

Pension Benefit Guaranty Corporation

76-32

March 5, 1976

REFERENCE:

[*1] 4042 Termination by PBGC

OPINION:

Your letter of January 26, 1976 to the Association of Private Pension and Welfare Plans, Inc. was referred to the Pension Benefit Guaranty Corporation (the PBGC) for whatever advice it could offer.

As you may be aware, the PBGC administers the Plan Termination Insurance Program under Title IV of the Employee Retirement Income Security Act of 1974 (the Act). When it is decided to terminate a plan covered by Title IV the plan administrator must notify the PBGC. However, the decision to terminate is that of the plan representatives. The PBGC may institute action to terminate a plan only under certain specific circumstances [See Act, Section 4042], none of which appears to be present, based on your letter. Accordingly, we are unable to offer you assistance in making the decision to terminate or continue the plan. We appreciate the complex factors involved in making the decision confronting you.

Please contact * * * of my staff at * * * if you wish to further discuss this matter.

George B. Driesen
Deputy General Counsel