

SUPPORTING STATEMENT
OMB# 1545-1724
(REG-109481-99)
(TD 9076-final)

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Because of changes to section 417(a) by the Small Business Job Protection Act of 1996, sections 1.417(e)-1(b)(3)(iv)(B) and 1.417(e)-1(b)(3)(v)(A) of the regulation provide that participants in qualified plans and their spouses may elect certain forms of distributions that were previously provided automatically. The collection of information is required to ensure that the participant and the participant's spouse consent to a form of distribution from a qualified retirement plan that may result in reduced periodic payments.

This document contains final regulations relating to the special rule added by the Small Business Job Protection Act of 1996 which permits the required written explanations of certain benefits to be provided by qualified retirement plans to plan participants after the annuity starting date. These final regulations affect sponsors and administrators of qualified retirement plans, and participants in those plans.

2 USE OF DATA

This information will be used by the plan administrator to verify that the required consent has been given.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998.

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

There are no small entities affected by this collection.

6. **CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES**

Consequences of less frequent collection on federal programs or policy activities could result in a decrease of the amount of taxes collected by the Service, inaccurate and untimely filing of tax returns, and an increase in tax violations.

7. **SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)**

There are no special circumstances requiring data collection to be inconsistent with guidelines in 5 CFR 1320.5(d)(2).

8. **CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS**

On January 17, 2001, a notice of proposed rulemaking (REG-109481-99) was published in the Federal Register (66 FR 3916) under section 417(a)(7) of the Internal Revenue Code. No public hearing was requested or held. Written comments responding to the notice of proposed rulemaking were received.

After consideration of all the comments, the proposed regulations were adopted as amended by TD 9076. The final regulations (TD 9076), were published in the **Federal Register** on July 16, 2003 (68 FR 41906).

In response to the Federal Register Notice dated October May 13, 2016 (81 F. R. 29957), we received no comments during the comment period regarding REG-109481-99.

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

No payment or gift has been provided to any respondents.

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**

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Business Master file (BMF)" and a Privacy Act System of Records notice (SORN) has been issued for these systems under IRS 22.062 – Electronic Filing Records; IRS 24.030 – Customer Account Data

Engine (CADE) Individual Master File; IRS 24.046 - CADE Business Master File (BMF); IRS 34.037 - IRS Audit Trail and Security Records System. The Internal Revenue Service PIA's can be found at <http://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>.

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems.

12. **ESTIMATED BURDEN OF INFORMATION COLLECTION**

Sections 1.417(e)-1(b)(3)(iv)(B) and 1.417(e)-1(b)(3)(v)(A) of the proposed regulations require that a participant and the participant's spouse (if any) consent to a form of distribution from a qualified retirement plan that may result in reduced periodic payments. We estimate that 50,000 individuals will be required annually to provide the consents and that 0.25 hours will be required for each consent. The total reporting burden is 12,500 hours.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

13. **ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

There is no start-up costs associated with this collection.

14. **ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

There is no estimated annualized cost to the federal government.

15. **REASONS FOR CHANGE IN BURDEN**

There is no change in the paperwork burden previously approved by OMB.

We are making this submission to renew the OMB approval.

16. **PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION**

There are no plans for tabulation, statistical analysis and publication.

17. **REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE**

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulations sunset as of the expiration date. Taxpayers are not likely to be aware that the

Service intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

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

There are no exceptions to the certification statement.

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.