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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 101

[Docket No. FDA-2014-N-1021]

RIN 0910-AH00

Food Labeling; Gluten-Free Labeling of Fermented or Hydrolyzed Foods; Correction

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule; correction.

SUMMARY: The Food and Drug Administration (FDA or we) is correcting a final rule that published in the **Federal Register** of August 13, 2020. The final rule establishes requirements concerning “gluten-free” labeling for foods that are fermented or hydrolyzed or that contain fermented or hydrolyzed ingredients.

DATES: Effective October 13, 2020.

FOR FURTHER INFORMATION CONTACT: Carol D’Lima, Center for Food Safety and Applied Nutrition (HFS-820), Food and Drug Administration, 5001 Campus Dr., College Park, MD 20740, 240-402-2371, Carol.Dlima@fda.hhs.gov.

SUPPLEMENTARY INFORMATION: In the **Federal Register** of Thursday, August 13, 2020, (85 FR 49240), FDA published the final rule “Food Labeling; Gluten-Free Labeling of Fermented or Hydrolyzed Foods” with a typographical error in the **SUMMARY** section. In addition, the rule was published with two different effective dates.

In FR Doc. 2020-17088, appearing in the **Federal Register** of Thursday, August 13, 2020, the following corrections are made:

On page 49241, in the first column, the second sentence is corrected to read as follows: “These requirements are needed to help ensure that individuals with celiac disease are not misled and

receive truthful and accurate information with respect to fermented or hydrolyzed foods labeled as ‘gluten-free.’”

On page 49254, in section VI. Effective and Compliance Dates, in the first column, the first sentence is corrected to read as follows: “This rule is effective October 13, 2020.” This confirms the rule is effective October 13, 2020, and is consistent with the effective date stated earlier on page 49241.

Dated: August 31, 2020.

Lauren K. Roth,

Associate Commissioner for Policy.

[FR Doc. 2020-19569 Filed 9-4-20; 4:15 pm]

BILLING CODE 4164-01-P

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4022

RIN 1212-AB41

Lump Sum Payment Assumptions

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: This rule modifies the assumptions the Pension Benefit Guaranty Corporation (PBGC) uses to determine de minimis lump sum benefits in PBGC-trusted terminated single-employer defined benefit pension plans and discontinues monthly publication of PBGC’s lump sum interest rate assumptions.

DATES: *Effective date:* This rule is effective January 1, 2021.

Applicability date: The amendments affecting PBGC’s calculation and payment of lump sum benefits apply to trusted plans with termination dates on or after January 1, 2021.

FOR FURTHER INFORMATION CONTACT:

Gregory M. Katz (katz.gregory@pbgc.gov), Attorney, Regulatory Affairs Division, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW, Washington, DC 20005-4026; 202-229-3829. TTY users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-229-3829.

SUPPLEMENTARY INFORMATION:

Executive Summary—Purpose and Authority

This rule is intended to modernize the methodology used to determine de minimis lump sums in terminated underfunded single-employer plans. Specifically, PBGC is adopting the interest and mortality assumptions from section 417(e)(3) of the Internal Revenue Code (Code)¹ for this purpose. It also discontinues PBGC’s monthly calculation and publication of interest rate assumptions. Because some private-sector plans use PBGC’s lump sum interest rates, the rule provides a table for plans to use to determine interest assumptions in accordance with PBGC’s historical methodology.

Legal authority for this action comes from section 4002(b)(3) of the Employee Retirement Income Security Act of 1974 (ERISA), which authorizes PBGC to issue regulations to carry out the purposes of title IV of ERISA and section 4022 of ERISA (Single-Employer Plan Benefits Guaranteed).

Background

The Pension Benefit Guaranty Corporation (PBGC) administers two insurance programs for private-sector defined benefit pension plans under title IV of the Employee Retirement Income Security Act of 1974 (ERISA): A single-employer plan termination insurance program and a multiemployer plan insolvency insurance program. This rule applies only to the single-employer program.

PBGC has identified these amendments as part of its ongoing retrospective review of its regulations to ensure that PBGC provides clear and helpful guidance, minimizes burdens and maximizes benefits, and addresses ineffective and outdated rules.

