

DEPARTMENT OF LABOR**Pension and Welfare Benefits Administration****Proposed Extension of Information Collection Request Submitted for Public Comment and Recommendations****ACTION:** Notice.

SUMMARY: The Department of Labor, as part of its continuing effort to reduce paperwork and respondent burden conducts a preclearance consultation program to provide the general public and other federal agencies with an opportunity to comment on proposed and continuing collections of information in accordance with the Paperwork Reduction Act of 1995 (PRA 95) (44 U.S.C. 3506(c)(2)(A)). This program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed. Currently, the Pension and Welfare Benefits Administration is soliciting comments concerning the proposed extension of the collection of information included in the suspension of pension benefits regulation issued pursuant to the authority of section 203(a)(3)(B) of the Employee Retirement Income Security Act of 1974 (ERISA) which governs the circumstances under which pension plans may suspend pension benefits payments to retirees that return to work, or of participants that continue to work beyond normal retirement age (29 CFR 2530.203-3). The Department is particularly interested in comments which evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information including the basis for any suggested alternative burden estimates. A copy of the proposed information collection request (ICR) can be obtained by contacting the office listed below in the **ADDRESSES** section of this notice.

DATES: Written comments must be submitted to the office listed in the **ADDRESSES** section below on or before August 21, 1998.

The Department of Labor is particularly interested in comments which:

- 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 methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected;
- 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.

ADDRESSES: Interested parties are invited to submit written comments regarding the collection of information of any or all of the Agencies. Send comments to Mr. Gerald B. Lindrew, Office of Policy and Research, U.S. Department of Labor, Pension and Welfare Benefits Administration, 200 Constitution Avenue, NW., Room N-5647, Washington, D.C. 20210. Telephone: (202) 219-4782 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION:**1. Background**

Section 203(a)(3)(B) of ERISA governs the circumstances under which pension plans may suspend pension benefit payments to retirees that return to work or to participants that continue to work beyond normal retirement age. Furthermore, section 203(a)(3)(B) of ERISA authorizes the Secretary to prescribe regulations necessary to carry out the provisions of this section.

In this regard, the Department previously issued a regulation which described the circumstances and conditions under which plans may suspend the pension benefits of retirees that return to work, or of participants that continue to work beyond normal retirement age (29 CFR 2530.203-3). In order for a plan to suspend benefits pursuant to the regulation, it must notify affected retirees or participants (by first class mail or personal delivery) during the first calendar month or payroll period in which the plan withholds payment, that benefits are suspended. This notice must include the specific reasons for such suspension, a general description of the plan provisions authorizing the suspension, a copy of the relevant plan provisions, and a statement indicating where the applicable regulations may be found, i.e. 29 CFR 2530.203-3. In addition, the suspension notification must inform the retiree or participant of the plan's procedure for affording a review of the suspension of benefits.

II. Current Actions

The Office of Management and Budget's approval of this ICR will expire on September 30, 1998. This existing collection of information should be continued because the requirement that retirees or participants be notified in the event of suspension of benefits is intended to protect their nonforfeitable right to their normal retirement benefits. By informing retirees or participants of the reasons for the suspension, the authority for the suspension, and the plan's procedure for review of a suspension of benefits, retirees or participants are informed of the status of their pension benefits and are able to raise with the plan facts or issues which may be relevant to determining whether a suspension of benefits is proper under the circumstances.

Agency: Department of Labor, Pension and Welfare Benefits Administration.

Title: Suspension of Benefits Regulation pursuant to 29 CFR § 2530.203-3.

Type of Review: Extension of a currently approved collection.

OMB Numbers: 1210-0048.

Affected Public: Individuals of households; Business or other for-profit; Not-for-profit institutions.

Total Respondents: 57,374.

Total Responses: 57,374.

Frequency of Response: On occasion.

Total Annual Burden: 14,343.5 hours.

Comments submitted in response to this comment request will be summarize and/or included in the request for Office of Management and Budget approval of the information collection request; they will also become a matter of public record.

Dated: June 17, 1998.

Gerald B. Lindrew,

Deputy Director, Pension and Welfare Benefits Administration, Office of Policy and Research.

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SUMMARY: The Department of Labor, as part of its continuing effort to reduce paperwork and respondent burden, conducts a preclearance consultation program to provide the general public

and other federal agencies with an opportunity to comment on proposed and continuing collections of information in accordance with the Paperwork Reduction Act of 1995 (PRA 95) (44 U.S.C. 3506(c)(2)(A)). This program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed. Currently, the Pension and Welfare Benefits Administration is soliciting comments concerning the proposed extension of a currently approved collection of information, Class Exemption 77-4 for certain transactions between investment companies and employee benefit plans. A copy of the proposed information collection request (ICR) can be obtained by contacting the office listed below in the ADDRESSES section of this notice.

