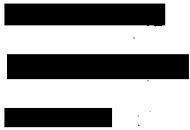


P.O. BOX 200, NEWARK, N.J. 07101



8 NOV 1982

Gentlemen:

We have considered your application for exemption from Federal income taxation under the provisions of Section 501(a) and as an organization described in Section 501(c)(9) of the Internal Revenue Code.

Section 501(c)(9) provides for the exemption of voluntary employees' beneficiary associations providing for the payment of life, sick, accident or other benefits to their members if no part of the net earnings inures (other than through such payments) to the benefit of any private shareholder or individual.

Treasury Regulation 1.501(c)(9)-3(f) states that the "other benefits" referred to in Section 501(c)(9) does not include any benefit that is similar to a pension or annuity payable at the time of mandatory or voluntary retirement. A benefit is considered similar to that provided under a pension if it provides for deferred compensation that becomes payable by reason of the passage of time, rather than as a result of an unanticipated event.

Your application indicates that "the sole function of the Fund and Trust is to provide for the purchase of future benefits for the employees of the [redacted], under the hospital's alternative program to Social Security." All funds will be used for the benefit of employees at their retirement.

In addition, Treasury Regulation 1.501(c)(9)-1 states that membership in the association must be voluntary, if the organization is to qualify under Section 501(c)(9). Membership in your organization is not voluntary.


Accordingly, it is held that you are not exempt under Section 501(c)(9) of the Code.

Publication 892 accompanies this letter and describes your appeal rights fully, should you decide to appeal this matter. If we do not hear from you within thirty days this will become our final determination on the matter.

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
	[redacted]	[redacted]	[redacted]				
Surname	[redacted]	[redacted]	[redacted]				
Date	10/26/82	10/28/82	11/5/82				

You are required to file Federal income tax returns on Forms 1120 (or other appropriate form) within two and one-half months following the end of your annual accounting period. Please mail a copy of this return to our office.

Sincerely yours,

  
District Director

Enclosure:  
Publication 892