

SUPPORTING STATEMENT
Internal Revenue Service
Form 5316, Application for Group or Pooled Trust Ruling
OMB Control Number 1545-2166

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Internal Revenue Code (IRC) section 501(a) provides, in part, that a trust described in IRC section 401(a) shall be exempt from income tax. IRC section 401(a) requires that a qualified trust be created or organized in the United States and form part of a stock bonus, pension, or profit-sharing plan of an employer for the exclusive benefit of its employees or their beneficiaries. Qualified group or pooled trusts are described in Revenue Ruling (Rev. Rul.) 81-100, as clarified and modified by Rev. Rul. 2004-67, Rev. Rul. 2011-1, Rev. Rul. 2014-24, and section 336(e) of the Protecting Americans from Tax Hikes Act of 2015, Public Law (P.L.) 114-113.

Treasury Regulations section 601.201, as authorized by 5 U.S.C. 301 and 5 U.S.C. 552, provides that it is the practice of the Internal Revenue Service (IRS) to answer inquiries of individuals and organizations, whenever appropriate in the interest of sound tax administration, as to their status for tax purposes and as to the tax effects of their acts or transactions. Revenue Procedure 2025-4, updated annually, explains how the IRS provides advice to taxpayers on issues under the jurisdiction of the Commissioner, Tax Exempt and Government Entities Division, Employee Plans Rulings and Agreements Office. It also details the types of advice available to taxpayers and the procedures for requesting such advice.

Form 5316 is used by trust sponsors to apply for a determination letter from the IRS on the qualified status of a group or pooled trust.

2. USE OF DATA

The IRS uses the information provided on Form 5316 to determine if the trust qualifies as a group or pooled trust arrangement exempt from tax. The IRS will issue a determination letter based on the information provided.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

Taxpayers may visit <https://www.pay.gov/public/home> to complete agency Form 5316 and to obtain information on how to complete payment.

Form 5316 and instructions are available electronically on IRS.gov.

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**

A less frequent collection will not allow the IRS to determine if a trust meets the qualifications of a group or pooled trust and issue a determination letter. This could result in the IRS being unable to meet its mission and serve the public.

7. **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**

We received no comments during the public comment period in response to the Federal Register notice (90 FR 19370), dated May 07, 2025.

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” and a Privacy Act System of Records notice (SORN) has been issued for these systems under Treasury/IRS 34.037-IRS Audit Trail and Security Records System; Treasury/IRS 50.001-Employee Plans/Exempt Organizations Correspondence Control Records; Treasury/IRS 50.003-Employee Plans/Exempt Organizations, Reports of Significant

Matters; Treasury/IRS 50.222-Tax Exempt/Government Entities (TE/GE) Case Management Records. The Internal Revenue Service PIAs can be found at <https://www.irs.gov/privacy-disclosure/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

Form 5316 is used by trust sponsors to apply for a determination letter from the IRS on the qualified status of a group or pooled trust. The time needed to complete and file the forms will vary depending on individual circumstances. The IRS anticipates that there will be 200 respondents annually, for a total estimated burden of 2,820 hours annually.

The burden estimate is as follows:

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden Hours
26 CFR 601.201	Form 5316	200	1	200	14.10	2,820
Totals		200		200		2,820

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

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.

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.

<u>Product</u>	<u>Aggregate Cost per Product (factor applied)</u>	<u>Printing and Distribution</u>	<u>Government Cost Estimate per Product</u>
Form 5316	\$21,035	\$0	\$21,035
Grand Total	\$21,035	\$0	\$21,035
Table costs are based on 2023 actuals obtained from IRS Chief Financial Office and Media and Publications			

15. REASONS FOR CHANGE IN BURDEN

There were no changes made to the forms that resulted in any change to the burden previously reported to OMB.

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

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 IRS 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.