

Pension Benefit Guaranty Corporation

79-16

November 26, 1979

REFERENCE:

[\*1] 4041 Termination by Plan Administrator  
4048 Date of Termination  
4062 Liability of Employer in Single Employer Plans  
4068 Lien for Employer Liability

OPINION:

This is in reference to the termination of the above-captioned pension plan (the "Plan"). The District Court for the Eastern District of Michigan has ordered that for purposes of Title IV of the Employee Retirement Income Security Act of 1974 (the "Act"), the Plan terminated on January 4, 1977. It has been determined that \* \* \* (the "Company") was the employer who maintained the Plan at the date of termination for purposes of § 4062 of the Act, 29 U.S.C. § 1362. Pursuant to that latter section, the Company is liable to the Pension Benefit Guaranty Corporation (the "PBGC") in an amount equal to the excess of the value of the Plan's benefits guaranteed under Title IV of the Act on January 4, 1977, over the assets allocable to such benefits on that date. This liability has been calculated to be \$823,537.00. The PBGC hereby requests that the Company make payment of the said liability within forty-five (45) days of the date of this letter.

The PBGC will charge interest, commencing forty-six (46) days after the date of this letter, on [\*2] the unpaid portion (if any) of the liability at that time. The rate of interest will be that rate in effect under § 6621 of the Internal Revenue Code (the "Code"), 26 U.S.C. § 6621 on the date interest begins to run. It should also be noted that the rate of interest charged by PBGC on the unpaid portion of the liability will change from time to time in conformity with changes in the rate established by § 6621 of the Code. The PBGC will pay interest, at the applicable rate under § 6621 of the Code, on any overpayment, from the date the overpayment is received by the PBGC to the date the PBGC issues a refund.

Your attention is called to the enclosed notice of the Company's right to appeal the determination of employer liability within forty-five (45) days after the date of this letter. Failure to file a timely appeal or otherwise respond to this letter within forty-five (45) days after the date hereof may lead to the issuance of a formal demand letter for the payment of the employer liability under § 4068 of the Act, 29 U.S.C. § 1368, which may in turn give rise to a lien in favor of the PBGC on the employer's [\*3] assets.

Henry Rose  
General Counsel