

**SUPPORTING STATEMENT
Internal Revenue Service (IRS)**

**Regulations governing the performance of actuarial services under the Employee Retirement Income Security Act of 1974; 20 CFR 901, Forms 5434 and 5434-A
OMB Number 1545-0951**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

The collections of information are required in order for the Joint Board for the Enrollment of Actuaries (Joint Board) to carry out its function under section 3042 of the Employee Retirement Income Security Act of 1974 (ERISA), which provides that the Joint Board shall, by regulations, establish reasonable standards and qualifications for persons performing actuarial services with respect to plans subject to ERISA and, upon application by any individual, shall enroll such individual if the Joint Board finds that such individual satisfies such standards and qualifications, and also provides that the Joint Board may, after notice and an opportunity for a hearing, suspend or terminate the enrollment of an individual who fails to discharge his duties under ERISA or who does not satisfy the requirements for enrollment.

2. USE OF DATA

The information will be used by the Joint Board to determine whether the enrolled actuary qualifies for enrollment to perform actuarial services and to evaluate the sufficiency of continuing professional education credits for enrolled actuaries. Failure to collect such information would result in the Joint Board being unable to determine the eligibility of those individuals wishing to perform actuarial services and unable to evaluate the sufficiency of continuing professional education credits for enrolled actuaries.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Forms 5434 (Joint Board for the Enrollment of Actuaries Application for Enrollment) and 5434-A (Joint Board for the Enrollment of Actuaries Application for Renewal of Enrollment) may be filed electronically at www.pay.gov, and all required recordkeeping may be in any format (including electronic) so long as a copy may be produced upon request.

4. EFFORTS TO IDENTIFY DUPLICATION

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

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

There are no small entities affected by this collection.

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

Enrolled actuaries are required to renew their status every three years. The collections associated with demonstrating compliance with the regulations are as frequent as the actions undertaken to comply. Reducing the frequency could jeopardize the ability of the Joint Board to

maintain the standards and qualifications of individuals performing actuarial services.

1. 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

In response to the Federal Register notice dated May 2, 2023 (88 FR 27587), we received no comments during the comment period regarding these regulations.

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 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Individual Master File (IMF)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.030-CADE Individual Master File and IRS 34.037 IRS Audit Trail and Security Records System. The Internal Revenue Service PIAs can be found at <https://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

Form 5434 is made available to applicants who are seeking enrolled actuary status under ERISA. The agency estimates that it takes 1 hour to complete and receives an estimated 150 responses annually, for an overall total of 150 burden hours.

Form 5434-A is made available to enrolled actuaries seeking to renew his/her enrolled actuary status. The agency expects that 3,500 individuals will do so during the renewal period which is every three years (3,500 /3 yrs.=1,166). It is estimated to take 30 minutes to comply for an overall annual estimated burden of 583 hours.

The regulations (20 CFR 901) require that records be kept that document satisfaction of continuing professional education requirements. It is estimated to take .25 hours and that there are 3,500 recordkeepers annually for a total of 875 burden hours.

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Form	Description	# Respondents	# Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Burden
5434	Joint Board for the Enrollment of Actuaries - Application for Enrollment	150	1	150	1	150
5434-A	Joint Board for the Enrollment of Actuaries - Application for Renewal of Enrollment	1,166	1	1,166	.50	583
20 CFR 901	Records to be kept that verify satisfaction of requirements, and certificates of completion education requirements.	3500	1	.3500	.25	875
Totals		4816		4816		1,608

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The applicant must pay an application fee of \$250 with the submission of the form.

Form	Annual Responses	Application Cost per Response	Total Annual Cost
5434	150	\$250	\$37,500
5434-A	1,166	\$250	\$291,500
Totals	21,250		\$329,000

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Cost estimate for product development 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 costs to the Federal government will vary depending on whether the IRS will incur printing or copying costs for all the materials. These costs do not include any activities such as taxpayer assistance and enforcement. IRS estimates have determined that the cost of developing, printing, distribution and overhead for the form is \$31,914.

1. REASONS FOR CHANGE IN BURDEN

There are no changes to the forms or regulations at this time. However, the agency is updating the number of respondents based on its most recent filing data. The filing fee is not new for respondents, but this non-labor cost had been omitted from previous submissions, and as such appears here as an increase due to adjustment in agency estimates.

	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 for this IC	4,816	0	0	-1,350	0	6,166
Annual IC Time Burden (Hours)	1,608	0	0	-625	0	2,233

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

The IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the form sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service 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.