

Input data

1

Description	Small pension	Large pension	Customized welfare	Other welfare
Share of participants entering plan in the last year	0.07	0.07	0.07	0.07
Total number of pension plans or distinct group health products	734,856.00	101,987.00	4,055.00	10,000.00
Active participants	11,464,250.00	95,982,304.00	0.00	78,664,000.00
Retired or separated participants receiving benefits	377,545.00	11,353,216.00	0.00	7,881,000.00
Participants whose benefits were distributed in a single lump sum during year	4,365.00	1,139,428.00	0.00	0.00
Retired or separated participants entitled to future benefits	2,908,500.00	33,443,455.00	0.00	0.00
Deceased parts whose beneficiaries are receiving or entitled to benefits	5,692.00	2,240,034.00	0.00	0.00
Share of all plans with effective dates in the last 12 months	0.09	0.02	0.01	0.01
Number of hours required to create a new SPD	10.00	10.00	10.00	10.00
Number of hours required to update an existing SPD	4.00	4.00	4.00	4.00
Total labor cost per hour for lawyer to update an SPD	187.58	187.58	187.58	187.58
Cost of printing an SPD	1.75	1.75	4.00	4.00
Cost of mailing an SPD	2.70	2.70	4.14	4.14
Share of plans amended in a one-year period	0.18	0.37	0.36	0.20
Share of plans amended in a five-year period	0.66	0.89	0.65	0.40
Share of plans amended in a ten-year period	0.74	0.92	0.78	0.48

Input Parameters

Label	Value
Share of plans using service providers	0.95
Share of plans preparing SPDs in house	0.05
Share of large plans using service providers to update SPD and to prepare SMM	0.75
Share of small plans using service providers to update SPD and to prepare SMM	1.00
Minute per part to distribute SPDs	0.50
Minute per part to distribute SMMs	0.50
Share of all distributions of paper documents done by mail	0.04
Average hours to prepare an SMM	3.00
Cost per participant to distribute SMMs	0.20
Cost per participant to mail SMMs	0.78
Share of participants entering plan in the last year	0.07
Share of participants requesting SPDs in an SMM year	0.20
Share of participants requesting SPDs in non-SMM years	0.05
Total labor cost per hour for secretaries	72.82
Average number of years that separated vesting participants remain in that status	20.00
Average number of years that retirees remain in that status	20.00
Average number of years that beneficiaries remain in that status	20.00
Share of health plan retirees in retiree only health plans	0.15

SPD Distribution Burden

Obs	TYPE	SIZE	N_SPD_DIST_PAPER	DIST_BY_MAIL	SPD_DIST_MPP	BURD_SPD_DIST
1	Pension	Small	176,833	0.039	0.5	1,474
2	Pension	Large	1,762,070	0.039	0.5	14,684
3	Welfare	Customized	0	0.417	0.5	0
4	Welfare	Not customized	8,359,407	0.417	0.5	69,662
			10,298,309			85,819

SMM Distribution Burden

Obs	TYPE	SIZE	N_SMM_DIST_PAPER	DIST_BY_MAIL	SMM_DIST_MPP	BURD_SMM_DIST
1	Pension	Small	82,734	0.039	0.5	\$663
2	Pension	Large	1,658,081	0.039	0.5	\$13,278
3	Welfare	Customized	0	0.417	0.5	\$0
4	Welfare	Not customized	6,383,144	0.417	0.5	\$31,011
			8,123,959			\$44,952

SPD Preparation Cost (Service Provider)

TYPE=Pension

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Obs	TYPE	SIZE	Cost per new plans using service provider	Cost per existing plan preparing SPD and using service provider	Number of new plans using service providers	Number of old plans preparing SPD using service providers	Hours of new plans using serv prov of SPD prep	Hours of existing plans using serv prov of SPD prep	Total labor cost per hour for lawyer to update an SPD	Equivalent Cost to new plans using serv prov of SPD prep	Equivalent Cost to existing plans using serv prov of SPD prep	Total Hour of SPD Prep (serv prov)	Total Equivalent Cost of SPD Prep (serv prov)
1	Pension	Small	\$1,876	\$750	60,416	89,558	604,162	358,233	187.58	\$113,328,708	\$67,197,284	962,395	\$180,525,992
2	Pension	Large	\$1,876	\$750	2,053	17,098	20,530	68,391	187.58	\$3,850,924	\$12,828,782	88,920	\$16,679,706
TYPE					62,469	106,656	624,692	426,624		\$117,179,632	\$80,026,066	1,051,315	\$197,205,698

