

elections made under § 301.7701-3 that are filed on or after September 14, 2015. For guidance with respect to paragraphs (c)(4), (c)(5), and (d)(1) of this section before this section is applicable, see §§ 1.6038B-1 and 1.6038B-1T as contained in 26 CFR part 1 revised as of April 1, 2016.

#### § 1.6038B-1T [Amended]

■ **Par. 24.** Section 1.6038B-1T is amended by removing and reserving paragraphs (c)(4)(i) through (c)(5) introductory text, and (d)(1)(iv) and (vii).

**John Dalrymple,**

*Deputy Commissioner for Services and Enforcement.*

Approved: November 23, 2016.

**Mark J. Mazur,**

*Assistant Secretary of the Treasury (Tax Policy).*

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## PENSION BENEFIT GUARANTY CORPORATION

### 29 CFR Part 4022

#### Benefits Payable in Terminated Single-Employer Plans; Interest Assumptions for Paying Benefits

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Final rule.

**SUMMARY:** This final rule amends the Pension Benefit Guaranty Corporation's regulation on Benefits Payable in Terminated Single-Employer Plans to prescribe interest assumptions under the regulation for valuation dates in January 2017. The interest assumptions are used for paying benefits under terminating single-employer plans covered by the pension insurance system administered by PBGC. As discussed below, PBGC will publish a separate final rule document dealing with interest assumptions under its regulation on Allocation of Assets in Single-Employer Plans for the first quarter of 2017.

**DATES:** Effective January 1, 2017.

**FOR FURTHER INFORMATION CONTACT:**

Deborah C. Murphy (*Murphy.Deborah@pbgc.gov*), Assistant General Counsel for Regulatory Affairs, Pension Benefit

Guaranty Corporation, 1200 K Street NW., Washington, DC 20005, 202-326-4400 ext. 3451. (TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4400 ext. 3451.)

**SUPPLEMENTARY INFORMATION:** PBGC's regulation on Benefits Payable in Terminated Single-Employer Plans (29 CFR part 4022) prescribes actuarial assumptions—including interest assumptions—for paying plan benefits under terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974. The interest assumptions in the regulation are also published on PBGC's Web site (*http://www.pbgc.gov*).

PBGC uses the interest assumptions in Appendix B to Part 4022 to determine whether a benefit is payable as a lump sum and to determine the amount to pay. Appendix C to Part 4022 contains interest assumptions for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using PBGC's historical methodology. Currently, the rates in Appendices B and C of the benefit payment regulation are the same.

The interest assumptions are intended to reflect current conditions in the financial and annuity markets. Assumptions under the benefit payments regulation are updated monthly. This final rule updates the benefit payments interest assumptions for January 2017.<sup>1</sup>

PBGC normally updates the assumptions under the benefit payments regulation for January at the same time as PBGC updates assumptions for the first quarter of the year under its regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044) in a single rulemaking document. Because of delays in obtaining data used in setting assumptions under Part 4044 for the first quarter of 2017, PBGC is publishing two separate rulemaking documents to update the benefit payments regulation for January 2017 and the allocation regulation for the first quarter of 2017.

<sup>1</sup> Appendix B to PBGC's regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044) prescribes interest assumptions for valuing benefits under terminating covered single-employer plans for purposes of allocation of assets under ERISA section 4044. Those assumptions are updated quarterly.

The January 2017 interest assumptions under the benefit payments regulation will be 1.25 percent for the period during which a benefit is in pay status and 4.00 percent during any years preceding the benefit's placement in pay status. In comparison with the interest assumptions in effect for December 2016, these interest assumptions represent an increase in the immediate rate of 0.50 percent and are otherwise unchanged.

PBGC has determined that notice and public comment on this amendment are impracticable and contrary to the public interest. This finding is based on the need to determine and issue new interest assumptions promptly so that the assumptions can reflect current market conditions as accurately as possible.

Because of the need to provide immediate guidance for the payment of benefits under plans with valuation dates during January 2017, PBGC finds that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

PBGC has determined that this action is not a "significant regulatory action" under the criteria set forth in Executive Order 12866.

Because no general notice of proposed rulemaking is required for this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

#### List of Subjects in 29 CFR Part 4022

Employee benefit plans, Pension insurance, Pensions, Reporting and recordkeeping requirements.

In consideration of the foregoing, 29 CFR part 4022 is amended as follows:

#### PART 4022—BENEFITS PAYABLE IN TERMINATED SINGLE-EMPLOYER PLANS

■ 1. The authority citation for part 4022 continues to read as follows:

**Authority:** 29 U.S.C. 1302, 1322, 1322b, 1341(c)(3)(D), and 1344.

■ 2. In appendix B to part 4022, Rate Set 279, as set forth below, is added to the table.

