Pension
Benefit
Guaranty
Corporation

2016

Premium Payment Instructions

On 11/09/2016, we revised the *Late Payment Charges* section to reflect amendments made to PBGC's Premium Payments regulation (29 CFR part 4007) with respect to penalties for late premium payments, see pages 38 – 40.

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Introduction and What's New

Introduction

Payment of premiums to the Pension Benefit Guaranty Corporation (PBGC) is required by sections 4006 and 4007 of the Employee Retirement Income Security Act of 1974 (ERISA), and PBGC's Premium Regulations (29 CFR Parts 4006 and 4007). You can find these regulations by clicking on the "Laws and Regulations" link on the Practitioners' page of PBGC's website.

There are two kinds of annual premiums: the Flat-rate Premium, which applies to all plans, and the Variable-rate Premium, which applies only to Single-employer Plans.

Every covered plan under ERISA section 4021 must make a premium filing each year. The due dates are described in the "When to File" section.

Electronic filing is mandatory for all plans. My Plan Administration Account (My PAA) is a secure Web-based application that enables pension plan professionals to electronically submit premium filings to PBGC in accordance with PBGC's regulations. Electronic filings may be prepared using My PAA's data entry screens or with compatible private-sector software. See "How to File" section for more information. For more information on e-filing options, see Appendix 3.

This document provides information for plans paying premiums for plan years beginning in **2016**, including instructions for each data element that must be reported. If you are filing for a previous year, you must follow the instructions for that year (available from the "Premium Payment Instructions and Addresses" link on the Practitioners' page of PBGC's website).

If you are amending a filing for a plan year that did not begin in 2016, the rules in this document do not apply. You must follow the instructions and regulations applicable for that plan year. However, because contact information and information about electronic funds transfers change periodically, the most recent information should be used instead of the information included in an instructions booklet for a prior plan year. This information can be accessed from the "Premium Payment Instructions and Addresses" link on the Practitioners' page of PBGC's website.

Defined terms

Appendix 1 provides definitions for terminology used throughout this document. In general, the defined terms are capitalized to signal the reader to refer to Appendix 1 for more information. However, the convention of capitalizing the defined terms is not followed for a few defined terms such as "participant," "we," "you," and "your."

How to Obtain Instructions

It is the responsibility of the Plan Administrator to obtain the necessary instructions and submit filings on time. The easiest way to get the most current information and instructions for premium filings is to go to the "Premium Payment Instructions and Addresses" link on the Practitioners' page of PBGC's website. In addition, if you use My PAA to create or import filings, instructions for each data item are available by clicking the instructions link near the item.

Introduction and What's New

What's New

The filing requirements for 2016 are almost identical to the filing requirements for 2015. The key changes to note for 2016 relate to changes in premium rates:

- Flat-rate Premiums —The per-participant flat-rate premium rate for single-employer plans is $64 up from $57. For multiemployer plans the rate is $27 up from $26.
- Variable-rate Premium — The rate per $1,000 of unfunded vested benefits is $30, up from $24.
- Cap on Variable-rate Premium — The MAP-21 Cap on the Variable-Rate Premium cap is $500 times the number of participants, up from $418 times the number of participants.

In addition, the instructions for "Risk Transfers", "Final premium filing", "Transfers from other plans", and "Transfers to other plans" have been clarified.

Who Must File

All Covered Plans Must File

The Plan Administrator of each pension plan covered under ERISA section 4021 is required annually to file the prescribed premium information and pay the premium due in accordance with PBGC's Premium Regulations and instructions.

Most private-sector defined benefit plans that meet tax qualification requirements are covered. If you are uncertain whether your plan is covered, you should promptly request a coverage determination. Note that a request for a coverage determination does not extend the due date for any premium that is finally determined to be due.

If your plan is covered, you must make a premium filing even if no premium is owed.

One Plan or More Than One?

If several unrelated employers participate in a program of benefits wherein the funds attributable to each employer are available to pay benefits to all participants, then there is a single Multiemployer or Multiple-employer Plan and the Plan Administrator must file and pay premiums for the plan as a whole. Separate filings and premiums cannot be submitted for each individual employer.

If several employers participate in a program of benefits wherein the funds attributable to each employer are available only to pay benefits to that employer's employees, then there are several plans (one for each employer) and the Plan Administrator must file and pay premiums separately for the plan of each individual employer.

If separate plans are maintained for different groups of employees, regardless of whether each is maintained by the same employer or by employers that are part of the same controlled group, then the Plan Administrator(s) must file and pay premiums separately for each plan.

When Filing Obligation Ceases

You must continue to make premium filings and pay premiums through and including the plan year in which any of the following occurs:

- Plan assets are distributed in satisfaction of all Benefit Liabilities pursuant to the plan's termination.
- A trustee is appointed for the plan under ERISA section 4042.
- The plan disappears by transferring all its assets and liabilities to one or more other plans in a Merger or Consolidation.
- The plan ceases to be a covered plan under ERISA section 4021.

The following examples illustrate when the filing obligation ceases:

Example 1 **–** A calendar-year plan terminates in a standard termination with a termination date of September 29, 2015. On April 6, 2016, assets are distributed in satisfaction of all Benefit Liabilities. The Plan Administrator must file and make the premium payments for the 2015 and 2016 plan years.

Example 2 **–** A plan with a plan year beginning July 1 and ending June 30 terminates in a distress termination with a termination date of April 27, 2016. On July 6, 2016, a trustee is appointed to administer the plan under ERISA section 4042. Premium filings and payments must be made for this plan for both the 2015 and 2016 plan years, because a trustee was not appointed until after the beginning of the 2016 plan year.

When to File

Introduction

This section describes when premium filings are due. A filing includes both the submission of required data and the payment of any required premium. In general, if a filing is not made by the due date, late payment charges will apply. Late payment charges include both interest charges and penalty charges. See "Late Payment Charges" section for more information on the ramifications of missing a deadline.

Normal Premium Due Date

The Normal Premium Due Date applies unless:

- The plan is a New or Newly Covered Plan,
- The plan year changed since last year, or
- All assets are distributed during the Premium Payment Year pursuant to a standard termination.

The Normal Premium Due Date is the 15th day of the 10th full calendar month in the plan year (*e.g.*, generally October 15th for calendar-year plans).[1] If the Normal Premium Due Date falls on a Saturday, Sunday or Federal Holiday, the due date is automatically extended to the next business day[2].

The following table shows the Normal Premium Due Dates for plan years beginning in 2016:

2016 Normal Premium Due Dates

Premium Payment Year Begins	Premium Due Date	Premium Payment Year Begins	Premium Due Date
1/1/2016	10/17/2016*		
01/02 - 02/01/2016	11/15/2016	07/02 - 08/01/2016	05/15/2017
02/02 - 03/01/2016	12/15/2016	08/02 - 09/01/2016	06/15/2017
03/02 - 04/01/2016	01/17/2017*	09/02 - 10/01/2016	07/17/2017*
04/02 - 05/01/2016	02/15/2017	10/02 - 11/01/2016	08/15/2017
05/02 - 06/01/2016	03/15/2017	11/02 - 12/01/2016	09/15/2017
06/02 - 07/01/2016	04/17/2017*	12/02 - 12/31/2016	10/16/2017*

* The actual due date falls on a Saturday, Sunday or Federal Holiday, so the date shown above is the first business day following the actual due date.

[1] The due date is the 15th day of the 10th full calendar month that begins on or after the first day of the Premium Payment Year. In situations involving a short plan year, this due date may not be "in the plan year."

[2] See "Late Payment Charges" section for information on how late charges are determined if payment is made after an automatically extended due date.

Due Date for Special Situations

In the situations noted below, premiums may be due on a date other than the Normal Premium Due Date:

- The plan is a New or Newly Covered Plan,
- The plan year changed since last year, or
- All assets are distributed during the Premium Payment Year pursuant to a standard termination.

The due dates for these situations are described below. For all of these situations, if the adjusted due date falls on a Saturday, Sunday or Federal Holiday, the due date is automatically extended to the next business day.

New and Newly Covered Plans

In some cases, these first time filers cannot have their filings ready by the Normal Due Date. For example, consider a calendar year plan that is adopted November 1st with an effective date retroactive to January 1. Because the plan was adopted after the Normal Premium Due Date (October 15th), a later due date is warranted.

To accommodate such plans, the due date for New and Newly Covered Plans is the latest of:

- The Normal Due Date,
- 90 days after the date of the plan's adoption,
- 90 days after the date on which the plan became covered by title IV of ERISA, or
- In the case of a Small Plan that is also a Continuation Plan, 90 days after the UVB Valuation Date.

These rules are illustrated in the following examples:

Example 1 – Plan A, a calendar-year plan was adopted August 1, 2016 with a retroactive effective date of January 1, 2016. Plan A is not a Continuation Plan or a Small Plan. The due date for Plan A's first premium filing is October 30, 2016 (90 days after August 1, 2016) because that date is later than the Normal Premium Due Date (October 17, 2016).

Example 2 – The situation for Plan B is identical to Plan A (see Example 1) except that the plan was adopted one month earlier, July 1, 2016. The due date for Plan B's first premium filing is October 15, 2016, the Normal Premium Due Date because that date is later than 90 days after the adoption date.

Example 3 – A professional service employer maintains Plan C, a calendar plan year plan. From plan inception through September 30, 2016, Plan C never had more than 25 active participants, and thus was not a covered plan under ERISA section 4021. On October 1, 2016, a few employees were hired and became covered by the plan resulting in a total active participant count of 26 and therefore, the plan became a covered plan on that date. Plan C will continue to be a covered plan regardless of how many active participants the plan has in the future. Note that the Premium Payment Year begins on January 1, 2016, even though the plan did not become covered until after that date. The due date for the plan's first premium filing is December 30, 2016 (90 days after October 1, 2016) because the date is later than the Normal Premium Due Date (October 15, 2016).

When to File

Plans Changing Plan Years

For a plan that changes its plan year, the filing due dates for the short year are unaffected by the change in plan year. However, for the first plan year under the new cycle, the due date is whichever is later:

- The Normal Premium Due Date, or
- 30 days following the date on which a plan amendment changing the plan year was adopted.

The following examples show the due dates for plans changing plan years:

Example 1 – By plan amendment adopted on December 1, 2016, a plan changes from a plan year beginning January 1 to a plan year beginning June 1. This results in a short plan year beginning January 1, 2016, and ending May 31, 2016. Premiums for the short plan year are due October 15, 2016, the Normal Premium Due Date.

For the plan year beginning June 1, 2016, the premiums are due by the Normal Premium Due Date (March 15, 2017) because that is later than 30 days after the date the plan amendment changing the plan year was adopted (December 31, 2016).

Example 2 – By plan amendment adopted on January 6, 2017, and made retroactively effective to April 1, 2016, a plan changes from a plan year beginning on March 1 to a plan year beginning on April 1. For the March 1, 2016 - March 31, 2016 short plan year, the premium is due December 15, 2016. For the new plan year beginning April 1, 2016, the due date is 30 days after the adoption of the plan amendment changing the plan year (February 5, 2017) because that is later than the Normal Premium Due Date (January 15, 2017).

Assets Distributed Pursuant to a Standard Termination

For the Premium Payment Year in which all plan assets are distributed pursuant to standard termination, it's possible that the employer will be out of business or plan records and personnel will not be available by the Normal Premium Due Date. To streamline the final premium payment with the other activities related to a standard termination, the due date for a plan in this situation is the earlier of:

- The Normal Premium Due Date (i.e., the date premiums would have been due had the plan not been terminated), or
- The date when the post-distribution certification[3] is filed with us.

Disaster Relief

From time to time PBGC grants disaster relief by waiving late filing and payment penalties for certain plans that are unable to meet the filing deadline as a result of a major disaster (*e.g.*, a hurricane). If such relief is granted, a Disaster Relief Announcement explaining what relief has been granted and how to claim the relief is accessible via the Practitioners Page on the PBGC's website.

Additional Information

You can find detailed rules about filing due dates in PBGC's premium payment regulation (29 CFR Part 4007). You can access this regulation on the "Laws and Regulations" page, accessible from the Practitioners Page or the "Open Government" section of the Home Page on PBGC's website.

[3] The post-distribution certification (Form 501) is a document required to be submitted to PBGC as part the standard termination process See § 4041.29 for additional information.

How to File

General

To make a complete premium filing, you must report certain required data and submit any required premium payment by completing and submitting a comprehensive premium filing.

A list of the data that must be reported is included in the "Data to be Submitted" section. For simplicity, the required data elements are shown in a traditional "form" format. The purpose of the "form" is to provide a comprehensive list of data that must be submitted electronically. These instructions are written as if they related to the illustrative form (see "Description of Data Elements" section). The "form" is for illustrative purposes only.

Filing Method

Electronic premium filing is mandatory[4]. Electronic filing is done through PBGC's e-filing application, My Plan Administration Account (My PAA), which you access through the "Online Premium Filing (My PAA)" section of the Practitioners Page on PBGC's website.

You may prepare the filing directly using My PAA's data entry screens. Alternatively, you may use approved private-sector software to prepare a filing and then "import" the data into My PAA's editing screens or "upload" the filing via My PAA. Approved private sector-software is able to place your filing in an electronic file that is in "XML" format and meets PBGC specifications.

Depending on how you choose to prepare electronic filings (My PAA data entry screens or private-sector software), the order in which the questions are asked may differ from the order shown on the forms. In addition, in some cases, the software may perform certain calculations instead of requiring that you manually enter each required data element. If you use My PAA's data entry and editing screens, instructions are available on-line.

Appendix 3 provides an introduction to My PAA. The "Online Premium Filing (My PAA)" section of PBGC's website (accessible from the Practitioners Page) provides detailed, and often more up to date, information about My PAA.

Paying Premiums

Although e-filing of premium information through My PAA is mandatory, premium payments may be made either within My PAA or outside of My PAA. If you choose to pay within My PAA, you may pay by an electronic funds transfer using Automated Clearing House (ACH) or by electronic check. If you pay outside of My PAA, you may pay by electronic funds transfer (ACH or Fedwire), paper check or on-line via www.pay.gov, a free, and user-friendly Federal website from which you can make secure electronic payments direct to many Federal Agencies, including PBGC. We recommend using Pay.gov to minimize the potential for errors (e.g., incorrect account numbers). Additional information on payment options is included in Appendix 3.

[4] PBGC may grant a request for an exemption from the electronic filing requirement for good cause in appropriate circumstances. Such a request must be made in writing (e-mail, letter or fax). See Appendix 2 for information on where to send requests.

How to Count Participants

General

Plan participants must be counted because Flat-rate Premiums are based on the number of participants, as are both caps on the Variable-rate Premium (MAP-21 Cap and Small Employer Cap). In addition, the number of participants affects whether variable-rate premiums are based on current or prior (i.e., "lookback") year measurements. The date on which participants are counted is called the "Participant Count Date."

Participant Count Date

The Participant Count Date is the last day of the plan year preceding the Premium Payment Year except as follows:

- If the plan is a New Plan, the Participant Count Date is the first day of the Premium Payment Year (*i.e.*, the effective date).
- If the plan is a Newly Covered Plan, the Participant Count Date is the first day of the Premium Payment Year. This is the case even if the plan wasn't covered under ERISA section 4021 on that date.
- If the plan is the transferee plan in a Merger (i.e., the continuing plan) or the transferor plan in a Spinoff and the transaction meets the conditions described below, the Participant Count Date is the first day of the Premium Payment Year. A plan Merger or Spinoff is covered by this rule if:
  - a Merger is effective on the first day of the transferee plan's premium payment year, or a Spinoff is effective on the first day of the transferor plan's premium payment year, and
  - the Merger or Spinoff is not *de minimis*, as defined in the regulations under section 414(*l*) of the Code with respect to Single-employer Plans, or in PBGC's regulation under ERISA section 4231 (29 CFR Part 4231) with respect to Multiemployer Plans.

