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Pension Benefit Guaranty Corporation
Regulatory Affairs Division, Office of the General Counsel
1200 K Street NW
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August 26, 2019

Subject: Response to Request for Comment on Proposed Rule "Miscellaneous Corrections, Clarifications, and Improvements" Published June 27, 2019 (RIN 1212–AB34)

To Whom It May Concern:

Mercer is pleased to respond to the request by the Pension Benefit Guaranty Corporation for comments on proposed Miscellaneous Corrections, Clarifications, and Improvements (the "proposed regulation"). Mercer is a global consulting leader delivering advice to help organizations meet the health, wealth and career needs of their workforce. Mercer provides consulting and actuarial services to approximately 1,000 US pension plans and employs enrolled actuaries who certify the variable rate premium filings for these plans.

In general, we believe that the proposed modifications to the reporting and filing requirements are helpful simplifications and appreciate the PBGC's efforts in this area. We observe that the proposed regulations do not contain a proposed effective date. While this may be appropriate for simplifications, we believe that the PBGC premium-related changes should be applied prospectively. Specifically, we recommend a prospective effective date for the changes relating to:

- The rules for participant count dates described in §4006.5(e) for certain mergers and spinoffs ; and
- The rules regarding the variable rate premium exemption described in §4006.5(a)(3) relating to terminating plans that engaged in spinoff during the year of termination

Some plan sponsors have already completed transactions and related premium filings based on their reading of the language in the existing regulations, having concluded that the existing language clearly supported the reduced premiums in these situations. We therefore believe it would be inappropriate to apply the updated rules to these transactions.

Sincerely,

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