TYPE=Welfare

Obs	TYPE	SIZE	Cost per new plans using service provider	Cost per existing plan preparing SPD and using service provider	Number of new plans using service providers	Number of old plans preparing SPD using service providers	Hours of new plans using serv prov of SPD prep	Hours of existing plans using serv prov of SPD prep	Total labor cost per hour for lawyer to update an SPD	Equivalent Cost to new plans using serv prov of SPD prep	Equivalent Cost to existing plans using serv prov of SPD prep	Total Hour of SPD Prep (serv prov)	Total Equivalent Cost of SPD Prep (serv prov)
3	Welfare	Customized	\$1,876	\$750	32	544	323	2,175	187.58	\$60,590	\$407,944	2,498	\$468,534
4	Welfare	Not customized	\$1,876	\$750	107	829	1,070	3,316	187.58	\$200,667	\$621,966	4,386	\$822,633
TYPE					139	1,373	1,393	5,491		\$261,257	\$1,029,910	6,883	\$1,291,167
					62,608	108,029	626,084	432,114		\$117,440,889	\$81,055,976	1,058,198	\$198,496,865

SPD Preparation Burden (In House)

TYPE=Pension

6

Obs	TYPE	SIZE	Number of new plans preparing SPDs in house	Number of existing plans preparing SPDs in house	Number of hours required to create a new SPD	Number of hours required to update an existing SPD	Hour Burden on new plans preparing SPDs in house	Hour Burden on existing plans preparing SPDs in house	Total Burden of SPD Prep	Total labor cost per hour for lawyer to update an SPD	Hour Burden (Equivalent Cost) on new plans preparing SPDs in house	Hour Burden (Equivalent Cost) on existing plans preparing SPDs in house	Total Burden (Equivalent Cost) of SPD Prep
1	Pension	Small	3,180	4,714	10	4	31,798	18,854	50,652	187.58	\$5,964,669	\$3,536,699	\$9,501,368
2	Pension	Large	108	900	10	4	1,081	3,600	4,680	187.58	\$202,680	\$675,199	\$877,879
TYPE			3,288	5,613					55,332		\$6,167,349	\$4,211,898	\$10,379,247

TYPE=Welfare

Obs	TYPE	SIZE	Number of new plans preparing SPDs in house	Number of existing plans preparing SPDs in house	Number of hours required to create a new SPD	Number of hours required to update an existing SPD	Hour Burden on new plans preparing SPDs in house	Hour Burden on existing plans preparing SPDs in house	Total Burden of SPD Prep	Total labor cost per hour for lawyer to update an SPD	Hour Burden (Equivalent Cost) on new plans preparing SPDs in house	Hour Burden (Equivalent Cost) on existing plans preparing SPDs in house	Total Burden (Equivalent Cost) of SPD Prep
3	Welfare	Customized	2	29	10	4	17	114	131	187.58	\$3,189	\$21,471	\$24,660
4	Welfare	Not customized	6	44	10	4	56	175	231	187.58	\$10,561	\$32,735	\$43,296
TYPE			7	72					362		\$13,750	\$54,206	\$67,956
			3,295	5,686					55,695		\$6,181,099	\$4,266,104	\$10,447,203

SMM Preparation Burden (Both Service Provider and In House)

TYPE=Pension

7

Obs	TYPE	SIZE	SMM_PLANS	Average hours to prepare an SMM	Total labor cost per hour for lawyer to update an SPD	Hour Burden of SMM Preparation	Hour Burden (Cost Equivalent) of SMM Preparation
1	Pension	Small	105,647	3	187.58	316,940	\$59,451,538
2	Pension	Large	30,317	3	187.58	90,952	\$17,060,820
TYPE			135,964			407,892	\$76,512,358

