

Supporting Statement for Paperwork Reduction Act Submission

AGENCY: Pension Benefit Guaranty Corporation

TITLE: Termination Premium; 29 CFR parts 4006 and 4007; Form T and instructions

STATUS: Request for extension of a currently approved collection of information (OMB control number 1212-0064; expires March 31, 2026)

CONTACT: Jose Singer-Freeman (202-701-8073)

1. Need for collection. PBGC administers the pension plan termination insurance program under title IV of ERISA. Section 4006(a)(7) of ERISA provides for a “termination premium” (in addition to the flat-rate and variable-rate premiums under sections 4006(a)(3) and (8)) that is payable for 3 years following certain distress and involuntary plan terminations. PBGC’s regulations on Premium Rates (29 CFR part 4006) and Payment of Premiums (29 CFR part 4007) implement the termination premium. Sections 4007.3 and 4007.13(b) of the premium payment regulation require the filing of termination premium information and payments with PBGC.

In general, the termination premium applies where a single-employer plan terminates in a distress termination under section 4041(c) of ERISA (unless contributing sponsors and controlled group members meet the bankruptcy liquidation requirements of section 4041(c)(2)(B)(i)) or in an involuntary termination under section 4042 of ERISA, and the termination date under section 4048 of ERISA is after 2005.

The termination premium is payable for 3 years and the same amount is payable each year. The termination premium is due on the 30th day of each of 3 consecutive 12-month periods. The first 12-month period generally begins shortly after the termination date or after the conclusion of bankruptcy proceedings in certain cases. The termination premium and related

information must be filed by a person liable for the termination premium. The persons liable for the termination premium are contributing sponsors and members of their controlled groups, determined on the day before the plan termination date. Section 4007.10 of PBGC's Payment of Premiums regulation requires the retention of records supporting or validating the computation of premiums paid and requires that the records be made available to PBGC. PBGC uses Form T and its corresponding instructions for paying the termination premium. In this renewal, PBGC is not proposing to make any changes to the Form T or its instructions.

2. Use of information.

a. Information required. The information in Form T identifies the plan for which a termination premium is paid to PBGC and the persons liable for the premium and provides a basis for verifying the amount of the premium. That information and the retained records may be used for audit purposes.

b. Need for information. PBGC needs the information from this collection (1) to identify the plan for which a termination premium is paid to PBGC pursuant to title IV of ERISA and PBGC's premium regulations (29 CFR parts 4006 and 4007), (2) to verify the determination of the premium, and (3) to identify the persons liable for the premium.

3. Information technology. Form T may be filed electronically through the My PAA portal or by email.

4. Duplicate or similar information. The information required in termination premium filings is not available from any other source. Although a plan's participant count and the identity of members of its sponsor group may be reported as of other dates for other purposes,

this information is subject to change over time, and only Form T requests the information as of the day before the plan's termination date.

5. Reducing the burden on small entities. No special methods are used to reduce burden on small entities, as the termination premium does not affect a substantial number of entities of any size.

6. Consequences of less frequent reporting. By statute, termination premiums are payable once a year for three years. Form T filings are required on the same schedule. Collecting the information on a different schedule would impair the proper administration of the pension plan termination insurance program.

7. Consistency with guidelines. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Outside input. On August 4, 2025, PBGC published a notice (at 90 FR 36456) of its intent to request that OMB extend its approval of this collection of information. No comments were received.

9. Payments and gifts. No payments or gifts were made 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 parts 4901 and 4902, respectively.

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

12. Hour burden on the public. When a pension plan terminates in a distress or involuntary termination, PBGC typically determines and seeks to collect liability for any unpaid contributions, plan underfunding, and unpaid flat-rate and variable-rate premiums in addition to any liability for termination premiums. Negotiation and settlement of claims for these liabilities typically leads to determination of a single amount that represents a composite of the various individual types of liability. Form T is not typically filed. Thus, although PBGC actively enforces the termination premium requirement, PBGC assumes, for purposes of this request for extension of OMB approval of Form T and its instructions, that over the next 3 years, it will receive only 1 Form T each year. PBGC estimates that the average burden of this information collection will be 5 minutes per filing, with a total annual burden of 5 minutes (5 minutes x 1 filing). The estimated dollar equivalent of this hour burden, based on an assumed blended hourly rate of \$75 for administrative, clerical, and supervisory time, is \$6.25 ($\$75/\text{hour} \times 5 \text{ minutes}$).

13. Cost burden on the public. PBGC estimates that over the next 3 years, each respondent will spend an average of \$67 in contractor costs to prepare the filing, and the estimated total annual cost burden to be \$67 (1 filings x \$67).

14. Cost to the government. The cost to the government for this collection of information is \$0.

15. Change in burden. There is no change in burden from the prior OMB submission.

16. Publication. There are no plans for tabulation or publication.

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

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