

**Prohibited Transaction Exemption 84-24**  
**(Insurance and Annuity Contracts and Mutual Fund Principal Underwriters)**  
**OMB Control Number 1210-0158**  
**June 2019**

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT OF 1995  
SUBMISSIONS

The Department of Labor, Employee Benefits Security Administration requests a revision to the information collections contained in Prohibited Transaction Exemption (PTE) 84-24, which are currently approved under OMB Control Number 1210-0158.<sup>1</sup> The Department is requesting to renew the information collections contained in PTE 84-24 that were in place prior to 2016.

**A. Justification**

1. *Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.*

Section 406(a)(1)(A) through (D) of the Employee Retirement Income Security Act of 1974 (“ERISA”) and Internal Revenue Code (“Code”) section 4975(c)(1)(A) through (D) prohibit certain transactions between plans or IRAs and “parties in interest,” as defined in ERISA section 3(14), or “disqualified persons,” as defined in Code section 4975(e)(2). Fiduciaries and other service providers are parties in interest and disqualified persons under ERISA and the Code. As a result, they are prohibited from engaging in (1) the sale, exchange, or leasing of property with a plan or IRA, (2) the lending of money or other extension of credit to a plan or IRA, (3) the furnishing of goods, services, or facilities to a plan or IRA and (4) the transfer to or use by or for the benefit of a party in interest of plan assets.

In the absence of an exemption, ERISA and the Code generally prohibit fiduciaries from using their authority to affect or increase their own compensation. ERISA section 406(b) and Code section 4975(c)(1)(E)-(F) are aimed at fiduciaries only. These provisions generally prohibit a fiduciary from dealing with the income or assets of a plan or IRA in his or her own interest or his or her own account and from receiving payments from third parties in connection with transactions involving the plan or IRA. Parallel regulations issued by the Departments of Labor and the Treasury explain that these provisions impose on fiduciaries of plans and IRAs a duty not to act on conflicts of interest that may affect the fiduciary’s best judgment on behalf of the plan or IRA. Under these provisions, a fiduciary may not cause a plan or IRA to pay an additional fee to such fiduciary, or to a person in which such fiduciary has an interest that may affect the exercise of the fiduciary’s best judgment.

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<sup>1</sup> They were amended as part of the Department’s 2016 final rule defining who is a “fiduciary” under ERISA and the Code, which was published in the Federal Register on April 8, 2016. The final rule and PTE amendments were vacated in toto by the Fifth Circuit Court of Appeal’s decision in *Chamber of Commerce v. Department of Labor*, 885 F.3d 360 (5<sup>th</sup> Cir. 2018).

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The receipt of a sales commission by insurance agents, insurance brokers, and pension consultants from an insurance company in connection with the purchase, with plan or IRA assets, of an insurance or annuity contract and the receipt of a sales commission by a principal underwriter for an investment company registered under the Investment Company Act of 1940 in connection with the purchase, with plan or IRA assets, of securities issued by the investment company violates the prohibited transaction provisions of ERISA section 406 and Code section 4975(c).

The Secretary of Labor may grant and amend administrative exemptions from the prohibited transaction provisions of ERISA and the Code.<sup>2</sup> Before granting an exemption, the Department must find that the exemption is administratively feasible, in the interests of plans, their participants and beneficiaries and IRA owners, and protective of the rights of participants and beneficiaries of such plans and IRA owners.

PTE 84-24, as amended, provides an exemption for insurance agents, insurance brokers and pension consultants to receive a sales commission from an insurance company in connection with the purchase, with plan or IRA assets, of an insurance or annuity contract. Relief is also provided for a principal underwriter for an investment company registered under the Investment Company Act of 1940 to receive a sales commission in connection with the purchase, with plan or IRA assets, of securities issued by the investment company.

In order to ensure that the class exemption is not abused, that the rights of the participants and beneficiaries are protected, and that the exemption's conditions are being complied with, the Department often requires minimal information collection pertaining to the affected transactions.

