

Pension Benefit Guaranty Corporation

74-7

Withdrawn on February 12, 2026

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74-7

December 17, 1974

REFERENCE:

[*1] 4006(a)(3) Premium Rates. Initial Rates

OPINION:

This is a confirmation of the telephone call by Mr. * * * of our staff to Ms. * * * of your office regarding your inquiry as to whether a former employee without vested rights should be counted in computing the premium payment declaration.

A former employee who has no vested benefits under the plan and has not been a participant at any time during the plan year for which the premium is being paid, need not be counted for purposes of computing the premium. Thus, if your plan is on a calendar year basis and an employee-participant terminated his employment prior to January 1, 1974 you should not count him unless he has a vested right in the plan. If he was an active participant at any time during the plan year, i.e. 1974, you should count him whether or not he has vested rights in the plan.

Henry Rose
General Counsel

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