#### Appendix B to Part 4022—Lump Sum Interest Rates for PBGC Payments

\* \* \* \* \*

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		$i_1$	$i_2$	$i_3$	$n_1$	$n_2$
* 279	* 1-1-17	* 2-1-17	* 1.25	* 4.00	* 4.00	* 4.00	* 7	* 8

■ 3. In appendix C to part 4022, Rate Set 279, as set forth below, is added to the table.

**Appendix C to Part 4022—Lump Sum Interest Rates for Private-Sector Payments**

\* \* \* \* \*

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		$i_1$	$i_2$	$i_3$	$n_1$	$n_2$
* 279	* 1-1-17	* 2-1-17	* 1.25	* 4.00	* 4.00	* 4.00	* 7	* 8

**Deborah Chase Murphy,**  
Assistant General Counsel for Regulatory Affairs, Pension Benefit Guaranty Corporation.

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**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 52**

[EPA-R04-OAR-2016-0359; FRL-9956-63-Region 4]

**Air Plan Approval; TN; Revisions to the Knox County Portion of the TN SIP**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Final rule.

**SUMMARY:** The Environmental Protection Agency (EPA) is approving a State Implementation Plan (SIP) revision submitted by the State of Tennessee, through the Tennessee Department of Environment and Conservation (TDEC), on January 11, 2016. The revision was submitted by TDEC on behalf of the Knox County Department of Air Quality Management, which has jurisdiction over Knox County, Tennessee. The revision that EPA is approving amends the Knox County Air Quality Management Department's regulations, which are part of the Tennessee SIP, to address EPA's startup, shutdown, and malfunction (SSM) SIP call for Knox County. EPA is approving the January 11, 2016, SIP revision because the Agency has determined that it is in accordance with the requirements for SIP provisions under the Clean Air Act (CAA or Act).

**DATES:** This rule will be effective January 17, 2017.

**ADDRESSES:** EPA has established a docket for this action under Docket Identification No. EPA-R04-OAR-2016-0359. All documents in the docket are listed on the [www.regulations.gov](http://www.regulations.gov) Web site. Although listed in the index, some information is not publicly available, *i.e.*, Confidential Business Information or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either electronically through [www.regulations.gov](http://www.regulations.gov) or in hard copy at the Air Regulatory Management Section, Air Planning and Implementation Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street SW., Atlanta, Georgia 30303-8960. EPA requests that if at all possible, you contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section to schedule your inspection. The Regional Office's official hours of business are Monday through Friday 8:30 a.m. to 4:30 p.m., excluding Federal holidays. **FOR FURTHER INFORMATION CONTACT:** Madolyn Sanchez, Air Regulatory Management Section, Air Planning and Implementation Branch, Pesticides and Toxics Management Division, Region 4, U.S. Environmental Protection Agency, 61 Forsyth Street SW., Atlanta, Georgia 30303-8960. Ms. Sanchez can be reached via telephone at (404) 562-9644 and via electronic mail at [sanchez.madolyn@epa.gov](mailto:sanchez.madolyn@epa.gov).

**SUPPLEMENTARY INFORMATION:**

**I. Background**

On May 22, 2015, EPA finalized an action (hereafter referred to as the "SSM SIP Action")<sup>1</sup> that responded to a Sierra Club petition for rulemaking concerning state rule treatment of excess emissions by sources during periods of SSM and called for 36 states to submit corrective SIP revisions to EPA by November 22, 2016. As discussed in that action, EPA determined that Knox County Regulation 32.1(C)<sup>2</sup> is inconsistent with the fundamental requirements of CAA sections 113(e)(1), 114(c) and 304 and the credible evidence rule<sup>3</sup> and thus issued a SIP call requiring the State to submit a corrective SIP revision addressing this provision. See 80 FR 33965.

On January 11, 2016, the State of Tennessee submitted a SIP revision, pursuant to a request by the Knox County Department of Air Quality Management, to address the SSM SIP Action with respect to Knox County. The revision removes the language from Knox County Regulation 32.1(C) that EPA found to be unlawful in the SSM SIP Action and replaces it with "(Reserved)." In a proposed rulemaking published on September 22, 2016 (81 FR 65313), EPA proposed to approve that

<sup>1</sup> See "State Implementation Plans: Response to Petition for Rulemaking; Restatement and Update of EPA's SSM Policy Applicable to SIPs; Findings of Substantial Inadequacy; and SIP Calls To Amend Provisions Applying to Excess Emissions During Periods of Startup, Shutdown and Malfunction," 80 FR 33839 (June 12, 2015).

<sup>2</sup> Knox County SIP Regulation 32.1(C) is a subsection of Section 32.0, "Use of Evidence."

<sup>3</sup> 40 CFR 51.212(c); see also "Credible Evidence Revisions," 62 FR 8314 (Feb. 24, 1997).