

SUPPORTING STATEMENT
Internal Revenue Service
TD 9099 (final)
Disclosure of Relative Values Optional Forms of Benefit
OMB Control No.1545-0928

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Section 417(a)(3)(A) of the Code generally requires qualified retirement plans to provide each participant, within a reasonable time before the annuity starting date with an explanation of the participant's rights under the plan with respect to the qualified joint and survivor form of benefit, including the participant's right to waive the right to that form of benefit.

Section 417(a)(3)(B) of the Code generally requires qualified retirement plans to provide each participant, within a specified applicable period, an explanations of the participant's rights under the plan with respect to the qualified pre-retirement survivor annuity, including the participant's right to waive the right to that survivor benefit.

Concerns have been expressed that, in certain cases, the information provided to participants under section 417(a)(3) regarding the available distribution forms does not adequately enable them to compare those distribution forms without professional advice. In particular, participants who are eligible for both subsidized annuity distributions and unsubsidized single-sum distributions may be receiving notices that do not adequately explain the value of the subsidy that is foregone if the single-sum distribution is elected. In such a case, merely disclosing the amount of the single-sum distribution and the amount of annuity payments, or merely stating that the single sum distribution does not include the subsidy that is included in the annuity payments, may not adequately enable those participants to make an informed comparison of the relative values of those distribution forms, even if the interest rate used to derive the single sum is disclosed. Furthermore, questions have been raised as to how the relative values of optional forms of benefit are required to be expressed under current regulations.

These regulations consolidate the content requirements applicable to explanations of qualified joint and survivor annuities and qualified preretirement survivors annuities payable under certain retirement plans, and provide disclosure requirements that would enable participants to compare the relative values of the available distribution forms using more readily understandable information.

2. USE OF DATA

Employees who participant in retirement plans will use the information provided in the notices to exercise rights under the plans.

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. The regulations permit public notice to be published on a website.

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 of third party disclosure on federal programs or policy activities would delay the necessary requirements to explain and inform participants of how to exercise their rights under the plans provided under section 417 of the code; thereby endangering the IRS the inability 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 9099.

We received no comments during the comment period in response to the *Federal Register* notice dated December 05, 2017, (82 FR 57528).

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 417(a)(3)(A) Explanations of qualified joint and survivor annuity

The collection of information is in §1.401(a)-20. Q&As 34 and Q&As 36 through 40; replaced by §1.417(a)(3)-1. We estimate that approximately 750,000 respondents will be required to provide notices to 2,260,000 participants an average of .13 hours per response and an estimated total burden 300,000 hours.

Section 417(a)(3)(B) Explanation of qualified preretirement survivor annuity

The collection of information is in §1.401(a)-20. Q&A 35, also replaced by §1.417(a)(3)-1. We estimate that approximately 750,000 respondents will be required to provide notices to 740,000 participants spending an average of .11 hours and an estimated total burden 85,000 hours.

Burden estimates as follows:

Document	Authority	Respondents	# Responses	Total Responses	Time per response	Total Burden
TD 9099	417(a)(3)-1	750,000	3.01	2,260,000	0.13	300,000
	417(a)(3)-1	750,000	0.99	740,000	0.11	85,000
Totals		1,500,000	2	3,000,000	0.13	385,000

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 is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval. This regulation is submitted for renewal purposes.

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

IRS 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.