Supporting Statement for Paperwork Reduction Act Submission

AGENCY: Pension Benefit Guaranty Corporation

TITLE: Locating and Paying Participants

STATUS: Request for extension of a currently approved collection of information (OMB control number 1212-0055; expires August 31, 2024)

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1. Need for collection. The Pension Benefit Guaranty Corporation ("PBGC") is requesting approval to extend a collection of information under the Paperwork Reduction Act. The purpose of the information collection is to enable PBGC to pay participants and beneficiaries who may be entitled to pension benefits from plans that have terminated. It consists of information participants and beneficiaries are asked to provide in connection with an application for benefits. In addition, in some instances, PBGC requests individuals to provide identifying information so that it may determine whether the individuals may be entitled to benefits. All requested information is needed so that PBGC may determine benefit entitlements and make appropriate payments.

This information collection includes My Pension Benefit Account (MyPBA), an application on PBGC's website, *http://www.pbgc.gov*, through which plan participants and beneficiaries may conduct electronic transactions with PBGC, including applying for pension benefits, designating a beneficiary, changing contact information, and applying for or changing electronic direct deposit. The information collected on the following forms that are part of this information collection may be entered into MyPBA: Forms 700, 701, 707, 708, and 710.

PBGC is proposing the addition of two new forms: Form 713RBD and Form 714RBD. Form 713RBD and Form 714RBD relate to elections to withdraw employee contributions for participants and beneficiaries who are at or beyond their Required Beginning Dates. The notice of proposed submission of information collection included a new Form 721RBD which is not included in this submission. Instead, a preexisting form will be used for this category of participants. PBGC is proposing to remove Form 718, "Installment Payment Agreement," because PBGC no longer administers installment agreements for benefit overpayments. PBGC is also proposing to remove Form 719 for electing or changing tax withholding from annuity benefit payments since participants are using Internal Revenue Service (IRS) Form W-4P, "Withholding Certificate for Periodic Pension or Annuity Payments."

There are several additional changes. The major proposed revisions and justifications for each are listed below.

- To Form 700, "Participant Application for Pension Benefits," added new Section 4 to request information on beneficiaries for payments owed at death and to make related edits to clarify the relationship between designation of beneficiary for survivor annuities and certain and continuous annuities, per designations in Section 2 of the Form.
- To Form 706, "Beneficiary Application for Pension Benefits," to clarify instructions that once a customer makes a benefit form election, that choice cannot be changed.
- To Form 710, "Application for Electronic Direct Deposit," to clarify that a voided check is an easier alternate method of providing banking information and that certain operations may not be performed by telephone: changes must be made by form and cancellations of electronic direct deposit must be made in writing.

- To Form 713, “Election to Withdraw Employee Contributions,” to eliminate a question about the last year worked because it is no longer needed due to a change in PBGC’s working retirement policy, and to clarify instructions about when elections to withdraw employee contributions are final.
- To Form 717, “Benefit Inquiry Questionnaire,” to request information on labor organizations that might have information on participants’ benefits and to remove questions asking for information taken from the Social Security Administration’s “Notice of Potential Private Benefit Information” (Form SSA-L99-C1) because the Notice is also requested.
- PBGC is also making other clarifying, editorial, and formatting changes.

The existing collection of information was approved under OMB control number 1212–0055 (expires August 31, 2024). PBGC is requesting that OMB extend its approval (with modifications) for three years from its approval date. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

2. Use of information. PBGC uses the information about participants in trusteed plans and its missing participants program to determine whether an individual is (or may be) entitled to a pension benefit from a terminated retirement plan, to determine the form and amount of the individual’s benefit, and to make appropriate payments.

3. Information technology. PBGC provides for electronic filing through MyPBA of most annuity benefit applications, requesting a benefit estimate, and requesting electronic direct

deposit. Individuals entitled to benefits also may contact PBGC electronically through MyPBA, or by fax or e-mail.

4. Duplicate or similar information. A limited amount of the information required to be submitted to PBGC in response to this collection of information (e.g., date of birth, social security number) may already be in the possession of the government. However, there is no timely and reliable way to locate documents that may include the required information, particularly since the reporting person may have submitted to the government some, but not all, of the documents required. In most cases, it would take a respondent more time to assist in tracking down and verifying documents in agencies' files than simply to submit the information to PBGC.

When earnings information is not otherwise available, PBGC uses certain earnings data maintained by the Social Security Administration (SSA) in determining benefit entitlements; before PBGC may request this information from SSA, the individual must authorize the release of the information from SSA to PBGC.

5. Reducing the burden on small entities. Not applicable.

6. Consequence of reduced collection. If this information were collected less frequently, or were not collected, PBGC would not be able to effectively: (1) identify participants and beneficiaries entitled to pension benefits, (2) determine benefits, (3) make appropriate payments, and (4) provide benefit estimates.

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

8. Outside input. On February 8, 2024, PBGC published in the Federal Register (at 89 FR 8725) a notice informing the public of its intent to request an extension of this collection of information. No comments were received.

9. Payment to respondents. PBGC provides no payments or gifts to respondents (other than required benefit payments) 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 parts 4901 and 4902.

11. Personal questions. This collection of information does not call for submission of information of a sensitive nature.

12. Hour burden on the public. The burden estimates for this information collection are based on inquiries about filing burden directed to fewer than 10 individuals who submitted benefit applications or information forms. PBGC asked how much time each respondent spent to complete the application or form including the time to read instructions and to receive answers to any questions they might have had about the application or form from PBGC. The results were averaged.

PBGC estimates that it will receive a combined 136,081 benefit applications and information forms annually. Averaging the information from individuals, PBGC estimates that the total annual average hour burden of this collection of information is 101,703 hours (45 minutes, or .75 hours, per form (101,703/136,081)). This calculation includes 99 minutes for each of 43,954 benefit application forms (72,524 hours (99 x 43,954/60)), 30 minutes for each of

28,318 information forms (14,159 hours (30 x 28,318/60)), and 14 minutes for each of 63,809 brief information forms (14,888 hours (14 x 63,809/60)).

13. Cost burden on the public. PBGC estimates that the maximum total annual average cost burden of this collection of information is $60,742 which is the estimated cost of notary services (estimated at $5.13[1]) for signatures (including spousal consents) required on Forms 700, 700RSC, 703, 703RBP, 703MP, 703RBD-MP, 703MP ROTH, 711, 713, 715, and 720MP. However, in a certain percentage of cases, PBGC expects the cost to an individual for notary services to be $0 where such services are provided at no charge to a bank's own customers.

14. Cost to the government. Because all the work of processing this information will be performed by existing staff as part of their regular duties, the annual cost to the government is estimated to be $0.

15. Explanation of burden changes. Changes in the estimated total average annual hour burden (from 58,376 to 101,703 hours) and cost burden (from $58,682 to $60,742) of this collection of information is attributable to higher hour burden estimates, based on information gathered from filers, higher average notary fees, and lower estimates of expected respondents (from 170,506 to 136,081), particularly from eliminating Form 719, "Election to Withhold Federal Income Tax from Periodic Payments," which respondents used to tell PBGC how much federal income tax to withhold from monthly or annual payments. Respondents instead use the applicable IRS forms for this purpose, i.e., Form W-4P, "Withholding Certificate for Periodic Pension or Annuity Payments."[2]

[1] Based on information from the National Notary Association, Notary Fees by State.
[2] This IRS form is approved under OMB Control No. 1545-0074.

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

17. Display of expiration date. PBGC displays the expiration date for OMB approval of this information collection.

18. Exceptions to certification statement. There are no exceptions.