SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT 1995: PROHIBITED TRANSACTION CLASS EXEMPTION 84-14 AND THE PROPOSED QROAD CLASS EXEMPTION

This information collection request (ICR) seeks approval for a revision 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.

Section 408(a) of ERISA requires that prior to granting an exemption, the Department must find that the exemption is: (1) administratively feasible, (2) in the interest of plans and of their participants and beneficiaries, and (3) protective of the rights of participants and beneficiaries of the plans. The Department has determined that collections of certain information are necessary to protect plans and their participants and beneficiaries as required by Section 408(a) of ERISA.

Prohibited Transaction Exemption (PTE) 84-14 (the QPAM Class Exemption) permits an investment fund managed by a Qualified Professional Asset Manager (QPAM) to engage in a broad range of transactions with parties in interest with respect to Plans[1] that invest in the fund, subject to protective conditions.

To ensure that QPAMs "maintain a high standard of integrity," Section I(g) of the QPAM Class Exemption provides generally that a QPAM is ineligible to rely on the QPAM Class Exemption for a period of 10 years if the QPAM, its various Affiliates, or five percent or more owners of the QPAM, engage in certain types of serious misconduct that is prohibited by the QPAM Class Exemption. The Department has granted individual exemptions to QPAMs that have become ineligible under Section I(g). These individual exemptions allow these QPAMs to continue relying on the QPAM Class Exemption if certain conditions are met.

In 2026, the Department is proposing a new class exemption to allow QPAMs that are ineligible under Section I(g) of the QPAM Class Exemption to continue relying on the relief in that class exemption, subject to additional protective conditions, rather than applying for individual exemptions.

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.

[1] The term "Plan" means "Plan" as defined in Section VI(n) of the QPAM Class Exemption.

The discussion below summarizes the existing information requirements as well as the additional requirements from the new Proposed QPAM Re-eligibility Options After Disqualification (QROAD) Class Exemption. These information collections are designed to safeguard participants and beneficiaries in Plans that are involved in transactions covered by the QPAM Class Exemption.

A. Existing Information Requirements in the QPAM Class Exemption

1. QPAMs that Reporting Reliance on the QPAM Class Exemption

Section I(k) requires QPAMs to report their reliance on the QPAM Class Exemption by email to the Department. The email must include the legal name of the entity and any name the QPAM may be operating under. The notice requirement provides the Department with knowledge of the investment managers that are relying on the exemption and will serve as an important reminder to investment managers relying on the QPAM Class Exemption that the "QPAM" title and status are tied to an administrative prohibited transaction exemption that requires compliance with the exemption's conditions.

2. Notice to Plans

Within 30 days after the Ineligibility Date,[2] the QPAM must provide notice to the Department and each of its client Plans. This notice states that the QPAM will not restrict the client's ability to terminate or withdraw from its arrangement with the QPAM. Thus, the QPAM would not be permitted to impose any fees, penalties, or charges on client Plans in connection with the process of terminating or withdrawing from a QPAM-managed Investment Fund except for reasonable fees, appropriately disclosed in advance, that are specifically designed to prevent generally recognized abusive investment practices or specifically designed to ensure equitable treatment of all investors in a pooled fund in the event such withdrawal or termination may have adverse consequences for all other investors.

3. Notice to the Department of Prohibited Misconduct and Foreign Non-Prosecution Agreements (NPAs) or Deferred Prosecution Agreements (DPAs)

If a QPAM, an Affiliate, or owner of a five percent or more interest in a QPAM Participates In Prohibited Misconduct[3] or enters into a foreign equivalent of an NPA or DPA, the QPAM is required to provide notice to the Department within 30 days of the Ineligibility Date. The notice must include a description of the Prohibited Misconduct and the name of and contact information for the QPAM. Although the foreign equivalent of NPAs or DPAs is not an ineligibility trigger, the final amendment to Section I(g)(2)

[2] The term "Ineligibility Date" means "Ineligibility Date" as defined in Section I(h) of the QPAM Class Exemption.
[3] The term "Prohibited Misconduct" means "Prohibited Misconduct" as defined in Section VI(s) of the QPAM Class Exemption.

requires the QPAM to notify the Department when the QPAM, any Affiliate thereof, or any owner, direct or indirect, of a five (5) percent or more interest in the QPAM executes a domestic or foreign equivalent NPA or DPA. This notice will give the Department the ability to take appropriate additional action in specific cases and will provide the Department with broader information about these practices as the QPAM Class Exemption continues to be relied upon by parties in the future.

4. Requesting an Individual Exemption

A Conviction[4] or Prohibited Misconduct could lead a QPAM to request an individual exemption. The burden for filing an application requesting an individual exemption is included in the ICR for the Exemption Procedure Regulation, which has been approved under OMB Control Number 1210-0060.

