

SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Special Rules for Single-Employer Defined Benefit Pension Plans
Election of Alternative Minimum Funding Standards for Community Newspaper Plans
OMB Control Number 1545-2095

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Treasury Decision (TD) 9467- Special Rules for Single-Employer Defined Benefit Pension Plans

Internal Revenue Code (IRC) sections 430(d), 430(f), 430(g), 430(h)(2), and 430(i), and 436 provide guidance on the determination of benefit liabilities and the valuation of plan assets for purposes of the funding requirements that apply to single employer defined benefit plans pursuant to changes made by the Pension Protection Act of 2006. To implement the statutory provisions under section 430(h)(2), the regulations provide for the sponsor of a defined benefit plan to make any of several elections related to the interest rate used for minimum funding purposes and require written notification of any such election to be provided to the plan's enrolled actuary.

Treasury Regulations (Treas. Reg.) section 1.430(f)-1(f) requires that plan sponsors make elections regarding a plan's credit balances upon occasion. Treas. Reg. section 1.430(h)(2)-1(e) provides elections for a plan year that a plan sponsor can make to use alternative interest rates. The following information is required under Treas. Reg. sections 1.430(f)-1(f), 1.436-1(f), and 1.436-1(h):

- Election to reduce funding balance
- Election to add contribution to prefunding balance
- Designation of 436 contributions

The regulations require the plan sponsor to provide written notification of the election to the plan's enrolled actuary and plan administrator.

This information is required in order for a qualified defined benefit plan's enrolled actuary to provide a timely certification of the plan's adjusted funding target attainment percentage (AFTAP) for each plan year to avoid certain benefit restrictions.

Notice 2020-60 - Election of Alternative Minimum Funding Standards for Community Newspaper Plans, and Notice 2022-31 - Guidance Regarding the Changes Made by the American Rescue Plan Act to the Election of Alternative Minimum Funding Standards for Community Newspaper Plans under Section 430(m)

IRC section 430(m) permits the plan sponsor of a community newspaper plan under which no participant has had an increase in accrued benefit after December 31, 2017, to elect to have alternative minimum funding standards apply to the plan in lieu of the minimum funding requirements that would otherwise apply under IRC section 430. Pursuant to IRC section 430(m) (2), any election under IRC section 430(m) will be made at such time and in such manner as

prescribed by the Secretary, and once an election is made with respect to a plan year, it will apply to all subsequent plan years unless revoked with the consent of the Secretary. Notice 2020-60 provides guidance regarding this election.

Section 9707 of the American Rescue Plan Act of 2021 (the ARP), Pub. L. 117-2, made changes to the election of alternative minimum funding standards under IRC section 430(m). Notice 2022-31 modifies Notice 2020-60 and provides guidance regarding making elections according to the new rules and requirements in IRC section 430(m).

2. USE OF DATA

The election data under IRC section 430(f) and (h)(2) will be used in determining a defined benefit plan's funding status, and the certifications under IRC section 436 will be used by a plan sponsor to determine whether and as of what date any benefit restrictions under IRC section 436 apply to a plan. The regulations require the plan sponsor to provide written notification of the election to the plan's enrolled actuary and plan administrator.

The data under section 430(m) (Notices 2020-60 and 2022-31) will not be used by the Internal Revenue Service (IRS). Notice 2020-60 states that an election by the plan sponsor to apply IRC section 430(m) must be provided in writing to the community newspaper plan's actuary, plan administrator, and controlled group members. Notice 2022-31 requires the plan sponsor to notify the plan actuary and administrator of the election. Absent this notification, the community newspaper plan's actuary, plan administrator, and controlled group members may not be aware that the plan sponsor is electing to apply IRC section 430(m).

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

The IRS has no plans to offer electronic filing as these are third-party disclosure requirements.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or adaptation 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

This information is required in order for a qualified defined benefit plan's enrolled actuary to provide a timely certification of the plan's adjusted funding target attainment percentage (AFTAP) for each plan year to avoid certain benefit restrictions. Consequences of less frequent collection will inhibit timely certification and notification.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH THE

GUIDELINES IN 5 CFR 1320.5(d)(2)

There are no special circumstances requiring data collection to be inconsistent with guidelines in 5CFR 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 January 24, 2025 (90 FR 8168), the IRS received no comments during the comment period regarding this collection.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payments or gifts will be provided to 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

No sensitive personally identifiable information is being collected by the IRS. These are third-party disclosure requirements.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

IRC sections 430 and 436 require plan sponsors to disclose information on available elections. Treas. Reg. sections 1.430(f)-1(f), 1.430(h)(2)-1(e), 1.436-1(f), and 1.436-1(h) provide the requirements of these disclosures. Notices 2020-60 and 2022-31 provide disclosure requirements for IRC section 430(m) elections. The burden estimates are shown below.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC §§ 430 & 436	TD 9467	80,000	1	80,000	1.5	120,000
IRC § 430(m)	Notices 2020-60 and 2022-31	2	1	2	4	8
Totals		80,002		80,002		120,008

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no annualized costs to the respondents beyond providing information and keeping records as part of customary and usual business or private practices.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

There are no annualized costs to the Federal government outside of regular agency activities such as taxpayer assistance and enforcement. These are third-party disclosure requirements.

15. REASONS FOR CHANGE IN BURDEN

There are changes to the collection and paperwork burden previously approved by OMB. The election under Internal Revenue Code section 3608(b) of the CARES Act (Notice 2020-61) is no longer relevant. It is an election to treat a DB plan's adjusted funding target attainment percentage (AFTAP) for the last plan year ending before January 1, 2020, as the AFTAP for plan years that include calendar year 2020. The election under Notice 2021-48 was for extended amortization bases to apply the extended amortization period for shortfall amortization bases for plan years beginning after December 31, 2018, December 31, 2019, or December 31, 2020. This extended period now applies for all DB plans. The election was available on a temporary basis and is no longer available. The agency has changed the estimated number of respondents for Notices 2020-60 and 2022-31 from 20 to 2 as it is expected that any community newspaper plan sponsor that wanted to make this election have made it already, and the plan sponsors that are eligible for this election would be very small. TD 9467 remains the same with the same estimates as previously approved by OMB. These changes result in a decrease of responses by 161,018 and decrease in overall burden hours by 41,072 hours.

	Total Requested	Change Due to New Statute	Change Due to Agency Discretion	Change Due to Adjustment in Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses	80,002	0	-161,000	-18	0	241,020
Annual Time Burden (Hr)	120,008	0	-41,000	-72	0	161,080

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no current 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 leading taxpayers to believe that the information collections will expire as of the expiration date. Taxpayers are not likely to be aware that the IRS may 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 for this collection.