

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT OF 1995:
VOLUNTARY FIDUCIARY CORRECTION PROGRAM (INCLUDING PTE 2002-51)**

This ICR seeks approval for a revision of an existing control number.

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.**

This information collection arises from two related actions: the Voluntary Fiduciary Correction Program (the VFC Program or the Program) and Prohibited Transaction Class Exemption (PTE) 2002-51 (the VFCP Exemption or the Exemption). The Department of Labor (the Department) adopted the Program and the Exemption in order to encourage members of the public to voluntarily correct transactions that violate (or are suspected of violating) the fiduciary or prohibited transaction provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Both the Program and the Exemption incorporate information collection requirements in order to protect participants and beneficiaries and enable the Department to oversee the appropriate use of the Program and the Exemption. The following describes the Program and the Exemption, and their information collection requirements, in detail.

VFC Program. The Program specifies types of fiduciary breach transactions that can be corrected through the Program and instructs applicants on how to make complete and fully acceptable corrections without prior discussion or negotiation with the Department. This enables applicants to make full correction without entering into settlement negotiations with the Department, which would result in the imposition of a civil monetary penalty under section 502(l) of ERISA, which is required to be paid on amounts recovered by a plan pursuant to a settlement agreement with the Department. An entity or individual that corrects a transaction in compliance with the Program can apply to the Department for a no action letter, which assures the applicant that the transaction has been adequately corrected and that the Department will take no further enforcement action with regard to the corrected transaction.

The Department originally adopted the VFC Program in 2002, and later revised it in 2005 and 2006. The Program describes how to apply, the 19 categories of transactions covered, acceptable methods for correcting violations, and examples of potential violations and corrective actions. The Program is designed to encourage employers to voluntarily comply with ERISA by correcting certain violations of the law. Many workers can

benefit from the Program as a result of the increased retirement security associated with restoration of plan assets and payment of additional benefits. It also will help Plan Officials understand the law.

The information collection in the Program consists of a requirement that an applicant submit an application to a Regional Office of the Employee Benefits Security Administration (EBSA), the agency within the Department charged generally with enforcement of Title I of ERISA, and a recordkeeping requirement. The application must include a description of the transaction and its correction, together with other documentation appropriate to the specific transaction (such as bank statements showing deposits, or appraisal reports, etc.). The Program, in section 6.1(k), also requires an applicant to maintain copies of the application and any subsequent correspondence with EBSA for a period of six years, which is the record retention requirement generally applicable to plan records under section 107 of ERISA. The application provides sufficient information to enable the Department to fulfill its enforcement responsibilities by examining the correction, ensuring that it is complete and appropriate, and determining whether further action is necessary to protect the rights of participants and beneficiaries.

Based on a review of the current VFC Program, the Department concluded that certain revisions to the Program would facilitate more efficient and less costly corrections of fiduciary breaches under the Program, encourage greater participation in the Program, and respond to requests from stakeholders for adjustments based on their experiences using the Program.

The most significant change to the Program is the addition of a new self-correction feature titled the Self-Correction Component (SC Component or SCC) which is contained in Section 7.1(b) of the VFC Program. Plan Officials can use the SC Component to self-correct certain failures to timely transmit participant contributions and participant loan repayments to pension plans. Delinquent participant contributions is the transaction most frequently corrected under the Program. The SC Component is available to any pension plan regardless of the size of the plan's participant population or amount of plan assets but is subject to limitations on the amount of Lost Earnings.

The Department will also accept bulk applications from service providers in cases where some of the plans included in the correction are under investigation, if the Program requirements are met. The information collections associated with bulk applications are similar to the information collections contained in the existing VFC Program but with a slight modification that adds flexibility and reduces requirements. The information collections contained in the SC Component are a notice to the Department and recordkeeping provisions for the plan administrator.