The following examples illustrate the determination of the Participant Count Date.

Example 1 – An ongoing plan changes its plan year from a calendar year to a plan year that begins June 1, effective June 1, 2016. The Participant Count Date for the:

- January 1, 2016 – May 31, 2016 plan year is December 31, 2015,
- June 1, 2016 – May 31, 2017 plan year is May 31, 2016.

Example 2 – A new calendar-year plan is adopted February 18, 2016, retroactively effective as of January 1, 2016. The Participant Count Date is January 1, 2016.

Example 3 – A new calendar-year plan is adopted January 1, 2016, effective April 1, 2016. The Participant Count Date is April 1, 2016.

Example 4 – Plan A has a calendar plan year and Plan B has a July 1 - June 30 plan year. Effective January 1, 2016, Plan B merges into Plan A (and the Merger is not *de minimis*). Because the Merger occurred on the first day of Plan A's 2016 plan year, Plan A's Participant Count Date for the 2016 Flat-rate Premium is January 1, 2016. Note that the Participant Count includes Plan A participants that used to be covered by Plan B.

Example 5 – Plan A has a calendar plan year. Effective January 1, 2016, Plan A spins off assets and liabilities to form a New Plan, Plan B (and the Spinoff is not *de minimis*). Plan A's Participant Count Date is January 1, 2016. (Plan B's Participant Count Date is also January 1, 2016, since it is a New Plan that became effective on that date.)

Example 6 – A calendar-year plan that was not a covered plan under ERISA section 4021 becomes covered on May 31, 2016. The first day of the Premium Payment Year is January 1, 2016, and the Participant Count Date is January 1, 2016.

Participant

For premium purposes, "participant" means an individual (whether active, inactive, retired, or deceased) with respect to whom the plan has Benefit Liabilities as of the Participant Count Date. Beneficiaries and alternate payees are not counted as participants. However, a deceased participant will continue to be counted as a participant if there are one or more beneficiaries or alternate payees who are receiving or have a right to receive benefits earned by the participant.

An individual is not counted as a participant after all Benefit Liabilities with respect to the individual are distributed through the purchase of irrevocable commitments from an insurer or otherwise. In addition, a non-vested individual is not counted as a participant after:

- A deemed "zero-dollar cashout,"
- A one-year break in service under plan rules, or
- Death.

Cashouts

If the plan has a separate cashout provision for zero benefits, terminated non-vested participants are deemed to be cashed out as of the date specified in the deemed cashout provision or, if no date is specified, as of the employment termination date. If the plan provides that zero benefit amounts will be deemed to be paid as soon as possible, terminated non-vested participants will also be deemed to be cashed out as of the employment termination date.

If the plan does not have a separate cashout provision for zero benefits, but does have a mandatory cashout of small benefit amounts (*e.g.*, benefits $5,000 or less), terminated non-vested participants are deemed to be cashed out in the same manner as terminated vested participants. If the plan is silent as to the timing of actual cashouts of terminated vested participants, the plan is deemed to read "as soon as practicable" and the terminated non-vested participants are deemed to be cashed out immediately upon termination of employment. If the plan specifies a date as of which actual cashouts of terminated vested participants take place (*e.g.*, on the first day of the next month), that rule would also apply to deemed cashouts of terminated non-vested participants. These rules do not apply if, despite plan language, the plan has an obvious pattern or practice of delaying distributions for long periods.

Example – Suppose a calendar-year plan provides that if a participant terminates employment and the participant's vested benefit has a value of $5,000 or less, the plan will pay the vested benefit to the participant in a lump sum as of the first of the month following termination of employment. Suppose further that no plan provisions specifically address payment of benefits upon termination of employment by non-vested participants. If a participant with a non-vested accrued benefit terminates employment on December 15, 2015, the participant will be included in the Participant Count as of December 31, 2015 (because the cashout is deemed to occur on January 1, 2016, the first of the month following termination of employment). If, as is typically the case for a calendar-year plan, the plan's Participant Count Date for 2016 is December 31, 2015, a Flat-rate Premium must be paid for this participant for 2016.

Breaks in Service

A non-vested individual ceases to be a participant for premium purposes when the individual incurs a one-year break in service under the plan.

If the break in service occurs in a service computation period that coincides with the plan year preceding the Premium Payment Year, we treat the individual as not being a participant for purposes of determining the premium for the Premium Payment Year.

Example 1 – A calendar-year plan with five-year vesting provides that a participant who performs 500 or fewer hours of service in a service computation period incurs a one-year break in service as of the last day of the computation period. The plan also provides that the annual service computation period begins on the anniversary of a participant's date of hire. Consider an employee who was hired on December 1, 2010, and terminates employment on February 1, 2015. Further assume that this participant does not perform more than 500 hours of service during the December 1, 2013 – November 30, 2015 computation period. This participant incurs a one-year break in service on November 30, 2015. Since the break occurred before December 31, 2015 (the Participant Count Date for the 2016 premium), the individual would not be included in the Participant Count for 2016.

Example 2 – A calendar-year plan provides that a participant who performs 500 or fewer hours of service in a service computation period incurs a one-year break in service as of the last day of the computation period. The plan also provides that the annual service computation period is the calendar year. Consider a non-vested employee who does not perform more than 500 hours of service during the 2015 calendar-year computation period. This participant incurs a one-year break in service on December 31, 2015. Although the break occurs on the Participant Count Date for the 2016 premium, the individual would not be included in the Participant Count for 2016.

Comparison to Form 5500

The Participant Count for the Premium Payment Year and the number of participants reported for item 6 of Form 5500 for the plan year preceding the Premium Payment Year (*e.g.*, the 2016 premium filing and the 2015 Form 5500) are generally determined as of the same date (*i.e.*, the last day of the plan year preceding the Premium Payment Year). However, the two counts may differ. For example:

- For premium purposes, individuals who are earning or retaining credited service but with respect to whom a plan has no Benefit Liabilities are not counted as participants. But individuals who are earning or retaining credited service are considered to be participants for purposes of item 6 of the Form 5500, even if the plan has no Benefit Liabilities with respect to them.

How to Count Participants

- There is a difference in the break-in-service rules that apply when counting participants for premium purposes and for purposes of item 6 of Form 5500. For purposes of item 6 of Form 5500, whether a non-vested individual is excluded from the count because of a break in service depends upon the plan language; under the provisions of most plans, the instructions for item 6 would require that a separated non-vested individual be counted as a participant until the individual has incurred five or more consecutive one-year breaks in service. For premium purposes, on the other hand, a non-vested individual is excluded from the count because of a break in service when the individual has incurred a one-year break in service under the terms of the plan.

How to Determine Unfunded Vested Benefits

General

"Unfunded vested benefits" (UVBs) is the term used to describe the underfunding measure on which the Variable-rate Premium is based. For Variable-rate Premium purposes, unfunded vested benefits means the excess, if any, of the Premium Funding Target, over the fair market value of plan assets. This section describes how and when the Premium Funding Target and fair market value of plan assets are determined for this calculation.

Which year's UVBs

In general, Variable-rate Premiums are based on UVBs for the Premium Payment Year. However, Small Plans are subject to a Lookback Rule, under which the Variable-rate Premium for the Premium Payment Year is based on UVBs for the plan year preceding the Premium Payment Year - for example, under the Lookback Rule, the 2016 Variable-rate Premium is based on UVBs for 2015 (the Lookback Year).

The lookback rule first applied for 2014 plan years. At that time Small Plans were given automatic approval to permanently opt out of the Lookback Rule (i.e., to use current year UVBs to determine the Variable-rate Premium). Most Small Plans chose to do so. Those plans must continue to use current year UVBs to determine the Variable-rate Premium unless and until they seek and receive permission from PBGC to start using the Lookback Rule in the future (or unless the plan ceases to be a Small Plan). Information about how to seek such permission is covered later in this "Which year's UVBs" section.

New and Newly Covered Small Plans

The Lookback Rule doesn't apply to New and Newly Covered Small Plans because such plans don't have a covered prior year to look back to. So, special rules apply. If a New or Newly Covered Plan is Small and:

- Was created as the result of a non de minimis spinoff[5] or consolidation (i.e., "Continuation Plans"), the Variable-rate Premium for the Premium Payment Year is based on UVBs for that same year. These plans do, however, get more time to complete their filings (see "When to File" section).
- Is not a Continuation Plan, the plan is exempt from the Variable-rate Premium for its first year of filing. Note that such a plan could be either a newly established plan or a plan resulting from a de minimis spinoff. The exception applies in either case.

These plans will be permitted to opt out of using the Lookback Rule without first seeking PBGC permission, the first time the Lookback Rule would otherwise apply.

Opting out of the Lookback Rule Starting with 2016

- Not the first opportunity to opt out - If a Plan had the opportunity to opt out of the Lookback Rule in the past but chose not to, PBGC permission is required to opt out for 2016. See next page for information on how to seek such permission.
- First opportunity to opt out - If the 2016 plan year is the first year for which a plan has the opportunity to opt out of the Lookback Rule, the plan may do so without first seeking permission from PBGC. For example, permission to opt out is not required if:
  - The plan was not a Small Plan for any year after 2013, but because of a decrease in Participant Count, is Small Plan for 2016;

[5] See the regulations under section 414(*l*) of the Code with respect to Single-employer Plans.

- The plan was a New or Newly Covered Small Plan that was also a Continuation Plan for 2015 and was thus, required to use current year UVBs to determine its 2015 Variable-rate Premium;
- The plan did not have to calculate nor report UVBs for any year after 2013 because it was exempt from the VRP or eligible for the Small-employer Cap and chose to pay the cap and not report UVBs.

Small Plans reporting UVBs for the first time are cautioned to be careful to ensure the data reported in the Variable-rate Premium section of the filing are entered correctly because if the reported UVB Valuation Date[6] is within the Premium Payment Year, we will expect all future filings to be completed using current year UVBs to determine the Variable-rate Premium.

Note for small plans with year-end valuation dates – It is not practical for a small plan with a year-end valuation date to opt out of the Lookback Rule. For example, consider a small plan with a calendar year plan year. Opting out of the Lookback Rule would mean measuring UVBs on December31st, two and half months after the October 15th due date.

Requesting permission to use (or not use) the Lookback Rule

As noted above, PBGC permission is required if:

- a small plan that had the opportunity to opt out of the Lookback Rule in the past but chose not to, wants to opt out starting with 2016, or
- a small plan that opted out of using the Lookback Rule in the past, wants to start using the Lookback Rule starting with 2016.

In either case, to request permission, send an email with "Request re: Lookback Rule" in the subject line to premiums@pbgc.gov at least 60 days before the due date. In the email, you must identify the plan and explain the reason the plan wants to change its previously established process for determining UVBs. PBGC will reply to acknowledge receipt of such requests. If you do not receive an acknowledgement within two business days, please call PBGC at 1 (800) 736-2444 to confirm that your request was received.

PBGC will review such requests based on the facts and circumstances and will grant such requests only for good cause in appropriate circumstances. If you do not receive a determination within 30 days of making the request, please call us at the 800 number shown above, as you will need the determination to make a timely premium filing.

Measurement date

Unfunded Vested Benefits are measured on the funding valuation date (i.e., the measurement date for determining the minimum required contribution) for the applicable plan year (i.e., either the Premium Payment Year or the Lookback Year, depending on whether the Lookback Rule applies). Regardless of whether the Lookback Rule applies, this date is called the UVB Valuation Date to distinguish it from the Participant Count Date (see "How to Count Participants" section).

So, for plans using the Lookback Rule, the UVB Valuation Date is the valuation date used to determine the minimum required contribution (i.e., "the funding valuation date") for the Lookback Year. For all other plans, the UVB Valuation Date is the funding valuation date for the Premium Payment Year.

[6] See (line (7)(c)(3) of the illustrative form in the "**Data to be submitted"** section.

Examples

The following examples illustrate these rules:

Example 1 – Plan A, a calendar year plan, is not a Small Plan and therefore, in accordance with ERISA 303 must have a beginning of year valuation date. Plan A's Variable-Rate Premium for 2016 is based on UVBs for 2016 (i.e., the Premium Payment Year) measured as of 1/1/2016. This result is not dependent on whether the plan is a Continuation Plan.

Example 2 – Plan B is a pre-existing Small Plan and is therefore is subject to the Lookback Rule. Plan B has a calendar year plan year and a beginning of year valuation date. Plan B did not submit a request a PBGC regarding the Lookback Rule. If Plan B did not opt out of the Lookback Rule for 2015, its Variable-rate Premium for 2016 is based on UVBs for the plan year beginning in 2015 measured as of 1/1/2015. If Plan B opted out of the Lookback Rule for 2015, its Variable-rate Premium for 2016 is based on UVBs for the plan year beginning in 2016 measured as of 1/1/2016.

Example 3 – Plan C is a New Small Plan with a calendar year plan year and a beginning of year valuation date. Plan C was created as the result of a non *de minimis* spin-off on 1/1/2016 and is therefore considered a Continuation Plan for 2016. As a Continuation Plan, Plan C is not subject to the Lookback Rule for 2016 (because there is no prior year to look back to). That means UVBs are measured as 1/1/2016[7].

Example 4 – Plan D is a pre-existing Plan which has a calendar year plan year and a beginning of year valuation date. Plan D had a participant count of 102 for 2015, but due to attrition, its 2016 participant count is 98. Thus, Plan D is now subject to the Lookback Rule. That means Plan D's Variable-rate Premium for 2016 is based on UVBs for the plan year beginning in 2015 (i.e., the "Lookback Year" measured as of 1/1/2015), the same UVBs that were used to determine the 2015 VRP. Alternatively, Plan D may opt out of the Lookback Rule, in which case, its Variable-rate Premium for 2016 will be based on UVBs for the plan year beginning in 2016 measured as of 1/1/2016.

Premium Funding Target

The Premium Funding Target is the liability measure underlying the UVB calculation. It is determined the same way the funding target is determined under ERISA section 303 (minimum funding requirements) except that only vested benefits are included, and a special premium discount rate structure is used. With the exception of the discount rate, all other assumptions must be identical to those used to determine the minimum required contribution under ERISA section 303. In lieu of using the special premium discount rates, you may make an election (**irrevocable for five years**) to use smoothed discount rates, similar to, and in some cases identical to, the rates used to determine the minimum required contribution. Different terminology is used to describe the Premium Funding Target depending on whether this election is in effect.

- Standard Premium Funding Target – This term describes the Premium Funding Target that applies unless the above-noted election is in effect. The discount rates used to determine the Standard Premium Funding Target are the ERISA section 4006(a)(3)(E)(iv)) segment rates for:
  - In the case of a Small Plan using the Lookback Rule, the month before the month in which the Lookback Year begins.

[7] Assuming the participant count remains below 100, Plan D will be subject to the Lookback Rule for 2017. That means that Plan D's Variable-rate Premium for 2017 will also be based on UVBs for 2016 measured as of 1/1/2016. But, Plan D can opt out of the Lookback Rule starting with 2017.

- In the case of any other plan, the month before the month in which the Premium Payment Year begins.

