

**Par. 22.** In § 301.6325-1, paragraph (f)(2)(ii)(a) is revised to read as follows:

**§ 301.6325-1 Release of lien or discharge of property.**

\* \* \* \* \*  
(f) \* \* \*  
(2) \* \* \*  
(ii) \* \* \*

(a) Mailing notice of the revocation to the taxpayer at his last known address (see § 301.6212-2 for further guidance regarding the definition of last known address); and

\* \* \* \* \*

**Par. 23.** In § 301.6330-1T, paragraph (a)(1) is amended by adding a sentence at the end of the paragraph to read as follows:

**§ 301.6330-1T Notice and opportunity for hearing prior to levy (temporary).**

(a) \* \* \*  
(1) \* \* \* For further guidance regarding the definition of last known address, see § 301.6212-2.

\* \* \* \* \*

**Par. 24.** In § 301.6331-2, paragraph (a)(1) is amended by adding a sentence after the second sentence of the paragraph to read as follows:

**§ 301.6331-2 Procedures and restrictions on levies.**

(a) \* \* \*  
(1) \* \* \* For further guidance regarding the definition of last known address, see § 301.6212-2. \* \* \*

\* \* \* \* \*

**Par. 25.** Section 301.6332-2 is amended as follows:

1. Paragraphs (b)(1) introductory text, (b)(1)(i), and (b)(1)(ii) are redesignated as paragraphs (b)(1)(i) introductory text, (b)(1)(i)(A), and (b)(1)(i)(B), respectively.

2. In newly designated paragraph (b)(1)(i)(B), the text beginning with the second sentence is redesignated as paragraph (b)(1)(ii).

3. Newly designated paragraph (b)(1)(ii) is amended by adding a sentence after the second sentence of the paragraph.

The addition reads as follows:

**§ 301.6332-2 Surrender of property subject to levy in the case of life insurance and endorsement contracts.**

\* \* \* \* \*

(b) \* \* \*  
(1) In general.  
(ii) \* \* \* For further guidance regarding the definition of last known address, see § 301.6212-2. \* \* \*

\* \* \* \* \*

**Par. 26.** In § 301.6335-1, paragraph (b)(1) is amended by adding a sentence after the third sentence of the paragraph to read as follows:

**§ 301.6335-1 Sale of seized property.**

\* \* \* \* \*

(b) \* \* \*  
(1) \* \* \* For further guidance regarding the definition of last known address, see § 301.6212-2. \* \* \*

\* \* \* \* \*

**Par. 27.** In § 301.6503(c)-1, paragraph (a) is amended by adding a sentence at the end of the paragraph to read as follows:

**§ 301.6503(c)-1 Suspension of running of period of limitation; location of property outside the United States or removal of property from the United States; taxpayer outside of United States.**

(a) \* \* \* For further guidance regarding the definition of last known address, see § 301.6212-2.

\* \* \* \* \*

**Par. 28.** Section 301.6672-1 is amended by adding a sentence at the end of the section to read as follows:

**§ 301.6672-1 Failure to collect and pay over tax, or attempt to evade or defeat tax.**

\* \* \* For further guidance regarding the determination of the proper address for mailing the notice required under section 6672(b)(1), see § 301.6212-2.

**Par. 29.** In § 301.6903-1, paragraph (c) is amended by adding a sentence after the first sentence of the paragraph to read as follows:

**§ 301.6903-1 Notice of fiduciary relationship.**

\* \* \* \* \*

(c) \* \* \* For further guidance regarding the definition of last known address, see § 301.6212-2. \* \* \*

\* \* \* \* \*

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*

Approved: December 11, 2000.

**Jonathan Talisman,**

*Acting Assistant Secretary of the Treasury.*

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**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 7**

[TD 8938]

**Requirements Relating to Certain Exchanges Involving a Foreign Corporation**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Removal of temporary regulations.

**SUMMARY:** This document removes temporary regulations under section 367(c) that are no longer necessary and, as a result, may be misleading.

**DATES:** *Effective Date:* January 12, 2001.

**FOR FURTHER INFORMATION CONTACT:** Mark D. Harris at (202) 622-3860 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

On December 30, 1977, the IRS and Treasury published in the **Federal Register** proposed regulations (42 FR 65204) and temporary regulations (42 FR 65152) under section 367(c) of the Internal Revenue Code. The principal purpose of these regulations, §§ 7.367(c)-1 and 7.367(c)-2, was to distinguish between the treatment of transfers described in section 367(c) before and after the enactment of the Tax Reform Act of 1976 (the Act) (90 Stat. 1634). Before enactment of the Act, transfers described in section 367(c) were subject to a ruling requirement. After enactment of the Act, transfers described in section 367(c) were within the scope of §§ 7.367(b)-1 through 7.367(b)-12. In light of the substantial time that has passed since enactment of the Act and, moreover, in light of the fact that §§ 1.367(b)-1 through 1.367(b)-6 have substantially superseded §§ 7.367(b)-1 through 7.367(b)-12, §§ 7.367(c)-1 and 7.367(c)-2 are no longer necessary and may be misleading.