Use of Lump Sum Assumptions by PBGC

Covered single-employer plans that are underfunded may terminate in either a distress termination under section 4041(c) of ERISA or in an involuntary termination (one initiated by PBGC) under section 4042 of ERISA. When such a plan terminates, PBGC typically is appointed statutory trustee of the plan and becomes responsible for

¹ Section 417(e)(3) of the Code and section 205(g)(3) of the Employee Retirement Income Security Act of 1974 (ERISA) are parallel provisions in ERISA and the Code.

paying guaranteed benefits in accordance with section 4022 of ERISA and PBGC's regulation on Benefits Payable in Terminated Single-Employer Plans (29 CFR part 4022).²

PBGC calculates the present value of each participant's benefit to determine whether it is de minimis (present value of \$5,000 or less) and therefore may be paid as a lump sum.³ Assumptions used to value benefits for this purpose are set forth in PBGC's benefit payments regulation. The interest assumption, published each month, employs a four-tiered structure to discount future benefit payments for determining their lump sum equivalent. This structure consists of an "immediate" rate for discounting benefits for the period between the annuity starting date and each future payment date, and up to three "deferred" rates for discounting benefits during specified parts of the period leading up to the annuity starting date (e.g., first 7 years, next 8 years, and years beyond). The mortality assumption is the 1984 Unisex Pensioners Mortality Table.

Use of PBGC's Lump Sum Interest Rates by Private Sector

PBGC is aware that a relatively small number of plans use PBGC's interest rates as computed using its historical methodology (legacy interest rates) to determine the lump sum equivalents of annuity benefits.⁴ It is PBGC's understanding that these plans do so because, before 1994, under section 417(e)(3) of the Code, plans were required to use PBGC's legacy interest rates to determine the minimum permissible lump sum equivalent of an annuity benefit.⁵

The Retirement Protection Act of 1994, Public Law 103-465 (RPA '94) changed the interest rate specified in section 417(e)(3) of the Code. As a result, private-sector plans were no longer required to use PBGC's lump sum interest rates to determine the minimum lump sum equivalents of annuity benefits. Anecdotal evidence suggests many, if not most, plans were amended to discontinue use of PBGC's legacy interest rates for calculating lump sum

equivalents of annuity benefits by adopting the new interest assumption under section 417(e)(3) of the Code.

To preserve the possibility of a change in the way PBGC-paid lump sums are determined without affecting private-sector plans that use PBGC's legacy interest rates to determine lump sums, PBGC publishes two separate tables of lump sum interest rates. Appendix B provides the interest rates for PBGC-paid lump sums, and appendix C provides the legacy interest rates for use by the private sector. The tables have always been identical.

PBGC first started publishing two sets of interest rates in 2000. At that time, PBGC recommended that plan sponsors amend (or draft) plans to explicitly refer to "PBGC's lump sum interest rates for private-sector payments" (i.e., appendix C) if they wanted to ensure plans would not be affected by a future change to the way in which PBGC-paid lump sums are determined.⁶

Proposed Rule

On September 30, 2019 (at 84 FR 51490), PBGC published a proposed rule to modernize the assumptions it uses to determine de minimis lump sum benefits. PBGC also proposed to discontinue monthly publication of the interest rates used for this purpose and to provide a final interest rate set for use by private-sector plans. PBGC received seven comments on the proposal. Commenters generally supported PBGC's proposal with respect to plans PBGC trustees in the future. Commenters expressed concern about the proposed interest assumptions for use by private-sector plans and the proposed effective date, both of which have been addressed with modifications in the final rule. The public comments, PBGC's responses, and the provisions of this final rule are discussed below.

Regulatory Changes

Adopt Lump Sum Assumptions From Section 417(e)(3) of the Code

Actuarial practice, with the help of technology, has moved toward a yield-curve approach where future benefits are discounted to the measurement date based on yields on bonds of similar duration. By associating an interest rate with a specific time horizon, a yield curve better approximates the present value of future benefits. As a result, the immediate-and-deferred structure of PBGC's legacy interest rates has become increasingly obsolete.

