Title: Health Care Arrangements Established by State and Local Governments for Non-Governmental Employees

Abstract: Department of Labor regulation 29 C.F.R. 2510.3-1 clarifies the definition of the terms “employee welfare benefit plan” and “welfare plan” for purposes of title I of the Employee Retirement Income Security Act of 1974 (ERISA) by identifying certain practices which do not constitute employee welfare benefit plans. This rulemaking would amend that regulation to clarify the circumstances under which health care arrangements established or maintained by state or local governments for the benefit of non-governmental employees do not constitute an employee welfare benefit plan for purposes of section 3(1) of ERISA and 29 CFR 2510.3-1.

Agency: Department of Labor (DOL)

Priority: Other Significant

RIN Status: First time published in the Unified Agenda

Agenda Stage of Rulemaking: Proposed Rule Stage

Unfunded Mandates: Undetermined

CFR Citation: 29 CFR 2510.3-1

Legal Authority: 29 USC 1135; ERISA sec 505

Legal Deadline: None

Statement of Need: Questions have been raised regarding the extent to which health care reform efforts on the part of state and local governments result in the creation of ERISA-covered employee welfare benefit plans or otherwise implicate ERISA. This regulation is needed to provide certainty to both governmental bodies and employers concerning the application of ERISA to such efforts.

Summary of the Legal Basis: Section 505 of ERISA provides that the Secretary may prescribe such regulations as she finds necessary and appropriate to carry out the provisions of title I of the Act. Regulation 29 CFR 2510.3-1 clarifies definitions of the terms “employee welfare benefit plan” and “welfare plan” for purposes of title I of ERISA.

Alternatives: Alternatives will be considered following a determination of the scope and nature of the regulatory guidance needed by the public.

Anticipated Costs and Benefits: Preliminary estimates of the anticipated costs and benefits will be developed, as appropriate, following a determination regarding the alternatives to be considered.

Timetable:

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Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

Federalism: Undetermined

Included in the Regulatory Plan: Yes

RIN Data Printed in the FR: No

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