

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 September 2014. The interest assumptions are used for paying benefits under terminating single-employer plans covered by the pension insurance system administered by PBGC.

DATES: Effective Date: September 1, 2014.

FOR FURTHER INFORMATION CONTACT: Catherine B. Klion (Klion.Catherine@pbgc.gov), Assistant General Counsel for Regulatory Affairs, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005, 202–326–4024. (TTY/TDD users may call the Federal relay service toll-free at 1–800–877–8339 and ask to be connected to 202–326–4024.)

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 September 2014.<sup>1</sup>

The September 2014 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 August 2014, these interest assumptions are 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 September 2014, 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 251, 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  |                                  | $i_1$                        | $i_2$ | $i_3$ | $n_1$ | $n_2$ |
| *         | *                               | *       | *                                | *                            | *     | *     | *     | *     |
| 251 ..... | 9–1–14                          | 10–1–14 | 1.25                             | 4.00                         | 4.00  | 4.00  | 7     | 8     |

■ 3. In appendix C to part 4022, Rate Set 251, as set forth below, is added to the table.

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

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<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.

| Rate set  | For plans with a valuation date |         | Immediate annuity rate (percent) | Deferred annuities (percent) |       |       |       |       |
|-----------|---------------------------------|---------|----------------------------------|------------------------------|-------|-------|-------|-------|
|           | On or after                     | Before  |                                  | $i_1$                        | $i_2$ | $i_3$ | $n_1$ | $n_2$ |
| *         | *                               | *       | *                                |                              | *     | *     |       | *     |
| 251 ..... | 9–1–14                          | 10–1–14 | 1.25                             | 4.00                         | 4.00  | 4.00  | 7     | 8     |

Issued in Washington, DC, on this 12th day of August 2014.

**Philip Hertz,**

*Deputy General Counsel, Pension Benefit Guaranty Corporation.*

\*[FR Doc. 2014–19381 Filed 8–14–14; 8:45 am]

**BILLING CODE 7709–02–P**

## DEPARTMENT OF THE TREASURY

### 31 CFR Part 34

#### RIN 1505–AC44

#### Department of the Treasury Regulations for the Gulf Coast Restoration Trust Fund

**AGENCY:** Office of the Fiscal Assistant Secretary, Treasury.

**ACTION:** Interim Final Rule.

**SUMMARY:** The Department of the Treasury is issuing regulations concerning the investment and use of amounts deposited in the Gulf Coast Restoration Trust Fund, which was established in the Treasury of the United States by the Resources and Ecosystem Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act).

**DATES:** *Effective date for the Interim Final Rule:* October 14, 2014. Comments on the Interim Final Rule are due: September 15, 2014.

**ADDRESSES:** Treasury invites comments on the topics addressed in this Interim Final Rule. Comments may be submitted through one of these methods:

*Electronic Submission of Comments:* Interested persons may submit comments electronically through the Federal eRulemaking Portal at <http://www.regulations.gov>. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt, and enables the Department to make them available to the public. Comments submitted electronically through the <http://www.regulations.gov> Web site can be viewed by other commenters and interested members of the public.

*Mail:* Send to Department of the Treasury, Attention: Janet Vail, Room

1132; 1500 Pennsylvania Avenue NW.; Washington, DC 20220.

*Email:* Send to [RESTORErule@treasury.gov](mailto:RESTORErule@treasury.gov).

In general, Treasury will post all comments to [www.regulations.gov](http://www.regulations.gov) without change, including any business or personal information provided, such as names, addresses, email addresses, or telephone numbers. Treasury will also make such comments available for public inspection and copying in Treasury's Library, Department of the Treasury, 1500 Pennsylvania Avenue NW., Washington, DC 20220, on official business days between the hours of 10:00 a.m. and 5:00 p.m. Eastern Time. You can make an appointment to inspect comments by telephoning (202) 622–0990. All comments received, including attachments and other supporting materials, will be part of the public record and subject to public disclosure. You should only submit information that you wish to make publicly available.

**FOR FURTHER INFORMATION CONTACT:** Please send questions by email to [RESTORErule@treasury.gov](mailto:RESTORErule@treasury.gov) or contact Janet Vail, 202–622–6873.

#### **SUPPLEMENTARY INFORMATION:**

##### **I. Background**

The RESTORE Act makes funds available for the restoration and protection of the Gulf Coast region through a new trust fund in the Treasury of the United States, known as the Gulf Coast Restoration Trust Fund. The trust fund will contain 80 percent of the administrative and civil penalties paid after July 6, 2012, under the Federal Water Pollution Control Act in connection with the *Deepwater Horizon* oil spill. These funds will be invested and made available through five components of the Act described below.

The Direct Component sets aside 35 percent of the penalties paid into the trust fund for eligible activities proposed by the State of Alabama, the State of Mississippi, the State of Texas, the State of Louisiana and 20 Louisiana parishes, and 23 Florida counties. The Comprehensive Plan Component sets aside 30 percent of the penalties, plus half of all interest earned on trust fund investments, to be managed by a new independent Federal entity called the

Gulf Coast Ecosystem Restoration Council (Council). The Council includes members from six Federal agencies or departments and the five Gulf Coast States. One of the Federal members, the Secretary of Commerce, at this time serves as Chairperson of the Council. The Council will direct those funds to projects and programs for the restoration of the Gulf Coast region, pursuant to a comprehensive plan that will be developed by the Council. Under the Spill Impact Component, entities representing the Gulf Coast States can use an additional 30 percent of penalties in the trust fund for eligible activities pursuant to State Expenditure Plans approved by the Council. The remaining five percent of penalties, plus one-half of all interest earned on trust fund investments, will be divided equally between the NOAA RESTORE Act Science Program established by the National Oceanic and Atmospheric Administration (NOAA), an operating unit of the Department of Commerce, and the Centers of Excellence Research Grants Program.

Treasury has several roles in administering the trust fund. One role is to establish procedures, in consultation with the Departments of the Interior and Commerce, concerning the deposit and expenditure of amounts from the trust fund. The procedures must include compliance measures for the programs and activities carried out under the Act, as well as auditing requirements to determine whether amounts are expended as intended. Treasury will also administer grants for the Direct Component and Centers of Excellence Research Grants Program. The Treasury Inspector General is authorized to conduct, supervise, and coordinate audits and investigations of projects, programs, and activities funded under the Act. In addition, the Act requires Treasury to withhold funds from a Gulf Coast State, Florida county, or Louisiana parish if Treasury determines that trust fund monies have been used for an unauthorized purpose, or if a condition on the use of funds has been violated.

Treasury published a proposed rule on September 6, 2013, containing procedures regarding trust fund investments, as well as procedures to implement the five components of the