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Person To Contact:

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CC:EEE:EB:QP1

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Date:

July 31, 2025

Legend

Entity A =

Entity B =

Entity C =

Entity D =

Entity E =

Entity F =

Entity G =

Entity H =

Year 1 =

Year 2 =

Year 3 =

State X =

State Y =

Congregation =

Liturgy =

Church =

Amount 1 =

Amount 2 =

Amount 3 =

Amount 4 =

Amount 5 =

Religious Leader =

Church Department =

Public Figure =
Executive =

Committee A =

Committee B =

Committee C =

Committee D =

Committee E =

Plan 1 =

Plan 2 =

Plan 3 =

Plan 4 =

Plan 5 =

Old Plan 1 =

Old Plan 2 =

Old Plan 3 =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

Date 6 =

Date 7 =

Date 8 =

Date 9 =

Date 10 =

Date 11 =

Date 12 =

Date 13 =

Date 14 =

Date 15 =

Date 16 =

Dear _____ :

This letter responds to the letter dated November 20, 2024, as supplemented by correspondence dated June 9, 2025, submitted on your behalf by your authorized representative, regarding the status of Plan 1, Plan 2, Plan 3, Plan 4, and Plan 5, each as a church plan within the meaning of section 414(e) of the Internal Revenue Code (Code).

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

Entity A is a tax-exempt organization described in section 501(c)(3). Entity A offers healthcare and related services throughout State X and State Y. Entity A was formed in Year 1 to perform, promote, and support religious, health, and charitable activities of Congregation, in accordance with Liturgy. Entity A is listed in the official directory of Church. Entity A has over Amount 1 employees and serves nearly half of the citizens of State X. Entity B was the parent of Entity A until Date 1, when Entity C became the parent of Entity A.

Entity A is governed by its board of trustees, its parent (Entity B prior to Date 1, and Entity C beginning on Date 1) and Church. Entity A's bylaws provide that its board of trustees must be between three and 18 people, as determined by its parent (five of which are currently from Entity C). The CEO of Entity A is appointed by its parent. Additionally, 75 percent of Entity A's board must be members of Church. Entity A's board of trustees have limited powers including approving the strategic business plan of Entity A or any of its direct subsidiaries, appointing or removing an officer of Entity A, except for the President, or any of its direct subsidiaries, and approval of debt obligations for less than Amount 2 years or an amount less than Amount 3 dollars. In addition, Entity A's board of trustees must exercise its powers in accordance with Liturgy. All actions of Entity A's officers, doctors, and board members must adhere to Liturgy.

Entity B was previously a religious congregation of Church. Entity B is part of an international group that conducts health and education programs in Amount 4 countries under the mandate of Church. Members of Entity B agree to further the purposes of Church and fulfill the mission of Entity B. Entity B's mission statement states that it must carry the vision and mission of Church, which includes charitable works such as care of the poor, ill, elderly, and handicapped. Entity B created Entity A in Year 1 and was the parent of Entity A until Date 1 when Entity A was transferred to Entity C after approval from Religious Leader.

Entity C is comprised of five members who were initially appointed by Entity B. Entity C's current board consists of two members of Entity B, one member of another religious order, Public Figure, and a former Executive of Entity A. Each member of the board has

to be a member of Church and is required to attend a formation process to prepare members to carry out the health ministry of Church. Entity C's members serve as voting members of the board of Entity A, and exercise certain powers over Entity A including the power to 1) amend, modify, or repeal the articles of incorporation and bylaws of Entity A, 2) appoint individuals to Entity A's board, 3) appoint or terminate the CEO and President of Entity A, and 4) authorize any debt obligation with a term greater than Amount 2 years or Amount 3 dollars. Entity C and each of its members must adhere to Liturgy. Certain powers of Entity C, including leases in excess of Amount 5 years must be approved by Religious Leader. Entity C must send a report detailing the operations of Entity A to Religious Leader. Additionally, the members of Entity C must meet annually with Church Department to review the annual report and status of Entity A operations.

Entity A maintains a number of retirement and welfare plans for its employees and its subsidiaries' employees. Plan 1 is a retirement plan that was created when three defined benefits plans (Old Plan 1, Old Plan 2, and Old Plan 3, together the Old Plans) sponsored by Entity A's subsidiaries, Entity D, Entity E, and Entity F, were merged together in Year 2. Prior to the merger, Old Plan 1 received a favorable determination letter on Date 2, Old Plan 2 also received a favorable determination letter on Date 2, and Old Plan 3 received a favorable determination letter on Date 3. On Date 4, the Old Plans, all of which were frozen, were merged together, renamed Plan 1, and sponsorship was moved to Entity A.

