

Pension Benefit Guaranty Corporation

74-19

December 13, 1974

REFERENCE:

[*1] 4021(a) Plans Covered. Requirements of Coverage

OPINION:

This is a confirmation of the telephone call to you by Mr. * * * of our staff regarding your recent letter raising the following question: "Is a pension plan which is funded with a Trust Company and the cash value of which is determined by vesting the value of the investment at current market value on a periodic basis liable for Plan Termination Insurance premiums to the PBGC?" You advise that the plan is funded by a tax-qualified Trust and provides a defined benefit. Such a plan is covered by Section 4021(a) of the Act and, therefore, premiums are due.

We hope this is of assistance to you.

Henry Rose
General Counsel