Additionally, the methodology PBGC uses to compute each month's

immediate and deferred interest rates, which was established at a time when computing resources were limited, is simplistic and typically results in interest rates significantly lower than the rates most private-sector plans use to determine lump sums.

Taking into consideration modern structures and methods, PBGC proposed to adopt the lump sum interest rate assumption from section 417(e)(3) of the Code. Specifically, PBGC proposed to amend its benefit payments regulation to provide that PBGC will use the "applicable interest rate"⁷ specified in section 417(e)(3)(C) of the Code for the month containing a plan's termination date to calculate the present value of annuity benefits (for the purposes of determining if a benefit is de minimis and if so, the amount payable as a lump sum).

In developing the proposal, PBGC also considered whether the lump sum mortality assumption (i.e. the 1984 Unisex Pensioners Mortality Table) should be replaced. Although that table does not reflect recent mortality improvements, the combination of using it with PBGC's legacy interest rates typically results in lump sum amounts that are similar to amounts determined using the interest and mortality assumptions under section 417(e)(3) of the Code. Because this would no longer hold true if PBGC were to adopt the interest rates under section 417(e)(3) of the Code without also revising its lump sum mortality assumption, PBGC proposed to amend its benefit payments regulation to provide that it will use the "applicable mortality table" specified in section 417(e)(3)(B) of the Code.

In the proposed rule, PBGC stated that the changes to the interest and mortality assumptions were expected to have a minimal effect on participants and beneficiaries of plans it trustees because PBGC uses these assumptions only for purposes of determining de minimis lump sum amounts. In addition, PBGC noted that because the interest and mortality changes would generally have offsetting effects, the net impact would be small.

PBGC also noted that the actual impact of the proposal on any particular individual would depend on the participant's age and the assumptions in effect at the time of plan termination and that, depending on those factors, PBGC-paid lump sums under the proposal could be larger or smaller than

² PBGC also pays non-guaranteed benefits when there are sufficient plan assets or recoveries.

³ See 29 CFR 4022.7(b)(1)(i).

⁴ Some insurers may also use PBGC's legacy interest rates to determine lump sums payable under a group annuity contract for a pension plan that used such rates after it closed out in a standard termination.

⁵ To determine the minimum lump sum equivalent of an annuity benefit, plans used PBGC's lump sum interest rates for benefits under \$25,000 and used 120 percent of PBGC's lump sum interest rates for benefits \$25,000 and over. Section 417(e)(3) of the Code (1988) (amended 1994).

⁶ See 65 FR 14753, 14755 (March 17, 2000).

⁷ The interest assumption in section 417(e)(3) of the Code was updated by section 302(b) of the Pension Protection Act of 2006, Public Law 109-280. The applicable interest rate is defined as the spot segment rates published by the Internal Revenue Service each month.

had PBGC's legacy assumptions remained in effect. For example, for a participant aged 40, the legacy assumptions have resulted in lump sums that are about the same as those determined using the assumptions from section 417(e)(3) of the Code for the past few years.⁸ By contrast, during times when interest rates are very high, PBGC's legacy assumptions result in larger lump sums than those determined using the assumptions from section 417(e)(3) of the Code. Finally, in a very low interest rate environment, the converse is true.

Commenters generally supported the proposed changes to the interest and mortality assumptions to be used by PBGC when determining the lump sum equivalent of benefits in plans PBGC trustees in the future. The final rule, like the proposed rule, amends PBGC's benefit payments regulation to provide that it will use the "applicable interest rate" and "applicable mortality table" specified in section 417(e)(3) of the Code. As explained further in the section discussing the effective date, commenters suggested delaying the effective date for these changes, which PBGC incorporated into the final rule.

