

Pension Benefit Guaranty Corporation

76-95

August 2, 1976

REFERENCE:

[*1] 4021(b)(2) Plans Covered. Government Plans

OPINION:

This is in response to your inquiry whether * * * (the "Plan") is excluded from the coverage of Title IV of the Employee Retirement Income Security Act of 1974 (the "Act") based on your opinion that the Plan is a "governmental" plan.

As we understand the facts, the Plan was established and is maintained by the * * * The District was created pursuant to the Idaho Code, is considered to be a political subdivision of the State and has authority to assess the "lands within the district" for the purpose of its maintenance and operations. This assessment authority, which upon delinquency of payment becomes enforceable as a county tax, is usable to pay any deficient funding in the Plan, including an inability to pay benefit obligations upon plan termination.

Such a plan is a government plan under Section 4021(b)(2) of the Act and thus is excluded from the coverage of Title IV of the Act. Accordingly, the premium payment obligation under Title IV of the Act is inapplicable.

Henry Rose
General Counsel