2. *Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.*

In order to receive commissions in conjunction with the purchase of an insurance or annuity contract or of securities issued by the investment company, the insurance agent, insurance broker, pension consultant, or principal underwriter must obtain written authorization from the authorizing fiduciary. Prior to obtaining the written authorization, the insurance agent, insurance broker, pension consultant, or principal underwriter must

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<sup>2</sup> Regulations at 29 CFR section 2570.30 to 2570.52 describe the procedures for applying for an administrative exemption under ERISA. Code section 4975(c)(2) authorizes the Secretary of the Treasury to grant exemptions from the parallel prohibited transaction provisions of the Code. Reorganization Plan No. 4 of 1978 (5 U.S.C. app. at 214 (2000)) generally transferred the authority of the Secretary of the Treasury to issue administrative exemptions under Code section 4975 to the Secretary of Labor.

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provide the authorizing fiduciary with sufficient materials and disclosures for the authorizing fiduciary to evaluate the appropriateness of the investment. Finally, the insurance agent, insurance broker, pension consultant, or principal underwriter must maintain sufficient records to demonstrate that the conditions of the exemption have been met.

These disclosure and written authorization requirements are designed as appropriate safeguards to ensure the protection of the plan assets involved in the transactions, which, in the absence of the class exemption, would not be permitted. These safeguards rely on the prior authorization and monitoring of the fiduciary's activities by an independent plan fiduciary. Moreover, the recordkeeping requirement is intended to be protective of rights of plan participants and beneficiaries and IRA owners by ensuring they and the Department can confirm that the conditions of the exemption has been satisfied. These conditions are necessary, as required under section 408(a) of ERISA, to ensure that respondents rely on the exemption only in the circumstances protective of plan participants and beneficiaries.

The Department is unable to estimate how frequently records supporting the exempt transactions are examined by either the Department or other parties. The Department has the authority to request such records and does so from time to time in connection with investigations.

3. *Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration for using information technology to reduce burden.*

Under 29 C.F.R. § 2520.104b-1(b) of ERISA, "where certain material, including reports, statements, and documents, is required under Part I of the Act and this part to be furnished either by direct operation of law or an individual request, the plan administrator shall use measures reasonably calculated to ensure actual receipt of the material by plan participants and beneficiaries." Section 2520.104b-1(c) establishes the manner in which disclosures under Title I of ERISA made through electronic media will be deemed to satisfy the requirement of § 2520.104b-1(b). Section 2520-107-1 establishes standards concerning the use of electronic media for maintenance and retention of records. Under these rules, all pension and welfare plans covered under Title I of ERISA may use electronic media to satisfy disclosure and recordkeeping obligations, subject to specific safeguards.

As further discussed in items 12 and 13 below, the Department has taken into account that some of the disclosures and written authorizations will be delivered electronically.

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4. *Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.*

It is likely that duplication of recordkeeping requirements exist with some state and federal banking and securities laws. However, no duplicate recordkeeping is required because the exemption allows entities to satisfy the requirements of both the exemption and of the other applicable laws through one recordkeeping arrangement.

5. *If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.*

The information collections impose the minimal burden needed to protect the assets of plans, IRAs and non-ERISA plans from commission payments that are tainted by conflicts of interest. Although the ICR could impact small insurance agents, insurance brokers, pension consultants, insurance companies, and principal underwriters, the Department believes that most of the impact will be on large entities. The Department has attempted to minimize burden by requiring the disclosures to contain information that is readily available to fiduciaries utilizing the exemption and the recordkeeping requirement to include records that are otherwise maintained in the normal cost of business. The information collection must apply equally to large and small entities to ensure that participants and beneficiaries and IRA owners are protected when their plans and IRAs engage in transactions that otherwise would be prohibited under ERISA and the Code.

6. *Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.*

The requirements of this PTE are only mandatory if entities wish to utilize the class exemption. The frequency is dependent upon the occurrence of such transactions, not on a predetermined time period.

If the disclosure and recordkeeping requirements were not included in PTE 84-24 the Department could not ensure that the exemption is protective of the rights of participants and beneficiaries as required under ERISA section 408(a) and Code section 4975(c)(2).

