

Pension Benefit Guaranty Corporation

76-46

April 2, 1976

REFERENCE:

[\*1] 208 Mergers, Consolidations and other Transfers of Plan Assets  
4043(b)(8) Reportable Events. Mergers, Consolidations & other Transfers of Plan Assets

OPINION:

This has reference to your March 5, 1976 letter. You state that your client proposes to transfer the funding of a pension plan from a deposit administration group annuity to a trust fund administered by a bank. Neither the benefits nor contributions are to be curtailed. You contemplate alternative dispositions of the funds now on deposit with an insurer. We understand that the first alternative would channel future contributions to a trust fund, thereby allowing the funds now on deposit to remain with the insurer until exhausted by payment of annuities under the Plan. The second alternative would transfer all funding from the insurer to the bank holding the trust fund.

You have asked whether either of these alternative dispositions constitutes a reportable event under Section 4043(b)(8) of the Employee Retirement Income Security Act of 1974, which states that a reportable event occurs, as provided in Section 208, when a plan merges, consolidates, or transfers its assets or liabilities to another plan. You suggest that these alternatives [\*2] would not constitute transfers from one plan to another and, therefore, Section 208 does not apply. We concur. Section 208 does not apply when a plan changes its funding mechanism. It applies only to transactions between or among plans.

Henry Rose  
General Counsel