5. Written Policies and Procedures for QPAM-Sponsored Plans

When the QPAM itself sponsors a Plan, the QPAM must adopt written policies and procedures designed to ensure compliance with the conditions of the exemption. Specifically, the policies and procedures must describe each of the following and the steps adopted by the QPAM to ensure compliance with these requirements:

(1) The entity meets the definition of a QPAM;
(2) The QPAM has discretionary authority or control with respect to the Plan assets involved in the transaction;
(3) For transactions described in Part I, the transaction is not entered into with any person excluded from relief; and
(4) For transactions described in Part III, the amount of space covered by a lease does not exceed the limitations and no commission or other fee is paid by the investment fund.

With respect to a QPAM-sponsored Plan, since there is no independent person present who would be responsible for monitoring the actions of the QPAM with respect to its own Plan, the Department included specific policy and procedures and audit requirements as conditions of Part V of the exemption. These information collections are designed to safeguard Plans involved in transactions covered by the exemption and the participants and beneficiaries of such Plans.

6. Audit Requirements for QPAM-Sponsored Plans

[4] The term "Conviction" means a "Criminal Conviction" as defined in Section VI(r) of the QPAM Class Exemption, except that, for purposes of this exemption, a "Criminal Conviction" includes all Criminal Convictions that arise from the same incident in that they are based on the same underlying facts, circumstances and conduct. A "Criminal Conviction" includes "U.S. Convictions" and "Foreign Convictions."

For QPAM-Sponsored Plans, an exemption audit is required to be conducted by an independent auditor, who has appropriate technical training or experience and proficiency with ERISA's fiduciary responsibility provisions, and so represents in writing. The exemption audit and report are required to consist of the following:

(1) A review of the written policies and procedures adopted by the QPAM for consistency with each of the objective requirements of the exemption.
(2) A test of a representative sample of the Plan's transactions in order to make findings regarding whether the QPAM is in compliance with the written policies and procedures adopted by the QPAM and the objective requirements of the exemption.
(3) A determination as to whether the QPAM has satisfied the definition of a QPAM under the exemption.
(4) Issuance of a written report describing the steps performed by the auditor during the course of its review and the auditor's findings.

Following completion of the exemption audit, the auditor is required to issue a written report presenting its specific findings regarding the level of compliance with the policies and procedures adopted by the QPAM. 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. The audit could be used to verify compliance with the exemption if a field investigation of the QPAM were conducted.

7. Recordkeeping

QPAMs must maintain records sufficient to determine whether the conditions of the exemption have been met for a given transaction. QPAMs are also required to make those records available to the persons identified in Subsection VI(u)(2) for six years. The Department included this provision to make the QPAM Class Exemption consistent with other exemptions that generally impose a recordkeeping requirement on parties relying on an exemption and to ensure they will be able to demonstrate, and that the Department will be able to verify, compliance with the exemption conditions.

B. 2026 Proposed QROAD Class Exemption

The Department is proposing a new class exemption, as an alternative to an individual exemption, for QPAMs experiencing ineligibility events under Section I(g) of the QPAM Class Exemption. The proposal establishes a new, complementary framework that creates two compliance methods that depend on, among other things, whether a relationship with Control exists between the entity that engaged in the disqualifying conduct (Misconduct Entity) and the QPAM relying on the Proposed QROAD Class Exemption (Reliance QPAM). This approach is intended to provide self-executing relief to QPAMs while tailoring conditions based on: the number and/or type of triggering events; the type of assets involved in the misconduct; and/or the relationship between the Misconduct Entity and the Reliance QPAM. Benefits and costs presented in the analysis reflect the

compliance methods contained in the Proposed QROAD Class Exemption relative to the existing framework in which QPAMs must seek an individual exemption. The proposed compliance methods and how they differ from the requirements for an individual exemption are summarized below.

1. Section II

Section II of the Proposed QROAD Class Exemption would provide relief when a Misconduct Entity is not a QPAM but is an Affiliate[5] that does not Control or is not Controlled by the Reliance QPAM. Section II would require the Reliance QPAM to, among other things: (1) establish and maintain certain policies and procedures, (2) provide a one-time notice to the Department and to the Reliance QPAM's clients, and (3) obtain a certification from an Independent Fiduciary[6] of the QPAM's compliance with Section II compliance method. The one-time notice must include representations from the Reliance QPAM regarding the Reliance QPAM's compliance with Section II and information on how to obtain the certification report of the Independent Fiduciary.

2. Section III

Section III provides relief when there is: (1) a single U.S. Conviction of a Misconduct Entity that is not a QPAM, where the Misconduct Entity, at any time, either Controls or is Controlled by[7] the Reliance QPAM; or (2) collectively, up to two U.S. Convictions by one or more Misconduct Entities, if no Misconduct Entity is a QPAM and where no more than one U.S. Conviction involves a Misconduct Entity that, at any time, either Controls or is Controlled by Reliance QPAM; and/or (3) one or more Foreign Convictions, including where the Misconduct Entity is a QPAM; and/or (4) one or more instances of Prohibited Misconduct, including where the Misconduct Entity is a QPAM.

