**Department of the Treasury**

**Information Collection Request – Justification for Non-Substantive Change**

**Executive Compensation Compliance Test**

**Air Carrier Loan and Payroll Support Programs**

**OMB No. 1505-0263**

**July 15, 2021**

On a quarterly basis, Treasury performs compliance testing on the entities that have received payroll support and/or loans in the 4112 Payroll Support Program (4112; PSP) and/or 4003 Aviation Loan Program (4003; Loan). The agreements for these two programs have some similar terms that are compliance tested, and both programs have unique terms that are compliance tested. The data used in compliance testing is collected via a quarterly template. The templates are updated as new legislation is passed with new requirements that must be tested and as data collection questions are refined to improve the quality of data collected.

PSP recipients and 4003 borrowers are subject to limitations on corporate officer and employee compensation pursuant to sections 7 through 9 of the PSP agreement and, where applicable, section 10.05 of the loan and guarantee agreement.  Depending on the iteration of the program (e.g., PSP1 through PSP3), recipients cannot pay any corporate officer or employee total compensation that exceeds the calendar year 2019 compensation baseline in any 12 consecutive month period (annualized) covered by the agreement.  For example, under PSP1, recipients must limit individual compensation from March 2020 through March 2022, when the limitations expire.  These limitations only apply to corporate officers or employees who received more than $425,000 in total compensation in 2019.  There is an additional requirement for corporate officers or employees who received over $3 million in total compensation in 2019. The recipient cannot pay these officers or employees more than the sum of $3,000,000 and 50 percent of the excess over $3,000,000 of the total compensation received by such officer or employee in calendar year 2019.

 The 4003 loan program has similar compensation limits, which remain in effect until one year after the loan is paid off.

Treasury requests a non-substantive change of OMB Control No. 1505-0263 in order to add a supplemental compliance data collection to the 4th quarter reporting. This supplemental compliance data collection will allow Treasury to measure compliance with the Executive Compensation limitations.