TYPE=Welfare

Obs	TYPE	SIZE	SMM_PLANS	Average hours to prepare an SMM	Total labor cost per hour for lawyer to update an SPD	Hour Burden of SMM Preparation	Hour Burden (Cost Equivalent) of SMM Preparation
3	Welfare	Customized	1,245	3	187.58	3,736	\$700,792
4	Welfare	Not customized	1,769	3	187.58	5,306	\$995,324
TYPE			3,014			9,042	\$1,696,116
			138,978			416,934	\$78,208,475

Cost of SPD Distribution

TYPE=Pension

8

Obs	SIZE	Number of Paper SPDs Distributed	Cost per Part of Mailing SPD	Cost per Partic of Printing SPD	Fraction Distribution by Mail	Minutes per Participant to Distribute SPD	Mail Operator Cost per Hour	SPD Handling Cost per Part	SPD Total Distrib Cost per Part	Cost Burden of SPD Distribution
1	Small	176,833	\$2.70	\$1.75	0.039	0.5	\$72.82	0.023667	1.00367	\$894,214
2	Large	1,762,070	\$2.70	\$1.75	0.039	0.5	\$72.82	0.023667	1.00367	\$8,910,493
TYPE		1,938,903	\$5.40	\$3.50	0.078	1.0	\$145.64	0.047333	2.00733	\$9,804,707

TYPE=Welfare

Obs	SIZE	Number of Paper SPDs Distributed	Cost per Part of Mailing SPD	Cost per Partic of Printing SPD	Fraction Distribution by Mail	Minutes per Participant to Distribute SPD	Mail Operator Cost per Hour	SPD Handling Cost per Part	SPD Total Distrib Cost per Part	Cost Burden of SPD Distribution
3	Customized	0	\$4.14	\$4.00	0.417	0.5	\$72.82	0.25305	1.23305	\$0
4	Not customized	8,359,407	\$4.14	\$4.00	0.417	0.5	\$72.82	0.25305	1.23305	\$73,118,338
TYPE		8,359,407	\$8.28	\$8.00	0.834	1.0	\$145.64	0.50610	2.46610	\$73,118,338
		10,298,309	\$13.68	\$11.50	0.912	2.0	\$291.28	0.55343	4.47343	\$82,923,045

Cost of SMM Distribution

TYPE=Pension

9

Obs	SIZE	Number of Paper SMMs Distributed	Cost per Part of Mailing SMM	Cost per Partic of Printing SMM	Fraction Distribution by Mail	Minutes per Participant to Distribute SMM	Mail Operator Cost per Hour	SMM Handling Cost per Participant	SMM Total Distrib Cost Per Part	Cost Burden of SMM Distribution
1	Small	82,734	\$0.78	\$0.20	0.039	0.5	\$72.82	0.023667	1.00367	\$131,286
2	Large	1,658,081	\$0.78	\$0.20	0.039	0.5	\$72.82	0.023667	1.00367	\$2,631,098
TYPE		1,740,815	\$1.56	\$0.40	0.078	1.0	\$145.64	0.047333	2.00733	\$2,762,383

TYPE=Welfare

Obs	SIZE	Number of Paper SMMs Distributed	Cost per Part of Mailing SMM	Cost per Partic of Printing SMM	Fraction Distribution by Mail	Minutes per Participant to Distribute SMM	Mail Operator Cost per Hour	SMM Handling Cost per Participant	SMM Total Distrib Cost Per Part	Cost Burden of SMM Distribution
3	Customized	0	\$0.78	\$0.20	0.417	0.5	\$72.82	0.25305	1.23305	\$0
4	Not customized	6,383,144	\$0.78	\$0.20	0.417	0.5	\$72.82	0.25305	1.23305	\$10,128,985
TYPE		6,383,144	\$1.56	\$0.40	0.834	1.0	\$145.64	0.50610	2.46610	\$10,128,985
		8,123,959	\$3.12	\$0.80	0.912	2.0	\$291.28	0.55343	4.47343	\$12,891,368

SPD and SMM Dollar Cost and Hour Burden

Burden Type	Small pension	Large pension	Welfare	All
Total Cost Burden (Thousands of dollars)	1,026	11,542	83,247	95,814
` Distribution	1,026	11,542	83,247	95,814
` SPDs	894	8,910	73,118	82,923
` SMMs	131	2,631	10,129	12,891
Total Hour Burden (Thousands)	1,332	213	117	1,662
` Preparation	1,330	185	16	1,531
` SPDs	1,013	94	7	1,114
` SMMs	317	91	9	417
` Distribution	2	28	101	131
` SPDs	1	15	70	86
` SMMs	1	13	31	45
Dollar Equivalent of Hour Burden (Thousands of dollars)	249,634	36,655	10,386	296,675

