

## DEPARTMENT OF LABOR

Pension and Welfare Benefits  
Administration

## 29 CFR Parts 2520 and 2560

RIN 1210-AA66

Removal of Superseded Regulations  
Relating to Plan Descriptions and  
Summary Plan Descriptions, and Other  
Technical Conforming AmendmentsAGENCY: Pension and Welfare Benefits  
Administration, Department of Labor.

ACTION: Notice of Proposed Rulemaking.

**SUMMARY:** This document sets forth a proposed rule that would remove certain provisions from the Code of Federal Regulations (CFR) that were superseded, in whole or in part, by amendments of the Employee Retirement Income Security Act of 1974 (ERISA) enacted as part of the Taxpayer Relief Act of 1997 (TRA '97). These TRA '97 amendments eliminated the requirements that plan administrators file summary plan descriptions (SPDs) and summaries of material modifications (SMMs) with the Department of Labor (Department). The amendments also eliminated all requirements pertaining to plan descriptions. In addition to removing superseded regulations from the CFR, this proposed rule would make miscellaneous technical amendments to the CFR designed to correct affected cross-references.

**DATES:** Written comments concerning the proposed regulation must be received by October 4, 1999.

**ADDRESSES:** Written comments (preferably three copies) should be sent to: Office of Regulations and Interpretations, Room N-5669, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210; Attention: Proposed SPD/Plan Description Regulations. All submissions will be open to public inspection at the Public Documents Room, Pension and Welfare Benefits Administration, Room N-5638, 200 Constitution Avenue, NW, Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Jeffrey J. Turner, Office of Regulations and Interpretations, Pension and Welfare Benefits Administration, U.S. Department of Labor, (202) 219-8671 (not a toll-free number).

## SUPPLEMENTARY INFORMATION:

## 1. Overview

TRA '97 amended sections 101(b), 102, and 104(a)(1) of ERISA to eliminate

the requirements that plan administrators file SPDs, SMMs, and plan descriptions with the Department.<sup>1</sup> TRA '97 also amended section 104(b) of ERISA to eliminate the requirement that plan administrators furnish plan descriptions to participants and beneficiaries. These statutory amendments superseded, in whole or in part, the Department's regulations that implemented the SPD, SMM, and plan description filing requirements. This proposed rule would remove those superseded regulations from the CFR.<sup>2</sup> This proposed rule also would make several technical conforming amendments to reflect the fact that regulatory relief from certain plan description, SPD, and SMM requirements is no longer needed in light of TRA '97 and to correct affected regulatory and statutory cross-references in parts 2520 and 2560 of Chapter XXV of Title 29 of the CFR. A chart identifying each regulation that would be changed by this proposed rule is printed below.

## 2. Removal of Superseded Regulations

This proposed rule would remove, in whole or in part, the following superseded regulations from 29 CFR part 2520, which pertain to reporting and disclosure under ERISA. This proposed rule also would reserve certain removed sections of the CFR to preserve the continuity of codification in the CFR.

## A. Regulations Superseded in Whole

This proposed rule would remove and reserve §§ 2520.102-1 and 2520.104a-2.

<sup>1</sup> Prior to 1979, the administrator of an employee benefit plan subject to the provisions of Part 1 of Title I of ERISA was required to file with the Department a plan description (Form EBS-1) to satisfy the statutory filing requirements of section 104(a) and 29 CFR 2520.104a-2. See 41 FR 16957 (April 23, 1976). In 1979, the Department amended 29 CFR 2520.104a-2 (44 FR 31639 (June 1, 1979)), to provide that the administrator of an employee benefit plan would satisfy the plan description filing requirements of section 104(a)(1)(B) by filing with the Department a SPD and an updated SPD in accordance with section 104(a)(1)(C) and the regulations thereunder.

