Supporting Statement for Paperwork Reduction Act Submission

AGENCY:	Pension Benefit Guaranty Corporation
TITLE:	Reconsideration of Initial Determinations
STATUS:	Request for an extension without change of a currently approved collection of information under the Paperwork Reduction Act (OMB Control number 1212-0063, expires August 31, 2025)
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A. Justification.

1. Need for collection. PBGC's regulation on Rules for Administrative Review of Agency Decisions (29 CFR part 4003) prescribes rules governing the issuance of initial determinations by PBGC and the procedures for requesting and obtaining administrative review of initial determinations. Subpart A of the regulation specifies which initial determinations are subject to reconsideration. Subpart C prescribes rules on who may request reconsideration, when to make such a request, where to submit a request, the required contents of a request, and which PBGC department issues final decisions on a request.

Any person aggrieved by an initial determination made by PBGC under § 4003.1(d)(1) (determinations concerning premiums, interest, and late payment penalties under section 4007 of ERISA), § 4003.1(d)(2) (determinations concerning voluntary terminations), or § 4003.1(d)(3) (determinations with respect to penalties under section 4071 of ERISA) may request reconsideration of the initial determination. Requests for reconsideration must be in writing, be clearly designated as requests for reconsideration, contain a statement of the grounds for reconsideration and the relief sought, and contain or reference all pertinent information.

Most requests for reconsideration filed with PBGC are filed by plans in connection with premium penalty determinations. A small number of requests for reconsideration are filed in

connection with audit determinations, standard termination nullification, and section 4071 of ERISA penalty reconsiderations.

2. Use of Information. The purpose of the collection of information is to enable affected parties to file requests for reconsideration of initial determinations made by PBGC. The information is used by relevant persons at PBGC to resolve issues raised in such requests for reconsideration.

3. Information technology. PBGC utilizes information technology by allowing persons requesting reconsideration to file requests electronically, e.g., by email or in the case of reconsideration requests related to premiums, through PBGC's online premium filing application My PAA.

4. Duplicate or similar information. Most of the information collected is not otherwise available to PBGC. Even for those items of information that have otherwise been provided to other parts of PBGC, the relatively small burden associated with this collection is far offset by the greater assurance that requests for reconsideration will be processed correctly.

5. Reducing the burden on small entities. Respondents may submit requests for reconsideration electronically.

6. Consequence of reduced collection. This collection of information is necessary for persons to file requests for reconsideration of initial determinations by PBGC. If this collection of information were required less frequently or not at all, persons would not be able to file requests for reconsideration.

7. Consistency with guidelines. This collection of information is consistent with the guidelines in 5 CFR § 1320.5(d)(2).

8. Outside input. PBGC published a Federal Register notice soliciting public comment on this collection of information on April 8, 2025, at 90 FR 15165. No public comments were received in response to the notice.

9. Payment to respondents. PBGC provides no payments or gifts to respondents in connection with this collection of information.

10. Confidentiality. Confidentiality of information is that afforded by the Freedom of Information Act and the Privacy Act. PBGC's rules that provide and restrict access to its records are set forth in 29 CFR Part 4901.

11. Personal Questions. This collection of information does not call for submission of information of a sensitive or private nature.

12. Hour Burden on the public. PBGC bases its estimates in items 12 and 13 on its experience and on the experience of those who request reconsideration of initial determinations. The burden of filing a reconsideration request will vary depending on the nature of the initial determination and whether the requester hires a professional to prepare the request.

PBGC estimates that in each of the next three years, there will be 142 requests for reconsideration of determinations under § 4003.1(d)(1)(relating to premiums, interest, and late payment penalties). PBGC further estimates that the annual number of requests for reconsideration under the remaining reconsideration categories of § 4003.1(d) will be 4. This number includes, under § 4003.1(d)(2), 2 for reconsideration of audit determinations and 1 for a standard termination nullification, and under § 4003.1(d)(3), 1 for a section 4071 of ERISA penalty. Thus, PBGC estimates that there will be an average of 146 reconsideration requests per year over the next three years.

PBGC further estimates that of the plan administrators filing reconsideration requests, 50 percent of the reconsideration requests under § 4003.1(d)(1) will be made without professional assistance. PBGC further estimates that of the reconsideration requests under the remaining reconsideration categories, none will be made without professional assistance.

Based on these estimates, PBGC estimates that for each of the next three years, an average of 71 (142 x 0.50) reconsideration requests under § 4003.1(d)(1) will be filed without professional help. PBGC estimates that under the remaining reconsideration categories, none will be filed without professional help for each of the next three years.

For reconsideration requests under § 4003.1(d)(1), PBGC estimates that the hour burden will be one hour.

The hour burden for the 71 plan administrators who file reconsideration requests under § 4003.1(d)(1) by themselves is estimated to be a total of 71 hours (71 x 1). PBGC estimates that all those filing requests under the remaining reconsideration categories will use professional assistance and therefore will not incur an hour burden. Thus, the total annual hour burden for filing reconsideration requests is estimated to be 71 hours. For the 146 reconsideration requests, this is an average hour burden of about one-half hour per reconsideration request.

13. Cost burden on the public. PBGC estimates that 71 of the reconsideration requests (142 x 0.50) under § 4003.1(d)(1) will be made with professional assistance to prepare, submit, and respond to questions from PBGC, and that the professional time per request will be 2.5 hours, for a total of 177.5 hours (71 x 2.5). PBGC further estimates that about 4 requests for reconsideration under the remaining reconsideration categories will be made with the help of a professional, and that the professional time per request will be about 7 hours, for a total of about 28 hours (4 x 7). Thus, PBGC estimates that the total annual amount of professional time spent on reconsideration requests will be 205.5 hours (177.5 + 28). PBGC estimates that the average cost of hiring a professional will be $350 per hour. PBGC estimates that the total annual cost burden for the 75 (71 + 4) reconsideration requests who hire professionals is estimated to be $71,925 (205.5 x $350). For 146 reconsideration requests, this is an average annual cost burden of $493 ($71,925 / 146) per reconsideration request.

14. Costs to the Federal government. Because work on processing reconsideration requests will be performed by the department issuing the final decision as part of their regular duties, there is no cost to the federal government.

15. Explanation of burden adjustments. The change in the estimated annual hour and cost burden of this collection of information (from 64 hours and $60,500 to 71 hours and $71,925), is attributable to an expected increase in the number of plans requesting reconsideration of penalty determinations in 2025 and 2026 due to their expected increase in failing to timely file premiums by the statutorily required accelerated premium due date beginning in 2025 , as required by the Bipartisan Budget Act of 2015.

16. Publication plans. PBGC does not intend to publish the results of this collection of information.

17. Display of expiration date. PBGC is not seeking approval to not display the expiration date for OMB approval of this information collection.

18. Exceptions to certification statement. There are no exceptions to the certification statement for this submission.