

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

**AGENCY:** Pension Benefit Guaranty Corporation

**TITLE:** Reconsideration of Initial Determinations

**STATUS:** Request for renewal of a currently approved collection of information  
OMB control no. 1212-0063; expires July 31, 2016

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A. Justification.

1. Need for collection. PBGC's regulation on Rules for Administrative Review of Agency Decisions (29 CFR part 4003) prescribes rules governing the issuance of initial determinations by PBGC and the procedures for requesting and obtaining review of initial determinations through reconsideration or appeal. Subpart A of the regulation specifies which initial determinations are subject to reconsideration. Subpart C prescribes rules on who may request reconsideration, when to make such a request, where to submit it, form and content of reconsideration requests, and other matters relating to reconsiderations.

Any person aggrieved by an initial determination of PBGC under § 4003.1(b)(1) (determinations that a plan is covered by section 4021 of ERISA), § 4003.1(b)(2) (determinations concerning premiums, interest, and late payment penalties under section 4007 of ERISA), § 4003.1(b)(3) (determinations concerning voluntary terminations), § 4003.1(b)(4) (determinations concerning allocation of assets under section 4044 of ERISA), or § 4003.1(b)(5) (determinations with respect to penalties under section 4071 of ERISA) may request reconsideration of the initial determination. Requests for reconsideration must be in writing, be

clearly designated as requests for reconsideration, contain a statement of the grounds for reconsideration and the relief sought, and contain or reference all pertinent information.

2. Use of Information. The purpose of the collection of information is to enable affected parties to file requests for reconsideration of initial determinations made by PBGC. The information is used by relevant persons in PBGC to resolve issues raised in such requests for reconsideration.

3. Reducing the Burden. Respondents may submit requests for reconsideration electronically.

4. Duplicate or similar information. The bulk of the information collected is not otherwise available to PBGC. Even for those items of information that have otherwise been provided to other parts of PBGC, the relatively small burden associated with this collection is far offset by the greater assurance that requests for reconsideration will be processed correctly.

5. Consequence of reduced collection. This collection of information is necessary for persons to file requests for reconsideration of initial determinations by PBGC. If this collection of information were required less frequently or not at all, persons would not be able to file requests for reconsideration.

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

7. Outside input. Pursuant to OMB regulations, PBGC published a Federal Register notice soliciting public comment on this collection of information on March 31, 2016, at 81 FR 18656. No public comments were received in response.

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

9. 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.

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

11. Burden on the public. PBGC based its estimates in items 11 and 12 on its experience. The burden of filing a reconsideration request will vary depending on the nature of the initial determination and whether the filer hires professionals.

Over the next three years, PBGC estimates that the annual number of requests for reconsideration of determinations under § 4003.1(b)(2) (relating to premiums, interest, and late payment penalties) will be 200. PBGC further estimates that the annual number of requests for reconsideration under the remaining reconsideration categories of § 4003.1(b) will be 26: 6 for reconsideration of coverage determinations, 13 for reconsideration of audit determinations, 4 for standard termination nullifications, and 3 for interest and 4071 penalty reconsiderations. Thus, PBGC estimates there will be an average of about 226 reconsideration requests per year over the next three years.

PBGC estimates that about 50% of the reconsiderations requests under § 4003.1(b)(2) , or 100 (50% of 200), will be made without professional assistance, and that each such request will require one hour, resulting in a time burden of 100 hours. PBGC further estimates that 4 of the reconsideration requests under the remaining reconsideration categories will be made without professional assistance. PBGC estimates that each such request will require 3 hours to complete, resulting in a time burden of 12 hours (4 times 3). Thus, PBGC estimates that the total annual

hourly burden for reconsideration requests will be about (12 + 100), or about 112 hours, for an average hourly burden of about one half hour, per reconsideration request.

12. Costs. PBGC estimates that 100 of the reconsideration requests under § 4003.1(b)(2) (50% of 200) will be made with professional assistance, and that the professional time per request will be 2.5 hours, for a total of 250 hours. PBGC further estimates that about 22 of the requests for reconsideration under the remaining reconsideration categories will be made with the help of a professional, and that the professional time per request will be about 7 hours, for a total of about 154 hours. Thus, PBGC estimates that the total annual amount of professional time spent on reconsideration requests will be 404 hours (250 + 154). PBGC estimates that the average cost of hiring a professional (including the professional's hourly rate, support assistance, and other administrative overhead costs) will average \$350 per hour. Thus, PBGC estimates that the total annual cost of hiring professionals to prepare, submit, and respond to questions from PBGC will be about \$141,400 (404 x \$350), for an average cost of about \$626 ( $\$141,400 \div 226$ ) per reconsideration request.

13. Costs to the Federal government. PBGC estimates that the annual cost to the government of this collection of information will be about \$52,750. This estimate is based on:

- \$125 per request for a reconsideration under § 4003.1(b)(2) (200 times \$125 = \$25,000);
- \$2,000 per request for an audit-related reconsideration (13 times \$2,000 = \$26,000); and
- \$250 per filing for a reconsideration under § 4003.1(b)(3) or (b)(5) (7 times \$250 = \$1,750).

The estimated cost per request includes wages for administrative staff, the prorated cost of equipment for reading the incoming information, imaging it, and adding it to PBGC databases, and other administrative costs (e.g., postage).

14. Adjustments. The changes in the estimated number of responses per year and estimated annual burden and cost (compared to the current inventory of 700 requests, 240 hours, and \$380,000) are primarily a result of a decrease in the estimated number of annual reconsideration requests (from about 700 to 226), but also of the change in the estimated percentage of reconsideration requests under § 4003.1(b)(2) that are made with professional assistance (from 65% to 50%).

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

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

17. Exceptions to certification statement. There are no exceptions to the certification statement.

**B. Collections of Information Employing Statistical Methods.**

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