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December 13, 1976

Dear :

This will supplement our letter to you dated August 6, 1976, and will serve to answer your inquiry concerning the Employee Retirement Income Security Act of 1974 (ERISA). Again, we regret that we were unable to respond to your inquiry earlier.

You state that you are the attorney for (A) Local # , (City, State), and this organization maintains a welfare fund that provides hospital, medical, surgical and life insurance benefits to members. The plan is funded through the contributions of members' employers on a cents-per-hour-worked basis. Several of the participants in this plan performed work for employers who have entered into a collective bargaining agreement with (B) Local # . (B) Local, in addition to a similarly funded welfare plan, maintains a "security benefit fund" paying benefits for vacations, jury duty, savings, etc., and these employers have contributed to both programs on behalf of the (A) Local members. Pursuant to a reciprocal agreement, (B) Local has remitted such contributions to (A) Local.

You further state that, as (A) Local does not maintain a "security benefit fund", the trustees of the (A) Local welfare fund are uncertain as to what disposition they should make of the contributions made on behalf of (A) Local members to (B) Local's "security benefit fund". The trustees are willing to send the contributions back to the (B) Local fund for distribution to those members of (A) Local on whose behalf the contributions were made. However, the (B) Local fund trustees are unwilling to incur the administrative expense involved in such a

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distribution. You ask whether or not it would be permissible under Title I of the ERISA for the (A) Local welfare fund to make distribution of these contributions to the affected members.

There is nothing in the provisions of Title I of the ERISA that would prohibit the trustees of the (A) Local Welfare Fund, acting as agent for the trustees of the (B) Local Welfare Fund-Security Benefit Fund, from distributing to entitled (A) Local members, contributions made on behalf of such members by employers contributing to the (B) Local "security benefit fund".

Sincerely,