

Pension Benefit Guaranty Corporation

75-29

March 12, 1975

REFERENCE:

4063(c) Liability of Substantial Employer for Withdrawal. Satisfaction of Liability Through Posting of Bond

OPINION:

This is in response to your letter dated January 13, 1975, inquiring about the indemnity bond which may be required of substantial employers that withdraw from Multiemployer Pension Plans under the provisions of Section 4063(c)(1) of the Employee Retirement Income Security Act of 1974 (Act). Specifically, you requested that the Department of Labor forward to you a copy of the final bonds which would meet this requirement along with any rules or regulations which the Department may issue with regard to the administration of the above-mentioned section.

The form or type of indemnity bond required under 4063(c)(1) of the Act has not yet been approved. When approval as required by the said section is obtained, appropriate regulations will be promulgated and published.

In the event one of your clients is required to post a bond with this Corporation pursuant to Section 4063(c) of the Act, we will assist you in drawing up an acceptable instrument.

Steven E. Schanes
Acting Executive Director