

SUPPORTING STATEMENT
Internal Revenue Service
Form 5308, Request for Change in Plan/Trust Year
OMB Control Number 1545-0201

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code (IRC) Section 412 requires employers to make minimum contributions to retirement plans to which IRC section 412 is applicable. IRC Section 442 details if approved by the Secretary a taxpayer can change their annual accounting period, and the new accounting period shall become the taxpayer's taxable year.

Form 5308, Request for Change in Plan/Trust Year, is filed to request approval to change the plan/trust year of certain employee retirement plans.

2. USE OF DATA

The data supplied on Form 5308 is used by the Internal Revenue Service (IRS) to determine if the pension plans may change their plan or trust year.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The IRS has no plans at this time to offer electronic filing due to the low number of filers.

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

The collection of information requirement will not have a significant economic impact on a substantial number of small entities.

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

The data supplied on Form 5308 is used to determine if the pension plans may change their plan or trust year. A less frequent collection would result in employers/plan administrators not being granted their request to change their plan/trust year.

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

The IRS received no comments during the public comment period in response to the Federal Register notice (89 FR 24570), dated April 8, 2024.

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 “Employee Plans Exempt Organization Determination System,” the “Employee Plans Master File,” and the “Employee Plans Master File Service Center” systems, and Privacy Act System of Records notices (SORN) have been issued for these systems under IRS 24.046 - CADE Business Master File (BMF), IRS 34.037 - IRS Audit Trail and Security Records System, and IRS 50.222 – Tax Exempt/Government Entities (TE/GE) Case Management Records. The Internal Revenue Service PIA’s can be found at <https://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>.

Title 26 U.S.C. 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

Certain employee retirement plans use Form 5308 to request approval to change the plan/trust year.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden Hours
IRC § 412	Form 5308	3	1	3	7.9	24
Totals		3		3		24

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is a user fee of \$1,000 to file Form 5308. See Revenue Procedure 2024-4.

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. These costs do not include any activities such as taxpayer assistance and enforcement.

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 5308	\$19,285	+	\$0	=	\$19,285
Grand Total	\$19,285	+	\$0	=	\$19,285
Table costs are based on 2023 actuals obtained from IRS Chief Financial Officer and Media and Publications					

1. REASONS FOR CHANGE IN BURDEN

IRS is adjusting the number of respondents based on recent filing numbers, updating the time per response, and updating the OMB submission to include the fee as the out-of-pocket respondent costs. The changes in burden are due to Agency Estimate and are reflected below.

	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	3	0	0	-17	0	20
Annual Time Burden (Hr.)	24	0	0	10	0	14
Annual Cost Burden (\$)	3,000	0	0	3,000	0	0

2. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

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

3. 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 expires 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.

4. 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.