

Pension Benefit Guaranty Corporation

75-16

March 14, 1975

REFERENCE:

[*1] 4021(a) Plans Covered. Requirements of Coverage

OPINION:

This is a confirmation of the telephone call sometime last fall to your office by Mr. * * * of our staff regarding your inquiries relating to coverage under Title IV of the Employee Retirement Income Security Act of 1974.

You initially inquired as to whether a pension plan maintained by a tax exempt, non-profit trade association is covered under Section 4021 of the Act. You stated that the plan is tax qualified, funded and has less than 25 participants. If the plan is an employee pension benefit plan, as defined in the Act, and is not excluded from coverage under Section 4021(b) of the Act, the plan is covered.

You further advise that the * * * sponsored a * * * plan under which contributions and participation ceased in 1959 and that appropriate arrangements concerning vesting and "acceptance of new coverage" were made pursuant to the group annuity contract through which the plan was funded. If benefits ceased to accrue and contributions ceased at that time, it appears that the plan terminated at that time, and thus is not covered by Title IV. If accruals continued, please send us copies of the group annuity contract and we will [*2] attempt to determine whether premiums must be paid with respect to plan participants.

Henry Rose
General Counsel