

Pension Benefit Guaranty Corporation

75-62

October 1, 1975

REFERENCE:

[*1] 4041(f). Termination by Plan Administrator. Application of Termination Procedures Upon Amendment to Individual Account Plan

OPINION:

This is in response to your letter of September 14, 1975, asking the position of the Pension Benefit Guaranty Corporation ("PBGC") with respect to amendment of the * * * Employees Pension Plan, to change it from a defined benefit plan to a defined contribution plan.

Such a change in a plan is treated as a plan termination. See Employee Retirement Income Security Act of 1974 ("ERISA"), Section 4041(f). Accordingly, the statutory provisions relating to a plan termination pursuant to Section 4041 of ERISA apply. Section 4041(a) of ERISA provides that the plan administrator shall file a notice of intent to terminate with the PBGC not later than 10 days before the date of the proposed termination, and that a plan administrator who has filed such notice shall pay no amount pursuant to the termination procedure of the plan for a period of 90 days after the proposed termination date, unless he receives a notice of sufficiency from the PBGC.

I hope this is of assistance.

Henry Rose
General Counsel