VFCP Exemption. The Department adopted a class exemption in connection with its 2002 adoption of the VFC Program (67 FR 70623, Nov. 25, 2002) in order to further encourage the voluntary correction of the specific types of transactions involving fiduciary breach and the prohibited transaction provisions of ERISA. A violation of the prohibited transactions provisions of ERISA is generally subject to taxation under section 4975 of the Internal Revenue Code (the Code). Therefore, a fiduciary would remain liable for excise taxes under section 4975 of the Code for transactions that were corrected under the Program. PTE 2002-51 provides relief for certain eligible transactions from the sanctions imposed under section 4975(a) and (b) of the Code, provided that the transactions are fully corrected under the Program and the additional conditions prescribed by PTE 2002-51 are met.

As first adopted, the Exemption required, as a condition to the relief, that the party seeking to correct a transaction under the Program notify “interested persons” (usually plan participants and beneficiaries) that an application has been submitted to a Regional Office of EBSA. The notice was required to describe the nature of the prohibited transaction and the resulting correction. A copy of the notice was also required to be sent to the EBSA Regional Office. Finally, the applicant was required to indicate the date upon which the notice was distributed to interested persons.

In 2006, PTE 2002-51 was amended to provide relief for two additional transactions: (1) Prohibited transaction violations involved in the purchase of an asset by a plan when the asset has been determined to be illiquid, and/or the subsequent sale of the illiquid asset by the plan; and (2) Use of plan assets to pay expenses to a service provider for services that are characterized as “settlor expenses,” provided such payments were not expressly prohibited in the plan documents.

Additionally, for de minimis situations involving delinquent participant contributions and/or the failure to transmit participant loan repayments, the Department provided an exception to the notice requirement. The de minimis amount situations provides an option for correction of transactions that involve an excise tax of \$100 or less under which the party seeking relief may choose, rather than providing notice to interested persons, to pay the amount of the otherwise applicable excise tax to the plan and include in his or her application to the Department certain additional documentation on the calculations of the excise tax due and the payment to the plan. This documentation generally consists of a copy of a completed IRS Form 5330 or equivalent written evidence containing the information required by IRS Form 5330 and proof of payment to the plan.

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 information collection provisions of the Program and the Exemption include third-party disclosures, recordkeeping, and disclosures to the Federal government. The information collections enable the Department to fulfill its obligations to protect plan participants and beneficiaries by providing the information needed to determine whether parties that attempt to correct transactions under the Program have done so correctly and under the conditions permitted. The disclosures also serve to inform participants and beneficiaries of important actions taken by Plan Officials regarding transactions involving their plans. The Department believes that disclosing this information will protect the interests of participants and beneficiaries of employee benefit plans by raising their awareness of issues related to the security of plan assets and the administration of the plan.

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.

To the extent that the information collection is a third-party disclosure, respondents may use electronic methods of communications pursuant to the standards established in the Department's regulation at 29 C.F.R. § 2520.104b-1(b) concerning plans' use of electronic communication media to satisfy ERISA disclosure requirements. That regulation provides that plan sponsors and administrators may distribute notices to employees who have access to e-mail at the place of business. In addition, notices may be distributed electronically to employees or their family members who are beneficiaries if they have electronic access at their homes and give prior approval to this type of distribution. The Department generally encourages affected entities to distribute required notices electronically whenever possible, provided that these regulatory standards are met.

Section 2520-107.1 establishes standards concerning the use of electronic media for maintenance and retention of records. Under these rules, all pension and welfare plans covered under Title I of ERISA may use electronic media to satisfy disclosure and recordkeeping obligations, subject to specific safeguards.

For the purposes of paperwork burden analysis, EBSA has developed a set of assumptions concerning the use of electronic technology generally for distribution of

information to participants and beneficiaries. Based on these assumptions, EBSA has assumed in this analysis that 58.3 percent of the required disclosures will be made electronically.¹

The Program requires submission of a written notice or application because the Department is requiring the applicant to sign the application “under penalty of perjury.” The application process, however, is designed to take advantage of computerized processes. In particular, the Program has been configured to include an Online Calculator, which is an Internet based compliance assistance tool provided on EBSA’s website that permits applicants to determine the amount of Lost Earnings, any interest on Lost Earnings, and the interest amount for Restoration of Profits, if applicable, necessary under the Program to correct certain transactions. Instead of submitting detailed documentation in support of their own calculations, applicants that make use of the Online Calculator to perform the correction calculations may simply print out and provide to EBSA a copy of the final page(s) that results from using the “Print Viewable Results” feature of the Online Calculator. The Self-Correction Component involves a required electronic tool for self-correctors to provide correction information to EBSA.

