Resources Division, and should refer to *United States and State of Washington* v. *City of Seattle,* D.J. Ref. No. 90–5–1–1–10066. All comments must be submitted no later than thirty (30) days after the publication date of this notice. Comments may be submitted either by email or by mail:

To submit comments:	Send them to:
By email	pubcomment-ees.enrd@usdoj.gov.
By mail	Assistant Attorney General, U.S. DOJ–ENRD, P.O. Box 7611, Washington, DC 20044–7611.

Any comments submitted in writing may be filed by the United States in whole or in part on the public court docket without notice to the commenter.

During the public comment period, the modification may be examined and downloaded at this Justice Department website: *https://www.justice.gov/enrd/consent-decrees.* If you require assistance accessing the modification, you may request assistance by email or by mail to the addresses provided above for submitting comments.

Kathryn C. Macdonald,

Assistant Section Chief, Environmental Enforcement Section, Environment and Natural Resources Division.

[FR Doc. 2024–27172 Filed 11–20–24; 8:45 am]

BILLING CODE 4410–15–P

DEPARTMENT OF LABOR

Employee Benefits Security Administration

[Exemption Application No. L–12066]

Proposed Exemption from Certain Prohibited Transaction Restrictions Involving Meta Platforms, Inc. Located in Menlo Park, CA

AGENCY: Employee Benefits Security Administration, Labor.

ACTION: Notice of proposed exemption.

SUMMARY: This document provides notice of the pendency before the Department of Labor (the Department) of a proposed individual exemption from certain of the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (ERISA or the Act). If the proposed exemption is granted, the Meta Platforms Inc. Health and Welfare Benefit Plan (the Plan) would enter into an insurance contract with Prudential Life Insurance Company of America (Prudential). The contract would cover the Plan's group term life insurance benefits, accidental death and dismemberment benefits, and survivor income benefits (the Covered Insurance). Prudential would then reinsure the Covered Insurance by entering into a reinsurance contract with Ekahi Insurance Company, LLC (Ekahi), an insurance company that is owned by Meta Platforms, Inc. (Meta). Importantly, at all times and in all events, Prudential would remain fully and completely responsible to the Plan with respect to the Covered Insurance, regardless of whether Ekahi met its obligations to Prudential.

DATES: *Applicability date:* If granted, this proposed exemption will be in effect for the period beginning on the date of publication in the **Federal Register**.

Comments due: Written comments and requests for a public hearing on the proposed exemption should be submitted to the Department by January 21, 2025.

ADDRESSES: All written comments and requests for a hearing should be sent to the Employee Benefits Security Administration (EBSA), Office of Exemption Determinations, Attention: Application No. L–12066, via email to *e-OED@dol.gov* or online through *https://www.regulations.gov.* Any such comments or requests should be sent by the end of the scheduled comment period. The application for exemption and the comments received will be available for public inspection in the Public Disclosure Room of the Employee Benefits Security Administration, U.S. Department of Labor, Room N–1515, 200 Constitution Avenue NW, Washington, DC 20210 ((202) 693–8673). See **SUPPLEMENTARY INFORMATION** below for additional information regarding comments.

FOR FURTHER INFORMATION CONTACT: Nicholas Schroth of the Department at (202) 693–8571. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION:

Comments

1. Persons are encouraged to submit all comments electronically and not to follow with paper copies. Comments should state the nature of the person's interest in the proposed exemption and the manner in which the person would be adversely affected by the exemption, if granted. Any person who may be adversely affected by an exemption can request that the Department holds a hearing on the exemption. A request for a hearing must state: (1) the name, address, telephone number, and email address of the person making the request; (2) the nature of the person's interest in the exemption and the manner in which the person would be adversely affected by the exemption; and (3) a statement of the issues to be addressed and a general description of the evidence to be presented at the hearing. The Department will grant a request for a hearing made in accordance with the requirements above where a hearing is necessary to fully explore material factual issues identified by the person requesting the hearing. A notice of such hearing shall be published by the Department in the **Federal Register**. The Department may decline to hold a hearing if: (1) the request for the hearing does not meet the requirements above; (2) the only issues identified for exploration at the hearing are matters of law; or (3) the factual issues identified can be fully explored through the submission of evidence in written (including electronic) form.

2. *WARNING:* All comments received will be included in the public record without change and may be made available online at *https://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, EBSA recommends that you include your name and other contact information in the body of your comment, but DO NOT submit information that you consider to be confidential, or otherwise protected (such as a 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 *https://www.regulations.gov* website is an ''anonymous access'' system, which means EBSA will not know your identity or contact information unless you provide it in the body of your comment. If you send an email directly to EBSA without going through *https://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 Department is considering granting an exemption under the authority of section 408(a) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and in accordance with the procedures set forth in 29 CFR part 2570, subpart B (75 FR 66637, 66644, October 27, 2011).[1] As described in more detail below, the proposed exemption would allow the Meta Platforms Inc. Health and Welfare Benefit Plan (the Plan), which is sponsored by Meta Platforms, Inc. (Meta) to enter into an insurance contract with Prudential Life Insurance Company of America, an unrelated A-rated insurance company (hereafter referred to as Prudential or the Fronting Insurer). Contemporaneously, the Fronting Insurer would enter into a reinsurance contract (collectively, the Reinsurance Arrangement), with Ekahi Insurance Company, LLC (Ekahi), a captive insurer that is owned by Meta.

Under the Reinsurance Arrangement, Ekahi would reinsure the Plan's risks related to providing group term life insurance benefits, accidental death and dismemberment (AD&D) benefits, and survivor income benefits. Importantly, the Fronting Insurer (or any successor fronting insurer) would remain fully responsible for these risks in the event that Ekahi does not fulfill its contractual obligations to the Fronting Insurer.

Meta Platforms, Inc. (Meta), through its ownership of Ekahi, is expected to receive a benefit from the Reinsurance Arrangement. To ensure that most of the financial benefits from the arrangement are passed through to the Plan and its participants and beneficiaries, this proposed exemption would require Meta to fund certain new Plan benefit enhancements. Specifically, the financial benefit that Ekahi or a related party (including Meta) receives directly or indirectly from the Reinsurance Arrangement must be less than the value of the enhanced financial benefits to the Plan and its participants and beneficiaries. Accordingly, for every dollar of financial benefits that the Reinsurance Arrangement is expected to generate, the Plan, its participants and beneficiaries must receive at least 51 cents on the dollar and, Ekahi and related parties may not receive more than 49 cents. Furthermore, Ekahi and related parties may not offset the enhanced financial benefits, directly or indirectly, by reducing other plan benefits or other compensation to the Plan's participants or beneficiaries.

This proposed exemption also would require Meta to delegate fiduciary oversight of the Reinsurance Arrangement to a qualified fiduciary that is independent of Meta and its affiliates (the Independent Fiduciary). The Independent Fiduciary would be required to approve the Reinsurance Arrangement in advance, ensure that the Reinsurance Arrangement is in the interest and protective of the Plan and its participants and beneficiaries at all times, submit annual and five-year ''look-back'' reports to the Department, and ensure that all of exemption's conditions are met.[2]

Summary of Facts and Representations [3]

The Parties

1. *Meta.* Meta is a multinational technology company headquartered in Melo Park, California.

2. *The Plan.* The Plan is sponsored by Meta and provides health, dental, vision, temporary disability insurance for accidents and sickness, prepaid legal services, long-term disability, death benefits, basic employee term life coverage, basic AD&D coverage, employee survivor benefits life coverage, supplemental employee term coverage, dependent term life insurance (spouse or domestic partner), and dependent term life insurance (children). As of December 31, 2020, the Plan covered more than 45,714 participants.

3. *Prudential Life Insurance Company of America.* The Plan's benefits are insured by Prudential Life Insurance Company of America, which received an ''A+'' financial strength rating from A. M. Best Company (A. M. Best) as of December 15, 2022. Prudential is unrelated to Meta and, per the conditions of the exemption, must remain so throughout the duration of the Reinsurance Arrangement.

4. *Honu.* Honu Insurance Company, LLC (Honu) was organized on December 1, 2020, as a wholly-owned subsidiary of Meta. On December 22, 2020, the State of Hawaii Department of Commerce and Consumer Affairs' Insurance Division Hawaii (hereafter referred to as Hawaii) issued Honu a certificate of authority to transact business as a pure captive insurance company. Under Hawaii state law, a pure captive insurance company is a captive insurance company that only insures or reinsures risks of its parent and affiliated entities or of a controlled unaffiliated business.[4] On May 10, 2022, Hawaii approved Honu's conversion from a pure captive insurance company to a sponsor captive insurance company and allowed the establishment of a protected cell, called Ekahi Insurance Company, LLC, to operate as a cell company sponsored by Honu.[5] In turn, Hawaii state law generally provides that a sponsor captive insurance company is a captive insurance company if: (1) its minimum required capital and surplus is provided by one or more sponsors; (2) it is formed or licensed under Hawaii state law; (3) it insures the risks only of its participants through separate participant contracts; and (4) it may fund its liability to each participant through one or more protected cells.[6]

5. *Ekahi.* Ekahi Insurance Company, LLC (Ekahi) is a wholly-owned subsidiary of Meta. Presently, Ekahi reinsures employee benefits for Meta's international benefit plans, and Meta intends to expand its global benefits program by using Ekahi as its reinsurer for its domestic benefits as well. The Applicant states that, as a protected cell of a captive insurance company, Ekahi is a separate juridical entity (*e.g.,* a corporation or an LLC) formed under the captive insurance company laws of a state and has no responsibility for the liabilities of other cells that may be formed within such captive insurance company. The juridical entity formed as a cell has all of the characteristics of any such entity, *e.g.,* in the case of a corporate cell it has articles of incorporation.

