

SUPPORTING STATEMENT
Internal Revenue Service
TD 9237, Designated Roth Contributions To Cash Or Deferred Arrangements Under
Section 401(k)
OMB Control No. 1545-1931

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The final regulations provide special rules relating to designated Roth contributions under a section 401(k) plan. Under section 1.401(k)-1(f)(1) or the regulations, one of the requirements that must be met for contributions to be considered designated Roth contribution is that they must be maintained by the plan in a separate account. Section 1.401(k)-1(f)(2) of the regulations provides that, under the separate accounting requirement, contributions and withdrawals of designated Roth contributions must be credited and debited to a designated Roth contribution account maintained for the employee who made the designation and the plan must maintain a record of the employee's investment in the contract employee's designated Roth contribution account. TD 9324 amended 1.401(k)-1(f), which made some revision to clarify and expand rules under 1.401(k)-1(f)(1); renumbered -1(f)(2) to (3) with revisions.

2. USE OF DATA

The collections of information contained in section 1.401(k)-1(f)(1)&(2), are required by the IRS to comply with requirements of sections 402A(b)(2) regarding the separate accounting and recordkeeping. TD 9324 amended 1.401(k)-1(f), which made some revision to clarify and expand rules under 1.401(k)-1(f)(1); renumbered -1(f)(2) to (3) with revisions.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS has no plans to offer electronic enabling because this is record keeping requirement.

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

There is no burden on small businesses or entities by this collection due to the inapplicability of the authorizing statute to this type of entity.

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

Consequences of less frequent collection on federal programs or policy activities would result in the IRS unable to comply with requirements of sections 402A(b)(2) regarding the separate accounting and recordkeeping; thereby engendering the inability of the IRS to meet its mission.

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

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding TD 9237.

In response to the *Federal Register* notice (82 FR 31803) dated July 10, 2017, we received no comments during the comment period regarding TD 9237.

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

No sensitive Personally identifiable information (PII) is collected.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Section 1.401(k)-1(f)(1)&(2) requires that designated Roth contributions be maintained in a separate account. TD 9324 amended 1.401(k)-1(f), which made some revision to clarify and expand rules under 1.401(k)-1(f)(1); renumbered -1(f)(2) to (3) with revisions. We estimate that 157,500 employers will develop and maintain separate accounting for designated Roth contributions that will take each employer 1 hour to complete. Therefore, we estimate the total recordkeeping burden for this provision to be 157,500 hours.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
1.401(k)-1(f)(1)&(2)	Roth contributions	157,500	1	157,500	1	157,500
Totals				157,500		157,500

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

There are no changes to the paperwork burden previously approved by OMB. This submission is for renewal purposes only.

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

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.