7. *Explain any special circumstances that would cause an information collection to be conducted in a manner:*

- *requiring respondents to report information to the agency more often than quarterly;*

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- *requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;*
- *requiring respondents to submit more than an original and two copies of any document;*
- *requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;*
- *in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;*
- *requiring the use of a statistical data classification that has not been reviewed and approved by OMB;*
- *that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or*
- *requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.*

Because this exemption is granted under section 408(a) of ERISA and section 4975(c)(2) of the Code, the exclusion from the three year guideline for record retention set forth in 5 CFR 1320.5 is applicable. Furthermore, as a result of statutory recordkeeping requirements in ERISA, the Code, and other federal laws, the respondents affected by this exemption (financial institutions that deal with employee benefit plans), for the most part, have adopted six-year recordkeeping as standard business practice in order to satisfy those separate recordkeeping requirements.

Under the recordkeeping provisions of the exemption, fiduciaries are not required to disclose records that are privileged trade secrets or privileged commercial or financial information to plan fiduciaries, participants or beneficiaries, IRA owners, or their representatives. However, if the fiduciary refuses to disclose information on the basis that the information is exempt from disclosure, the fiduciary must, by the close of the thirtieth (30th) day following the request, provide a written notice advising the requestor of the reasons for the refusal and that the Department may request such information.

8. *If applicable, provide a copy and identify the date and page number of publication in the*

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*Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.*

*Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.*

*Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.*

The Department's notice soliciting public comment and providing 60 days for that purpose as required by 5 CFR 1320.8 (d) was published in the Federal Register on April 5, 2019 (84 FR 13719). No comments were received.

9. *Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.*

No payments or gifts are provided to respondents.

10. *Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.*

No assurance of confidentiality was provided.

11. *Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.*

There are no questions of a sensitive nature.

12. *Provide estimates of the hour burden of the collection of information. The statement should:*

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- *Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.*
- *If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13.*
- *Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here.*

As discussed in Item 1, above, PTE 84-24 offers relief for insurance agents, insurance brokers and pension consultants to receive a commission in connection with the purchase of annuities and for mutual fund principal underwriters to receive a commission in connection with the purchase of mutual fund shares. The Department's estimate of the hour burden associated with the ICRs is discussed below.<sup>3</sup>

According to 2016 Annual Return/Report of Employee Benefit (Form 5500) data and Internal Revenue Service Statistics of Income data, the Department estimates that there are approximately 702,540 ERISA covered pension plans and approximately 58.4 million individual retirement accounts (IRAs). The Department assumes that 6.4 percent of plans and IRAs are new, so that there are 44,693 new plans and 3,739,172 new IRAs. The Department assumes that about 3% of these new plans (1,349 plans) and 3% of these new IRAs (112,175 IRAs) use a financial institution fiduciary that will take advantage of the exemption.<sup>4</sup>

The Department estimates that approximately 1,420 Insurance Agents and Brokers,

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<sup>3</sup> The burden estimates contained in the responses to questions 12 and 13 are calculated off of unrounded figures, while in many cases the numbers presented in the text are rounded. Any discrepancies in the burden estimates are attributable to rounding.

<sup>4</sup> Figure A15 of ICI's February 2016 Appendix: Additional Data on IRA Ownership in 2015 states that 8 percent of traditional IRAs with rollovers are held by insurance companies. This number has been adjusted downward to 3 percent to reflect the removal of transactions not covered by this exemption.

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Pension Consultants, and Insurance Companies will take advantage of this exemption<sup>5</sup> with all of their client plans and IRAs and 10 Investment Company Principal Underwriters for plan and 10 Investment Company Principal Underwriters for IRAs will take advantage of this exemption once with one client plan.

For purposes of this analysis, the Department uses the following wage rates:<sup>6</sup> an in-house rate of \$133.29 for legal professionals, \$52.09 for clerical staff, and \$157.90 for a financial manager. s.

