

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT OF 1995  
SUBMISSIONS**

**This ICR requests an extension without change of an existing ICR.**

**A. Justification**

1. *Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.*

The prohibited transaction described in section 406(a)(1)(C) of ERISA generally prohibits the furnishing of goods, services, or facilities between a plan and a party in interest to the plan. Because ERISA defines any person furnishing services to the plan as a “party in interest” to the plan, a service relationship between a plan and a service provider would constitute a prohibited transaction under section 406(a)(1)(C) in the absence of relief. Section 408(b)(2) of ERISA provides relief, however, for service contracts or arrangements if the contract or arrangement is “reasonable,” if the services are necessary for the establishment or operation of the plan, and if no more than “reasonable” compensation is paid for the services.

The Department’s final rule under ERISA section 408(b)(2) (29 CFR 2550.408b-2) requires reasonable contracts or arrangements between employee pension benefit plans and certain providers of services to such plans include specified information to assist plan fiduciaries in assessing the reasonableness of the compensation paid for services and the conflicts of interest that may affect a service provider’s performance of services. The Department believes that plan fiduciaries need this information when selecting and monitoring service providers to satisfy their fiduciary obligations under ERISA section 404(a)(1) to act prudently and solely in the interest of the plan’s participants and beneficiaries and for the exclusive purpose of providing benefits and defraying reasonable expenses of administering the plan.

The Department’s final regulation requires covered service providers to satisfy certain disclosure requirements in order to qualify for the statutory exemption for services under ERISA section 408(b)(2). Paragraph (c)(1)(iii) of the final rule provides that covered service providers who expect to receive \$1,000 or more in compensation (direct or indirect) in connection with providing one or more of the following services to the plan pursuant to the contract or arrangement:

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- services provided directly to a plan as a fiduciary under ERISA or as a registered investment adviser under the securities laws;
- services as an ERISA fiduciary to a plan asset investment vehicle in which the covered plan invests;
- certain services (accounting, auditing, actuarial, appraisal, banking, consulting, custodial, insurance, investment advisory, legal, recordkeeping, securities or other investment brokerage, third party administration, or valuation services ) and receive indirect compensation or fees, such as revenue sharing, for their services; or
- recordkeeping services or brokerage services to a cover plan that is a participant-directed 401(k)-type plan if one or more designated investment alternatives will be made available through a platform or similar mechanism in connection with such recordkeeping or brokerage services.<sup>1</sup>

Covered service providers are required to satisfy certain disclosure requirements in order to qualify for the statutory exemption for services under ERISA section 408(b)(2). A detailed description of the required disclosures is set forth in item 12, below. Covered service providers must make the disclosures, and update the information disclosed, within the specified time frames. Failure to comply with the final rule would result in a prohibited transaction both under ERISA section 406(a)(1)(C) and under section 4975(c)(1)(C) of the Internal Revenue Code.

The Department believes that mandatory proactive disclosure will reduce plan sponsor information costs, discourage harmful conflicts, and enhance service value. Additional benefits will flow from the Department's enhanced ability to redress abuse. Moreover, such disclosures will enhance plan fiduciaries' understanding of the fees received by plan service providers, directly and indirectly. Greater knowledge of such fees among sponsors and fiduciaries will in turn increase efficiency and competition in the service provider market, thereby generating benefits to plans and thus to plan participants.

The Department also issued a class prohibited transaction exemption as part of the final rule. The class exemption grants plan fiduciaries relief from liability for a prohibited transaction resulting from the service provider's failure to comply with the regulation's disclosure requirements. The Department recognizes that a plan fiduciary may on occasion *unknowingly* enter into a contract or arrangement that does not meet the requirements of the regulation for relief under ERISA section 408(b)(2), in the reasonable belief that the service provider has divulged the requisite information. If the

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<sup>1</sup> The proposed rule included similar categories of service providers, but the final rule includes modifications to include service providers in the third category only if they receive indirect compensation for these services. The final rule also includes investment platform providers as a new category, because they will be required to provide the investment-related disclosures summarized below.

