

3 (32) ✓  
4 (b) (1)

December 31, 1975

Dear :

This will supplement our prior correspondence as to whether the above described program is covered under the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

According to the information furnished by you the Valley Authority (Authority) is a political subdivision of the State of created by act of the Legislature of that State. The Authority has established and maintains a retirement program (Plan) for the benefit of its employees under which all contributions are made by the Authority. You inquire whether the Plan is exempt under the provisions of section 4(b) (1) of the ERISA.

Section 4(b) (1) of the Employee Retirement Income Security Act of 1974 (ERISA) exempts governmental plans from coverage thereunder. Section 3(32) defines the term "governmental plan", in part, to mean a plan established or maintained for its employees by the Government of the United States, by the government of any State or political subdivision thereof, or by any agency or instrumentality of any of the foregoing.

Based on the foregoing, it is concluded that the plan is established and maintained for its employees by the Authority, a political subdivision of the State of . Accordingly, it is a "governmental plan" as defined in section 3(32) of the ERISA, and is exempt from coverage thereunder pursuant to the provisions of section 4(b) (1).

Sincerely,