

(c) *Amortizing initial liabilities.* A plan may by amendment modify the amortization of initial liabilities in either of the following ways:

(1) If two or more plans that use the presumptive allocation method of section 4211(b) of ERISA merge, the merged plan may adjust the amortization of initial liabilities under § 4211.32(b) to amortize those unfunded vested benefits over the remaining length of the prior plans' amortization schedules.

(2) A plan that has adopted the allocation method under § 4211.33 or § 4211.34 may adjust the amortization of initial liabilities under § 4211.33(b) or § 4211.34(b) to amortize those unfunded vested benefits in level annual installments over any period of at least five and not more than fifteen years.

(d) *Changing the allocation fraction.* A plan may by amendment replace the allocation fraction under § 4211.32(b), § 4211.33(b), or § 4211.34(b) with any of the following contribution-based fractions—

(1) A fraction, the numerator of which is the total amount required to be contributed under the merged and prior plans by the withdrawing employer in the 60-month period ending on the last day of the initial plan year, and the denominator of which is the sum for that period of the contributions made by all employers that had not withdrawn as of the end of the initial plan year;

(2) A fraction, the numerator of which is the total amount required to be contributed by the withdrawing employer for the initial plan year and the four preceding full plan years of its prior plan, and the denominator of which is the sum of all contributions made over that period by employers that had not withdrawn as of the end of the initial plan year; or

(3) A fraction, the numerator of which is the total amount required to be contributed to the plan by the withdrawing employer since the effective date of the merger, and the denominator of which is the sum of all contributions made over that period by employers that had not withdrawn as of the end of the initial plan year.

**§ 4211.37 Allocating unfunded vested benefits for withdrawals before the end of the initial plan year.**

If an employer withdraws after the effective date of a merger and before the end of the initial plan year, the amount of unfunded vested benefits allocable to the employer shall be determined as if each plan had remained a separate plan. In making this determination, the plan sponsor shall use the allocation method of the withdrawing employer's prior plan and shall compute the employer's allocable share of the plan's unfunded vested benefits as if the day before the effective date of the merger were the end of the last plan year prior to the withdrawal.

**PART 4219—NOTICE, COLLECTION, AND REDETERMINATION OF WITHDRAWAL LIABILITY**

**Subpart A—General**

- Sec.
- 4219.1 Purpose and scope.
- 4219.2 Definitions.

**Subpart B—Redetermination of Withdrawal Liability Upon Mass Withdrawal**

- 4219.11 Withdrawal liability upon mass withdrawal.
- 4219.12 Employers liable upon mass withdrawal.
- 4219.13 Amount of liability for *de minimis* amounts.
- 4219.14 Amount of liability for 20-year-limitation amounts.
- 4219.15 Determination of reallocation liability.
- 4219.16 Imposition of liability.
- 4219.17 Filings with PBGC.
- 4219.18 Withdrawal in a plan year in which substantially all employers withdraw.
- 4219.19 Method and date of issuance; computation of time.
- 4219.20 Information collection.

**Subpart C—Overdue, Defaulted, and Overpaid Withdrawal Liability**

- 4219.31 Overdue and defaulted withdrawal liability; overpayment.
- 4219.32 Interest on overdue, defaulted and overpaid withdrawal liability.
- 4219.33 Plan rules concerning overdue and defaulted withdrawal liability.

AUTHORITY: 29 U.S.C. 1302(b)(3) and 1399(c)(6).