

Pension Benefit Guaranty Corporation

76-82

June 14, 1976

REFERENCE:

[*1] 4006 Premium Rates

OPINION:

This is in response to your letter of March 31, 1976, * * * supplemented by your telephone conversation of April 8, 1976, with * * * of this Office. You asked whether an individual, for purposes of premium payments, is a participant of an integrated defined benefit plan (hereinafter "Plan") where such individual, otherwise eligible to participate in the Plan, has never earned more than the minimum wage base.

Section 4006 of the Employee Retirement Income Security Act of 1974 (hereinafter "Act") provides that premiums shall be paid for each participant of a plan which provides benefits * * * guaranteed under § 4022 of the Act.

This Corporation's regulation defines "participant" for premium payment purposes, in pertinent part, as an individual who * * * (1) currently accrues benefits or earnings under the plan, (2) retains credited service under the terms of the plan, or (3) is defined as a participant under the terms of the plan. Premium Payment Regulation, 29 C.F.R. § 2602.2, 40 Fed. Reg. 57458 (December 10, 1975).

If an individual has never earned more than the minimum wage base while otherwise eligible to participate in the Plan, has never accrued benefits [*2] or earnings under the Plan, and is not defined under the terms of the Plan as a Plan participant, it appears that such an individual is not a participant of the Plan for purposes of premium payments. We trust that this response is helpful. Should you have additional questions, please do not hesitate to contact * * * of my staff at (202) 254-4895.

Henry Rose
General Counsel