

PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

■ **Par. 2.** Section 1.101–1 is amended by:

■ a. Revising paragraph (d)(2)(ii)(A)(1).

■ b. In paragraph (f)(4)(ii), removing the word “consist” and adding in its place “consists.”

The revision reads as follows:

§ 1.101–1 Exclusion from gross income of proceeds of life insurance contracts payable by reason of death.

* * * * *

(d) * * *

(2) * * *

(ii) * * *

(A) * * *

(1) Is an employee within the meaning of section 101(j)(5)(A) of the acquired trade or business immediately preceding the acquisition (for purposes of this paragraph (d)(2)(ii)(A)(1), however, the reference in section 101(j)(5)(A) to highly compensated employee within the meaning of section 414(q) does not include a former employee); or

* * * * *

■ **Par. 3.** Section 1.6050Y–1(b) introductory text is amended by adding a sentence after the second sentence and revising the last sentence to read as follows:

§ 1.6050Y–1 Information reporting for reportable policy sales, transfers of life insurance contracts to foreign persons, and reportable death benefits.

* * * * *

(b) * * * This section and § 1.6050Y–3 apply to any notice of a transfer to a foreign person received after December 31, 2018. However, for reportable policy sales and payments of reportable death benefits occurring after December 31, 2018, and on or before December 31, 2019, and any notice of a transfer to a foreign person received after December 31, 2018, and on or before December 31, 2019, transition relief is provided as follows:

* * * * *

Martin V. Franks,

Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel, (Procedure and Administration).

[FR Doc. 2019–26866 Filed 12–12–19; 8:45 am]

BILLING CODE 4830–01–P

PENSION BENEFIT GUARANTY CORPORATION**29 CFR Parts 4022 and 4044**

Allocation of Assets in Single-Employer Plans; Benefits Payable in Terminated Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: This final rule amends the Pension Benefit Guaranty Corporation’s regulations on Benefits Payable in Terminated Single-Employer Plans and Allocation of Assets in Single-Employer Plans to prescribe certain interest assumptions under the benefit payments regulation for plans with valuation dates in January 2020 and interest assumptions under the asset allocation regulation for plans with valuation dates in the first quarter of 2020. These interest assumptions are used for valuing benefits and paying certain benefits under terminating single-employer plans covered by the pension insurance system administered by PBGC.

DATES: Effective January 1, 2020.

FOR FURTHER INFORMATION CONTACT:

Gregory Katz (katz.gregory@pbgc.gov), Attorney, Regulatory Affairs Division, Pension Benefit Guaranty Corporation, 1200 K Street NW, Washington, DC 20005, 202–326–4400, ext. 3829. (TTY users may call the Federal relay service toll free at 1–800–877–8339 and ask to be connected to 202–326–4400, ext. 3829.)

SUPPLEMENTARY INFORMATION: PBGC’s regulations on Allocation of Assets in Single-Employer Plans (29 CFR part 4044) and Benefits Payable in Terminated Single-Employer Plans (29 CFR part 4022) prescribe actuarial assumptions—including interest assumptions—for valuing and paying plan benefits under terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974 (ERISA). The interest assumptions in the regulations are also published on PBGC’s website (<https://www.pbgc.gov>).

Lump Sum Interest Assumption

PBGC uses the interest assumptions in appendix B to part 4022 (“Lump Sum Interest Rates for PBGC Payments”) to determine whether a benefit is payable as a lump sum and to determine the amount to pay as a lump sum. Because some private-sector pension plans use these interest rates to determine lump

sum amounts payable to plan participants (if the resulting lump sum is larger than the amount required under section 417(e)(3) of the Internal Revenue Code and section 205(g)(3) of ERISA), these rates are also provided in appendix C to part 4022 (“Lump Sum Interest Rates for Private-Sector Payments”).

This final rule updates appendices B and C of the benefit payments regulation to provide the rates for January 2020 measurement dates.

The January 2020 lump sum interest assumptions will be 0.25 percent for the period during which a benefit is (or is assumed to be) in pay status and 4.00 percent during any years preceding the benefit’s placement in pay status. In comparison with the interest assumptions in effect for December 2019, these assumptions represent no change in the immediate rate and are otherwise unchanged.

