DEPARTMENT OF LABOR
Employee Benefits Security Administration

29 CFR Part 2570
RIN 1210–AC05

Procedures Governing the Filing and Processing of Prohibited Transaction Exemption Applications

AGENCY: Employee Benefits Security Administration, U.S. Department of Labor.

ACTION: Notice of proposed rulemaking; extension of comment period.

SUMMARY: The Department of Labor (the Department) is extending the comment period for a proposed rule that would update, clarify, and supersede the Department’s current regulation governing the filing and processing of applications for administrative exemptions from the prohibited transaction provisions of the Employee Retirement Income Security Act of 1974 (ERISA), the Internal Revenue Code of 1986 (the Code), and the Federal Employees’ Retirement System Act of 1986 (FERSA). The Department published the proposed rule in the Federal Register on March 15, 2022, with a 30-day comment period that was scheduled to end on April 14, 2022. Since the proposed rule was published, the Department has received multiple requests from interested parties for the Department to provide additional time for them to develop and submit their comments on the proposal. In response to these requests, the Department is extending the comment period for an additional 45 days, through May 29, 2022.

DATES: Written comments and requests for a public hearing on the proposed rule must be submitted to the Department on or before May 29, 2022.

ADDITIONAL INFORMATION:
For further information contact: Brian Shiker, telephone: (202) 693–8552, email: shiker.brian@dol.gov, Office of Exemption Determinations, Employee Benefits Security Administration, U.S. Department of Labor (this is not a toll-free number).

Customer Service Information: Individuals interested in obtaining information from the Department concerning ERISA and employee benefit plans may call the Employee Benefits Security Administration’s Toll-Free Hotline, at 1–866–444–EBSA (3272) or visit the Department’s website (www.dol.gov/ebsa).

SUPPLEMENTARY INFORMATION:

Comment Instructions
All comments and requests for a hearing must be received by the end of the comment period. Requests for a hearing must state the issues to be addressed and include a general description of the evidence to be presented at the hearing. Persons are encouraged to submit all comments electronically and not to follow such submission with paper copies. The comments and hearing requests will be available for public inspection in the Public Disclosure Room of the Employee Benefits Security Administration, U.S. Department of Labor, Room N–1513, 200 Constitution Avenue NW, Washington, DC 20210; however, the Public Disclosure Room may be closed for all or a portion of the comment period due to circumstances surrounding the COVID–19 pandemic caused by the novel coronavirus. Comments and hearing requests will also be available to the public, without charge, online at www.regulations.gov, at Docket ID number: EBSA–2022–0003 and www.dol.gov/ebsa.

Warning: All comments received will be included in the public record without change and will be made available online at www.regulations.gov, including any personal information provided, unless the comment includes information claimed to be confidential or other information whose disclosure is restricted by statute. If you submit a comment, the Employee Benefits Security Administration (EBSA) recommends that you include your name and other contact information, but DO NOT submit information that you consider to be confidential, or otherwise protected (such as Social Security number or an unlisted phone number), or confidential business information that you do not want publicly disclosed. However, if EBSA cannot read your comment due to technical difficulties and cannot contact you for clarification, EBSA might not be able to consider your comment. Additionally, the website is an “anonymous access” system, which means EBSA will not know your identity or contact information unless you provide it. If you send an email directly to EBSA without going through www.regulations.gov, your email address will be automatically captured and included as part of the comment that is placed in the public record and made available on the internet.

Background

The Secretary of Labor is authorized to grant administrative exemptions from the prohibited transaction provisions of ERISA, the Code, and FERSA and to establish an exemption procedure to grant such exemptions. The Department’s exemption procedure regulation was first published in 1990 and most recently updated in 2011.2

On March 15, 2022, the Department published a notice of proposed rulemaking in the Federal Register entitled: Procedures Governing the Filing and Processing of Prohibited Transaction Exemption Applications (the Proposed Rule).2 The Proposed Rule would update, clarify, and supersede the Department’s existing regulation governing the filing and processing of applications for administrative exemptions from the prohibited transaction provisions of ERISA, the Code, and FERSA.

