

Pension Benefit Guaranty Corporation

75-11

January 14, 1975

REFERENCE:

[*1] 4007(b) Payment of Premiums. Penalties and Interest

OPINION:

This is in response to your letter of December 16, 1974. In that letter you requested a 60 day waiver of interest and penalty charges for failure to pay first full plan year premiums when due under Section 4007(a) of the Employee Retirement Income Security Act of 1974 (hereinafter the "Act").

This Corporation is not authorized to waive interest charges on late payments. Under the circumstances, however, no penalty will be imposed if you mail the premium payments within sixty days of the due date.

Since your request relates to plan years beginning January 1, 1975, and since premiums "are due within 30 days after such plan Year(s) commence", Act, Section 4007(a), your premium declaration and payment must be mailed on or before March 31, 1975 in order to avoid late payment charges. Interest will accrue from January 31, 1975 and should be included with your payment.

I trust this answers your inquiry.

George B. Driesen
Deputy General Counsel