

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

JUN 23 1997

Employer Identification Number: [REDACTED]  
Form: 1041  
Tax Years: All years

Dear Applicant:

This is a final adverse ruling as to your exempt status under section 501(c)(9) of the Internal Revenue Code.

This ruling is made for the following reasons:

Over [REDACTED] % of your severance benefits are payable to persons who are shareholders of the employer funding the trust. A limited membership in combination with the allocation of a dominant share of benefits and assets to shareholder-employees indicates that the trust is organized and operated for the benefit of the shareholder-employees and not for any employee group. This violates the inurement proscription of section 1.501(c)(9)-4 of the Income Tax Regulations. Furthermore, you have not demonstrated that severance benefits are not payable upon retirement. Since they may be paid upon termination for any reason, and thus upon retirement, they are not permissible "other benefits" within the meaning of section 1.501(c)(9)-3 of the regulations.

You are required to file federal income tax returns on the above form. Based on the financial information you furnished, it appears that returns should be filed for the tax years shown above. You should file these returns with your key District Director for exempt organization matters within 30 days from the date of this letter, unless a request for an extension of time is granted. Returns for later tax years should be filed with the appropriate service center as indicated in the instructions for those returns.

[REDACTED]

If you have any questions about this ruling, please contact the person whose name and telephone number are shown above.

Sincerely yours,

(Signed) [REDACTED]

[REDACTED]  
Chief, Exempt Organizations  
Rulings Branch 2

cc: DD, Brooklyn  
Attn: EO Group

cc: [REDACTED]

Code	E:EO:R:2-4	E:EO:R:2-4		
Surname	[REDACTED]	[REDACTED]		
Date	6/22/92	6-22-92		