

Pension Benefit Guaranty Corporation

75-115

May 30, 1975

REFERENCE:

[*1] 4041 Termination by Plan Administrator
4043. Reportable Events

OPINION:

This is in response to your letter of December 18, 1974 in which you advise of a change in insurance carriers for a pension program covering office employees of your firm.

As you recognize, under the Employee Retirement Income Security Act of 1974 this Corporation must be notified 10 days in advance of any proposed termination of a covered pension plan, and certain procedures apply in the eventuality of termination. In addition there are events with respect to a plan which must be reported to this Corporation. One such reportable event is an amendment to a pension plan which reduces the benefit payable with respect to any participant. As you indicate, however, the substitution of one insurance carrier for another is not, without more, a "termination" that must be preceded by notice to this Corporation. Nor is it a "reportable event." Under the circumstances, of course, you are not "out of line in any way"

I am enclosing, for you information, a summary of the Employee Retirement Income Security Act of 1974, as it pertains to the functions of the Pension Benefit Guaranty Corporation and your obligations under [*2] those provisions of the Act. Your interest in bringing this matter to our attention is appreciated. If you have any further questions please advise.

Steven E. Schanes
Acting Executive Director