- 1) Written authorization from the independent plan fiduciary

The Department estimates that approximately 1,349 authorizing fiduciaries from plans and 112,175 IRA holders are expected to send an advance written authorization to the 1,420 Insurance Agents and Brokers, Pension Consultants, and Insurance Companies and the 10 Investment Company Principal Underwriters for IRAs. In the plan universe, it is assumed that a legal professional will spend five hours per plan reviewing the disclosures and preparing an authorization form. In the IRA universe, it is assumed that a legal professional working on behalf of the insurance agent or broker, pension consultant, or insurance company will spend three hours drafting an authorization form for IRA holders to sign. This results in an hour burden of 11,034 hours<sup>7</sup> with an equivalent cost of \$1,470,773.<sup>8</sup>

To produce and distribute the authorization, the Department assumes that 56.4 percent of plan authorizations<sup>9</sup> and 47.44 percent of IRA authorizations will be distributed

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5 According to 2016 Form 5500 data, 1,022 pension consultants service the retirement market. Additionally, SNL Financial data show that 398 life insurance companies reported receiving either individual or group annuity considerations in 2016. The Department has used these data as the count of insurance companies working in the ERISA-covered plan and IRA markets. .

6 For a description of the Department's methodology for calculating wage rates, see <https://www.dol.gov/sites/default/files/ebsa/laws-and-regulations/rules-and-regulations/technical-appendices/labor-cost-inputs-used-in-ebsa-opr-ria-and-pira-burden-calculations-july-2017.pdf>

7  $(1,349 \text{ plans} \times 5 \text{ hours per plan}) + (1,420 \text{ insurance agents and brokers, pension consultants, and insurance companies} \times 3 \text{ hours per insurance agent, broker, pension consultant, or insurance company}) + (10 \text{ investment company principal underwriters} \times 3 \text{ hours}) = 11,034 \text{ hours}$

8  $11,034 \text{ hours} \times \$133.29 \text{ per hour} = \$1,470,773$

9 According to data from the National Telecommunications and Information Agency (NTIA), 37.7 percent of individuals age 25 and over have access to the Internet at work. According to a Greenwald & Associates survey, 84 percent of plan participants find it acceptable to make electronic delivery the default option, which is used as the proxy for the number of participants who will not opt-out of electronic disclosure that are automatically enrolled (for a total of 31.7 percent receiving electronic disclosure at work). Additionally, the NTIA reports that 40.5 percent of individuals age 25 and over have access to the internet outside of work. According to a Pew Research Center survey, 61 percent of internet users use online banking, which is used as the proxy for the number of internet users who will affirmatively consent to receiving electronic disclosures (for a total of 24.7 percent receiving electronic disclosure outside of work). Combining the 31.7 percent who receive electronic disclosure at work with the 24.7

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electronically<sup>10</sup> through traditional electronic methods at no additional burden,<sup>11</sup> and the remaining 43.6 percent of plan authorizations and 52.6 percent of IRA authorizations will be mailed. For paper authorizations, the Department assumes that clerical staff will spend two minutes preparing and sending the authorization resulting in an hour burden of approximately 1,986 hours<sup>12</sup> with an equivalent cost of \$103,472.<sup>13</sup>

In total, as presented in the table below, the written authorization requirement, under the new conditions of relief, is expected to result in a total hour burden of 13,021 hours with an equivalent cost of \$1.574 million.

Activity	Burden Hours	Equivalent Burden Cost
Legal	11,034	\$1,470,773
Clerical	1,986	\$103,472
<b>Total</b>	<b>13,021</b>	<b>\$1,574,245</b>

2) Disclosure

The Department estimates that approximately 1,420 insurance agents and brokers, pension consultants, and insurance companies and 10 investment company principal underwriters for plans and 10 investment company principal underwriters for IRAs will utilize the exemption. The Department assumes that each of these insurance agents and brokers, pension consultants, insurance companies, and mutual fund principal underwriters has an in-house attorney spend one hour of legal staff time drafting the disclosure for plans and, with the exception of mutual fund principal underwriters, one hour of legal staff time drafting the disclosure for IRAs. This results in an hour burden of 2,860 hours<sup>14</sup> with an equivalent cost of \$381,209.<sup>15</sup>

To produce and distribute the materials, the Department assumes that 56.4 percent will be distributed electronically to plans and 47.4 percent will be distributed electronically to

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percent who receive electronic disclosure outside of work produces a total of 56.4 percent who will receive electronic disclosure overall.

