

Pension Benefit Guaranty Corporation

75-91

July 15, 1975

REFERENCE:

[\*1] 4041 Termination by Plan Administrator  
4043(b)(2) Reportable Events. Amendment Decreasing Benefits

OPINION:

This is in response to your July 3, 1975 letter to the Office of the General Counsel, Pension Benefit Guaranty Corporation ("PBGC") in which you inquired if a reduction in pension benefits is considered a plan termination.

Under Title IV of the Employee Retirement Income Security Act of 1974 ("ERISA"), which establishes the PBGC, the "reduction" that you describe in your letter does not constitute a termination. However, it does appear to constitute a "reportable event" under ERISA, § 4043(b). As such, the plan administrator of your pension plan should notify the PBGC of the adoption of the proposed change within 30 days from the date of the adoption. (ERISA, § 4043(a)).

I hope this information has been helpful to you.

Henry Rose  
General Counsel