Discontinue Monthly Publication of Legacy Interest Rates

As noted in the background section, PBGC is aware that a relatively small number of plans still use its legacy interest rates to determine lump sums. In developing the proposed rule, PBGC considered whether to continue calculating and publishing legacy interest rates in appendix C for use by private-sector plans.⁹ Given that the legacy interest rates' structure and methodology have become increasingly obsolete, PBGC proposed to discontinue publication of the legacy interest rates and to publish a final set of interest rates in appendix C for private-sector plans to use for valuation dates on or after the effective date of the final rule. Under the proposal, the final interest rate set was equal to the average immediate and deferred rates for the 120-month period ending in July 2019, rounded to the nearest quarter percent. Thus, PBGC proposed that for valuation dates on or after the effective date of the final rule, appendix C would provide for an immediate rate of 1.5 percent for

discounting benefits for the period between the annuity starting date and each future payment date and a deferred rate of 4 percent for discounting benefits during the period leading up to the annuity starting date.

Although most of the commenters reported that they were aware of "few, if any" plans that explicitly refer to appendix C (or the rates PBGC publishes for private sector use), these same commenters expressed concern with permanently "locking in" legacy interest rates for plans that do refer to appendix C. These commenters had no objection to PBGC ceasing publication of the legacy interest rates but requested that PBGC adopt an alternative basis for appendix C rates that is responsive to market conditions. For example, commenters suggested alternatives such as amending appendix C to use the 10-year Treasury yield curve rate, the 30-year Treasury yield curve rate, or the rate from Moody's Daily Long-term Corporate Bond Yield Averages for Aa bonds.

PBGC believes it would be inappropriate to adopt a completely new methodology for appendix C (such as the alternatives suggested by the commenters) solely for private-sector use. But, even though, "few, if any, plans" would be affected by the proposal to permanently fix the legacy rates at the 120-month average, PBGC appreciates the commenters' concerns about that approach. Therefore, PBGC is not adopting that part of its proposal. Instead, the final rule provides in appendix C legacy interest rate information determined in accordance with PBGC's long-standing, albeit outdated, methodology, with two minor modifications. Some background information is needed to explain these modifications.

PBGC's methodology for determining the legacy interest rates is based, in part, on an applicable external bond rate: A blend of the mean Aa and A Moody's Daily Long-term Corporate Bond Yield Averages for the last five days of the second preceding month. For example, the "mean 5-day rate" for the last five days of October is one of the parameters used to determine the immediate legacy interest rate for December. Given any specific "mean 5-day rate," the methodology produces a single set of immediate-and-deferred rates. Therefore, it is possible to create a table that shows the range of external rates that result in each particular set of immediate-and-deferred rates (e.g., if the "mean 5-day rate" for the last 5 days of October is between X percent and Y percent, for December, the immediate rate is A percent, and the three deferred

rates are B, C, and D percent, respectively).

The first modification is that instead of continuing to determine and publish the legacy interest rates each month, the final rule provides a table in appendix C that replicates PBGC's methodology by associating any given applicable external bond rate with the set of immediate-and-deferred rates the methodology would have yielded. This allows practitioners to determine which set of legacy interest rates applies for any month indefinitely. And, instead of having to wait for PBGC to publish the legacy rates each month, practitioners will be able to look up the rates themselves as soon as the applicable external bond rate is published.

The second modification is a change to the applicable external bond rate. The Moody's indices PBGC uses for this purpose are available only for a fee. To avoid increasing burden on plans that use PBGC's legacy interest rates, the final rule substitutes the publicly available 12-year rate for the second preceding month from the corporate bond yield curve (without regard to 24-month averaging) published by the Secretary of the Treasury and described in section 430(h)(2)(D)(ii) of the Code, which is closely correlated with the "mean 5-day rates" PBGC uses. Although PBGC believes this substitution will result in exactly the same immediate-and-deferred rates the majority of the time, in some cases, the resulting rates may differ by a small amount. For example, PBGC analyzed what the legacy interest rates would have been for the 120-month period ending December 2019 had PBGC used this substitute applicable external bond rate instead of the "mean 5-day rate" determined using Moody's rates. This analysis showed that the resulting immediate rate would have been exactly the same 58 percent of the time and 25 basis points above or below the actual legacy interest rate 41 percent of the time. In other words, 99 percent of the time, the resulting immediate rate would have been no more than 25 basis points different.