<sup>2</sup> Under a separate notice, the Department will promulgate proposed regulations to implement new sections 502(c)(6) and 104(a)(6) of ERISA. Section 502(c)(6) provides that if, within 30 days of a request by the Department to a plan administrator for documents under section 104(a)(6), the plan administrator fails to furnish the material requested to the Department, the Department may assess a civil penalty against the plan administrator of up to \$100 a day from the date of such failure, but in no event in excess of \$1,000 per request. Section 104(a)(6) provides that the administrator of any employee benefit plan must furnish to the Department, upon request, any documents relating to the employee benefit plan, including but not limited to, the latest SPD, and the bargaining agreement, trust agreement, contract, or other instrument under which the plan is established or operated.

These sections require plan administrators to file a plan description with the Department in accordance with §§ 101(b)(2) and 104(a)(1)(B) of ERISA.<sup>3</sup> They were superseded by paragraphs (a) and (c) of § 1503 of TRA '97, which eliminated §§ 101(b)(2) and 104(a)(1)(B) of ERISA.

This proposed rule would remove and reserve § 2520.104a-3. This section implements sections 101(b)(1) and 104(a)(1)(C) of ERISA, which require plan administrators to file with the Department a copy of any SPD that is required to be furnished to participants covered under the plan and beneficiaries receiving benefits under the plan. Section 2520.104a-3 was superseded by paragraphs (a) and (c) of section 1503 of TRA '97, which eliminated sections 101(b)(1) and 104(a)(1)(C) of ERISA.

This proposed rule would remove and reserve §§ 2520.104a-4 and 2520.104a-7. These sections implement §§ 101(b)(3), 102(a)(2), and 104(a)(1)(D) of ERISA, which require plan administrators to file with the Department a copy of summaries of material modifications in the terms of the plan and summaries of any changes in the information required to be in the SPD. Sections 2520.104a-4 and 2520.104a-7 were superseded by paragraphs (a) and (c) of § 1503 of TRA '97, which eliminated §§ 101(b)(3), 102(a)(2), and 104(a)(1)(D) of ERISA.

## B. Regulations Superseded in Part

This proposed rule would amend § 2520.104-20 to reflect the fact that certain of the reporting relief granted by that regulation is no longer needed in light of TRA '97. Specifically, § 2520.104-20 exempts certain unfunded or insured welfare plans with fewer than 100 participants from, among others, the requirements to file plan descriptions, SPDs, and SMMs with the Department. Inasmuch as plan descriptions, SPDs, and SMMs are no longer required to be filed under ERISA as amended by TRA '97, this proposed rule would amend § 2520.104-20(a) to remove the provisions that grant relief from such filing requirements. The amendments made by this proposed rule would not otherwise change the relief available in § 2520.104-20.

This proposed rule would similarly amend § 2520.104-21 to reflect the fact that the SPD, SMM, and plan description filing relief granted by that regulation is no longer needed in light of the TRA '97 elimination of those filing requirements. Specifically, § 2520.104-21 provides a limited

<sup>3</sup> See *supra* note 1.

exemption from, among others, the requirements to file SPDs, SMMs, and plan descriptions with the Department for welfare benefit plans that cover fewer than 100 participants at the beginning of the plan year, are part of a group insurance arrangement, and that otherwise satisfy the conditions of § 2520.104-21(b). This proposed rule would amend § 2520.104-21(a) by removing the provisions on SPDs, SMMs, and plan descriptions because these documents are no longer required to be filed under ERISA as amended by TRA '97. The amendments made by this proposed rule would not otherwise change the relief available in § 2520.104-21.<sup>4</sup>

This proposed rule would further amend §§ 2520.104-20 and 2520.104-21 to reflect the fact that the need for relief under ERISA from the requirement to disclose plan descriptions was eliminated by TRA '97. These section exempt eligible welfare plans from the requirement to: (1) Furnish upon written request of any participant or beneficiary a copy of the plan description, and (2) make copies of the plan description available in the principle office of the administrator and such other places as may be necessary for examination by any participant or

beneficiary. This proposed rule would amend §§ 2520.104-20(a)(2) and (3) and 2520.104-21(a)(1) and (2) by removing the provisions on disclosing plan descriptions because plan descriptions are no longer required to be furnished or made available under ERISA as amended by TRA '97.

