

Pension Benefit Guaranty Corporation

75-104

July 8, 1975

REFERENCE:

[*1] 4021(b)(13) Plans Covered. Professional Service Employer Plans
4021(c)(2)(B) Plans Covered. Definition of Professional Individuals

OPINION:

This is in response to your letter of June 12, 1975 asking confirmation of your understanding that incorporated animal hospitals, being professional corporations, need not file form PBGC-1.

A professional service employer is any entity (it need not be a corporation) owned or controlled by professional individuals, as defined in Section 4021(c) (2) (B), where both the entity and the professional individuals are engaged in the performance of the same professional service. Licensed veterinarians are "licensed practitioners of the healing acts" under Section 4021(c) (2) (B). Accordingly, a plan maintained by an employer entity engaged in providing veterinary services that is owned or controlled by a licensed veterinary or veterinaries is a plan maintained by a professional service employer. Pursuant to Section 4021(b)(13), such a plan is excluded from Title IV coverage if it does not at any time subsequent to the enactment of the Employee Retirement Income Security Act of 1974 have more than 25 active participants.

Plans which are excluded from coverage [*2] under Title IV do not need to file form PBGC-1.

I hope this information will prove useful to you.

Henry Rose
General Counsel