

Pension Benefit Guaranty Corporation

75-25

January 16, 1975

REFERENCE:

[*1] 4041(a) Termination by Plan Administrator. Filing of Notice of Intent to Terminate
4048 Date of Termination

OPINION:

This is in response to your letter of December 23, 1974 requesting clarification of when a pension plan is deemed to have been terminated under the termination insurance provisions of the Employee Retirement Income Security Act of 1974. You state that an organization made a decision to terminate its pension plan and directed the trustee to distribute the trust to the employees. You ask whether the plan is deemed to have been terminated on the date when the organization directed the trustee to make the distribution or on the date when the distribution was actually made.

In our view neither the instruction to distribute assets nor the distribution of assets necessarily constitutes "termination" of a plan. Rather, a plan ordinarily terminates before distribution is ordered or made, for example, on the date accruals and contributions cease. cf. Employee Retirement Income Security Act § 4082(b) (4).

We hope this information is helpful to you.

Steven E. Schanes
Acting Executive Director