This proposed rule would amend §§ 2520.104-26 and 2520.104-27 to reflect the fact that the need for relief under ERISA from the requirement to file plan descriptions, SPDs, and SMMs was eliminated by TRA '97. These regulations provide certain unfunded dues financed welfare and pension plans maintained by employee organizations with a limited exemption from, among others, the requirement to file plan descriptions and a simplified option for complying with the filing and disclosure requirements applicable to SPDs. This proposed rule would amend §§ 2520.104-26 and 2520.104-27 by removing the provisions on plan descriptions and would further amend §§ 2520.104-26 and 2520.104-27 to remove the simplified option provisions for filing SPDs because plan descriptions and SPDs are no longer required to be filed with the Department under ERISA as amended by TRA '97. The proposal is not otherwise intended

to change the relief available under these sections.

### 3. Technical Conforming Amendments

This proposal also would make technical changes that are needed to conform certain cross references in the CFR to sections of ERISA as amended by TRA '97. For example, § 2520.104a-5 refers to section 104(a)(1)(A) of ERISA as the authority for the requirement to file annual reports with the Department. After TRA '97, the correct citation is to § 104(a)(1) of ERISA. Similar technical changes are also being made to conform internal CFR cross references.

### 4. Effective Date

This regulation is proposed to be effective 60 days after publication of a final rule in the **Federal Register**. If adopted, the proposed amendments implementing TRA '97 would be applicable as of the August 5, 1997, effective date of section 1503 of TRA '97.

### 5. Quick Reference Chart

The chart below lists each section of 29 CFR parts 2520 and 2560 that would be affected by this proposed rule and includes a brief description of the proposed change.

QUICK REFERENCE CHART

CFR section(s)	Remove	Add	Reason(s)
2520.102-1 .....	The whole section .....	"Reserved" .....	All "plan description" requirements eliminated from ERISA.
2520.102-4 .....	The last sentence .....	Nothing .....	SPD filing requirement eliminated.
2520.103-1(a) .....	"section 104(a)(1)(A)" .....	"section 104(a)(1)" .....	Cross reference correction.
2520.103-5(a), (c)(1)(i), (c)(1)(iii), (c)(2)(ii), (c)(2)(iii), and (c)(3).	"section 104(a)(1)(A)" .....	"section 104(a)(1)" .....	Cross reference correction.
2520.103-12(a) .....	"section 104(a)(1)(A)" .....	"section 104(a)(1)" .....	Cross reference correction.
2520.104-4(a) .....	Last sentence .....	Nothing .....	SPD filing requirement eliminated.
2520.104-20(a) (introductory text)	"any of the following documents: Plan description, copy of summary plan description, description of material modification in the terms of a plan or change in the information required to be included in the plan description," .....	Nothing .....	All "plan description" requirements eliminated from ERISA, SPD filing requirement eliminated, and SMM filing requirement eliminated.
2520.104-20(a)(2) .....	"plan description," .....	Nothing .....	All "plan description" requirements eliminated from ERISA.
2520.104-20(a)(3) .....	"plan description and" .....	Nothing .....	All "plan description" requirements eliminated from ERISA.
2520.104-20(c) .....	"(section 104(a)(1))" .....	"(section 104(a)(6))" .....	Requirement to furnish documents to the Department upon request—moved to different paragraph of ERISA section 104.

<sup>4</sup> See 63 FR 68370, 68388 (Dec. 10, 1998) (eliminating references to requirements to file plan

descriptions, SPDs, and SMMs in § 2520.104-21-

(d)(3) as part of proposed amendments to annual reporting regulations).

## QUICK REFERENCE CHART—Continued

CFR section(s)	Remove	Add	Reason(s)
2520.104–21(a) (introductory text)	“with the Secretary any of the following documents: Plan description, copy of summary plan description, description of material modification in the terms of a plan or change in the information required to be included in the plan description, and terminal report. In addition, the administrator of a plan exempted under this section.”.	After the word file, add: “with the Secretary a terminal report or furnish upon written request of any participant or beneficiary a copy of any terminal report as required by section 104(b)(4) of the Act.”.	All “plan description” requirements eliminated from ERISA, SPD filing requirement eliminated, and SMM filing requirement eliminated.
2520.104–21(a)(1) .....	All of (a)(1) .....	Nothing .....	All “plan description” requirements eliminated from ERISA.
2520.104–21(a)(2) .....	All of (a)(2) .....	Nothing .....	All “plan description” requirements eliminated from ERISA.
2520.104–21(c) (second parenthetical).	“section 104(a)(1)(A)” .....	“section 104(a)(1)” .....	Cross reference correction.
2520.104–21(c) (third parenthetical).	“section 104(a)(1)” .....	“section 104(a)(6)” .....	Requirement to furnish documents to the Department upon request—moved to different paragraph of ERISA section 104.
2520.104–23(b)(2) .....	“104(a)(1)” .....	“104(a)(6)” .....	Requirement to furnish documents to the Department upon request—moved to different paragraph of ERISA section 104.
2520.104–24(b) .....	“104(a)(1)” .....	104(a)(6)” .....	Requirement to furnish documents to the Department upon request—moved to different paragraph of ERISA section 104.
2520.104–25 .....	“104(a)(1)” .....	“104(a)(6)” .....	Requirement to furnish documents to the Department upon request—moved to different paragraph of ERISA section 104.
2520.104–26(a) .....	All of paragraph (a), (a)(1), (a)(2), and (a)(3).	New paragraph (a), (a)(1), and (a)(2).	Paragraph (a) needed to be restructured to reflect the fact that all “plan description” requirements and the SPD filing requirement were eliminated from ERISA.
2520.104–27(a) .....	All of paragraph (a), (a)(1), (a)(2), and (a)(3).	New paragraph (a), (a)(1), and (a)(2).	Paragraph (a) needed to be restructured to reflect the fact that all “plan description” requirements and the SPD filing requirement were eliminated from ERISA.
2520.104–41(b) .....	“section 104(a)(1)(A)” .....	“section 104(a)(1)” .....	Cross reference correction.
2520.104–43(a) .....	“section 104(a)(1)(A)” .....	“section 104(a)(1)” .....	Cross reference correction.
2520.104–44(d) .....	“section 104(a)(1)(A)” .....	“section 104(a)(1)” .....	Cross reference correction.
2520.104a–2 .....	Whole section .....	“Reserved” .....	All “plan description” requirements eliminated from ERISA.
2520.104a–3 .....	Whole section .....	“Reserved” .....	SPD filing requirement eliminated.
2520.104a–4 .....	Whole section .....	“Reserved” .....	SMM filing requirement eliminated.
2520.104a–5(a) .....	“section 104(a)(1)(A)” .....	“section 104(a)(1)” .....	Cross reference correction.
2520.104a–5(a)(1) .....	All text in paragraph (a)(1) .....	“Reserved” .....	Provision obsolete.
2520.104a–7 .....	Whole section .....	“Reserved” .....	SMM filing requirement eliminated.
2520.104b–1(b)(3) .....	“plan description” .....	Nothing .....	All “plan description” requirements eliminated from ERISA.
2520.104b–3(f) .....	All of para. (f) .....	Nothing .....	Part of paragraph (f) was superseded by TRA '97 and the rest of the paragraph has become obsolete as a result of the removal of § 2520.104a–3 by this rule.

## QUICK REFERENCE CHART—Continued

CFR section(s)	Remove	Add	Reason(s)
2520.104b-3(g) .....	All of para. (g) .....	Nothing .....	Paragraph (g) was superseded by TRA '97 and as a result of the removal of § 2520.104a-3 by this rule.
2560.502c-2(a) .....	"section 101(b)(4)" .....	"section 101(b)(1)" .....	Cross reference correction.

**Executive Order 12866 Statement**

Under Executive Order 12866, the Department must determine whether the regulatory action is "significant" and therefore subject to the requirements of the Executive Order and subject to review by the Office of Management and Budget (OMB). Under section 3(f), the order defines a "significant regulatory action" as an action that is likely to result in a rule: (1) Having an annual effect on the economy of \$100 million or more, or adversely and materially affecting a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local or tribal governments or communities (also referred to as "economically significant"); (2) creating serious inconsistency or otherwise interfering with an action taken or planned by another agency; (3) materially altering the budgetary impacts of entitlement grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) raising novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order. Pursuant to the terms of the Executive Order, it has been determined that this action is not significant within the meaning of the Executive Order.

**Paperwork Reduction Act**

The rule being issued here is not subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) because it does not contain an "information collection request" as defined in 44 U.S.C. 3502(3).

**Regulatory Flexibility Act**

The Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, requires each Federal agency to perform an initial regulatory flexibility analysis for all proposed rules unless the head of the agency certifies that the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. Small entities include small businesses, organizations, and governmental jurisdictions. Because this proposed rule would remove certain provisions of the CFR and make a number of technical amendments to the CFR designed to

correct cross-references affected by amendments to ERISA enacted as part of TRA '97, the proposed rule would have no impact, independent of the statutory change eliminating the SPD and SMM filing requirements, on small plans. As a result, the undersigned certifies that this proposed rule, if promulgated, would not have a significant impact on a substantial number of small entities. The factual basis for this certification is the same regardless of whether one uses the definition of small entity found in regulations issued by the Small Business Administration (13 CFR 121.201) or one defines small entity, on the basis of section 104(a)(2) of ERISA, as an employee benefit plan with fewer than 100 participants.

**Small Business Regulatory Enforcement Fairness Act**

The proposed rule being issued here is subject to the provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 *et seq.*) and, if finalized, will be transmitted to Congress and the Comptroller General for review. The rule is not a "major rule" as that term is defined in 5 U.S.C. 804, because it is not likely to result in: (1) An annual effect on the economy of \$100 million or more; (2) a major increase in costs or prices for consumers, individual industries, or federal, State, or local government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

**Unfunded Mandates Reform Act**

For purposes of the Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4), as well as Executive Order 12875, this proposed rule does not include any Federal mandate that may result in expenditures by State, local, or tribal governments, and will not impose an annual burden of \$100 million or more on the private sector.

**Statutory Authority**

This proposed rule is promulgated pursuant to the authority contained in section 505 of ERISA (Pub. L. 93-406, 88 Stat. 894, 29 U.S.C. 1135) and sections 101(b) and 104(a)(1) of ERISA, as amended, and under the Secretary of Labor's Order No. 1-87, 52 FR 13139, April 21, 1987.

**List of Subjects****29 CFR Part 2520**

Employee benefit plans, Employee Retirement Income Security Act, Group health plans, Pension plans, Welfare benefit plans.

**29 CFR Part 2560**

Claims, Employee benefit plans, Employee Retirement Income Security Act, Law enforcement, Pensions.

For the reasons set forth above, parts 2520 and 2560 of Chapter XXV of Title 29 of the Code of Federal Regulations are amended as follows:

**PART 2520—RULES AND REGULATIONS FOR REPORTING AND DISCLOSURE**

1. The authority citation for Part 2520 continues to read as follows:

**Authority:** Secs. 101, 102, 103, 104, 105, 109, 110, 111 (b)(2), 111(c), and 505, Pub. L. 93-406, 88 Stat. 840-52 and 894 (29 U.S.C. 1021-1025, 1029-31, and 1135); Secretary of Labor's Order No. 27-74, 13-76, 1-87, and Labor Management Services Administration Order 2-6.

Sections 2520.102-3, 2520.104b-1 and 2520.104b-3 also are issued under sec. 101(a), (c) and (g)(4) of Pub. L. 104-191, 110 Stat. 1936, 1939, 1951 and 1955 and, sec. 603 of Pub. L. 104-204, 110 Stat. 2935 (29 U.S.C. 1185 and 1191(c)).

