Pension and Welfare Benefit Programs
Washington, D.C. 20216

MAR 1 1977

Mr. E. J. Green
Duncan Welfare Club
102 West Seventh Street
Alton, Illinois 62002

OPINION 77-25 A

3(1)

Dear Mr. Green:

This is in reply to your letter concerning the Employee Retirement Income Security Act of 1974 (ERISA). We regret that the volume of correspondence has resulted in a delay in responding.

You state that the Duncan Welfare Fund (the Fund) is a tax-exempt benevolent and charitable organization established to provide remembrances such as a flower fund for members and dependents, gifts to members when sick or in the hospital, aid to members in need of groceries or clothing, distribution of Christmas baskets and contributions to the United Fund. You question whether the Fund is subject to the requirements of Title I of ERISA.

The Department of Labor has adopted an advisory opinion procedure (ERISA Procedure 76-1, copy enclosed) which describes the general procedures for issuing information letters and advisory opinions under ERISA. Pursuant to ERISA Procedure 76-1, this letter is to have the effect of an advisory opinion.

Section 2510.3-1 of regulations issued by the Department on August 15, 1975 clarifies the definition of "welfare plan" and identifies certain practices which do not constitute such plans. Paragraph (g) of that section indicates that, for purposes of Title I, the term "welfare plan" shall not include a program under which contributions are made to provide remembrances such as flowers, or a small gift to members on occasions such as sickness, hospitalization or death.

The Fund qualifies as a program established for the purposes enumerated in section 2510.3-1(g). Therefore, the Fund will not be deemed a welfare plan and is not subject to the provisions of Title I of ERISA.

Sincerely,

Fred W. Stuckwisch
Director
Office of Regulatory Standards
and Exceptions

Enclosure