

Form 1-EZ and the New Schedule A

August 7, 2001

Office of the General Counsel
Pension Benefit Guaranty Corporation
1200 K Street, NW, Suite 340
Washington, DC 20005-4026

Re: Form 1-EZ and the New Schedule A

Dear General Counsel:

The Actuarial/PBGC subcommittee of the American Society of Pension Actuaries has reviewed the new Form 1-EZ and the new Schedule A. We view the changes as positive and helpful.

ASPPA is a national organization of over 4,200 members who provide actuarial, consulting, administrative, legal and other professional services for about one-third of the qualified retirement plans in the United States, the majority of which are maintained by small businesses. ASPPA's mission is to educate pension actuaries, consultants, administrators and other benefits professionals and to preserve and enhance the private retirement system as part of the development of a cohesive and coherent national retirement income policy. Its large and broad based membership gives it unusual insight into current practical problems with ERISA and qualified retirement plans, with a particular focus on the issues faced by smaller employers.

As you are aware, almost all service providers and enrolled actuaries who complete the PBGC premium forms use PC computer software to generate the forms. While the forms initially appear complicated, once the preparer has had enough experience in completing the forms, the work flows smoothly. Moreover, the highly concentrated nature of Form-1 and Schedule A results in less paper being generated than with a more spread-out but "user friendly" form. With the PBGC instructions at our fingertips, any questions about a particular line of the form are quickly answered.

As we have learned from focus groups, many service providers and enrolled actuaries are skeptical of any changes in forms. They have grown accustomed to the old forms and are reticent to learn how to complete new forms and, at least temporarily, slow down the administration process.

We are pleased that the layout of the new forms is very close to the layout of the old forms. The only real difference is that service providers for plans that are exempt from paying variable rate premiums do not have to look at the items required for other plans. Furthermore, they only have to complete a single two-page form instead of completing two two-page forms. In addition, the new forms will be easier for those preparers or employers who complete the forms by hand.

We wish to complement the PBGC on a well thought out design of the Form 1-EZ and redesign of Schedule A.

These comments are filed on behalf of ASPPA by myself as chair of the Actuarial/PBGC subcommittee, Theresa Lensander, chair of the Administrative Relations Committee, and R. Bradford Huss and Bruce Ashton as co-chairs of the Government Affairs Committee.

Sincerely,

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ASPPA Actuarial/PBGC Subcommittee

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