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requirements of the rule are not satisfied, a prohibited transaction occurs for both the service provider and the plan fiduciary, but for the availability of the class exemption. The Department believes that the exemption is essential to achieve the purposes underlying the regulation. The information collection activities associated with the exemption are discussed more fully in question 12, below.

2. *Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.*

The purpose of the information collection is to help plan fiduciaries assemble sufficient information to evaluate the quality and competitiveness of their potential service providers. The information will be used by plan fiduciaries for this purpose. The Department will use the information to monitor transactions with service providers and in any enforcement proceedings. The purpose of the information collection is to help plan fiduciaries access information already being disclosed to them.

3. *Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration for using information technology to reduce burden.*

The final regulation and accompanying class exemption does not limit the ability of covered service providers to furnish information required by the regulation to responsible plan fiduciaries via electronic media. However, unless the covered service provider's disclosure information is readily accessible to responsible plan fiduciaries on a website and fiduciaries have clear notification on how to gain such access, the information on the website may not be regarded as furnished within the meaning of the regulation.

4. *Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.*

The Department compared two potential overlapping government requirements with the final rule: the Investment Advisers Act of 1940 and the Form 5500 Annual Report. Both of these requirements are substantially different from the final rule. The Investment Advisers Act guidelines for disclosure of conflicts of interest are generic in scope. The Schedule C of Form 5500 concern retrospective information provided as part of annual reporting, whereas the final rule requires the disclosure of information during the decision making process.

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5. *If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.*

Small plans will benefit from the increased information produced through disclosures at least as much as large plans. Small covered service providers with relatively simple compensation arrangements can provide a relatively simple, short written disclosure with a related simple guide. The final regulation focused the scope of the regulation on contracts or arrangements with fiduciary service providers and service providers that received indirect compensation or provide access to plan investments. The Department believes that the focus on complex relationships of the final rule will avoid unnecessary burdens on small service providers that will not be subject to its written disclosure requirements.

6. *Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.*

The purpose of the final regulation is to ensure that plan fiduciaries have sufficient information to evaluate the quality and competitiveness of the fees received by their potential service providers. The enhanced disclosure will increase efficiency and competition in the service provider market, thereby generating benefits to plans and plan participants. These benefits will not be realized if the information is not collected or is collected less frequently.

7. *Explain any special circumstances that would cause an information collection to be conducted in a manner:*
- *requiring respondents to report information to the agency more often than quarterly;*
  - *requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;*
  - *requiring respondents to submit more than an original and two copies of any document;*
  - *requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;*
  - *in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;*
  - *requiring the use of a statistical data classification that has not been reviewed and approved by OMB;*
  - *that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data*

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- *security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.*

None.

8. *If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.*

*Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.*

*Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.*

The Department's Federal Register notice required by 5 CFR 1320.8(d) soliciting comments on the information collection was published on March 31, 2021, 86 FR 16787. No comments were received.

9. *Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.*

Not applicable. No payments or gifts will be provided to respondents.

10. *Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.*

Not applicable to this collection that offers no such assurances.

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11. *Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.*

None.

12. *Provide estimates of the hour burden of the collection of information. The statement should:*
- *Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.*
  - *If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13.*
  - *Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.*

In order to estimate the hour burden associated with the disclosure provisions under the final rule, the Department estimated the number of service providers, plans, and arrangements. Based on information from the 2018 Form 5500, the Department estimates that 46,869 defined benefit pension plans (“DB plans”) covering 33,967,000 participants and 675,007 defined contribution plans (“DC plans”) covering 105,846,000 participants are covered by the rule.<sup>2</sup>

The Department estimates that, based on data for the 2018 Form 5500 and its Schedule C, there are 17,188 covered service providers. The 2018 Schedule C data also were used to count the number of covered plan-service provider arrangements. On average, defined benefit plans employ more covered service providers per plan than defined contribution

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<sup>2</sup> Out of these pension plans, 39,142 are small DB plans and 590,254 small DC plans. Small plans generally are those with less than 100 participants.

