

**SUPPORTING STATEMENT  
Internal Revenue Service  
Form-4461,**

Application for Approval of Standardized or Nonstandardized Pre-Approved  
Define Contribution Plans,

**Form-4461-A,**

Application for Approval of Master or Prototype or Volume Submitter Defined  
Benefit Plan,

**Form 4461-B,**

Application for Approval of Standardized or Non-standardized Pre-Approved  
Plans

**OMB Control No. 1545-0169**

**CIRCUMSTANCES NECESSITATING COLLECTION OF  
INFORMATION**

Section 401(a) sets out the requirements for qualification of certain employee benefit plans. Forms 4461, Form 4461-A, and Form 4461-B were developed for use by employers to apply for approval of their employee benefit plans of standardized or nonstandardized pre-approved defined contribution under section 401(a) and their related trusts as exempt from Federal income tax under section 501(a).

**USE OF DATA**

The IRS uses Forms 4461, 4461-A, and 4461-B to determine if the employee benefit plan is qualified under section 401(a) and if the related trust is entitled to tax-exempt treatment under section 501(a).

**USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE  
BURDEN**

We are currently offering electronic filing for forms 4461, 4461-A, and 4461-B.

**EFFORTS TO IDENTIFY DUPLICATION**

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

**METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR  
OTHER SMALL ENTITIES**

There is minimal or no burden on small businesses or other small entities affected by this collection due to the requirements of the authorizing statutes under sections 401(a) and 501(a).

· **CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES**

If the IRS did not collect this information, the IRS would not be able to verify the requirements for qualifications of certain employee benefit plans under section 401(a). Also, the IRS will not be able to determine if the related trust is entitled to tax-exempt treatment under section 501(a)

· **SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)**

There are no special circumstances reporting data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

· **CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS**

In response to the Federal Register notice dated June 03, 2019 (84 FR 25607), we received no comments during the comment period regarding Forms 4461, 4461-A and 4461-B.

· **EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS**

No payment or gift has been provided to any respondents.

· **ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

· **JUSTIFICATION OF SENSITIVE QUESTIONS**

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 and IRS 34.037 IRS Audit Trail and Security Records System. The Internal Revenue Service PIAs can be found at <https://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>.

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.

#### **ESTIMATED BURDEN OF INFORMATION COLLECTION**

Forms 4461, 4461-A and 4461-B are used by employers to apply for approval of their employee benefit plans of standardized or nonstandardized pre-approved defined contribution under section 401(a) and their related trusts as exempt from Federal income tax under section 501(a).

It is anticipated that there will be 3,300 respondents that respond once with a response time of 10. hours, 51 /or 52 minutes totaling 35,846 burden hours.

The burden estimate is as follows:

<u>Authority</u>	<u>Description</u>	<u>Number of Respondents</u>	<u>Responses per Respondent</u>	<u>Annual Responses</u>	<u>Hours per Response</u>	<u>Total Burden</u>
IRC §401(a) and 501(a)	Form 4461	200	1	200	15.58	3,116
" "	Form 4461-A	100	1	100	56.10	5,610
" "	Form 4461-B	3000	1	3000	9.04	27,120
	Totals	3,300	1	3,300	10.86	35,846

**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.

**ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

The Federal government cost estimate is based on a model that considers the following three cost factors for each information product: aggregate labor costs for development, including annualized start up expenses, operating and maintenance expenses, and distribution of the product that collects the information.

The government computes cost using a multi-step process. First, the government creates a weighted factor for the level of effort to create each information collection product based on variables such as; complexity, number of pages, type of product and frequency of revision. Second, the total costs associated with developing the product such as labor cost, and operating expenses associated with the downstream impact such as support functions, are added together to obtain the aggregated total cost. Then, the aggregated total cost and factor are multiplied together to obtain the aggregated cost per product. Lastly, the aggregated cost per product is added to the cost

of shipping and printing each product to IRS offices, National Distribution Center, libraries and other outlets. The result is the Government cost estimate per product.

The government cost estimate for this collection is summarized in the table below.

Product	Aggregate Cost per Product (factor applied)	Printing and Distribution	Government Cost Estimate per Product
Form 4461	20,049		20,049
Form 4461-A	20,049		20,049
Form 4461-B	11,847		11,847
<b>Grand Total</b>	<b>51,945</b>		<b>51,945</b>
Table costs are based on 2018 actuals obtained from IRS Chief Financial Office and Media and Publications			
* New product costs will be included in the next collection update.			

### **REASONS FOR CHANGE IN BURDEN**

Minor Editorial changes were made to forms 4461 and 4461-B, since last renewal that included: renumbering, revising, adding and deleting of boxes to the forms. There are no editorial changes to Form 4461-A since last renewal, however, there is a 2020 revision in process. There have been changes made to adjustment in agency estimate concerning all three forms that will result in a decrease in the number of responses to (3300) per year and to the total annual burden hours decrease by (35,846).

	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 for this IC	3,300	0	0	-1,950	0	5,250
Annual IC Time Burden (Hours)	35,846	0	0	-29,919	0	65,765

Form 4461

Had a reduction of 800 responses resulting in a reduction of total burden of 12,464.

Form 4461	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 for this IC	200	0	0	-800	0	1000
Annual IC Time Burden (Hours)	3116	0	0	-12464	0	15580

### Form 4661-A

Had a reduction of 150 responses resulting in a reduction of total burden of 8,415. There will be changes to the 2019 revision of Form 4461-A

Form 4461-A	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 for this IC	100	0	0	-150	0	250
Annual IC Time Burden (Hours)	5610	0	0	-8415	0	14025

### Form 4661-B

Had a reduction of 1000 responses resulting in a reduction of total burden of 9,040.

4661-B	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 for this IC	3000	0	0	-1000	0	4000
Annual IC Time Burden (Hours)	27120	0	0	-9040	0	36160

## **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 believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the form sunsets 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.