, PBGC may shorten either the 30-day or 7-day time period for additional information, but only where it determines that the interests of PBGC or participants may be prejudiced by a delay in the receipt of the information.

In all other respects, this collection of information is not conducted in any manner described in item 7 of the general instructions for the supporting statement.

8. Outside input. On December 8, 2011, PBGC published a notice (76 FR 76771) soliciting public comment on this collection of information pursuant to 5 CFR § 1320.8(d). No public comments were received in response to the notice.

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

10. Confidentiality. In accordance with ERISA section 4043(f) and 29 CFR § 4901.21(a)(3), any information or documentary material that is submitted to PBGC pursuant to section 4043 is exempt from disclosure under the Freedom of Information Act (5 U.S.C. 552) (FOIA) and will not be made public, except as may be relevant to an administrative or judicial action or proceeding. (ERISA section 4043(f), like FOIA section 552(d), does not prevent disclosure to Congress or to an authorized congressional committee or subcommittee.)

11. Sensitive questions. This collection of information does not call for submission of information of a personal nature.

12. Burden on the public. PBGC estimates that over the next three years there will be about 1,030 post-event and advance-report filings per year. (In light of the small number of advance-report filings, PBGC combined the data for post-event and advance-report filings; PBGC expects fewer than 20 advance-report filings per year.)

PBGC estimates that for post-event reporting and advance reporting, the average hour burden per response will be about 5.3 hours and the total annual hour burden on the public will be about 5,400 hours. Assuming an average rate of \$320 (including professional time, support assistance, overhead, postage and other costs) for large plans (*i.e.*, plans with greater than 100 participants), and an average rate of \$130 for small plans (*i.e.*, plans with less than or equal to 100 participants), PBGC estimates that the dollar equivalent of the hour burden would be an annual total cost of \$1,411,000, for an average annual cost of \$1,375 per respondent.

13. Costs. PBGC estimates that over the next three years, respondents will contract out an additional 3,090 hours annually (1,030 filings times 3 hours per filing). Assuming an average rate of \$320 for large plans' contractor costs and \$130 for small plans' contractor costs, PBGC

estimates the total annual cost will be \$822,000, for an average annual cost of \$800 per respondent. No capital or start-up costs are necessary for reportable events notices.

14. Costs to the Federal government. PBGC estimates that over the next three years the total annual cost to it for processing filings will be about \$121,500, based on an estimated annual hour burden of 2,060 hours — 1,030 filings times 2 hours per filing (0.25 hours of clerical staff time plus 1.75 hours of professional staff time) — and an estimated hourly cost of \$59 (blended rate based on administrative staff costs of \$44 an hour and professional staff costs of \$61 an hour).

15. Change in burden. The changes in burden and cost are the result of an increase in the number of expected filings based upon PBGC's experience in the last three years, and a revised estimate (based on a small survey of practitioners) in the hourly contracting rate from \$350 for all plans to \$320 for large plans and \$130 for small plans. In addition, in light of the small number of advance-report filings, PBGC combined the data for post-event reporting (the Form 10) and advance reporting (the Form-10 Advance).

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

17. Approval for omitting expiration date. PBGC is not seeking OMB approval to omit the expiration date.

18. Exceptions to certification statement. There are no exceptions to the certification statement for this submission.