

January 21, 1975

Dear :

This is in response to your letter of December 24, 1974, regarding the applicability of the Employee Retirement Income Security Act of 1974 (ERISA) to an employee welfare benefit plan maintained in Puerto Rico. Because the responsibilities for effectuating the legislation are generally divided between the Department of Labor, Title I; the Internal Revenue Service, Title I; and the Pension Benefit Guaranty Corporation, Title IV, this response is limited to the applicability of Title I.

With certain exceptions not pertinent here, all employee welfare benefit plans maintained by an employer or an employee organization whose members are engaged in commerce between a State and any location outside thereof, or in any activity affecting commerce, are covered by Title I of ERISA. The term State is specifically defined in section 3(10) to include Puerto Rico. However, all employee welfare benefit plans are specifically exempted from the requirements of Part 2, Participation and Vesting, and Part 3, Funding, of the ERISA. Therefore, an employee welfare benefit plan, including those maintained in Puerto Rico, are subject to the provisions of Part I, Reporting and Disclosure; Part 4, Fiduciary Responsibility; and Part 5, Administration and Enforcement, of the ERISA.

Sincerely,