

Pension Benefit Guaranty Corporation

74-20

December 5, 1974

REFERENCE:

[*1] 4021(b)(1). Plans covered. Individual Account Plans

OPINION:

This is in response to your recent letter regarding * * * wherein you expressed the opinion that such plan is an individual account plan under Section 4021(b)(1) of the Act and, additionally, requested a ruling as to whether or not such plan is covered by the plan termination insurance under Title IV of the Act.

The referenced plan, in paragraph 1.17, defines a member's "share account" as, "the total employer contributions to the trust fund on a member's behalf," less certain enumerated charges. We note that there is no representation made in the plan as to the value of a participant's account upon distribution. Section 4021(b)(1) of the Act excludes from the coverage of Title IV any "individual account plan," which, in turn is defined by Section 3(34) of the Act as a "pension plan which provides for an individual account for each participant and for benefits based solely upon the amount contributed to the participant's account."

On the basis of the defined exclusion it appears that your plan is not covered by Title IV of the Act and premiums are not due to the Pension Benefit Guaranty Corporation.

Henry Rose
General Counsel