

**Plan Asset Transactions Determined by In-House Asset Managers  
under Prohibited Transaction Class Exemption 96-23  
OMB Number 1210-0145  
Expiration Date: 01/31/2026**

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT OF 1995: PLAN  
ASSET TRANSACTIONS DETERMINED BY IN-HOUSE ASSET MANAGERS**

**This 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 Department of Labor (the Department) has the authority, pursuant to section 408(a) of the Employee Retirement Income Security Act of 1974 (ERISA) and section 4975(c) (2) of the Internal Revenue Code of 1986 (the Code), to grant an exemption from all or part of the restrictions imposed, respectively, by sections 406 and 407(a) of ERISA and from taxes imposed by sections 4975(a) and (b) of the Code by reason of section 4975(c) (1)(A) through (F) of the Code.

On March 13, 1984, the Department granted PTE 84-14 (49 FR 9494), a class exemption that permits various parties in interest (as defined in ERISA section 3(14)) to employee benefit plans to engage in transactions involving plan assets if, among other conditions, the plan assets are managed by a “qualified professional asset manager” (QPAM). PTE 84-14 did not provide relief for transactions involving the assets of plans managed by an in-house asset manager.

The Committee on Investment of Employee Benefit Assets (CIEBA)<sup>1</sup> requested general relief similar to PTE 84-14 for in-house asset managers. In its original exemption application, CIEBA stated that many large companies manage some or all of their plan assets in-house. CIEBA represented that, unless the Department provided broad exemptive relief for in-house asset managers, in-house plans would be disadvantaged because of the restrictions on the types of transactions an in-house manager could engage in on behalf of such a plan.

On April 10, 1996, the Department granted PTE 96-23 (61 FR 15975), Class Exemption for Plan Asset Transactions Determined by In-House Asset Managers. The class exemption permits various parties in interest to employee benefit plans to engage in

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<sup>1</sup> CIEBA is a trade association whose membership includes corporate financial officers who serve as fiduciaries of employee benefit plans subject to ERISA and the Code. At the time its members manage almost \$2 trillion of defined benefit and defined contribution plan assets on behalf of 15 million plan participants and beneficiaries.

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transactions involving plan assets if, among other requirements, the assets are managed by an in-house asset manager (INHAM).<sup>2</sup> The Department subsequently amended PTE 96-23 on April 1, 2011 to, among other things, broaden the definition of INHAM to permit a greater number of entities to take advantage of the relief provided by the exemption.<sup>3</sup>

To grant an exemption under ERISA section 408(a) and Code section 4975(c)(2), the Department must determine that the exemption is administratively feasible, in the interests of the plan and its participants and beneficiaries, and protective of the rights of the participants and beneficiaries of such plan. To protect the participants and beneficiaries of plans managed by INHAMs, the Department has included specific policy and procedures and audit requirements as conditions to the exemption. These information collections are designed to safeguard plans involved in transactions covered by the exemption.

PTE 96-23, as restated in the final amendment, contains requirements for written guidelines between an INHAM and a property manager that an INHAM has retained to act on its behalf. Because it is a customary business practice for agreements related to the investment of plan assets or transactions relating to the leasing of space to be described in writing, no burden was estimated for this provision. The information collection requirements included in this paperwork package for which there is a burden estimate consists of the requirements that the INHAM develop written policies and procedures designed to assure compliance with the conditions of the exemption and have an independent auditor conduct an annual INHAM exemption audit and issue an audit report to each plan.

**Written Policies and Procedures**

The INHAM must adopt written policies and procedures designed to assure compliance with the conditions of the exemption. The policies and procedures must also describe the following objective requirements of the exemption and the steps adopted by the INHAM

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<sup>2</sup> An INHAM is defined in the amendment as an organization which is (1) either (A) a direct or indirect 80 percent or more owned subsidiary of an employer, or a direct or indirect 80 percent or more owned subsidiary of a parent organization of such an employer, or (B) a membership nonprofit corporation a majority of whose members are officers or directors of such an employer or parent organization; and (2) an investment adviser registered under the Investment Advisers Act of 1940 that, as of the last day of its most recent fiscal year, has under its management and control total assets attributable to plans maintained by affiliates of the INHAM in excess of \$85 million; provided that plans maintained by affiliates of the INHAM and/or the INHAM must have, as of the last day of each plan's most recent reporting year, aggregate assets of at least \$250 million.