2. Section 2520.102-1 is removed and reserved.

3. Revise section 2520.102-4 to read as follows:

**§ 2520.102-4 Option for different summary plan descriptions.**

In some cases an employee benefit plan may provide different benefits for various classes of participants and beneficiaries. For example, a plan amendment altering benefits may apply to only those participants who are employees of an employer when the

amendment is adopted and to employees who later become participants, but not to participants who no longer are employees when the amendment is adopted. (See § 2520.104b-4). Similarly, a plan may provide for different benefits for participants employed at different plants of the employer, or for different classes of participants in the same plant. In such cases the plan administrator may fulfill the requirement to furnish a summary plan description to participants covered under the plan and beneficiaries receiving benefits under the plan by furnishing to each member of each class of participants and beneficiaries a copy of a summary plan description appropriate to that class. Each summary plan description so prepared shall follow the style and format prescribed in § 2520.102-2, and shall contain all information which is required to be contained in the summary plan description under § 2520.102-3. It may omit information which is not applicable to the class of participants or beneficiaries to which it is furnished. It should also clearly identify on the first page of the text the class of participants and beneficiaries for which it has been prepared and the plan's coverage of other classes. If the classes which the employee benefit plan covers are too numerous to be listed adequately on the first page of the text of the summary plan description, they may be listed elsewhere in the text so long as the first page of the text contains a reference to the page or pages in the text which contain this information.

4. Section 2520.103-1(a), introductory text, is amended by removing the term "section 104(a)(1)(A)" and adding, in its place, the term "section 104(a)(1)".

5. Section 2520.103-5 is amended by removing the term "section 104(a)(1)(A)" from paragraphs (a), introductory text, (c)(1)(i), (c)(1)(iii), (c)(2)(ii), (c)(2)(iii) and (c)(3) and adding, in their place, the term "section 104(a)(1)".

6. Section 2520.103-12 is amended by removing from paragraph (a) the term "section 104(a)(1)(A)" and adding, in its place, the term "section 104(a)(1)".

7. Revise paragraph (a) of § 2520.104-4 to read as follows:

**§ 2520.104-4 Alternative method of compliance for certain successor pension plans.**

(a) *General.* Under the authority of section 110 of the Act, this section sets forth an alternative method of compliance for certain successor pension plans in which some participants and beneficiaries not only have their rights set out in the plan, but

also retain eligibility for certain benefits under the terms of a former plan which has been merged into the successor. This section is applicable only to plan mergers which occur after the issuance by the successor plan of the initial summary plan description under the Act. Under the alternative method, the plan administrator of the successor plan is not required to describe relevant provisions of merged plans in summary plan descriptions of the successor plan furnished after the merger to that class of participants and beneficiaries still affected by the terms of the merged plans.

\* \* \* \* \*

8. Revise the introductory text in paragraph (a) and paragraphs (a)(2), (a)(3), and (c) of § 2520.104-20 to read as follows:

**§ 2520.104-20 Limited exemption for certain small welfare plans.**

(a) *Scope.* Under the authority of section 104(a)(3) of the Act, the administrator of any employee welfare benefit plan which covers fewer than 100 participants at the beginning of the plan year and which meets the requirements of paragraph (b) of this section is exempted from certain reporting and disclosure provisions of the Act. Specifically, the administrator of such plan is not required to file with the Secretary an annual or terminal report. In addition, the administrator of a plan exempted under this section—

\* \* \* \* \*

(2) Is not required to furnish upon written request of any participant or beneficiary a copy of the annual report and any terminal report, as required by section 104(b)(4) of the Act;

(3) Is not required to make copies of the annual report available for examination by any participant or beneficiary in the principal office of the administrator and such other places as may be necessary, as required by section 104(b)(2) of the Act.

(b) \* \* \*

(c) *Limitations.* This exemption does not exempt the administrator of an employee benefit plan from any other requirement of Title I of the Act, including the provisions which require that plan administrators furnish copies of the summary plan description to participants and beneficiaries (section 104(b)(1)) and furnish certain documents to the Secretary of Labor upon request (section 104(a)(6)), and which authorize the Secretary of Labor to collect information and data from employee benefit plans for research and analysis (section 513).

