

Pension Benefit Guaranty Corporation

76-53

April 15, 1976

REFERENCE:

[*1] 4043(b)(2) Reportable Events. Amendment Decreasing Benefits

OPINION:

This has reference to your letter of April 1, 1976, requesting an opinion whether a proposed shift from a non-integrated pension plan constitutes a plan termination as contemplated by § 4022 of the Employee Retirement Income Security Act of 1974, 29 U.S.C.A. § 1322 (1974).

You state that * * * and * * * sponsors of the Master Pension Plan for their salaried employees, propose integrating the monthly retirement benefits payable to retiring employees under that plan with benefits payable to their employees by the Social Security Act. The proposed integration would provide retirement income proportionate to all salary levels.

The plan integration you describe effects a curtailment in benefits. The Pension Benefit Guaranty Corporation (the "Corporation") regards such an action as constituting a plan amendment which would decrease the benefit payable to certain participants and, therefore, a reportable event under § 4043(b)(2), 29 U.S.C.A. § 1343(b)(2). Thus, although the Corporation does not view the proposed action as a termination, you should report the adoption of the amendment providing for integration, as provided [*2] in § 4043(b)(2).

I return to you the copy of your submission to the Internal Revenue Service.

Henry Rose
General Counsel