Under Section III, the Reliance QPAM must comply with certain conditions including:

[5] The term "Affiliate" means "Affiliate" as defined in Section VI(d) of the QPAM Class Exemption. Therefore, an "Affiliate" of a person means—
(1) Any person directly or indirectly through one or more intermediaries, Controlling, Controlled by, or Under Common Control with the person;
(2) Any director of, Relative of, or partner in, any such person;
(3) Any corporation, partnership, trust or unincorporated enterprise of which such person is an officer, director, or a five percent or more partner or owner; and
(4) Any employee or officer of the person who—
(A) Is a highly compensated employee (as defined in Code Section 4975(e)(2)(H) or officer (earning ten (10) percent or more of the yearly wages of such person); or
(B) Has direct or indirect authority, responsibility, or control regarding the custody, management or disposition of Plan assets.

[6] The term "Independent Fiduciary" has the same meaning as "qualified independent fiduciary" in 29 CFR 2570.31(j).

[7] The terms "Control," "Controlling," "Controlled by," and "Controls" mean the power to exercise a controlling influence over the management or policies of a person other than an individual, and the term "Under Common Control" refers to two or more entities that are directly or indirectly subject to the Control of the same entity.

(1) notifying clients and the Department; (2) making certain warranties in any agreement with a Covered Plan[8] that the Reliance QPAM will comply with ERISA and Code and protect Covered Plans from harm due to the ineligibility; (3) establishing and maintaining policies; and (4) designating a Compliance Officer to be responsible for compliance with the Proposed QROAD Class Exemption.

C. Summary

Together, these information collections ensure the QPAM Class Exemption and Proposed QROAD Class Exemption are in the interest of and protective of the rights of Plans and their participants and beneficiaries, and administratively feasible for the Department.

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 of using information technology to reduce burden.

QPAMs are required to report their reliance on the QPAM Class Exemption to the Department and to notify the Department of Prohibited Misconduct and Foreign NPAs or DPAs through email.

Notices to client Plans in connection with the QPAM Class Exemption Section I(g) ineligibility may also be carried out electronically or in any manner the QPAM deems appropriate to ensure its clients receive the notice. The Department does not have sufficient data to estimate how often QPAMs will elect to send such notices electronically or by mail. For the purposes of this analysis, the Department estimates that 80 percent of these notices will be delivered by first-class mail.

Under the Proposed QROAD Class Exemption, QPAMs who are relying on either Section II or III must send notice to the Department and each Covered Plan client of the Reliance QPAM. Notice to the Department must be carried out electronically, and notice to each Covered Plan client must be carried out in a manner ensuring receipt by an ERISA fiduciary of each Covered Plan.

[8] The term "Covered Plan" means a plan or Investment Fund subject to Part 4 of Title I of ERISA (an "ERISA-covered plan") or a plan or Investment Fund subject to Code Section 4975 (an "IRA"), in each case, with respect to which the QPAM relies on the QPAM Class Exemption, or with respect to which the QPAM has expressly represented that the manager qualifies as a QPAM or relies on the QPAM Class Exemption. A Covered Plan does not include an ERISA-covered plan or IRA to the extent that the QPAM has expressly disclaimed reliance on QPAM status or the QPAM Class Exemption in entering into a contract, arrangement, or agreement with the ERISA-covered plan or IRA. Notwithstanding the above, a QPAM may disclaim reliance on the QPAM Class Exemption in a written modification of a contract, arrangement, or agreement with an ERISA-covered plan or IRA, where: the modification is made in a bilateral document signed by the client; the client's attention is specifically directed toward the disclaimer; and the client is advised in writing that, with respect to any transaction involving the client's assets, the QPAM will not represent that it is a QPAM and will not rely on the relief described in the QPAM Class Exemption.

4. **Describe efforts to identify duplication. Show specifically why similar information already available cannot be used or modified for use for the purposes described in Item A.2 above.**

   The Department has attempted to avoid duplication of information collection requirements in both the QPAM Class Exemption and the Proposed QROAD Class Exemption. The required information collections are unique to the circumstances of the particular transactions covered by the exemptions and do not replicate any other requirements by state or federal regulations. The QPAM Class Exemption permits respondents to satisfy the requirements for written guidelines between the QPAM 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.**

   The QPAM Class Exemption's minimum asset and equity thresholds are intended to ensure that the fiduciaries managing Plan assets are established institutions that are large enough not to be unduly influenced in their discretionary decision-making process by Parties in Interest.

   To qualify as a QPAM, financial institutions must meet equity capital, net worth, and/or asset under management requirements, which will increase over the period between 2024 and 2030.

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.**

   Without these current information collections, compliance with the exemptions would be difficult to monitor and the exemptions would not adequately safeguard plan assets as required under ERISA section 408(a) and Code section 4975(c)(2). The policies and procedures and accompanying audit of QPAM-sponsored plans are necessary to address the lack of independence of the QPAM with respect to its own plan. Independence of the QPAM from the plan is otherwise required under the exemption without the policies, procedures and audit the exemption would not be protective of plan participants or plan assets as required under ERISA section 408(a) and Code section 4875(c)(2).

