

P/OPINION 75-03

3(1)✓

3(2)

August 5, 1975

Dear :

This is in reply to your letter dated July 11, 1975, requesting a determination as to the coverage of your vacation savings plan under the Employee Retirement Income Security Act of 1974 (ERISA). Employers withhold a specified amount from each journeyman's and apprentice's pay and send the money monthly to the bank where it is deposited into the account of each employee. Withdrawals may be made at the employee's discretion.

Essentially, this plan encompasses individual personal savings accounts. Neither the union nor the employer contributes to the account and the employee has complete control of his own account. He can withdraw the money at any time and for any purpose, not necessarily for a vacation. The plan would not come within the definition of either an "employee welfare benefit plan" or an "employee pension benefit plan" as contemplated in sections 3(1) and 3(2) of the ERISA. The plan, therefore, would not be covered under this Act.

Sincerely,