

Pension Benefit Guaranty Corporation

81-34

1981 PBGC LEXIS 8

October 18, 1981

REFERENCE:

[*1] 4231 Mergers & Transfers Between Multiemployer Plans

OPINION:

This is in response to your letter asking whether a multiemployer Pension Fund and a multiemployer Welfare Fund may be merged pursuant to Section 4231 of the Employee Retirement Income Security Act ("ERISA"), as amended by the Multiemployer Pension Plan Amendments Act of 1980, ("MPPAA") Pub. L. 96-364, 94 Stat. 1208 (September 26, 1980), 29 U.S.C. § 1411, to form a combined entity for purposes of plan administration at present and ultimately merge the assets of the plans.

Section 4231 establishes certain requirements for a merger or transfer of assets between multiemployer pension funds. It does not apply to a merger of a pension fund and a welfare fund, cf.- PBGC Regulation § 2670.2 "Multiemployer Plan", 46 Fed. Reg. 27332 (May 19, 1981).

I understand you have already contacted the Internal Revenue Service and the Department of Labor concerning the possible implications of a merger of a pension fund with a welfare fund and that both agencies discussed possible problems with you informally.

Please contact * * * of my staff at (202) 254-4873 or the above address if you have any questions.

I hope we have been of assistance. [*2]

Henry Rose
General Counsel