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.

This program is not a duplicate, but rather an alternative form of compliance. The VFC Program requires applicants and self-correctors to prepare and in the case of applicants, provide the Department a narrative description of the particular transaction being corrected and the correction method, basic identifying information, a penalty of perjury statement. The Exemption also has a notice requirement to the Department or to interested parties. Because each transaction is unique, there is no duplication in this information collection. However, aside from collection provisions that will document the transactions in question for the Department and for the participants and beneficiaries, most of the underlying documentation is already available to the plan.

¹ According to data from the National Telecommunications and Information Agency (NTIA), 37.4 percent of individuals age 25 and over have access to the Internet at work. According to a Greenwald & Associates survey, 84 percent of plan participants find it acceptable to make electronic delivery the default option, which is used as the proxy for the number of participants who will not opt-out of electronic disclosure that are automatically enrolled (for a total of 31.4 percent receiving electronic disclosure at work). Additionally, the NTIA reports that 44.1 percent of individuals age 25 and over have access to the internet outside of work. According to a Pew Research Center survey, 61.0 percent of internet users use online banking, which is used as the proxy for the number of internet users who will affirmatively consent to receiving electronic disclosures (for a total of 26.9 percent receiving electronic disclosure outside of work). Combining the 31.4 percent who receive electronic disclosure at work with the 26.9 percent who receive electronic disclosure outside of work produces a total of 58.3 percent who will receive electronic disclosure overall.

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

The VFC Program is a voluntary enforcement program. Only those entities that seek to take advantage of the Program's methods of correcting breaches (or suspected breaches) of fiduciary responsibility need comply with its information collection requirements. Similarly, reliance on the VFCP Exemption is also a voluntary undertaking. Plan Officials of small plans will decide on a case-by-case basis whether it is economically advantageous to use the Program and to take advantage of the Exemption. The Program describes the appropriate corrections for the types of transactions identified and the documentation required for the application. The model application form, Online Calculator, and checklist (Appendix B) assist applicants with completing an application and reduce their paperwork burden. The Self-Correction Component involves reduced supporting documentation.

For parties that send interested persons notices under the Exemption, no new information need be gathered by a plan; all of the required information will have already been gathered for the purpose of completing the application under the Program. If a plan official of a small plan concludes that it is economically advantageous to rely on the Exemption, they will experience cost savings based on the excise tax relief granted. Finally, participants and beneficiaries of small plans are entitled to the same protections as those provided to participants and beneficiaries of large plans. The Department has therefore not adjusted the Program or Exemption requirements specifically for small plans.

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 information collection will be conducted only if applicants or self-correctors choose to participate in the Program and/or to take advantage of the relief offered by the Exemption. The Department requires the information to ensure that Plan Officials comply with the requirements of ERISA. The information collections cannot therefore be conducted 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 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.**

The Program requires an applicant or self-corrector to maintain copies of the application or self-correction checklist and any subsequent correspondence with EBSA for a period of six years, which is the period of time required under section 107 of ERISA generally for recordkeeping relevant to the plan's operations. This requirement allows the Department (and other interested persons) to determine whether the conditions of the Program have been met. The six-year recordkeeping requirement is consistent with the requirements of section 107, as well as general recordkeeping requirements for tax information under the Internal Revenue Code.

- 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 recordkeeping, 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 Departments' notice required by 5 CFR 1320.8(d), which provided the public with 60 days to comment on the information collection under the 2022 VFC Program proposed revisions, was published in the Federal Register on November 21, 2022 (87 FR 71164).