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plans, and large plans use more covered service providers per plan than small plans. The Department estimates that defined benefit plans have 206,938 arrangements with covered service providers, while defined contribution plans have 1,731,006 arrangements. For purposes of this analysis, the Department assumes that about 92.7 percent of disclosures between service providers and plan fiduciaries are made only electronically.<sup>3</sup>

For purposes of determining the equivalent cost of the hour burden, the Department estimates the hourly labor cost to be about \$138.41 for a legal professional, \$146.39 for a financial professional, and \$55.14 for clerical staff.<sup>4</sup>

*Initial Service Provider Compliance Review:* The Department has estimated the hour burden for initial compliance review and implementation for service providers newly entering the market (“new service providers”). Based on data from the 2017 and 2018 Form 5500, the Department assumes that about 14.4 percent of all service providers (169 complex and 2,297 non-complex) will be new each year. The number of new service providers with more complex arrangements (approximately 169 service providers) is estimated using the number of unique service providers who are reported on the Schedule C as having received \$1 million or more in compensation. It is likely that service providers with complex arrangements will require more time to comply. Therefore, the Department assumes that covered service providers with complex arrangements will require 24 hours of legal professional time and 80 hours of financial professional time. Non-complex service providers (approximately 2,297 service providers) will require only three hours of legal professional time and 13 hours of financial professional time. Based on the foregoing, the Department estimates that new service providers will incur an hour burden of 54,377 hours annually with an equivalent cost of approximately \$7,872,847.

*General Information Disclosures:* Paragraph (c)(1)(iv) of the final rule requires service providers to disclose general information to a responsible plan fiduciary when a contract is entered into, renewed, or extended.

The Department assumes that experienced service providers have a general disclosure template that can be used for all plans and will customize this document by adding individualized information for each plan. This activity includes reviewing and revising formulae and algorithms to present or estimate direct and indirect compensation that will be applied in a pro forma projection for each plan with which the provider has an existing

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<sup>3</sup> Assumptions regarding the use of electronic transmission have been updated to be in accordance to 29 C.F.R. § 2520.104b-31 which provides a new additional safe harbor for plan administrators to use electronic media, as a default, to furnish disclosures to participants and beneficiaries of pension benefit plans subject to ERISA. This estimate is used as a proxy for the percent of disclosures sent to plan fiduciaries.

<sup>4</sup> For information on how the Department estimates labor cost see:  
<https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/rules-and-regulations/technical-appendices/labor-cost-inputs-used-in-ebsa-opr-ria-and-pra-burden-calculations-june-2019.pdf>

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contract. The Department assumes about 8.5 percent of plans are new plans each year based on a comparison of the 2017 and 2018 Form 5500 data. This proportion is a proxy for the percentage of new arrangements and provides an estimate of 163,756 new arrangements every year. The Department estimates that preparing the disclosures for these new arrangements will require one half hour of a legal professional's time, twenty minutes of a financial professional's time, and two minutes of clerical staff time per mailed disclosure (11,954 disclosures) will be required to distribute the disclosures. Based on the foregoing, the hour burden to prepare these disclosures will be 136,862 hours annually and the equivalent cost of these hours will be \$19,345,484.