\* \* \* \* \*

9. Amend § 2520.104-21 by revising paragraphs (a) and (c) to read as follows:

**§ 2520.104-21 Limited exemption for certain group insurance arrangements.**

(a) *Scope.* Under the authority of section 104(a)(3) of the Act, the administrator of any employee welfare benefit plan which covers fewer than 100 participants at the beginning of the plan year and which meets the requirements of paragraph (b) of this section is exempted from certain reporting and disclosure provisions of the Act. Specifically, the administrator of such plan is not required to file with the Secretary a terminal report or furnish upon written request of any participant or beneficiary a copy of any terminal report as required by section 104(b)(4) of the Act.

\* \* \* \* \*

(c) *Limitations.* This exemption does not exempt the administrator of an employee benefit plan from any other requirement of title I of the Act, including the provisions which require that plan administrators furnish copies of the summary plan description to participants and beneficiaries (section 104(b)(1)), file an annual report with the Secretary of Labor (section 104(a)(1)) and furnish certain documents to the Secretary of Labor upon request (section 104(a)(6)), and authorize the Secretary of Labor to collect information and data from employee benefit plans for research and analysis (section 513).

\* \* \* \* \*

10. Section 2520.104-23 is amended by removing from paragraph (b)(2) the term "104(a)(1)" and adding, in its place, the term "104(a)(6)".

11. Section 2520.104-24 is amended by removing from paragraph (b) the term "104(a)(1)" and adding, in its place, the term "104(a)(6)".

12. Section 2520.104-25 is amended by removing the term "104(a)(1)" and adding, in its place, the term "104(a)(6)".

13. In § 2520.104-26, revise paragraph (a) to read as follows:

**§ 2520.104-26 Limited exemption for certain unfunded dues financed welfare plans maintained by employee organizations.**

(a) *Scope.* Under the authority of section 104(a)(3) of the Act, a welfare benefit plan that meets the requirements of paragraph (b) of this section is exempted from the provisions of the Act that require filing with the Secretary an annual report and furnishing a summary annual report to participants and beneficiaries. Such plans may use a simplified method of reporting and disclosure to comply with the

requirement to furnish a summary plan description to participants and beneficiaries, as follows:

(1) In lieu of filing an annual report with the Secretary or distributing a summary annual report, a filing is made of Report Form LM-2 or LM-3, pursuant to the LMRDA and regulations thereunder, and

(2) In lieu of a summary plan description, the employee organization constitution or by-laws may be furnished in accordance with § 2520.104b-2 to participants and beneficiaries together with any supplement to such document necessary to meet the requirements of §§ 2520.102-2 and 2520.102-3.

\* \* \* \* \*

14. In § 2520.104-27, revise paragraph (a) to read as follows:

**§ 2520.104-27 Alternative method of compliance for certain unfunded dues financed pension plans maintained by employee organizations.**

(a) *Scope.* Under the authority of section 110 of the Act, a pension benefit plan that meets the requirements of paragraph (b) of this section is exempted from the provisions of the Act that require filing with the Secretary an annual report and furnishing a summary annual report to participants and beneficiaries. Such plans may use a simplified method of reporting and disclosure to comply with the requirement to furnish a summary plan description to participants and beneficiaries, as follows:

(1) In lieu of filing an annual report with the Secretary or distributing a summary annual report, a filing is made of Report Form LM-2 or LM-3, pursuant to the LMRDA and regulations thereunder, and

(2) In lieu of a summary plan description, the employee organization constitution or by-laws may be furnished in accordance with § 2520.104b-2 to participants and beneficiaries together with any supplement to such document necessary to meet the requirements of §§ 2520.102-2 and 2520.102-3.

\* \* \* \* \*

15. Section 2520.104-41 is amended by removing from paragraph (b) the term "section 104(a)(1)(A)" and adding, in its place, the term "section 104(a)(1)".

16. Section 2520.104-43 is amended by removing from paragraph (a) the term "section 104(a)(1)(A)" and adding, in its place, "section 104(a)(1)".

17. Section 2520.104-44 is amended by removing from paragraph (d) the term "section 104(a)(1)(A)" and adding, in its place, "section 104(a)(1)".