Number of Plans Preparing or Distributing Documents Each Year

Type of Plan	SPDs for New Plans	SPDs for Amended Plans	Total SPDs Prepared	SMMs Prepared	Total Documents Prepared	Plans Distributing Unamended SPDs
Small pension	63,596	94,272	157,868	105,647	263,514	17,359
Large pension	2,161	17,998	20,159	30,317	50,476	823
Customized welfare	34	572	606	1,245	1,852	90
Other welfare	113	873	985	1,769	2,754	513
	65,904	113,714	179,618	138,978	318,596	18,785

Number (in thousands) of Participants per Year Estimated to Receive SPDs or SMMs by Reason for Receipt

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Type of Plan	Participants receiving new SPDs						Participants receiving SMMs	Total responses (SPDs plus SMMs)	Total participants
	From new plans	From existing plans due to				Total			
		Preparation of new SPD	Change of status/1	Participant request	Total				
Small pension	1,050	1,925	772	788	3,485	4,534	2,121	6,656	14,756
Large pension	1,105	25,586	8,269	10,221	44,076	45,181	42,515	87,696	143,019
Welfare	1,983	7,463	5,090	5,511	18,063	20,047	15,307	35,354	86,545
Total	4,138	34,973	14,130	16,520	65,624	69,762	59,944	129,706	244,320

***1/ There are four types of status change that trigger SPD distribution:
Entering active participant, separating vested participant, retiring participant, and initial benefit receipt by a beneficiary.***

Percentage of Participants Estimated to Receive SPDs or SMMs Each Year by Reason for Receipt

13

Type of Plan	Participants receiving new SPDs						Participants receiving SMMs	Total responses (SPDs plus SMMs)	Total participants
	From new plans	From existing plans due to				Total			
		Preparation of new SPD	Change of status/1	Participant request	Total				
Small pension	7	13	5	5	24	31	14	45	100
Large pension	1	18	6	7	31	32	30	61	100
Welfare	2	9	6	6	21	23	18	41	100
Total	2	14	6	7	27	29	25	53	100

***1/ There are four types of status change that trigger SPD distribution:
Entering active participant, separating vested participant, retiring participant, and initial benefit receipt by a beneficiary.***

Number of Plans (in thousands) by Type of Plan and Type of Response Required in a One-year Period

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Type of plan	Number of Plans Preparing Documents Each Year/1	Plans Distributing Unamended SPDs Under 10-Year Rule	Plans Distributing to Requestors or Status Changers/2	Plans Obligated only to be Ready to Disclose	Total Number of Plans
Small pension	264	17	279	175	735
Large pension	50	1	51	-	102
Customized welfare	2	*/	2	-	4
Other welfare	627	117	958	575	2,278
	943	135	1,290	750	3,119

Less than 500.

1/ The events requiring document preparation are plan amendments, which require SPD preparation/distribution every five years and SMM preparation/distribution in the year of the amendment, and formation of a new plan.

2/ Status changes occur when individuals first first become 1) participants, 2) separated vested, 3) retired, 4) beneficiaries.

Number of SPDs and SMMs Created and Number Distributed, Type of Plan

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Total Number of		Large pension	Small pension	Welfare	Total
SPDs	Created	2,161	63,596	147	65,904
	Amended	17,998	94,272	1,445	113,714
	Total	20,159	157,868	1,591	179,618
Plans Distributing SPDs (thousands)	To all partic.	21	175	342	538
	To some partic.	51	279	961	1,290
	To no partic.	-	175	575	750
	Total	102	735	2,282	3,119
Participants Receiving SPDs (thousands)	New SPDs	1,105	1,050	1,983	4,138
	Modified SPDs	25,586	1,925	7,463	34,973
	Total	45,181	4,534	20,047	69,762
Plans distributing SMMs (thousands)		30	106	404	540
Partic. receiving SMMs (thousands)		42,515	2,121	15,307	59,944