

3 (32) ✓
4 (b) (1)

December 31, 1975

Dear :

This is in response to your letter requesting a determination whether the plan described therein is a governmental plan. We regret the delay in answering.

According to the information furnished by you, the District (District) is a regional sewage authority serving the City of and the Towns of . The District was created in by special act of the General Assembly and is vested with the powers and authority of a municipality as the term is defined by the statutory law of . The District has approximately 25 employees and carries hospitalization and health insurance coverage for them with Blue Cross and Medical Services and life insurance coverage with The Insurance Company . Additionally, the employees are participants in a pension plan known as Fund B of the Municipal Employers Retirement Act. The District's participation in the plan is also authorized by special act of the General Assembly. Both the employees and the District contribute to this pension plan.

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 above, it is concluded that the hospitalization and health and life insurance plans are established and maintained by the District, a political subdivision of the government of the State of . It is further concluded that the pension plan is also established and maintained by the District. Therefore, the plans are "governmental plans" as defined in section 3(32) of the ERISA, and are exempt from coverage thereunder pursuant to the provisions of section 4(b)(1).

Sincerely,