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 result 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.**

The frequency of information collection is dependent on the occurrence of certain transactions and events, not on a predetermined time period.

The 6-year retention requirement conforms to the statute of limitations under ERISA section 413 for fiduciary breaches and the recordkeeping requirements in ERISA section 107. As a fiduciary, the QPAM is subject to sections 107 and 413.

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 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 Federal Register notice on XXXX XX, 2026 (XX FR XXXX), as required by 5 CFR 1320.8(d), soliciting comments on the information collection and providing the public with 60 days to comment on the submission.

9. Explain any decision to provide any payments or gifts 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.

A QPAM, including a Reliance QPAM under the Proposed QROAD Class Exemption, may refuse to disclose information in connection with the recordkeeping provision if it is otherwise exempt from disclosure, such as privileged trade secrets or information identifying private information of individuals other than the requestor. This is consistent with federal privacy laws and a fiduciary's duties under ERISA.

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 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 as described in the question.

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 difference in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, 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 and aggregate the hour burdens.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collection 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.**

A. Affected Entities

1. QPAMs

A financial institution qualifying as a QPAM must be a bank, savings and loan association, insurance company, or an investment adviser registered under the Advisers Act that meets specified standards regarding financial size as specified in the QPAM Class Exemption. The financial institution must also acknowledge in a written management agreement that it is an ERISA fiduciary with respect to each Plan that retains it as a QPAM. Approximately 1,063 entities have notified the Department that they rely on PTE 84-14 (the QPAM Class Exemption).[9] The total number of QPAMs includes QPAMs that would be able to rely on the Proposed QROAD Class Exemption. The number of QPAMs that could be affected by the Proposed QROAD Class Exemption in any given year depends on the number of QPAMs that would otherwise be ineligible because of Criminal Convictions or Prohibited Misconduct events.

2. QPAM-Sponsored Plans

The QPAM Class Exemption permits a QPAM to manage the assets of a Plan sponsored by the QPAM or an affiliate, subject to additional conditions, including policies and procedures and an annual independent audit.

The Department estimates there are 50 in-house QPAMs. The Department estimated the number of in-house QPAMs by examining Schedule C of the 2023 Form 5500. Small Plans are not required to file Schedule C, so this estimate could underestimate the number of in-house QPAMs associated with small Plans. However, the Department believes that in-house QPAM arrangements involving small Plans would be rare because an investment manager would have to be large enough to qualify as a QPAM while the Plan would have to be small enough to qualify to file the Form 5500-SF.

3. ERISA Plan Clients of QPAMs

Plans that maintain relationships with QPAMs also may be affected by the Proposed QROAD Class Exemption.

Based on the most recent 2023 Form 5500 data, the Department estimates there are approximately 150,000 ERISA Plans with QPAM relationships, resulting in an average of 140 ERISA Plans per QPAM.[10]

[9] Employee Benefits Security Administration, *Entities Relying on PTE 84-14 (the Qualified Professional Asset Manager Exemption)*, (as of July 1, 2026), available at https://www.dol.gov/agencies/ebsa/laws-and-regulations/rules-and-regulations/exemptions/qpam-reliance-notices.

[10] The Department analyzed Schedule C data and found 48,008 unique relationships between Plans and QPAMs. However, small Plans are not required to file schedule C, so the Department lacks data on the relationships between small Plans and QPAMs. To address this lack of data, the Department adjusted its

B. Existing QPAM Class Exemption

1. QPAM-Sponsored Plans – Policies and Procedures – Section V(b)

The existing information collection requirements of the QPAM Class Exemption require in-house QPAMs to develop written policies and procedures designed to ensure compliance with the conditions of the exemption. Existing in-house QPAMs will have already prepared their policies and procedures in accordance with the QPAM Class Exemption. However, some in-house QPAMs may also update their policies and procedures in a given year.

The Department estimates that the burden associated with preparing policies and procedures will affect 10 percent of all in-house, including all new in-house QPAMs and some existing in-house QPAMs. Therefore, the Department estimates that about 5 QPAMs will need to update their policies and procedures each year.[11] The Department estimates that each QPAM will require 1 hour of a legal professional's time to update its policies and procedures. Please see Table 1 for burden and calculations.

2. QPAM-Sponsored Plans – Independent Audit – Section V(c)

Additionally, the QPAM Class Exemption requires in-house QPAMs to engage an independent auditor to conduct an annual exemption audit and issue an audit report to the Plan. The Department estimates that each of the 50 in-house QPAMs will use in-house legal professionals, financial managers, and clerical time to provide documents and respond to questions from the auditor.

Each exemption audit is assumed to require about 5 hours of a legal professional's time, 13 hours of a financial manager's time, and 6 hours of clerical time for each of the 50 QPAMs to provide needed materials for the audit. Please see Table 1 for burden and calculations.