The following example illustrates how to use the table in appendix C. For purposes of this example, assume the final rule became effective in January 2020, and a practitioner needed to determine the March 2020 rates. A practitioner would first determine the 12-year rate for the second preceding month, January 2020. The January 2020 corporate bond yield curve is published as Table 2020-1 in IRS Notice 2020-11

⁸ Age 40 was used for this illustration because over the past 10 years, the median age of participants with de minimis benefits in trustee plans was age 40.

⁹ PBGC previously considered revising its methodology for determining lump sum interest rates and discontinuing publication of its legacy interest rates in 1998. See 63 FR 57228 (October 26, 1998); 65 FR 14753 (March 17, 2000).

I.R.B. 492.¹⁰ That table shows a 12-year rate for January 2020 of 3.00 percent. Turning to the table in appendix C, a practitioner would see that because the January 2020 12-year rate, 3.00 percent, is below 3.18 percent, the immediate annuity rate for March 2020 is 0.00 percent, and the three deferred annuity rates are 4.00 percent. Similarly, if the 12-year rate for January 2020 had been 4.75 percent, the immediate annuity rate for March 2020 would have been 1.75 percent.

With respect to plans that use PBGC's legacy rates but do not explicitly reference appendix C (*i.e.*, plans that include a more general reference to PBGC's lump sum interest rates), the preamble to the proposed rule stated that "once the appendix C rates are no longer identical to the rates used by PBGC, the plan terms [for such a plan] may have an ambiguity that should be resolved." One commenter questioned the use of the word "ambiguity." This commenter stated that there would be no ambiguity as to how the proposed rule would affect those plans because if PBGC started using the applicable interest rates under section 417(e)(3) of the Code to determine lump sums, absent a plan amendment, such plans would do the same. Further, the commenter asserted that the Internal Revenue Service's (IRS) Revenue Ruling 81-12 makes clear that, absent a plan amendment, the anti-cutback requirements in section 411(d)(6) of the Code would not apply to such plans.

In retrospect, PBGC realizes that this sentence in the preamble to the proposed rule may have unintentionally caused some confusion. The word "ambiguity" in PBGC's preamble was not intended to suggest whether any particular plan provision might be ambiguous, or how a plan administrator should interpret any particular plan provision.

With respect to the application of section 411(d)(6) of the Code, PBGC staff consulted with staff at the Department of the Treasury and the IRS (as interpretation of that statutory provision is within the jurisdiction of the Secretary of the Treasury). The Department of the Treasury and the IRS informed PBGC that, in the case of a plan provision under which the amount of a lump sum distribution is determined using PBGC's lump sum interest rate, the anti-cutback rules of

section 411(d)(6) of the Code are not violated merely because the application of this final rule results in a change in the underlying interest rate(s) used to determine the amount of a lump sum distribution.

Effective Date

PBGC received five comments concerning the timing of the final rule. These commenters noted that, with respect to plans that use PBGC's legacy interest rates to determine lump sum amounts, the amount payable as a lump sum would, in some cases, decrease as soon as the rule takes effect. These commenters reported that affected plans may need time to communicate the changes to participants, to update administrative systems, and to determine whether to (or how to) mitigate any undesired effects (*e.g.*, a rush to retire among participants concerned about an upcoming decrease in lump sum amounts). For these reasons, they requested that PBGC provide a period of time between the date the final rule is published and when it takes effect.

With the final rule's continuation of PBGC's legacy interest rates in appendix C, participants in plans that use appendix C rates will not see significant changes in lump sum amounts, and there will be no incentive for participants to retire sooner than planned, so there is no need for a delayed effective date. However, for plans that use PBGC's legacy interest rates without specific reference to appendix C or the rates for private-sector use, which commenters report represent the vast majority of the relatively few plans that use the legacy interest rates, PBGC agrees that a delayed effective date could be helpful for communicating and implementing the change. A delayed effective date could also be helpful for giving plans time to consider whether (and how) to mitigate any concerns they may have. In response to these comments, PBGC is providing a delayed effective date of January 1, 2021. This means PBGC will continue to publish monthly legacy interest rates for both appendix B and appendix C through December 2020.