The board of Entity A approved a charter that appointed Committee A to administer Plan 1 on Date 4. Committee A consists of five members, which consists of four Entity A officers and one member of Entity B. Committee A has as its primary responsibility the maintenance and administration of Plan 1 for the exclusive benefit of participants and beneficiaries of Plan 1. Committee A serves at the pleasure of Entity A's board and is the plan administrator of Plan 1. No election under section 410(b) was made with respect to Plan 1 or the Old Plans, and none of the eligible participants are employed in connection with a for-profit entity of one or more unrelated trades or businesses of Entity A within the meaning of section 513.

Effective on Date 5, Entity A restructured its retirement program. Instead of having its employees participate in three different defined benefit plans (the Old Plans), it froze those plans and adopted one new defined contribution plan which was available to all members of its controlled group. The three existing defined benefit plans were not available to new hires, and new hires were eligible to participate in the new defined contribution plan, Plan 2. Plan 2 received multiple determination letters including a letter issued on Date 6. Effective as of Date 7, all employees of Entity A's controlled group became Entity A employees.

Plan 2 was frozen as of Date 8 when Entity A again restructured its retirement program. Effective as of Date 9, Entity G, a not-for-profit entity under section 501(c)(3) (that is an education institution affiliated with Church), became a participating employer in Plan 2.

Entity G is a wholly owned subsidiary of Entity D, and Entity D is a wholly owned subsidiary of Entity A.

Plan 2 is operated under the authority of Entity A, whose board approved a charter which appoints the members of Committee B. The current charter designates five individuals as Committee B members, consisting of four Entity A officers and one member of Entity B. Committee B has as its primary responsibility the maintenance and administration of Plan 2 for the exclusive benefit of participants and beneficiaries (subject to the specific terms of Plan 2) and the oversight of Plan 2's investments. Committee B serves at the pleasure of the Entity A's board of trustees. Committee B is identified as the plan administrator in Plan 2's plan document.

An election under section 410(d) has not been made with respect to Plan 2, and none of the eligible participants are employed in connection with a for-profit entity of one or more unrelated trades or businesses of Entity A within the meaning of section 513.

As of Date 10, Entity A adopted Plan 3, a retirement plan under section 403(b) which was limited to employee pretax salary deferral contributions. Effective as of Date 11, Entity A amended and expanded Plan 3 so that, in addition to receiving salary deferral contributions, it receives an employer matching contribution and an employer profit sharing contribution. Plan 3 currently serves as the primary retirement vehicle for the Amount 1 employees of Entity A. Effective as of Date 9, Entity G, a not-for-profit entity under IRC section 501(c)(3), became a participating employer in Plan 3. Entity G is a wholly owned subsidiary of Entity D, and Entity D is a wholly owned subsidiary of Entity A.

Plan 3 is operated under the authority of Entity A, whose board approved a charter that appoints the members of Committee C. The current charter designates five individuals as Committee C members consisting of four Entity A officers and one member of Entity B. Committee C has as its primary responsibility the maintenance and administration of Plan 3 for the exclusive benefit of participants and beneficiaries, subject to the specific terms of the Plan and the oversight of the Plan's investments. Committee C serves at the pleasure of the Entity A's board of Trustees. Committee C is the plan administrator and is identified as such in Plan 3's plan document.

An election under Section 410(d) has not been made with respect to Plan 3, and none of the eligible participants are employed in connection with a for-profit entity of one or more unrelated trades or businesses of Entity A within the meaning of section 513.

Effective as of Date 11, Entity A adopted a welfare benefit plan called Plan 4 to contain its self-insured health plan, cafeteria plan, dental plan, vision plan, long term disability, basic life, accidental death & dismemberment and employee assistance program offered to its employees. Effective as of Date 9, Entity G, a not-for-profit entity that is tax-exempt under section 501(c)(3), became a participating employer in Plan 3. Entity G

is a wholly owned subsidiary of Entity D, and Entity D is a wholly owned subsidiary of Entity A.

