

Pension Benefit Guaranty Corporation

77-140

April 15, 1977

REFERENCE:

[*1] 4021(b)(2) Plans Covered. Government Plans

OPINION:

This is in response to your request for a determination whether the pension plans maintained by institutions under * * * (the System) constitute governmental plans within the scope of Section 4021(b)(2) of the Employee Retirement Income Security Act of 1974 (the Act), which excludes such plans from the coverage of Title IV of the Act.

As we understand the information submitted in support of your request, the institutions within the System are created by Federal statute, are designated as instrumentalities or agencies of the United States by such statute, and are exempt from Federal, State or local taxation. Additionally, there is authority for the Federal government to loan monies to the institutions. Their function is to operate a system of agricultural credit in the United States.

Based upon the above information we have determined that the institutions within the * * * System * * * are instrumentalities of the Federal government within the meaning of Section 4021(b)(2) of the Act. Accordingly, plans maintained by such entities for their employees are excluded from coverage under Title IV of the Act.

We hope this is of assistance. [*2]

Henry Rose
General Counsel