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PENSION BENEFIT GUARANTY CORPORATION

Submission of Information Collection for OMB Review; Comment Request; Payment of Premiums

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Notice of request for OMB approval of revised collection of information.

SUMMARY: The Pension Benefit Guaranty Corporation (PBGC) is modifying the collection of information under its regulation on Payment of Premiums (OMB control number 1212-0007; expires December 31, 2013) and is requesting that the Office of Management and Budget (OMB) approve the revised collection of information under the Paperwork Reduction Act for three years. This notice informs the public of PBGC's request and solicits public comment on the collection of information.

DATES: Comments must be submitted by [insert date 30 days after publication in the FEDERAL REGISTER].

ADDRESSES: Comments should be sent to the Office of Information and Regulatory Affairs, Office of Management and Budget, Attention: Desk Officer for the Pension Benefit Guaranty Corporation, via electronic mail at OIRA_DOCKET@omb.eop.gov or by fax to 202-395-6974.

Copies of the collection of information and comments may be obtained without charge by writing to the Disclosure Division, Office of General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005-4026; visiting the Disclosure Division; faxing a request to 202-326-4042; or calling 202-326-4040 during normal business hours. (TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4040.) The premium payment regulation and the premium instructions (including illustrative forms) for 2012 are available at *www.pbgc.gov*.

FOR FURTHER INFORMATION CONTACT: James Bloch, Program Analyst, Legislative and Policy Division, or Catherine B. Klion, Manager, Regulatory and Policy Division, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005-4026; 202-326-4024. (TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

SUPPLEMENTARY INFORMATION:

Section 4007 of Title IV of the Employee Retirement Income Security Act of 1974 (ERISA) requires pension plans covered under Title IV pension insurance programs to pay premiums to PBGC. Pursuant to section 4007, PBGC has issued its regulation on Payment of Premiums (29 CFR Part 4007). Under § 4007.3 of the premium payment regulation, plan administrators are required to file premium payments and information prescribed by PBGC. Premium information must be filed electronically using "My Plan Administration Account" ("My PAA") through PBGC's Web site except to the extent PBGC grants an exemption for good cause in appropriate circumstances, in which case the information must be filed using an approved PBGC form. The plan administrator of each pension plan covered by Title IV of ERISA is required to submit one or more premium filings for each premium payment year. Under § 4007.10 of the premium payment regulation, plan administrators are required to retain records about premiums and information submitted in premium filings.

PBGC needs information from premium filings to identify the plans for which premiums are paid, to verify whether the amounts paid are correct, to help PBGC determine the magnitude of its exposure in the event of plan termination, to help track the creation of new plans and transfer of participants and plan assets and liabilities among plans, and to keep PBGC's insured-plan inventory up to date. That information and the retained records are also needed for audit purposes.

All plans covered by Title IV of ERISA pay a flat-rate per-participant premium. An underfunded single-employer plan also pays a variable-rate premium based on the value of the plan's unfunded vested benefits.

Large-plan filers (i.e., plans that were required to pay premiums for 500 or more participants for the prior plan year) are required to pay PBGC's flat-rate premium early in the premium payment year. To accommodate plans that find it impractical to do an accurate participant count until later in the premium payment year, PBGC permits filers to make an estimated flat-rate premium filing.

All plans are required to make a comprehensive premium filing. Comprehensive filings are used to report flat- and (for single-employer plans) variable-rate premiums, premium-related data, and information about plan identity, status, and events. (For large plans, the comprehensive filing reconciles an estimated flat-rate premium paid earlier in the year.)

PBGC intends to revise the 2013 filing procedures and instructions to:

- Provide for revoking a prior election to use the Alternative Premium Funding Target (APFT) to determine unfunded vested benefits (UVBs). (Under PBGC regulations, an election to use the APFT is irrevocable for 5 years; 2008 was the first year that plans were permitted to elect the APFT, so 2013 is the first year for which it is necessary to collect this information.)
- Require plan administrators using the APFT to report the "effective interest rate" (defined in section 303(h) of ERISA and section 430(h) of the Internal Revenue Code). PBGC will use this information to update its annual contingency list and financial statements more accurately.

- Require that the plan effective date be reported for all plans rather than just new and newly covered plans. This date helps PBGC trace plans that change Employer Identification Number or Plan Number.
- Require plan administrators to provide a breakdown of the total premium funding target into the same categories of participants used for reporting on Schedule SB to Form 5500, i.e., active participants, terminated vested participants, and retirees and beneficiaries receiving payment. PBGC uses the premium funding target to estimate termination liability, e.g., for the annual contingency list, and a breakdown will enable PBGC to make a much better estimate than simply using only the total premium funding target.
- Require plan administrators to report a contact name to make it easier for PBGC to contact a plan. Filers also will have the option of providing an additional plan contact.
- Require plan administrators to break down the premium credit information in the comprehensive premium filing into two items rather than aggregating the premium credit. This information will help PBGC to manage the application of overpayments.
- Reorder and re-number some items on the illustrative form that accompanies and is part of the instructions, and make other minor changes.

The collection of information under the regulation has been approved by OMB through December 31, 2013, under control number 1212-0007. PBGC is requesting that OMB extend approval of this revised collection of information for three years. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

PBGC estimates that it will receive 29,900 premium filings per year from 24,600 plan administrators under this collection of information. PBGC further estimates that the average annual burden of this collection of information is 8,200 hours and $54,387,000.

Issued in Washington, DC, this 2 day of __May_, 2012.

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John H. Hanley, Director
Legislative and Regulatory Department
Pension Benefit Guaranty Corporation

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