
Monday
April 27, 1998

Part XL

Part XL

**Pension Benefit
Guaranty
Corporation**

Semiannual Regulatory Agenda

PENSION BENEFIT GUARANTY CORPORATION (PBGC)

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Ch. XXVI

Agenda of Regulations Under Development

AGENCY: Pension Benefit Guaranty Corporation (PBGC).

ACTION: Semiannual regulatory agenda.

SUMMARY: This document sets forth the Pension Benefit Guaranty Corporation's regulatory agenda issued under Executive Order 12866 and the Regulatory Flexibility Act. The agenda lists regulations that are currently under development or review or that PBGC expects to have under development or review during the next 12 months. The effect of this agenda is to advise the public of PBGC's current and future regulatory activities.

ADDRESSES: Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005-4026.

FOR FURTHER INFORMATION CONTACT: For further information on the agenda in general, contact Harold J. Ashner, Assistant General Counsel, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005, (202) 326-4024. (For TTY/TDD users, call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.) For information about a specific regulation project listed on the agenda, contact the person designated in the agenda for that regulation.

SUPPLEMENTARY INFORMATION: Under the President's order on Regulatory Planning and Review, Executive Order 12866 (58 FR 51735, October 4, 1993), each agency is required to prepare an

agenda of all regulations under development or review. The Regulatory Flexibility Act, Public Law 98-354, 5 U.S.C. 601, has a similar agenda requirement. Under that law, the agenda must list any regulation that is likely to have a significant economic impact on a substantial number of small entities.

The Office of Management and Budget has issued guidelines prescribing the form and content of the regulatory agenda. Under those guidelines, the agenda must list all regulatory activities being conducted or reviewed in the next 12 months and provide certain specified information on each regulation. All of the items on this agenda are current or projected rulemakings.

David M. Strauss,
Executive Director, Pension Benefit Guaranty Corporation.

Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
3874	Valuation and Payment of Lump Sum Benefits	1212-AA88
3875	Treatment of Substantial Cessation of Operations	1212-AA84
3876	Payment of Benefits in PBGC-Trusteed Plans	1212-AA35
3877	Calculation and Payment of Unfunded Nonguaranteed Benefits	1212-AA54
3878	Allocation of Assets in Single-Employer Plans; Valuation of Benefits and Assets	1212-AA55

Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
3879	Mergers and Transfers Between Multiemployer Plans	1212-AA69
3880	PBGC Recoupment and Reimbursement of Benefit Overpayments and Underpayments	1212-AA87

Long-Term Actions

Sequence Number	Title	Regulation Identifier Number
3881	Payment of Premiums	1212-AA58
3882	Miscellaneous Statutory Amendments	1212-AA79

Completed Actions

Sequence Number	Title	Regulation Identifier Number
3883	Termination of Single Employer Plans	1212-AA82

PENSION BENEFIT GUARANTY CORPORATION (PBGC)

Proposed Rule Stage

3874. • VALUATION AND PAYMENT OF LUMP SUM BENEFITS**Priority:** Substantive, Nonsignificant**Legal Authority:** 29 USC 1302; 29 USC 1311; 29 USC 1322; 29 USC 1341a; 29 USC 1350; 29 USC 1441**CFR Citation:** 29 CFR 4022**Legal Deadline:** None

Abstract: The Taxpayer Relief Act of 1997 increased the maximum amount private pension plans may pay to a participant or surviving spouse in a lump sum (i.e., payment in a single installment) without the participant's consent (effective for plan years beginning after August 5, 1997). To reflect this change, the PBGC proposes to amend its regulations to increase from \$3,500 to \$5,000 the maximum value of benefits that the PBGC may pay in lump sum form.

Timetable:

Action	Date	FR Cite
NPRM	05/00/98	
NPRM Comment Period End	07/00/98	

Small Entities Affected: None**Government Levels Affected:** None

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RIN: 1212-AA88**3875. TREATMENT OF SUBSTANTIAL CESSATION OF OPERATIONS****Priority:** Substantive, Nonsignificant**Legal Authority:** 29 USC 1302(b)(3); 29 USC 1362; 29 USC 1363; 29 USC 1364; 29 USC 1365**CFR Citation:** 29 CFR 4062**Legal Deadline:** None

Abstract: Section 4062(e) of ERISA imposes a contingent liability upon an employer in the case of certain cessations of operations at a facility. This rulemaking will address various issues that may arise under this section.