The Department received comments on the 2022 VFC Program proposed revisions (<https://www.federalregister.gov/documents/2022/11/21/2022-24703/voluntary-fiduciary-correction-program>). One commenter attempted to adjust the labor rates; however, the Department has already accounted for inflation in the labor rates. The same commenter requested the Department to collect additional data to assess the VFC Program and Self-Correction Component. While this data would be beneficial, the Department seeks to minimize administrative costs.

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

No payments or gifts are provided to respondents.

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

No assurances of confidentiality are offered to respondents under either the VFC Program or the VFCP Exemption. Parties who rely on the Exemption must provide notice to interested persons, unless the transaction involves an excise tax of \$100 or less, in which case an alternative correction process is available.

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.

There are no questions of a sensitive nature.

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.**
- **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.**

The following wage rates were used in this analysis: \$65.99 (clerical staff), \$121.53 (accounting professional), and \$140.32 (compensation and benefits manager).²

VFC Program

An average of 1,226 applicants per year used the VFC Program from 2021 to 2023, with 900 or roughly 73 percent using the Program for lost earnings of less than or equal to \$1,000. Since the Department does not have data on the Self-Correction Component, as it is new, the Department estimates that the 73 percent of VFC Program applicants involving lost earnings less than or equal to \$1,000 will move to the Self-Correction Component.³ The Department also estimates a one percent increase in the number of self-corrections, or 909 self-corrections,⁴ resulting from the removal of the three-year limitation provision for self-correctors.

The Departments also project that changes to the VFC Program will result in two new Program users filing bulk applications and 326 Program users filing non-bulk applications.⁵ Please see Table 1 for the number of plans that will utilize the VFC Program and Exemption.

² Internal DOL calculation based on 2024 labor cost data. For a description of DOL's methodology for calculating wage rates, 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>.

³ The Department estimates that the Self-Correction Component will streamline the process for the 73 percent of small and large VFC Program applicants involving lost earnings less than or equal to \$1,000.

⁴ 1,226 applicants x 73.4% x 1.01 = 909 self-corrections.

⁵ 1,226 applicants x (100% minus 74.3%) = 326 non-bulk applicants.

Table 1. Number of Plans that will Utilize the VFC Program and Exemption

	Number of Users
Filing Bulk Applications	2
Filing Non-Bulk Applications	326
Self-Correction Component	909
Total	1,237

For the VFC Program, the Department estimates that Plan Officials will devote 2.5 hours of clerical staff gathering paperwork, one hour of a compensation and benefits manager calculating Lost Earnings, and one hour of clerical staff engaging in recordkeeping activities for each non-bulk application or self-correction. The Department estimates that for each bulk application, Plan Officials will devote 25 hours of clerical staff gathering paperwork, 10 hours of a compensation and benefits manager calculating Lost Earnings, and 10 hours of clerical staff engaging in recordkeeping activities. Please see Table 2 for calculations and burden totals.

Table 2. Hour Burden of VFC Program

	Number of Entities	Number of Hours per Entity	Total Hour Burden	Wage Rate	Hour Equivalent of Cost Burden
	(A)	(B)	(A × B)	(C)	(A × B × C)
<u>Traditional VFC Program</u>					
Compensation and benefits managers calculate Lost Earnings (non-bulk)	326	1	326	\$140.32	45,744
Clerical staff gather information (non-bulk)	326	2.5	815	\$65.99	53,782
Clerical staff maintain recordkeeping (non-bulk)	326	1	326	\$65.99	21,513
Compensation and benefits managers calculate Lost Earnings (bulk)	2	10	20	\$140.32	2,806
Clerical staff gather information (bulk)	2	25	50	\$65.99	3,300
Clerical staff maintain recordkeeping (bulk)	2	10	20	\$65.99	1,320
<u>Self-Correction Component</u>					
Compensation and benefits managers calculate Lost Earnings	909	1	909	\$140.32	\$127,551
Clerical staff gather information	909	2.5	2,273	\$65.99	\$149,962
Clerical staff maintain recordkeeping	909	1	909	\$65.99	\$59,985

Total	1,237	-	5,648	-	\$465,963
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The Department estimates that external service providers will spend about 10 minutes completing and submitting the online Self-Correction Component notice, 20 hours completing and submitting bulk applications, and two hours completing and submitting all other applications. Please see Table 3 for calculations and burden totals.

