

Pension Benefit Guaranty Corporation

81-39

1981 PBGC LEXIS 3

November 30, 1981

REFERENCE:

[\*1] 4041(b) Termination by Plan Administrator. Notice of Sufficiency

OPINION:

This is in response to your letter of September 21, 1981 regarding your client, \* \* \* a participant in the \* \* \* Insurance Company's pension plan, \* \* \* (the "Plan"). You ask whether \* \* \* benefit is payable in a lump sum.

It has been determined that the Plan has sufficient assets to pay benefits guaranteed by Title IV of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan administrator is responsible for payment of benefits to entitled participants. A plan administrator may pay benefits in excess of \$1750 in a single installment if the plan provides for such distribution and if the plan administrator submits a written statement to the PBGC in which he or she certifies that--

(i) The participant elected, in writing, the alternative form of distribution;

(ii) The participant was informed, in writing, before he or she made the election, of the estimated amounts of the annuity and of the alternative form of distribution, with reference to any risks attendant to the alternative form; and

(iii) The participant was notified, in writing, before he or she made the election, that his or her election [\*2] would not be given effect unless the plan should close out under a Notice of Sufficiency, and that the PBGC does not guarantee the benefit payable in the alternative form.

46 Fed. Reg. 9532 (1981) (to be codified in 29 C.F.R. § 2617.4(b)(3)).

\* \* \* is the case officer assigned to this matter. If you have further questions, he may be reached at the above address or by telephone at (202) 254-4734.

Henry Rose  
General Counsel