

### Ongoing Review of Partner Countries' Policy Performance

The Board also reviewed the policy performance of countries that are implementing compacts. These countries do not need to be reselected each year in order to continue implementation. Once MCC makes a commitment to a country through a compact agreement, MCC does not consider the country for reselection on an annual basis during the term of its compact. The Board emphasized the need for all partner countries to continue to improve their environment. If it is determined that a country has demonstrated a significant policy reversal, MCC can hold it accountable by applying MCC's Suspension and Termination Policy.

### Selection To Initiate the Compact Process

The Board also authorized MCC to invite Benin and El Salvador to submit a proposal for a second compact, as described in section 609 of the Act (22 U.S.C. 7708).

Submission of a proposal is not a guarantee that MCC will finalize a compact with an eligible country. Any MCA assistance provided under section 605 of the Act (22 U.S.C. 7704) will be contingent on the successful negotiation of a mutually agreeable compact between the eligible country and MCC, approval of the compact by the Board, and the availability of funds.

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### PENSION BENEFIT GUARANTY CORPORATION

#### Premium Changes Based On Recharacterization of Contributions

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Policy statement.

**SUMMARY:** This policy statement addresses PBGC's policy on accepting and responding to amended premium filings based on recharacterization of contributions. Recharacterization of contributions refers to a situation in which contributions originally designated as being for the plan year in which they were made are retroactively redesignated as being for the preceding plan year. This makes plan assets for the current year higher, and the plan's variable-rate premium lower, than originally reported. Such recharacterization seeks not to correct a factual error but to change a valid designation and is not an appropriate

basis for an amended premium filing or premium refund.

#### FOR FURTHER INFORMATION CONTACT:

Catherine B. Klion ([klion.catherine@pbgc.gov](mailto:klion.catherine@pbgc.gov)), Manager, or Deborah C. Murphy ([murphy.deborah@pbgc.gov](mailto:murphy.deborah@pbgc.gov)), Attorney, Regulatory and Policy Division, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington DC 20005-4026; (202) 326-4024. (TTY and 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:

The Pension Benefit Guaranty Corporation (PBGC) administers the pension insurance program under title IV of the Employee Retirement Income Security Act of 1974 (ERISA). Under sections 4006 and 4007 of ERISA, plans covered by title IV must pay premiums to PBGC. For single-employer plans, premiums include an amount (the variable-rate premium, or VRP) based on unfunded vested benefits (the excess, if any, of the value of vested benefits over the value of plan assets).

A contribution made to a pension plan during the first eight-and-a-half months of a plan year may be characterized as being either for the current year (the plan year in which it is made) or for the prior year (the preceding plan year). The characterization affects when the contribution is first reflected in plan assets. If a contribution is characterized as being for the prior year, it is treated as a receivable (which increases plan assets) as of the beginning of the current year and thus reduces any VRP for the current year. If a contribution is characterized as being for the current year, it does not increase plan assets as of the beginning of the current year and thus does not affect VRP for the current year.

The year for which a contribution is made is designated on Schedule SB (formerly Schedule B) (actuarial information) to the annual report for the plan on IRS/DOL/PBGC Form 5500. PBGC has received a number of amended premium filings, showing increased assets and decreased VRP, supported by amended Schedules SB (or B) that reflect recharacterization of contributions, and submitted with a view to obtaining premium refunds. PBGC has in practice accepted such amended filings and granted the refunds. Upon further consideration of the matter, however, PBGC has concluded that in general, such amendments should be rejected and the associated premium refunds denied.

Permitting the amendment of premium filings gives filers a way to correct mistakes in the data reported in the filings. Where the correction of erroneous data results in a lower premium, it is appropriate to refund the amount of the overpayment. However, recharacterization of a contribution does not correct a mistake; rather, it seeks to undo a valid designation of the year for which the contribution was made. Thus, it is not an appropriate basis for amending the relevant premium filing and claiming a refund.<sup>1</sup>

PBGC's consideration of amended premium filings takes into account the facts and circumstances of each case. In general, however, as explained above, PBGC's policy will be to reject amended filings and deny refunds based on recharacterization of contributions.

For questions about premium filings, contact Robert Callahan ([callahan.robert@pbgc.gov](mailto:callahan.robert@pbgc.gov)) or Bill O'Neill ([oneill.bill@pbgc.gov](mailto:oneill.bill@pbgc.gov)), Financial Operations Department; (202) 346-4067.

Issued in Washington, DC, this 16th day of December, 2011.

**Joshua Gotbaum,**

*Director, Pension Benefit Guaranty Corporation.*

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### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65991; File No. 4-566]

**Program for Allocation of Regulatory Responsibilities Pursuant to Rule 17d-2; Notice of Filing and Order Approving and Declaring Effective an Amendment to the Plan for the Allocation of Regulatory Responsibilities Among BATS Exchange, Inc., BATS Y-Exchange, Inc., Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGA Exchange, Inc., EDGX Exchange, Inc., Financial Industry Regulatory Authority, Inc., NASDAQ OMX BX, Inc., NASDAQ OMX PHLX LLC, The NASDAQ Stock Market LLC, National Stock Exchange, Inc., New York Stock Exchange LLC, NYSE Amex LLC, and NYSE Arca, Inc. Relating to the Surveillance, Investigation, and Enforcement of Insider Trading Rules**

December 16, 2011.

Notice is hereby given that the Securities and Exchange Commission

<sup>1</sup> The same principles would apply to an amended filing made with a view to obtaining a credit against the next year's premium.