

rule. For that reason, the requirements of the Regulatory Flexibility Act do not apply.

Unfunded Mandates Reform Act of 1995

This final rule will not result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year, and it will not significantly or uniquely affect small governments. Therefore, no actions were deemed necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

Congressional Review Act

The Congressional Review Act (CRA) requires that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. EEOC will submit a report containing this rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to the effective date of the rule. Under the CRA, a major rule cannot take effect until 60 days after it is published in the **Federal Register**. This action is not a “major rule” as defined by the CRA at 5 U.S.C. 804(2).

List of Subjects in 29 CFR Part 1601

Administrative practice and procedure.

Dated: March 9, 2020.

Janet L. Dhillon,
Chair, Equal Employment Opportunity Commission.

Accordingly, the Equal Employment Opportunity Commission amends 29 CFR part 1601 as follows:

PART 1601—PROCEDURAL REGULATIONS

■ 1. The authority citation for part 1601 continues to read as follows:

Authority: 29 U.S.C. 621–634; 28 U.S.C. 2461 note; 5 U.S.C. 301; Pub. L. 99–502; 100 Stat. 3341; Secretary's Order No. 10–68; Secretary's Order No. 11–68; sec. 2 Reorg. Plan No. 1 of 1978, 43 FR 19807; Executive Order 12067, 43 FR 28967.

■ 2. Section 1601.30 is amended by revising paragraph (b) to read as follows:

§ 1601.30 Notices to be posted.

* * * * *

(b) Section 711(b) of Title VII and the Federal Civil Penalties Inflation Adjustment Act, as amended, make failure to comply with this section

punishable by a fine of not more than \$569 for each separate offense.

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PENSION BENEFIT GUARANTY CORPORATION

29 CFR Parts 4022 and 4044

Allocation of Assets in Single-Employer Plans; Benefits Payable in Terminated Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits

AGENCY: Pension Benefit Guaranty Corporation (PBGC).

ACTION: Final rule.

SUMMARY: This final rule amends the Pension Benefit Guaranty Corporation's regulations on Benefits Payable in Terminated Single-Employer Plans and Allocation of Assets in Single-Employer Plans to prescribe certain interest assumptions under the benefit payments regulation for plans with valuation dates in April 2020 and interest assumptions under the asset allocation regulation for plans with valuation dates in the second quarter of 2020. These interest assumptions are used for valuing benefits and paying certain benefits under terminating single-employer plans covered by the pension insurance system administered by PBGC.

DATES: Effective April 1, 2020.

FOR FURTHER INFORMATION CONTACT:

Gregory Katz (katz.gregory@pbgc.gov), Attorney, Regulatory Affairs Division, Pension Benefit Guaranty Corporation, 1200 K Street NW, Washington, DC 20005, 202–326–4400, ext. 3829. (TTY users may call the Federal relay service toll free at 1–800–877–8339 and ask to be connected to 202–326–4400, ext. 3829.)

SUPPLEMENTARY INFORMATION: PBGC's regulations on Allocation of Assets in Single-Employer Plans (29 CFR part 4044) and Benefits Payable in Terminated Single-Employer Plans (29 CFR part 4022) prescribe actuarial assumptions—including interest assumptions—for valuing and paying plan benefits under terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974 (ERISA). The interest assumptions in the regulations are also published on PBGC's website (<https://www.pbgc.gov>).

Lump Sum Interest Assumption

PBGC uses the interest assumptions in appendix B to part 4022 (“Lump Sum

Interest Rates for PBGC Payments”) to determine whether a benefit is payable as a lump sum and to determine the amount to pay as a lump sum. Because some private-sector pension plans use these interest rates to determine lump sum amounts payable to plan participants (if the resulting lump sum is larger than the amount required under section 417(e)(3) of the Internal Revenue Code and section 205(g)(3) of ERISA), these rates are also provided in appendix C to part 4022 (“Lump Sum Interest Rates for Private-Sector Payments”).

This final rule updates appendices B and C of the benefit payments regulation to provide the rates for April 2020 measurement dates.

The April 2020 lump sum interest assumptions will be 0.00 percent for the period during which a benefit is (or is assumed to be) 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 March 2020, these assumptions represent no change in the immediate rate and are otherwise unchanged.

Valuation/Asset Allocation Interest Assumptions

PBGC uses the interest assumptions in appendix B to part 4044 (“Interest Rates Used to Value Benefits”) to value benefits for allocation purposes under section 4044 of ERISA, and some private-sector pension plans use them to determine benefit liabilities reportable under section 4044 of ERISA and for other purposes. The second quarter 2020 interest assumptions will be 2.11 percent for the first 20 years following the valuation date and 1.92 percent thereafter. In comparison with the interest assumptions in effect for the first quarter of 2020, these interest assumptions represent a decrease of 5 years in the select period (the period during which the select rate (the initial rate) applies), a decrease of 0.01 percent in the select rate, and a decrease of 0.34 percent in the ultimate rate (the final rate).

Need for Immediate Guidance

PBGC updates appendix B of the asset allocation regulation each quarter and appendices B and C of the benefit payments regulation each month. 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 issue new interest assumptions promptly so that they are available to value benefits and, for plans that rely on our publication of them each month or

each quarter, to calculate lump sum benefit amounts.

Because of the need to provide immediate guidance for the valuation and payment of benefits under plans with valuation dates during April 2020, 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

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 318 is added at the end of the table to read as follows:

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 |
| 318 | 4–1–20 | 5–1–20 | * | 0.00 | 4.00 | 4.00 | 4.00 |
| | | | | | | 7 | 8 |

- 3. In appendix C to part 4022, Rate Set 318 is added at the end of the table to read as follows:

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 |
| 318 | 4–1–20 | 5–1–20 | * | 0.00 | 4.00 | 4.00 | 4.00 |
| | | | | | | 7 | 8 |

PART 4044 — ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

Authority: 29 U.S.C. 1301(a), 1302(b)(3), 1341, 1344, 1362.

- 4. The authority citation for part 4044 continues to read as follows:

The values of i_t are:

| For valuation dates occurring in the month— | i_t | for $t =$ | i_t | for $t =$ | i_t | for $t =$ |
|---------------------------------------------|-------|-----------|-------|-----------|-------|-----------|
| April–June 2020 | * | * | * | * | * | * |

April–June 2020 0.0211 1–20 0.0192 >20 N/A N/A

Appendix B to Part 4044—Interest Rates Used to Value Benefits

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Issued in Washington, DC, by:

Hilary Duke,

Assistant General Counsel, Pension Benefit Guaranty Corporation.

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