VFCP Exemption. The Department estimates that all VFC Program applicants and Self-Correction Component users will use the amended class exemption. VFC Program applicants using the Exemption are required to send notices to their participants and beneficiaries.⁶ Please see Table 3 for calculations and burden totals.

Table 3. Hour Burden of Service Providers for VFC Program

	Number of Entities	Number of Hours per Entity	Total Hour Burden	Wage Rate	Dollar Equivalent of Hour Burden
	(A)	(B)	(A × B)	(C)	(A × B × C)
<u>VFC Program</u>					
Service providers prepare information (non-bulk)	326	2	652	\$121.53	\$79,238
Service providers prepare information (bulk)	2	20	40	\$121.53	\$4,861
Service providers maintains records for Self-Correction Component	909	0.17	152	\$121.53	\$18,412
<u>VFCP Exemption</u>					
Service providers prepare information	389	1	389	\$121.53	\$47,235
Participants receiving notices for exemption through mail, prepared by service providers	24,500	0.03	817	\$65.99	\$53,892
Total	1,626	-	2,049	-	\$203,637

Summary. Please see Table 4 for the total annual hour burden for the information collection arising from the VFC Program and the Exemption.

Table 4. Total Annual Hour Burden and Equivalent Cost of Hour Burden

	Total Hour Burden	Total Dollar Equivalent of Hour Burden
VFCP Program	6,491	\$568,473

⁶ The self-correctors that meet the requirements of Section IV D. of the exemption and VFC Program applicants for whom a small amount of excise taxes otherwise would be imposed and that meet the requirement of Section IV C. of the exemption are not required to provide the notice.

VFCP Exemption	1,205	\$101,126
Total	7,696	\$669,600

Table 5. Estimated Annualized Respondent Cost and Hour Burden

Activity	Number of Respondents	Number of Responses per Respondent	Total Responses	Average Burden (Hours)	Total Burden (Hours)	Hourly Wage Rate	Dollar Equivalent of Hour Burden
<i>Traditional VFC Program</i>							
Compensation and benefits managers calculate Lost Earnings (non-bulk)	326	1	326	1	326	\$140.3 ₂	\$45,744
Clerical staff gather information (non-bulk)	326	1	326	2.5	815	\$65.99	\$53,782
Clerical staff maintain recordkeeping (non-bulk)	326	1	326	1	326	\$65.99	\$21,513
Compensation and benefits managers calculate Lost Earnings (bulk)	2	1	2	10	20	\$140.3 ₂	\$2,806
Clerical staff gather information (bulk)	2	1	2	25	50	\$65.99	\$3,300
Clerical staff maintain recordkeeping (bulk)	2	1	2	10	20	\$65.99	\$1,320
Service providers prepare application (non-Bulk)	326	1	326	2	652	\$121.5 ₃	\$79,238
Service providers prepare information (Bulk)	2	1	2	20	40	\$121.5 ₃	\$4,861
<i>Self-Correction Component</i>							
Compensation and benefits managers calculate Lost Earnings	909	1	909	1	909	\$140.3 ₂	\$127,551
Clerical staff gather information	909	1	909	2.5	2,273	\$65.99	\$149,962
Clerical staff maintain recordkeeping	909	1	909	1/6	692	\$116.8 ₆	\$18,412
VFCP Exemption							
Service providers prepare information for exemption	389	1	389	1	389	\$116.8 ₆	\$47,235
Participants receiving notices for exemption through mail, prepared by service providers	250	98.00	24,500	1/30	817	\$65.99	\$53,892
VFC Program and VFCP Exemption							
Total	1,237*	-	59,991**	-	7,696	-	\$669,600

Note:

*As discussed previously, the Department estimates that 1,237 plans or respondents will take advantage of the VFC Program annually.

