P/OPINION 77-13

3(32)

January 11, 1977

Dear :

Thank you for your letter dated April 26, 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 (named) College (College) is supported directly by (State) and levies a local property tax within the boundaries of Community College District # . The College contributes 88% of the premium for the group health insurance plan, holds the contract, administers the plan, and sends its contribution and the employees' contribution directly to (named) Insurance Co.

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 the College, an agency or instrumentality 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 the provisions of section 4(b)(1).

Sincerely,