10 According to data from the NTIA, 77.7 percent of individuals age 25 and older have access to the internet.

According to a Pew Research Center survey, 61 percent of internet users use online banking, which is used as the proxy for the number of internet users who will opt in for electronic disclosure. Combining these data produces an estimate of 47.41 percent of individuals who will receive electronic disclosures.

11 Using a weighted average, 47.51 percent of all disclosures will be distributed electronically.

12 [(1,349 plans x 43.6 percent paper) + (112.175 million IRAs x 52.6 percent paper)] x 2 minutes per plan or IRA = 1,986 hours

13 1,986 hours x \$52.09 per hour = \$103,472

14 [1,420 insurance agents and brokers, pension consultants, and insurance companies x (1 hour for plans + 1 hour for IRAs)] + (10 Investment Company Principal Underwriters x 1 hour for plans) + (10 Investment Company Principal Underwriters x 1 hour for IRAs) = 2,860 hours

15 2,860 hours x \$133.29 per hour = \$381,209

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IRAs through traditional electronic methods at no additional burden. The remaining 43.6 percent for plans and 52.6 percent for IRAs will be mailed. For paper copies, a clerical staff member is assumed to require two minutes to prepare and mail the required information to the plan fiduciary. This information will be sent to the 1,349 plans plus the 10 investment company principal underwriters and 112,175 million IRAs plus the 10 investment company principal underwriters for IRAs entering into an agreement with an insurance agent, pension consultant, or mutual fund principal underwriter, and based on the above, the Department estimates that this requirement results in an hour burden of 1,987 hours<sup>16</sup> with an equivalent cost of \$103,489.<sup>17</sup>

In total, as presented in the table below, providing the pre-authorization materials is expected to impose an hour burden of 4,847 hours with an equivalent cost of \$484,698 million.

Activity	Burden Hours	Equivalent Burden Cost
Legal	2,860	\$381,209
Clerical	1,987	\$103,489
<b>Total</b>	<b>4,847</b>	<b>\$484,698</b>

3) Recordkeeping

The Department assumes that maintaining records is a regular and customary business practice. Therefore, the Department estimates that the additional time needed to maintain records consistent with the exemption will only require about one-half hour, on average, annually for a financial manager to organize and collate the documents, and an additional 15 minutes of clerical time to make the documents available for inspection during normal business hours.

The Department estimates that there are approximately 1,420 insurance agents and pension consultants and 10 mutual fund Principal Underwriters for plan and 10 mutual fund Principal Underwriters for IRAs will utilize the exemption. Thus, the Department estimates that a total of approximately 400 hours of clerical time and 800 hours of financial manager time result from this requirement. At an hourly wage rate of \$52.09 for clerical staff and \$157.90 for a financial manager, this results in an equivalent cost of \$132,440.

Activity	Burden Hours	Equivalent Burden Cost
Financial Manager	720	\$113,688

<sup>16</sup> [(1,359 plans x 43.6 percent paper) + (112,185 IRAs x 52.6 percent paper)] x 2 minutes per plan or IRA = 1,987 hours

<sup>17</sup> 1,986 hours x \$52.09 = \$103,489

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Clerical	360	\$18,752
<b>Total</b>	<b>1,080</b>	<b>\$132,440</b>

Summary

In total, the amended conditions of this exemption will result in the production of 227,068 written authorizations and disclosures. Electronic methods will be used to distribute 56.4 percent of disclosures to and authorizations from plans and 47.4 percent of disclosures to and authorizations from IRAs, at de minimis burden, while the remainder will be on paper. Production and distribution of paper disclosures will result in an overall burden of 18,948 hours with an equivalent cost of \$2.2 million.