Executive Orders 12866, 13563, and 13771

OMB has determined that this rulemaking is not a "significant regulatory action" under Executive Order 12866. Accordingly, this final rule is exempt from the requirements of Executive Order 13771 and OMB has not reviewed the rule under Executive Order 12866. Executive Orders 12866 and 13563 direct agencies to assess all

costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity).

Although this is not a significant regulatory action under Executive Order 12866, PBGC has examined the economic implications of this final rule and has concluded that the changes will have minimal impact on PBGC's payment of lump sum benefits. As discussed above, applying the assumptions under section 417(e)(3) of the Code to a benefit could slightly raise or lower a lump sum benefit paid by PBGC. Additionally, with respect to PBGC-trusted plans terminating on or after the effective date, some benefits that would have been considered de minimis using the prior assumptions would not be de minimis using the revised assumptions (and vice versa). Because PBGC only pays de minimis lump sums, from an aggregate cost perspective, any change in PBGC's lump sum payments is minimal.

PBGC also has concluded that the final rule will have minimal impact on private-sector plans. As explained in the preamble, relatively few plans use PBGC's legacy interest rates to determine lump sums. Plans that refer specifically to appendix C will continue to use PBGC's legacy interest rates. To determine the immediate-and-deferred interest rates in effect for each month, plan administrators will look up an interest rate published by the IRS, which is no more burdensome than determining the immediate-and-deferred rates under current regulations. For plans that refer generally to PBGC's lump sum interest rates or the rates PBGC uses, commenters said that there could be administrative costs associated with implementing processes and procedures, updating systems for administering benefits, and communicating with participants, but did not quantify these costs. The costs will be contingent on plans' individual circumstances and plan sponsors' responses to these changes.

Section 6 of Executive Order 13563 requires agencies to rethink existing regulations by periodically reviewing their regulatory program for rules that "may be outmoded, ineffective, insufficient, or excessively burdensome." These rules should be modified, streamlined, expanded, or repealed as appropriate. PBGC has identified the assumptions used for lump sums in its benefit payments regulation as outmoded and the

¹⁰ As of the date of publication of this rule, IRS notices containing monthly yield curves are available at <https://www.irs.gov/retirement-plans/recent-interest-rate-notices>. In addition, a spreadsheet containing "recent yield curve spot rates" is available at <https://www.irs.gov/retirement-plans/monthly-yield-curve-tables>.

amendment to discontinue publication of these assumptions as consistent with the principles for review under Executive Order 13563.

Regulatory Flexibility Act

The Regulatory Flexibility Act imposes certain requirements with respect to rules that are subject to the notice-and-comment requirements of section 553(b) of the Administrative Procedure Act and that are likely to have a significant economic impact on a substantial number of small entities. Unless an agency determines that a rule is not likely to have a significant economic impact on a substantial number of small entities, section 604 of the Regulatory Flexibility Act requires that the agency present a final regulatory flexibility analysis at the time of the publication of the final rule describing the impact of the rule on small entities and seeking public comment on such impact. Small entities include small businesses, organizations, and governmental jurisdictions.

For purposes of the Regulatory Flexibility Act requirements with respect to this final rule, PBGC considers a small entity to be a plan with fewer than 100 participants. This is substantially the same criterion PBGC uses in other regulations¹¹ and is consistent with certain requirements in title I of ERISA¹² and the Code,¹³ as well as the definition of a small entity that the Department of Labor has used for purposes of the Regulatory Flexibility Act.¹⁴

Further, while some large employers operate small plans along with larger ones, in general, most small plans are maintained by small employers. Thus, PBGC believes that assessing the impact of the final rule on small plans is an appropriate substitute for evaluating the effect on small entities. The definition of small entity considered appropriate for this purpose differs, however, from a definition of small business based on size standards promulgated by the Small Business Administration (13 CFR 121.201) pursuant to the Small Business Act. PBGC requested comments on the appropriateness of the size standard used in evaluating the impact of the proposed rule on small entities. PBGC did not receive any such comments.

On the basis of its definition of small entity, PBGC certifies under section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) that the amendments in this rule will not have

a significant economic impact on a substantial number of small entities because this rule primarily impacts participants in PBGC-trusted plans. In addition, commenters confirmed that relatively few plans of any size use PBGC's legacy interest rates to calculate lump sums. Therefore, it is unlikely that the rule will significantly impact a substantial number of small plans. Accordingly, as provided in section 605 of the Regulatory Flexibility Act, sections 603 and 604 do not apply.

