

Pension Benefit Guaranty Corporation

74-6

November 14, 1974

REFERENCE:

[*1] 4006(a)(3) Premium Rates. Initial Rates
4021(b)(7) Plans Covered. Foreign Plans

OPINION:

This is in response to your recent letter raising a question as whether Canadian participants of a pension plan should be counted for insurance premium purposes when the Company maintaining the plan is located in Minneapolis and has a sales office in Canada?

Section 4021 (b)(7) excludes from coverage a plan "which is established and maintained outside of the United States primarily for the benefit of individuals substantially all of whom are nonresident aliens." It appears from your letter that your situation is not within that exclusion. The Act does not provide for the omission of nonresident participants of covered plans in making the premium payment computation. Therefore, you should count the Canadian participants in the plan for purposes of computing the premium payable to the Pension Benefit Guaranty Corporation.

Henry Rose
Acting General Counsel