

## **Supporting Statement for Paperwork Reduction Act Submission**

**AGENCY:** Pension Benefit Guaranty Corporation

**TITLE:** Procedures for PBGC Approval of Plan Amendments (29 CFR Part 4220)

**STATUS:** Request for regular review and extension of currently approved collection (OMB control number 1212-0031; expires August 31, 2020)

**CONTACT:** Hilary Duke (326-4400 x3839)

1. Need for collection. This collection of information is necessary for proper performance of agency functions under section 4220 of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). That section requires the plan sponsor of a multiemployer pension plan covered by Title IV of ERISA to submit for PBGC review certain optional plan amendments authorized by ERISA sections 4201-4219. Plans may within certain limits adopt special plan rules regarding when a withdrawal from a multiemployer plan occurs and how the withdrawing employer’s withdrawal liability is determined. Any such special plan rule is effective only if, within 90 days after receiving notice and a copy of the special rule, PBGC either approves or fails to disapprove the rule (section 4220(a)). PBGC may disapprove an amendment only if it determines that the amendment creates an unreasonable risk of loss to plan participants and beneficiaries or to PBGC (section 4220(c)).

PBGC’s regulation on Procedures for PBGC Approval of Plan Amendments (29 CFR Part 4220) includes, in § 4220.3, rules for requesting PBGC’s approval of an amendment. PBGC needs the required information to identify the plan and determine whether to approve or

disapprove a plan amendment. The regulation also permits the plan sponsor to submit other information that is pertinent to the request.

2. Use of information. PBGC uses the information collected in evaluating the risk of loss, if any, posed by a plan amendment.

3. Information technology. No consideration has been given to the use of improved information technology to reduce burden. The reporting volume under the regulation is too low to warrant the use of high technology. However, PBGC expects that most, if not all, plan sponsors and their representatives will use email and electronic versions of documents to provide the information required to PBGC under the regulation.

4. Duplicate or similar information. The regulation imposes a special purpose information submission requirement that is triggered by a unique event (the adoption at a specific time by a specific plan of a specific amendment), and this is the only such requirement imposed by PBGC for that event.

The actuarial reports called for by the regulation are routinely prepared for other purposes (but not otherwise routinely sent to PBGC). The plan amendments are not timely available from any other source.

5. Reducing the burden on small entities. Inapplicable.

6. Consequence of reduced collection. PBGC has reduced collections under the regulation by granting class approval for four types of amendments as to which it has determined that adoption by any plan will not create an unreasonable risk of loss and for which, therefore, no submission is necessary (see § 4220.1(c)). As to other amendments covered by ERISA section 4220, each one is unique and triggers only a single submission of information under the

regulation. If the information were not collected, PBGC would be significantly hindered in the performance of its statutory duties.

7. Consistency with guidelines. The information collection is not conducted in a manner inconsistent with 5 CFR § 1320.5(d)(2).

8. Outside input. PBGC published a Federal Register notice soliciting public comment on this and other collections of information pursuant to 5 CFR § 1320.8(d) (February 11, 2020, at 85 FR 7803). No public comments were received in response to the notice.

9. Payment to respondents. PBGC provides no payments or gifts to respondents in connection with this collection of information.

10. Confidentiality. The regulation gives no assurance of confidentiality, but information submitted to PBGC under the regulation is accessible only in accordance with applicable law and regulations. PBGC's rules providing and restricting access to its records are set forth in 29 CFR Part 4901.

11. Personal questions. The regulation does not call for submission of information of a sensitive nature.

12. Hour burden on the public. PBGC estimates that 1 plan amendment approval request is submitted each year. PBGC estimates 2.0 hours of in-house time to compile information needed for a request for a total of 2.0 hours per year. The estimated dollar equivalent of this hour burden, based on an assumed blended hourly rate of \$75 for administrative, clerical, and supervisory time, is \$150.00.

13. Cost burden on the public. Plans use outside attorneys and actuaries to prepare the request for PBGC approval under the regulation. Based on attorney experience, PBGC estimates that the annual cost burden of the collection of information is \$5,000.

14. Cost to the government. As discussed in item 12, PBGC staff processes about 1 submission annually under the regulation. PBGC estimates that the total annual cost to the government is \$0.

15. Explanation of burden changes. The estimated hour burden of this collection of information increased from 0.5 hours to 2.0 hours based on PBGC staff experience. There is no change in the cost burden.

16. Publication plans. PBGC does not intend to publish the results of this collection of information.

17. Display of expiration date. PBGC is not seeking approval to not display the expiration date for OMB approval of this information collection.

18. Exceptions to certification statement. There are no exceptions to the certification statement.