Plan 4 is operated under the authority of Entity A, whose board approved a charter which appoints the members of Committee D. The current charter designates six individuals as Committee D members consisting of five Entity A officers and one member of Entity B. Committee D has as its primary responsibility the maintenance and administration of Plan 4 for the exclusive benefit of participants and beneficiaries, subject to the specific terms of the Plan, and the oversight of Plan 4's investments. Committee D serves at the pleasure of Entity A's board of Trustees. Committee D is the plan administrator of Plan 4, as identified as such in the Plan 4's plan document.

An election under Section 410(d) has not been made with respect to Plan 4. None of the eligible participants in Plan 4 are employed in connection with a for-profit entity of one or more unrelated trades or businesses of Entity A within the meaning of section 513(g).

Effective as Date 12, Entity A acquired Entity H. Entity H is a healthcare provider affiliated with Church. Entity H sponsored Plan 5, a defined benefit plan that was initially effective as of Date 13. Plan 5 was determined to be a valid qualified plan by numerous IRS determination letters, including a letter dated Date 14, and was determined to be a church plan in a private letter ruling issued to Entity H on Date 15. The Date 15 private letter ruling explained that the Plan was operated under the authority of the plan sponsor and was administered by Committee E. It further stated that Committee E shared common religious bonds and convictions with the Church. When Entity A acquired Entity H, Entity A became responsible for Plan 5. Plan 5 is operated under the authority of Entity A, whose board approved a charter which appoints the members of Committee E. The current charter designates five individuals as Committee E members, consisting of four Entity A officers and one member of Entity B. Committee E has as its primary responsibility the maintenance and administration of Plan 5 for the exclusive benefit of participants and beneficiaries, subject to the specific terms of Plan 5. Committee E serves at the pleasure of Entity A's board of trustees. Committee E is the plan administrator, as identified as such in the Plan 5's plan document. Effective as of Date 16, Entity H was dissolved and Entity A became the plan sponsor of Plan 5.

An election under Section 410(d) has not been made with respect to Plan 5. None of the eligible participants are employed in connection with a for-profit entity of one or more unrelated trades or businesses of Entity A within the meaning of section 513.

Entity A was created by Entity B, which is a religious congregation of Church, founded under the auspices of, and for the purpose of, furthering the teachings and tenets of the Church. Entity B fulfills one of its missions by supporting healthcare enterprises undertaken by Church. Entity B, through Entity A, operated various hospitals identified above and related entities, in order to fulfill that purpose. In Year 3, Religious Leader transferred the ownership of Entity A to a newly created entity, Entity C, with the intention of continuing ministries started by Entity B.

Entity A is requesting a private letter ruling that Plan 1, Plan 2, Plan 3, Plan 4, and Plan 5, are each a church plan under section 414(e).

Section 414(e)(1) 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.

Section 1.414(e)-1(a) states that the term “church plan” means a plan established and at all times maintained for its employees by a church or by a convention or association of churches which is exempt from tax under section 501(a).

Section 414(e)(2) 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); or if less than substantially all of the individuals included in the plan are individuals described in section 414(e)(1) or section 414(e)(3)(B) (or their beneficiaries).

Section 414(e)(3)(A) 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 of churches, if such organization is controlled by or associated with a church or a convention or association of churches. See *Advocate Health Care Network v. Stapleton*, 137 S. Ct. 1652 (2017), holding that a plan that is maintained by an organization described in section 414(e)(3)(A) may be a church plan under section 414(e) even if it was not established by a church or a convention or association of churches.

Section 414(e)(3)(B) 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, and which is controlled by or associated with a church or a convention or association of churches.

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

Section 414(e)(3)(D) provides that an organization, whether a civil law corporation or otherwise, is associated with a church or a convention or association of churches if it

shares common religious bonds and convictions with that church or convention or association of churches.

Revenue Procedure 2011-44, 2011-39 IRB 446, supplements the procedures for requesting a letter ruling under section 414(e) 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) 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 order for an organization that is not itself a church or convention or association of churches to have a qualified church plan, it must establish that its employees are employees or deemed employees of a church or convention or association of churches under section 414(e)(3)(B) by virtue of the organization's control by or association with the church or convention or association of churches. Employees of any organization maintaining a plan are considered to be church employees if the organization: (1) is exempt from tax under section 501; and (2) is controlled by or associated with a church or convention or association of churches. In addition, in order to be a church plan, the administration or funding (or both) of the plan must be by an organization described in section 414(e)(3)(A). To be described in section 414(e)(3)(A), an organization must have as its principal purpose the administration or funding of the plan and must also be controlled by or associated with a church or convention or association of churches.

