

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT 1995:
EFAST-2 REGISTRATION**

This information collection request (ICR) seeks approval for an extension without change 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.

The Employee Retirement Income Security Act of 1974, as amended, (ERISA) section 104 requires administrators of pension and welfare plans (collectively, employee benefit plans) and employers sponsoring certain fringe benefit plans and other plans of deferred compensation to file returns/reports annually with the Secretary of Labor (the Secretary) concerning the financial condition and operation of plans. Reporting requirements are satisfied by filing the Form 5500 in accordance with its instructions and the related regulations. Form 5500 filings are processed under the ERISA Filing Acceptance System 2 (EFAST-2), which is designed to simplify and expedite the receipt and processing of the Form 5500 by relying on Internet-based forms and electronic filing technologies. In order to file electronically, employee benefit plan Filing authors, Schedule authors, Filing signers, Form 5500 transmitters, and entities developing software to complete and/or transmit the Form 5500 are required to register for EFAST-2 credentials through the EFAST2 website after accessing from a Login.gov account. Requested information includes: applicant type (Filing Author, Filing Signer, Schedule Author, Transmitter, or software developer); mailing address; fax number (optional); e-mail address; company name, contact person; and daytime telephone number. Registrants must also provide an answer to a challenge question (what is your favorite book, food, vacation destination, etc.) which enables users to retrieve forgotten credentials. In addition, registrants must accept a Privacy Agreement; PIN Agreement; and, under penalty of perjury, a Signature Agreement.

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.

Registration for EFAST2 credentials through the EFAST2 website is the vehicle by which administrators' and transmitters' acceptance of Agreements (Privacy, PIN, and Signature) and declarations are transmitted to the Department so they can be provided using secure codes for the signing, filing, and transmission of the Form 5500.

The electronic credentials also provide future verification of a filer's standing as a qualified participant in the electronic filing program and a means of contact for information exchange and publication distribution between the filer, transmitter, or software developer and the Department. Information from EFAST2 credentials registration may also be used to contact company officials if additional information about the form is needed.

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.

The purpose of the EFAST2 program is to electronically collect the Form 5500 from plan administrators and service providers of employee benefit plans. The collection of information included in the registration process is wholly electronic, in keeping with the all-electronic method of filing the Form 5500.

The Department continues to take numerous steps to promote the use of the registration for EFAST2 credentials, the subject of this ICR, and to support electronic filing of the Form 5500 Series by plans and service providers:

- The EBSA website links to a dedicated EFAST2 website (<https://www.efast.dol.gov/welcome.html>) to provide filers with up-to-date information about filing electronically, including software availability, frequently asked questions and answers, user publications, and information about upcoming seminars and other outreach activities and events. In addition, information copies of the Form 5500 and the instructions are contained on this site.
- EBSA has made available a toll-free telephone number to provide assistance to plan filers.
- EBSA also provides on the EFAST2 Website, a list of vendors that have successfully completed software certification and can therefore generate machine print paper forms with Bar Codes.
- The most recent revision of the Form 5500 distributed by EBSA and the IRS displays information on the first page of the form about the EFAST2 program and how to file electronically.
- EBSA hosts or participates in numerous speaking engagements each year related to updates or changes in filing the Form 5500. Trade association members, accounting firms, and professional societies that attend these meetings are provided with information about electronic filing.

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 application includes only basic identifying information and a signature confirming agreement with the provisions of the electronic filing program. While there is some duplication of identifying information in the registration for EFAST2 credentials and the identifying information ultimately submitted on the Form 5500, which is filed electronically, this duplication is considered necessary in order to establish a secure method of electronic transmission. The Department has limited duplication by designing both the credential registration and the processing system to allow an applicant to apply only once for the required codes, regardless of the number of filings transmitted. The electronic signature and/or codes may be used in subsequent years without re-application.

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

As only basic identifying information is required, the burden is not expected to differ on the basis of the size of the filer, transmitter, or software developer.

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 Form 5500 must be filed electronically.¹ If the information were not conducted or were conducted less frequently, filers would have no way to receive credentials that would allow them to satisfy their statutory obligations to file the form.

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;**

¹ See 29 CFR Part 2520.104a-2.

- **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.**

There are no special circumstances in this information collection.

- 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 Department's Federal Register notice, as required by 5 CFR 1320.8(d), soliciting comments on the information collection was published in the Federal Register on February 5, 2024, (89 FR 7732), providing the public 60 days to comment on the submission. No comments were received.

- 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 assurance of confidentiality is made in connection with this information collection.

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 sensitive nature in this information collection.

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.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form.**
- **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. Instead, this cost should be included in Item 14.**
- **The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

Based on the most recent data, the Department estimates that approximately 91,723 applications for EFAST-2 account credentials will be processed on an annual basis.² The Department estimates that each respondent will take approximately 20 minutes to complete an application, resulting in an annual burden of 30,574 hours.³

² The Department received 91,723 new EFAST-2 account applications in calendar year 2023.

³ This burden is estimated as: 91,723 applications x (20/60 minutes) = 30,574 hours.

The forms are expected to be completed by financial service professionals with an average hourly wage rate of \$125.88.⁴ The Department estimates that the burden of 30,574 hours will result in an equivalent burden cost of \$3.8 million.⁵

Thus, the total hour burden associated with this information collection is 30,574 hours with an equivalent cost \$3,848,687.

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	Equivalent Cost of Hour Burden
Financial service professional completes form	91,723	1	91,723	20/60	30,574	\$125.88	\$3,848,697
Total	91,723	-	91,723	-	30,574	-	\$3,848,697

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 start up 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**

⁴ Internal Department calculation based on 2024 labor cost data. For a description of the Department’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>.

⁵ This burden is estimated as: 30,574 hours x \$125.88 = \$3,848,697.

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.**

While it is possible that some service providers may pass on their costs to comply with this information collection, it is assumed for purposes of these estimates that all respondents will satisfy this requirement using in-house resources. Therefore, the Department estimates that there are no operating costs or cost burden associated with this information collection.

- 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 to the Federal government for processing applications for electronic signatures is an extremely small component of the overall contract to maintain the EFAST-2 System. The costs are accounted for in the overall costs to the Government for maintaining the EFAST-2 System, which is reflected in the OMB submission for Control Number 1210-0110.

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

The burden estimates declined due to a decrease in the number of applications for electronic signatures. Additionally, the Department now utilizes Login.gov for EFAST-2 account sign-in and, as such, no longer receives requests for forgotten credentials which has further reduced the burden for this ICR. Also, applicants must only register for an electronic signature the first year they submit a Form 5500 through EFAST-2. In subsequent Form 5500 submissions, they can reuse the signature they previously obtained. Therefore, the Department expects applications to continue to decline over time. In this information collection, the number of responses has decreased by 157,262 responses and the hour burden has decreased by 52,421 hours.

- 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.

This is not a collection of information for statistical use and there are no plans to publish the results of this collection.

- 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.**

This information collection will display the expiration date for OMB approval.

- 18. Explain each exception to the certification statement.**

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The use of statistical methods is not relevant to this collection of information.