**The number of responses is calculated in the following manner: 58,754 notices sent to participants + 328 notices sent to the Department + 909 Self-Correctors = 59,991.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 or 14).

- **The cost estimate should be split into two components: (a) a total capital and startup cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of service component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

The cost burden for the information collection arising from the VFC Program and the Exemption consist of mailing costs.

VFCP Program. VFC program users, except those under the Self-Correction Component, are required to file their applications. The mailing costs per application is \$10.⁷ Please see Table 6 for calculations and burden totals.

VFCP Exemption. VFC Program applicants are required to send notices to their participants and beneficiaries. The mailing cost per notice is \$0.73.⁸ Please see Table 6 for calculations and burden totals.

Summary. Please see Table 6 for the total annual cost burden for the information collection arising from the VFC Program and the Exemption.

Table 6. Cost Burden of VFC Program and Exemption

	Number of Entities	Mailing Cost per Entity	Cost Burden
	(A)	(B)	(A × B)
Mailing Cost for VFC Program	328	\$10.10	\$3,313
Mailing Cost for Exemption	24,500	\$0.78	\$19,110
Total	24,828	-	\$22,423

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 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.**

The cost of the VFC Program and the Exemption to the Federal government consist of the cost of FTEs, the cost to develop the VFCP SCC Web Tool, and the material costs for communication of the VFC Program to the public. Please see Table 7 for calculations and burden totals.

Table 7. Cost of VFC Program and Exemption to the Federal Government

	Number of FTEs	Salary (including Overhead)	Percent of Time Allocated to VFCP	Cost

⁷ United States Postal Service, *Priority Mail*, (2024), <https://www.usps.com/ship/priority-mail.htm>.

⁸ The mailing cost is calculated in the following manner: (1 page x \$0.73 for postage + \$0.05 for material costs) = \$0.78.

	(A)	(B)	(C)	(A × B × C)
GS 7, Step 5 Federal employee	1	110,388	21%	\$23,549
GS 9, Step 5 Federal employee	1	64,098	21%	\$13,300
GS 11, Step 5 Federal employee	1	87,246	12%	\$10,688
GS 12, Step 5 Federal employees	9	104,572	52%	\$493,162
GS 13, Step 5 Federal employee	1	261,951	22%	\$56,319
GS 14, Step 5 Federal employees	9	309,544	16%	\$452,708
GS 15, Step 5 Federal employees	3	364,096	3%	\$32,769
Material Costs for Communication of the VFC Program to Public	-	-	-	\$200,000
Cost to Develop VFCP SCC Web Tool	-	-	-	\$44,000
Total	-	-	-	\$1,326,495

15. Explain the reasons for any program changes or adjustments.

The Department is amending the VFC Program by accepting bulk applications from service providers and adding a Self-Correction Component. The Department is adding the following forms: Model Notice to Interested Persons and the Self-Correction Component Record Retention Checklist. These changes will expand the accessibility of the Program and reduce burden. The Department is also proposing to amend PTE 2002-51 to allow self-correctors to take advantage of the exemption, as well as other improvements to the exemption to encourage greater use of the Program. The Department has also updated the data inputs, labor wage rates, and mailing costs.

As a result, the number of responses has decreased by \$186,927, the hour burden has decreased by 14,506 hours, and the cost burden has decreased by \$19,752.

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.

The results of the information collections will not be published.

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.

A valid OMB control number is displayed on the Model VFCP Application, Model Notice to Interested Persons, the VFC Program Application Checklist, and the Self-Correction Component Record Retention Checklist. The OMB control number and expiration date will be published in the Federal Register following OMB approval.

Voluntary Fiduciary Correction Program (Including PTE 2002-51)
OMB Number 1210-0118
Expiration Date: 05/31/2025

18. Explain each exception to the certification statement identified in Item 19.

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The use of statistical methods is not relevant to the collections of information.