



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

U.I.L 414.08-00

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

AUG 14 2013

201345041

T.E.P. RAITS

Attn:

Legend:

Organization A:

Plan X:

Plan Y:

Authority B:

Authority V:

Authority C:

Religion C:

State N:

Conference C:

Conference B:

Directory R:

Dear

This is in response to your letters dated, March 31, 2006, May 23, 2006, April 6, 2012, July 13, 2012, December 14, 2012, February 27, 2013, August 6, 2013, and August 7, 2013, submitted on your behalf by your authorized representative, in which you request a ruling that Plans X and Y are church plans described in section 414(e) of the Internal Revenue Code of 1986, as amended (the "Code").

The following facts and representations have been submitted under penalty of perjury in support of the ruling requested.

Organization A was established in April, 18 and is a member of Conference C, a Religion C conference, and is recognized as a Religion C District by Conference B, a Religion C conference of Bishops. Organization A was formed as a non-profit corporation pursuant to a Special Act of State N. The primary purposes of Organization A are to engage in religious, charitable, benevolent, recreational, welfare, or educational work to support, maintain, conduct, and advise and cooperate with any charitable, religious, benevolent, recreational, welfare, or educational corporation, association, institution, committee, agency or activity. In keeping with its concern for persons in need, Organization A maintains as one of its primary purposes a commitment to provide, improve, promote, create and preserve affordable housing for persons of low income.

The by-laws of Organization A provide that Authority B, Authority V, and Authority C are members and trustees of the corporation. The general management of the affairs of the corporation is vested in the board of trustees. The officers of the corporation are Authority B as President and Treasurer, Authority V as the Vice President, and Authority C as the Secretary.

Organization A operates parishes and several religious elementary and high schools servicing over 12,000 students. An integral part of the mission of Organization A is to witness to God's unconditional love and to bring Christ's healing presence to the world. Through this mission statement several social service agencies (i.e., the Religion C Charities) have been organized and supported by Organization A as well as the operation of senior citizen housing and hospitals. Organization A, parishes, schools, charities, housing and hospitals are all tax exempt organizations under Section 501 of the Code and are directly controlled by Organization A. Organization A and all of the organizations it controls are listed in Directory R.

Organization A sponsors two retirement plans which are intended to meet the requirements of sections 401(a) and 501(a) of the Code. Organization A is the original and sole plan sponsor of Plan X and Plan Y. The plans have not been adopted or sponsored by any other organization. Both plans have always operated as non-electing church plans and an election under section 410(d) of the Code has never been made.

Plan X is a defined benefit plan that has been in effect since 1970 and also includes post-retirement medical benefits under section 105(e) of the Code. Plan Y is a defined benefit plan that has been in effect since 1966.

Plan X covers the Priests of Organization A who are ordained for Organization A or incardinated in Organization A. Plan Y covers all employees of the Religion C Charities of Organization A and all lay employees employed by a school, parish or other organization which is supported by Organization A. None of the eligible participants are or can be considered employed in connection with one or more unrelated trades or businesses within the meaning of section 513 of the Code. In addition, all of the participants are or will be employed by Organization A or deemed employed by Organization A and will not include employees of for-profit entities.

In accordance with Revenue Procedure 2011-44, 2011-39 I.R.B. 446, Notice to Employees with reference to Plan X was provided on July 24, 2013 and the Notice to Employees with reference to Plan Y was provided on July 11, 2013. These notices explained to participants of Plan X and Plan Y the consequences of church plan status.

Based on the above facts and representations you request a ruling that Plan X and Plan Y qualify as church plans, within the meaning of section 414(e) of the Code and have had such status since January 1, 1970 and August 1, 1966, respectively.

Section 414(e) was added to the Code by section 1015 of the Employee Retirement Income Security Act of 1974, as amended (ERISA), Pub. Law 93-406, 1974-3 C.B. 1, enacted September 2, 1974. Section 1017(e) of ERISA provided that section 414(e) of the Code applied as of the date of ERISA'S enactment. However, section 414(e) of the Code was subsequently amended by section 407(b) of the Multiemployer Pension Plan Amendment Act of 1980, Pub. Law 96-364, to provide that section 414(e) of the Code was effective as of January 1, 1974.