3. Property Manager Written Guidelines –Section I(c)

The QPAM Class Exemption also contains a requirement for written guidelines when, in certain instances, a property manager acts on behalf of a QPAM. In this case, the QPAM is required to establish and administer the guidelines. Because agreements between an institution and a property manager are customary, the Department estimates that this requirement will impose no additional burden on QPAMs.

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estimate by tripling the initial estimate from 48,008 to 144,024, which was rounded to 150,000 due to uncertainty. 1,063 QPAMs have notified the Department that they rely on the QPAM Class Exemption, so 150,000 relationships /1,063 QPAMs = 141 client Plans per QPAMs, rounded to 140 client Plans per QPAM.

[11] This is estimated as: 50 in-house QPAMs x 10% = 5.

4. Reporting Reliance on the QPAM Class Exemption - Subsection I(g)(1)

   QPAMs are required to report their reliance on the QPAM Class Exemption via email to QPAM@dol.gov. This notification occurs only once for most QPAMs, but QPAMs that change their name will be required to send a new notification. The information required under subsection I(g)(l) is limited to the legal name of the entity relying upon the exemption and any name the QPAM may be operating under.

   For the purposes of this analysis, the Department assumes that one percent of QPAMs, or 11 QPAMs, will either be new or have a name change.[12] The Department estimates it takes 15 minutes, on average, for each QPAM to both prepare and send this electronic notification. Please see Table 1 for burden and calculations.

5. Refusal to Report its Reliance on QPAM Class Exemption

   If a QPAM fails to report its reliance on the exemption within 90 days, the QPAM must send a notice to the Department within an additional 90 days, indicating its reliance on the exemption or name change, as well as an explanation for the failure to provide notice. For the purposes of this analysis, the Department assumes that two percent of QPAMs required to report will fail to report reliance each year, or 21 QPAMs.[13] The Department estimates that preparing the notice will require a legal professional 30 minutes. Please see Table 1 for burden and calculations.

   The cost for a clerical professional to draft and send an email notifying the Department of its reliance or name change is included in the cost estimate of sending notice of reliance above.

6. Recordkeeping – Section VI(u)

   The QPAM Class Exemption includes a recordkeeping provision that applies to all QPAMs. Due to the fiduciary status of QPAMs and the existing regulatory environment in which they exist, the Department assumes that QPAMs already maintain many of the required records as part of their regular business practices. In addition, the recordkeeping requirements correspond to the six-year period in ERISA sections 107 and 413. The Department expects that the recordkeeping requirement imposes, on average, a burden of 1 hour of clerical time per QPAM. Please see Table 1 for burden and calculations.

7. Refusal to Disclose Requested Information

   If a QPAM refuses to disclose information to any of the parties listed in Section VI(u) on the basis that such information is exempt from disclosure, the QPAM must provide a written notice advising the requestor of the reason for the refusal and that the Department may request such information. The Department estimates that two percent of QPAMs, or

[12] The number of QPAMs is estimated as: 1,063 QPAMs x 1% = 10.63, rounded to 11.
[13] The number of QPAMs is estimated as:1,063 QPAMs x 2% = 21.26, rounded to 21.

21 QPAMs, will refuse to disclose requested information annually.[14] The Department estimates that drafting a written notice advising the requestor of the reason for the refusal and that the Department may request such information will require an internal legal professional to spend 30 minutes. Please see Table 1 for burden and calculations.

8. Notice to Plans – PTE 84-14 section I(i)(1)

Within 30 days after an Ineligibility Date, the affected QPAM must provide notice to the Department and each of its client Plans.

The number of QPAMs affected in any given year is a function of the number of Convictions and Prohibited Misconducts covered by Section I(g) and the number of entities within a corporate family operating as QPAMs. As shown by past experience, this number is likely to fluctuate between years. Based on the Department's experience, the Department estimates that, on average, eight QPAMs each year will lose eligibility due to a Criminal Conviction. [15] The Department assumes four additional QPAMs will become ineligible due to Prohibited Misconduct. In total, this results in 12 QPAMs becoming ineligible each year.

As discussed above, there is an average of 140 ERISA Plans per QPAM. The Department estimates that a legal professional at each ineligible QPAM will spend 1 hour preparing the notice and 2 minutes for clerical personnel to send the notice to a Plan. Please see Table 1 for burden and calculations.

