Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities

IRS

Date:
04/22/2026
Employer ID number:

Form you must file:

Person to contact:

Release Number: 202629015
Release Date: 7/17/26
UIL Code: 501.04-00

Dear :

This letter is our final determination that you don't qualify for exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(4). Recently, we sent you a proposed adverse determination in response to your application. The proposed adverse determination explained the facts, law, and basis for our conclusion, and it gave you 30 days to file a protest. Because we didn't receive a protest within the required 30 days, the proposed determination is now final.

You must file the federal income tax forms for the tax years shown above within **30 days** from the date of this letter unless you request an extension of time to file. For further instructions, forms, and information, visit www.irs.gov.

We'll make this final adverse determination letter and the proposed adverse determination letter available for public inspection after deleting certain identifying information, as required by IRC Section 6110. Read the enclosed Letter 437, Notice of Intention to Disclose - Rulings, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in the Letter 437 on how to notify us. If you agree with our deletions, you don't need to take any further action.

If you have questions about this letter, you can call the contact person shown above. If you have questions about your federal income tax status and responsibilities, call our customer service number at 800-829-1040 (TTY 800-829-4933 for deaf or hard of hearing) or customer service for businesses at 800-829-4933.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosures:
Letter 437
Redacted Letter 4034
Letter 4038

Department of the Treasury
Internal Revenue Service

IRS

Date:
02/27/2026
Employer ID number:

Person to contact:
Name:
ID number:
Telephone:
Fax:

UIL:
501.04-00

Legend:
B = State
C = Date
D = Fund
E = Organization
x dollars = dollar amount

Dear :

We considered your application for recognition of exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a). We determined that you don't qualify for exemption under IRC Section 501(c)(4). This letter explains the reasons for our conclusion. Please keep it for your records.

Issues
Do you qualify for exemption under IRC Section 501(c)(4)? No, for the reasons stated below.

Facts
You incorporated in the State of B on C, as a mutual benefit corporation for the purposes of promoting social welfare within the meaning of IRC Section 501(c)(4). Your Articles of Incorporation state your specific purposes include but are not limited to:

1) providing financial relief to families to offset the costs of funerals and repatriation of the deceased,
2) providing support for young children and dependents who face significant challenges following the loss of a family's primary provider,
3) offering dignified and culturally respectful alternatives to informal fundraising methods for honoring and bidding farewell to deceased loved ones,
4) advocating for community improvements that enhance the common good and general welfare of the community, and
5) engaging in activities that promote social and economic well-being of your community members in the USA.

To accomplish these purposes, you formed as a mutual aid membership organization to administer and manage the D to pay death benefits of x dollars to the beneficiaries of your deceased members to enhance community support and financial security for your members. Members must have joined your organization more than six months prior to death and be in good standing for a death benefit to be paid out. In addition, they must meet the following requirements:

- residency within the United States for more than half of the calendar year,
- annual membership registration with E, and
- timely payment of your annual registration fee and replenishment contributions each time a death benefit is paid out.

D will be administered by an executive of E, or an administrator selected by the D's participants that shall be overseen by E's national executive. In addition, your activities are conducted by your board of directors and designated officers, who oversee fund management, benefit disbursements, and member communications. Your board is also supervised by the same executive of E.

D is funded primarily through member contributions which sustain and replenish the fund through initial enrollment fees and replenishment contributions. All of your expenses are allocated to administering and disbursing death benefits. You state the activity directly supports the organization's mission by providing financial assistance to families of deceased members, thereby promoting social welfare by easing financial burdens in times of loss.

Law

IRC Section 501(c)(4) provides for the exemption from federal income tax for organizations not organized for profit but operated exclusively for the promotion of social welfare, or local associations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes and no part of the net earnings of such entity inures to the benefit of any private shareholder or individual may be exempt from federal income tax.

Treasury Regulation Section 1.501(c)(4)-1(a)(1) states a civic league or organization may be exempt as an organization described in IRC Section 501(c)(4) if it is not organized or operated for profit and it is operated exclusively for the promotion of social welfare.

Treas. Reg. Section 1.50l(c)(4)-l(a)(2)(i) provides that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community. An organization embraced within the meaning of IRC Section 50l(c)(4) is one that is operated primarily for the purpose of bringing about civic betterments and social improvements.

Rev. Rul. 75-199, 1975-1 C.B. 160, holds that a nonprofit organization with membership restricted to individuals of good moral character and health belonging to a particular ethnic group residing in a stated geographical area and providing sick benefits to members and death benefits to their beneficiaries is not exempt under IRC Section 501(c)(4). The organization maintains an established system for the payment of sick and death benefits and its income is derived principally from membership dues and used for the payment of benefits to members and miscellaneous operating expenses. It was ruled that where the benefit from an organization is limited to its members, the organization is not operated exclusively for the promotion of social welfare within the meaning of Section 501(c)(4), and is essentially a mutual, self-interest type of organization whose income is used to provide direct economic benefit to members, and any benefit to the community is minor and incidental.

Rev. Rul. 81-58, 1981-1 C.B. 331, holds an association whose primary activity is providing retirement payments to its members or death benefits to their beneficiaries is a mutual, self-interest type of organization, and its income is used to provide direct economic benefits to members. Therefore, it is not operated exclusively for the promotion of social welfare within the meaning of IRC Section 501(c)(4) and does not qualify for exemption.