The Reinsurance Arrangement

6. Meta intends to utilize Ekahi to reinsure the following Plan benefits: basic employee term life coverage, basic accidental death and dismemberment coverage, employee survivor benefits coverage, supplemental employee term coverage, dependent term life insurance (spouse or domestic partner), dependent term life insurance (children)

[1] This proposed exemption does not provide relief from the requirements of, or specific sections of, any law not noted above. Accordingly, the Applicant is responsible for ensuring compliance with any other laws applicable to the transactions described herein.

[2] The Department notes that the Independent Fiduciary's annual written report is essential to the Department's tentative finding that the exemption will be in the interest and protective of the Plan and its participants and beneficiaries. The Independent Fiduciary must clearly, prudently and loyally determine whether Meta and its affiliates have complied with each term and condition of the exemption and include its finding in the report. The relief provided in the exemption is conditioned upon the independent fiduciary's compliance with this requirement.

[3] The Department notes that availability of the exemption is subject to the express condition that the material facts and representations contained in application L–12066 are true and complete, and accurately describe all material terms of the transactions covered by the exemption. If there is any material change in a transaction covered by the exemption, or in a material fact or representation described in the application, the exemption will cease to apply as of the date of such change.

[4] Hawaii state law 19 section 431:19–101.

[5] The Applicant represents that the use of an incorporated protected cell to conduct reinsurance operations as described herein has no effect on the parties' adherence to the conditions for exemptive relief.

[6] Hawaii state law 19 section 431:19–101.

(hereinafter collectively referred to as the Reinsured Benefits).

7. The Reinsurance Arrangement would be structured as follows: (a) the Plan would enter into an insurance arrangement with Prudential to insure the Plan's risks; and (b) Prudential would enter into a reinsurance agreement with Ekahi in reliance on Honu's license, whereby Ekahi would reinsure 100 percent of the Plan's risks relating to the Reinsured Benefits.

8. In general terms, the Plan would make premium payments to Prudential, and Prudential would make corresponding payments to Ekahi in an amount less than the premiums it is paid by the Plan. The amount that Prudential retains from the Plan's premium payment is a negotiated fee, while the amounts Prudential pays to Ekahi is Ekahi's premium for reinsuring the Plan's risks. The reinsurance agreement between Prudential and Ekahi would be ''indemnity only,'' which means that Prudential would maintain the responsibility to pay benefit claims to participants and beneficiaries in the event Ekahi does not satisfy any of its contractual obligations to Prudential under the Reinsurance Arrangement for any reason.

9. In this Reinsurance Arrangement, Prudential is known as the ''Fronting Insurer,'' and Ekahi is known as the ''Captive Insurer.'' Administration of the claims under the Plan will be performed directly by Prudential as the direct insurer of the Plan, and Prudential will remain directly liable to the participants for administration and payment of claims under the Plan. Prudential would pay all claims under its insurance contract with the Plan and seek reimbursement for its proportionate share of claims payments from Ekahi under the Reinsurance Arrangement. Ekahi would be bound by Prudential's claims handling decisions under the Plan and not have direct contact with participants, make direct payments to participants, or have responsibility for the benefit determinations. Under the terms of the Reinsurance Arrangement, Ekahi's reinsurance obligations to Prudential would be secured with collateral (*i.e.* a letter of credit or funds in a trust account), but Prudential would assume ultimate financial liability for payment of the Plan's benefit claims in the event Ekahi is unable to satisfy its obligations to Prudential.

Benefit to Meta

10. The Applicant states that Ekahi (and Meta indirectly) expects to receive a $5,775,000 total benefit in the first year of the Reinsurance Arrangement.[7] The Department is basing the issuance of this proposed exemption based on the premise that this $5,775,000 amount would reflect the entire direct and indirect benefit (including non-net income direct or indirect benefits) that is expected to be generated from the Reinsurance Arrangement. The total benefit may increase or decrease from year to year, and will reflect a number of factors, including the amount of claims incurred, reserves set aside for claims, expenses, taxes, etc. but the total net benefit would not include expenses for the enhanced benefits or other payments required to be made by Meta to or on behalf of participants under the exemption.

This proposed exemption would require the qualified independent fiduciary to review the Reinsurance Arrangement, and to confirm and quantify all the benefits generated from the Reinsurance Arrangement, such as a benefit from a further diversification of Ekahi's risks or tax benefit from the reinsurance of corporate risks through a captive reinsurance company. Under the terms of the exemption, for every dollar of net financial benefits that the Reinsurance Arrangement is expected to generate, the Plan and its participants and beneficiaries must receive at least 51 cents on the dollar and, Ekahi and related parties must not receive more than 49 cents.

Department's Note: The Department developed this proposed exemption based on the Applicant's representation that Meta, and all related parties directly and indirectly related to Meta are not expected to receive any benefit from the Reinsurance Arrangement other than the benefit described herein (which must be offset in the manner discussed below), which must be verified annually by an Independent Fiduciary. If Meta or a related party directly or indirectly receive any other benefit from the captive reinsurance arrangement, the benefit must be quantified by the Independent Fiduciary and included in the Primary Benefit Test described below.[8] Consistent with this condition, the proposed exemption would expressly prohibit Meta (or a related entity) from, among other things: (1) using any participant-related data or information that is generated by (or derived from) the Reinsurance Arrangement in any manner that benefits Meta or a related entity; or (2) transferring any portion of Ekahi's reserves that is attributable to Plan participants' portion of the Reinsured Benefits premiums to Meta or to a related entity.

Benefit to the Plan

11. Under the proposed exemption, Meta would be required to satisfy the ''Primary Benefit Test'' as a condition for exemptive relief. In other words, for every dollar of net financial benefits that the Reinsurance Arrangement is expected to generate for Meta and its related parties, the Plan, its participants and beneficiaries must receive at least 51 cents on the dollar, and Meta and related parties may not receive more than 49 cents. As described above, in the initial year of this proposed transaction, Ekahi is estimated to realize a benefit (after taxes) increase of $5,775,000. At the same time, according to the Applicant, Meta would provide an immediate and objectively determined estimated benefit in the form of enhanced benefits to Plan participants in the amount of $3,854,000.[9] In other words, 66.7% of the $5,775,000 benefit received by Meta will be passed on to Plan participants in the form of benefit enhancements worth $3,854,000. As discussed in further detail below, Meta must pay all costs associated with providing the benefit enhancements. The cost for providing the benefit enhancements cannot be factored into the Primary Benefit Test.

Department's Note: Both the benefit and the cost to Meta from the Reinsurance Arrangement are based on projections. Therefore, the exemption would require the Independent Fiduciary to look back over successive five-year periods to determine whether the Primary Benefit Test has been met based on actual results. If the Independent Fiduciary finds that the

[7] Meta represents, based on information from Milliman and Willis Towers Watson, that Ekahi's projected net premiums in the first year from the Reinsurance Arrangement will be $33.5 million from the Fronting Insurer and $0 in investment income. Meta further represents that Ekahi's projected expenses from the Reinsurance Arrangement in the first year will be $22.3 million in claims incurred, $3.8 million in underwriting expenses, $200,000 in general and administrative expenses, and $1.5 million in taxes. Resulting in a first-year projected benefit of approximately $5.7 million to Ekahi.

[8] This includes any benefit to Meta or a related party arising from a further diversification of Ekahi's risks in connection with the addition of the Plan's employee benefit insurable risks to Ekahi's other insurable risks, or arising from an additional tax benefit, for example, due to a change in circumstances or law permitting a deduction for Meta's reinsurance of its own corporate risks through Ekahi.

[9] The Department retains the right to propose a revocation or amendment to the exemption if it is unable to confirm the reliability of the underlying financial data supporting the Independent Fiduciary's ''look-back'' findings. The Department notes that its failure to revoke an exemption is not an endorsement or conclusion that the conditions of the exemption are met.

Primary Benefit Test has not been met during a prior five-year period, Meta must immediately implement a prospective reduction to the participants' portion of the Plan premiums in an amount that is sufficient to make up for the shortfall. The reduction in participants' premiums should be allocated equally across all Plan participant contributions toward premiums for Plan benefits, regardless of whether the respective benefits were reinsured by Ekahi. The amount of the prospective reduction would be required to include an additional payment of interest on the shortfall, at the Code's federal underpayment rate set forth in Code section 6621(b). Further, Meta would be prohibited from reducing any benefits provided to Plan participants and beneficiaries in connection with its implementation of the captive reinsurance arrangement. Finally, if the Plan's total annual participant premiums for all Plan benefits are insufficient to make up the shortfall, Meta would be required to make up the remaining shortfall by increasing the value of enhanced benefits to all participants in a monetary value equal to the remaining shortfall. These additional enhanced benefits would be valued by an actuary and approved in writing by the Independent Fiduciary.

Description of Plan Benefit Enhancements

12. In order to satisfy the Primary Benefit Test, Meta would be required to fund the following Plan benefit enhancements (Benefit Enhancements):

a. *Removal of Age Reduction Clause Enhancement.* The Applicant represents that currently basic life insurance, optional employee term life coverage, optional dependents term life coverage, and AD&D benefits have an age reduction schedule that reduces a participant or beneficiary's benefit based on the age of the participant. Under this schedule, the amount of the participant or beneficiary's life insurance coverage is reduced from 100% to 65% when the participant reaches the age of 65 and is further reduced from 65% to 50% when the participant reaches the age of 70.

The proposed exemption would require the removal of the age reduction clause for the Plan's basic life insurance benefits, optional life insurance coverages and AD&D benefits at no additional cost. Under the Removal of age reduction clause enhancement, the insured would no longer incur reductions to the policy's insurance amount when they reach the ages of 65 and 70.

b. *Enhanced Basic Life Insurance Benefit.* The Plan's current basic employee term life insurance benefit contains an accelerated benefit option for qualified terminal illnesses. This option allows the payout to the participant of 90% of the amount of life insurance coverage on the participant's life up to $500,000 before the insured's death.[10] If the participant is also enrolled in supplemental employee term coverage and the accelerated payment from the basic life insurance did not amount to at least $500,000, 90% of the amount of the supplemental employee term coverage would be accelerated until both the basic life insurance and the supplemental life insurance accumulated to $500,000.[11] Under this proposed exemption, the Enhanced Basic Life Insurance Benefit would increase the accelerated insurance payout from 90% to 100% of the total amount of coverage up to $1,000,000. If the participant is also enrolled in supplemental employee term coverage and the accelerated payment from the basic life insurance did not amount to at least $1,000,000, 100% of the supplemental employee term coverage would be accelerated until both the basic life insurance and the supplemental life insurance accumulated to $1,000,000.

c. *Enhanced Basic Life Insurance Benefit Portability.* Currently, the Plan also does not have a portability option for its basic life insurance benefit. Under the proposed exemption, the Plan would provide an enhanced benefit to basic life insurance that adds a portability option to participants. This portability option would allow participants to retain coverage without regard to their medical conditions when they leave Meta's employment. Terminated participants would be required to pay premiums for coverage, and the premium rates may be higher for coverage than the employer's current premium rate.[12]

d. *The Enhanced Accidental Death & Dismemberment Benefit Portability (AD&D).* The Plan offers Accidental Death & Dismemberment benefits to participants. Currently, this benefit ends when a participant's employment with Meta ends. If the exemption is granted, Meta will provide a portability enhancement that allows participants to retain coverage without regard to their medical conditions after their employment with Meta ends. Terminated participants would be required to pay premiums for coverage, and the premium rates may be higher for coverage than the employer's current premium rate.[13]

e. *The Enhanced AD&D Benefit Waiver of Premium.* Currently, AD&D coverage does not include a waiver of premium option which grants a waiver of AD&D premiums for death benefits until the age of 65 for qualifying disabled participants that no longer work for Meta. If the exemption is granted, the Plan benefit would be enhanced by allowing former employee participants a cessation of premium payments and a continuation of death benefit coverage for one year, which may be renewed on an annual basis up to age 65 if the disabled individual is determined to continue to be Totally Disabled (as defined in the Plan).

f. *The Enhanced AD&D Benefit Bereavement Counseling.* Currently, the Plan's AD&D benefits do not include bereavement and trauma counselling. If the exemption is granted, the Plan would pay 100% of the cost for 52 sessions of bereavement and trauma counselling relating to AD&D claims up to $150 per session that are held within a year of the loss.

g. *The Enhanced AD&D Benefit Tuition Payments.* Currently, the Plan's AD&D benefits do not include benefits related to paying a dependent child's tuition upon the death of the participant. If the exemption is granted, the Plan would pay an annual amount equal to the lesser of (1) the actual annual amount of the dependent child's tuition (exclusive of room and board); (2) 10% of the participant's AD&D death benefit,[14] or (3) $25,000. This benefit would be payable annually for up to 4 consecutive years, but not beyond the date the child reaches age 26.

h. *The Enhanced AD&D Benefit Childcare Payments.* Currently, the Plan's AD&D benefits do not include benefits related to paying for the childcare expenses of a deceased participant. If the exemption is granted, the Plan would pay childcare expenses for qualifying dependent children of a

[10] Under the Plan, the participant's basic life insurance benefit is equal to 300% of their annual earnings (as defined in the Plan) up to a maximum of $2,000,000.

[11] Under the Plan, a participant may enroll in supplemental life insurance coverage in an amount equal to 100% to 800% of their annual earnings (as defined in the Plan) up to a maximum of $2,500,000.

[12] According to the Applicant, evidence of insurability is not required for an individual to become insured under the portability option. However, if the individual submits such evidence and Prudential decides the evidence is satisfactory, the individual will pay lower premium rates.

[13] As with the above, the Applicant states that, if the individual submits acceptable evidence of insurability, the individual will pay lower premium rates.

[14] The Plan's AD&D death benefit is equal to 100% of a participant's basic life insurance benefit.

qualifying deceased participant in an annual amount equal to the lesser of: (1) the actual cost charged by the relevant Child Care Center [15] per year, (2) 10% of the deceased participant's AD&D death benefit, or (3) $24,000. This benefit is payable annually for a maximum of four consecutive years, but not beyond the date the child reaches age 13. If there is no dependent child eligible for this benefit, a benefit of $1,000 would be paid.

i. *Enhanced AD&D Benefit Funeral Reimbursement.* Currently, the Plan's AD&D benefits do not provide a funeral expense reimbursement to beneficiaries with AD&D claims. If the exemption is granted, the Plan would pay for funeral expenses in an amount equal to the lesser of: (1) the actual amount of the Funeral Expenses, (2) 10% of the amount of the deceased participant's AD&D death benefit, or (3) $20,000.

j. *Enhanced AD&D Benefit Rehabilitation Payments.* Currently, the Plan's AD&D benefits do not include benefits relating to monthly rehabilitation payments. If the exemption is granted, the Plan would make a monthly payment equal to the lesser of (1) 5% of the amount of the participant's relevant AD&D benefit [16] and (2) $500 for rehabilitation expenses for a maximum of 12 consecutive months.

k. *Enhanced AD&D Benefit Supplemental Mortgage Payment.* Currently, the Plan's AD&D benefits provide a $1,000 supplemental monthly mortgage payment to the spouse or domestic partner of a deceased participant for up to 12 consecutive months. The benefit is paid until the first of the following events occur: (1) the spouse or domestic partner dies; (2) the mortgage is paid in full; (3) the house subject to the mortgage is sold; or (4) the benefit has been paid for12 consecutive months. If the exemption is granted, the Plan would increase this benefit from $1,000 per month to $2,000 per month.

l. *Enhanced Survivor Income Benefit.* Currently, the Plan offers a monthly survivor income benefit to an employee's spouse or domestic partner equal to 50% of the participant's monthly earnings up to a maximum of $12,500 per month. The benefit is paid continuously until the earlier of (1) 10 years from date of the insured's death, (2) the spouse or domestic partner's attainment of age 67, or (3) the spouse or domestic partner's death, but in any event it is to be provided for a minimum of at least 3 years. If the exemption is granted, the survivor income benefit would be increased to 60% of the employee's monthly earnings for a monthly maximum of $15,000.

m. *Enhanced Benefits Education Program.* Currently, the Plan does not offer a benefits education program. If the exemption is granted, the Plan would provide a benefits education program offering the following benefits Life@ Benefits concierge services for Plan benefits and well-being resources.

- EstateGuidance—estate planning concierge services.
- ComPsych—funeral concierge services.
- GuidanceResources—employee assistance program (EAP) services, financial information resources, legal resources, and online informational resources.
- International Medical Group Travel Assistance Services—travel support services, *e.g.,* medical assistance, emergency medical transport, and security services.

ERISA Analysis and Request for Relief

13. The Applicant requests an exemption from ERISA sections 406(a) and 406(b) with respect to the Reinsurance Arrangement. In this regard, Meta is a party in interest with respect to the Plan pursuant to ERISA section 3(14)(C), because it is an employer whose employees are covered by the Plan. In addition, the captive reinsurer, Ekahi, is a party in interest with respect to the Plan pursuant to ERISA section 3(14)(G) because it is wholly owned by Meta.

14. ERISA section 406(a) prohibits a wide variety of transactions between plans and parties in interest. For example, ERISA section 406(a)(1)(D) prohibits a plan fiduciary from causing a plan to engage in a transaction if it knows or should know that such transaction constitutes a direct or indirect transfer to or use by or for the benefit of a party in interest, of the assets of the plan. The Reinsurance Arrangement would violate ERISA section 406(a)(1)(D), because the Fronting Insurer's payment of premiums to the Captive would constitute the indirect transfer of Plan assets to Ekahi, a party in interest with respect to the Plan.

15. ERISA section 406(b)(1) prohibits a fiduciary from dealing with plan assets in its own interest or for its own account, and ERISA section 406(b)(3) prohibits a fiduciary from receiving any consideration for the fiduciary's personal account from any party dealing with the plan in connection with a transaction involving the plan. The Reinsurance Arrangement would violate ERISA sections 406(b)(1) and 406(b)(3), because the plan fiduciary would cause Plan premiums to be paid to Prudential with knowledge that Ekahi, an entity owned 100% by Meta, would ultimately receive compensation as a result.[17]

16. Therefore, subject to the parties' adherence to the conditions described herein, the Department is proposing an exemption from ERISA sections 406(a)(1)(D) and 406(b)(1) and (3) for (a) the reinsurance of risks; and (b) the receipt of premiums, by Ekahi, in connection with insurance contracts sold by Prudential (or any successor fronting insurer) to the Plan in order to provide basic life insurance benefits, AD&D benefits, and survivor income benefits to Plan participants and beneficiaries.

The Independent Fiduciary

17. Kathleen Ely, FSA, MAAA, a Consulting Actuary with Milliman of Windsor, Connecticut will serve as the Plan's qualified independent fiduciary (the Independent Fiduciary or Milliman) with respect to the Reinsurance Arrangement. Ms. Ely represents that she and Milliman are independent of all parties associated with the Reinsurance Arrangement, including Meta, Ekahi, and the Plan. In this regard, Ms. Ely represents that she and Milliman do not have: (a) an interest in any party involved in the Reinsurance Arrangement; (b) an ownership interest in Meta, Ekahi, or Prudential (nor are they directly or indirectly, controlled by, or under common control with them); and (c) any economic stake or financial interest that

[15] As defined in the Plan's policy.

[16] An individual's AD&D benefit under the Plan is equal to a percentage of a participant's basic life insurance benefit that depends on the particular loss or injury. For example, in the event of a participant's loss of sight in one eye, they would receive 50% of their basic life insurance benefit.

[17] The Department notes that, pursuant to section 406(b) of ERISA ''a fiduciary may not use the authority, control, or responsibility which makes such person a fiduciary to cause a plan to pay an additional fee to such fiduciary (or to a person in which such fiduciary has an interest which may affect the exercise of such fiduciary's best judgment as a fiduciary) to provide a service. Nor may a fiduciary use such authority, control, or responsibility to cause a plan to enter into a transaction involving plan assets whereby such fiduciary (or a person in which such fiduciary has an interest which may affect the exercise of such fiduciary's best judgment as a fiduciary) will receive consideration from a third party in connection with such transaction. A person in which a fiduciary has an interest which may affect the exercise of such fiduciary's best judgment as a fiduciary includes, for example, a person who is a party in interest by reason of a relationship to such fiduciary described in section 3(14)(E), (F), (G), (H), or (I).'' DOL Regulation 29 CFR 2550.408b-2. Ekahi, a party in interest by reason of a relationship to Meta described in section 3(14)(G) of ERISA, is an entity in which Meta has an interest that may affect the exercise of Meta's best judgment as a fiduciary of the Plan.

is contingent upon the implementation of the Reinsurance Arrangement.

18. Milliman represents that its only financial interest related to the Reinsurance Arrangement is in the express fees paid for their work as an Independent Fiduciary. Ms. Ely represents that Milliman's gross income received from Meta, Honu, Ekahi, Prudential, and the Plan is less than 0.1 percent of Milliman's gross annual income from all sources.[18] As a condition of the exemption, neither Ms. Ely nor Milliman may enter into any agreement or instrument that violates ERISA section 410 or section 2509.75–4 of the Department's regulations.[19] Furthermore, the exemption would prohibit the Independent Fiduciary from entering into any agreement, arrangement, or understanding that includes any provision that provides for the direct, or indirect, indemnification or reimbursement of the Independent Fiduciary by the Plan or other party for any failure to adhere to its contractual obligations or to state or Federal laws applicable to the Independent Fiduciary's work; or waives any rights, claims, or remedies of the Plan under ERISA, state, or Federal law against the Independent Fiduciary with respect to the transaction(s) that are the subject of the exemption. Any successor Independent Fiduciary appointed to represent the interests of the Plan with respect to the subject transaction must also comply with the independence requirements specified herein, and no time may elapse between the resignation or termination of the former Independent Fiduciary and the appointment of the successor Independent Fiduciary.

19. The conditions for the exemption require the Independent Fiduciary to evaluate, monitor, and confirm whether or not the terms and conditions of the exemption have been satisfied. As required by the conditions for the exemption, Milliman represents that it has, among other things, in full accordance with its prudence and loyalty obligations under ERISA sections 404(a)(1)(A) and (B), reviewed a draft of Meta's application for an exemption that was submitted to the Department and conducted extensive diligence reviews to determine that the conditions of the proposed exemption would be met. Milliman concluded that, based on its review of all relevant documents and evidence, all of the exemption's terms and conditions can reasonably be expected to be met consistent with the terms of this proposed exemption.

Department's Note. If the Department grants an exemption, Milliman's findings would not be current as of the exemption's effective date. Therefore, as a condition of the exemption, Milliman must engage in another analysis of the proposed transactions in full accordance with ERISA Section 404(a)(1)(A) and (B). As part of this analysis, Milliman must review the terms of the exemption and verify that it has concluded, based on its review of all of the relevant documents and evidence, that all of the exemption's terms and conditions have been met (or, due to timing requirements, can reasonably expected to be met consistent with the time requirements set forth in this proposed exemption)). Milliman must document the basis for its conclusions in a written report submitted to the Department's Office of Exemption Determinations at least 30 days before the Plan engages in the reinsurance arrangement. The report must include copies of all documents and evidence Milliman relied on when conducting its review.

20. For the duration of the Reinsurance Arrangement, the Independent Fiduciary must: (a) monitor, enforce and ensure compliance with all conditions of the exemption, including all conditions and obligations imposed on any party dealing with the Plan, throughout the period during which Ekahi's assets are directly or indirectly used in connection with a transaction covered by the exemption; (b) report any instance of non-compliance immediately to the Department's Office of Exemption Determinations; (c) monitor the transactions covered by the exemption on a continuing basis, to ensure the transactions remain in the interest of the Plan; (d) determine that the Reinsurance Transaction is in no way detrimental to the Plan and its participants and beneficiaries; and (e) take all appropriate actions to safeguard the interests of the Plan and its participants and beneficiaries. Milliman must also review all contracts and agreements (and any renewal of such contracts) relevant to the captive reinsurance arrangement and exemption.

21. Additionally, Milliman must file annual certified reports with the Department, under penalty of perjury, confirming that all of the terms and conditions of the exemption have been met (including that Meta has not reduced or offset any participant benefits in relation to its implementation and maintenance of the Reinsurance Arrangement) and explaining the bases for that conclusion.

22. In order to verify that Meta has adhered to the conditions for relief, Milliman must have access to all relevant documents and evidence. In the Department's view this may include (but is not limited to) the captive insurance company's financial statements, filings with regulators, reports and opinions of actuaries, reports describing utilization of insurance coverages, and any other items showing premiums, claims, reserves, and other relevant materials which in Milliman's opinion is necessary to validate Meta's adherence to the conditions for relief. Milliman must use this information to determine ongoing savings and any other benefits to the Applicants that result from the reinsurance transaction. In addition, Milliman must: (1) review all contracts (and any renewal of such contracts) of the reinsurance of risks and the receipt of premiums therefrom by Ekahi and determine that the requirements of the exemption continue to be satisfied; (2) quantify (in dollars) all benefits that Meta and its related parties receive from the proposed captive reinsurance arrangement; and (3) ensure that the Plan's participants receive an additional benefit, at Meta's expense, of an amount, and in the manner, required under the terms of the exemption.

23. *Independent Fiduciary Analysis.* Ms. Ely (the Independent Fiduciary), provided the Department with two independent fiduciary reports, dated November 17, 2021, and June 21, 2023, and two letters, dated September 15, 2022, and December 9, 2022 (collectively, the Milliman Reports). The Milliman Reports state that Ms. Ely reviewed the following documents: (a) a draft application to the Department requesting exemptive relief;[20] (b) group

[18] Under the exemption, the gross income Milliman receives from Meta, Honu, Ekahi and Prudential in a fiscal year must not exceed two percent of Milliman's gross annual income from all sources for that year.

[19] ERISA section 410 provides, in part, that ''except as provided in ERISA sections 405(b)(1) and 405(d), any provision in an agreement or instrument which purports to relieve a fiduciary from responsibility or liability for any responsibility, obligation, or duty under this part [meaning part 4 of title I of ERISA] shall be void as against public policy.''

[20] Considering that some of the documents reviewed by the Independent Fiduciary were draft documents and/or documents that are no longer current, this proposed exemption requires the Independent Fiduciary to re-validate its findings by: reviewing the final terms of the exemption; obtaining and reviewing all current objective, reliable, third-party documentation necessary to make the determinations required of the Independent Fiduciary under the exemption; and confirming in writing that all of the exemption terms and conditions have been met (or, due to timing requirements, can reasonably be expected to be met consistent with the terms of this proposed exemption). The Independent Fiduciary must send this written confirmation to the Department's Office

Continued

insurance renewal exhibits for 2021 and 2022 prepared by Prudential and a review of the 2021 renewal performed by Mercer; (c) a confirmation of the insurance coverage effective 1/1/2022 for a guaranteed period of 24 months; (d) a copy of Certificate of Authority from the State of Hawaii Insurance Division authorizing Honu to transact the business of a captive insurance company in Hawaii; (e) a copy of Meta life insurance certificates; (f) a draft of reinsurance agreement between Honu and Prudential; (g) Ekahi's projected year one financial results prepared by Willis Towers Watson (WTW); (h) 2020 audited financial statements for Honu; (i) Meta's declaration that no commissions will be paid with respect to the Reinsurance Arrangement; (j) Written confirmation from Paul McNiff of WTW that WTW will provide the actuarial review of the captive's life insurance reserves after approval of the proposed transaction; (k) draft of the reinsurance treaty between Ekahi and Prudential; (l) 2021 audited financial statements for Honu (m) confirmation from the State of Hawaii, Department of Commerce & Consumer Affairs Insurance Division that Honu's license is current and in good standing.

24. Based on her review of the foregoing documents, Ms. Ely stated that in the initial year of this proposed transaction ''there [would] be an immediate and objectively determined benefit available to all participants and beneficiaries of the Plan who [would] be affected by the proposed transaction.'' The Milliman Reports provide preliminary estimates with regard to the costs that Meta would incur to fund the Benefit Enhancements, which are discussed below. The incremental additional cost would be built into the premiums charged by Prudential, so variations in the actual benefit amounts or the number of people who use a benefit will not impact the cost to Prudential. The cost to Meta for any Benefit Enhancement represents the corresponding incremental increase in premiums charged by Prudential. The participants would bear no portion of such incremental increase in premium.

