

Pension Benefit Guaranty Corporation

76-29

March 1, 1976

REFERENCE:

[\*1] 4041(g) Termination by Plan Administrator. Appointment of Trustee  
4042(b) Termination by PBGC. Appointment of Trustee

OPINION:

This is in reference to \* \* \* order of June 27, 1975 appointing the \* \* \* \* \* A copy of that Order is enclosed.

As you are aware, the Pension Benefit Guaranty Corporation (the "PBGC received a notice of plan termination submitted by \* \* \* prior to issuance of the above Order. The function of the PBGC is to guarantee the payment of basic benefits of plans covered by Section 4021 of the Employee Retirement Income Security Act of 1974 (the "Act"). We notified the plan administrator on October 23, 1975 that the \* \* \* plan was not covered by Section 4021 of the Act and accordingly, that we intended to close the case absent the submission of additional information relevant to the plan's coverage within 30 days of receipt of the October 23 letter. We received two such submissions. We did reconsider and have now finalized our decision. The plan is not covered by Section 4021 of the Act. Copies of our initial determination letter and the letters in response to \* \* \* requests for reconsideration are enclosed.

In view of the fact the above-mentioned Order was based, [\*2] as we interpret it, on the provisions of Sections 4041 and 4042 of the Act, we wish to advise the Court of our view that only plans covered by Section 4021 of the Act may be subject to trusteeships grounded on the provisions of Section 4041 or 4042 of the Act. We related, upon request, this interpretation on November 25, 1975 to \* \* \* Counsel for the Court-appointed trustee. A copy of our letter to \* \* \* is enclosed.

Henry Rose  
General Counsel