9. Notice to the Department of Prohibited Misconduct and Foreign NPAs or DPAs

If a QPAM, an Affiliate, or owner of a five (5) percent or more interest in a QPAM Participates In[16] Prohibited Misconduct or enters into a foreign equivalent of an NPA or DPA, the QPAM is required to provide notice to the Department. For the purposes of this analysis, the Department assumes that five instances of Prohibited Misconduct and agreements each year will require such a notice.[17]

The Department estimates that each QPAM will require 4 hours for a financial professional to prepare the notice, 30 minutes for a legal professional to review the

[14] The number of QPAMs in subsequent years is estimated as: 1,063 QPAMs x 2% = 21.26, rounded to 21.
[15] The Department did not include in this estimate any of the possible QPAMs that have remote relationships with a convicted entity that are identified in the individual exemptions as "Related QPAMs." The Department has never received comments, questions, requests for guidance, or separate individual exemption applications from any entities that would fall into that definition, and therefore, assumes such entities are not operating as QPAMs.
[16] The terms "Participate In," "Participates In," "Participating In," "Participated In," and "Participation In" mean "Participate In," "Participates In," "Participating In," "Participated In," and "Participation In" as those terms are defined in Section VI(t) of the QPAM Class Exemption.
[17] This reflects the four instances of Prohibited Misconduct causing ineligibility plus one notice of foreign NPAs or DPAs annually.

notice, and 5 minutes for clerical personnel to send the notice. Please see Table 1 for burden and calculations.

10. Requesting an Individual Exemption – PTE 84-14 Section I(j)

A Criminal Conviction or Participating In Prohibited Misconduct, could lead a QPAM to rely on the Proposed QROAD Class Exemption, or request an individual exemption. The burden associated with requesting an individual exemption is included in the ICR for the Exemption Procedure Regulation, approved under OMB Control Number 1210-0060. Accordingly, the burden associated with these applications is not included in this ICR.

11. Additional Requirement for QPAMs Requesting an Individual Exemption

QPAM Class Exemption Section I(j) indicates that a QPAM that is ineligible or anticipates that it will become ineligible due to an actual or possible Criminal Conviction or for Participating In Prohibited Misconduct may apply for an individual exemption from the Department to continue to rely on the relief provided in this exemption for a longer period than the one-year winding-down period.

Such applicants also should provide detailed information in their applications quantifying the specific cost or harms in dollar amounts, if any, Plans would suffer if a QPAM could not rely on the exemption after the Transition Period, including the specific dollar amounts of investment losses resulting from foregone investment opportunities and any evidence supporting the proposition that investment opportunities would only be available to Plans on less advantageous terms. All applications will need to include this information if they submit an exemption application.

The burden associated with providing this information as part of an individual exemption application is included under OMB Control Number 1210-0060 and is not included in this ICR.

C. 2026 Proposed QROAD Class Exemption

The Proposed QROAD Class Exemption would allow QPAMs to continue relying on the QPAM Class Exemption, after an event that would otherwise make them ineligible under Section I(g) of that exemption. To use this alternative path, the QPAM will need to comply with the protective conditions described in the Proposed QROAD Class Exemption, if granted.

1. Non-Controlling / Controlled Misconduct Entity (Section II of the Proposed QROAD Class Exemption)

As discussed above, approximately 30 individual exemptions have been granted during the 10-year period from 2016 through 2025. Based on this figure, the Department assumes that, without the Proposed QROAD Class Exemption, a similar number would

be granted over the next ten years. Among the individual exemptions granted over the 10-year period from 2016 through 2025, approximately 43 percent of individual exemptions had fact patterns suggesting the affected QPAMs could utilize the Section II compliance method. The Department therefore assumes that 13 applicants would utilize the Section II compliance method under the Proposed QROAD Class Exemption.[18] The incremental costs associated with this method are limited to obtaining the certifications described below. There are no other incremental costs associated with this compliance method, as all other requirements, such as sending notices to participants, need to be done under the Proposed QROAD Class Exemption.

Section II of the Proposed QROAD Class Exemption also requires the Reliance QPAM to obtain a certification from an Independent Fiduciary in its first year following any triggering event that confirms the Reliance QPAM meets the eligibility requirements of Section II. The Department assumes that the Independent Fiduciary would spend approximately, on average, five hours reviewing the relevant representations and preparing the certification at a wage rate of $625.[19] The Proposed QROAD Class Exemption would also require the certification to be posted on the QPAM's website when completed, and to be available to the Department and all Covered Plan Clients.

2. Controlling / Misconduct Entity (Section III of the Proposed QROAD Class Exemption)

As discussed above, approximately 30 individual exemptions were granted the 10-year period from 2016 through 2025, and the Department has assumed that, without the Proposed QROAD Class Exemption, the same number would need relief over the next 10 years. Of these 30 individual exemptions, about 43 percent, or 13 individual exemptions, had fact patterns suggesting that the affected QPAMs could utilize the Section III compliance method under the Proposed QROAD Class Exemption.[20] The incremental costs associated with this method are limited to obtaining the certifications described below. There are no other incremental costs associated with this compliance method as all other requirements, such as sending notices to participants, need to be done both under the Proposed QROAD Class Exemption.

