REFERENCE:
[*1] 4219 Notice & Collection of Withdrawal Liability
4221 Resolution of Disputes

OPINION:


You state in your letter that review by the plan sponsor and arbitration of the amount of withdrawal liability would be "premature" until your client receives a "valid demand" for payment of withdrawal liability. The determination by the plan sponsor to issue a demand to your client, however, is clearly a "determination made under sections 4201 through 4219." See 29 U.S.C. § 1401(a)(1).

Your client's disagreement with the plan sponsor over the validity of the demand for withdrawal liability thus creates a "dispute between an employer and the plan sponsor" within the meaning of 29 U.S.C. § 1401(a)(1). The statute makes it clear that all such disputes "shall be resolved through arbitration." Id.

I hope this is of assistance. [*2] If you have further questions concerning this matter, please telephone * * * of my staff on (202) 254-4895.

Henry Rose
General Counsel