The ERISA section 4006(a)(3)(E)(iv) segment rates are based on the same bond yields as used to determine the segment rates for the ERISA section 303 funding target. However, unlike ERISA 303 segment rates which are averaged over 24 months, the segment rates used to determine the Standard Premium Funding Target are not averaged. These "spot" segment rates are published by IRS each month and are also posted on the "Interest Rates and Factors" section of the Practitioners Page on PBGC's website.

- Alternative Premium Funding Target – This term describes the Premium Funding Target if the election described above is in effect. The Alternative Premium Funding Target is determined using the discount rates that would have been used to determine the ERISA section 303 funding target[8] for the Premium Payment Year (or, for a plan using the Lookback Rule, the Lookback Year) if not for the Interest Rate Stabilization Rules. Thus, if an election is made under:
  - ERISA section 303(h)(2)(D)(ii) to use the full yield curve instead of the three segment rates for purposes of determining the minimum required contribution, that same yield curve is used to determine the Alternative Premium Funding Target; or
  - ERISA section 303(h)(2)(E) to use one of the four months preceding the valuation date as the "applicable month," instead of the month containing the valuation date, for determining which month's rates to use, that same month's rates, determined without regard to the Interest Rate Stabilization Rules, are used to determine the Alternative Premium Funding Target.

Until an election is officially revoked, it remains in place. An election to use the Alternative Premium Funding Target cannot be revoked for five calendar years. Similarly, once an election is revoked, the plan cannot make another election to use the Alternative Premium Funding Target for five full years. The following example illustrates the rules on making and revoking an election to use the Alternative Premium Funding Target.

[8] Note that this will not be the case if the plan is not yet subject to PPA for funding purposes, or if an election is made under PPA 2006 section 402, to use an 8.25% discount rate to determine the funding target for funding purposes. See "Plans Subject to Special Funding Rules" later in this section.

Example – Plan A first makes an election to use the Alternative Premium Funding Target for a plan year that begins on April 1, 2016. In this case, the Alternative Premium Funding Target must be used to determine unfunded vested benefits for all plan years beginning before April 1, 2020. The plan may revoke the election first effective for any plan year beginning on or after April 1, 2020, but unless the election is revoked, it will remain in place.

This is the case even if the plan year subsequently changes. For example, if the plan year is changed to the calendar year first effective January 1, 2020, the Alternative Premium Funding Target must be used for the short plan year April 1, 2019 – December 31, 2019 and for the January 1, 2020 – December 31, 2020 plan year. The first plan year for which the Plan Administrator may revoke the election is the 2021 plan year.

The election (or revocation) must be made by the date the Variable-rate Premium is due. An election to use (or revoke) the Alternative Premium Funding Target is made as part of the comprehensive premium filing. If an election (or revocation) is not made as part of the comprehensive filing, it may be made as part of an amended filing only if the amended filing is made on or before the due date.

Vested Benefits

Only vested benefits are taken into account when determining the Premium Funding Target. For this purpose, a benefit does not fail to be considered vested solely because it is not protected under Code section 411(d)(6) and thus may be eliminated or reduced by the adoption of a plan amendment or by the occurrence of a condition or event. Such a benefit is vested for premium purposes (if the other requirements for vesting have been met) so long as the benefit has not actually been eliminated or reduced. In addition, certain benefits payable upon a participant's death do not fail to be considered vested solely because the participant is still living. The benefits to which this rule applies are a qualified pre-retirement survivor annuity (QPSA), a post-retirement survivor annuity such as the annuity paid after a participant's death under a joint-and-survivor or certain-and-continuous option, and a benefit that returns a participant's accumulated mandatory employee contributions.

Also, a participant's pre-retirement lump-sum death benefit (other than a benefit that returns accumulated mandatory employee contributions or a QPSA paid as a lump sum) is not vested if the participant is living. Similarly, a disability benefit is not vested if the participant is not disabled. The following examples illustrate these concepts:

Example 1 – Under Plan A, if a participant retires at or after age 55 but before age 62, the participant receives a temporary supplement from retirement until age 62. The supplement is not a qualified social security supplement (QSUPP) as defined in Treasury Reg. §1.401(a)(4)-12, and is not protected under Code section 411(d)(6). The temporary supplement is considered vested, and its value is included in the premium funding target, for each participant who, on the UVB Valuation Date, is at least 55 but less than 62, and thus eligible for the supplement. The calculation is unaffected by the fact that the plan could be amended to remove the supplement after the UVB Valuation Date.

Example 2 – Plan B provides a QPSA upon the death of a participant who has five years of service, at no charge to the participant. The QPSA is considered vested, and its value is included in the premium funding target, for each participant who, on the UVB Valuation Date, has five years of service and is thus eligible for the QPSA. The calculation is unaffected by the fact that the participant is alive on that date.

Estimated Premium Funding Target

If the Premium Funding Target is not known by the due date, an estimated Variable-rate Premium may be paid on the due date. Doing so triggers a requirement to submit an amended filing at a later date to reconcile the actual Variable-rate Premium with the estimate. In the event the actual Variable-rate Premium is greater than the estimate, penalties for late payment will be waived if the estimate meets certain criteria and the reconciliation filing is made by the end of the sixth calendar month that begins on or after the premium filing due date (generally April 30th after year end for calendar year plans). For additional information, see "Automatic Penalty Waiver for Certain Late Variable-Rate Premiums" in the "Late Payment Charges" section.

Fair Market Value of Plan Assets

The asset measure underlying the UVB calculation is determined the same way assets are determined under ERISA section 303 except without regard to any averaging method. For premium purposes, the market value of assets is measured on the UVB Valuation Date and adjusted to account for contribution receipts using the same methodology as is used for funding purposes.

Adjustments for prior year contributions

If contributions for the plan year prior to the Premium Payment Year (or, in the case of a plan using the Lookback Rule, the plan year preceding the Lookback Year) are made after the UVB Valuation Date, the market value is increased to reflect the value of such contributions discounted to the UVB Valuation Date. The discount rate for this purpose is the ERISA section 303(h)(2)(A) effective interest rate for the plan year for which the contributions were made (as reported in item 5 of Schedule SB). For example, consider a calendar year plan with a January 1, 2016 UVB valuation date.

Contributions made in 2016 for the 2015 plan year are included in the January 1, 2016 asset value. Such contributions are discounted from the date made to January 1, 2016 using the 2015 effective interest rate. Such contributions are included only to the extent made by the date of the premium filing.

Adjustments for current year contributions

If contributions for the Premium Payment Year (or, in the case of a plan using the Lookback Rule, the Lookback Year), are made before the UVB Valuation Date, the market value is decreased to exclude the adjusted value of these current year contributions. For this adjustment, such are increased to the UVB Valuation Date using the ERISA section 303(h)(2)(A) effective interest rate for the plan year for which they were made. This can happen only if the UVB Valuation Date is after the beginning of the plan year.

Comparison to asset value reported on Schedule SB

In the case of:

- a Small Plan using the Lookback Rule, the asset value reported is generally the same as the market value of assets required to be reported in the Schedule SB for the Lookback Year (item 2a).
- any other plan, the asset value reported here is generally the same as the market value of assets required to be reported in the Schedule SB for the Premium Payment Year (item 2a).

The amounts would differ only if a premium filing is made before the premium due date and prior year contributions are made after the premium filing is made (and thus not included in assets).

How to Determine Unfunded Vested Benefits

Summary

The following table summarizes the various dates and assumptions that are used to determine Variable-rate premiums for 2016. Although Participant Count Date is not used to determine the Variable-rate premium, it is included in the table so that all of the variables affecting premium calculations are contained in one summary. Please review the column that relates to your plan.

Summary[9]

	If Lookback Rule Applies		**If Lookback Rule Does Not Apply**	
	Standard Premium Funding Target	**Alternative Premium Funding Target**	**Standard Premium Funding Target**	**Alternative Premium Funding Target**
Participant Count Date	Last day of 2015 plan year	Last day of 2015 plan year	Last day of 2015 plan year	Last day of 2015 plan year
UVB Valuation Date	Funding valuation date for 2015	Funding valuation date for 2015	Funding valuation date for 2016	Funding valuation date for 2016
Benefits reflected in Premium Funding Target	Vested portion of benefits included in 2015 funding target	Vested portion of benefits included in 2015 funding target	Vested portion of benefits included in 2016 funding target	Vested portion of benefits included in 2016 funding target
Assumptions				
• Discount rates	December 2014 spot segment rates	Whatever would have been used for funding purposes for 2015 if Interest Rate Stabilization Rules had not applied[10]	December 2015 spot segment rates	Whatever would be used for funding purposes for 2016 if Interest Rate Stabilization Rules did not apply[11]
• All other assumptions	Whatever was used for funding purposes for 2015	Whatever was used for funding purposes for 2015	Whatever is used for funding purposes for 2016	Whatever is used for funding purposes for 2016
At-risk status	Whatever status was in effect for funding purposes for 2015	Whatever status was in effect for funding purposes for 2015	Whatever status is in effect for funding purposes for 2016	Whatever status is in effect for funding purposes for 2016
At-risk load				
• 4% of liability portion of load	If the plan was at-risk for 2015 for funding purposes, 4% of what the Standard Premium Funding Target would be if the plan wasn't at-risk. Otherwise, N/A.	If the plan was at-risk for 2015 for funding purposes, 4% of what the Alternative Premium Funding Target would be if the plan wasn't at-risk. Otherwise, N/A.	If the plan is at-risk for 2016 for funding purposes, 4% of what the Standard Premium Funding Target would be if the plan wasn't at-risk. Otherwise, N/A.	If the plan is at-risk for 2016 for funding purposes, 4% of what the Alternative Premium Funding Target would be if the plan wasn't at-risk. Otherwise, N/A.
• Per-participant portion of load	The same amount included in the liability for funding purposes for 2015	The same amount included in the liability for funding purposes for 2015	The same amount included in the liability for funding purposes for 2016	The same amount included in the liability for funding purposes for 2016

[9] Table entries assume plan is not a New or Newly Covered Small Plan. The terms "funding" or "for funding purposes" in this table mean amounts determined under ERISA Section 303. References to 2015 or 2016 relate to the plan year beginning in such year.

[10] This is not the case for plan that are not subject to PPA for funding purposes or plans made elections under section 402 of PPA which the funding target is determined using an 8.25% discount rate. See "Plans Subject to Special Funding Rules" on next page.

Plans Subject to Special Funding Rules

Plans covered by any of the special funding rules listed below must determine UVBs in the same manner (and using the same discount rate basis) as all other plans.

- Section 104 of the Pension Protection Act of 2006 as amended by the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, Public Law 111-192, dealing with eligible charity plans and plans of certain rural cooperatives.
- The Cooperative and Small Employer Charity Pension Flexibility Act, Public Law 113-97, dealing with certain defined benefit pension plans maintained by more than one employer.
- Section of 402(b) of the Pension Protection Act of 2006, Public Law 109-280, dealing with certain frozen plans of commercial passenger airlines and airline caterers.

In particular, under Section 402 of PPA 2006, certain plans may elect to use an 8.25% discount rate for funding purposes and other plans may elect to use an 8.85% discount rate. These rates may not be used to determine UVBs, even if the Alternative Premium Funding Target is elected.

Data to be Submitted

Form is for Illustrative Purpose Only

Amended filing ☐ **2016 PBGC Comprehensive Premium Filing** Disaster Relief (enter code) _ _ - _ _

Part I – General Plan Information

1 Plan sponsor information

a Name _____

b Six-digit business code _ _ _ _ _ _ **c** First six digits of CUSIP number _ _ _ _ _ _

2 Plan administrator information

a Name _____

b Address line 1 _____

c Address line 2 _____

d City _____ **e** State _____ **f** Zip _____ **g** Country (if not U.S.) _____

h Contact person

(1) Name (for "attention" line of mailings) _____

(2) e-mail address _____ **(3)** Phone number: _ _ _ -_ _ _ - _ _ _ _ ext _ _ _ _ _

i Alternative phone number for Insured Plans List on pbgc.gov: _ _ _ -_ _ _ - _ _ _ _ ext _ _ _ _ _

3 Additional plan contact (optional)

(1) Name _____

(2) e-mail address _____ **(3)** Phone number: _ _ _ -_ _ _ - _ _ _ _ ext _ _ _ _ _

4 Plan information

a Plan name _____

b Premium payment year information:

(1) This filing is for the premium payment year commencing _ _ /_ _ / _ _ _ _ and ending _ _ /_ _ / _ _ _ _.

(2) For the premium payment year, is the plan a "small plan" (see definitions section of instructions)? ☐ Yes ☐ No

(3) If the plan year commencement date has changed since the most recent PBGC filing as a result of a plan amendment changing the plan year, enter the date the plan year change was adopted _ _/_ _/_ _ _ _ .

(4) ☐ Check box if plan qualifies to pay a prorated premium for this premium payment year (*i.e.*, if plan has less than a full year of coverage).

c Employer Identification Number and Plan Number information:

(1) EIN and PN: EIN _ _ _ _ _ _ _ _ _ PN _ _ _

(2) If the EIN and PN are not **both** the same as on the most recent premium filing, enter EIN and PN from most recent premium filing: EIN _ _ _ _ _ _ _ _ _ PN _ _ _. Otherwise, skip to item 4c(3).

(3) If the EIN and PN are not **both** the same as on the 2015 Form 5500, enter EIN and PN from 2015 Form 5500 and provide explanation: Otherwise, skip to item 4d. EIN _ _ _ _ _ _ _ _ _ PN _ _ _. Explanation _____

d Plan effective date _ _ /_ _ / _ _ _ _

e Plan type: ☐ Multiemployer ☐ Single-employer (including multiple-employer plans)

f ☐ Check box if plan is a new or newly covered plan and provide the following information:

(1) Adoption date _ _ /_ _ / _ _ _ _ **(2)** Date coverage began on _ _ /_ _ / _ _ _ _.

(3) Is the plan a "continuation plan" (see definitions section of instructions)? ☐ Yes ☐ No

Part II – Flat-Rate Premium Information

5 Flat-rate premium

a Participant count date: Month ___ Day ___ Year ____

b Flat-rate premium calculation

(1) Applicable rate (Single-employer plans enter $64; Multiemployer plans, enter $27) _____

(2) Participant count as of participant count date

Active: _____ Terminated vested _____ Retirees and beneficiaries: _____ Total: _____

(3) Flat-rate premium (item 5b(1) x item 5b(2)) _____

Part III – Variable-rate Premium Information

Multiemployer plans — Skip to Part IV

Complete item 6 only if the plan is electing, or revoking an election, to use the Alternative Premium Funding Target instead of the Standard Premium Funding Target; otherwise skip to item 7.

6 Alternative Premium Funding Target Election or Revocation

a ☐ *Election - Check box to elect to use the Alternative Premium Funding Target instead of the Standard Premium Funding Target. The election will be effective — and the plan will be required to use the Alternative Premium Funding Target — beginning with this premium payment year and for all subsequent plan years unless and until the election is subsequently revoked.*

b ☐ *Revocation - Check box to revoke a prior election to use the Alternative Premium Funding Target. The revocation will be effective — and the plan will be required to use the Standard Premium Funding Target — beginning with this premium payment year and for all subsequent plan years unless and until a new election is subsequently made.*

Note — Elections or Revocations must remain in place for at least five years.

7 Variable-rate premium (VRP)

a VRP exemptions – If an exemption applies, check applicable box and skip to item 8.

☐ New or newly covered small plan other than a continuation plan ☐ No vested participants

☐ Standard termination with a final distribution during the premium payment year ☐ 412(e)(3) plan

☐ Standard termination with a proposed termination date in a prior year (proposed termination date: _ _ /_ _ /_ _ _ _)

b VRP small employer cap qualification – ☐ Check box if this plan qualifies for the small employer cap applicable to certain plans of small employers (those with 25 or fewer employees). If box is checked, items 7c through 7g may, but need not, be omitted.

c Assumptions and methods used to determine premium funding target

(1) Premium funding target method: ☐ Standard ☐ Alternative

(2) Discount rate(s): 1st segment ____% 2nd segment ____% 3rd segment ____% ☐N/A, full yield curve used

(3) UVB valuation date: Month ___ Day ___ Year ____

d Premium funding target as of UVB valuation date – ☐ Check box if the reported premium funding target information is an estimate.

(1) Attributable to active participants _____

(2) Attributable to terminated vested participants _____

(3) Attributable to retirees and beneficiaries receiving payment _____

(4) Total premium funding target (item 7d(1) + item 7d(2) + item 7d(3)) _____

e Market value of assets as of UVB valuation date _____

f Unfunded vested benefits (excess, if any, of item 7d(4) over item 7e, rounded up to the next $1,000) _____

g Uncapped variable-rate premium (item 7f x 0.030) _____

h Maximum VRP

(1) MAP-21 cap ($500 x item 5b(2)) _____

(2) Small employer cap, if applicable ($5 x item 5b(2) x item 5b(2)) – Omit this item if plan is not eligible for this cap _____

(3) Maximum variable-rate premium — If the plan qualifies for the small employer cap, the lesser of item 7h(1) and 7h(2). Otherwise, item 7h(1). _____

i Variable-rate premium — If the plan qualifies for the small employer cap and item 7g was omitted, item 7h(3). Otherwise, the lesser of item 7g and item 7h(3). _____

Part IV – Total Premium Information

8 Premium proration ***(If the plan does not qualify for premium proration, skip to item 9)***

a Number of months (complete and partial) in the short plan year _____

b Total premium before reflecting proration (item 5b(3) + item 7i, if applicable) _____

9 Total premium — If the plan does not qualify for premium proration, item 5b(3) + item 7i, if applicable. If the plan qualifies for premium proration, item 8b x item 8a ÷ 12. _____

Part V – Payment Information

10 Premium credit

a Payments made previously for this premium payment year _____

b Outstanding credit from the plan year immediately preceding the premium payment year _____

c Total (item 10a + item 10b) _____

11 Amount due (excess, if any, of item 9 over item 10c) _____

12 Treatment of overpayment

a Excess, if any, of item 10c over item 9 _____

b Treatment of balance (select one): ☐ Credit towards next year's premium ☐ Refund by check
☐ Refund by electronic funds transfer (EFT). If you select this option, complete item 12c.

c Information for EFT refund: Type of account ☐ Checking ☐ Savings Bank routing number _____

Account number _____ Sub-account number (if any) _____

Part VI – Miscellaneous Information

13 Final filing – If this is the last filing for this plan, enter the date of event _ _ /_ _ / _ _ _ _ and check box that best describes why filing obligation is ceasing:
☐Merger/Consolidation ☐Trusteeship ☐ Distribution pursuant to termination ☐Cessation of covered status

14 Transfers from other plans – If another plan transferred assets or liabilities to this plan since the most recent comprehensive premium filing, provide the following information with respect to each plan from which assets or liabilities were transferred (if transfer involved a new or newly covered plan, see instructions).

EIN _ _ _ _ _ _ _ _ _ PN _ _ _ Date of transfer _ _ /_ _ / _ _ _ _ Type of transfer: ☐ Merger ☐ Consolidation ☐ Spinoff ☐ Other

EIN _ _ _ _ _ _ _ _ _ PN _ _ _ Date of transfer _ _ /_ _ / _ _ _ _ Type of transfer: ☐ Merger ☐ Consolidation ☐ Spinoff ☐ Other

15 Transfers to other plans – If this plan transferred assets or liabilities to another plan since the most recent comprehensive premium filing, provide the following information with respect to each plan to which the assets or liabilities were transferred (if transfer involved a new or newly covered plan, see instructions).

EIN _ _ _ _ _ _ _ _ _ PN _ _ _ Date of transfer _ _ /_ _ / _ _ _ _ Type of transfer: ☐ Merger ☐ Consolidation ☐ Spinoff ☐ Other

EIN _ _ _ _ _ _ _ _ _ PN _ _ _ Date of transfer _ _ /_ _ / _ _ _ _ Type of transfer: ☐ Merger ☐ Consolidation ☐ Spinoff ☐ Other

16 Participation freeze – If, as of the beginning of the premium payment year, this plan is closed to new entrants, enter the date the plan became closed to new entrants _ _/_ _/_ _ _ _ .

17 Accrual freeze – If, as of the beginning of the premium payment year, benefit accruals under this plan are partially or totally frozen, enter the date the freeze became effective_ _/_ _/_ _ _ _ and check box that best describes the nature of the freeze:

☐ For all participants, both pay and service are frozen ☐ For all participants, service is frozen, pay is not

☐ For some participants, both pay and service are frozen ☐ For some participants, service is frozen, pay is not

☐ Other (enter explanation)_____

18. Risk transfer activity – Do not complete this item if this is the last filing for this plan

a Lump Sum Windows: If the plan provided one or more Lump Sum Windows during the time period described in the instructions, report the number of persons eligible to elect a lump sum under any such window and the number who elected a lump sum:

(1) Persons eligible to elect lump sum _____ **(2)** Persons who elected lump sum _____

b Annuity purchases: If, during the time period described in the instructions, the plan purchased annuities for a group of people, report the number of persons for whom an annuity was purchased:

(1) Persons not in pay status when annuity was purchased: _____ **(2)** Persons in pay status when annuity was purchased: _____

19 Amended filing – Complete this item only if this is an amended filing

a If either the first or last day of the premium payment year reported in this amended filing (item 4b(1)) differs from what was reported in the filing that is being amended, provide the dates that were reported in the original filing:
Date premium payment year commenced _ _ /_ _ /_ _ _ _ Date premium payment year ended _ _ /_ _ /_ _ _ _.

b If the EIN and PN reported in this amended filing (item 4c(1)) are not **both** the same as what was reported in the filing that is being amended, enter the EIN and PN from the original filing: EIN _ _ _ _ _ _ _ _ _ PN _ _ _.

c If the reason for amending the filing is other than reconciling an estimated Variable-rate Premium and the total premium reported in this amended filing (item 9) is less than the amount reported in the filing that is being amended, provide an explanation of why an amended filing is necessary:
_____
_____

Part VII – Certifications

20 Certification of Plan Administrator – The plan administrator must sign and complete this item.

I certify under penalty of perjury, to the best of my knowledge and belief, that all the information in the filing is true, correct and complete and has been determined in accordance with PBGC's premium regulations and instructions, except that if the filing reports an estimated premium funding target, the estimate is reasonable, takes into account the most current information available to the enrolled actuary, and has been determined in accordance with generally accepted actuarial principles and practices, and that if I received variable-rate premium information certified by an enrolled actuary for this filing, the variable-rate premium information in the filing is the same as the variable-rate premium information certified by the enrolled actuary.

Name of person signing: First name _____ Last name _____

_____ E-mail address

_ _ _-_ _ _-_ _ _ _ ext _ _ _ _ _ _ Telephone

_____ Signature

_ _/_ _/_ _ _ _ Date

21 Certification of Enrolled Actuary – An enrolled actuary must sign and complete this item unless the plan is (1) a multiemployer plan, (2) exempt from the variable-rate premium, or (3) eligible for the small employer cap, paying the maximum VRP and not reporting the uncapped VRP.

I certify under penalty of perjury, to the best of my knowledge and belief, that the variable-rate premium information in the filing is true, correct and complete and has been determined in accordance with PBGC's premium regulations and instructions; except that if the premium funding target is estimated, the estimate is reasonable, takes into account the most current information available to me and has been determined in accordance with generally accepted actuarial principles and practices.

Name of person signing: First name _____ Last name _____

_____ Firm

_ _ _-_ _ _-_ _ _ _ ext _ _ _ _ _ _ Telephone

_____ E-mail address

_ _-_ _ _ _ _ Enrollment number

_____ Signature

_ _/_ _/_ _ _ _ Date

Description of Data Elements

Overview

This section provides a description of each required data element presented in the same order as the "form" used to illustrate the data elements (see "Data to be Submitted" section). Item numbers are presented solely to facilitate understanding. The My PAA screens do not include item numbers. If you are using private-sector software, item numbers may or may not be included. We recommend you review these instructions with a copy of the "form" in front of you.

Note for plans with more than one plan year beginning in 2015 or 2016:

References in these instructions to the 2015 plan year (and to filings for the 2015 plan year) should be considered to refer to your plan's most recent complete plan year. For example, a plan that changes its plan year could have two plan years beginning in calendar 2016. When such a plan makes its premium filing(s) for its second 2016 plan year, the references in these instructions to the 2015 plan year (and to filings for the 2015 plan year) should be considered to refer to the plan's first 2016 plan year (and to filings for that plan year), because that is the plan's most recent complete plan year. Similarly, if your plan had two plan years beginning in calendar 2015, the references in these instructions to the 2015 plan year (and to filings for the 2015 plan year) should be considered to refer to the plan's second 2015 plan year, which is the plan's most recent complete plan year.

Note about reporting dollar amounts

With the exception of total premium, premium credits, the amount due PBGC, and the amount of any overpayment, money amounts reported should be in dollars only (no cents).

Amended Filing

Check this box only if this filing is an amendment to a previously submitted filing for the 2016 plan year.

Note that a Variable-rate Premium reconciliation filing (in which you provide final Premium Funding Target information after having reported an estimated Premium Funding Target) is considered an amended filing. If you amend a comprehensive filing for a reason other than reconciling an estimated Variable-rate Premium and the amended filing shows a lower premium than the amount that was reported in the filing that is being amended, you must provide an explanation of the specific circumstances or events that caused the reduction. See the "Correcting Errors, Credit Balances and Reconciling Estimates" section for more information.

Note – If you are amending a filing for a plan year that did not begin in 2016, the rules in this document do not apply.

Disaster Relief

From time to time, when major disasters occur, PBGC grants disaster relief by waiving late filing and payment penalties for certain plans. Disaster Relief Announcements are available through the Practitioners Page on PBGC's website. If your plan is covered by a PBGC Disaster Relief Announcement for this premium filing, report the four-digit code provided in the applicable Disaster Relief Announcement.

Description of Data Elements

Instructions for Part I – General Plan Information

1 Plan sponsor information

a Report the name of the Plan Sponsor.

b Business Code – Report the six-digit code that best describes the nature of the employer's business. If more than one employer is involved, report the business code for the predominant business activity of all employers. A list of business codes can be found in the instructions to Form 5500 and in the "Premium Filings" section of the Practitioners Page on PBGC's website. Because codes for the Premium Payment Year may not be available at the time you submit this filing, you may report the relevant code for either the Premium Payment Year or the prior year.

c CUSIP number – If a CUSIP number has been assigned to publicly traded securities of the Plan Sponsor or any member of the Plan Sponsor's controlled group, report the first six digits of the CUSIP number. Otherwise, leave this item blank.

A CUSIP number is a nine-digit number assigned to the publicly traded securities of a Plan Sponsor (or member of the Plan Sponsor's controlled group) under the securities numbering system of the Committee on Uniform Securities Identification Procedures. The first six digits of the CUSIP number identify the securities issuer, the next two digits identify the specific securities issue, and the last digit is a check digit.

2 Plan administrator information

a-g Report the name and address of the Plan Administrator. Note that this is the address where we send official correspondence to the plan (*e.g.*, an invoice for late payment charges).

h Report the name, e-mail address, and phone number of the person we should contact if we have any questions concerning this filing. We will send official correspondence to the "attention of" this person at the address reported in (b)-(g). In addition, unless a different phone number is provided in item 2i, the phone number reported in 2h will be posted on PBGC's Is my Pension Insured list as the number plan participants should call if they have questions about their plan.

i If you would prefer plan participants with questions about their plan call a phone number other than the one reported in item 2h, report the phone number you would like them to use. If this item is left blank, the Insured Plans List on PBGC's website will show the phone number reported in item 2h.

To keep our records current and enable us to send correspondence to the correct address, you should inform us of address changes as soon as they occur. You may do so by contacting us either in writing or by e-mail. See Appendix 2 for contact information.

3 Additional plan contact (optional)

Although official correspondence related to premium filings is directed to the Plan Administrator (see item 2), some plans choose to provide contact information for another individual as well. In general, the contact person identified in this section will be used for questions that aren't important enough for official correspondence. PBGC may also contact this individual if official inquiries to the Plan Administrator go unanswered.

4 Plan information

a Plan name – Report the complete name of the plan as stated in the plan document. For example, "The ABC Company Pension Plan for Salaried Personnel."

b Premium Payment Year information

(1) Report the date the Premium Payment Year commences and the date it ends. If you are filing for the first year of a New Plan, the Premium Payment Year commencement date ("PYC") should be the plan effective date.

(2) Check the appropriate box to indicate whether the plan is a Small Plan for the Premium Payment Year (See definition of Small Plan in Appendix 1).

(3) If the plan year commencement date has changed since the most recent PBGC filing as a result of a plan amendment changing the plan year, enter the adoption date of the plan year change.

(4) Check the box if plan qualifies to pay a prorated premium for this Premium Payment Year. A plan qualifies to pay a prorated premium if the Premium Payment Year is:

- is a short first year of a New Plan;
- is a short year created by:
  - an amendment that changes the plan year (but note that an amendment is not considered to change the plan year if the plan merges into or consolidates with another plan or otherwise ceases its independent existence either during the short plan year or at the beginning of the full plan year following the short plan year);
  - distribution of plan assets pursuant to plan termination; or
  - the appointment of a trustee for a Single-employer Plan under ERISA section 4042.
- Includes a portion of time in which the plan was not covered by PBGC, unless such period of non-coverage began after the first day of the plan year[11] .

Note that the short year need not have ended by the time you pay a prorated premium, but if the plan year turns out to be longer than you anticipated, you will have to make up any premium underpayment, which will be subject to interest and penalties.

Note also that premium proration is not available for "overlapping" premium payments resulting from a plan Merger, Consolidation, or Spinoff.

c Employer Identification Number (EIN) and Plan Number (PN) information

(1) Report the nine-digit EIN of the Plan Sponsor and the three-digit PN of the plan.

(2) If the EIN and PN for this filing do not both match exactly the EIN and PN reported in the most recent premium filing, report both the EIN and PN that were reported in the most recent premium filing. If this is the first premium filing for this plan, leave this item blank.

Please note the following exceptions that apply only if this is an amended filing:

- If item 4c(2) was reported incorrectly in the original filing (*i.e.*, the filing that is being amended), provide the correct information in the amended filing.

[11] A Newly Covered Plan with a coverage date after the first day of the Premium Payment Year qualified to pay a prorated premium. A plan ceases to be a covered plan before the end of the plan year does not.

- If item 4c(2) was reported correctly in the original filing, provide the same information in the amended filing.

(3) If the EIN and PN for this filing do not both match exactly the EIN and PN reported in the 2015 Form 5500, report both the EIN and PN that were reported in the 2015 Form 5500, and attach an explanation. If a 2015 Form 5500 was not required, leave this item blank.

d Plan effective date – Report the date the plan became effective.

e Plan type – Indicate whether the plan is a Multiemployer Plan or a Single-employer Plan.

f Information for New or Newly Covered Plans – If this is a New or Newly Covered Plan, check the box and complete the rest of item 4f.

(1) Adoption date – Enter the date the plan was adopted

(2) Coverage date – Enter the date the plan became covered under Title IV. If the plan has had one or more periods of coverage, report the earliest date in the Premium Payment Year when the plan was covered under Title IV — not the date when the plan became covered in a prior year. If another plan transferred assets or liabilities to this New or Newly Covered Plan, be sure to complete the "Transfers from other plans" item (see item 14).

(3) Continuation Plan – Check the box to indicate whether this New or Newly Covered Plan meets the definition of a Continuation Plan (see definition).

Instructions for Part II – Premium Information

5 Flat-rate Premium

a Report the Participant Count Date. See "How to Count Participants" section for special rules relating to New Plans, Newly Covered Plans, Mergers and Spinoffs.

b Flat-rate Premium calculation

(1) Applicable rate – Enter the per-participant flat premium rate. For 2016, the rate is $64 for Single-employer Plans and $27 for Multiemployer Plans.

(2) Participant count – Report the number of participants covered by the plan on the Participant Count Date separately for active participants, terminated vested participants, retirees and beneficiaries receiving payment, and in total. See "How to Count Participants" section.

(3) Flat-rate Premium – Report the product of the Participant Count and the applicable premium rate. If the plan year is a short plan year, the required Flat-rate Premium may be a prorated portion of this amount; however, the amount reported in this item must reflect a full year's premium.

Note that you must make a premium filing even if the Flat-rate Premium is $0. This may happen, for example, if your plan is a New Plan that grants no past service credits, so that there are no Benefit Liabilities on the Participant Count Date. A plan with no Benefit Liabilities has no participants for premium purposes.

Instructions for Part III – Alternative Premium Funding Target Election/Revocation

This Part applies only to Single-employer Plans. Multiemployer Plans should skip to Part IV.

To be valid, an election must be made in accordance with these instructions and must be filed with PBGC on or before the deadline.

6 Alternative Premium Funding Target Election / Revocation

a *Election* - Check this box to make an election to use the Alternative Premium Funding Target first effective for this Premium Payment Year.

b *Revocation* - Check this box to revoke a prior election to use the Alternative Premium Funding Target that was in effect for the plan year immediately preceding the Premium Payment Year.

You may elect to use the Alternative Premium Funding Target to determine unfunded vested benefits instead of the Standard Premium Funding Target. Once an election is made, it remains in effect for all subsequent plan years unless and until it is subsequently revoked. You may revoke a prior election only if the Premium Payment Year begins at least five years after the beginning of the plan year for which the election was first applicable. For example, if your plan is a calendar-year plan and you first elected to use the Alternative Premium Funding Target:

- for a plan year beginning 2008 - 2011, you may revoke the election first effective for this 2016 filing. If you revoke the election for 2016, you cannot make another election to use the Alternative Premium Funding Target until 2021.
- for a plan year beginning 2012 - 2015, the election is still in effect; you must use it for 2016.
- for this plan year, 2016, you must also use it for 2017 - 2020. You may first revoke the election for 2021.

Similarly, if you revoke an election, you may not make a new election to use the Alternative Premium Funding Target until five years have passed.

If you are not sure if an election is in effect or when an election first took effect, you find it by viewing your account history in My PAA.

See "How to Determine Unfunded Vested Benefits" section for more information on elections and revocations.

7 Variable-rate Premium

This item relates to Variable-rate Premium information and applies only to Single-employer Plans.

In general, the Variable-rate Premium is $30 per $1,000, or fraction thereof, of unfunded vested benefits as of the UVB Valuation Date, but no more than $500 times the number of participants (i.e., the MAP-21 Cap). For certain plans of small employers, the Variable-rate Premium may be capped at an amount lower than the MAP-21 CAP (see item 7b).

Some Single-employer Plans are exempt from the Variable-rate Premium; others may have a Variable-rate Premium of $0. In either case, this section must be completed in accordance with the following instructions.

a Exemptions – A Single-employer Plan may claim an exemption from the Variable-rate Premium if it meets the requirements for any of the exemptions described below:

- New or Newly Covered Small Plans other than Continuation Plans – Your plan qualifies for this exemption if it is a New or Newly Covered Plan and a Small Plan, but not a Continuation Plan. See Definitions section for more information about these terms.

- Standard termination — closing out in current year – Your plan qualifies for this exemption if it makes a final distribution of assets in a standard termination during the Premium Payment Year.

  You may claim this exception in anticipation of a full distribution by plan year-end even if that hasn't happened by the time you submit the filing. However, if you fail to complete the final distribution by the end of the year, the exemption will not apply. In that case, you will need to amend the filing accordingly and late payment charges will be assessed on any Variable-rate Premium owed and paid after the applicable due date.

- Standard termination — proposed termination date in a prior year — Your plan qualifies for this exemption if notices of intent to terminate in a standard termination were issued in accordance with ERISA section 4041(a)(2), setting forth a proposed termination date before the beginning of the Premium Payment Year.

  To qualify for this exemption, it is not necessary that the plan make a final distribution of assets during the Premium Payment Year. However, this exemption is conditioned on the plan's ultimately making a final distribution of assets in full satisfaction of its obligations under the standard termination. If that doesn't happen, the premium that would otherwise have been required will be due retroactive to the applicable due date.

- Plans with no vested participants – Your plan qualifies for this exemption if the plan has no participants with vested benefits as of the UVB Valuation Date.

- Section 412(e)(3) plans (formerly called 412(i) plans) – Your plan qualifies for this exemption if the plan is described in section 412(e)(3) of the Code and regulations thereunder on the UVB Valuation Date.

If an exemption applies, check the applicable box to indicate which exemption applies and skip to item 8. If more than one exemption applies, check all applicable boxes.

b Small-Employer Cap qualification – If the plan qualifies as a small-employer plan, the Variable-rate Premium may be capped at an amount lower than the MAP-21 Cap.

Determining whether a plan qualifies for the Small-Employer Cap – For this purpose:

- a plan is a small-employer plan if the aggregate number of employees of all contributing sponsors of the plan and all members of the contributing sponsors' controlled groups, as of the first day of the Premium Payment Year, is 25 or fewer,

- the aggregate number of employees is determined in the same manner as under section 410(b)(1) of the Code, taking into account the provisions of section 414(m) and (n) of the Code, but without regard to section 410(b)(3), (4), and (5) of the Code, <u>and</u>

- employees are counted as of the first day of the Premium Payment Year, not as of the Participant Count Date or the UVB Valuation Date.

Note that a plan with 25 or fewer participants does not necessarily qualify for the Small-Employer Cap because the eligibility criterion is based on employees, not the Participant Count. For example, if a plan has 15 participants, but there are more than 25 employees (taking into account all employees of all contributing sponsors of the plan and all members of their controlled groups), the plan does not qualify for the cap.

Also note that a plan with more than 25 participants might qualify for the cap. For example, consider a contributing sponsor with 20 employees, all of whom are participants in a plan. If the plan also covers 15 former employees who are either terminated vested or retired, there are 35 participants in total. This plan would qualify for the cap (assuming there are no other contributing sponsors and no controlled group members).

Reporting requirements – If your plan qualifies for this cap, check the box to report that fact.

If your plan qualifies for this cap, instead of calculating and reporting both the uncapped Variable-rate Premium and the maximum Variable-rate Premium and then paying the lesser of the two amounts, you may report and pay only the maximum Variable-rate Premium.

If you choose to not report the uncapped Variable-rate Premium, omit all items 7c through 7g and go directly to item 7h. Note that if you choose to pay the maximum Variable-rate Premium without determining whether it is less than the uncapped Variable-rate Premium, you may pay a larger Variable-rate Premium than required.

c Assumptions and methods used to determine Premium Funding Target

(1) Premium Funding Target method – Report whether you are using the Standard Premium Funding Target or the Alternative Premium Funding Target to determine unfunded vested benefits by checking the applicable box (*i.e.*, "Standard" or "Alternative"). Note that:

- The standard method must be used unless an election to use the alternative method is in effect.
- If an election to use the alternative method is in effect, you must use the alternative method. This is the case only if a valid election:
  - is made as part of a timely filing for the Premium Payment Year by checking the election box in item 6 of Part III, or
  - that was made in a prior year has not yet been revoked.
- Filers are encouraged to review prior filings or to review the Account History on My PAA to confirm whether an election to use the alternative method is in effect.
- Checking the alternative box in item 7(c)(1) does not constitute an election. See item 6 instructions.

For additional information on Premium Funding Target methods, see "How to Determine Unfunded Vested Benefits" section.

(2) Discount rates – Report the discount rates used to determine the Premium Funding Target. For information on which rates to use, see "How to Determine Unfunded Vested Benefits" section.

(3) UVB Valuation Date – Report the UVB Valuation Date for the Premium Payment Year. In the case of a Small Plan using the Lookback Rule, this date must be the valuation date for the Lookback Year. For any other plan this date must be the valuation date for the Premium Payment Year. **Note for Small Plans - For information about whether you should be using the Lookback Rule, see "How to Determine Unfunded Vested Benefits" section.**

d Premium Funding Target as of UVB Valuation Date

Report the Premium Funding Target (dollars only) calculated as described in the Premium Funding Target part of the "How to Determine Unfunded Vested Benefits" section. Report the amount separately for (1) active participants, (2) terminated vested participants, (3) retirees and beneficiaries receiving payment, and (4) the total premium funding target ((1)+(2)+(3)).

Estimated Premium Funding Targets – If the Premium Funding Target (and thus, the Variable-rate Premium) being reported in this filing is an estimate, check the box to report that fact. If you file on an estimated basis, you must ultimately make a reconciliation filing using the actual Premium Funding Target (by amending this filing). In the reconciliation filing, in addition to reporting the actual Premium Funding Target data, be sure to indicate that the reported amount is no longer an estimate by making sure the "estimate" box is no

longer checked. See "Correcting Errors, Credit Balances and Reconciling Estimates" section for more information. See also the "Late Payment Charges" section for information on the automatic late payment penalty relief that may be available to plans paying estimated Variable-rate Premiums by the due date and later reconciling.

e Market value of assets – Report the fair market value of plan assets (dollars only) as of the UVB Valuation Date adjusted to reflect contribution receipts as described in the "How to Determine Unfunded Vested Benefits" section.

f Unfunded vested benefits – Report the excess (rounded up to the next $1,000), if any, of the Premium Funding Target over the fair market value of assets.

g Uncapped Variable-rate Premium – Report the product of 0.030 and the amount of unfunded vested benefits.

h Maximum Variable-rate Premium

(1) MAP-21 Cap – Report the product of the Participant Count and $500.

(2) Small Employer Cap – Report the product of $5 and the Participant Count squared. *If the plan does not qualify for the Small Employer Cap, this item must be left blank.*

(3) Maximum Variable-rate Premium – If the plan qualifies for the Small Employer Cap, report the lesser of the Small Employer Cap and the MAP-21 Cap. Otherwise, report the MAP-21 Cap.

i Variable-rate Premium – Report the lesser of the maximum Variable-rate Premium and the uncapped Variable-rate Premium. *If the plan qualifies for the Small Employer Cap and chooses not to report uncapped Variable-rate premium data, report the maximum Variable-rate Premium.*

If this is a short plan year of coverage, the required Variable-rate Premium may be a prorated portion of this amount; however, the full year's premium amount must be reported in this item.

Instructions for Part IV – Total Premium Information

8 Premium proration (If the plan does not qualify for premium proration, skip to item 9.)

a Number of months in the short plan year – Report the number of months (complete and partial) in the short plan year. For this purpose, each plan month (*i.e.*, each month in the plan year) generally begins on the same day of each successive calendar month. For example, if the plan year begins on July 1, the first day of each successive calendar month is the beginning of a new month; similarly, if the plan year begins on January 15, the second plan month begins on February 15, the third plan month on March 15, etc. Thus, if a short final year begins on January 1 and ends on June 1, there would be six (full or partial) months in the short year. (The last (partial) month, beginning (and ending) on June 1, would count as a full month for purposes of prorating the premium.) Similarly, if a short first year begins on July 31 and ends on December 31, there would also be six (full or partial) months in the short year.

There are two special rules when a plan year begins at or near the end of a calendar month:

- If the plan year begins on the last day of a calendar month, successive plan months begin on the last day of successive calendar months. For example, if the plan year begins on November 30, successive plan months begin on December 31, January 31, the last day of February (the 28th or 29th), March 31, etc.

- If the plan year begins on the 29th or 30th of a calendar month other than February, the plan month beginning in February begins on the last day of February. For example, if the plan year begins on November 29, successive plan months begin on December 29, January 29, the last day of February (the 28th or 29th), March 29, etc. If the plan year begins on December 30, successive plan months begin on January 30, the last day of February (the 28th or 29th), March 30, April 30, etc.

Counting months for New Plans – The short first year of a New Plan is treated as beginning on the Participant Count Date (*i.e.*, the plan effective date).

Counting months for Newly Covered Plans – Although the Premium Payment Year for a Newly Covered Plan is, most likely, a full year, premiums are due only for the portion of the year the plan is covered by PBGC. Therefore, for purposes of prorating the premium for the first year of coverage, a Newly Covered Plan's first year of coverage is treated as beginning on the date when the plan becomes covered under ERISA section 4021

Counting months for terminating plans – The (short) plan year of a terminating plan's final year is treated as ending on:

- for a Multiemployer Plan that distributed all its assets pursuant to ERISA section 4041A, the date the distribution is completed; or
- for a Single-employer Plan, the earlier of:
  - the date on which the distribution of the plan's assets in satisfaction of all Benefit Liabilities was completed; or
  - the date that a trustee for the terminating plan was appointed under ERISA section 4042.

b Total premium before proration **–** Report the sum of the Flat-rate Premium and, if applicable, the Variable-rate Premium.

9 Total premium

- If the plan does not qualify for premium proration, report the sum of the Flat-rate Premium and, if applicable, the Variable-rate Premium.
- If the plan qualifies for premium proration, multiply the total premium before reflecting proration by the number of months (complete and partial) in the short plan year and then divide by 12. Round to two decimal places after completing the calculation.

If this amount includes cents, report the exact amount (dollars and cents), not a rounded amount.

Instructions for Part V – Payment Information

10 Premium credit

Report the total amount of premium credits available to offset the premium due. Premium credits include:

- Any payments made for 2016 (including an estimated Variable-rate Premium when amending the filing to reconcile the estimate; see "Correcting Errors, Credit Balances and Reconciling Estimates" section), and
- Any overpayment of the 2015 premium filing for which a refund was not requested and that has not been applied to amounts due. A plan account history is available on My PAA. You should review the account history to confirm that a 2015 overpayment is available.

If this amount includes cents, report the exact amount (dollars and cents), not a rounded amount.

11 Amount due

If the total premium due exceeds the total premium credit, subtract the total credit from the total premium and report the result as the amount due. This is the amount you owe PBGC. See Appendix 3 for information on payment options.

If this amount includes cents, report the exact amount (dollars and cents), not a rounded amount.

12 Treatment of Overpayment

a If the total premium is less than the total premium credit, subtract the total premium from the total credit and report the result as an overpayment. If this amount includes cents, report the exact amount (dollars and cents), not a rounded amount.

b If you have an overpayment, you must choose whether to have the overpayment credited towards the next year's premium for the plan or refunded (by electronic funds transfer or check). Report your choice by checking the appropriate box.

- *Credit* - If you choose to use the overpayment as a credit towards next year's premium for the plan, you should claim the overpayment amount as a credit on the next year's premium filing for the plan.
- *Refund* - If you choose to have the overpayment refunded, the quickest way to receive your refund is to select the electronic funds transfer option, which we strongly recommend. To facilitate an ACH electronic funds transfer, indicate whether the account is a checking account or savings account, and provide the bank routing number and account number to which the refund is to be credited. If you prefer your refund by Fedwire funds transfer (available only for refunds of $100,000 or greater), please call 1-800-736-2444 or 202-326-4242 and select option 2 (premiums) for instructions. For Fedwire funds transfers, you can have the refund credited to a sub-account within the main account if you provide the sub-account number to us.

Instructions for Part VI – Miscellaneous Information

13 Final premium filing

If this is the last premium filing for this plan, indicate the reason: (1) that the plan merged or consolidated with another plan, (2) that the plan was trusteed under ERISA section 4042, (3) that the plan completed a distribution pursuant to termination, or (4) that the plan ceased to be a covered plan.

Report the date of the event that led to the cessation of the requirement to file. If the reason this is the last premium filing is because:

- the plan merged or consolidated into another plan, report the effective date of the Merger or Consolidation;
- the plan terminated in an involuntary or distress termination, report the effective date of the trusteeship;
- there was a distribution of assets pursuant to a termination:

- for a Single-employer Plan that completed a standard termination, report the date on which the distribution of the plan's assets in satisfaction of all Benefit Liabilities was completed (the same date reported on PBGC Form 501 in item 3a), or
- for a Multiemployer Plan that distributed all its assets pursuant to ERISA section 4041A, report the date the distribution is completed; or

▪ the plan ceased to be covered by Title IV of ERISA, report the date coverage ceased.

See also "Failure to report a filing as the final premium filing" in the "Correcting Errors, Credit Balances and Reconciling Estimates" section.

14 Transfers from other plans

Pre-existing plans – If another plan transferred assets or liabilities to this plan since the date of the most recent comprehensive premium filing (or, if this is a filing for a plan year beginning in 2016, since the date of the 2015 "final filing"), report the EIN and PN of the plan from which the assets were transferred (*i.e.*, the "transferor plan").

New Plans – If this plan is a New Plan and another plan transferred assets or liabilities to this plan in conjunction with the creation of this plan, report the EIN and PN of the plan from which the assets were transferred.

Newly Covered Plans – If this plan is a Newly Covered Plan and another plan transferred assets or liabilities to this plan on or after the date this plan became covered and before the date the premium filing is made, report the EIN and PN of the plan from which the assets were transferred.

In all cases, report the date of the transfer and check the box that best describes the type of transfer (see definitions of Merger, Spinoff, and Consolidation). For this purpose, the date of transfer is the date the transfer went into effect.

Example – A merger agreement between two calendar-year plans (Plans A and B) provides that all participants of Plan A will cease accruing benefits under Plan A and begin coverage and benefit accruals under Plan B as of January 1, 2016, and that the obligation to pay benefits to all Plan A participants will pass from Plan A to Plan B as of that date. The agreement also provides that Plan A's assets will be transferred to Plan B's account as soon as practicable. The asset transfer does not actually occur until February 17, 2016. If you are preparing a comprehensive premium filing for Plan B for Plan B's 2016 plan year, report "01/01/2016" as the date of transfer.

Note that the date of a transfer is determined based on the facts and circumstances of the particular situation. (For transfers subject to section 414(*l*) of the Code, report the date determined under 26 CFR 1.414(*l*)-1(b)(11).)

If the transfer is the result of something other than a Merger, Spinoff, or Consolidation, for example, a reciprocity arrangement where assets and liabilities are transferred between two plans when an employee changes locations or changes status (*e.g.*, from Salaried to Hourly and as a result becomes covered by another plan), check the "Other" box. Also check the "Other" box if you have no way of determining whether the transferor plan ceased to exist in connection with a Merger or Consolidation into your plan.

If more than one transferor plan is involved, provide the above information with respect to each transferor plan.

15 Transfers to other plans

Pre-existing plans – If this plan transferred assets or liabilities to another plan since the date of the most recent comprehensive premium filing (or, if this is a filing for a plan year beginning in 2016, since the date of the 2015 "final filing"), report the EIN and PN of the plan to which the assets were transferred (*i.e.*, the "transferee plan"). In addition, report the date of transfer and check the box that best describes the type of transfer.

New Plans – If this plan is a New Plan and this plan transferred assets or liabilities to another plan on or after the earlier of the Plan Adoption Date and the effective date, and before the date the premium filing is made, report the EIN and PN of the plan to which the assets were transferred and the type of transfer.

Newly Covered Plans – If this plan is a Newly Covered Plan and this plan transferred assets or liabilities to another plan on or after the date the plan became covered and before the date the premium filing is made, report the EIN and PN of the plan to which the assets were transferred and the type of transfer.

In all cases, if more than one transferee plan is involved, provide the above information with respect to each transferor plan. See instructions to item 14 for more information on what is to be reported for "date of transfer."

Example – Until November 1, 2015, Plan E covered employees at Division 1. As a result of the sale of Division 1 to another sponsor (Employer X), some assets and liabilities are spun off from Plan E to Plan F (a new plan sponsored by the new owner) effective November 1, 2015. If you are preparing a 2016 comprehensive premium filing for Plan E, report Employer X's EIN and the PN of Plan F. In addition, check the "Spinoff" box to report that the transfer occurred as the result of a Spinoff and report "11/01/2015" as the date of transfer. Note - The transfer also gets reported in item 14 of the 2015 Comprehensive Premium Filing for Plan F.

16 Participation freeze

If, as of the beginning of the Premium Payment Year, participation is limited to participants who were covered by the plan as of a specified date (*i.e.*, the plan is closed to new entrants), enter the date the plan became closed to new entrants.

17 Benefit accrual freeze

If, as of the beginning of the Premium Payment Year, the plan is partially or totally frozen for benefit accrual purposes, enter the date the freeze became effective and indicate the nature of the freeze by reporting whether (1) both pay and service are frozen for all participants, (2) both pay and service are frozen for some participants, (3) for all participants, service is frozen, but pay is not, (4) for some participants, service is frozen, but pay is not, or (5) some other type of accrual freeze is in effect (in which case you must provide a description of the freeze).

If more than one description applies (for example, if pay and service are frozen for employees at location X and only service is frozen for employees at location Y), select "Other" and provide a description.

If more than one freeze has occurred, report the date and nature of the most recent freeze.

18 Risk transfer activity – Do not complete this item if this is the final filing for the plan.

a Lump Sum Windows – If the plan provided one or more Lump Sum Windows during the premium payment year or the prior premium payment year, enter the requested information with respect to individuals eligible to elect a lump sum under the window. For this purpose:

- Disregard any Lump Sum Window for which the time period for electing a lump sum ended less than 60 days before the premium filing is made.
- Disregard any Lump Sum Window for which the requested information was reported in the premium filing for the prior premium payment year.
- Disregard lump sums offered:
  - In the course of routine plan operations,
  - In conjunction with a plan termination,
  - Upon a participant's separation from service, or
  - As part of an incentive program to encourage active participants to retire early (commonly called an early retirement window).
- Disregard lump sums paid under mandatory cash out provisions.
- A person eligible for a Lump Sum Window whose offer letter is undeliverable may be excluded from the "Eligible to elect a lump sum" count.
- If the exact counts are not readily available, reasonable estimates based on readily available plan records may be reported.

b Annuity Purchases - If the plan purchased annuities for a specified group of individuals during the premium payment year or the prior premium payment year, enter the requested information with respect to that group of individuals. For this purpose:

- Disregard annuities purchases made less than 60 days before the premium filing is made.
- Disregard annuities purchases for which the requested information was reported in the premium filing for the prior premium payment year.
- Do not include annuity contracts:
  - Purchased in the course of routine plan operations,
  - Purchased in conjunction with a plan termination, or
  - That remain an asset of the plan (commonly called a "buy-in").
- If the exact counts are not readily available, reasonable estimates based on readily available plan records may be reported.

19 Amended filings – Complete this item only if this is an amended filing.

a If either the first day or the last day of the premium payment year reported in this amended filing (item 4b(1)) differs from what was reported in the original filing (*i.e.*, the filing that is being amended), provide the dates that were reported in the original filing.

b If the EIN and PN reported in this amended filing (item 4c(1)) are not both the same as what was reported in the original filing (*i.e.*, the filing that is being amended), report the EIN and PN from the original filing.

c If this is an amended filing for a reason other than reconciling an estimated Variable-rate Premium and the amended filing shows a lower premium than the amount that was originally reported, **you must provide an explanation** of the specific circumstances or events that caused the reduction.

Instructions for Part VII – Certifications

20 Plan Administrator Certification

All of the information reported in this filing must be certified by the Plan Administrator. Follow the certification instructions for the electronic filing method that is used to make the filing. Be sure to provide the Plan Administrator's name, the telephone number, and the certification date. If the Plan Administrator has an e-mail address, that address must also be reported.

21 Enrolled Actuary Certification

An enrolled actuary must certify the Variable-rate Premium calculation unless:

- The plan is a Multiemployer plan (and thus, there is no Variable-rate Premium).
- The plan is a Single-employer Plan and is either:
  - exempt from the Variable-rate Premium, or
  - eligible for the Small Employer Cap and is paying the maximum Variable-rate Premium (and not reporting the regular Variable-rate Premium).

Be sure to provide all of the required information related to the enrolled actuary (i.e., name, firm, telephone number, enrollment number, and if the enrolled actuary has an e-mail address, email address).

The actuary must follow the certification instructions for the electronic filing method that is used to make the filing.

Late Payment Charges

General

If you file a premium payment after the due date, we will bill the plan for late charges. The late charges include both interest and penalty charges. The charges are based on the outstanding premium amount due on the due date. If your due date is extended because it falls on a weekend or federal holiday, and your premium payment is filed after the extended due date, interest and penalty will be computed from the actual (unextended) due date. PBGC also may assess penalties under ERISA section 4071 for failure to timely provide premium-related information.

Late Payment Interest Charges

The late payment interest charge is set by ERISA, and we cannot waive it. Interest accrues at the rate imposed under section 6601(a) of the Code (the rate for late payment of taxes) and is compounded daily. These rates are published by IRS quarterly and are also posted on the "Interest Rates and Factors" section of the Practitioners Page of PBGC's website.

Late Payment Penalty Charges[12]

Late payments are generally subject to a penalty of 2½% of the late amount per month (or partial month) late, but no more than 50% of the late amount. However, in the event a plan discovers and corrects an underpayment before PBGC sends written notice that there is or may be a premium delinquency, the 2½% rate is reduced to ½% and the cap is reduced from 50% to 25%.

Minimizing Late Payment Charges

If you cannot make a filing by the due date because you are having difficulty determining some of the required information, you can minimize late payment charges by submitting payment (the amount due or an estimate) without submitting the certified filing. If you choose to do this, you must pay outside of My PAA, either via www.Pay.gov, or by check or wire transfer. You should then submit your certified filing as soon as possible. Additional information on payment options is included in Appendix 3.

PBGC does not recommend this procedure. We may assess a penalty under ERISA section 4071 for failure to furnish premium-related information by the required due date, and making a premium payment without an accompanying premium information filing may cause significant delay in providing a statement of account for the plan. However, when the information filing is ultimately made, the payment will be credited as of the date it was filed and thus stop the accrual of late payment charges on the amount paid.

Saturday, Sunday, and Federal Holidays

As explained in the "When to File" section, if your premium filing due date falls on a Saturday, Sunday or Federal Holiday, it is extended automatically to the next business day. However, if your premium payment is filed after the extended due date, interest and penalties will be computed from the actual (unextended) due date.

Example –The Normal Due Date for a plan with a plan year beginning on February 1, 2016 would normally be November 15, 2016. Because that day is a Sunday, the due date is Monday, November 16, 2016. If the filing is made after November 16th, late payment charges, if applicable, will be computed from Sunday, November 15, 2016, not November 16th.

[12] Revised on 11/09/2016 to reflect amendments made to PBGC's Premium Payments regulation (29 CFR part 4007) with respect to penalties for late premium payments.

Notices from PBGC

Past Due Filing Notices

If our records indicate that a premium filing is missing for a particular plan year, we will send a "Past Due Filing Notice" to the address reported on the most recent filing. If you receive a Past Due Filing Notice that appears to be in error, contact our customer service representatives (see Appendix 2 for contact information). If a filing was in fact required, after we receive the late filing, we will send a statement of account assessing late payment charges.

Statements of Account

If your payment is late or less than the required amount, we will send a "Statement of Account" (SOA). The SOA is, in essence, an invoice for premium, penalty, and interest amounts owed to PBGC. To ensure that the amount due does not increase, the premium and interest must be paid within 30 days of the SOA's issue date. If you receive an SOA that appears to be in error, contact our customer service representative (see Appendix 2 for contact information).

Penalty Waivers

Case-by-Case Waivers

If you receive an SOA (see above) that includes a penalty charge, but you believe there is a reason why all or a portion of the penalty should be waived (e.g., reasonable cause), you may request a waiver. Information about what constitutes reasonable cause as well as information about other situations where a penalty waiver might be warranted can be found in § 21 of the appendix to PBGC's premium payment regulation, 29 CFR Part 4007, available on the "Law and Regulations" page of the Practitioners Page of PBGC's website.

The instructions and timeframe for requesting a waiver will be provided in the SOA. Be sure to follow the instructions carefully. Requests that are submitted past the allotted timeframe will not be granted.

Hardship (i.e., "Statutory") Waivers

If, before the filing due date, you can show substantial hardship and that you will be able to pay the premium within 60 days after the filing due date, you may request that we waive the late payment penalty charge. If we grant your request, we will waive the late payment penalty charge for up to 60 days. To request a waiver, contact PBGC at least 30 days before the filing due date. Be sure to include specific information and documents to demonstrate both that it will be a substantial hardship to make the payment on or before the filing due date and that you will have the ability to make the payment within 60 days after the filing due date.

Automatic Penalty Waiver for Premiums paid Within Seven Days of Due Date

If the sole reason a late payment penalty charge applies is because a premium was paid after the due date, but within seven calendar days of the due date, the late payment penalty charge will automatically be waived.

Automatic Penalty Waiver for Certain Compliant Plans[13]

PBGC will automatically waive 80% of the penalties assessed at the 2½% rate if the plan:

- Corrects the underpayment within 30 days of PBGC's initial notice, and
- Has a good premium compliance history.

[13] Revised on 11/09/2016 to reflect amendments made to PBGC's Premium Payments regulation (29 CFR part 4007) with respect to penalties for late premium payments.

For this purpose, a "good premium compliance history" generally means that the plan paid required premiums timely for the five plan years immediately preceding the premium payment year. In addition, if, during the 5-year period, the plan paid its premium late, but was not required to pay a late payment penalty (e.g., the penalty was waived), the plan is treated as paying timely for that year.

Automatic Penalty Waiver for Certain Late Variable-Rate Premiums

As explained in the "When to File" section, in rare circumstances (e.g., a mid-year merger or change in actuary), the Premium Funding Target might not be calculated or finalized by the premium due date. PBGC allows plans in this situation to file timely and pay an estimated Variable-rate Premium by the due date and then submit an amended filing at a later date to reconcile the actual Variable-rate Premium with the estimate.

Because a plan's full Variable-rate Premium (not merely an estimate) is due by the due date, if the full amount is not paid by that date, the plan will be subject to late payment interest charges and may also be subject to late payment penalty charges.

If the actual Variable-rate Premium is greater than the estimate, penalties for late payment will be waived if:

- the reconciliation filing is made and any additional required Variable-rate Premium paid by the end of the sixth calendar month that begins on or after the premium due date (generally April 30th after year-end for calendar year plans), and
- by the premium due date, you report:
  - the fair market value of the plan's assets, and
  - an estimate of the Premium Funding Target that is certified by an enrolled actuary to be a reasonable estimate that:
    - takes into account the most current data available to the enrolled actuary;
    - has been determined in accordance with generally accepted actuarial principles and practices; and
    - uses the calculation methodology (alternative or standard) in effect for the plan year; and
- by the premium due date, you pay at least the amount of Variable-rate Premium determined from the value of assets and estimated Premium Funding Target so reported.

Note that this waiver applies only to estimated Premium Funding Targets, not estimated asset values. If the asset value reported in the reconciliation filing differs from what was reported in the original (i.e., estimated) filing, this automatic penalty relief will be lost. However, PBGC will consider a request for an appropriate penalty waiver in such a situation and, in acting on the request, will consider such facts and circumstances as the reason for the mistake, whether assets were over- or understated, and, if assets were overstated, the extent of the overstatement.

If you know the final Premium Funding Target by the time the Variable-rate Premium is due, you should pay the amount owed by that date. If you do so, you will avoid the interest charge and any penalty charge. If you report that you are making a filing based on an estimated Premium Funding Target, you will be required to make an amended filing reflecting the actual Premium Funding Target by the date the variable-rate reconciliation filing is due.

Correcting Errors

Making Payment Without Filing Information

If you make a premium payment without filing the related premium information, file the information as soon as possible to get proper credit for your payment and minimize any late filing penalty. Follow the instructions in this document or in My PAA for identifying your payment so that we can associate it with your information filing.

Filing Information Without Making Required Payment

If you make a filing of premium information without making a required payment, send the payment as soon as possible to minimize late payment charges. Follow the instructions in this document or in My PAA for identifying your payment so that we can associate it with your information filing.

Failure to report a filing as the final premium filing

If you make a premium filing that is a "Final premium filing" as described in item 13 of the comprehensive premium filing instructions, and you do not provide the information required by item 13, you must make an amended filing **if the event referred to in item 13 occurred before you made your original filing**, unless —

- The event was a distribution of assets pursuant to plan termination and was reported on PBGC Form 501, or
- The event was a merger into or consolidation with another plan and was reported on a premium filing for the surviving plan.

If you make a premium filing that is a "Final premium filing" as described in item 13 of the comprehensive premium filing instructions, and you do not provide the information required by item 13 **because the event referred to in item 13 has not yet occurred when you make the filing**, you are not required to make an amended filing. However, to avoid the need for correspondence to establish why you are not making any more premium filings, we recommend that you contact us to report the event, unless —

- The event was a distribution of assets pursuant to plan termination and is being reported on PBGC Form 501, or
- The event was a merger into or consolidation with another plan and is being reported on a premium filing for the surviving plan.

Even if an amended filing is not required, you may want to make one where the plan has made a distribution of assets pursuant to plan termination, because that event may enable you to reduce the premium through proration and request a refund as part of the amended filing. Alternatively, because our system automatically pro-rates premiums for plans in this situation and updates the plan's statement of account to reflect any overpayment, in lieu of submitting an amended filing, you may request a refund of such overpayment simply by sending an email to premiums@pbgc.gov.

Amending Filings

If, after submitting a filing, you discover an error has been made (*e.g.*, reported information is incorrect), you must amend the filing to report the correct information even if the correction has no impact on the premium amount. A filing can be amended by resubmitting the filing with the corrected information. Be sure to indicate that the filing is an amendment to a previously submitted filing (see "Description of Data Elements" sections).

In the amended filing, report all of the required information, including information that was correct in the original filing (*i.e.*, the filing that is being amended). Include as credits all the credits you previously claimed increased by the amount you paid with your most recent filing and reduced by any refund you requested.

If the originally reported premium:

- was too low, the additional premium due will equal the excess of the revised total premium amount over the revised total credit. Pay the additional premium due when you submit your amended filing. In this case, late payment interest charges will apply and late payment penalty charges may apply. You will receive an invoice for these charges after your amended filing is received. You may include payment of anticipated late payment charges when you pay the additional premium, but the amount reported on the amended filing should reflect only the additional premium due.
- was too high, the overpayment will equal the excess of the revised total credit over the revised total premium. You must indicate whether you want the overpayment refunded or applied to the next year's premium for the plan. We recommend that small credit amounts be carried over to the next plan year. To do so, simply enter the relevant amount under "Premium Credits "in the next year's premium filing. See line 10b on the illustrative form in the "Data to be Submitted" section.

  If you prefer a refund by electronic funds transfer (EFT), provide the necessary information in the applicable section of the amended filing; we will make the transfer through the ACH system or Fedwire (Fedwire transfers are available only for refunds of $100,000 or greater). For Fedwire funds transfers, you can have the refund credited to a sub-account within the main account if you provide the sub-account number to us.

  With either option, the overpayment will appear as an "Amount Overpaid" on your plan's account history until it is refunded or used to satisfy a future year's premium. See section below on Premium Credit Balances.

Required explanation if premium amount decreases

If you amend a comprehensive filing for a reason other than reconciling an estimated Variable-rate Premium and the amended filing shows a lower premium than the amount that was originally reported, **you must provide an explanation** of the specific circumstances or events that caused the reduction. For example, if your original comprehensive filing's Participant Count included employees at a division that is not covered by the plan, you would explain why the employees were erroneously counted as participants and how the error was discovered.

Amending a prior year's filing

Note that if you are amending a filing for an earlier year, you must follow the instructions for that year except that current mailing and electronic funds transfer (EFT) addresses should be used instead of the addresses that were included in the instructions for the original filing (*i.e.*, the filing that is being amended). Prior year instructions are available in the "Premium Payment Instructions and Addresses" section of the Practitioners Page of PBGC's website.

Premium Credit Balances

Premium credit balances, whether resulting from an amended filing or any overpayment, are shown on plans' account histories and can be viewed in My PAA at any time. We recommend you review your plan's account history before you file to ensure that any available credits from the prior plan year have been used. If you have a credit from two or more years prior to the Premium Payment year, you will need to contact the Premium Customer Service Center in order to use it (See Appendix 2).

Note that an overpayment for one plan cannot be applied to offset an underpayment on another plan.

A plan administrator may request that a premium credit balance be refunded or be credited against the next year's premium. Requests must be made within the statutory limitation period (generally six years).

Reconciling Estimates

For plans that filed an estimated Variable-rate Premium, the reconciliation is made by amending the filing that included the Variable-rate Premium estimate. This reconciliation filing serves to finalize a previously estimated Premium Funding Target; it does not afford an opportunity to elect to use the alternative method after the due date for such election (or to revoke a prior election after the due date for such revocation). See the instructions for item 7d in the "Description of Data Elements" section for additional information on how to reconcile an estimated Variable-rate Premium.

Failure to reconcile these estimates in a timely manner will result in late payment charges if the estimate to be reconciled was too low. PBGC may also assess penalties under ERISA section 4071 for failure to reconcile estimated premium filings by the reconciliation due date.

Recordkeeping Requirements and PBGC Audits

Recordkeeping Requirements

Plan Administrators are required to retain all plan records that are necessary to establish, support and validate the amount of any PBGC premium required to be paid and any information required to be reported. The records must include calculations and other data prepared by an enrolled actuary, the Plan Sponsor, and an employer required to contribute to the plan with respect to its employees; or for a plan described in section 412(e)(3) of the Code, by the insurer from which the insurance contracts are purchased. The records must be kept for six years after the premium due date.

Records that must be retained include, but are not limited to, records that establish the number of plan participants and the amount of unfunded vested benefits on which the Variable-rate Premium is based. For this purpose, the term "records" includes, but is not limited to, plan documents; participant data records; personnel and payroll records; actuarial tables, worksheets, and reports; records of computations, projections, and estimates; benefit statements, disclosures, and applications; financial and tax records; insurance contracts; records of plan procedures and practices; and any other records, whether in written, electronic, or other format, that are relevant to the determination of the amount of any premium required to be paid or any premium-related information required to be reported.

Records retained must be made available or submitted to PBGC promptly upon request. If a record to be produced for PBGC inspection and copying exists in more than one format, it must be produced in the format that PBGC specifies.

PBGC Audits

We may audit any premium filing; inspect and copy any records that are relevant to the determination of the amount of any premium required to be paid and any premium-related information required to be reported; and require disclosure and demonstration of any system used to determine any premium required to be paid or premium-related information required to be reported, so that PBGC can assess the system's effectiveness and reliability.

If we determine upon audit that the full amount of the premium due was not paid, late payment interest charges under §4007.7 of the Premium Regulations and late payment penalty charges under §4007.8 of the Premium Regulations will apply to the unpaid balance from the premium due date to the date of payment (see "Late Payment Charges" section for more information on penalties and interest for late payment of premiums).

If, in our judgment, the plan's records fail to establish the number of participants with respect to whom premiums were required, we may rely on data we obtain from other sources (including the Internal Revenue Service and the Department of Labor) for presumptively establishing the number of plan participants for premium computation purposes. Similarly, if, in our judgment, the plan's records fail to establish the unfunded vested benefits amount reported in the premium filing, we may rely on data we obtain from other sources for estimating the unfunded vested benefits for premium computation purposes.

In addition to penalties for late payment of premiums, we may assess a penalty under ERISA section 4071 for failure to furnish premium-related information by required due dates.

Appendix 1 – Definitions

Definitions for terms shown in capital letters throughout the instructions are shown below. New or modified terms are highlighted in green for emphasis.

"Alternative Premium Funding Target" – see "Premium Funding Target"

"Benefit Liabilities" means all liabilities with respect to employees and their beneficiaries under the plan (within the meaning of Code section 401(a)(2)). Thus, Benefit Liabilities include liabilities for all accrued benefits, whether or not vested. In addition, a plan's Benefit Liabilities include liabilities for ancillary benefits not directly related to retirement benefits, such as disability benefits not in excess of the qualified disability benefit, life insurance benefits payable as a lump sum, incidental death benefits, or current life insurance protection (see Treasury Regulation § 1.411(a)-7(a)(1)).

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Consolidation**" means a transaction in which two or more plans transfer all of their assets and liabilities to a New Plan and, as a result, cease to exist (because the transferor plans become part of the new transferee plan). It differs from a Merger because in a Merger, the transferee plan existed before the transaction. In a Consolidation, the transferee plan is a New Plan that is created in the Consolidation. Thus, the plan that exists after a Consolidation follows the premium filing rules for New Plans.

"**Continuation Plan**" means a new plan resulting from a consolidation or spinoff that is not *de minimis* pursuant to the regulations under section 414(l) of the Code.

"**EIN**" means Employer Identification Number. It is always a nine-digit number assigned by the Internal Revenue Service for tax purposes.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended (29 U.S.C. 1001 et seq.).

"Flat-rate Premium" means the portion of the premium determined by multiplying the flat premium rate by the number of participants in the plan on the Participant Count Date.

"**Form 5500 Series**" means Form 5500, Annual Return/Report of Employee Benefit Plan, jointly developed by the Internal Revenue Service, the Department of Labor, and PBGC.

"**Interest Rate Stabilization Rules"** means the rules under which the volatility of certain discount rates used for funding purposes is limited by constraining them within a specified corridor as provided in ERISA 303(h)(2)(C)(iv).

"**Lookback Rule**" means the provision under which the Variable-rate Premium for the Premium Payment Year is determined based on UVBs for the plan year immediately preceding the Premium Payment year instead of the Premium Payment Year.

"**Lookback Year**" means the plan year immediately preceding the Premium Payment Year.

"**Lump Sum Window**" means a temporary opportunity to elect a lump sum in lieu of future annuity payments that is offered to individuals meeting specified criteria who would not otherwise be eligible to elect a lump sum.

"**MAP-21 Cap"** means the per-participant cap on the Variable-rate Premium as provided in The Moving Ahead for Progress in the 21st Century Act.

"**Merger**" means a transaction in which one or more plans transfer all of their assets and liabilities to an existing plan and, as a result, cease to exist (because the transferor plan(s) become part of the transferee plan). It differs from a Consolidation because in a Consolidation, the transferee plan did not exist before the transaction. In a Merger, the transferee plan is an existing plan and follows the rules for preexisting, ongoing plans.

Appendix 1 – Definitions

"**Multiemployer Plan**" (subject to the provisions of ERISA sections 3(37)(E) and (G) and 4303, dealing with elections to be treated or not to be treated as a Multiemployer Plan) means a plan:

- to which more than one employer is required to contribute,
- which is maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and more than one employer, and
- which satisfies such other requirements as the Secretary of Labor may prescribe by regulation.

For purposes of determining whether a plan is a Multiemployer Plan or a Single-employer Plan, all trades or businesses (whether or not incorporated) that are under common control are considered to be one employer.

"**Multiple-employer plan**" means a plan to which more than one employer contributes that is not a Multiemployer Plan.

"**My PAA**" means "My Plan Administration Account," PBGC's electronic premium filing application.

"New or Newly Covered Plan" means a plan that is either a New Plan or a Newly Covered Plan. In some cases, the term "New and Newly Covered Plan" is used for the same purpose.

"New Plan" means a plan that did not exist before the Premium Payment Year. This includes a plan resulting from a Consolidation or Spinoff. A plan that meets this definition is considered to be a New Plan even if the plan constitutes a successor plan within the meaning of ERISA section 4021(a).

"Newly Covered Plan" means a plan that becomes covered by title IV of ERISA during the premium payment year and that existed as an uncovered plan immediately before the first date in the premium payment year on which it was a covered plan.

"Normal Premium Due Date" means the date premiums are due unless some special situation applies (i.e., a change in plan year, first time filing, or a standard termination). See "When to File" section.

"**Participant"** of a plan means an individual (whether active, inactive, retired, or deceased) with respect to whom the plan has Benefit Liabilities. See "How to Count Participants" section for more information.

"Participant Count" means the number of participants on the Participant Count Date. See "How to Count Participants" section for more information.

"Participant Count Date" means the date on which participants are counted for purposes of determining the Flat-rate Premium, the MAP-21 CAP on the Variable-rate Premium, whether the plan is a Small Plan, and, if applicable, the Small Employer Cap on the Variable-rate Premium. In general, it is the last day of the plan year preceding the Premium Payment Year, but there are some exceptions. See "How to Count Participants" section for more information.

"**Plan Administrator**" means:

- the person specifically so designated by the terms of the instrument under which the plan is operated; or
- if an administrator is not so designated, the Plan Sponsor.

"Plan Adoption Date" means the date on which a plan was formally adopted.

"**Plan Sponsor**" is determined as follows:

- For a Single-employer Plan with:
  - one contributing sponsor, the Plan Sponsor is the contributing sponsor;
  - two or more contributing sponsors that are all in a single controlled group, the Plan Sponsor is the parent of the controlled group or, if there is no parent, the largest member of the controlled group (whether or not the parent or largest member is a contributing sponsor);
  - two or more contributing sponsors that are not all in a single controlled group, the Plan Sponsor is determined as follows: first identify the controlled group, or contributing sponsor that is not in a controlled group, that has the most participants in the plan. If you identify a contributing sponsor that is not in a controlled group, the Plan Sponsor is that contributing sponsor. But if you identify a controlled group, then the Plan Sponsor is the parent of that controlled group or, if there is no parent, the largest member of that controlled group (whether or not the parent or largest member is a contributing sponsor).
- For a Multiemployer Plan, the Plan Sponsor is the association, committee, joint board of trustees, or other entity that establishes or maintains the plan.

"**PN**" means Plan Number. This is always a three-digit number. The employer maintaining the plan assigns this number to distinguish among employee benefit plans established or maintained by the same employer. An employer usually starts numbering pension plans at "001" and uses consecutive Plan Numbers for each additional plan. Once a PN is assigned, always use it to identify the same plan. If a plan is terminated, retire the PN — do not use it for another plan.

"Premium Funding Target" is the liability measure used to determine the Variable-rate Premium. This is similar to the funding target that is used to determine the minimum funding requirement except that only vested benefits are taken into account. The discount rates used to determine this amount vary depending on which calculation method is used (standard or alternative):

- **"Standard Premium Funding Target"** means a Premium Funding Target determined using the ERISA section 4006(a)(3)(E)(iv) segment rates.
- **"Alternative Premium Funding Target"** means a Premium Funding Target determined using ERISA section 303 (i.e., funding) discount rates, but without regard to the MAP-21 Stabilization Rules. See "How to Determine Unfunded Vested Benefits" section for additional information related to the election and use of the Alternative Premium Funding Target.

"**Premium Payment Year**" means the plan year for which the premium is being paid. For example, since this document relates to premium filings for plan years beginning in 2016, all references to "Premium Payment Year" relate to plan years beginning in 2016.

"**Premium Regulations**" means PBGC's regulations on Premium Rates and Payment of Premiums (29 CFR Parts 4006 and 4007). The premium filing procedures (including the My PAA electronic filing application, paper instructions, and forms) are prescribed under and implement the Premium Regulations.

"**Schedule SB**" means Schedule SB to the Form 5500 Series.

"**Single-employer Plan**" means any plan that is not a Multiemployer Plan. A Single-employer Plan includes a Multiple-employer Plan. For purposes of determining whether a plan is a Multiemployer Plan or a Single-employer Plan, all trades or businesses (whether or not incorporated) that are under common control are considered to be one employer.

"Small-Employer Cap" means the maximum Variable-rate Premium due for certain plans of small employers, generally employers with 25 or fewer employees. For these plans, the maximum Variable-rate Premium is the product of $5 and the Participant Count squared.

"Small Plan" means a plan:

- With a Participant Count for the Premium Payment Year of not more than 100, or
- With a funding valuation date for the Premium Payment Year, determined in accordance with ERISA section 303(g)(2), that is not the first day of the Premium Payment Year.

"**Spinoff**" means a transaction in which the transferor plan transfers only part of its assets and/or liabilities to the transferee plan. The transferee plan may be a New Plan that is created in the Spinoff, or it may be a preexisting plan that simply receives part of the assets and/or liabilities of the transferor plan.

"Standard Premium Funding Target" – see "Premium Funding Target"

"UVB Valuation Date" means the date on which UVBs are determined. This date is the plan's funding valuation date determined in accordance with ERISA section 303(g)(2) for:

- In the case of a plan using the Lookback Rule, the Lookback Year, or
- In the case of any other plan, the Premium Payment Year.

"UVBs" means unfunded vested benefits, the term used to describe the underfunding measure on which the Variable-rate Premium is based.

"Variable-rate Premium" means the portion of the single-employer premium based on a plan's unfunded vested benefits.

"**We**" or "**us**" refers to the Pension Benefit Guaranty Corporation.

"**You**" or "**your**" refers to the Plan Administrator.

Appendix 2 – Contact information

1. PBGC's Web site (**www.pbgc.gov**) contains pension plan information of interest to Plan Administrators and practitioners, such as electronic premium filing, current and prior premium filing booklets, frequently asked questions, interest rates, regulations, etc. This information can typically be accessed via the Practitioners Page. Note that you can access or subscribe to "What's New for Practitioners" that provides information on recent events (*e.g.*, disaster relief, etc.).
2. Submit **electronic premium filings** (including electronic amended filings) through "My Plan Administration Account" (My PAA) via the "Online Premium Filing (My PAA)" section of the Practitioners Page of PBGC's website and follow instructions about how to use My PAA for submitting premium payments.
3. For all **premium-related inquiries and requests, including requests for exemption** from the requirement to file electronically, premium filing questions, requests for instructions, address changes, requests for refunds (that are not submitted with premium filings), and requests for penalty waivers:
   a. Mail (U.S. Postal Service or private delivery service): Send to the address posted on Web site under Premium Filings.
   b. Call: 1-800-736-2444 or 202-326-4242 and select option 2 (premiums). Note – requests for exemptions from e-filing requirement cannot be made by phone.
   c. Fax: 202-326-4250
   d. E-mail: **premiums@pbgc.gov**
4. For current interest rate information:
   a. Call: 202-326-4041
   b. See: "Interest Rates and Factors" section on the Practitioners Page of PBGC's website.
5. For assistance on coverage determination or plan termination:
   a. Call: 1-800-736-2444 or 202-326-4242
   b. E-mail: **standard@pbgc.gov**
   c. Write to:

Pension Benefit Guaranty Corporation
Standard Termination Compliance Division, Suite 930
Processing and Technical Assistance Branch
1200 K Street, NW
Washington, DC 20005-4026

6. If you have a complaint about the service you have received or still need assistance after calling our practitioner telephone numbers listed in item 4 (1-800-736-2444 or 202-326-4242), please contact the Problem Resolution Officer (Practitioners):

   a. Call: 1-800-736-2444, ext. 4136 or 202-326-4136

   b. E-mail: **practitioner.pro@pbgc.gov**

   c. Write to:

   Pension Benefit Guaranty Corporation
   Problem Resolution Officer (Practitioners); Suite 610
   1200 K Street, NW
   Washington, DC 20005-4026

7. For questions about our Premium Compliance Evaluation Program:

   a. Call: 1-800-736-2444, ext. 6855 or 202-326-4161, ext. 6855

   b. E-mail: **pce@pbgc.gov**

8. For software developers requesting approval of XML files produced by private-sector software for use in My PAA, follow the submission instructions on the "Software Developer E-filing Resources for Integrating with PBGC" webpage. The link to this webpage is found in the section titled "Related Information" on the right side of the "Online Premium Filing with My PAA" webpage.

PBGC's business hours are 8:00 am to 5:00 pm Eastern time, Monday through Friday, except Federal Holidays.

TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to any telephone number.

Note – We cannot accept collect calls.

Appendix 3 – On-line Premium Filing with My PAA

Introduction

My Plan Administration Account (My PAA) is a secure, Web-based application that enables you to electronically submit premium filings and payments to PBGC. Although electronic filing of premium information is mandatory, payments may be made either electronically or by paper check.

Information about how to use My PAA may be accessed on PBGC's website as well as within the My PAA application itself. Detailed information (e.g., FAQs and Demos) is located in the "Online Premium Filing (My PAA)" section (accessible via the Practitioners Page of PBGC's website).

To use My PAA, you must set up a My PAA account which includes a user ID and password. Each My PAA user needs only one account, which can include an unlimited number of plans.

My PAA offers three e-filing methods:

- You can use My PAA's data entry and editing screens to create a filing; route it to others for review, editing, and electronic certification; and submit it electronically to PBGC. Each person who participates in the electronic processing of the filing must have a My PAA account.
- You can use private-sector software that is compatible with My PAA to create a filing, and then import the filing data into My PAA's data entry and editing screens for routing, review, editing, electronic certification, and electronic submission to PBGC. Each person who participates in the electronic processing of the filing must have a My PAA account.
- You can use private-sector software that is compatible with My PAA to create a filing, and then upload the filing to PBGC via the My PAA application. The filing cannot be routed, reviewed, or edited in My PAA. In most cases, a paper copy or copies of the filing must be certified outside of My PAA (before the filing is uploaded) and retained in plan records. Only the person who uploads the filing must have a My PAA account.

My PAA's Data Entry and Editing Screens

Entering information

My PAA's data entry and editing screens walk you through a step-by-step process to create a premium filing. For example, in the first step you identify the type of plan (Single-employer or Multiemployer) for which the filing is being submitted, and the plan year. Instructions are provided at each step.

The information entered in each step determines the content of the successive steps. For example, if you indicate that you are preparing a comprehensive premium filing for a Single-employer Plan, the later steps will request information needed to determine the amount of the Variable-rate Premium (if applicable). However, if you indicate that you are preparing a comprehensive premium filing for a Multiemployer Plan, the Variable-Rate Premium screens will be suppressed.

The required mathematical calculations are automated. For example, My PAA automatically multiplies your Participant Count by the applicable flat premium rate to generate the Flat-rate Premium.

E-filing team

Multiple people can contribute to a plan's filing in My PAA's data entry and editing screens. For example, some information might be entered by the Plan Administrator and other information by an actuary. The people authorized to contribute to a plan's premium filing in My PAA's data entry and editing screens are those who have the plan in their My PAA accounts, and are referred to as the plan's "e-filing team."

Routing filings

Filings in progress can be routed among e-filing team members through My PAA for input, review, editing, e-certification of information, authorization of payment, and submission to PBGC. The person routing the filing to another member of the e-filing team can provide comments and instructions for the person to whom the filing is being routed. My PAA sends that person an e-mail notice (with the comments and instructions) stating that the filing has been routed for the recipient's action and that the recipient is now "holding" that filing. After all information has been provided and certified, and payment (if any) has been authorized, the filing can be electronically submitted to PBGC by the Plan Administrator or Filing Coordinator.

Using Private-Sector Software with My PAA

Compatibility with My PAA

You can use private-sector software to prepare a premium e-filing, but the software you use must be compatible with My PAA. That means that the software must be able to place your filing in an electronic file that is in "XML" format and meets PBGC specifications. The specifications are posted on the "Online Premium Filing (My PAA)" webpage. Private-sector software providers and developers submit to PBGC sample filings in XML format for PBGC review and assignment of vendor numbers; you should review PBGC's Web site or check with your software provider or developer to find out whether your software is capable of creating an XML file in the proper format for use with My PAA. If your compatible private-sector software permits, you can create batch files containing more than one premium filing for use with My PAA.

Importing a filing

A premium filing that has been prepared with compatible private-sector software can be "imported" into My PAA's data entry and editing screens. That means that the information in the filing is placed into the data entry and editing screens and can then be electronically routed, reviewed, edited, certified, and submitted to PBGC as previously described in the My PAA's Data Entry and Editing Screens section. To import a filing for a plan, the plan must be in your My PAA account. My PAA provides instructions for importing filings. My PAA's import feature also allows multiple filings to be imported at the same time.

Uploading a filing

A premium filing that has been prepared with compatible private-sector software can also be "uploaded" through My PAA. That means that the fully-completed filing is submitted directly to PBGC and, therefore, cannot be reviewed or edited in My PAA before submission to PBGC. My PAA's upload feature also allows multiple filings to be uploaded at the same time (*i.e.*, a batch upload).

To upload a filing for a plan, the plan need not be in your My PAA account, but you must have a My PAA account with at least one plan in it. You must electronically certify in My PAA that you have authority to submit the filing for the plan, but in most cases the information in the filing must be certified on paper outside My PAA before the filing is uploaded, and the certified information must be retained in plan records. (The Plan Administrator's (or enrolled actuary's) certification can be made on-line if it is the Plan Administrator (or enrolled actuary) who

uploads the filing.) My PAA provides instructions for uploading filings and for certifying the information in uploaded filings.

Filing Coordinator

A central role in the e-filing process is played by the "filing coordinator," who is the person designated by the plan or Plan Sponsor to be responsible for coordinating the plan's on-line premium filings. The filing coordinator for a plan is the one who adds that plan to the account of each other person in the e-filing team and assigns each e-filing team member one or more filing roles, such as the authority to certify a filing (*e.g.*, as the Plan Administrator). My PAA provides instructions for becoming a plan's filing coordinator, adding plans, adding e-filing team members, assigning roles, etc.

Premium Payment Options

If you owe a premium, there are several ways to submit payment:

- Automated Clearing House (ACH) payment within My PAA: This is an electronic transfer of funds from an account that you specify by entering your account number and bank routing number. Additional information about this payment option is available in My PAA. This option is not available if you are uploading multiple filings at the same time (i.e., batch uploads).
- Electronic Payment via Pay.gov: This is a website from which you can make secure electronic payments directly to many Federal Agencies, including PBGC. It involves entering information about your plan (i.e., EIN, plan number, the date the applicable plan year began, information about the account from which payment will be made) and then authorizing payment. To pay using this option, go to www.pay.gov and select Pension Benefit Guaranty Corporation from the "Find an Agency" List, and then select PBGC's online Premium Insurance Payments Form.
- Paper Check: You can mail a paper check to our premium lockbox.
- Federal Wire and ACH: You can direct your bank to send us a payment.

See the "Premium Payment Instructions and Addresses" section of the Practitioners Page of PBGC's website for additional information about payment options and addresses. Be sure to use the most current payment addresses for all plan year filings, including prior year filings.

Other Important My PAA Features

Filing receipts

My PAA gives you a filing receipt. For a filing submitted from My PAA's data entry and editing screens (including a filing imported into My PAA), the filing receipt shows the date and time that PBGC received the filing, a confirmation number, and all of the information submitted in the filing.

For an uploaded filing, the filing receipt shows the name of the uploaded XML file, the date and time of receipt by PBGC, and a confirmation number. This confirmation number must be written on the signed paper copy of the "form" retained the Plan Administrator's records. After a filing is uploaded, the uploader can view the information submitted in each uploaded filing.

Account history

Appendix 3 – On-line Premium Filing with My PAA

A member of a plan's e-filing team may, if authorized by the filing coordinator, view the plan's account history on-line through My PAA. The account history shows the results of PBGC's processing of your premium filings and payments for each plan year.

Instructions

My PAA provides full filing instructions and help screens. In addition, PBGC's website information and "demos" about how to get started and how to use My PAA. To access the My PAA information, click the "Online Premium Filing (My PAA)" link from the Practitioners Page of PBGC's website.

For More Information

If you have questions about e-filing with My PAA, please contact us. See Appendix 2 for information.

Appendix 4 — Paperwork Reduction Act Notice

We need this information to determine the amount of premium due to PBGC under Title IV of ERISA. You are required to give us this information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

OMB has approved this collection of information under control number 1212-0009.

Confidentiality is that provided by the Privacy Act and the Freedom of Information Act.

PBGC estimates that preparation and submission of a premium filing takes 7 hours if UVBs are reported and 3½ hours if they are not. PBGC assumes that most of the work (95 percent) is contracted out at a rate of $350 per hour. Thus the estimated burden associated with premium filing is about 20 minutes and $2,330 if UVBs are reported and about 10 minutes and $1,165 if they are not. The actual time will vary depending on the circumstances of each plan.

If you have comments concerning the accuracy of these burden estimates or suggestions for making the forms or the electronic filing process simpler, please send your comments to Pension Benefit Guaranty Corporation, Office of General Counsel, Regulatory Affairs, 1200 K Street, NW, Washington, DC 20005-4026.