

Justification for No Material or Nonsubstantive Change to Currently-Approved Collection

AGENCY: Pension Benefit Guaranty Corporation (PBGC)

TITLE: Payment of Premiums (29 CFR Part 4007)

STATUS: OMB control number 1212-0009; expires June 30, 2021

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The filing instructions for the collection of information relating to the computation and payment of premiums to the Pension Benefit Guaranty Corporation (PBGC) under title IV of the Employee Retirement Income Security Act of 1974 (ERISA) for plan years beginning in 2019 are nearly the same in substance as the currently approved 2018 instructions.

The changes in the 2019 instructions, as compared to the already approved 2018 instructions, are as follows:

- The premium rates have been updated. This is the only substantive change in the information collection. The rates are set by statute, with an inflation adjustment built in. Thus, when the relevant inflation figures are announced, the premium rates can be determined from the statute. Since the rates are public knowledge, this change is not material.
- Dates throughout the instructions have been updated for the new year.
- In the illustrative form, top right corner, instead of entering a code for the applicable disaster relief notice it is just a check box. The code is moved to a Line 20 for “Disaster Relief” at the end of the form in the “Miscellaneous Information” section.
- To reflect recent changes to PBGC’s disaster relief practice, also in the line for “Disaster Relief,” include the name, address and role (e.g., plan’s actuary) of the person affected by the disaster if that person is not the plan administrator (the plan administrator’s name and address is reported elsewhere on the form). (A person is eligible for disaster relief if they are in the IRS designated disaster area.)
- Miscellaneous Information, Line 13, if the “cessation of covered status” box is checked, plan administrators would include a reason why.
- We included information about the process by which plan administrators may certify the filing manually instead of electronically. See instructions for line 21 of the illustrative form, Instructions for Part VII – Certifications, and Appendix 3 – Options for Certifying Filing.
- Additional functionality has been added in the electronic filing portal, My PAA, to the “Submit a Request” Quick Link button. This includes a My PAA Quick Link feature to request the Lookback Rule option. See Appendices 2 (Contact Information) and 3 (Online Premium Filing with My PAA – What’s New with My PAA).
- We clarified the instructions for reporting the business code. See the instructions for line 1b of the illustrative form.

- Under How to Determine Unfunded Vested Benefits — Plans Subject to Special Funding Rules, we removed the paragraph about electing a discount rate under Section 402(b) of the Pension Protection Act of 2006 for funding purposes because it has expired.
- Under Spinoffs, Mergers and Consolidations, we added information that if the spinoff is de minimis and the plan is a small plan, the plan is exempt from the Variable-rate premium. Also see Appendix 1 — Definitions for Continuation Plan.
- In the illustrative form instruction for Part V — Payment Information, we added a note that overpayments on plan years earlier than 2018 will not appear during the filing process as available credit(s) that can offset the premium due.
- We included in Appendix 4 — Common Filing Errors an example of how to avoid another common error for plans with a short final plan year.
- Miscellaneous edits and clarifications have been made throughout the instructions.

All changes are documented in the comparison document showing changes from the 2018 instructions to the 2019 instructions.