

Justification for Non-material or Non-substantive Change to Currently Approved Collection

AGENCY: Employee Benefits Security Administration (EBSA)

TITLE: Defined Benefit Plan Annual Funding Notice

STATUS: OMB Control Number: 1210-0126 Exp. Date: 09/30/2026

Section 101(f) of ERISA generally requires the administrators of defined benefit plans (both single-employer and multiemployer) to furnish an annual funding notice to participants, beneficiaries, the Pension Benefit Guaranty Corporation, and certain other persons.

In 2022, section 343 of the SECURE 2.0 Act of 2022 (SECURE 2.0) amended section 101(f) of ERISA, modifying the annual funding notice requirements effective for plan years beginning after December 31, 2023.¹ The major changes relate to the methodology for measuring the value of assets, value of liabilities, and funding level, and predominantly affect single-employer defined benefit pension plans, but does also impact multiemployer plans.

The appendices to the bulletin, titled Employee Benefits Security Administration (EBSA) Field Assistance Bulletin 2025-02 (Bulletin) contain models that are an information collection, that administrators of retirement plans may use to facilitate legal compliance.

As a non-material/non-substantive change request, the Department of Labor is making the following changes to the Annual Funding Notice model notices to align the notices with the changes made by law.

- Changes relating to measurement of the value of assets, value of liabilities of single-employer pension plans –
 - Replacement of the Funding Target Attainment Percentage chart in the **How Well Funded Is Your Plan?** section with a shorter, simpler Funded Percentage Chart showing the year-end fair market value of assets, the year-end present value of plan liabilities determined using a market related interest rate, and the percentage of plan liabilities funded (i.e., Funded Percentage) for the notice year and 2 preceding plan years.
 - Deletion of the **Plan Assets and Credit Balances** section of the pre-SECURE 2.0 model notice. Credit balances do not affect the fair market value of assets disclosed in the new model.
 - Deletion of the **Plan Liabilities** section of the pre-SECURE 2.0 model notice, which addressed valuation date actuarial liabilities.
 - Deletion of the **At-Risk** section of the pre-SECURE 2.0 model notice. At-risk liabilities reflected the required use of more conservative assumptions by

¹ Division T, Consolidated Appropriations Act, 2023 (December 29, 2022), Pub. L. 117-328, 136 Stat. 4459.

certain underfunded plans that increased actuarial liabilities to drive larger contributions.

- o Deletion of the **Year-End Assets and Liabilities** section of the pre-SECURE 2.0 model notice. Since year-end fair market value of assets and year-end value of liabilities determined using a market related interest rate are addressed in the **How Well Funded Is Your Plan?** section of the new model, the **Year-End Assets and Liabilities** section is no longer needed.
- **Changes relating to both single-employer and multi-employer pension plan model notices -**
 - o Modification of the **Participant Information** section of the pre-SECURE 2.0 model notice to change the name to **Participant and Beneficiary** Information and to include a table setting out the number of participants and beneficiaries covered by category (actively employed, retired receiving payments, separated not receiving payments) determined as of the last day of the notice year and the 2 preceding plan years.
 - o **Modification of the Funding & Investment Policies** section to disclose the average return on assets.
 - o Simplification and clarification of non-substantive language as the result of “plain language” review.
- **Other changes:**
 - o Modification of the **Events Having a Material Effect on Assets or Liabilities** section of the single-employer pension plan model to provide relief from the requirement to project liabilities to the end of the current plan year if the effect of the event is reflected in value of the year-end liabilities used to determine the Funded Percentage.
 - o Addition of two new sentences to the **Benefit Payments Guaranteed by PBGC** section of the single-employer pension plan model notice addressing the situation where the plan’s assets exceed the level of benefits guaranteed by PBGC but are not sufficient to pay all benefits.
 - o Addition of a call out box to the cover page of the multiemployer pension plan model notice to remind plan administrators that the annual funding notice may needs additional disclosures described in Field Assistance Bulletin 2023-01 if the plan received or is eligible to receive special financial assistance.

OMB Control Number 1210-0126 is scheduled to expire on September 30, 2026. The Department is not making any other changes to the model notices.