Section III of the Proposed QROAD Class Exemption also requires the Reliance QPAM to obtain a certification from an Independent Fiduciary in its first year following any triggering event that confirms the Reliance QPAM meets the eligibility requirements of Section III. The Department assumes that the Independent Fiduciary would spend approximately, on average, five hours reviewing the relevant representations and preparing the certification at a wage rate of $625. The Proposed QROAD Class Exemption also requires the certification to be posted on the QPAM's website when completed, and to be available to the Department and all Covered Plan Clients.

[18] This estimate is calculated in the following manner: 30 entities x 43 percent = 13 entities.
[19] Laffey Matrix, *4-7 Years of Experience*, available at https://www.laffeymatrix.com/see.html.
[20] This estimate is calculated in the following manner: 30 entities x 43 percent = 13 entities.

D. Summary

In summary, the Department estimates that the total hour burden imposed by the existing exemption and Proposed QROAD Class Exemption is 2,387 hours with equivalent cost of $303,249. Please see Table 1 for calculations and burden.

Table 1. Estimated Annualized Respondent Hour Burden and Equivalent Cost of Hour Burden

Activity	Number of Respondents	Number of Responses per Respondent	Total Responses	Average Burden (Hours)	Total Burden (Hours)	Hourly Wage Rate	Equivalent Cost of Hour Burden
Existing Requirements							
1. Policies and Procedures (In-House QPAMs)							
Legal Professional	5	1	5	1	5	$183.57	$918
2. Annual Audit (In-House QPAMs)							
Legal Professional	50	1	50	5	250	$183.57	$45,893
Financial Professional	50	1	50	13	650	$216.14	$140,491
Clerical Worker	50	1	50	6	300	$72.82	$21,846
3. Reporting Reliance on the QPAM Class Exemption							
Clerical Worker	11	1	11	15/60	3	$72.82	$200
4. Refusal to Report its Reliance on Exemption							
Clerical Worker	21	1	21	30/60	11	$72.82	$765
5. Recordkeeping							
Clerical Worker	1,063	1	1,063	1	1,063	$72.82	$77,408
6. Refusal to Disclose Requested Information							
Legal Professional	21	1	21	30/60	11	$183.57	$1,927
7. Notice to Plans – PTE 84-14 Subsection I(i)(1)							
Legal Professional	12	1	12	1	12	$183.57	$2,203
Clerical Worker	12	140	1,680	2/60	56	$72.82	$4,078
8. Notice to the Department of Non-Prosecution or Deferred Prosecution Agreements							
Legal Professional	5	1	5	30/60	3	$183.57	$459
Clerical Worker	5	1	5	5/60	25/60	$72.82	$30
Financial Professional	5	1	5	4	20	$216.14	$4,323
2026 Proposed QROAD Class Exemption							
Non-QPAM Affiliate Pathway (first year)							
Independent Fiduciary reviews the relevant representations and prepares the certification	13	1	13	5	65	$625.00	$40,625

Activity	Number of Respondents	Number of Responses per Respondent	Total Responses	Average Burden (Hours)	Total Burden (Hours)	Hourly Wage Rate	Equivalent Cost of Hour Burden
Controlling Affiliate Pathway (first year)							
Independent Fiduciary reviews the relevant representations and prepares the certification	13	1	13	5	65	$625.00	$40,625
Existing Requirements	**1,063**	**-**	**2,978**	**-**	**2,383**	**-**	**$300,541**
2026 Proposed QROAD Class Exemption (annualized)	**4***	**-**	**9****	**-**	**4*****	**-**	**$2,708**
Total	**1,067**	**-**	**2,987**	**-**	**2,387**	**-**	**$303,249**

Note:
*The number of respondents is annualized over the three-year OMB approval period and is calculated as follows: 13 respondents ÷ 3 years = 4 respondents.
** The number of responses is annualized over the three-year OMB approval period and is calculated as follows: (13 responses for Section II Compliance Method + 13 responses for Section III Compliance Method) ÷ 3 years = 9 responses.
*** The burden associated with the Proposed QROAD Class Exemption consists of first-year compliance activities. The total first-year burden is 130 hours (65 hours for Section II Compliance Method + 65 hours for Section III Compliance Method). For PRA purposes, the first-year hour burden is annualized over the expected 10-year period during which the exemption will be used. The resulting hour burden is then annualized over the three-year OMB approval period. Therefore, the annualized burden for the Proposed QROAD Class Exemption is calculated as follows: 130 hours ÷ 10 years ÷ 3 years = 4 hours.

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 or 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 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.**

A. Existing QPAM Class Exemption

1. Notice to Plans – PTE 84-14 Subsection I(i)(1)

Within 30 days of the Ineligibility Date, the QPAM must provide notice to the Department and each of its client Plans. The number of QPAMs affected in any given year is a function of the number of Convictions or Prohibited Misconducts covered by the QPAM Class Exemption Section I(g) and the number of entities within a corporate family operating as QPAMs. As shown by past experience, this number is likely to fluctuate between years. Based on the Department's experience, the Department estimates that, on average, eight QPAMs each year will lose eligibility due to a Criminal Conviction.[21] The Department assumes four additional QPAMs will become ineligible due to Prohibited Misconduct. In total, this results in 12 QPAMs becoming ineligible each year.

