

U.S. Department of Labor

Labor-Management Services Administration
Washington, D.C. 20216



Reply to the Attention of:

OPINION NO. 82-38A (2 letters – 1 number)
Sec. 4(b)(4)

AUG 2 1982

Mr. Walter E. Andrews, Jr.
1400 So. Joyce Street, Apt. A809
Arlington, Virginia 22202

Dear Mr. Andrews:

This is in reply to your letter of May 20, 1981, and previous correspondence with the Department of Labor (the Department) concerning whether the requirements of title I of the Employee Retirement Income Security Act of 1974 (ERISA) apply to the Reuters Pension Fund (the Fund). Specifically, you described relevant facts concerning the Fund for the purpose of determining whether the exclusion from coverage in section 4(b)(4) of ERISA applies to the Fund. We conclude that, under the circumstances, the exclusion in section 4(b)(4) of ERISA applies to the Fund, and the Fund need not meet any requirements of title I of ERISA.

The Fund covers participating employees of Reuters, Ltd. (Reuters), which is based in London, England. The employees' work locations are worldwide, including New York and Washington in the United States. Reuters centralized information and records concerning the Fund in London, England. Contributions from participating employees to the Fund were also forwarded to London, England. Information you obtained from Reuters stated the following as of April 3, 1981: There were 257 United States citizens among 2700 persons employed by Reuters, and among 1500 Fund members there were 130 United States citizens. After the Department notified Reuters that the issue of the Fund's exclusion from ERISA title I was under consideration, Reuters stated to the Department that, as of December 1981, 117 inactive and 37 active participants who are United States citizens or residents are among 1564 covered employees.

Section 4(b)(4) of ERISA excludes from ERISA title I coverage any plan "maintained outside of the United States primarily for the benefit of persons substantially all of whom are nonresident aliens." Based on the above information, it is the Department's position that section 4(b)(4) of ERISA excludes the Fund from coverage by ERISA title I provisions.

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,

Jeffrey N. Clayton
Administrator
Pension and Welfare Benefit Programs

cc: Ms. Gloria Pollack

U.S. Department of Labor

Labor-Management Services Administration
Washington, D.C. 20216



Reply to the Attention of:

OPINION NO. 82-38A (2 letters – 1 number)

AUG 2 1982

Ms. Gloria E. Pollack
Weil, Gotshal & Manges
767 Fifth Avenue
New York, New York 10153

Dear Ms. Pollack:

This is in response to information you submitted to the Department of Labor (the Department) on January 5, 1982, on behalf of the Reuters Pension Fund (the Fund), after being notified of the Department's ongoing consideration of whether the Fund is excluded from coverage under title I of the Employee Retirement Income Security Act of 1974 (ERISA). In the enclosed advisory opinion, as well as in our discussion below, the Department concludes that under the circumstances described the Fund is not covered by title I of ERISA.

You represent that Reuters Limited (Reuters) is a United Kingdom corporation operating as an international news agency. Although its main office is in London, England, Reuters is authorized to do business in the United States as a foreign corporation. Reuters maintains a New York office. The Fund is administered under the laws of the United Kingdom for the benefit of Reuters' employees worldwide. Fund assets are held in trust in the United Kingdom. You also stated that as of December 1981, 117 inactive and 37 active participants who are United States citizens or residents are among 1564 employees covered by the Fund.

Section 4(b)(4) of ERISA excludes from ERISA title I coverage any plan "maintained outside of the United States primarily for the benefit of persons substantially all of whom are nonresident aliens." Based on the above information you provided to the Department regarding the Fund, it is the Department's position that section 4(b)(4) of ERISA excludes the Fund from coverage by ERISA title I provisions.

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. This advisory opinion supersedes the Department's letter of August 5, 1975, concerning the Fund, and the Fund may no longer rely on that letter.

Sincerely,

Jeffrey N. Clayton
Administrator
Pension and Welfare Benefit Programs

cc: Mr. Walter E. Andrews, Jr.