

November 24, 2014

Legislative and Regulatory Department
Pension Benefit Guaranty Corporation
1200 K Street NW
Washington, DC 20005– 4026

Re: Proposed Submission of Information Collection for OMB Review; Comment Request; Payment of Premiums

Dear Sir or Madam:

This letter is the response of Towers Watson to the request for comments regarding Proposed Submission of Information Collection for OMB Review; Comment Request; Payment of Premiums.

Towers Watson is a global human capital and financial management consulting firm specializing in employee benefits, human capital strategies, and technology solutions. Towers Watson employs approximately 15,000 associates on a worldwide basis. The undersigned have prepared our company's response with input from others in the company.

We appreciate the opportunity to comment on the proposed additional information collection. We support PBGC having the information necessary to carry out their mission – especially with respect to supporting and strengthening the single employer defined benefit pension system.

The proposed information collection is focused on (i) annuity purchases and (ii) lump sum payments as part of a temporary “window” program only. Annuity purchases and lump sum payments have been a part of pension plan operations for many years. The effect of such transactions is visible in both the participant count and financial information reported each year on Form 5500. We are concerned about additional administrative requirements on a system that is already heavily regulated with complex reporting requirements. Moreover, we question why the focus is on this specific subset of lump sum payments. If more information on all lump sum payments during a year is desired, that can be more simply achieved by adding a line to the financial schedule of Form 5500. Form 5500 already includes separate reporting of annuity purchases during the year.

If PBGC determines it needs to proceed with the proposed additional information collection in spite of the concerns noted above, we have the following comments on what is proposed:

1. Reporting on events within 30 days prior to the filing is administratively burdensome. We recommend a period of 90 days to allow plan administrators the time they need to fulfill this new reporting requirement.
2. We do not understand the basis for collecting information on “window” lump sum payments only and we especially question the separate reporting of such information for those already in pay status and others. We would suggest that all lump sum payments be combined (either for “window” programs or, preferably, in total).

3. The proposed requirement to report on those offered lump sums in a window program as well as those who elected to receive the lump sum is intrusive and not necessary in our opinion. The information request should be limited to those who actually receive a lump sum unless PBGC can clearly articulate why information on who could have elected the lump sum is necessary. In any event, it is critical that information like this not be available publicly at a plan level.

Thank you for this opportunity to comment. If you have any questions concerning our comments, please contact either of us directly.

Sincerely,



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