

December 10, 1976

Dear :

Thank you for your letter dated April 27, 1976, requesting a determination under the Employee Retirement Income Security Act of 1974 (ERISA). I am sorry we could not reply sooner.

According to your letter and your conversation with a member of my staff, the Village of (named), a municipality, negotiates a contract with (named) for certain welfare benefits. The contract covers all employees and the Village pays the total premium. You would like to know if the Village has any obligations under the ERISA.

Section 4(b)(1) of the 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 (Village), a political subdivision of (State). Accordingly, it is a "governmental plan" as defined in section 3(32) of the ERISA and is exempt from coverage under Title I pursuant to section 4(b)(1).

Sincerely,