Police Benevolent Association of Richmond, Virginia v. U.S., 661 F. Supp. 765 (E.D. Va.), holds a police benevolent association whose purpose is to accumulate a fund to provide pensions for retired police officers is not a social welfare organization exempt under IRC Sec. 501(c)(4). The association is funded by contributions from outsiders and mandatory dues paid by active members. The association does not qualify for tax-exempt status since it is not operated exclusively for the promotion of social welfare because it is essentially a mutual self-interest type of organization that provides primary benefits to its members.

Application of law

Based on the information submitted, you failed to establish you are operated exclusively for exempt purposes within the meaning of IRC Section 501(c)(4) as required by Treas. Reg. Section 1.501(c)(4)-1(a)(1).

Per Treas. Reg. Section 1.50l(c)(4)-l(a)(2)(i), you have not demonstrated you are promoting in some way the common good and general welfare of the people of the community. You were formed as a mutual benefit corporation and have a limited membership requiring regular payments of dues that are used to fund death benefits for your members' beneficiaries. As such, your activities are too limited to promote the common good and general welfare of the people of a community; rather it is your members whose interests you promote and serve through the D. Therefore, you are not engaged primarily in the promotion of social welfare within the meaning of Section 501(c)(4).

You are like the organization denied exemption in Rev. Rul. 75-199. By providing economic benefits to your members, you are not promoting the social welfare of the entire community. You are wholly financially supported by your members, and all your expenses are used to pay out death benefits. Any other exempt purposes you further, or intend to further, such as advocating for community improvements or engaging in activities that enhance and promote the common good and general welfare, are incidental to the economic benefits you provide to your members, precluding exemption under IRC Section 501(c)(4).

You are also like the organization described in Rev. Rul. 81-58, whose primary activity was to provide death benefits to its members or beneficiaries of the members. Like the organization, you are primarily a mutual benefit, self-interest type of organization. You lack public oversight due to your requirement that members must belong to E, who maintains control and influence over your board and the D. Further, your income is used to provide direct economic benefits to your members, which does not further social welfare within the meaning of IRC Section 501(c)(4).

You are like the organization denied exemption under IRC Section 501(c)(4) in Police Benevolent Association of Richmond, in that you also operate as a mutual benefit organization by limiting your economic benefits to your members to serve their private interests. The death benefits aid your members' beneficiaries upon their deaths; this benefit is not provided to the public. It is limited to your membership who must meet your membership requirements, which include timely payments of dues. Therefore, you do not exclusively operate for the social welfare or common good; you operate for your members' economic benefits.

Conclusion

You are not operating for exempt purposes as described under IRC Section 501(c)(4). Your death benefits are limited to your members who pay dues; therefore, you do not primarily promote the common good and general welfare of the people of the community, and you do not qualify for exemption under Section 501(c)(4).

If you agree
If you agree with our proposed adverse determination, you don't need to do anything. If we don't hear from you within 30 days, we'll issue a final adverse determination letter. That letter will provide information on your income tax filing requirements.

If you don't agree
You have a right to protest if you don't agree with our proposed adverse determination. To do so, send us a protest within 30 days of the date of this letter. You must include:

- Your name, address, employer identification number (EIN), and a daytime phone number
- A statement of the facts, law, and arguments supporting your position
- A statement indicating whether you are requesting an Appeals Office conference
- The signature of an officer, director, trustee, or other official who is authorized to sign for the organization or your authorized representative
- The following declaration:

  For an officer, director, trustee, or other official who is authorized to sign for the organization: Under penalties of perjury, I declare that I have examined this request, or this modification to the request, including accompanying documents, and to the best of my knowledge and belief, the request or the modification contains all relevant facts relating to the request, and such facts are true, correct, and complete.

Your representative (attorney, certified public accountant, or other individual enrolled to practice before the IRS) must file a Form 2848, Power of Attorney and Declaration of Representative, with us if they haven't already done so. You can find more information about representation in Publication 947, Practice Before the IRS and Power of Attorney.

We'll review your protest statement and decide if you gave us a basis to reconsider our determination. If so, we'll continue to process your case considering the information you provided. If you haven't given us a basis for reconsideration, we'll send your case to the Appeals Office and notify you. You can find more information in Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

If you don't file a protest within 30 days, you can't seek a declaratory judgment in court later because the law requires that you use the IRC administrative process first (IRC Section 7428(b)(2)).

Where to send your protest
Send your protest, Form 2848, if applicable, and any supporting documents to the applicable address:

U.S. mail:

Internal Revenue Service
EO Determinations Quality Assurance
Mail Stop 6403
PO Box 2508
Cincinnati, OH 45201

Street address for delivery service:

Internal Revenue Service
EO Determinations Quality Assurance
550 Main Street, Mail Stop 6403
Cincinnati, OH 45202

You can also fax your protest and supporting documents to the fax number listed at the top of this letter. If you fax your statement, please contact the person listed at the top of this letter to confirm that they received it.

You can get the forms and publications mentioned in this letter by visiting our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676). If you have questions, you can contact the person listed at the top of this letter.

Contacting the Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or if you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit www.taxpayeradvocate.irs.gov or call 877-777-4778.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements