

Pension Benefit Guaranty Corporation

77-157

August 5, 1977

REFERENCE:

[*1] 4082(b). Effective Date; Special Rules. Applicability of Title IV to Plan Terminations Occurring Between July 1, 1974 and September 2, 1974

OPINION:

This letter refers to your letters to Case Officer * * * regarding termination of the above Plan.

The Pension Benefit Guaranty Corporation (the "PBGC") has reviewed its * * * determination that the Retirement Plan * * *

* * * (the "Plan") terminated on * * * and that, consequently, the Plan is not subject to the PBGC's guarantee of basic pension benefits.

The review was based on the case file, including the information submitted by you and * * *

We have considered your representation that an unspecified number of employees accrued benefits for holiday pay on * * * * * as required by a contract with the employees' union. We have also evaluated the letters from * * * to the Plan's insurer, to the participants, and to the Department of Labor, announcing * * * as the termination date. However, the following facts, among others, indicate that the Plan terminated on * * * Title to the * * * plant was transferred on * * * and production ceased on that date. No employment continued thereafter. Although the union contract provided for accrual [*2] of benefits for a number of participants after they had been terminated, these accruals, based on holiday pay, do not extend the termination date beyond * * *

Under these circumstances we are precluded by section 4082(b) of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1382(b) (Supp. V, 1975), from guaranteeing benefits upon the termination of the Plan.

Matthew M. Lind
Acting Executive Director