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

SEP 1 4 1978

Mr. Ira Michael Shepard
Carr, Jordan, Coyne and Savits
900 Seventeenth Street, N.W.
Washington, D.C. 20006

OPINION 78-16 A

3(1)

Dear Mr. Shepard:

This is in response to your letters of August 8, 1978, and August 15, 1978, regarding coverage under the Employee Retirement Income Security Act of 1974 (ERISA). Specifically, you ask whether the Maryland General Hospital Group Legal Services Plan (the Plan) is an employee welfare benefit plan within the meaning of section 3(1) of ERISA.

You advise that the Plan was established by Maryland General Hospital (the Hospital) to provide prepaid legal services benefits to participating employees of the Hospital. Participation is voluntary and all employees are eligible to participate. Both the Hospital and the participating employees contribute to the Plan.

Section 3(1) of ERISA defines an employee welfare benefit plan as:

> . . . any plan, fund, or program which was heretofore or is hereafter established or maintained by an employer or by an employee organization, or by both, to the extent that such plan, fund, or program was established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, (A) medical, surgical, or hospital care or benefits, or benefits in the event of sickness, accident, disability, death or unemployment, or vacation benefits, apprenticeship or other training programs, or day care centers, scholarship funds, or prepaid legal services, or (B) any benefit described in section 302(c) of the Labor Management Relations Act, 1947 (other than pensions on retirement or death, and insurance to provide such pensions).

Based upon your representations, it is the position of the Department of Labor that the Maryland General Hospital Group Legal Services Plan is an employee welfare benefit plan within the meaning of section 3(1) of ERISA.

This letter constitutes an advisory opinion under ERISA Procedure 76—1. Accordingly, this letter is issued subject to the provisions of the procedure, including section 10 thereof relating to the effect of advisory opinions.

Sincerely,

Ian D. Lanoff
Administrator
of Pension and Welfare
Benefit Programs