

December 10, 1976

Dear :

Thank you for your letter in reference to coverage of employee benefit plans of the {City} Public Schools under the Employee Retirement Income Security Act of 1974 (ERISA). I am sorry we could not reply sooner.

According to your letter and the information on file under the Welfare and Pension Plans Disclosure Act (WPPDA), the welfare plan is administered by the School District of the City of (named), covers all employees under contract, and is funded solely by the employer. The plan was exempt from coverage under the WPPDA and you would like to know if the enactment of the ERISA has modified this determination in any way.

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 information available, it is concluded that the plan is established and maintained for its employees by the (City) School District, an agency or instrumentality of (City). 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,