

Pension Benefit Guaranty Corporation

75-118

December 24, 1975

REFERENCE:

[\*1] 4048 Date of Termination

4082(b). Effective Date; Special Rules. Applicability of Title IV to Plan Terminations Occurring Between July 1, 1974 and September 2, 1974

OPINION:

The Pension Benefit Guaranty Corporation ("the PBGC") has reviewed its determination not to guarantee basic benefits in connection with the termination of the \* \* \* Pension Plan ("the Plan") \* \* \*. In undertaking this review, the PBGC has reviewed the files upon which it relied in reaching its earlier determination, the comments of those individuals such as yourself who attended a meeting at the PBGC on August 21, 1975, and the additional information submitted by you, \* \* \*

As a result of this review, the PBGC has reaffirmed its prior determination. We have considered \* \* \* representations that pay checks with respect to work performed before June 30, 1974 were dated after June 30, 1974, that subsequent to June 30, 1974 twelve employees received accrued vacation pay and that nine employees were paid holiday pay for July 4, 1974. We have also reviewed your report that the holiday and vacation payments gave rise to benefit accruals and employer contributions.

In comparison with the approximately 150 participants who [\*2] left employment on or before June 30, 1974 as a result of the shut-down, the number of employees who received pension credits after June 30, 1974 is too insubstantial to overcome our view that the Plan effectively terminated on or before that date. Furthermore, the new information does not undermine the basis of our original decision which was that, except for two employees, no employee accrued benefits for actual work performed after June 30, 1974. Under the circumstances, we are precluded by Section 4082(b) of the Employee Retirement Income Security Act of 1974 from guaranteeing benefits upon the termination of the \* \* \* Pension Plan.

Steven E. Schanes  
Executive Director