

February 27, 1976

Dear:

This is in response to your letter dated August 13, 1975, addressed to, requesting a determination whether your informal policy supporting the courses and social events offered by [Institute] is covered under the Employee Retirement Income Security Act of 1974 (ERISA). I am sorry we were unable to reply earlier.

The [Institute] is the education and recreation function of the Association and is organized into local chapters for the purpose of bringing educational and recreational programs to area bank personnel. The [Bank] support of the activities of the [Institute] may include financial and personnel needs for various activities and programs. According to your telephone conversation with a member of my staff, the Bank refunds the tuition paid by Bank employees for successfully completed courses given by the [Institute]. These payments are made from the general assets of the Bank which reserves the right to approve or disapprove each request on its individual merit.

Section 3(1) of the ERISA includes in its definition of an employee benefit plan "any plan, fund, or program which was heretofore or is hereafter established or maintained by an employer ..., to the extent that such plan, fund, or program was established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, ... apprenticeship or other training programs, ... scholarship funds..." However, section 2510.3-1(k) of regulations published August 15, 1975 (copy enclosed), excludes from the term "employee welfare benefit plan" a scholarship

program, including a tuition and education expense refund program, under which payments are made solely from the general assets of an employer. The informal policy, of the Bank, therefore, would not be covered under the ERISA.

Sincerely,