Correction of Publication

Accordingly, the final regulations (TD 9774), that are the subject of FR Doc. 2016–16149, is corrected as follows:

1. On page 44512, in the preamble, the first column, under the heading ''*7. Accounting Method Changes*'', the ninth line of the second full paragraph, the language ''Proc. 2016–39 (2016–30 IRB), which'' is corrected to read ''Proc. 2016–39 (2016–30 IRB 164), which''.

Martin V. Franks,

Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).

[FR Doc. 2016–22950 Filed 9–22–16; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[TD 9775]

RIN 1545–BN26

Requirement To Notify the IRS of Intent To Operate as a Section 501(c)(4) Organization; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final and temporary regulations; correction.

SUMMARY: This document contains a correction to final and temporary regulations (TD 9775) that were published in the **Federal Register** on July 12, 2016 (81 FR 45008). The final and temporary regulations are relating to the requirement, added by the Protecting Americans from Tax Hikes Act of 2015, that organizations must notify the IRS of their intent to operate under section 501(c)(4) of the Internal Revenue Code.

DATES: This correction is effective on *September 23, 2016* and applicable on July 12, 2016.

FOR FURTHER INFORMATION CONTACT: Chelsea Rubin at (202) 317–5800 (not a toll free number).

SUPPLEMENTARY INFORMATION:

Background

The final and temporary regulations (TD 9775) that are the subject of this correction are under section 501(c)(4) of the Internal Revenue Code.

Need for Correction

As published, the final and temporary regulations (TD 9775) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the final and temporary regulations (TD 9775), that are the subject of FR Doc. 2016–16338, is corrected as follows:

1. On page 45010, in the preamble, the first column, the tenth line of the second full paragraph, the language ''2016–41, 2016–30 IRB xxxx, which'' is corrected to read ''2016–41, 2016–30 IRB 165, which''.

2. On page 45010, in the preamble, the third column, under the paragraph heading ''*5. Separate Procedure by Which an Organization May Request an IRS Determination That It Qualifies for Section 501(c)(4) Exempt Status'',* the twenty-first line of the first full paragraph, the language ''prescribed in Revenue Procedure 2016–'' is corrected to read ''prescribed in Rev. Proc. 2016–''.

Martin V. Franks,

Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel, (Procedure and Administration).

[FR Doc. 2016–22939 Filed 9–22–16; 8:45 am]

BILLING CODE 4830–01–P

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4007

RIN 1212–AB32

Payment of Premiums; Late Payment Penalty Relief

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: The Pension Benefit Guaranty Corporation (PBGC) is lowering the rates of penalty charged for late payment of premiums by all plans, and providing a waiver of most of the penalty for plans with a demonstrated commitment to premium compliance.

DATES: *Effective date:* This rule is effective on October 24, 2016.

Applicability date: The changes made by this rule apply to late premium payments for plan years beginning after 2015.

FOR FURTHER INFORMATION CONTACT: Deborah C. Murphy, Assistant General Counsel for Regulatory Affairs (*murphy.deborah@pbgc.gov*), Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington DC 20005–4026; 202–326–4400 extension 3451. (TTY and TDD users may call the Federal relay service toll-free at 800–877–8339 and ask to be connected to 202–326–4400 extension 3451.)

SUPPLEMENTARY INFORMATION:

Executive Summary

Purpose of the Regulatory Action

This final rule is needed to reduce the financial burden of PBGC's late premium penalties. The rulemaking reduces penalty rates for all plans and waives most of the penalty for plans that meet a standard for good compliance with premium requirements.

PBGC's legal authority for this action comes from section 4002(b)(3) of the Employee Retirement Income Security Act of 1974 (ERISA), which authorizes PBGC to issue regulations to carry out the purposes of title IV of ERISA, and section 4007 of ERISA, which gives PBGC authority to assess late payment penalties.

Major Provisions of the Regulatory Action

The penalty for late payment of a premium is a percentage of the amount paid late multiplied by the number of full or partial months the amount is late, subject to a floor of $25 (or the amount of premium paid late, if less). There are two levels of penalty, which heretofore have been 1 percent per month (with a 50 percent cap) and 5 percent per month (capped at 100 percent). The lower rate applies to ''self-correction''—that is, where the premium underpayment is corrected before PBGC gives notice that there is or may be an underpayment. This final rule cuts the rates and caps in half (to ½ percent with a 25 percent cap and 2½ percent with a 50 percent cap, respectively) and eliminates the floor.

The rulemaking also creates a new penalty waiver that applies to underpayments by plans with good compliance histories if corrected promptly after notice from PBGC. PBGC will waive 80 percent of the penalty assessed for such a plan.

Background

PBGC administers the pension plan termination insurance program under title IV of the Employee Retirement Income Security Act of 1974 (ERISA). Under ERISA sections 4006 and 4007, plans covered by title IV must pay premiums to PBGC. PBGC's premium regulations—on Premium Rates (29 CFR part 4006) and on Payment of Premiums (29 CFR part 4007)—implement ERISA sections 4006 and 4007.

ERISA section 4007(b)(1) provides that if a premium is not paid when due, PBGC is authorized to assess a penalty up to 100 percent of the overdue amount. The statute does not condition exercise of this authority on a finding of