Paragraph (c)(1)(vi) of the final rule requires service providers to provide any other information relating to compensation or fees received in connection with the contract or arrangement that is required for the covered plan to comply with the reporting and disclosure requirements of Title I of ERISA and the regulations, forms, and schedules issued thereunder upon the request of responsible plans fiduciaries or plan administrators of covered plans. The Department is not aware of a basis for determining the number of requests that responsible plan fiduciaries or plan administrators will make; therefore, it assumes that approximately ten percent (193,794) of responsible plan fiduciaries will request additional information annually. The Department further assumes that service providers already will have this information available, because it is required to comply with other legal requirements. Therefore, the Department estimates that it will take clerical staff two minutes per request (193,794 requests) to prepare the information and an additional two minutes per mailed request (14,147 requests) to distribute the requested materials at an hourly labor cost of \$55.14. Based on the foregoing, the Department estimates that the yearly and average annual hour burden over the next three years to disclose information upon request will be 6,931 hours at an equivalent cost of \$382,196.

Paragraph (c)(1)(v)(B) of the final rule generally requires service providers to disclose any changes to the general information as soon as reasonably practicable, but no later than 60 days from the date the covered service provider knows of such change. The Department assumes that changes in plan disclosures will occur at least once every three years, because plans normally conduct requests for proposal (RFPs) from service providers at least once every three to five years. If it is assumed that an equal number of plans conduct an RFP in any given year, then approximately 35 percent of arrangements will require an updated disclosure every year, for a total of 678,280 updates to the general information. The Department assumes that one-half hour of legal professional time and one-third hour of a financial professional time will be required to update the disclosures. In addition two minutes of clerical staff time per mailed disclosure (49,514 disclosures) will be required to distribute the disclosures. Based on the foregoing, the Department estimates that the annual hour burden to update the disclosure of general information will be 566,884 hours with an equivalent cost of \$80,129,225.



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In summary, the Department estimates that the annual hour burden for service providers to disclose the required general information will be 710,678 hours with an equivalent cost of approximately \$99,856,905.

*Investment Disclosure:* Paragraphs (c)(1)(iv)(E) and (F) of the final rule require fiduciaries to investment vehicles holding plan assets (described in paragraph (c)(1)(iii)(A)(2)) and providers of recordkeeping and brokerage services to a participant-directed individual account plan if they provide access to one or more designated investment alternatives for the covered plan (described in paragraph (c)(1)(iii)(B) (“platform providers”) to disclose investment-related compensation and fee information. This information generally must be disclosed to the responsible plan fiduciary reasonably in advance of the date the contract or arrangement is entered into, extended or renewed, and as soon as practicable, but no later than 60 days after the covered service provider is informed that the information has changed.<sup>5</sup> Paragraph (c)(1)(iv)(F)(2) allows covered platform providers to satisfy this disclosure requirement by passing through to the responsible plan fiduciary copies of any state or federally regulated disclosure materials (e.g., prospectuses) provided by the issuer of the designated investment alternative, so long as such issuer is not affiliated with the platform provider, and the platform provider does not know that any of the information contained in such materials is incomplete or inaccurate.

The hour burden associated with disclosing investment-related compensation and fee information will be attributable primarily to the time spent gathering the required information. However, much of this cost will be reduced, because, as discussed above, the rule allows platform providers to satisfy this requirement by passing-through information to the responsible plan fiduciary. Based on the foregoing, the Department assumes that preparation of investment-related compensation and fee information will require one-half hour of financial professional time for each of the new individual account plans. The Department estimates about 8.5 percent of the 568,457 participant-directed individual account plans are new each year and will require initial investment disclosure. Therefore, 48,035 plan fiduciaries will receive this information in 2021. In addition, approximately forty-five<sup>6</sup> minutes of clerical staff time per mailed disclosure (3,507 disclosures) will be required to distribute the disclosures. The Department estimates that the annual hour burden to disclose the required initial investment information will be 26,624 hours with an equivalent cost of \$3,659,617.

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<sup>5</sup> Generally, the rule requires service providers to disclose any change to investment information as soon as practicable, but not later than 60 days from the date on which the covered service provider is informed of such change.

<sup>6</sup> According to the Deloitte Annual 401(k) Benchmarking Survey 2015, plans average 22.3 investments. The Department allots two minutes of clerical time per investment per disclosure.