Timetable:

Action	Date	FR Cite
NPRM	10/00/98	

Action	Date	FR Cite
NPRM Comment Period End	12/00/98	

Small Entities Affected: None**Government Levels Affected:** None

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RIN: 1212-AA84**3876. PAYMENT OF BENEFITS IN PBGC-TRUSTEED PLANS****Priority:** Substantive, Nonsignificant**Legal Authority:** 29 USC 1302(b)(3); 29 USC 1322; 29 USC 1342**CFR Citation:** 29 CFR 4022**Legal Deadline:** None

Abstract: When the PBGC assumes trusteeship of a terminated pension plan pursuant to sections 4041 and 4042 of ERISA, it pays benefits to participants pursuant to plan provisions and section 4022 of ERISA. Many of the rules and procedures for benefit payments, while of interest to participants, are inappropriate for inclusion in a regulation. The PBGC already provides much of this information to participants in other appropriate forms, such as letters and pamphlets, and will continue to do so. However, rules governing certain aspects of benefit payments are appropriately established by regulation (or otherwise addressed through a Federal Register issuance). This regulation will enable the PBGC to process and administer PBGC-trusteed plans more efficiently with resultant cost savings by filling gaps in the rules and otherwise clarifying matters that had been handled on a case-by-case basis in the past.

Timetable:

Action	Date	FR Cite
NPRM	09/00/98	
NPRM Comment Period End	11/00/98	

Small Entities Affected: None**Government Levels Affected:** None

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RIN: 1212-AA35**3877. CALCULATION AND PAYMENT OF UNFUNDED NONGUARANTEED BENEFITS****Priority:** Other Significant**Legal Authority:** 29 USC 1302(b)(3); 29 USC 1322(c)**CFR Citation:** 29 CFR 4022 subpart C**Legal Deadline:** None

Abstract: In the Pension Protection Act, Congress created a scheme by which to channel employer liability recoveries to plan participants and beneficiaries (amended ERISA section 4022(c)). Under section 4022(c), participants no longer have a direct claim for employer liability. Instead, the PBGC's claim covers both its shortfall (unfunded guaranteed benefits) and participants' losses (unfunded nonguaranteed benefits (UNBs)). In turn, the PBGC is to use a portion of its employer liability recovery to pay UNBs to participants and beneficiaries. Section 4022(c) contains several ambiguities and also leaves to the PBGC the development of specific rules and procedures necessary to make this system work.

Timetable:

Action	Date	FR Cite
NPRM	10/00/98	
NPRM Comment Period End	12/00/98	

Small Entities Affected: None**Government Levels Affected:** None

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PBGC

Proposed Rule Stage

3878. ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS; VALUATION OF BENEFITS AND ASSETS**Priority:** Substantive, Nonsignificant**Reinventing Government:** This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.**Legal Authority:** 29 USC 1302(b)(3); 29 USC 1341**CFR Citation:** 29 CFR 4044 subpart B**Legal Deadline:** None**Abstract:** Statutory changes necessitate several amendments to the PBGC's allocation and valuation regulation (29 CFR part 4044). The PBGC also plans to update its mortality tables.**Timetable:**

Action	Date	FR Cite
Notice of Intent to Propose Rulemaking	03/19/97	62 FR 12982
NPRM	09/00/98	
NPRM Comment Period End	11/00/98	

Small Entities Affected: None**Government Levels Affected:** None**Agency Contact:** James L. Beller, Attorney, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K St. NW., Washington, DC 20005-4026

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PENSION BENEFIT GUARANTY CORPORATION (PBGC)

Final Rule Stage

3879. MERGERS AND TRANSFERS BETWEEN MULTIEMPLOYER PLANS**Priority:** Substantive, Nonsignificant**Legal Authority:** 29 USC 1302(b)(3); 29 USC 1411**CFR Citation:** 29 CFR 4231**Legal Deadline:** None**Abstract:** ERISA section 4231 sets basic guidelines for mergers and transfers between multiemployer plans, including a provision for a 120-day notice to the PBGC. The PBGC's regulation on Mergers and Transfers Between Multiemployer Plans contains implementing rules. Neither the statute nor the regulation makes clear whether or how the merger and transfer rules apply where one or more of the plans involved is terminated. This rule amends 29 CFR part 4231 to clarify its application to mergers and transfers involving one or more terminated multiemployer plans and to specify the criteria that a merger or transfer involving terminated plans must satisfy in order to protect participants and beneficiaries in the affected plans, as well as the PBGC, from risk of loss as a result of the merger or transfer. The rule also liberalizes the 120-day notice requirement for all multiemployer mergers and transfers so that such transactions can proceed more expeditiously.**Timetable:**