List of Subjects in 29 CFR Part 4022

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

For the reasons given above, PBGC is amending 29 CFR part 4022 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. Amend § 4022.7 by revising paragraphs (d)(2) and (e) to read as follows:

§ 4022.7 Benefits payable in a single installment.

* * * * *

(d) * * *

(2) *Actuarial assumptions.* PBGC will calculate the lump sum value of a benefit by valuing the monthly annuity benefits payable in the form determined under § 4044.51(a) of this chapter and commencing at the time determined under § 4044.51(b) of this chapter. The actuarial assumptions used will be those described in § 4044.52 of this chapter, except as follows:

(i) *Loading for expenses.* There will be no adjustment to reflect the loading for expenses.

(ii) *Mortality assumption.* The “applicable mortality table” specified in section 205(g)(3)(B)(i) of ERISA and section 417(e)(3)(B) of the Code for the year containing the termination date will apply.

(iii) *Interest rate assumption.* The “applicable interest rate” specified in section 205(g)(3)(B)(ii) of ERISA and section 417(e)(3)(C) of the Code for the month containing the termination date will apply.

(iv) *Date for determining lump sum value.* The date as of which a lump sum

simplified annual reports for pension plans that cover fewer than 100 participants.

¹³ See, e.g., section 430(g)(2)(B) of the Code, which permits plans with 100 or fewer participants

value is calculated is the termination date, except that in the case of a subsequent insufficiency it is the date described in section 4062(b)(1)(B) of ERISA.

(e) *Private-sector lump sum rates.* PBGC provides lump sum interest rates for private-sector payments in appendix C to this part.

Appendix A to Part 4022—[Removed and Reserved]

- 3. Remove and reserve appendix A.

Appendix B to Part 4022—[Removed and Reserved]

- 4. Remove and reserve appendix B.

- 5. Revise appendix C to read as follows:

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

[In using this table:

(1) To determine the applicable rate set for any given month (month x), use the applicable 12-year rate for the second preceding month (month x – 2) to find the corresponding rate set. The applicable 12-year rate for the second preceding month is the 12-year rate from the corporate bond yield curve described in section 430(h)(2)(D)(ii) of the Code determined without regard to 24-month averaging for the second month preceding the month of the desired applicable rate set.

(2) For benefits for which the participant or beneficiary is entitled to be in pay status on the valuation date, the immediate annuity rate shall apply.

(3) For benefits for which the deferral period is y years (where y is an integer and 0 < y ≤ 7), interest rate i₁ shall apply from the valuation date for a period of y years; thereafter the immediate annuity rate shall apply.

(4) For benefits for which the deferral period is y years (where y is an integer and 7 < y ≤ 15), interest rate i₂ shall apply from the valuation date for a period of y – 7 years; interest rate i₁ shall apply for the following 7 years; thereafter the immediate annuity rate shall apply.

(5) For benefits for which the deferral period is y years (where y is an integer and y > 15), interest rate i₃ shall apply from the valuation date for a period of y – 15 years; interest rate i₂ shall apply for the following 8 years; interest rate i₁ shall apply for the following 7 years; thereafter the immediate annuity rate shall apply.]

to use valuation dates other than the first day of the plan year.

¹⁴ See, e.g., DOL's final rule on Prohibited Transaction Exemption Procedures, 76 FR 66,637, 66,644 (Oct. 27, 2011).

¹¹ See, e.g., special rules for small plans under part 4007 (Payment of Premiums).