(a) *Enhanced Basic Life Insurance.* The additional cost to Meta to provide the Enhanced Basic Life Insurance would be $390,000 annually, representing a 3.8% increase to the projected annual premium of $10,300,000 for the non-enhanced benefit.

(b) *Enhanced Accidental Death and Dismemberment.* The cost to Meta to provide the enhanced AD&D would be an additional $420,000 annually, representing an 8.3% increase to the projected annual premium of $5,100,000 for the non-enhanced benefit.

(c) *Enhanced Survivor Income Benefit.* The cost of the Enhanced Survivor Income Benefit would be an additional cost of $2,090,000 to Meta annually, representing a 20.5% increase to the projected annual premium of $10,200,000 for the non-enhanced benefit.

(d) *Benefits Education Program.* To estimate the cost to Meta for the new Benefits Education Program, Ms. Ely relied on data provided by the respective vendors offering services in the program (*i.e.* EstateGuidance, ComPsych, International Medical Group Travel Assistance Services, and Life@ Benefits and Resources). The prices represent fixed costs and do not depend on how many employees utilize the program. Further, the amount charged will be paid by Meta and not passed on to participants. The estimated annual cost to Meta for this program is $954,000.

25. *The Primary Benefit Test:* Based on the above, Ms. Ely states that a reasonable estimate of the expected annual costs for Meta to fund the Benefit Enhancements would be $3,854,000. This includes $390,000 for basic life insurance benefit enhancements; $420,000 for AD&D enhancements; $2,090,000 for survivor income benefit enhancements; and $954,000 for the Benefit Education Program. Given that Ekahi expects to realize an increase of $5,775,000 from the Reinsurance Arrangement, the estimated cost to Meta to fund the Benefit Enhancements represents 66.7 percent of the projected benefit that would inure to Meta ($3,854,000/ $5,775,000). Thus, Ms. Ely preliminarily estimated that the Primary Benefit Test would be met in the initial year of the Reinsurance Arrangement.

26. *Department's Note.* Even though Ms. Ely's prior findings suggest the conditions of the exemption would be met, those findings would not be current as of the effective date of this proposed exemption. Therefore, as the Plan's Independent Fiduciary, Ms. Ely must perform an additional review and analysis meeting the standards of prudence and loyalty in ERISA Section 404(a)(1)(A) and (B), as well as the terms of the exemption, and she must receive and review all necessary documents required to make her determinations hereunder and based on such review, conclude that: the majority of the net benefits from the proposed Reinsurance Arrangement can reasonably be expected to inure to the Plan; and all of the exemption's other terms and conditions have been met (or, due to timing requirements, can reasonably be expected to be met consistent with the terms and conditions of the proposed exemption). This conclusion must be submitted to the Department's Office of Exemption Determinations at least 30 days before the Plan engages in the Reinsurance Arrangement. The conclusion must include copies of each document relied on by Milliman and set forth the steps Milliman took to make its confirmation.

27. The Independent Fiduciary is also required to file annual certified reports to the Department, under penalty of perjury, confirming whether all terms and conditions of the exemption have been met during the year to which the annual report relates. The Independent Fiduciary must complete each report within six months from the end of the twelve-month period to which it relates (the first twelve-month period begins on the first day of the implementation of the captive reinsurance arrangement covered by the exemption) and submit it to the Department within 60 days thereafter.

28. Further, the exemption requires the Independent Fiduciary to ''look back'' over successive five-year periods to determine whether the Primary Benefit Test has been met based on actual financial results and costs incurred by Meta to provide the Plan Benefit Enhancements, as opposed to the current projections. The Independent Fiduciary must provide the Department with a written report of the actual costs and benefits, along with the underlying sources for such data. The Department notes that this information would be included in the public record. The Department is proposing the exemption based on its understanding that the Independent Fiduciary would be able to quantify the necessary information based on reliable and verifiable information, including audited financials and information obtained from the unrelated Fronting Insurer. The Department retains the right to propose a revocation or amendment to the exemption if it is unable to confirm the reliability of the underlying financial data supporting the Independent Fiduciary's ''look-back'' report. Any failure by the Department to propose a revocation or amendment to the exemption is not an endorsement or conclusion by the Department that the

of Exemption Determinations at least 30 days before Meta engages in the Reinsurance Arrangement. The confirmation must include copies of each document relied on by the Independent Fiduciary, and a description of the steps the Independent Fiduciary took to make its confirmation.

conditions of the exemption were, in fact, met.

29. *Benefit Enhancements Adjustment.* Before the end of any five-year period and before a ''look-back'' by the Independent Fiduciary, Meta may change Benefit Enhancements (*e.g.,* by modifying existing Enhancements or adding new Enhancements) at its own expense to ensure that the Primary Benefit Test would be satisfied. The exemption requires any modification or new Benefit Enhancement to be: (a) widely available to all Plan participants on an equal basis; (b) approved, in advance, by the Independent Fiduciary, after the Independent Fiduciary has determined that each Benefit Enhancement is in the interest of the Plan's participants and beneficiaries and widely available to them on an equal basis; and the modification otherwise meets the operative requirements of the exemption. A complete description of any new Benefit Enhancement and the Independent Fiduciary's prior determination regarding why the new enhancement is in the interest of the Plan's participants and beneficiaries must be included in the next annual Independent Fiduciary report submitted to the Department.

30. Terminating the Captive Arrangement. If Meta terminates the captive reinsurance arrangement, the Independent Fiduciary must determine whether the Primary Benefit Test was met during the period of time between (1) the end of the last five-year period for which a Primary Benefit Test ''look-back'' determination was made by the Independent Fiduciary and (2) the termination date of the captive reinsurance arrangement (the Final Term). The Final Term may consist of an entire five-year period or the Final Term may be less than the five-year period if no Primary Benefit Test ''look-back'' determination has yet been made, depending on when Meta terminates the arrangement. If, based on the Independent Fiduciary's ''look-back,'' the Primary Benefit Test was not met during the Final Term, Meta must reduce the participants' portion of the Plan's premiums in the following year by an amount at least equal to the amount by which the Final Term Primary Benefit Test was not met (the Shortfall). The premium reduction must benefit all plan participants equally, be fully implemented during the course of the year following the last year of the Final Term, and be verified by the Independent Fiduciary. The relief in the exemption will terminate at the end of the Final Term, as long as all Plan participants receive a pro-rata reduction in their portion of Plan premiums for all Plan benefits. No exemptive relief will be available with respect to any covered transaction that occurs during the Final Term unless and until all participants are given premium reductions in the manner described above. The premium reduction amounts must be verified by the Independent Fiduciary and reported to the Department as part of the Independent Fiduciary's annual report.

31. As described above, if the Plan's total annual participant premium obligation for all Plan benefits is zero or cannot be reduced any more by Meta, Meta shall then make up the remaining Shortfall by increasing the value of Enhanced Benefits to all participants in an amount equal to the remaining Shortfall. These additional Enhanced Benefits must be valued by an actuary and approved in writing by the Independent Fiduciary as part of the Independent Fiduciary's final written report.

32. If the Shortfall is not corrected pursuant to the terms of this exemption, then exemptive relief will lapse as of the first day of the five-year period to which the Shortfall relates.

33. *Department's Note.* Notwithstanding a determination by the Independent Fiduciary that a Benefit Enhancement meets the terms of the exemption, the Department may propose to revoke or amend the exemption to the extent that, among other things, the Department determines that a Benefit Enhancement is not sufficiently protective or in the interest of the Plan and its participants and beneficiaries. Any failure by the Department to propose to modify or revoke the exemption is not an endorsement or conclusion by the Department that the conditions of the exemption were, in fact, met.

Additional Representation and Conditions for Relief

34. Meta represents that Ekahi, as a cell company, is a party in interest with respect to the Plan based on its affiliation with Meta described in ERISA section 3(14)(G). Ekahi must comply with State licensure and insurance regulations to sell insurance or conduct reinsurance operations in at least one State; must obtain permission from Hawaii to transact the business of a captive insurance company in Hawaii; must pass a financial examination by the Insurance Division of Hawaii within five years of any reinsurance transaction covered by the exemption; must have undergone a financial examination by an independent certified public accountant for the taxable year immediately prior to the reinsurance arrangement covered by the exemption, and must continue to undergo these examinations annually throughout the duration of the captive insurance arrangement. Finally, Ekahi's reinsurance operations must be licensed by a State whose law requires an independent firm to conduct an actuarial review of Ekahi's reserves and require Ekahi to report its reserves to the appropriate state authority on an annual basis.

35. The exemption, if granted, requires that: (a) neither the Plan nor any Plan participant would pay any commissions with respect to the direct insurance agreement between Meta and Prudential and the reinsurance agreement between Prudential and Ekahi; (b) the formulae used by Prudential, or any successor insurer, to calculate premiums would be similar to the formulae used by other insurers providing comparable coverage under similar programs that are not captive reinsured; (c) the Plan will only contract with insurers with a financial strength rating of ''A'' or better from A. M. Best; (d) the Plan would pay no more than adequate consideration with respect to insurance that is part of the captive reinsurance arrangement covered by the proposed exemption and (e) the Reinsurance Arrangement between the insurer and Ekahi will be indemnity reinsurance only *(i.e.,* the Fronting Insurer will not be relieved of any liability to the Plan should the reinsurer be unable or unwilling for any reason to cover any liability arising from the reinsurance arrangement).

36. The exemption, if granted, would expressly prohibit Meta (or a related entity) from using any participant-related data or information that is generated by (or derived from) the proposed captive reinsurance arrangement in any manner that benefits Meta (or a related entity). Meta could not reduce or offset any benefits provided to Plan participants and beneficiaries in connection with its implementation of the proposed captive reinsurance arrangement. Further, all expenses associated with the exemption and the exemption application, including any payment to the Independent Fiduciary, must be paid by Meta and not the Plan.

37. If the exemption is granted, Meta must update the Plan's Summary Plan Description (SPD) within 90 days of publishing the exemption and conspicuously disclose in the SPD the nature of the exemption and an explanation of why the underlying transaction is prohibited by ERISA Section 406. Meta shall distribute the revised SPD to all participants and beneficiaries within six months of the

publishing of the granted exemption. Similarly, if the reinsurance arrangement is terminated, Meta must update the SPD accordingly and distribute the revised SPD within six months of the termination.

38. The exemption, if granted, expressly requires Meta and its affiliates to maintain all records necessary to demonstrate compliance with all of the conditions of the exemption for a period of six years from the date of any prohibited transaction for which the exemption provides relief and to produce such records within 30 days in the event that the Department makes a request.

The Department's Findings

39. The Department has the authority under ERISA section 408(a) of ERISA to grant exemptions from the prohibition transaction provisions of ERISA section 406 if the Department finds that the transaction is in the interest and protective of the rights of the affected plan and its participants and beneficiaries and is administratively feasible.[21] The Departments findings required under ERISA section 408(a) are discussed below.

40. *The Proposed Exemption is ''Protective of the Plan.''* The Department has tentatively determined that the proposed exemption is protective of the rights of Plan participants and beneficiaries. In addition to the requirements described above, no commissions would be paid by the Plan with respect to the sale of any third-party insurance contract and/or any reinsurance contract, and Meta will only contract with insurers with a financial strength rating of ''A'' or better from A.M. Best Company or an equivalent rating from another rating company.

41. Under the terms of this proposed exemption, the Independent Fiduciary must review the Reinsurance Arrangement, determine and confirm the total benefit derived by Meta and related parties from the Reinsurance Arrangement, and validate that (a) for every dollar of net financial benefits that the Reinsurance Arrangement generated, the Plan, its participants and beneficiaries received at least 51 cents on the dollar, and Ekahi and related parties did not receive more than 49 cents; (b) the Reinsurance Arrangement created real and substantial additional benefits for the Plan and its participants; and (c) the Reinsurance Arrangement did not result in an offset or reduction in participants' other benefits and was otherwise consistent with ERISA.

42. Ms. Ely has confirmed that: (i) she has the requisite knowledge regarding the Reinsurance Arrangement and ERISA to fulfill her duties under ERISA section 404 as a prudent and independent plan fiduciary; (ii) she will monitor the Reinsurance Arrangement throughout the duration of the exemption; and (iii) the Reinsurance Arrangement is consistent with ERISA, including the prudence and loyalty provisions of ERISA section 404.

43. The proposed exemption would require the independent fiduciary, Ms. Ely, to file annual certified reports to the Department, under penalty of perjury, confirming whether all terms and conditions of the exemption have been met. She must complete each report within six months from the end of the 12-month period to which it relates (the first twelve-month period begins on the first day of the implementation of the captive reinsurance arrangement covered by the exemption) and submit it to the Department within 60 days thereafter.

44. *The Proposed Exemption is ''In the Interest of the Plan.''*The Department has tentatively determined that the proposed exemption would be in the interest of the Plan and its participants and beneficiaries. Among other things, the proposed exemption requires that for every dollar of net financial benefits that the Reinsurance Arrangement is expected to generate, the Plan, its participants and beneficiaries must receive at least 51 cents on the dollar, and Ekahi and related parties must not receive more than 49 cents.

45. *The Proposed Exemption is ''Administratively Feasible.''*The Department has tentatively determined that the proposed exemption would be administratively feasible, because the proposed reinsurance arrangement is subject to robust annual reviews by the Independent Fiduciary, Ms. Ely, or a subsequent qualified independent fiduciary, that must be submitted to the Department's Office of Exemption Determinations. The exemption also requires Meta and its subsidiaries to maintain all records necessary to demonstrate the conditions have been satisfied and provide these documents to the Department within 30 days of the Department's request.

Summary

46. Based on the conditions that are included in this proposed exemption, the Department has tentatively determined that the relief sought by the Applicant would satisfy the statutory requirements for an individual exemption under ERISA section 408(a).

Notice to Interested Persons

Persons who may be interested in the publication of this notice in the **Federal Register** include Plan participants and beneficiaries. The Applicant will provide notification to such interested persons via U.S. Postal Service first class mail and/or in accordance with the Department's Regulations governing electronic disclosures in 29 CFR 2520.104b-1(c) within twenty-eight (28) calendar days after the publication date of the Notice in the **Federal Register**. Such mailing will contain a copy of the Notice as it appears in the **Federal Register** on the date of publication and a copy of the Supplemental Statement required, by 29 CFR 2570.43(a)(2), which will advise interested persons of their right to comment on the proposed exemption and request a hearing. The Department must receive all written comments and requests for a hearing no later than fifty-eight (58) days after the date the Notice is published in the **Federal Register**. All comments will be made available to the public.

Warning: If you submit a comment, EBSA recommends that you include your name and other contact information in the body of your comment, 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. All comments may be posted on the internet and can be retrieved by most internet search engines.

General Information

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under ERISA section 408(a) does not relieve a fiduciary or other party in interest from certain other provisions of ERISA, including any prohibited transaction provisions to which the exemption does not apply and the general fiduciary responsibility provisions of ERISA section 404, which, among other things, require a fiduciary to discharge his duties respecting the plan solely in the interest of the participants and beneficiaries of the plan and in a prudent fashion in accordance with ERISA section 404(a)(1)(B);

(2) Before an exemption may be granted under ERISA section 408(a), the

[21] Specifically, ERISA section 408(a) provides that the Department may not grant an exemption unless it finds that the exemption is administratively feasible, in the interests of the plan and its participants and beneficiaries, and protective of the rights of the plan participants and beneficiaries.

Department must find that the exemption is administratively feasible, in the interests of the plan and of its participants and beneficiaries, and protective of the rights of participants and beneficiaries of the plan;

(3) The proposed exemption, if granted, will be supplemental to, and not in derogation of, any other provisions of ERISA, including statutory or administrative exemptions and transitional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of whether the transaction is in fact a prohibited transaction; and

(4) The proposed exemption, if granted, will be subject to the express condition that the material facts and representations contained in the application are true and complete, and that the application accurately describes all material terms of the transaction which is the subject of the exemption.

Proposed Exemption

The Department is considering granting this proposed exemption under the authority of ERISA section 408(a), and in accordance with the procedures set forth in 29 CFR part 2570, subpart B (75 FR 66637, 66644, October 27, 2011)).

Section I. Definitions

(a) An ''affiliate'' of Meta, Honu, or Ekahi includes: (1) Any person or entity who controls Meta, Honu, or Ekahi or is controlled by or under common control with Meta, Honu, or Ekahi; (2) Any officer, director, employee, relative, or partner with respect to Meta, Honu, or Ekahi; and (3) Any corporation or partnership of which the person in (2) of this paragraph is an officer, director, partner, or employee.

(b) ''Benefit Enhancements'' means the following Plan benefit enhancements, unless adjusted consistent with the terms of the exemption:

(1) *Removal of Age Reduction Clause Enhancement.* At no additional cost to the Plan's participants and beneficiaries, the Plan's age reduction clause applicable to the Plan's basic life insurance benefits, optional life insurance coverages and accidental death and dismemberment (AD&D) benefits will be removed. Under this enhancement, the insured will no longer incur a reduction in the amount of coverage from 100% to 65% at the age of 65; and no longer incur a reduction in the amount of coverage from 65% to 50% at the age of 70.

(2) *Enhanced Basic Life Insurance Benefit.* The Enhanced Basic Life Insurance Benefit would increase the accelerated insurance payout for qualified terminal illnesses from 90% to 100% of the policy's coverage amount (up to $1,000,000) before the insured's death. Additionally, the participant or beneficiary would receive an increased payout if the accelerated payment is less than $1,000,000 and he or she is also enrolled in supplemental life insurance.

(3) *Enhanced Basic Life Insurance Benefit Portability.* The enhancement would add a portability option for its basic life insurance benefit which allows participants to obtain another Basic Life Insurance Benefit upon termination of coverage under the Plan. This benefit will be provided without regard to participants' medical condition, although they may be required to pay higher rates for the insurance.

(4) *The Enhanced Accidental Death & Dismemberment Benefits (AD&D Benefits).* (i) The first Enhanced AD&D Benefit would add a portability enhancement to the Plan that will allow participants to pay for a new AD&D policy after their employment with Meta ends. The insurance would be issued without regard to participants' medical conditions but may be offered at higher rates.

(ii) The second Enhanced AD&D Benefit would add a new waiver of premium enhancement allowing qualified disabled former employees a waiver of premiums and a continuation of death benefit coverage for their AD&D coverage while such benefit is extended as a result of their total disability (as defined in the Plan).

(iii) The third Enhanced AD&D Benefit provides for bereavement and trauma counseling sessions after a participant experiences a qualifying loss. The benefit would pay 100% of the cost up to $150 per session for 52 counseling sessions that are held within a year of the loss.

