

Pension Benefit Guaranty Corporation

76-59

April 29, 1976

REFERENCE:

[\*1] 4043(b)(7) Reportable Events. Substantial Owner Distributions

OPINION:

Your letter of November 20, 1975 to the Department of Labor on behalf of \* \* \* (the "Plan") concerning certain possible reportable events has been referred to the Pension Benefit Guaranty Corporation (the "PBGC") for reply.

Based on our review of your letter and copies of the complaints filed against the Plan in the Court of Common Pleas, Allegheny County, Pennsylvania, we have determined that no event described in § 4043(b) of the Employee Retirement Income Security Act of 1974 (the "Act") has occurred. However, since \* \* \* is, or was within the last sixty months, a substantial owner, as defined in § 4022(b)(6) of the Act, we draw your attention to § 4043(b)(7) of the Act. Under that section, the distribution of \$10,000 or more under a plan to a participant who was a substantial owner within sixty months of the date of the distribution is a reportable event if the distribution is not a benefit payable with respect to the death of the participant and if immediately after the distribution, the plan has nonforfeitable benefits which are not fully funded. If such a distribution occurs, then pursuant to § 4043(a) of the [\*2] Act, the plan administrator must so notify the PBGC within 30 days after its occurrence. Such notice should be sent to \* \* \* PBGC.

Henry Rose  
General Counsel