

Justification for No-Material or Nonsubstantive Change to Currently Approved Collection

AGENCY: Pension Benefit Guaranty Corporation (PBGC)

TITLE: Payment of Premiums (29 CFR part 4007)

STATUS: OMB control number 1212-0009; expires September 30, 2028

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PBGC is making non-material changes to the approved information collection for the computation and payment of premiums to PBGC under title IV of the Employee Retirement Income Security Act of 1974 (ERISA) for plan years beginning in 2027.

The changes to the filing instructions are as follows:

- Updated the “What’s New” section to highlight the 2027 premium rates and cap, the new question related to premium overpayment refunds, and clarification regarding 401(h) accounts.
- Replaced references to the 2026 statutory premium rates and cap with the statutory premium rates and cap applicable for 2027 (throughout the instructions).
- Updated dates and due dates to reflect 2027 plan year (throughout the instructions).
- Clarified that individuals with benefits solely under a plan’s 401(h) component (which pays for retiree medical benefits) are not counted as participants for premium purposes and made minor additional clarifications.

The changes to the MyPAA electronic portal are as follows:

- Added a question on the “Premium Overpayment Options” page asking whether the account designated for an ACH refund is a trust account and made corresponding changes to the instructions.

The changes made to the filing instructions and to the MyPAA electronic portal will not increase the hour or cost burden for this information collection.

We specifically note these language revisions:

- On page 11, the instructions were revised to clarify that individuals with benefits solely under a plan’s 401(h) component are not participants for premium purposes:

Participant

For premium purposes, "Participant" means an individual (whether active, inactive, retired, or deceased) with respect to whom the plan has Benefit Liabilities as of the Participant Count Date. Beneficiaries and alternate payees are not counted as Participants. However, a deceased Participant will continue to be counted as a Participant if there are one or more beneficiaries or alternate payees who are receiving or have a right to receive benefits earned by the Participant.

An individual is not counted as a Participant after an insurer makes an irrevocable commitment to pay all Benefit Liabilities with respect to the individual or after all Benefit Liabilities with respect to the individual are otherwise distributed. In addition, a non-vested individual is not counted as a Participant after:

- A deemed "zero-dollar cashout,"
- A one-year break in service under plan rules, or
- Death.

If a pension plan provides medical benefits through a program of retiree medical benefit accounts (commonly known as 401(h) Accounts) in addition to pension benefits, an individual is not counted as a Participant if the individual only has a benefit under a 401(h) Account and not a pension benefit.

- On page 44, the instructions were revised to reflect a new question on whether the bank account receiving a refund is a trust account:

12 Treatment of overpayment

- a** If the total premium is less than the total premium credit, subtract the total premium from the total credit and report the result as an overpayment. If this amount includes cents, report the exact amount (dollars and cents), not a rounded amount.
- b** If you have an overpayment, you must choose whether to have the overpayment credited towards the next year's premium for the plan or refunded by electronic funds transfer. Report your choice by checking the appropriate box.
 - *Credit* - If you choose to use the overpayment as a credit towards next year's premium for the plan, you should claim the overpayment amount as a credit on the next year's premium filing for the plan.
 - *Refund* - If you ~~choose to have request a refund of~~ the overpayment ~~refunded~~, we will ~~transfer the amount owed~~ send it electronically ~~(via through~~ an ACH ~~electronic funds~~ transfer), ~~so you~~. You must ~~indicatespecify~~ whether the account is ~~a-checking account-or savings-account~~, indicate whether it is a trust account, and provide the bank routing ~~number~~ and account ~~number to which the refund is to be credited~~ numbers for the deposit.

- The MyPAA electronic portal was revised to add a question on whether the bank account is a trust account:

Screen Prepared Premium Filing

✓ I. General Plan
Year Information

✓ II. Premium
Calculations

✓ Flat-Rate Premiums

✓ Alternative Premium
Funding Target
Election or Revocation

✓ Variable-Rate
Premiums (VRP)

✓ Premium Funding
Target Method

✓ Calculating Unfunded
Vested Benefits

✓ Variable-rate
Premium Due

✓ Calculate Total
Premium

✓ Premium Amount
Due

**Premium
Overpayment Options**

III. Other Filing
Details

IV. Review and
Summary

Premium Overpayment Options

Comprehensive Premium Filing for: AVANGRID PENSION PLAN
Plan ID: 5545
EIN/PN: 455063049 / 001
Plan Year Commencing: 01/01/2025

[2025 Premium Instructions](#)

☐ Show Calculation

Overpayment \$1,000,000.00

How would you like to proceed with your premium overpayment?

☐ Credit towards next year's premium
☒ Refund by Electronic Funds Transfer (EFT)

Type of Account

☐ Checking
☐ Savings

Account Number
3 Digit Minimum

Bank Routing Number

Is this a trust account? ☐ Yes ☐ No

[Back](#) [Save and Continue](#)

[Return to Beginning of Filing](#) [Exit](#)