maintain certain records each year for preparing the annual report or to be supplied to the plan sponsor to prepare the annual report. In addition, banks are highly regulated by state and federal law, and their books and records are subject to periodic examination by state and federal agencies. Because of the ERISA annual reporting requirements and the heavy state and federal regulation, the Department has assumed that the records required by this class exemption are the same records kept in the normal course of business by banks. Therefore, the burden of this exemption is minimal, and the Department has assigned one hour to it.

Total Burden Cost (capital/start-up): $0.00
Total Burden Cost (operating/maintenance): $0.00

Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval of the information collection request; they will also become a matter of public record.

Dated: November 26, 1996.
Gerald B. Lindrew,
Director, Pension and Welfare Benefits Administration, Office of Policy and Legislative Analysis.

FOR FURTHER INFORMATION CONTACT:
I. Background
Prohibited Transaction Class Exemption 90-1 provides an exemption from certain of ERISA's prohibited transaction provisions for transactions involving insurance company pooled separate accounts in which employee benefit plans participate. The general exemption allows persons who are parties in interest of a plan that invests in a pooled separate account to engage in transactions with the separate account if the plan's participation in the separate account does not exceed specified limits. In order to ensure that the exemption is not abused, that the rights of participants and beneficiaries are protected, and that compliance with the exemptions conditions are taking place, DOL has required that records regarding the exempted transactions be maintained for six years.

II. Current Actions
This existing collection of information should be continued because without the exemption, individuals or entities which are parties in interest of a plan that investment in insurance company pooled separate account would not be able to engage in transactions with the separate account creating a potential hardship to those affected. For the Department to grant an exemption, however, it needs to assure that the plan's participants and beneficiaries are protected. It, therefore, included certain conditions in the exemption, and required that records be kept for six years from the date of the transaction so that it can be determined whether these conditions have been followed. Without such records the Department and other interested parties, such as participants, would be unable to effectively enforce the terms of the exemption and insurer user compliance.

Type of Review: Extension
Agency: Pension and Welfare Benefits Administration
Title: Prohibited Transaction Class Exemption 90-1
OMB Number: 1210-0083
Affected Public: Business or other for-profit, Not-for-profit institutions, Individuals
Frequency: On occasion
Estimated Total Burden House: 1
Respondents, proposed frequency of response, and annual hour burden: Under ERISA regulation section 2520.103-9, insurance companies administering pooled separate accounts are required to maintain certain records each year for preparing the annual report or to be supplied to the plan sponsor to prepare the annual report. In addition, insurance companies are highly regulated by State law, and their books and records are subject to periodic examination by State agencies. Because of the ERISA annual reporting requirements and the heavy State regulation, the Department has assumed that the records required by this class exemption are the same records kept in the normal course of business by insurance companies. Therefore, the burden of this exemption is minimal, and the Department has assigned one hour to it.

Total Burden Cost (capital/start-up): $0.00
Total Burden Cost (operating/maintenance): $0.00

Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval of the information collection request; they will also become a matter of public record.

Dated: November 26, 1996.
Gerald B. Lindrew,
Director, Pension and Welfare Benefits Administration, Office of Policy and Legislative Analysis.

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