

Pension Benefit Guaranty Corporation

74-12

December 23, 1974

REFERENCE:

[*1] 4007(a). Payment of Premiums. Due Dates

4002(b)(8) Benefits Guaranteed. Five Year Phase-in of Guarantee

4062(b) Liability of Employer in Single Employer Plans. Amount of Employer Liability

OPINION:

This is in further response to your recent inquiry as to whether a defined benefit pension plan established in April of 1974 with a plan fiscal year ending on April 30, and where no contributions have been made for the plan year ending on April 30, 1975, has any benefits guaranteed under Section 4022 of the Act and, consequently, a potential liability under Section 4062 if the plan were terminated in November, 1974.

If the subject plan terminated in November of 1974, no portion of the benefits would be guaranteed and, therefore, the employer would incur no liability under Section 4062 of the Act. However, premiums would be due and payable to the Pension Benefit Guaranty Corporation nevertheless.

I trust this answers your question. Let me know if I can be of any further assistance.

Henry Rose
General Counsel