Activity	Burden Hours	Equivalent Burden Cost
1. Written authorization from the authorizing plan fiduciary	13,021	\$1,574,245
2. Provision of materials for evaluation of authorization of transaction	4,847	\$484,698
3. Recordkeeping	1080	\$132,440
<b>Total</b>	<b>18,948</b>	<b>\$2,191,384</b>

13. *Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 or 14).*

As discussed in item 12 above, the exemption imposes three information requests on authorizing fiduciaries and insurance agents, pension consultants, and mutual fund principal underwriters to qualify for the relief provided in the exemption. The cost burden that is associated with complying with these ICRs is discussed below. These estimates are in addition to the hour burden estimates discussed in item 12.

The Department used the same assumptions that were used in determining the hour burden in estimating the cost burden. In addition, the Department assumes that electronic means will be used to deliver 56.4 percent of the required information to plans and 47.4 percent of the required information to IRAs with no associated cost burden. For the required information not sent electronically, the Department estimates that a cost of 5 cents per page for paper and printing costs and 55 cents of postage cost per mailing will be incurred.

The annual cost burden is calculated as follows:

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1) Written authorization from the independent plan fiduciary

The Department assumes that the authorization will include two pages. Plans and IRAs will have to send the authorization; therefore about 1,349 plans and 112,175 IRAs will have to send the authorization each year with 56.4 percent of plan authorizations and 47.4 percent IRA authorizations being sent electronically. Paper authorizations will cost \$0.65 each, which results in a cost burden of approximately \$38,735.<sup>18</sup>

2) Provision of disclosure materials

The Department assumes that this information will include seven pages. Once again, approximately 1,349 authorizing plan fiduciaries, 112,175 IRA holders, 10 mutual fund Principal Underwriters for plan and 10 mutual fund Principal Underwriters for IRAs will receive this information with 56.4 percent of plans and 47.4 percent of IRAs receiving the information electronically at no cost. The Department estimates that paper distribution will cost \$0.90 each, which results in a cost burden of about approximately \$53,642.<sup>19</sup>

Summary

In total, the Department estimates that the conditions of PTE 84-24 will result in the production of 227,068 authorizations and disclosures. Electronic methods will be used to distribute 56.4 percent of disclosures to and authorizations from plans and 47.4 percent of disclosures to and authorizations from IRAs, at de minimis cost. As presented in the table below, production of paper disclosures will total approximately \$93,377.

Activity	Cost
1. Written authorization from the authorizing plan fiduciary to the broker-dealer	\$38,735
2. Provision of materials for evaluation of authorization of transaction	\$53,642
<b>Total</b>	<b>\$92,377</b>

14. *Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of*

<sup>18</sup> [(1,349 plan authorizations x 43.6 percent paper) + (112,175 IRA authorizations x 52.6 percent paper)] x \$0.65 = \$38,735

<sup>19</sup> [(1,349 plan materials packages x 43.6 percent paper) + (112,175 IRA materials packages x 52.6 percent paper)] + (10 principal underwriters for plans x 43.6 percent paper) + (10 principal underwriters for IRAs x 52.6 percent paper)]\$0.90 = \$53,642

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*information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.*

There are no ongoing costs to the Federal government.

15. *Explain the reasons for any program changes or adjustments reported in Items 13 or 14.*

The Department is renewing the information collections contained in PTE 84-24 that were in place prior to 2016. The analysis uses updated labor cost estimates. Costs of postage have been updated. Additionally, the number of plans and IRA have been updated to reflect updated Form 5500 data. The estimated number of new plans has also been updated to reflect Form 5500 data. The estimated number of insurance agents has been updated to reflect the most current data. These updates have resulted in a decrease in the number of disclosures produced and the cost burden.

16. *For collections of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.*

This is not a collection of information for statistical use.

17. *If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.*

The collection of information will display a currently valid OMB control number.

18. *Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submission."*

There are no exceptions to the certification statement.