The Proposed Rule contains a 30-day comment period, which was scheduled to expire on April 14, 2022. Since the publication of the Proposed Rule, the Department has received multiple letters from interested persons expressing concern that the proposal’s 30-day comment period did not provide them with sufficient time to develop and submit their comments regarding the proposed substantive changes to the current exemption procedure regulation and requesting the Department to extend the comment period by at least 30 days.

After carefully considering the extension requests, the Department has decided that it is appropriate to extend the comment period in the context of this proposed regulation for an additional 45 days (from 30 to 75 total days) to provide interested parties with additional time to participate in this rulemaking process. The comment period, therefore, will close on May 29, 2022.

2 87 FR 14722.
QUALIFIED BUSINESS REPLY MAIL (QBRM) UNIFORM RATE

Currently, the Postal Service has two pricing tiers for QBRM letters, one price for up to and including 1 ounce and a separate price for up to and including 2 ounces, for both high volume and basic.

The Postal Service is proposing to replace these pricing tiers with a uniform per-piece price for QBRM letters up to and including 3.5 ounces. The proposal would also allow high-volume business reply mail customers to use the QBRM product.

QBRM customers will be required to have an Intelligent Mail barcode (IMb) on their QBRM mailpieces. This allows the Postal Service to process the mailers’ QBRM letters through the automated accounting process.

DIRECT CONTAINER DISCOUNT FOR MARKETING MAIL HIGH DENSITY PLUS AND SATURATION FLATS

The Postal Service is proposing to offer discounts for USPS Marketing Mail Saturation Flats (including EDDM, not EDDM Retail) and High Density Plus Flats in 5-digit (direct) containers (pallets, sacks, and tubs). Currently, the Postal Service offers discounts for Carrier Route Flats and High Density Flats in 5-digit (direct) pallets; these discounts would now extend to Carrier Route Flats and High Density Flats in 5-digit (direct) sacks and tubs.

ROUND-TRIP MAILINGS WITH ONE OPTICAL DISC—NONAUTOMATION PRESORT

Currently, the Postal Service offers two prices for nonautomation machinable letters: AADC and Mixed AADC.

The Postal Service is proposing to extend the updated pricing structure for nonautomation machinable letters to Round-Trip Mailings with One Optical Disc. Letter-shaped mailpieces up to 1 ounce will be able to avail themselves of nonautomation machinable letter AADC and Mixed AADC prices instead of being limited to one nonautomation presort price. Similarly, flat-shaped mailings up to 2 ounces will be able to avail themselves to nonautomation machinable letter AADC and Mixed AADC prices instead of one nonautomation presort price.

PRIORITY MAIL INSURANCE

Currently, the Postal Service includes insurance coverage with Priority Mail® against loss, damage, or missing contents limited to a maximum liability of $50.00 when the mailer pays retail or Commercial Base prices and to a maximum liability of $100.00 when the mailer pays Commercial Plus prices. Additionally, the Postal Service does not include insurance with Priority Mail Return service pieces.

The Postal Service is proposing to make the insurance amount included with retail and commercial priced Priority Mail limited to a maximum liability of $100.00.

In addition, the Postal Service is proposing to include the $100.00 of insurance with Priority Mail Return service pieces.

These proposed revisions will provide consistency within postal products and add value for customers.

Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553(b), (c) regarding proposed rulemaking by 39 U.S.C. 410(a), the Postal Service invites public comments on the following proposed revisions to Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM), incorporated by reference in the Code of Federal Regulations. See 39 CFR 111.1.

We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

LIST OF SUBJECTS IN 39 CFR PART 111

Administrative practice and procedure, Postal Service.

The Postal Service proposes the following changes to Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM), incorporated by reference in the Code of Federal Regulations (see 39 CFR 111.1):