

Supporting Statement for Paperwork Reduction Act Submission

AGENCY: Pension Benefit Guaranty Corporation

TITLE: Locating and Paying Participants

STATUS: Request for modification and extension of a currently approved collection of information (OMB control number 1212-0055; expires March 31, 2019)

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1. Need for collection. The Pension Benefit Guaranty Corporation (“PBGC”) is requesting approval with modifications to a collection of information under the Paperwork Reduction Act. The purpose of the information collection is to enable PBGC to pay participants and beneficiaries who may be entitled to pension benefits from plans that have terminated. It consists of information participants and beneficiaries are asked to provide in connection with an application for benefits. In addition, in some instances, PBGC requests individuals to provide identifying information so that it may determine whether the individuals may be entitled to benefits. All requested information is needed so that PBGC may determine benefit entitlements and make appropriate payments.

This information collection includes My Pension Benefit Account (MyPBA), an application on PBGC’s website, <http://www.pbgc.gov>, through which plan participants and beneficiaries may conduct electronic transactions with PBGC, including applying for pension benefits, designating a beneficiary, electing monthly payments, electing to withhold income tax from periodic payments, changing contact information, and applying for electronic direct deposit. The information collected on the following forms that are part of this information collection may be entered into MyPBA: Forms 700, 701, 704, 705, 706, 707, 708, 710, 711, 716,

716A, 719, 720. The remaining forms in this information collection are available in paper only.

PBGC is proposing to revise one form in this collection, the Power of Attorney Form (Form 715). The proposed revision would include:

- Features previously unavailable — granting a durable power of attorney (DPOA) in addition to a nondurable power of attorney (NDPOA), and allowing a principal to name up to three agents to act on her behalf with PBGC (and to designate whether the agents have independent or joint authority), whereas the current form only has room for one agent to be named;
- Features that would protect the principal — heightened requirements for granting authority and for executing the document (i.e., the principal’s signature must be witnessed and notarized, and witnesses must meet certain criteria); and
- A “Notice to the Principal,” to alert the principal about what powers she is granting to a designated agent, and an “Agent’s Acknowledgement” to inform the agent about her duties and liabilities with respect to handling the principal’s affairs.

PBGC believes these revisions provide greater flexibility and greater protections against fraud for customers using the Form 715. Customers are not required to use this form and can use other DPOAs or NDPOAs that comply with applicable state laws.

The existing collection of information was approved under OMB control number 1212–0055 (expires March 31, 2019). PBGC is requesting that OMB extend its approval (with modifications) for three years from its approval date. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

2. Use of information. PBGC uses the information to determine whether an individual is (or may be) entitled to a pension benefit from a terminated defined benefit pension plan, to determine the form and amount of the individual's benefit, and to make appropriate payments.

3. Information technology. PBGC provides for filing most benefit applications and for requesting a benefit estimate electronically through MyPBA. Individuals who believe they may be entitled to benefits may contact PBGC electronically through MyPBA, or by fax or e-mail (in addition to contacting PBGC by phone).

4. Duplicate or similar information. A limited amount of the information required to be submitted to PBGC in response to this collection of information (e.g., date of birth, social security number) may already be in the possession of the government. However, there is no timely and reliable way to locate documents that may include the required information, particularly since the reporting person may have submitted to the government some, but not all, of the documents required. In most cases, it would take a respondent more time to assist in tracking down and verifying documents in agencies' files than simply to submit the information to PBGC.

PBGC uses certain earnings data maintained by the Social Security Administration in determining benefit entitlements; before PBGC may use this information, the individual must authorize the release of the information from the Social Security Administration to PBGC.

5. Reducing the burden on small entities. Not applicable.

6. Consequence of reduced collection. If this information were collected less frequently, or were not collected, PBGC would not be able to effectively: (1) locate participants and

beneficiaries entitled to pension benefits, (2) determine benefits, (3) make appropriate payments, and (4) provide benefit estimates.

7. Consistency with guidelines. This collection of information is consistent with the guidelines in 5 CFR § 1320.5(d)(2).

8. Outside input. On May 16, 2018, PBGC published in the Federal Register (at 83 FR 22715) a notice informing the public of its intent to request an extension of this collection of information, as modified. No comments were received.

9. Payment to respondents. PBGC provides no payments or gifts to respondents (other than required benefit payments) in connection with this collection of information.

10. Confidentiality. Confidentiality of information is that afforded by the Freedom of Information Act and the Privacy Act. PBGC's rules that provide and restrict access to its records are set forth in 29 CFR Part 4901.

11. Personal questions. This collection of information does not call for submission of information of a sensitive nature.

12. Hour burden on the public. The burden estimates for this information collection are based on inquiries about filing burden directed to fewer than 10 individuals who submitted benefit applications or information forms. PBGC asked each respondent how much time was spent to complete the application or form including the time to read instructions and to receive answers to any questions they might have had about the application or form from PBGC. The results were averaged.

PBGC estimates that it will receive 175,397 benefit application or information forms annually. The estimate includes the number of forms and applications PBGC projects it will

receive from participants of terminated defined contribution plans under PBGC's Expanded Missing Participants Program, which became effective for plans that terminate after December 31, 2017. Averaging the information, PBGC estimates that the annual hour burden of this collection of information is 108,440 hours (approximately one hour for benefit applications and 30 minutes for information forms). PBGC estimates that 710 out of the approximately 175,397 applications and forms submitted annually are Form 715, and that the total annual hour burden to complete Form 715 is approximately 355 hours.

13. Cost burden on the public. PBGC estimates that the annual cost burden of this collection of information is \$56,711, which is the average maximum cost of notary services for spousal consents on benefit applications and for the Form 715. Out of the total cost burden of this collection of approximately \$56,711, PBGC projects that the average maximum cost of notary services for the Form 715 will be \$2,485 annually. However, in a certain percentage of cases, PBGC expects the cost to an individual for notary services to be \$0 where such services are provided at no charge to a bank's own customers.

PBGC no longer includes the cost of postage in its cost estimates. In PBGC's experience, the majority of benefit applications are returned to PBGC by mail for which PBGC provides self-addressed stamped envelopes. Approximately five percent of individuals submit this information electronically through MyPBA. Other information, such as that required to establish electronic direct deposit (see Form 710), is mostly collected over the phone.

14. Cost to the government. Because all the work of processing this information will be performed by existing staff as part of their regular duties, the annual cost to the government is estimated to be \$0.

15. Explanation of burden changes. PBGC previously estimated the burden on the public by using estimates of PBGC staff members of the time required to do one filing and of the percentage of work done in-house or contracted out. PBGC has switched to using “experience-based” burden where possible. (For new collections, there is no filer experience to use. In some cases, PBGC is unsuccessful in getting data from filers.) Experience-based burden uses actual filer experience — of time and money spent and of the cost of time — to arrive at estimated burden figures. The information on filer experience is gathered by contacting nine or fewer filers. The resultant burden figures may be higher or lower than PBGC’s previous estimated figures — sometimes much higher or lower — and may fluctuate as time goes by and more filer reports are available.

The overall change in the estimated annual hour burden of this collection of information is attributable to the adoption of experience-based burden estimation and an increase in the estimated number of responses. The reduction in hour burden is attributable, also, to not estimating the time that individuals might spend having inquiries handled by PBGC that are not associated with completing the applications and forms in this collection. The increase in cost burden is due to a conservative estimate of maximum costs for notary services for spousal consents on benefit applications and for the Form 715.

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.