

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

AGENCY: Pension Benefit Guaranty Corporation (PBGC)

TITLE: Locating and Paying Participants

STATUS: OMB control number 1212-0055; expires October 31, 2021

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The Pension Benefit Guaranty Corporation (PBGC) is making 3 changes to several of the forms and instructions in this ICR. The ICR enables PBGC to pay participants' benefits under title IV of the Employee Retirement Income Security Act of 1974 (ERISA).

1. IRS annually updates federal tax withholding tables to reflect updated withholding amounts. PBGC is updating the applicable withholding information on the forms where a PBGC customer elects or changes their federal withholding on annuity payments. This update is being made so that PBGC customers receive the most current information published by IRS.

The update is being made to the currently-approved instructions for the following four forms: Form 700, Participant Application for Benefits; Form 705, Beneficiary Application for Pension Benefits; Form 706, Beneficiary Application for Pension Benefits — see section 5; and Form 719, Election to Withhold Federal Income Tax from Periodic Payments.

Below is a cross out and highlight of the change, as shown on the Form 700:

8. Federal Tax Election – Complete this section by selecting **only** one option – **A or B or C**. If you live outside the United States, you cannot select Option A. For additional guidance regarding these options and federal tax withholding, please read page 4 of the enclosure: *Your Benefit, Your Choice. Benefit Options from PBGC*. In general, tax laws require PBGC to withhold federal income tax from your pension payments unless you specifically elect not to have taxes withheld. **If you do not choose an option, if you choose multiple options or if the option you select is incomplete, we will withhold federal income taxes as if you were a married individual with three allowances.** This means that for the year 2020 **2021** we will withhold taxes only if your monthly PBGC benefit is \$2,095-~~002,100.00~~ or more.

2. The Department of the Treasury eliminated an electronic deposit program (Electronic Transfer Accounts (ETA)) and PBGC is removing reference to that program on 3 instructions/forms: Form 700, 705, and 706. Below is a cross out and highlight of that change, as shown on the Form 700.

7. Method of receiving benefit payments. PBGC pays benefits through safe, secure and convenient electronic funds transfer. You will get your payment on time even if you are out-of-town or unable to get to the bank.

If you have a bank account, you can ask us to deposit your benefit payments to your account through Electronic Direct Deposit (EDD).

~~If you do not have a bank account, you can open a low-cost Electronic Transfer Account (ETA) at a financial institution that offers such accounts. For more information about opening an ETA, call 1-888-382-3311 (toll-free) or visit the ETA website at www.eta-find.gov.~~

3.

How would you like to receive your payments?

By EDD ~~or ETA~~ to the account identified below, which must have my name on it.

A.

B. By mail to my home address, which is printed in section 1 of this form. You may choose this option if EDD ~~or ETA~~ would be difficult or a burden because:

- You do not have a bank account.
- You reside in a remote location that does not have the infrastructure to support EDD ~~or ETA~~.
- It is too expensive for you to maintain a bank account.

PBGC is clarifying the information requested about beneficiaries who may be owed benefits upon the participant's death on 3 forms: Form 700, 705, and 706. The change is below in cross out and highlight, as shown on the Form 700:

Designation of Beneficiary for Payments Owed at Death. PBGC may owe you monies that are not continuing payments at the time of your death. The person(s) or entity(ies) you designate in this section will receive the money if the person you named for continuing payments dies before you or if you chose Option A or C in section 3. If you do not make a designation, PBGC will pay the money in this order: your spouse, your children, your parents, your estate or your next of kin.

Beneficiary(ies)*	Social Security Number**	Date of Birth**	Relationship*	Percentage***
Name _____ Address _____ _____ Daytime Tel. No: _____				
Name _____ Address _____ _____ Daytime Tel. No: _____				

* To name more beneficiaries, please list them with requested contact info, DOB and SSN on an attached sheet with your signature.

** Complete if person.

***~~Not necessary to provide.~~ Percentage(s) does not have to be provided. The amount owed will be distributed equally among beneficiaries unless percentages are provided for each beneficiary and they total 100%. If a beneficiary dies before you, the amount owed will be distributed equally among the remaining beneficiaries.

The 4 forms with their respective changes indicated are included with this submission.