

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 under the Paperwork Reduction Act of revisions to the Special Financial Assistance by PBGC information collection (OMB control number 1212-0074).

Under section 4262 of the Employee Retirement Income Security Act of 1974 (ERISA) and 29 CFR part 4262, the Pension Benefit Guaranty Corporation (PBGC) provides special financial assistance to certain financially troubled multiemployer pension plans. To apply for SFA, a plan sponsor of an eligible plan must file an application with PBGC and include information about the plan, plan documentation, and actuarial information, as specified in PBGC's SFA regulation – 29 CFR part 4262 – and the application instructions. PBGC uses the required actuarial and financial information and documentation to verify a plan's eligibility and requested amount of SFA. This ICR is approved under OMB control number 1212-0074 (expires July 31, 2026).

The current instructions for the SFA application require the plan sponsor to submit census data for terminated vested participants in the plan. PBGC uses this data to conduct an independent death search using the Social Security Administration's (SSA) Full Death Master File (DMF), to which PBGC has access, as a means to help plans identify and remove any deceased terminated vested participants from the census data used to prepare their SFA applications.

PBGC's Office of Inspector General has recommended to further expand the independent death audit to all participant categories, rather than just terminated vested participants. PBGC has agreed to implement this change, which must be done quickly because under section 4262(f) of ERISA plan sponsors may submit initial applications for SFA only until December 31, 2025, and revised applications for SFA only until December 31, 2026. Accordingly, PBGC is requesting emergency approval to amend the application instructions to require census data of all participant categories. The information from the independent death audit will further assist plans in identifying deceased participants and increase the accuracy of census data used for purposes of making SFA projections.

In addition, PBGC is making a non-material clarifying change in the instructions to the certification and supporting information required of the plan sponsor with respect to the accuracy of the amount of the fair market value of assets as of the SFA measurement date. The current instructions require a reconciliation if the SFA measurement date is later than the end of the plan year for which the most recent audited financial statements have been issued, but don't provide instruction if the SFA measurement date is the end of the plan year for which the audited financial statements have been issued. Therefore, PBGC is adding a reconciliation instruction for this situation. Also, PBGC is adding a non-material clarification to the instructions for a

situation where the fair market value of assets includes accruals that are expected to be received or paid during the 30-year period after the receives SFA. PBGC is clarifying that the requested amount of SFA for a plan in that situation must be adjusted to avoid double counting of accruals.

Following the normal clearance procedure for this revised ICR or delaying review of this revised ICR would be contrary to the interests of plans, which need the information provided by the independent death audit to prepare their SFA applications and provide accurate projections to request SFA. Other changes made are non-material. Accordingly, PBGC requests emergency processing, under 5 CFR 1320.13, of the revisions to this ICR.

In addition, PBGC is making non-material, editorial changes to a supplementary document for this ICR, titled “Special Financial Assistance Assumptions,” which provides guidelines for changes to certain assumptions that plans may use for purposes of determining the amount of SFA. The changes were made in response to questions from practitioners and will not affect burden.

Finally, pursuant to 5 CFR 1320.13(d), PBGC requests a waiver from the requirement to publish a notice in the Federal Register requesting comments on this ICR. If the emergency approval is granted, PBGC will immediately begin the standard approval process, and before the expiration of 180 days, PBGC will publish notice in the Federal Register as required under 5 CFR 1320.5(a).