Please see Table 2 for burden and calculations.

The Department believes the cost of sending this notice to the Department will be negligible because the QPAM will have already prepared and sent the notice to client Plans, and the notice to the Department is required to be submitted electronically.

[21] The Department did not include in this estimate any of the possible QPAMs that have remote relationships with a convicted entity that are identified in the individual exemptions as "Related QPAMs." The Department has never received comments, questions, requests for guidance, or separate individual exemption applications from any entities that would fall into that definition, and therefore, assumes such entities are not operating as QPAMs.

2. Requesting an Individual Exemption – PTE 84-14 Section I(j)

A Conviction or Participating in Prohibited Misconduct could lead a QPAM to request an individual exemption. The burden for filing an application requesting an individual exemption is included in the ICR for the Exemption Procedure Regulation, which has been approved under OMB Control Number 1210-0060. The estimated burden for applications from QPAMs receiving an Ineligibility Notice due to Prohibited Misconduct is included there. The Department estimates that 12 applications for individual exemptions would be submitted.

3. QPAM-Sponsored Plans – Independent Audit – PTE 84-14 Section V(c)

Additionally, the exemption requires in-house QPAMs to engage an independent auditor to conduct an annual exemption audit and issue an audit report to the Plan. The Department estimates that each of the 50 in-house QPAMs will use in-house legal professionals, financial managers, and clerical time to provide documents and respond to questions from the auditor. The Department assumes QPAMs use either a law firm or a consulting firm to conduct the exemption audits, and the Department assumes that the average cost of an exemption audit is $25,000.[22] Please see Table 2 for burden and calculations.

B. 2026 Proposed QROAD Class Exemption

Within 90 days of the Reliance Date, the Reliance QPAM provides written notice to the Department and each sponsor and beneficial owner of a Covered Plan that has entered into a written management agreement with the Reliance QPAM.

The Department believes the cost of sending this notice to the Department will be negligible because the QPAM will have already prepared and sent the notice to client Plans, and the notice to the Department is required to be submitted electronically.

C. Summary

In summary, the annual total cost burden imposed by the existing exemption and Proposed QROAD Class Exemption is estimated to be approximately $1,251,479. Please see Table 2 for a summary of the annual total cost burden.

Table 2. Cost Burden

[22] The Department has received information from industry representatives that the cost of a similar annual audit required by PTE 96-23 (the INHAM Exemption) may range from approximately $10,000 to $25,000, depending on asset size and how many years the INHAM has used the auditing firm. Because of the type of audit required for an in-house QPAM, the Department has assumed that the average cost of an exemption audit required by the QPAM Class Exemption would be $25,000.

	Number of Entities	Number of Clients/Notifications per Plan	Percent of Notices that are Mailed	Total Number of Notification	Mailing Cost	Material Cost Per Page or Audit Cost per Entity	Number of Pages	Total Cost
	(A)	**(B)**	**(C)**	**(D) = (A x B x C)**	**(E)**	**(F)**	**(G)**	**(H) = (D x (E+ (F x G))**
Existing Exemption								
Notice to Plans, Subsection I(i)(1): Criminal Conviction, Mailing	8	140	80%	896	$1.00	$0.05	2	$986
Notice to Plans, Subsection I(i)(1): Prohibited Misconduct, Mailing	4	140	80%	448	$1.00	$0.05	2	$493
Independent Audit for QPAM-Sponsored Plans, section V(c)	50	-	-	-	-	$25,000	-	$1,250,000
Total	**62**	-	-	-	-	-	-	**$1,251,479**

14. Provide estimates of the 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), 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 into a single table.

The ERISA exemption procedure results in certain costs to the government. Section 2570.42 of the procedure requires that before an exemption can be granted the Secretary shall publish a notice of a Proposed QROAD Class Exemption in the *Federal Register*.

The costs to the Federal Government associated with processing individual exemption applications are included in the ICR for the Exemption Procedure Regulation, approved under OMB Control Number 1210-0060, and therefore are not included in this ICR.

The Department estimates that there are no additional costs to the Federal Government associated with receiving the notifications required under the QPAM Class Exemption and the Proposed QROAD Class Exemption because receiving the notifications does not require additional staff, equipment, or other resources beyond those used in the Department's normal operations.

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

The Department is issuing the 2026 proposed QROAD class exemption. The Department also updated the number of affected QPAMs, wage rates, and mailing costs. As a result, the total number of responses has decreased by 12,799 responses, the hour burden has decreased by 11,103 hours, and the cost burden has increased by $726.

16. For collections of information whose results will be published, outline plans for tabulations, and publication. Address any complex analytical techniques that will be used. 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.

This information collection will display the expiration date.

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 INFORMATON EMPLOYING STATISTICAL METHODS.

The use of statistical methods is not relevant to this collection of information.