

Pension Benefit Guaranty Corporation

75-10

April 8, 1975

REFERENCE:

[*1] 4006(a)(3) Premium Rates. Initial Rates

4043(b)(8) Reportable Events. Mergers, Consolidations & other Transfers of Plan Assets

OPINION:

This is in response to your inquiries concerning the counting of participants for the purpose of paying premiums and the interpretation of the reportable event described in Section 4043(b)(8) of the Employee Retirement Income Security Act of 1974.

First, you indicate that certain participants in a plan have a benefit which is solely the product of an individual account as described in Section 3(34) of the Act. Such participants are not to be counted in computing the premium payment. Such a plan is, in effect, two plans for the purpose of Title IV of the Act, one of which is covered and one of which is excluded.

Secondly, you indicate that the assets of an individual account plan are to be transferred to another individual account plan and inquire whether this is a reportable event under Section 4043(b)(8) of the Act. The language of that statutory section has been interpreted to refer only to covered plans. Since the transfer which you describe involves only excluded plans under Section 4021(b)(1) of the Act, the transfer is not a reportable event. [*2]

I trust this answers your inquiries.

Henry Rose
General Counsel