



## **PENSION BENEFIT GUARANTY CORPORATION**

### **Proposed Submission of Information Collection for OMB Review; Comment Request; Survey of Nonparticipating Single Premium Group Annuity Rates**

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Notice of intent to request extension of OMB approval of information collection, with modifications.

**SUMMARY:** The Pension Benefit Guaranty Corporation (PBGC) intends to request that the Office of Management and Budget (OMB) extend approval, under the Paperwork Reduction Act, of a collection of information with modifications. The purpose of this information collection is to survey insurance company rates for pricing annuity contracts to obtain information needed to set actuarial assumptions. The American Council of Life Insurers conducts this voluntary survey for PBGC. This notice informs the public of PBGC's intent and solicits public comment on the collection of information.

**DATES:** Comments should be submitted by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**ADDRESSES:** Comments may be submitted by any of the following methods:

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the website instructions for submitting comments.
- *Email:* [paperwork.comments@pbgc.gov](mailto:paperwork.comments@pbgc.gov). Refer to Survey of Insurance Company Rates or OMB control number 1212-0030 in the subject line.
- *Mail or Hand Delivery:* Regulatory Affairs Division, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005-4026.

All submissions received must include the agency's name (Pension Benefit Guaranty Corporation, or PBGC) and refer to the Survey of Insurance Company Rates or OMB control number 1212-0030. All comments received will be posted without change to PBGC's website,

<https://www.pbgc.gov>, including any personal information provided.

Copies of the collection of information may be obtained by writing to Disclosure Division, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW, Washington, DC 20005-4026, or calling 202-326-4040 during normal business hours. TTY users may call the Federal Relay Service toll-free at 800-877-8339 and ask to be connected to 202-326-4040.

**FOR FURTHER INFORMATION CONTACT:** Hilary Duke ([duke.hilary@pbgc.gov](mailto:duke.hilary@pbgc.gov)), Assistant General Counsel for Regulatory Affairs, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW, Washington, DC 20005-4026, 202-229-3839; or Gregory Katz ([katz.gregory@pbgc.gov](mailto:katz.gregory@pbgc.gov)), Attorney, Regulatory Affairs Division, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW, Washington, DC 20005-4026, 202-229-3829. TTY users may call the Federal relay service toll-free at 800-877-8339 and ask to be connected to 202-229-3839 or 202-229-3829.

**SUPPLEMENTARY INFORMATION:** PBGC's regulations prescribe actuarial valuation methods and assumptions (including interest rate assumptions) to be used to determine the actuarial present value of benefits under single-employer plans in involuntary or distress terminations (29 CFR part 4044) and the value of benefits and certain assets under multiemployer plans that undergo a mass withdrawal of contributing employers (29 CFR part 4281). In each month immediately preceding the start of a new calendar quarter, PBGC publishes the interest rates to be used under those regulations for plans terminating or undergoing mass withdrawal during the next quarter.

The interest rates are intended to reflect current conditions in the annuity markets. To determine these interest rates, PBGC gathers premium rate data from insurance companies that are providing annuity contracts to terminating pension plans through a quarterly survey. The American Council of Life Insurers (ACLI) distributes the survey and provides PBGC with "blind" data (*i.e.*, PBGC is unable to match responses with the insurance companies that

submitted them). PBGC also uses the information from the survey in determining the interest rates it uses to value benefits payable to participants and beneficiaries in PBGC-trusted plans for purposes of PBGC's financial statements.

PBGC is proposing several changes to the survey distributed by ACLI:

- Addition of a question asking for specific information about the interest assumptions underlying the annuity premium rates reported in parts I and II of the survey. This information is needed to allow PBGC to better analyze annuity price data provided in the survey.
- Increases to the dollar ranges in the questions on respondents' group annuity business in part III to allow the survey to continue to capture the variability and range of business accepted by respondents as the prices of plan termination annuity contracts increase with inflation.
- Changes to the instructions to clarify that respondents should provide pricing information only for full plan terminations (and transactions priced consistently with full plan terminations), that the annuity rates provided should include reductions for investment expenses but exclude administrative expenses and reductions for competitive bidding, and that respondents should assume that plan provisions are straightforward and do not contain significant levels of anti-selection, expensive options, or subsidies.
- Addition of a confirmation that administrative expenses are excluded from pricing information and an option to comment on any exceptions. This is needed for PBGC to compare pricing information amongst survey responses when respondents are unable to completely exclude administrative expenses from pricing information.
- Consolidation and simplification of former parts III and IV into a new part III and elimination of questions asking for information PBGC no longer uses. These changes streamline and simplify the response process.

- Modification of a question asking for the volume of respondents' plan termination annuity business so that it requests annual data instead of quarterly data to reduce volatility in survey responses.

- Addition of a question soliciting feedback on how PBGC could improve the survey process.

- Addition of flexibility to conduct the survey electronically.

This voluntary survey is directed at insurance companies most, if not all, of which are members of ACLI. The survey is conducted quarterly and approximately 20 insurance companies will be asked to participate. PBGC estimates that about six insurance companies will respond to the survey each quarter, and that each survey will require approximately 30 minutes to complete and return. The total burden is estimated to be 12 hours (30 minutes per survey x four surveys per year x six respondents per quarter).

The existing collection of information was approved under OMB control number 1212-0030 (expires August 31, 2021). PBGC intends to request that OMB approve PBGC's use of this form for 3 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 is soliciting public comments to —

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodologies and assumptions used;

- Enhance the quality, utility, and clarity of the information to be collected; and

- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting

electronic submission of responses.

Issued in Washington DC by

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Pension Benefit Guaranty Corporation.

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