

Pension Benefit Guaranty Corporation

76-77

June 10, 1976

REFERENCE:

[*1] 4041(a) Termination by Plan Administrator. Filing of Notice of Intent to Terminate
4043(b)(2) Reportable Events. Amendment Decreasing Benefits
4048 Date of Termination

OPINION:

In conversations with staff of the Pension Benefit Guaranty Corporation you have indicated an interest in withdrawing the Notice of Intent to Terminate filed on December 18, 1975 with respect to the Retirement Plan for * * * (the "Plan") and instead continuing the Plan as a frozen plan. You have requested the opinion of this office whether the steps you propose to take to achieve this end are satisfactory and also whether there are any other steps which you must take.

If you amend the Plan effective January 1, 1976 to provide for (1) no accrual of benefits after December 31, 1975; (2) continued accrual of service for vesting purposes only; (3) full vesting for all employees with ten years service; and (4) continued funding of the Plan in accordance with the minimum funding standard contained in § 412 of the Internal Revenue Code of 1954 (the "Code"), we would permit a withdrawal of your Notice and would not deem the Plan terminated. In addition, of course, the amendment should include the other provisions necessary [*2] to maintain the qualification of the Plan under § 401 of the Code.

After adoption of the plan amendment, it will be necessary to submit to PBGC a notice of a reportable event under § 4043(b)(2) of the Employee Retirement Income Security Act of 1974 (the "Act"). A copy of the amendment as adopted should be submitted with the notice. This notice should be setn to Mr. * * * Pension Benefit Guaranty Corporation at the above address.

Finally, please note that premiums will continue to be payable with respect to the Plan pursuant to § 4007 of the Act.

Henry Rose
General Counsel