



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 11, 1976

AOR 1975-113

**Mr. Robert P. Visser
General Counsel
President Ford Committee
1828 L Street, N.W., Suite 250
Washington, D. C. 20036**

Dear Mr. Visser:

This is in further response to your request for an advisory opinion concerning arrangements of the President Ford Committee to insure that outside employers of individuals performing personal services for the Committee are not charged with in-kind contributions.

As you know the Federal Election Campaign Act Amendments of 1976 require the Commission to initially propose rules of general applicability in the form of proposed regulations rather than through the advisory opinion process. The Commission has recently given final approval to proposed regulations.

I call your attention in particular to §100.4(a)(5) of the proposed regulations which concerns the circumstances under which compensation paid by one person for the personal services of another person rendered to a candidate or political committee is regarded as a contribution to the candidate or political committee. The cited section also specifies several circumstances under which compensation is not considered as having been paid for the personal services of an individual engaged in political activity.

Section 114.12(c) of the proposed regulations relates to another issue raised in your request; that is whether a corporate employer's continuation of fringe benefits for an employee on leave without pay to participate in a Federal



candidate's campaign would be regarded as a contribution in-kind to the candidate on whose behalf the employee is rendering personal services. The proposed regulation makes clear that a corporate employer's payment for the released employee's fringe benefits would be an in-kind contribution to the candidate and thus prohibited under 2 U.S.C. §441b. The released employee's fringe benefit costs could, of course, be paid by, among others, the campaign committee, the employee him or herself, or from voluntary contributions to the corporation's or union's separate segregated funds, assuming one has been established.

In view of the fact that proposed regulatory language relates directly to the issues you have raised, no further action on your inquiry appears to be needed at this time. As you know, the proposed regulations may be prescribed in final form by the Commission only if not disapproved either by the House or the Senate within thirty legislative days from the date received by them. 2 U.S.C. §438(c). The regulations were submitted to Congress on August 3, 1976.

If you have further questions that are not answered by the proposed regulations, please do not hesitate to contact us. Thank you for your continued patience and cooperation.

Sincerely yours,

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N. Bradley Litchfield
Assistant General Counsel

Enclosure [§100.4(a), §114.12(c) of regulations]

SThomas/NBLitchfield/BMVandegrift:cfb:8/10/76

cc: JGMurphy
NBLitchfield
BMVandegrift
SThomas