

Pension Benefit Guaranty Corporation

75-22

January 13, 1975

REFERENCE:

[*1] 4022(b)(1). Benefits Guaranteed. Five Year Phase-in of Guarantee

OPINION:

This is in response to your letter dated December 6, 1974. In that letter you stated that you have been interpreting Section 4022(a) of the Employee Retirement Income Security Act of 1974 (the "Act") as making "full coverage" applicable to plan participants only if premiums have been paid to the Pension Benefit Guaranty Corporation for five years. In our view, payment of premiums for five years is a condition upon the payment of benefits only under the Contingent Liability Coverage provisions of Section 4023(a) of the Act. See *id* Subsection (d). The five-year "phase-in" rule applies to plans which have been in existence less than five years or to amendments which have become effective or were made within the five years prior to the termination of a plan.

I trust this answers your inquiry.

George B. Driesen
Deputy General Counsel