

PBGC COVERED DEFINED BENEFIT PLAN TERMINATION AND ADMINISTRATION

Sequence of Events

	Action	Deadline
Step 1	Adopt resolution and amendment indicating plan is to be terminated and accruals are to be frozen	On or before Notice of Intent to Terminate is issued
Step 2	Issue Notice of Intent to Terminate to all affected parties	At least 60 days but not more than 90 days prior to official termination date
Step 3	Issue Notice to Affected Parties of Amendment Ceasing Benefit Accruals to all affected parties (this notice can be included with #2 above)	At least 45 days prior to cease of accrual date (plans with less than 100 participants require only 15 days advance notice)
Step 4	Gather participant, asset and plan data for use in completing appropriate forms	As soon as possible
Step 5	Compute participant benefits and termination liability	Upon receipt of appropriate data
Step 6	Prepare individual benefit notices to be distributed to plan participants to inform them of their rights and benefits to be paid from the plan	Distribution of these notices must be completed before the PBGC filing, but not later than 180 days after plan termination date
Step 7	Complete IRS termination application Form 5310	Concurrently with benefit packets
Step 8	Issue Notice to Interested Parties that IRS Form 5310 is going to be filed	7-21 days before Form 5310 is filed (10-24 days if notices are mailed)
Step 9	Mail Form 5310 to the IRS	Before mailing the PBGC application
Step 10	Complete the PBGC termination application, Form 500	Concurrently with Form 5310
Step 11	Mail Form 500 to the PBGC	Not later than 180 days after termination date
Step 12	Wait (during this period one can contact insurance companies for annuity quotes)	No distributions can be made between the date of Notice of Intent to Terminate and the end of the 60-day period following receipt by PBGC of Form 500 unless the distribution is consistent with prior plan practices
Step 13	Respond to the IRS request for additional information	Upon receipt of request
Step 14	Wait	In due time the IRS will issue a favorable letter
Step 15	Distribute benefits (purchase annuities); before actual distribution can be made, benefit amounts must be updated to reflect actual distribution date	Within 120 days of receipt of favorable IRS letter, but not earlier than 60 days after PBGC submission
Step 16	File Post-Distribution Certification (Form 501) with the PBGC	Within 30 days after benefits are distributed

Additional Requirements

- Annual actuarial valuations must be completed through the plan year including the date of plan termination.
- Normal cycle IRS Form 5500 and PBGC premium filings must be completed through the plan year including the date of final distribution.