

Pension Benefit Guaranty Corporation

86-15

June 30, 1986

REFERENCE:

[*1] 4021 Plans Covered

OPINION:

This is in response to your request for our determination as to whether the * * * Pension Plan (the "Plan") was required to pay premiums under Title IV of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), 29 U.S.C. § § 1301 et seq., for the years it has operated. Your inquiry focuses on the fact that the Plan, a tax-qualified defined benefit pension plan, is fully insured.

ERISA Section 4021, 29 U.S.C. § 1321, defines the scope of the mandatory termination insurance program, which extends to any employee pension benefit plan that meets specified tax-qualification requirements. While there are a number of statutory exceptions to this compulsory coverage, see ERISA Section 4021(b), 29 U.S.C. § 1321(b), there is no such exception for fully insured plans. Moreover, ERISA Section 4007(a), 29 U.S.C. § 1307(a), requiring "the plan administrator of each plan . . ." to pay Title IV premiums, similarly makes no such exception. Accordingly, the Plan was required to pay Title IV premiums for the years it has operated. See generally PBGC opinion Letters 74-16, 75-2, 75-12, and 75-48 (copies enclosed).

I hope that the foregoing discussion [*2] adequately responds to your request. If you have any questions, please feel free to call Harold Ashner of my staff at (202) 956-5023.

Edward R. Mackiewicz
General Counsel