18. Section 2520.104a-2 is removed and reserved.

19. Section 2520.104a-3 is removed and reserved.

20. Section 2520.104a-4 is removed and reserved.

21. Section 2520.104a-5 is amended by removing the term "section 104(a)(1)(A)" and adding, in its place, the term "section 104(a)(1)".

22. Section 2520.104a-5 is amended by removing and reserving paragraph (a)(1).

23. Section 2520.104a-7 is removed and reserved.

24. Section 2520.104b-1 is amended by removing from the second sentence of paragraph (b)(3) the term "plan description,".

25. In § 2520.104b-3 paragraphs (f) and (g) are removed and reserved.

**PART 2560—RULES AND REGULATIONS FOR ADMINISTRATION AND ENFORCEMENT**

26. The authority citation for part 2560 continues to read as follows:

**Authority:** Secs. 502, 505 of ERISA, 29 U.S.C. 1132, 1135, and Secretary's Order 1-87, 52 FR 13139 (April 21, 1987).

Section 2560.502-1 also issued under sec. 502(b)(2), 29 U.S.C. 1132(b)(2).

Section 2560.502i-1 also issued under sec. 502(i), 29 U.S.C. 1132(i).

Section 2560.503-1 also issued under sec. 503, 29 U.S.C. 1133.

**§ 2560.502c-21 [Amended]**

27. Section 2560.502c-2 is amended by removing from paragraph (a)(1) and (a)(2) the term "section 101(b)(4)" each time it appears and adding, in its place, the term "section 101(b)(1)".

Signed at Washington, D.C., this 28th day of July 1999.

**Richard M. McGahey,**

*Assistant Secretary, Pension and Welfare Benefits Administration, Department of Labor.*

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**DEPARTMENT OF LABOR**

**Pension and Welfare Benefits Administration**

**29 CFR Parts 2520, 2560 and 2570**

**RIN 1210-AA67 and RIN 1210-AA68**

**Furnishing Documents to the Secretary of Labor on Request Under ERISA Section 104(a)(6) and Assessment of Civil Penalties Under ERISA Section 502(c)(6)**

**AGENCY:** Pension and Welfare Benefits Administration, Department of Labor.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This document contains a proposed rulemaking under the Employee Retirement Income Security Act of 1974 (ERISA) that would implement certain amendments to ERISA added as part of the Taxpayer Relief Act of 1997. Specifically, the proposed rule would implement the requirement that the administrator of any employee benefit plan subject to Part 1 of Title I of ERISA furnish to the Department, on request, any documents relating to the employee benefit plan. The proposed rule also would establish procedures relating to the assessment of civil penalties for failures or refusals by administrators to furnish requested documents and procedures relating to administrative hearings in connection with the assessment of such civil penalties.

**DATES:** Written comments concerning the proposed regulation must be received by October 4, 1999.

**ADDRESSES:** Written comments (preferably three copies) should be sent to the Office of Regulations and Interpretations, Pension and Welfare Benefits Administration, U.S. Department of Labor, Rm. N-5669, 200 Constitution Avenue, NW, Washington DC, 20210, Attention: "ERISA 502(c)(6) Project." All submissions will be available for public inspection in the Public Documents Room of the Pension and Welfare Benefits Administration, U.S. Department of Labor, Room N-5638, 200 Constitution Ave, NW, Washington, DC 20210.

**FOR FURTHER INFORMATION CONTACT:** Jeffrey J. Turner, Office of Regulations and Interpretations, Pension and Welfare Benefits Administration, (202) 219-8671, or Paul D. Mannina, Plan Benefits Security Division, Office of the Solicitor, (202) 219-9141 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:**

**Part I—Background**

The Taxpayer Relief Act of 1997 (TRA '97) eliminated the requirement under ERISA that employee benefit plan administrators file with the Department copies of the summary plan descriptions (SPDs) and summaries of material plan modifications (SMMs) that are required to be furnished to plan participants and beneficiaries. TRA '97 added paragraph (6) to section 104(a) of ERISA which provides that the administrator of any employee benefit plan subject to Part 1 of Title I of ERISA is required to furnish to the Department, on request, any documents relating to the employee benefit plan, including but not limited