

**Supporting Statement
REG-114494-10; TD 9482
OMB #1545-2172**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 2714 of the Public Health Service Act, incorporated into Code section 9815 by section 1562 of the Patient Protection and Affordable Care Act, Public Law 111-148, requires group health plans and group health insurance coverage providing dependent coverage of children to allow such coverage until the child attains 26 years of age. Treasury regulation §54.9815-2714T(f) requires group health plans and issuers to provide a notice of opportunity to enroll for children who, prior to the effective date of section 2714 of the Public Health Service Act, lost eligibility (or who were unable to enroll) for dependent coverage before attainment of age 26 if the new provision requires that they be eligible for coverage.

2. USE OF DATA

This is a third party disclosure requirement. Individuals under age 26 may not know of the opportunity to enroll unless the plan or health insurance issuer informs them of the right. Individuals receiving the disclosure may make an informed decision of whether they wish to enroll in the plan or health insurance coverage.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Plans and issuers may satisfy this disclosure requirement by electronic means if they comply with applicable electronic disclosure requirements. It is estimated that 38% of the notices will be sent electronically.

4. EFFORTS TO IDENTIFY DUPLICATION

The regulations provide that the notice of enrollment opportunity may be provided with other plan enrollment materials, provided that the notice of this enrollment opportunity is prominent.

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

The regulations provide that a single notice provided to an individual will satisfy the obligation for both parties responsible for providing the notice, the plan and the issuer. Most small businesses maintaining a group health plan provide benefits through health insurance coverage. In such a case, it is expected that the issuer of the health insurance coverage will satisfy the notice obligation on behalf of both the plan and the issuer.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL

PROGRAMS OR POLICY ACTIVITIES

Not applicable -- collection is one-time.

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

An interim final rule with request for comments was published in the Federal Register on May 13, 2010, at 75 FR 27122.

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 Departments assume that 2,800,000 covered plans will send the enrollment opportunity notice to all 79,573,000 employees eligible for group health insurance coverage. The Departments estimate that preparing the enrollment notice will require 30 minutes of legal professional time and one minute of clerical time to distribute the notices. This results in a one-time hours burden of nearly 822,000. This hours burden has been split in half by the two agencies responsible for administering this requirement with respect to plans in the private sector -- the IRS and the Employee Benefits Security Administration -- assigning each of them a one-time hours burden of 411,000.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The Departments estimate that preparing the enrollment notice will require 30 minutes of legal profession time at a wage rate of \$119 per hour and one minute of clerical time at \$26 per hour to distribute the notices. Printing and page material costs are estimated to be \$.05 per page. The total one-time cost is estimated to be \$23,980,000. EBSA and IRS are each assigned one-half of this amount, or \$11,990,000.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Not applicable -- third party disclosure.

15. REASONS FOR CHANGE IN BURDEN

New ICR. This submission is for clearance of the final rule that received Preapproval but was never activated.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

Not applicable.

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

Not applicable.