

June 24, 1975

Dear :

This will confirm your telephone conversation with of my staff concerning your inquiry about the bond purchase plan your union has for its office secretary. You explained in your earlier letter that the union purchases a bond for her each month which immediately becomes her property. Under these circumstances we do not think you maintain a pension plan within the meaning of the Employee Retirement Income Security Act of 1974 (ERISA). Rather, you are currently paying compensation in a bond form which your employee may retain for her retirement, but which she may use almost immediately, and on which we assume she is currently taxable. No reports are required on the bond purchases of this type under ERISA.

Sincerely,