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In addition, under paragraph (c)(1)(v)(B)(2) of the final rule, service providers must disclose changes to investment information. The Department assumes that service providers will have to disclose changes to investment information to each responsible plan fiduciary at least once per year due to the regulation, resulting in 520,422 disclosures.<sup>7</sup> This notification is expected to require one-half hour of financial professional time to prepare and two minutes of clerical staff time per mailed disclosure (37,991) to distribute the disclosures. Based on the foregoing, the annual burden to update investment information is estimated to be 261,478 hours with an equivalent cost of \$38,162,144.

In summary, the Department estimates that the annual hour burden for the next three years for service providers to disclose the required investment information is estimated to be 288,101 hours with an equivalent cost of \$41,821,761.

*Hour Burden Imposed on Plans:* The main hour burden that is imposed on plans is additional time spent by new plans ensuring that the plan has received all of the required disclosures. Responsible plan fiduciaries of new plans will have to review the written disclosures and evaluate whether service providers are compliant. Based on data from the 2017 and 2018 Form 5500, the Department estimates that 8.5 percent of plans will be new each year (approximately 60,999). The Department estimates the responsible plan fiduciaries will need one hour of financial professional time to review and evaluate the new written disclosures. Therefore, the hour burden associated with the review for fiduciaries of new plans is estimated to be 60,999 hours annually at an equivalent cost of \$8,929,574.

*Exemption for Responsible Plan Fiduciary:* The class exemption contained in paragraph (c)(1)(ix) of the final rule provides relief from ERISA's prohibited transaction rules for plan fiduciaries that enter into a contract or arrangement with service providers upon a mistaken belief that they have received all of the disclosures required by the final rule. Upon discovering that a covered service provider failed to disclose all of the required information, the responsible plan fiduciary must take reasonable steps to obtain such information, including requesting in writing that the covered service provider furnish the information in order to rely on the exemption and notify the Department if the service provider fails to comply with the written request within 90 days.

While the Department has no basis for estimating the percentage of arrangements where a responsible plan fiduciary will not receive all of the required disclosures from a covered service provider, the Department assumes that 5 percent of arrangements (36,094

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<sup>7</sup> The Department assumes that in a given year only the plans existing in prior years will receive updated investment information. Therefore, this disclosure will only go to the fiduciaries of the 93.5 percent of participant-directed individual account plans that are not new.

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arrangements) may experience a failure that will require the responsible plan fiduciary to send a notice to the service provider annually. The Department estimates that one-half hour of a financial professional's time will be required to prepare the request for the undisclosed information, and one minute of clerical staff time per mailed request (2,635) will be required to send the request.

The Department estimates that the annual hour burden for the next three years for plans to send notice to service providers requesting missing information will be 18,091 with an equivalent cost of \$2,644,307.

The Department further assumes that service providers may not respond to 10 percent of the requests for undisclosed information within 90 days, which will result in the responsible plan fiduciary preparing and sending a notice to the Department (3,609 notices annually). The Department estimates that one-half hour of a financial professional's time will be required to prepare the notice, and one minute of clerical staff time per mailed notice (263) will be required to distribute the notice. The Department estimates that the annual burden for plans to send notice to the Department of Labor will be 1,809 hours with an equivalent cost of \$264,431.

*Summary of the Hour Burden*

Table 1 reports the summary of the hour burden of the regulation. In each of the next three years (2021 through 2023) there will be 56,891 respondents (17,188 service providers, 36,094 plans and 3,609 to the Department) and 1,643,991 responses (approximately 1,604,288 from service providers and 39,703 from plans). The annual average totals approximately 56,891 respondents, and 1,643,992 responses.

The annual average hour burden for the next three years for service providers is estimated to be 1,053,156 hours with an equivalent cost of \$149,551,514. The average annual hour burden over the next three years for plans is estimated to be 80,898 hours with an equivalent cost of \$11,838,311. The total average annual hour burden over the next three years of the information collection is estimated to be 1,134,055 hours with an equivalent cost of \$161,389,825.

