TO: Josh Brammer, OMB Desk Officer

FROM: Hilary Duke, Assistant General Counsel for Regulatory Affairs, Office of the General Counsel, PBGC

RE: Request for Emergency Processing of revised information collection under the Paperwork Reduction Act related to the Special Financial Assistance by PBGC final rule (OMB control number 1212-0074).

On July 9, 2021, PBGC issued an interim final rule adding to its regulations a new part 4262 to implement the requirements under section 9704 of the American Rescue Plan (ARP) Act of 2021 (P.L. 117-2), “Special Financial Assistance Program for Financially Troubled Multiemployer Plans.” This program provides eligible multiemployer defined benefit pension plans with special financial assistance (SFA) in the amounts required for the plans to pay all benefits due during the period beginning on the date of payment of SFA through the plan year ending in 2051. Part 4262 provides guidance to multiemployer pension plan sponsors on eligibility, determining the amount of SFA, content of an application for SFA, the process of applying, PBGC’s review of applications, restrictions and conditions, and reporting and notice requirements.

With the interim final rule, PBGC issued an information collection request (ICR), which included the application requirements and instructions necessary for the sponsor of an eligible plan to apply for SFA. It also included an annual compliance statement, requests for a determination with respect to certain conditions of SFA, and a notice to participants and beneficiaries whose benefits will be reinstated. The existing collection of information was approved under OMB control number 1212-0074 (expires January 31, 2025).

PBGC is issuing a final rule that revises part 4262, including with respect to the SFA measurement date, the methodology to calculate SFA, permissible investments of SFA funds, the application of conditions on a plan that merges with a plan that receives SFA, the withdrawal liability conditions, and the exceptions from conditions relating to benefit increases and allocation of contributions. Under the final rule, changes to the calculation of SFA will result in a greater amount of SFA for most plans that applied for, or received, SFA under the interim final rule. Those plans will be able to apply under the final rule to receive the greater amount. The final rule will be effective 30 days after the date it is published in the Federal Register.

With the final rule, PBGC is issuing revised application requirements and instructions necessary for the sponsor of an eligible plan to apply for SFA, including a supplemented application for plans that received SFA under the terms of the interim final rule. The revised ICR also includes a new lock-in application, a revised annual compliance statement, additional requests for a determination for an exception from certain conditions, and editorial changes to the notice to participants and beneficiaries whose benefits will be reinstated. All components of this revised ICR are necessary or helpful for plan sponsors to know before applying for SFA under the final rule and therefore are integral to the application process.

Following the normal clearance procedure for this revised ICR or delaying review of this revised ICR is likely to result in public harm and will disrupt the collection of information. A delay in the effective date of approval of the revisions will result in a delay of plans being able to apply for SFA under the terms of the final rule and a delay of payment of the amount of SFA needed for plans to pay all benefits through 2051. Beginning with the effective date of the final rule, plans that already applied for, or received, SFA before the effective date of the final will be able to apply for a greater amount of SFA under the final rule. Plans that have not yet applied will be able to submit applications using the methodology under the final rule. Plans need the updated instructions and the other information collection requirements to be able to complete their applications. In addition to disrupting the collection of information under the final rule, a delay in approval of the revised ICR will create greater administrative expenses for plans as more plans will submit initial applications under the interim final rule followed by supplemented applications under the final rule. Accordingly, PBGC requests emergency processing, under 5 CFR 1320.13, of the revisions to this ICR.