(iv) The fourth Enhanced AD&D Benefit would pay a qualifying dependent's tuition upon the death of a participant. This enhancement will require the Plan to pay an annual amount equal to the lesser of (1) the actual annual amount of the dependent child's tuition (exclusive of room and board); (2) 10% of the participant's AD&D death benefit; or (3) $25,000. This benefit is payable annually for up to 4 consecutive years, but not beyond the date the child reaches age 26.

(v) The fifth Enhanced AD&D Benefit would add the benefit of paying for the childcare expenses of a deceased participant. If the exemption is granted, the Plan will pay an annual amount equal to the lesser of: (1) the actual cost charged by the relevant Child Care Center per year; (2) 10% of the deceased participant's AD&D death benefit; or (3) $24,000. The benefit is payable annually for a maximum of consecutive years, but not beyond the date the child reaches age 13. If there is no dependent child eligible for this benefit, a benefit of $1,000 would be paid.

(vi) The sixth Enhanced AD&D Benefit will pay for qualifying deceased persons' funeral expenses in an amount equal to the lesser of: (1) the amount of the Funeral Expenses, (2) 10% of the amount of the deceased participant's AD&D death benefit, or (3) $20,000.

(vii) The seventh Enhanced AD&D Benefit would add monthly rehabilitation payments. The Plan would make a monthly payment equal to the lesser of (1) five percent of the amount of the participant's relevant AD&D benefit and (2) $500 for rehabilitation expenses for a maximum of 12 consecutive months.

(viii) The eighth Enhanced AD&D Benefit will pay a $2,000 per month supplemental monthly mortgage payment to the spouse or domestic partners of a deceased participant's mortgage until the first of the following occurs: (1) the spouse or domestic partner dies; (2) the mortgage is paid in full; (3) the house subject to the mortgage is sold; or (4) the benefit has been paid for 12 consecutive months.

(5) *Enhanced Survivor Income Benefit.* The monthly survivor income benefit offered to an employee's spouse or domestic partner will be increased to 60% of the employee's monthly earnings up to a monthly maximum of $15,000, from the current 50% of monthly earnings up to a maximum of $12,500 per month.

(6) *Benefits Education Program.* The Plan will offer a new Benefits Education Program that will include the following components:

- Life@Benefits service through PartnerComm, Inc.
- EstateGuidance Program.
- ComPsych Final Arrangements Service
- GuidanceResources Program.
- International Medical Group Travel Assistance Services (IMG Travel).

(c) The term ''control'' means the power to exercise a controlling influence over the management or policies of a person other than an individual.

(d) ''Ekahi'' means Ekahi Insurance Company, LLC, a wholly-owned subsidiary of Meta certified by the State of Hawaii to operate as a captive insurance cell company sponsored by Honu.

(e) ''Fronting Insurer'' means Prudential or the successor third-party insurance company that insures certain of the Plan's risks, and then enters into a reinsurance agreement with Ekahi for such risks.

(f) ''Honu'' means Honu Insurance Company, LLC, a wholly-owned subsidiary of Meta certified by the State of Hawaii to transact business as a sponsor captive insurance company.

(g) ''Independent Fiduciary'' means Ms. Ely of Milliman or a successor Independent Fiduciary that is appointed to represent the interests of the Plan with respect to the subject transaction, provided that such person:

(1) Is not Meta or an affiliate of Meta, Honu or Ekahi and does not hold an ownership interest in Meta, Honu, Ekahi or their affiliates;

(2) Was not a fiduciary with respect to the Plan before its appointment to serve as the Independent Fiduciary;

(3) Has acknowledged in writing that:

(i) It is a fiduciary and has agreed not to participate in any decision with respect to any transaction in which it has an interest that might affect its best judgment as a fiduciary; and

(ii) Has appropriate technical training or experience to perform the services contemplated by the exemption;

(4) For purposes of this definition, no organization or individual may serve as Independent Fiduciary for any fiscal year if the gross income received by such organization or individual from Meta, Honu, or Ekahi, or their affiliates for that fiscal year exceeds two percent of such organization's or individual's gross income from all sources for the prior fiscal year. This provision also applies to a partnership or corporation of which such organization or individual is an officer, director, or 10 percent or more partner or shareholder and includes as gross income amounts received as compensation for services provided as an independent fiduciary under any prohibited transaction exemption granted by the Department;

(5) No organization or individual that is an Independent Fiduciary and no partnership or corporation of which such organization or individual is an officer, director or ten percent or more partner or shareholder may acquire any property from, sell any property to, or borrow any funds from Meta, Honu, or Ekahi, or their affiliates while the individual serves as an Independent Fiduciary. This prohibition must continue for a period of six months after either (1) the party ceases to be an Independent Fiduciary or (2) the Independent Fiduciary negotiates on behalf of the Plan during the period that such organization or the individual serves as an Independent Fiduciary; and

(6) In the event a successor Independent Fiduciary is appointed to represent the interests of the Plan with respect to the subject transaction, no time should elapse between the resignation or termination of the former Independent Fiduciary and the appointment of the successor Independent Fiduciary.

(h) ''Meta'' means Meta Platforms, Inc.

(i) ''Plan'' means the Meta Platforms Inc. Health and Welfare Benefit Plan.

(j) ''Prudential'' means the Prudential Life Insurance Company of America.

Section II. Covered Transactions

The exemption would provide relief from the prohibited transactions provisions of ERISA sections 406(a)(1)(D), and 406(b)(1) and (b)(3), with respect to: (1) the reinsurance of risks; and (2) the receipt of premiums, by Ekahi, in connection with insurance contracts sold by Prudential (or any successor Fronting Insurer) to provide basic life insurance benefits, AD&D benefits, and survivor income benefits to Plan participants and beneficiaries. In order to receive such relief, the conditions in Section III must be met in conformance with the definitions set forth in Section I.

Section III. Conditions

(a) Meta must improve the Plan with Benefit Enhancements that are funded solely by Meta in accordance with (1) through (5) below;

(1) For every dollar of net financial benefits that the Reinsurance Arrangement is expected to generate, the Plan, its participants and beneficiaries must receive at least 51 cents on the dollar and, Ekahi and related parties must not receive more than 49 cents, as may be adjusted under condition (p) below (the Primary Benefit Test);

(2) The Independent Fiduciary must determine whether the Primary Benefit Test has been met with respect to each successive five-year period covered by the exemption. The Independent Fiduciary must report its determinations as part of the Independent Fiduciary's next annual report. For purposes of the initial five-year period, the Independent Fiduciary may test only the costs and benefits that inure to Meta and/or parties directly or indirectly related to Meta during years two through five of the initial five-year period;

(3)(A) If the Primary Benefit Test has not been met with respect to a five-year period, Meta must reduce the participants' portion of the Plan's premium in the next consecutive year by an amount that is at least equal to the amount by which the prior five-year Primary Benefit Test was not met, plus an additional payment of interest on the shortfall, at the Code's federal underpayment rate set forth in Code section 6621(b) (such amount, as increased by interest, is referred to as the ''Shortfall''). The reduction in participants' premiums should be allocated equally across all Plan participant contributions toward premiums for Plan benefits, regardless of whether the respective benefits were reinsured by Ekahi. The premium reduction must be fully implemented during the course of the year following the last year of the five-year period to which it relates, and be verified by the Independent Fiduciary;

(B) if the Plan's total annual participant premiums for all Plan benefits are less than the Shortfall in the year following the aforementioned five-year period, Meta shall eliminate all annual participant contribution premiums toward all Plan benefits to cover as much of the Shortfall as possible. Meta shall then make up the remaining Shortfall by increasing the value of enhanced benefits to all participants in a monetary value equal to the remaining Shortfall. These additional enhanced benefits must be valued by an actuary and approved in writing by the Independent Fiduciary;

(4) If the captive reinsurance arrangement is terminated, the Independent Fiduciary must determine whether the Primary Benefit Test was met during the period of time between (A) the end of the last five-year period for which a Primary Benefit Test determination was made by the Independent Fiduciary, or if no Primary Benefit Test determination has yet been made, the beginning of the captive reinsurance arrangement, and (B) the termination date of the captive reinsurance arrangement (the Final Term). If the Primary Benefit Test was not met during the Final Term, Meta must address the Shortfall in accordance with Section III(a)(3)(A)–(B) above. Relief in the exemption does not extend to prohibited transactions described in the exemption that occur during the Final Term unless the requirements in Section III(a)(1) through (3) have been met with respect to such Final Term. Furthermore, the Independent Fiduciary must ensure Meta's obligations under Section III(a)(3)(A)–(B) were properly implemented to address the Shortfall, notwithstanding that the captive reinsurance arrangement has already been terminated; and

(5) If the Shortfall is not corrected pursuant to the terms of this exemption, then this exemption's relief will lapse as of the first day of the five-year period to which the Shortfall relates.

