

Pension Benefit Guaranty Corporation

74-23

December 18, 1974

REFERENCE:

[*1] 4021(b)(4) Plans Covered. Fraternal Association Plans
4021(b)(5) Plans Covered. Employee Contributed Plans

OPINION:

This is in reply to your recent letter concerning the possible termination of the * * * Union Fraternal Pension Plan.

The plan termination provisions of Title IV of the Employee Retirement Income Security Act of 1974 do not cover plans established or maintained by a society, order or association, including a labor union, if no part of the contributions to the plans are made by the employer of participants in the plan. The Pension Benefit Guaranty Corporation, which is responsible for administering Title IV of the Act, has been informed by the * * * Union that all contributions to the Union's fraternal plan are made by members and that none are made by the Union itself. If that is the case, the plan is not subject to the plan termination provisions of the Act.

For your information we are enclosing a summary of the plan termination insurance program of the new law.

Steven E. Schanes
Acting Executive Director