¹² See, e.g., section 104(a)(2) of ERISA, which permits the Secretary of Labor to prescribe

FOR PLANS WITH A VALUATION DATE ON OR AFTER JANUARY 1, 2021

Applicable 12-year rate for month x - 2 (percent)	Applicable rate set for month x			
	Immediate annuity rate (percent)	Deferred annuity rates (percent)		
		i ₁	i ₂	i ₃
Below 3.18	0.00	4.00	4.00	4.00
3.18 to 3.40	0.25	4.00	4.00	4.00
3.41 to 3.63	0.50	4.00	4.00	4.00
3.64 to 3.87	0.75	4.00	4.00	4.00
3.88 to 4.10	1.00	4.00	4.00	4.00
4.11 to 4.34	1.25	4.00	4.00	4.00
4.35 to 4.57	1.50	4.00	4.00	4.00
4.58 to 4.81	1.75	4.00	4.00	4.00
4.82 to 5.04	2.00	4.00	4.00	4.00
5.05 to 5.28	2.25	4.00	4.00	4.00
5.29 to 5.51	2.50	4.00	4.00	4.00
5.52 to 5.75	2.75	4.00	4.00	4.00
5.76 to 5.98	3.00	4.00	4.00	4.00
5.99 to 6.22	3.25	4.00	4.00	4.00
6.23 to 6.46	3.50	4.00	4.00	4.00
6.47 to 6.69	3.75	4.00	4.00	4.00
6.70 to 6.93	4.00	4.00	4.00	4.00
6.94 to 7.16	4.25	4.00	4.00	4.00
7.17 to 7.40	4.50	4.00	4.00	4.00
7.41 to 7.64	4.75	4.00	4.00	4.00
7.65 to 7.87	5.00	4.25	4.00	4.00
7.88 to 8.11	5.25	4.50	4.00	4.00
8.12 to 8.35	5.50	4.75	4.00	4.00
8.36 to 8.58	5.75	5.00	4.00	4.00
8.59 to 8.82	6.00	5.25	4.00	4.00
8.83 to 9.06	6.25	5.50	4.25	4.00
9.07 to 9.30	6.50	5.75	4.50	4.00
9.31 to 9.53	6.75	6.00	4.75	4.00
9.54 to 9.78	7.00	6.25	5.00	4.00
9.79 to 10.02	7.25	6.50	5.25	4.00
Above 10.02	7.50	6.75	5.50	4.00

Issued in Washington, DC.

Gordon Hartogensis,
Director, Pension Benefit Guaranty Corporation.

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 622

[Docket No. 200811-0215]

RIN 0648-BJ69

Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Coastal Migratory Pelagic Resources in the Gulf of Mexico and Atlantic Region; Framework Amendment 8

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Final rule.

SUMMARY: NMFS issues regulations to implement management measures described in Framework Amendment 8 to the Fishery Management Plan (FMP) for Coastal Migratory Pelagic Resources (CMP) of the Gulf of Mexico (Gulf) and Atlantic Region (CMP FMP), as prepared by the South Atlantic Fishery Management Council (Council). This final rule revises the Atlantic migratory group king mackerel commercial trip limit in a portion of the Atlantic southern zone during the October through February fishing season. The purpose of this final rule is to support increased fishing activity and economic opportunity while continuing to constrain harvest to the annual catch limit (ACL).

DATES: This final rule is effective September 9, 2020.

ADDRESSES: Electronic copies Framework Amendment 8 may be obtained from the Southeast Regional Office website at: <https://www.fisheries.noaa.gov/action/framework-amendment-8-king-mackerel-trip-limits>.

FOR FURTHER INFORMATION CONTACT: Karla Gore, NMFS Southeast Regional

Office, telephone: 727-551-5753, or email: karla.gore@noaa.gov.

SUPPLEMENTARY INFORMATION: The CMP fishery is managed under the CMP FMP which includes king mackerel and Spanish mackerel, and cobia in the Gulf of Mexico. The Council and the Gulf of Mexico Fishery Management Council jointly manage the CMP FMP. The CMP FMP was prepared by both Councils and is implemented by NMFS through regulations at 50 CFR part 622 under authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act). Under the CMP FMP, each Council has the ability to develop individual framework amendments to the FMP for certain actions that are specific to each region.

On May 19, 2020, NMFS published the proposed rule for Framework Amendment 8 and requested public comment (85 FR 29916). The proposed rule and the Framework Amendment 8 outline the rationale for the actions contained in this final rule. A summary of the management measures described in the Framework Amendment 8 and implemented by this final rule is described below.