Entity A was formed to perform, promote, and support religious, health, and charitable activities of Congregation, in accordance with Liturgy. Entity A is listed in the official directory of Church. Entity A has over Amount 1 employees and provides healthcare services to nearly half of the citizens of State X.

Entity A is a non-profit corporation that is exempt from federal income tax under section 501(c)(3). Entity A's primary purpose is to manage an integrated health system to coordinate and support its system wide mission of reaching those people who are most in need of health care in each of the communities served by its hospitals.

Entity A is governed by a board of trustees, 75 percent of which must belong to Church. All members of the board of its parent company (Entity C) sit on the Entity A's board. The board members of Entity C appoint the other Entity A board members, appoint the Entity A CEO and Entity A president, and exercise reserve powers over all major decisions affecting Entity A. Each year, Entity C provides a written detailed report to Church of Entity A's operations, and then attends an in-person meeting with the Church Department to further answer and address questions concerning Entity A operations. Entity C must obtain the consent of Religious Leader on transformative decisions. Entity A, its doctors, its officers, and its parent entity (Entity C) adhere to Liturgy. Entity A and all related entities are listed the official directory of Church.

You represent that none of the eligible participants in Plan 1, Plan 2, Plan 3, Plan 4, or Plan 5 are employed in connection with a for-profit entity or one or more unrelated trades or businesses of Entity A within the meaning of section 513.

Based on these facts, we conclude that Entity A is controlled by or associated with a church for purposes of section 414(e). We further conclude that the employees of Entity A are deemed to be employees of a church or a convention or association of churches by virtue of being employees of an organization which is exempt from tax under section 501 and which is controlled by or associated with a church or a convention or association of churches.

Each of the five plans maintained by Entity A is administered by a committee. Each committee has as its principal purpose or function the administration or funding of the respective plan within the meaning of section 414(e)(3)(A). The primary responsibility of each committee is to administer each plan for the exclusive benefit of the participants and beneficiaries, subject to the specific terms of the plan.

Each committee has been designated the administrator of the plan for which it provides administration oversight. Each committee meets on a quarterly basis and during those meetings, reviews plan operations, participant issues, vendors contacts, annual audits and investment oversight (if applicable) and any other items that are necessary to ensure each plan is maintained in accordance with the Code or other applicable law. Each committee is comprised of Entity A officers and Entity B members. All committee members are appointed by the Entity A board of trustees, via a charter. When the board of Entity A appoints the members of each committee, it is doing so on behalf of Entity B, Congregation, and Church, under the general authority delegated to it by Church. Each committee shares common religious bonds and convictions with Entity A, Entity C (and formerly Entity B), and Church. Because the committee members are Entity A officers and Entity B members, they adhere to Liturgy.

We thus conclude that each committee is controlled by or associated with Church. Accordingly, Plan 1, Plan 2, Plan 3, Plan 4, and Plan 5 are each maintained by an organization that is controlled by or associated with a church or a convention or association of churches, the principal purpose or function of which is the administration of Plan 1, Plan 2, Plan 3, Plan 4, and Plan 5, respectively for the provision of retirement/welfare benefits for the deemed employees of a church or a convention or association of churches. Therefore, Plan 1, Plan 2, Plan 3, Plan 4, and Plan 5 are church plans within the meaning of section 414(e) of the Internal Revenue Code.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party, as specified in Rev. Proc. 2025-1, 2025-1 I.R.B. 1, § 7.01(16)(b). This office has not verified any of the material submitted in support of the request for a ruling, and such material is subject to verification on examination. The Associate office will revoke or modify a letter ruling and apply the revocation retroactively if there has been a misstatement or omission of controlling facts; the facts at the time of the transaction are materially different from the controlling facts on which the ruling was based; or, in the case of a transaction involving a continuing action or series of actions, the controlling facts change during the course of the transaction. See Rev. Proc. 2025-1, § 11.05.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Jeremy Lamb
Senior Counsel, Qualified Plans Branch 2
Office of Associate Chief Counsel
(Employee Benefits, Exempt Organizations,
and Employment Taxes)

cc: