

Comments on Proposed Rule Relating to Reportable Events and Certain Other Notification Requirements

June 3, 2013

Pension Benefit Guaranty Corporation
29 CFR Parts 4000, 4001, 4043, 4204, 4206 and 4231
[RIN 1212-AB06]

The American Society of Pension Professionals & Actuaries (“ASPPA”) and the ASPPA College of Pension Actuaries (“ACOPA”) appreciate this opportunity to comment on the proposed rule relating to Reportable Events and Certain Other Notification Requirements issued by the Pension Benefit Guaranty Corporation on April 3, 2013 [RIN 1212-AB06].

ASPPA is a national organization of more than 14,000 retirement plan professionals who provide consulting, administrative and investment advisory services for qualified retirement plans covering millions of American workers. ASPPA members are retirement professionals of all disciplines including consultants, administrators, actuaries, accountants, attorneys and investment professionals. ASPPA is particularly focused on the issues faced by small- to medium-sized employers. ASPPA’s membership is diverse but united by a common dedication to the employer-based retirement plan system. All credentialed actuarial members of ASPPA are members of ACOPA, which has primary responsibility for the content of comment letters that involve actuarial issues.

ASPPA COPA commends PBGC for the proposed rule’s focus on companies and plans that pose substantial risk to PBGC, and applauds the inclusion of the small plan waivers as a means of concentrating on the more challenging underfunded plans. However, small businesses were not provided with an exemption from the requirement to report distributions to substantial owners in excess of \$10,000 in the past year. **ASPPA COPA recommends** that the exclusion for reporting payments to substantial owners be expanded to include any payments made to comply with the minimum required distribution rules of IRC 401(a)(9). Not only are these distributions required for the necessary and normal operation of a plan, but failure to make such payments would also be a reportable event.

ASPPA COPA is also concerned about the credit report requirement for the financially sound sponsor safe harbor. The discussion of how the requirement could be met for small employers that are not currently rated says "For a sponsor not currently the subject of credit reporting, PBGC believes it would entail minimal effort and expense to have a CCRC that is commonly used in the business community begin issuing such reports on the sponsor." If PBGC has gathered information on the effort and expense that would be required, that information should

be disclosed. We are concerned that the effort and cost will not be minimal. Although sponsors that meet the small plan exception will not be concerned about the financially sound sponsor exception in this rule, once an approach is ensconced in a final rule it may find its way into others, so the requirement should be fully fleshed out, or an exception provided.

These comments were prepared by ASPPA's Defined Benefit Subcommittee of the Government Affairs Committee and the ASPPA College of Pension Actuaries. Please contact Judy A. Miller, MSPA, ACOPA Executive Director, at (703) 516-9300 if you have any comments or questions on the matters discussed above.

Thank you for your time and consideration.

Sincerely,

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