<sup>3</sup> The amendment also provided relief for entities that are parties in interest because they are "co-joint venturers," clarified several issues regarding the definition of an INHAM and the scope of the exemption, and clarified the audit requirements.

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to assure compliance with each of the following requirements: (1) that the entity meets the definition of an INHAM; (2) regarding the discretionary authority or control of the INHAM with respect to the plan assets involved in the transaction, in negotiating the terms of the transaction, and with regard to the decision on behalf of the plan to enter into the transaction; and (3) that any procedure for approval or veto of the transaction meets the conditions of the exemption.

**Audit Requirements**

A qualified independent auditor, who has appropriate technical training or experience and proficiency with ERISA's fiduciary responsibility provisions and so represents in writing, must conduct an annual exemption audit of the INHAM and issue an annual audit report to the plan, presenting its specific findings regarding the level of compliance: (1) with the policies and procedures adopted by the INHAM, and (2) with the objective requirements of the exemption. The audit must also consist of the following:

- A review of the written policies and procedures adopted by the INHAM for consistency with each of the objective requirements of the exemption.
- A test of a sample of the INHAM's transactions during the audit period that is sufficient in size (i.e., number of transactions) and nature (i.e., type of transactions) to afford the auditor a reasonable basis to make its required determinations under the class exemption and to render an overall opinion regarding the level of the INHAM's compliance with the INHAM's and with the exemption.
- A determination as to whether the INHAM has satisfied the definition of an INHAM under the exemption.
- Issuance of a written report describing the steps performed by the auditor during the course of its review and the auditor's findings.

The exemption audit and the written report are required to be completed within six months following the end of the year to which the audit relates.

**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.**

The information collection requirements required by PTE 96-23 include the written policies and procedures and audit requirements mentioned above. The INHAM's written policies and procedures will be used by the independent auditor to determine whether the INHAM has complied with the exemption. . These information collections are designed

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to safeguard participants and beneficiaries in plans managed by INHAMs that are involved in transactions covered by the exemption. The exemption does not require any reporting or filing with the Federal government.

**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.**

Nothing in PTE 96-23 requires that disclosures be made through distribution methods that would preclude use of electronic technology. INHAMs are part of large, financially sophisticated organizations. A study by the Securities Industry Association indicates that virtually all large, sophisticated financial institutions “have invested in complex information technology (IT) systems.”<sup>4</sup> Consequently, the Department has assumed that more routine interactions between parties will be carried out electronically, such as the transmittal of the INHAM’s written policies and procedures to the independent auditor. Since the exemption requires the auditor to issue a written report to the plan, the Department assumes the cost of the written report is cost of the annual audit.

**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.**

The Department has attempted to avoid duplication of information collection requirements. The required policies and procedures and exemption audit are unique to the circumstances of the particular transactions covered by the exemption and do not replicate any other requirements by state or federal regulations. The exemption permits respondents to satisfy the requirements for written guidelines between the INHAM and property manager with documents that are already in existence due to ordinary and customary business practices, provided such documents contain the required disclosures.

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

This collection of information is unlikely to adversely affect small businesses or small entities. As noted in the answer to Item 3, above, INHAMs are part of very large, financially sophisticated organizations, not small entities.

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<sup>4</sup> Mills, Rob, “Regional firms: Increasingly Retail-Oriented, But Holding Their Own,” SIA Research Reports, Vol. VI, No. 6, (June 29, 2005) at 12.

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**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 Department has determined that, without the policies and procedures and audit requirements, it could not monitor compliance with conditions of the exemption to ensure that plan assets are adequately protected. The annual audit is necessary to maintain ongoing monitoring of an INHAMs compliance with the INHAM's policies and procedures and objective requirements of the exemption.

**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;**
- **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 that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.5.

**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**

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**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 published a notice in the Federal Register, as required by 5 CFR 1320.8 (d), soliciting comments on the request for an extension of the approval of this information collection on July 11, 2025 (90 FR 30984), providing the public with 60 days to comment on the submission. One comment was received on this ICR.

The commenter stated that the Department has underestimated the burden of the INHAM audits. The Department has adjusted the cost of the outside independent auditor for inflation., but has no additional information that would improve its estimate.

**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 provided.

**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**

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**be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

This information collection does not ask questions of a sensitive nature.

**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. General, 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 Department has made certain specific basic assumptions in order to establish a reasonable estimate of the paperwork burden of this information collection.

