

October 4, 2000

Clark J. Yelverton, Interim President/CEO  
CSE Federal Credit Union  
2154 Swisco Road  
Sulphur, Louisiana 70665

Re: Insurance Benefits for Officials and Their Immediate Family Members.

Dear Mr. Yelverton:

You have asked whether your federal credit union (FCU) may permit its directors and committee members and their immediate family members to participate in an employee assistance program, a counseling program that is essentially a health insurance benefit, that the FCU is providing to its paid employees. FCUs may provide reasonable health insurance to board and committee members and, in the circumstances you described where there is no additional cost to an FCU, we believe it is permissible for their immediate family members to participate in the plan.

Your FCU has contracted for an employee assistance program (program) that offers a variety of counseling sessions targeting mental or emotional health issues. The FCU intends to offer this program to all its paid employees, volunteers, and their immediate family members. The FCU pays an annual fee based on the number of credit union participants but does not pay any additional fee for including the immediate family members of the participants. Each participant, whether an employee, volunteer, or immediate family member, pays a \$10 fee to the program for each counseling session the individual attends. The FCU does not incur any additional costs by allowing the immediate family members of its paid employees or volunteers to participate in the program.

The Federal Credit Union Act and our regulations permit FCUs to provide uncompensated board and committee members reasonable health insurance protection. 12 U.S.C. §1761(c); 12 C.F.R. §701.33(b)(2)(ii). Generally, extending this health insurance benefit to an official's immediate family members would be considered impermissible compensation to the official. In your case, we do not object to including immediate family members in the plan because the FCU does not incur any additional costs for their participation.

Sincerely,

Sheila A. Albin  
Associate General Counsel