TABLE 1.—*Summary of the Hour Burden*

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Activity	Number of Respondents	Frequency	Total Annual Responses	Time Per Response (Hours)	Total Annual Burden (Hours)	Monetized Value of Respondent Time <sup>8</sup>
Disclosure Notices	17,188	Annually	1,604,288	0.69	1,114,155	\$158,481,087
Class Exemption Notice To Providers	36,094	Annually	36,094	0.50	18,091	\$2,644,307
Class Exemption Notice to Department of Labor, EBSA	3,609	Annually	3,609	0.50	1,809	\$264,431
Unduplicated Totals	56,891		1,643,991	1.70	1,134,055	\$161,389,825

Below is the Estimated Annualized Respondent Cost and Hours Burden table.

**Estimated Annualized Respondent Cost and Hour Burden**

<sup>8</sup> See section 12 for more explanation

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<b>Activity</b>	<b>No. of Respondents</b>	<b>No. of Responses per Respondent</b>	<b>Total Responses</b>	<b>Average Burden (Hours)</b>	<b>Total Burden (Hours)</b>	<b>Hourly Wage Rate</b>	<b>Total Burden Cost</b>
Initial compliance review and implementation preparation - Legal Professionals - New complex providers	169,4735	1	169,4735	24	4,067	\$138.41	\$562,964
Initial compliance review and implementation preparation - Financial Professionals - New complex providers	169,4735	1	169,4735	80	13,558	\$146.39	\$1,984,738
Initial compliance review and implementation preparation - Legal Professionals - New non-complex providers	2,297	1	2,297	3	6,891	\$138.41	\$953,785
Initial compliance review and implementation preparation - Financial Professionals - New non-complex providers	2,297	1	2,297	13	29,861	\$146.39	\$4,371,360
General Information	163,756	1	163,756	0.5	81,878	\$138.41	\$11,332,752

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Disclosures preparation - Legal Professionals - New plans							
General Information Disclosures preparation - Financial Professionals - New plans	163,756	1	163,756	0.33	54,585	\$146.39	\$7,990,760
General Information Disclosures distribution - Clerical Staff- New plans	11,954	1	11,954	2/60	398	\$55.14	\$21,971
Information upon request preparation - Clerical Staff - Providers	193,794	1	193,794	2/60	6,460	\$55.14	\$356,194
Information upon request distribution - Clerical Staff - Providers	14,147	1	14,147	2/60	472	\$55.14	\$26,002
Changes Disclosure preparation - Legal Professional - Providers	678,280	1	678,280	0.5	339,140	\$138.41	\$46,940,395
Changes Disclosure preparation - Financial Professional - Providers	678,280	1	678,280	0.33	226,093	\$146.39	\$33,097,822
Changes Disclosure preparation - Clerical Staff - Providers	49,514	1	49,514	2/60	1,650	\$55.14	\$91,007
Initial Investment Disclosure preparation -	48,035	1	48,035	0.5	24,017	\$146.39	\$3,515,894

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Financial Professional - Providers							
Initial Investment Disclosure distribution - Clerical Staff- Providers	3,507	1	3,507	44.6/60	2,607	\$55.14	\$143,723
Changes in Investment Disclosure preparation - Financial Professional - Providers	520,422	1	520,422	0.5	260,211	\$146.39	\$38,092,316.4
Changes in Investment Disclosure distribution - Clerical Staff - Providers	37,991	1	37,991	2/60	1,266	\$55.14	\$69,827.5
Ensuring Disclosure Reception - Financial Professional - Plans	60,999	1	60,999	1	60,999	\$146.39	\$8,929,573.6
Request for Undisclosed Information preparation- Financial Professional - Plans	36,094	1	36,094	0.5	18,047	\$146.39	\$2,641,885.7
Request for Undisclosed Information distribution - Clerical Staff – Plans	2,635	1	2,635	1/60	44	\$55.14	\$2,421.6
Notice to DOL about Undisclosed Information preparation - Financial Professional - Plans	3,609	1	3,609	0.5	1,805	\$146.39	\$264,188.6

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Notice to DOL about Undisclosed Information distribution - Financial Professional - Plans	263	1	263	1/60	4	\$55.14	\$241.7
Unduplicated Totals	56,891		1,643,991		1,134,055	-	\$161,389,825

13. *Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12.)*

Table 2 reports the number of disclosures that are required to be sent for each type of required disclosure and the estimated number of pages per disclosure. Table 5 reports the estimated printing and postage costs associated with each required notice and disclosure. The Department assumes that 92.7 percent of the disclosures will be sent electronically at no cost, and that the cost of printing and paper for the remaining 7.3 percent of documents will be 5 cents per page. With the exception of the Investment Information Disclosure for new participant-directed individual account plans, all mailed disclosures will be sent by first-class mail at a cost of \$0.55. The Investment Information Disclosure for new participant-directed individual account plans will be mailed priority mail at a cost of \$13.75. Based on the foregoing, the Department estimates that the total annual cost burden for years 2021 - 2023 will be \$258,506 (\$256,622 for service providers and \$1,884 for plans).

TABLE 2.—Number of Disclosures  
Not sent electronically



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	Number of Disclosures (A)	Percent not Sent Electronically (B)	Pages Per Disclosure (C)	Number of Disclosures Sent by Mail A*B
Disclose General Information	163,756	7.3%	9	11,954
Information Upon Request	193,794	7.3%	10	14,147
Disclosure of Changes to General Information	678,280	7.3%	5	49,514
Disclose Investment Information	48,035	7.3%	669	3,507
Disclosure of Changes to Investment Information	520,422	7.3%	2	37,991
Request for Additional Information for Exemption	36,094	7.3%	2	2,635
Notice to DOL	3,609	7.3%	2	263

TABLE 3.—Summary of Printing and Mailing Cost Burden

	Year 1	Year 2	Year 3	Average
Disclose General Information	\$11,954	\$11,954	\$11,954	\$11,954
Update General Information	\$39,612	\$39,612	\$39,612	\$39,612
Information Upon Request	\$14,854	\$14,854	\$14,854	\$14,854
General Information Total	\$66,420	\$66,420	\$66,420	\$66,420
Disclose Investment Information	\$165,508	\$165,508	\$165,508	\$165,508
Update Investment Information	\$24,694	\$24,694	\$24,694	\$24,694
Disclose Investment Information Total	\$190,202	\$190,202	\$190,202	\$190,202
Request for Additional Information for Exemption	\$1,713	\$1,713	\$1,713	\$1,713
Notice to DOL	\$171	\$171	\$171	\$171
Total	\$258,506	\$258,506	\$258,506	\$258,506

14. *Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of*

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*hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.*

Except for minimal costs for storage of the notices to the Department, there is no cost to the Federal Government associated with this information collection.

15. *Explain the reasons for any program changes or adjustments reported in Items 13 or 14*

The hour and cost burden estimates have been updated to reflect the most current data available regarding the number of plans and service providers in the retirement universe, as well as updated labor cost rates, and postage rates. As an estimate of the number of notices sent electronically the same assumption is used as for the 29 C.F.R. § 2520.104b-31 additional safe harbor for plan administrators to use electronic media, as a default, to furnish disclosures to participants and beneficiaries of pension benefit plans subject to ERISA. This estimate is used as a proxy for the percent of disclosures sent to plan fiduciaries.

16. *For collections of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.*

Not applicable since this information collection would not result in the publication of any results.

17. *If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.*

The OMB expiration date will be published in the Federal Register following OMB approval.

18. *Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submission,"*

Not applicable; no exceptions to the certification statement.

**B. Statistical Methods**

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This information collection does not employ statistical methods.