First, the Department assumes that INHAMs, which are part of large, sophisticated financial institutions, will use existing in-house resources to prepare their policies and procedures, rather than hire outside service providers to do this work. This assumption does not apply to the audit requirements.

Second, given the nature of the information collection requirements, the Department assumes a combination of personnel will perform the information collection. The Department assumes an hourly wage rate of \$208.63, including both wages and benefits, for a financial manager and an hourly wage rate of \$70.29, similarly including wages and benefits, for clerical personnel. Legal professional time is similarly assumed to be \$181.06 per hour.<sup>5</sup>

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<sup>5</sup> Internal DOL calculation based on 2025 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->

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Third, the Department assumes that maintenance of records of the policies and procedures and the audits is generally a usual and customary business practice that would be undertaken regardless of the exemption. The amendment does not contain any additional recordkeeping requirements; thus, no additional burden has been assumed for recordkeeping costs. Further, given the sophisticated nature of the parties involved, the Department assumes that communications between the parties will occur electronically via means already in existence.

The Department estimates that approximately 20 INHAMs utilize the amended prohibited transaction exemption. Information provided by CIEBA indicates that approximately 24 of CIEBA's members manage plan assets in-house and approximately 14-16 of those currently maintain INHAMs and utilize the exemptive relief provided by PTE 96-23. CIEBA's membership is estimated to include about 80 percent of all the large firms that manage plan assets in-house. This leads to an estimate of approximately 16 INHAMs (respondents) for the original exemption granted in 1996. In addition, the Department assumes that approximately two more INHAMs were established due to changes to the definition of an INHAM in 2010. The number of INHAMs is assumed to be constant over time; consequently, the estimate has not been revised from 20 respondents.

**Written Policies and Procedures**

The Department assumes that INHAMs will use existing in-house resources to revise written policies and procedures, and that INHAMs will change their policies and procedures very infrequently. Therefore, no burden hours are attributed to updating the policies.

**Audit Requirements**

An independent auditor is required to conduct an annual audit of the INHAM. The Department assumes that INHAMs will use both in-house staff to prepare for these audits and independent auditors to conduct these annual audits.

In regards to the hour burden of in-house professionals, the Department estimates that each INHAM will use in-house legal professionals, financial managers, and clerical time to provide documents and respond to questions from the auditor. Each annual audit will require about 10 hours of a legal professional's time, 25 hours of a financial manager's time, and 12 hours of clerical time. Please see Table 1 for calculations and burden.



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**Table 1.--Estimated Annualized Respondent Cost and Hour Burden**

<b>Activity</b>	<b>Number of Respondents</b>	<b>Number of Responses per Respondent</b>	<b>Total Responses</b>	<b>Average Burden (Hours)</b>	<b>Total Burden (Hours)</b>	<b>Hourly Wage Rate</b>	<b>Equivalent Cost of Hour Burden</b>
In-house legal professionals assemble documents	20	1	20	10	200	\$181.06	\$36,212
In-house financial professional prepares for annual audit	20	1	20	25	500	\$208.63	\$104,315
In-house clerical professional prepares for annual audit	20	1	20	12	240	\$70.29	\$16,870
<b>Total</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>940</b>	<b>-</b>	<b>\$157,397</b>

- 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 and 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**

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part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize 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.

The Department has received information from industry representatives that the cost of the annual audit required by PTE 96-23 may range from approximately \$14,000 to \$35,000, depending on asset size and how many years the INHAM has used the independent auditor. The Department has used an upper-end estimate for the cost of the outside independent auditor for each audit of \$28,000 (adjusted for inflation). This results in a cost burden of \$560,000.<sup>6</sup>

**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.**

There are no annualized costs to the Federal government for this information collection because it does not require any reporting or filing with the Federal government.

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

The Department has updated the wage rates and adjusted the cost of the outside independent auditor for inflation. The cost burden has increased by \$160,000.

**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.**

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<sup>6</sup> This estimate is calculated in the following manner: \$28,000x 20 INHAMs = \$560,000. Included in this estimate is the burden to represent in writing that the auditor has appropriate technical training or experience and proficiency with ERISA's fiduciary responsibility provisions.

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**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.**

There are no plans to publish the results of this collection of information.

**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.**

The OMB expiration date will be published on the EBSA website in the PTE section following OMB approval.

**18. Explain each exception to the topics of the certification statement identified in “Certification for Paperwork Reduction Act Submissions.”**

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.