

Pension Benefit Guaranty Corporation

84-4

April 20, 1984

REFERENCE:

[*1] 4022 Benefits Guaranteed
4022(a) Benefits Guaranteed. Type of Benefits Guaranteed

OPINION:

This is in response to your inquiry regarding the termination of the Employee Pension Plan of * * * (the "Plan"). Specifically, you have asked whether participants whose benefits under the Plan vested as a result of a partial termination that occurred prior to the termination of the Plan would be entitled to guaranteed benefits.

You have asserted that partial terminations of the Plan occurred in 19 * * *, 19 and 19 * * *, and that assets of the Plan were not sufficient to provide the full amount of vested benefits to participants affected by those partial terminations. The Plan terminated on or about * * *.

Under 29 U.S.C. § 1322(a) (1982), the Pension Benefit Guaranty Corporation ("PBGC") ". . . shall guarantee . . . the payment of all nonforfeitable benefits (other than benefits becoming nonforfeitable solely on account of the termination of a plan) under a single employer plan which terminates at a time when section 1321 applies to it." Title 29 U.S.C. § 1321 applied to the Plan when it terminated. Therefore, all participants with vested benefits as of * * *, are entitled to a guaranteed benefit. [*2]

Guaranteed benefits under the Plan include all benefits vested under the terms of the Plan. Those benefits which became vested solely on account of termination or partial termination of the Plan are not guaranteed. Thus, those participants, vested under the terms of the Plan, who were affected by a partial termination of the Plan are still entitled to a guaranteed benefit. Those participants, though, who became vested solely on account of the termination or partial termination are not entitled to a guaranteed benefit.

If you have further questions regarding this matter, please contact * * * at (202) 254-7224.

Henry Rose
General Counsel