

JUSTIFICATION FOR NON-SUBSTANTIVE/NO MATERIAL CHANGE SUBMISSION

The Employee Retirement Income Security Act of 1974 (ERISA) contains three separate sets of provisions – in Title I (Labor provisions), Title II (Internal Revenue Code (Code) provisions), and Title IV (Pension Benefit Guaranty Corporation provisions) – requiring administrators of employee benefit pension and welfare plans (collectively referred to as employee benefit plans) to file returns or reports annually with the federal government.

The Pension Benefit Guaranty Corporation (PBGC), the Internal Revenue Service (IRS), and the Department of Labor (DOL) (collectively, the Agencies) work together to produce the Form 5500 Annual Return/Report for Employee Benefit Plan and Form 5500-SF Short Form Annual Return/Report for Small Employee Benefit Plan (Form 5500 Series), through which the regulated public can satisfy the combined reporting/filing requirements applicable to employee benefit plans.

The collection of information has been approved by OMB under control number 1212-0057 through June 30, 2017. PBGC requests that OMB approve this non-substantive/no material change submission to PBGC's currently approved information collection through June 30, 2017.

PBGC proposes to make three changes to this information collection. All three changes would call for the reporting of information that, while not currently required, is readily available and will not be burdensome to report.

- (1) PBGC proposes to require the reporting of the PBGC premium filing identification number on Form 5500-SF by defined benefit plans covered under the PBGC insurance program. This item was added last year to the regular Schedule H and Schedule I required to be filed as part of the Form 5500 and was approved as a non-substantive /no material change.

This item is for audit purposes. PBGC has found discrepancies between the number of plans claiming to have paid PBGC premiums and the number of premium filings. Requiring the reporting of the PBGC premium filing confirmation number helps resolve such discrepancies by revealing incorrect confirmation numbers. It also helps improve data accuracy. The confirmation number is readily available to the plan administrator, and the burden of providing it is negligible.

- (2) PBGC proposes to add three response codes to the instructions for line 6c of Schedule MB. Respondents that use a mortality table for which no specific response code is provided are required to use the response code for "other." Adding three new response codes means that some filers that would have been required to use the "other" code will now be required to use one of the three new codes.

The addition of the three response codes would reflect current actuarial practice and provide more accurate and up-to-date information on the mortality tables used by filers for plan valuation purposes. The burden of using a different response code is negligible.

- (3) PBGC proposes to require a description of the mortality projection technique and scale in the instructions for line 6c of Schedule MB. The change would instruct filers that use a projection to provide the information as part of an attachment to line 6 (statement of actuarial assumptions / methods).

This information is in the annual actuarial valuation report (which is not filed with Form 5500, although it may be included in other filings with the government) and thus is readily available, making the burden of compliance negligible. Many plans already include a description of the mortality projection technique and scale in the line 6 attachment.