DATES: Written comments must be submitted to the office listed in the ADDRESSES section below on or before August 21, 1998. The Department of Labor is particularly interested in comments which:

- 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 methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected;
- 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.

ADDRESSES: Interested parties are invited to submit written comments regarding the collection of information of any or all of the Agencies. Send comments to Mr. Gerald B. Lindrew, Office of Policy and Research, U.S. Department of Labor, Pension and Welfare Benefits Administration, 200 Constitution Avenue, NW, Room N-5647, Washington, D.C. 20210. Telephone: (202) 219-4782 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION:

I. Background

Prohibited Transaction Class Exemption 77-4 permits the purchase and sale by an employee benefit plan of shares of a registered, open-end investment company (mutual fund) when a fiduciary with respect to the plan (e.g., investment manager) is also the investment advisor for the investment company. In absence of the exemption, certain aspects of these transactions might be prohibited by section 406 of the Employee Retirement Income Security Act (ERISA).

II. Current Actions

The Office of Management and Budget's approval of this ICR will expire on September 30, 1998. This existing collection of information should be continued because without the relief provided by this exemption, an open-end mutual fund could not sell shares to or purchase shares from a plan when the fiduciary with respect to the plan is also the investment advisor for the mutual fund. As a result, plans would be compelled to liquidate their existing investments involving such transactions and establish new investment structures and policies, and amend their plan documents.

In order to insure that the exemption is not abused and that the rights of participants and beneficiaries are protected, the Department has included in the exemption two basic disclosure requirements. The first is intended to put the plan on notice of possible fees associated with the redemption of open-end mutual fund shares. It requires disclosure of any redemption fees in the current prospectus of the open-end mutual fund (the prospectus in effect at the time of the plan's acquisition or disposal of such shares). The second requires at the time of the purchase or sale of such mutual fund shares that the plan's independent fiduciary receive a copy of the current prospectus issued by the open-end mutual fund and a full and detailed written statement of the investment advisory fees charged to or paid by the plan and the open-end mutual fund to the investment advisor.

Agency: Department of Labor, Pension and Welfare Benefits Administration.

Title: Class Exemption 77-4 for Certain Transactions Between Investment Companies and Employee Benefit Plans.

Type of Review: Extension of a currently approved collection.

OMB Numbers: 1210-0049.

Affected Public: Individuals or households; Business or other for-profit; Not-for-profit institutions.

Total Respondents: 624.

Total Responses: 46,800.

Frequency of Response: On occasion.

Total Annual Burden: 4,212 hours.

Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval of the information collection request; they will also become a matter of public record.

Dated: June 17, 1998.

Gerald B. Lindrew,

Deputy Director, Pension and Welfare Benefits Administration, Office of Policy and Research.

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DEPARTMENT OF LABOR

Pension and Welfare Benefits Administration

Working Group Studying Retirement Plan Leakage—Cashing in Your Future From ERISA Employer-Sponsored Pension Plans Advisory Council on Employee Welfare and Pension Benefits Plans; Notice of Meeting

Pursuant to the authority contained in Section 512 of the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C. 1142, a public meeting will be held on Wednesday, July 8, 1998, of the Retirement Plan Leakage—Cashing in Your Future—Working Group of the Advisory Council on Employee Welfare and Pension Benefit Plans. The group is studying pre-retirement distributions, including in-service distributions, hardship loans and participant loans from ERISA employer-sponsored pension plans.

The purpose of the open meeting, which will run from 9:30 a.m. to approximately noon in Room N-4437 C&D, U.S. Department of Labor Building, Second and Constitution Avenue NW, Washington, D.C. 20210, is for Working Group members to continue gathering statistical information and/or to take additional testimony on the import of these "pension preservation" issues.

Members of the public are encouraged to file a written statement pertaining to the topic by submitting 20 copies on or before July 2, 1998, to Sharon Morrissey, Executive Secretary, ERISA Advisory Council, U.S. Department of Labor, Room N-5677, 200 Constitution Avenue, NW, Washington, D.C. 20210. Individuals or representatives of organizations wishing to address the Working Group should forward their request to the Executive Secretary or telephone (202) 219-8753. Oral presentations will be limited to 10 minutes, but an extended statement may