

July 17, 1975

Dear :

This is in further reply to your letter to the Internal Revenue Service inquiring whether a profit sharing plan of which you are a trustee is covered by the Employee Retirement Income Security Act of 1974 (ERISA). Your letter was referred to us for additional response by the IRS.

From the information provided in your letter, we see no reason to think that the plan would not be covered by ERISA. Section 3(2) of ERISA defines a covered pension plan to include any plan, fund or program which provides retirement income to employees or results in a deferral of income regardless of the method of calculating the contributions, the benefits, or the method of distributing benefits. In our opinion, this definition would include a profit sharing plan such as you describe, which provides a lump sum payment on termination of employment.

Sincerely,