

CLIENT BULLETIN

DOL Releases Guidance on Apprenticeship and Training Plan Expenses - Skills Competitions

The Department of Labor (DOL) recently issued [Field Assistance Bulletin No. 2014-02 \(FAB 2014-12\)](#) containing *Supplemental FAQs on Apprenticeship and Training Plan Expenses - Skills Competitions* in the form of four *Frequently Asked Questions (FAQs)*. [Field Assistance Bulletin 2012-01 \(FAB 2012-01\)](#) provided guidance on apprenticeship and training plans using plan assets to pay for *graduation ceremonies* and *advertising*. *FAB 2014-12* applies the principles of *FAB 2012-01* to the use of plan assets on *apprenticeship skills contests* or *competitions* and also has detailed discussions of fundamental ERISA fiduciary principles. *FAB 2014-12* should be reviewed in detail by individuals responsible for training and apprenticeship funds.

The four FAQs are:

- Q1. On what basis may an apprenticeship and training plan pay for participation in a skills competition or contest?*
- Q2. May plan fiduciaries use plan assets to pay for expenses associated with organizing and conducting apprenticeship and training plan skills competitions?*
- Q3. What travel expenses are permissible for apprentices and these other individuals?*
- Q4. May an apprenticeship or training plan reimburse employers for the wages paid by employers to participants during the competition?*

Recall that apprenticeship and training plans established by employers or labor organizations are "employee benefit plans" under *ERISA* and subject to its fiduciary standards. Plan fiduciaries must still abide by *ERISA's* general fiduciary standards of discharging one's duties solely in the interest of the participants, prudently and for the exclusive purpose of (1) providing benefits to participants and their beneficiaries, and (2) defraying reasonable expenses of administering the plan.

FAB 2012-01 was discussed in [Client Bulletin 2012-18](#).

The DOL is offering an [Apprenticeship Plans and Fiduciary Responsibilities Webcast](#) on January 28, 2015, 2:00 pm – 3:30 pm EDT, registration is required. Click on the link to register.

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