

SUPPORTING STATEMENT

Internal Revenue Service

Notice of Plan Merger or Consolidation, Spinoff, or Transfer of Plan Assets or Liabilities,

Notice of Qualified Separate Lines of Business (Form 5310-A)

OMB Control Number **1545-1225**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code (IRC) section 414(r) (Notice of Plan Merger or Consolidation, Spinoff, or Transfer of Plan Assets or Liabilities; Notice of Qualified Separate Lines of Business) requires employers to notify IRS of their separate line of business if they wish to operate a separate line of business for purposes of a deferred compensation plan.

IRC section 6058(b) requires the plan administrator to submit an actuarial statement 30 days prior to a merger, consolidation, spin-off, or transfer of assets or liabilities of a plan to another plan.

Form 5310-A is used by employers to give notice of:

- A plan merger or consolidation that is the combining of two or more plans into a single plan.
- A plan spinoff that is the splitting of a single plan into two or more spinoff plans.
- A plan transfer of plan assets or liabilities to another plan that is splitting off a portion of the assets or liabilities of the transferor plan and the concurrent acquisition or assumption of these split-off assets or liabilities by the transferee plan.
- Qualified separate lines of business (QSLOBs).

There are no changes being made to this form at this time. Internal Revenue Service (IRS) is making this submission for renewal purposes.

2. USE OF DATA

The data is used by the IRS to ensure that taxpayers are complying with section 414(r) and 6058(b) of the Internal Revenue Code, which requires them to notify the IRS that they plan to operate a separate line of business for purposes of a deferred compensation plan and/or that they submit an actuarial statement 30 days before a merger, consolidation, spin-off or transfer of assets or liabilities of a plan to another plan.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS has no plans at this time to offer electronic filing for Form 5310-A because of the low volume compared to the cost of electronic enabling.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available or use or adaption from another source.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

There is no burden on small businesses or other small entities due to the inapplicability of the authorizing statute to this type of entity.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

The information required is needed to verify compliance with the Internal Revenue Code. A less frequent collection of taxes and tax information could adversely affect the government's effectiveness and would reduce the oversight of the public in ensuring compliance with Internal Revenue Code and hinder the IRS from meeting its mission.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

There are no special circumstances requiring data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments on Form 5310-A.

A Federal Register Notice (87 FR 1484) was published regarding Form 5310-A on January 11, 2022, inviting public comments. No comments were received.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift has been provided to any respondents.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and tax return information are confidential as required by 26 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “Business Master File (BMF)” system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046-Customer Account Data Engine Business Master File. The Internal Revenue Service PIAs can be found at <http://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>.

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Employers use Form 5310-A to give notice of a plan merger, consolidation, spin-off, transfer of plan assets or liabilities, or qualified separate lines of business.

Form/Part	Description	# Respondents	# Responses Per Respondent	# Annual Responses	Hours Per Response	Total Burden
5310-A (Part I)	Notice of Plan Merger or Consolidation, Spinoff, or Transfer of Plan Assets or Liabilities; Notice of Qualified Separate Lines of Business	694	1	694	5.56	3,858
5310-A (Part II)	Plan merger or consolidation, spinoff, or transfer of plan assets or liabilities to another plan.	462	1	462	4.62	2,134
5310-A (Part III)	For qualified separate line of business	232	1	232	5.84	1,355
Total		694		694		7,347

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

Currently the IRS estimates the annual cost burden on the taxpayers to be nominal. To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to

estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The Federal government cost estimate is based on a model that considers the following three cost factors for each information product: aggregate labor costs for development, including annualized startup expenses, operating and maintenance expenses, and distribution of the product that collects the information.

The government computes cost using a multi-step process. First, the government creates a weighted factor for the level of effort to create each information collection product based on variables such as complexity, number of pages, type of product and frequency of revision. Second, the total costs associated with developing the product such as labor cost, and operating expenses associated with the downstream impact such as support functions, are added together to obtain the aggregated total cost. Then, the aggregated total cost and factor are multiplied together to obtain the aggregated cost per product. Lastly, the aggregated cost per product is added to the cost of shipping and printing each product to IRS offices, National Distribution Center, libraries, and other outlets. The result is the Government cost estimate per product.

The government cost estimate for this collection is summarized in the table below.

Product	Aggregate Cost per Product (factor applied)		Printing and Distribution		Government Cost Estimate per Product
Form 5310-A	17,560	+	0	=	17,560
Instructions	5,853	+	0	=	5,853
Grand Total	23,413				23,413

Table costs are based on 2021 actuals obtained from IRS Chief Financial Officer and Media and Publications

15. REASONS FOR CHANGE IN BURDEN

There are no changes being made to this form at this time. IRS is making this submission for renewal purposes.

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses	694	0	0	0	0	694
Annual Time Burden (Hr.)	7,347	0	0	0	0	7,347

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis, and publication.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulations sunsets as of the expiration date. Taxpayers are not likely to be aware that the IRS intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.

Note: The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.