U.S. DEPARTMENT OF LABOR
Pension and Welfare Benefit Programs
Washington, D.C. 20216

OPINION 77-28 A

MAR 11 1977

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Mr. Stuart S. Lang
Lester Witte and Company
703 Standard Plaza
Portland, Oregon 97204

Dear Mr. Lang:

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 Employees' Benefit Association (the Association) is a nonprofit, tax-exempt corporate association whose members are employees of Consolidated Freightways and its subsidiaries. In return for the payment of dues to the Association, the members receive time-loss benefits for disabilities not covered by workmen's compensation as well as group term life insurance. You question whether the benefit arrangement of the Association is an employee benefit plan covered by 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 3(1) of ERISA defines the term "welfare plan" to include any plan, fund, or program which is established or maintained by an employee organization for the purpose of providing for its participants various enumerated benefits including benefits in the event of sickness, accident, disability or death.

Section 3(4) of ERISA defines the term "employee organization" to include "any labor union or any organization of any kind, or any agency or employee representation committee, association, group, or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning an employee benefit plan, or other matters incidental to employment relationships; or any employees' beneficiary association organized for the purpose in whole or in part, of establishing such a plan."

Based on the above, we have concluded that the benefit programs maintained by the Association are "employee welfare benefit plans" within the meaning of section 3(1) of ERISA. As such, the plans are covered by ERISA and are subject to Parts 1, 4, and 5 of Title I which contain the reporting and disclosure, fiduciary responsibility and enforcement provisions respectively.

Sincerely,

Fred W. Stuckwisch
Director
Office of Regulatory Standards
and Exceptions

Enclosures