(b) The Plan must pay no commissions with respect to its purchase of insurance contracts to provide the benefits which are reinsured under the exemption, or with respect to the reinsurance of such contracts;

(c) In each year of coverage provided by a Fronting Insurer, the formulae used by the Fronting Insurer to calculate premiums will be similar to formulae used by other insurers providing comparable life insurance coverage under similar programs. Furthermore, the premium charges calculated in accordance with the formulae will be reasonable and comparable to the premiums charged by the Fronting Insurer and its competitors with the same or a better financial strength rating providing the same coverage under comparable programs that are not captive reinsured;

(d) No amount of Ekahi's reserves that are attributable to premiums paid for Plan benefits may be transferred to Meta or a related party;

(e) Ekahi, the captive reinsurer, must:

(1) Be a party in interest with respect to the Plan based on its affiliation with Meta that is described in ERISA section 3(14)(G);

(2) Be licensed to sell insurance or conduct reinsurance operations, or be a cell corporation that is legally allowed to rely on the license of a sponsoring captive insurance company, in at least one state, as such term is defined in ERISA section 3(10);

(3) Have obtained a Certificate of Authority from the state of Hawaii authorizing Ekahi to transact the business of a captive insurance company in Hawaii or legally rely on a sponsoring captive insurance company's valid Certificate of Authority from the state of Hawaii authorizing Ekahi to transact the business of a captive insurance company in Hawaii. Such certificate must not have been revoked or suspended;

(4)(A) Undergo and pass a financial examination (within the meaning of the law of its domiciliary state, Hawaii) by the Insurance Division of Hawaii within five years of the year in which the reinsurance transaction occurred; and

(B) Have undergone, and continue to undergo, an examination by an independent certified public accountant for its last completed taxable year immediately before the taxable year of the Reinsurance Arrangement covered by the exemption; and

(5) Be licensed to conduct reinsurance transactions or legally rely on a sponsoring captive insurance company's license to conduct reinsurance transactions by a state whose law requires that an actuarial review of reserves be conducted annually by an independent firm of actuaries and reported to the appropriate regulatory authority;

(f) The Plan retained and will continue to retain an independent, qualified fiduciary or successor to such fiduciary, as defined in Section I(d), (the Independent Fiduciary) to analyze the transactions covered by the exemption, and render an opinion that the requirements of the exemption have been satisfied;

(g) The Independent Fiduciary must:

(1) In compliance with the fiduciary obligations of prudence and loyalty under ERISA Sections 404(a)(1)(A) and (B), review the terms of the exemption, engage in a prudent and loyal analysis of the covered transactions, and verify that based on its review of all relevant documents and evidence, it has concluded that all of the exemption's terms and conditions have been met (or, due to timing requirements, can reasonably be expected to be met consistent with the terms of this proposed exemption). This conclusion must be documented in a written report submitted to the Department's Office of Exemption Determinations at least 30 days before the Plan engages in a transaction covered by the exemption. The report must include copies of each document relied on by the Independent Fiduciary and discuss the bases for its conclusion;

(2) Monitor, enforce and ensure compliance with all conditions of the exemption including all conditions and obligations imposed on any party dealing with the Plan, throughout the period during which Ekahi's assets are directly or indirectly used in connection with a transaction covered by the exemption;

(3) Report any instance of non-compliance immediately to the Department's Office of Exemption Determinations;

(4) Monitor the transactions described in the exemption on a continuing basis, to ensure the transactions remain in the interest of the Plan;

(5) Take all appropriate actions to safeguard the interests of the Plan, its participants and beneficiaries;

(6) Review all contracts pertaining to the Reinsurance Arrangement, and any renewals of such contracts, to determine whether the requirements of this proposed exemption and the terms of Benefit Enhancements continue to be satisfied;

(7) Determine that the Reinsurance Arrangement is in no way detrimental to the Plan and its participants and beneficiaries;

(8) Provide an annual report to the Department, under penalty of perjury, certifying that each term and condition of the exemption is satisfied and setting forth the bases for the certification. Each report must be completed within six months after the end of the twelve-month period to which it relates (the first twelve-month period begins on the first day of the implementation of the captive reinsurance arrangement covered by the exemption) and submitted to the Department within 60 days thereafter. The relevant report must include all of the objective data necessary to demonstrate that the Primary Benefit Test has been met; and

(9) Confirm in its annual report (and describe the steps taken to confirm) that Meta has not reduced or offset any participant benefits in relation to its implementation and maintenance of the captive reinsurance arrangement as required by paragraph (k) below;

(h) The Independent Fiduciary must not (1) enter into any agreement or instrument that violates ERISA section 410 or section 2509.75–4 of the Department's regulations, or (2) enter into any agreement, arrangement, or understanding that includes any provision that provides for the direct, or indirect, indemnification or reimbursement of the Independent Fiduciary by the Plan or other party for any failure to adhere to its contractual obligations or to state or Federal laws applicable to the Independent Fiduciary's work, or waives any rights, claims, or remedies of the Plan under ERISA, state, or Federal law against the Independent Fiduciary with respect to the transaction(s) that are the subject of the exemption;

(i) Neither Meta nor any affiliate may use participant-related data or information generated by, or derived from, the Reinsurance Arrangement in a manner that benefits Meta or any affiliated entity;

(j) All the facts and representations set forth in the Summary of Facts and Representation must be true and accurate;

(k) Meta will not offset or reduce any benefits provided to Plan participants and beneficiaries in connection with its implementation of the captive reinsurance arrangement in order to defray the costs, expenses, or obligations of complying with the exemption;

(l) The Plan will only contract with a Fronting Insurer that is unrelated to Meta or any of its affiliates, and that has a financial strength rating of ''A'' or better from A.M. Best. For purposes of this provision, the term ''unrelated'' means that the Fronting Insurer is not owned or controlled by Meta or any of its affiliates in whole or in part;

(m) The Plan pays no more than adequate consideration with respect to insurance that is part of the captive reinsurance arrangement covered by the proposed exemption;

(n) In the event a successor Independent Fiduciary is appointed to represent the interests of the Plan with respect to the subject transaction, no time shall elapse between the resignation or termination of the former Independent Fiduciary and the appointment of the successor Independent Fiduciary;

(o) All expenses associated with the exemption and the exemption application, including any payment to the Independent Fiduciary, must be paid by Meta and not the Plan;

(p) Meta may adjust the Benefit Enhancements to the Plan at any time, if such adjustment is approved in advance by the Independent Fiduciary after the Independent Fiduciary first determines that each adjusted Benefit Enhancement is in the interest of the Plan's participants and beneficiaries and available to them on an equal basis. The cost incurred by Meta to fund the Benefit Enhancement may be used to determine whether the Primary Benefit Test has been met, but may not be considered to address a Shortfall if the Primary Benefit Test has not been met with respect to a five-year period, unless in accordance with Section III(a)(3)(A)-(B). A complete description of any new Benefit Enhancements and the Independent Fiduciary's rationale and determinations regarding such enhancements must be included in the next Independent Fiduciary report submitted to the Department;

(q) The Reinsurance Arrangement between Ekahi and Prudential or any successor Fronting Insurer must be indemnity insurance only. The arrangement must not relieve a Fronting Insurer from any responsibility or liability to the Plan, including liability that would result if Ekahi fails to meet any of its contractual obligations to Prudential or any successor Fronting Insurer under the Reinsurance Arrangement. Further, the executed reinsurance contract between the Fronting Insurer and Ekahi will expressly state (by rider, addendum, amendment, etc.) that, in the event that Ekahi is insolvent, unable or unwilling to pay any claims, or otherwise prevented from paying any claims, the Fronting Insurer remains solely obligated to pay any claim properly incurred by the Plan and its participants and beneficiaries;

(r) If the exemption is granted, the Plan document and Summary Plan Description (SPD) will be revised within 90 days after the final exemption is published in the **Federal Register** to include a summary of the reinsurance arrangement, an explanation why the arrangement constitutes a transaction prohibited by ERISA (including an explanation of why Ekahi is a party in interest). The revision must also state that the Plan is currently relying on an individual prohibited transaction exemption granted by the U.S. Department of Labor. The revision to the Plan and SPD must be conspicuously displayed and not contained in a footnote. The Plan Administrator must distribute the updated SPD to all Plan participants within six months of the publishing of the granted exemption.

(s) If the Reinsurance Arrangement is terminated the Plan Administrator will revise and update the SPD accordingly. The Plan Administrator will then distribute the updated SPD to all Plan participants within six months of the termination of the Reinsurance Arrangement.

(t) Meta, and its affiliates, must maintain all the records necessary to demonstrate the conditions of the exemption have been met with respect to all the prohibited transactions described in this exemption, for a period of six years from the date of any prohibited transaction for which the exemption provides relief. Meta must provide these records to the Department within 30 days from the date the Department requests these records.

Applicability Date: This exemption will be in effect for the period beginning on the date of publication in the **Federal Register**.

Signed at Washington, DC, this this 15th day of November 2024.

George Christopher Cosby,

Director, Office of Exemption Determinations, Employee Benefits Security Administration, U.S. Department of Labor.

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DEPARTMENT OF LABOR

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Definition and Requirements for a Nationally Recognized Testing Laboratory

ACTION: Notice of availability; request for comments.

SUMMARY: The Department of Labor (DOL) is submitting this Occupational Safety & Health Administration (OSHA)-sponsored information collection request (ICR) to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995 (PRA). Public comments on the ICR are invited.

DATES: The OMB will consider all written comments that the agency receives on or before December 23, 2024.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain.* Find this particular information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function.

FOR FURTHER INFORMATION CONTACT: Nicole Bouchet by telephone at 202–693–0213, or by email at *DOL_PRA_PUBLIC@dol.gov.*

SUPPLEMENTARY INFORMATION: A number of standards issued by the OSHA contain requirements for equipment, products, or materials. These standards often specify that employers use only equipment, products, or material tested or approved by a Nationally Recognized Testing Laboratory. This requirement ensures that employers use safe equipment, products, or materials in complying with the standards. Accordingly, OSHA promulgated the regulation 29 CFR 1910.7, ''Definition and Requirements for a Nationally Recognized Testing Laboratory.'' The Regulation specifies procedures that organizations must follow to apply for, and to maintain, OSHA's recognition to test and certify equipment, products, or material for this purpose. For additional substantive information about this ICR, see the related notice published in the **Federal Register** on August 1, 2024 (89 FR 62803).

Comments are invited on: (1) whether the collection of information is necessary for the proper performance of the functions of the Department, including whether the information will