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## BENEFITS ALERT: Apprentice/Training Fund Competition Expenses

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On the heels of its 2012 guidance regarding apprentice/training fund expenses for advertising and graduation ceremonies, the Department of Labor has released new guidance concerning the use of plan assets to pay for expenses related to skills competitions. In light of the fact that such competitions further training benefits and allow fiduciaries to assess a fund's effectiveness, the following expenses may/may not be paid from plan assets:

### Expenses that May be Paid from Plan Assets

- Participant expenses for transportation, registration fees, and (if out of town) lodging and meals (for days related to the competition)
- Lost wages due to participation in the competition or reimbursement to employers for wages paid during the competition
- Prizes (if consistent with the plan's purposes), such as: credits for tuition or trade related tools/equipment
  - Prize value should be reasonable in light of the scale of the competition and the fund's financial position
- Travel expenses for others involved in the competition (*e.g.*, instructors) who either play a necessary role in the competition or who are involved in assessing the program's effectiveness

### Expenses that May Not be Paid from Plan Assets

- Participant travel expenses for lodging and meals for days not related to the competition or any upgrade fees
- Travel expenses for plan, union, or employer representatives or apprentice guests/families
- Gifts to fiduciaries involved in the planning of the competition

- Organizing expenses such as venue rental, equipment transportation, participant communications, and promotional expenses
- Modest gifts to competition organizers (e.g., a \$25 gift card)
- Competition T-shirts
- Awards dinner

If you have any questions about expenses for your apprentice/training fund's competitions, please do not hesitate to contact us.

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