Valuation/Asset Allocation Interest Assumptions

PBGC uses the interest assumptions in appendix B to part 4044 (“Interest Rates Used to Value Benefits”) to value benefits for allocation purposes under section 4044 of ERISA, and some private-sector pension plans use them to determine benefit liabilities reportable under section 4044 of ERISA and for other purposes. The first quarter 2020 interest assumptions will be 2.12 percent for the first 25 years following the valuation date and 2.26 percent thereafter. In comparison with the interest assumptions in effect for the fourth quarter of 2019, these interest assumptions represent no change in the select period (the period during which the select rate (the initial rate) applies), a decrease of 0.41 percent in the select rate, and a decrease of 0.27 percent in the ultimate rate (the final rate).

Need for Immediate Guidance

PBGC updates appendix B of the asset allocation regulation each quarter and appendices B and C of the benefit payments regulation each month. PBGC has determined that notice and public comment on this amendment are impracticable and contrary to the public interest. This finding is based on the need to issue new interest assumptions promptly so that they are available to value benefits and, for plans that rely on our publication of them each month or each quarter, to calculate lump sum benefit amounts.

Because of the need to provide immediate guidance for the valuation and payment of benefits under plans with valuation dates during January 2020, PBGC finds that good cause exists

for making the assumptions set forth in this amendment effective less than 30 days after publication.

PBGC has determined that this action is not a “significant regulatory action” under the criteria set forth in Executive Order 12866.

Because no general notice of proposed rulemaking is required for this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

List of Subjects

29 CFR Part 4022

Employee benefit plans, Pension insurance, Pensions, Reporting and recordkeeping requirements.

29 CFR Part 4044

Employee benefit plans, Pension insurance, Pensions.

In consideration of the foregoing, 29 CFR parts 4022 and 4044 are amended as follows:

PART 4022—BENEFITS PAYABLE IN TERMINATED SINGLE-EMPLOYER PLANS

■ 1. The authority citation for part 4022 continues to read as follows:

Authority: 29 U.S.C. 1302, 1322, 1322b, 1341(c)(3)(D), and 1344.

■ 2. In appendix B to part 4022, Rate Set 315 is added at the end of the table to read as follows:

Appendix B to Part 4022—Lump Sum Interest Rates for PBGC Payments

* * * * *

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		i_1	i_2	i_3	n_1	n_2
* 315	* 1–1–20	* 2–1–20	* 0.25	* 4.00	* 4.00	* 4.00	* 7	* 8

■ 3. In appendix C to part 4022, Rate Set 315 is added at the end of the table to read as follows:

Appendix C to Part 4022—Lump Sum Interest Rates for Private-Sector Payments

* * * * *

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		i_1	i_2	i_3	n_1	n_2
* 315	* 1–1–20	* 2–1–20	* 0.25	* 4.00	* 4.00	* 4.00	* 7	* 8

PART 4044—ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

■ 4. The authority citation for part 4044 continues to read as follows:

Authority: 29 U.S.C. 1301(a), 1302(b)(3), 1341, 1344, 1362.

■ 5. In appendix B to part 4044, an entry for “January–March 2020” is added at the end of the table to read as follows:

Appendix B to Part 4044—Interest Rates Used To Value Benefits

* * * * *

For valuation dates occurring in the month—			The values of i_t are:					
			i_t	for $t =$	i_t	for $t =$	i_t	for $t =$
* January–March 2020	*	*	* 0.0212	* 1–25	* 0.0226	* >25	* N/A	* N/A

Issued in Washington, DC, by
Hilary Duke,
Assistant General Counsel, Pension Benefit Guaranty Corporation.
 [FR Doc. 2019–26935 Filed 12–12–19; 8:45 am]
BILLING CODE 7709–02–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket No. USCG–2019–0950]

Special Local Regulations; Charleston Harbor Christmas Parade of Boats, Charleston, SC

AGENCY: Coast Guard, DHS.

ACTION: Notice of enforcement of regulation.

SUMMARY: The Coast Guard will enforce the special local regulation for the Charleston Harbor Christmas Parade of Boats on December 14, 2019. This action is necessary to ensure safety of life on navigable waters of the United States during the Charleston Harbor Christmas Parade of Boats. During the enforcement period, no person or vessel may enter, transit through, anchor in, or remain