Accordingly, this document removes §§ 7.367(c)-1 and 7.367(c)-2.

**List of Subjects in 26 CFR Part 7**

Income taxes, Reporting and recordkeeping requirements.

**Removal of Temporary Regulations**

Accordingly, under the authority of 26 U.S.C. 7805, 26 CFR part 7 is amended as follows:

**PART 7—TEMPORARY INCOME TAX REGULATIONS UNDER THE TAX REFORM ACT OF 1976**

**Paragraph 1.** The authority citation for part 7 continues to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*

**§§ 7.367(c)-1 and 7.367(c)-2 [Amended]**

**Par. 2.** Sections 7.367(c)-1 and 7.367(c)-2 are removed.

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*

Approved: December 28, 2000.

**Jonathan Talisman,**

*Assistant Secretary of the Treasury.*

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**PENSION BENEFIT GUARANTY CORPORATION**
**29 CFR Parts 4022 and 4044**
**Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits**

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Final rule.

**SUMMARY:** The Pension Benefit Guaranty Corporation's regulations on Benefits Payable in Terminated Single-Employer Plans and Allocation of Assets in Single-Employer Plans prescribe interest assumptions for valuing and paying benefits under terminating single-employer plans. This final rule amends the regulations to adopt interest assumptions for plans with valuation dates in February 2001. Interest assumptions are also published on the PBGC's web site (<http://www.pbgc.gov>).

**EFFECTIVE DATE:** February 1, 2001.

**FOR FURTHER INFORMATION CONTACT:** Harold J. Ashner, Assistant General Counsel, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202-326-4024. (For TTY/TDD users, call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

**SUPPLEMENTARY INFORMATION:** The PBGC's regulations prescribe actuarial assumptions—including interest assumptions—for valuing and paying plan benefits of terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974. The interest

assumptions are intended to reflect current conditions in the financial and annuity markets.

Three sets of interest assumptions are prescribed: (1) A set for the valuation of benefits for allocation purposes under section 4044 (found in appendix B to part 4044), (2) a set for the PBGC to use to determine whether a benefit is payable as a lump sum and to determine lump-sum amounts to be paid by the PBGC (found in appendix B to part 4022), and (3) a set for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using the PBGC's historical methodology (found in appendix C to part 4022).

Accordingly, this amendment (1) adds to appendix B to part 4044 the interest assumptions for valuing benefits for allocation purposes in plans with valuation dates during February 2001, (2) adds to appendix B to part 4022 the interest assumptions for the PBGC to use for its own lump-sum payments in plans with valuation dates during February 2001, and (3) adds to appendix C to part 4022 the interest assumptions for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using the PBGC's historical methodology for valuation dates during February 2001.

For valuation of benefits for allocation purposes, the interest assumptions that the PBGC will use (set forth in appendix B to part 4044) will be 6.50 percent for the first 20 years following the valuation date and 6.25 percent thereafter. These interest assumptions represent a decrease (from those in effect for January 2001) of 0.20 percent for the first 20 years following the valuation date and are otherwise unchanged.

The interest assumptions that the PBGC will use for its own lump-sum payments (set forth in appendix B to part 4022) will be 4.75 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. These interest assumptions represent a decrease (from those in effect for January 2001) of 0.25 percent for the period during which a benefit is in pay status and the seven-year period directly preceding the benefit's placement in pay status; they are otherwise unchanged.

For private-sector payments, the interest assumptions (set forth in appendix C to part 4022) will be the same as those used by the PBGC for determining and paying lump sums (set forth in appendix B to part 4022).

The 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, as accurately as possible, current market conditions.

Because of the need to provide immediate guidance for the valuation and payment of benefits in plans with valuation dates during February 2001, the PBGC finds that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

The 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**
*29 CFR Part 4022*

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

*29 CFR Part 4044*

Employee benefit plans, Pension insurance, Pensions.

In consideration of the foregoing, 29 CFR parts 4022 and 4044 are 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 88, as set forth below, is added to the table. (The introductory text of the table is omitted.)