

SUPPORTING STATEMENT
Internal Revenue Service
OMB #1545-2073
Substitute Mortality Tables

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

This specialized revenue procedure, which was mandated by the Congress in the Pension Protection Act of 2006, could not be placed in final form until the applicable regulations were almost complete. The authority to consider letter rulings was transferred to the Secretary of the Treasury (and his delegate). Revenue Procedure 2007-37 has been updated (i.e., in effect, superseded) by Revenue Procedure 2008-62, 2008-42 IRB 935. Revenue Procedure 2007-37 may be relied on only for requests submitted prior to December 1, 2008. This revenue procedure describes the process for obtaining a letter ruling as to the acceptability of substitute mortality tables under section 430(h)(3)(C) of the Code.

Updated final regulations are currently in process with an anticipated publish date of July 31, 2017. . The preamble to the proposed regulations states that taxpayers who request substitute tables under Rev. Proc. 2008-62 will only be able to use them until shortly after the new regulations become effective (proposed to be effective in 2018). Actuaries are aware that these regulations and the substitute tables would expire after new regulations are issued.

2. USE OF DATA

The data will be used by the Internal Revenue Service to evaluate a substitute mortality table of an employer that maintains a defined benefit pension plan and will assist the employers in the notification process. This data may be shared with the Employee Benefits Security Administration of the U.S. Department of Labor or the Pension Benefit Guaranty Corporation pursuant to the enforcement provisions of title III of the Employee Retirement Income Security Act of 1974 as amended.

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. We intend to offer electronic filing to the extent it is practicable however in this case it isn't practicable because of the evaluative nature of the determination.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or adaptation from another source.

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

The regulations under section 430(h) of the Code preclude a small business or other small entity from using substitute mortality tables. Moreover, the revenue procedure requires that the applicable plan have certain populations and experience in order to establish valid substitute mortality tables. Generally, these factors can only be found in larger plans. In addition, the revenue procedure contains a checklist to assist applicants in ascertaining whether they have completed the information sought by the Service.

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

This collection is only required once when seeking approval and does not require subsequent submissions. A less frequent collection would hinder the IRS from determining the validity of the tables.

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

We received no comments during the comment period in response to the Federal Register notice dated May 22, 2017 (87 FR 21454).

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

No payment or gift has been provided to any respondent..

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

In accordance with the Privacy Act of 1974, Treasury has published its complete Privacy Act systems of records notices, which include all maintained records systems as of January 2, 2014; six systems have been amended, altered, or added since April 20, 2010, when the complete notices were last published. See 79 F.R. 209-261 and 79 F.R. 183-206, which was published on January 2, 2014.

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Business Master File (BMF)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046-Customer Account Data Engine Business Master File. The Internal Revenue Service PIAs can be found at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>.

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

The estimated total annual reporting/recordkeeping burden is 60,000 hours.

The estimated annual burden per respondent/recordkeeper varies from 167 to 900 hours, depending on individual circumstances, with an estimated average burden of 267 hours. The estimated annual number of respondents/recordkeepers is 225.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
Reve Proc 2008-62, 2008-42	Substitute Mortality Tables	225	1	225	267	60,075
Totals				225		60,075

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

15. REASONS FOR CHANGE IN BURDEN

IRS is currently working on updated final regulations and a new revenue procedure. The preamble to the proposed regulations states that taxpayers who request substitute tables under

Rev. Proc. 2008-62 will only be able to use them until shortly after the new regulations become effective (they are proposed to be effective in 2018). Even before that, actuaries were aware that IRS was working on these regulations and that their substitute tables would expire after new regulations were issued. As a result, Employee Plans received only one request for use of substitute tables in 2016. They expect a similar very low volume of requests under Rev. Proc. 2008-62 in 2017. After IRS publishes the new regulations and new revenue procedure, IRS will receive a larger volume of requests. IRS anticipates publishing before the end of July 2017.

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses	225	0	-225	0	0	450
Annual Time Burden (Hr)	60,000	0	34,600	0	0	25,400

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There is no plans for tabulation, statically analysis. or publication of this collection.

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 information collection in the revenue procedures will 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 OMB approval 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.