Section 414(e)(1) of the Code generally defines a church plan as a plan established and maintained for its employees (or their beneficiaries) by a church or a convention or association of churches which is exempt from taxation under section 501 of the Code.

Section 414(e)(2) of the Code provides, in part, that the term "church plan" does not include a plan that is established and maintained primarily for the benefit of employees (or their beneficiaries) of such church or convention or association of churches who are employed in connection with one or more unrelated trades or businesses (within the meaning of section 513 of the Code); or if less than substantially all of the individuals included in the plan are individuals described in section 414(e)(1) of the Code or section 414(e)(3)(B) of the Code (or their beneficiaries).

Section 414(e)(3)(A) of the Code provides that a plan established and maintained for its employees (or their beneficiaries) by a church or a convention or association of churches includes a plan maintained by an organization, whether a civil law corporation or otherwise, the principal purpose or function of which is the administration or funding

of a plan or program for the provision of retirement benefits or welfare benefits, or both, for the employees of a church or a convention or association churches, if such organization is controlled by or associated with a church or a convention or association of churches.

Section 414(e)(3)(B) of the Code generally defines "employee" of a church or a convention or association of churches to include a duly ordained, commissioned, or licensed minister of a church in the exercise of his or her ministry, regardless of the source of his or her compensation, and an employee of an organization, whether a civil law corporation or otherwise, which is exempt from tax under section 501 of the Code, and which is controlled by or associated with a church or a convention or association of churches.

Section 414(e)(3)(C) of the Code provides that a church or a convention or association of churches which is exempt from tax under section 501 of the Code shall be deemed the employer of any individual included as an employee under subparagraph (B).

Section 414(e)(3)(D) of the Code provides that an organization, whether a civil law corporation or otherwise, is associated with a church or a convention or association of churches if the organization shares common religious bonds and convictions with that church or convention or association of churches.

Revenue Procedure 2011-44, 2011-39 I.R.B. 446, supplements the procedures for requesting a letter ruling under section 414(e) of the Code relating to church plans. The revenue procedure: (1) requires that plan participants and other interested persons receive a notice in connection with a letter ruling request under section 414(e) of the Code for a qualified plan; (2) requires that a copy of the notice be submitted to the Internal Revenue Service (IRS) as part of the ruling request, and (3) provides procedures for the IRS to receive and consider comments relating to the ruling request from interested persons.

In this case, Organization A is a non-profit corporation which is exempt from federal income tax under section 501(a) of the Code as an organization described in section 501(c)(3) of the Code. Organization A is a member of the State N Conference C, a Religion C conference, Organization A is recognized as a Religion C District by Conference B, a Religion C conference of Bishops and Organization A is listed in Directory R. In addition, Organization A is controlled by Authority B, Authority V, and Authority C who all serve on Organization A's board of trustees and as officers of the corporation. Accordingly, we find that Organization A, and its parishes are a convention or association of churches for purposes of section 414(e) of the Code.

Since, Plan X and Plan Y are maintained by an organization that is a church or convention or association of churches, we conclude in regard to your ruling request that Plan X and Plan Y are church plans as defined in section 414(e) of the Code and have been church plans since January 1, 1974, the effective date of section 414(e) of the Code.

This letter expresses no opinion as to the qualified status of Plan X or Plan Y.

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

No opinion is expressed as to the tax treatment of the transaction described herein under the provisions of any other section of either the Code or regulations which may be applicable thereto.

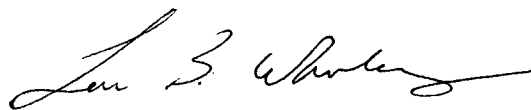
Pursuant to a power of attorney on file with this office, a copy of this letter ruling is being sent to your authorized representative.

If you have any questions, please contact

Please address all correspondence to

SE:T:EP:RA:T3.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Laura B. Warshawsky".

Laura B. Warshawsky, Manager
Employee Plans Technical Group 3

Enclosures:

Deleted Copy of Ruling Letter
Notice of Intention to Disclose