Action	Date	FR Cite
NPRM	05/01/97	62 FR 23700
NPRM Comment Period End	06/30/97	
Final Action	04/00/98	
Final Action Effective	05/00/98	

Small Entities Affected: None**Government Levels Affected:** None**Agency Contact:** Deborah C. Murphy, Attorney, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K St. NW., Washington, DC 20005-4026
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TDD: 800 877-8339
Fax: 202 326-4112**RIN:** 1212-AA69**3880. • PBGC RECOUPMENT AND REIMBURSEMENT OF BENEFIT OVERPAYMENTS AND UNDERPAYMENTS****Priority:** Substantive, Nonsignificant**Reinventing Government:** This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.**Legal Authority:** 29 USC 1302; 29 USC 1322; 29 USC 1322b; 29 USC 1341(c)(3)(D); 29 USC 1344**CFR Citation:** 29 CFR 4022**Legal Deadline:** None**Abstract:** Under the current PBGC regulation on recoupment of benefit overpayments, unless the participant elects to repay the overpayment in a lump sum, the PBGC recoups the overpayment through an actuarial reduction of all future monthly benefit payments. This amendment provides that recoupment will stop when the total amount collected equals the amount of the overpayment and makes other related changes.**Timetable:**

Action	Date	FR Cite
NPRM	12/18/97	62 FR 66319
NPRM Comment Period End	01/20/98	
Final Action	04/00/98	
Final Action Effective	05/00/98	

Small Entities Affected: None**Government Levels Affected:** None**Agency Contact:** James L. Beller, Attorney, Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K Street NW., Washington, DC 20005-4026

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PENSION BENEFIT GUARANTY CORPORATION (PBGC)

Long-Term Actions

3881. PAYMENT OF PREMIUMS**Priority:** Other Significant**Reinventing Government:** This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.**CFR Citation:** 29 CFR 4006; 29 CFR 4007**Timetable:**

Action	Date	FR Cite
NPRM	04/10/92	57 FR 12666
NPRM Comment Period End	05/26/92	
NPRM Comment Period Extended to 11/16/92	09/17/92	57 FR 42910
Final Action	00/00/00	

Small Entities Affected: None**Government Levels Affected:** None**Agency Contact:** Deborah Murphy
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Fax: 202 326-4112**RIN:** 1212-AA58**Timetable:** Next Action Undetermined**Small Entities Affected:** None**Government Levels Affected:** None**Agency Contact:** Marc L. Jordan
Phone: 202 326-4024
TDD: 800 877-8339
Fax: 202 326-4112**RIN:** 1212-AA79**3882. MISCELLANEOUS STATUTORY AMENDMENTS****Priority:** Substantive, Nonsignificant**Reinventing Government:** This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.**CFR Citation:** 29 CFR 4000 et seq

PENSION BENEFIT GUARANTY CORPORATION (PBGC)

Completed Actions

3883. TERMINATION OF SINGLE EMPLOYER PLANS**Priority:** Substantive, Nonsignificant**Reinventing Government:** This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.**Legal Authority:** 29 USC 1302(b)(3); 29 USC 1341**CFR Citation:** 29 CFR 4041**Legal Deadline:** None**Abstract:** The PBGC's termination regulation (29 CFR part 4041) provides rules and procedures plan administrators must follow to

voluntarily terminate a defined benefit pension plan. The PBGC is amending its termination regulation to extend standard termination deadlines and otherwise to simplify the standard termination process, to require that plan administrators provide participants with information on State guaranty association coverage of annuities, and to make conforming changes to the distress termination process. The amendments also make conforming and simplifying changes to the missing participants regulation.

Timetable:

Action	Date	FR Cite
NPRM	03/14/97	62 FR 12507

Action	Date	FR Cite
NPRM Comment Period End	05/13/97	
Final Action	11/07/97	62 FR 60424
Final Action Effective	01/01/98	

Small Entities Affected: None**Government Levels Affected:** None**Agency Contact:** Catherine B. Klion,
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