



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

Date:
04/22/2026
Employer ID number:

Form you must file:

Tax years:

Release Number: 202629018
Release Date: 7/17/26
UIL Code: 501.04-00, 501.04-01, 501.04-06

Person to contact:
Name:
ID number:
Telephone:

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
Redacted Letter 4038



**Department of the Treasury
Internal Revenue Service**

Date:
03/06/2026
Employer ID number:

Person to contact:

Name:
ID number:
Telephone:
Fax:

Legend:

B = Date
C = State
D = Entity
E = Number
F = Month

UIL:

501.04-00
501.04-01
501.04-06

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) of the Code? No, for the reasons stated below.

Facts

You were intended to be formed as a trust on B in the state of C. The declaration of trust submitted with your application was not signed and contained no other evidence that it was executed. Your declaration of trust states that you are formed to establish and maintain a Pooled Supplement Fund (PSF).

Through this PSF you will collect and distribute funds per the Collective Bargaining Agreement between D and their members' employers. Employer contributions to the PSF are based on an amount as provided in the Collective Bargaining Agreement or Participation Agreement for each hour an employee has performed services under the Employer. In order to qualify for benefits, employees of contributing employers may establish eligibility by working a minimum of E hours each calendar year in covered employment with their employer. Should an employee work more than E hours, those additional hours will be credited toward their account. You will maintain a separate account for each employee showing their accrued benefits.

You provide supplemental unemployment benefits, payments of accumulated benefits upon separation from employment, and death benefits to employees who establish eligibility in the PSF. Eligible employees will receive a benefit in the form of a lump sum payment in F of the year following the year they earned their

benefit. If an eligible employee dies before receiving all or any portion of their benefit the unpaid amount will be paid to the employees' beneficiary or beneficiaries. The lump sum payment will be determined by dividing the funds available for payout by the total number of qualifying hours worked to get the payout rate. This payout rate is then multiplied by the individual employee's qualifying hours worked.

Law

IRC Section 501(c)(4) provides, in part, for the exemption from Federal income tax of civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare.

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 1.501(c)(4)-1(a)(2)(i) states 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 this section is one which is operated primarily for the purpose of bringing about civic betterment and social improvements.

Revenue Ruling 75-199, 1975-1 C.B. 160, provides that a nonprofit organization that restricts its membership to individuals of good moral character and health, who belong to a particular ethnic group residing in a stated geographical area, and that provides sick benefits to members and death benefits to beneficiaries of deceased members does not qualify for exemption under IRC Section 501(c)(4) because the benefit to the community at large is minor and incidental. Membership dues are the primary source of support to the organization.

Rev. Rul. 81-58, 1981-1 C.B. 331 provides that a nonprofit police officer association whose primary activity is providing lump-sum retirement payments to its members or death benefits to their beneficiaries will not qualify as a social welfare organization under IRC 501(c)(4). Rev. Rul. 75-199 amplified.

Revenue Procedure 2026-5, 2026-1 I.R.B. 258, Section 6.06(1)(e) provides the requirements for a completed application to include a copy of the organizing or enabling document that is signed by a principal officer or two members in the case of an unincorporated association, or is accompanied by a written declaration signed by an authorized individual certifying that the document is a complete and accurate copy of the original or otherwise satisfies the requirements of a "conformed copy," as outlined in Rev. Proc. 68-14, 1968-1 CB 768.

The organization described in Vision Service Plan v. United States, No. CIVS041993LKKJFM, 2005 WL 3406321 (E.D. Cal. Dec. 12, 2005), aff'd sub nom. Vision Service Plan, Inc. v. United States, 265 F. App'x 650 (9th Cir. 2008), provided eye care services to employees of its subscriber companies. The court held that Vision Service Plan was not operated exclusively for social welfare purposes because it operated primarily for the benefit of its subscribers rather than for the purpose of benefiting the community as a whole.

Application of law

Formation

You provided a Declaration of Trust that was not signed or dated by the Grantor or the Trustees. You also did not include a written declaration signed by an authorized individual certifying that the declaration of trust submitted with your application is a complete and accurate copy of the original or otherwise satisfies the

requirements of a “conformed copy” as described in Rev. Proc. 2026-5 and Rev. Proc. 68-14. It also is not clear if it is a valid organizing document under M state law.

Operations

You are not described in IRC Section 501(c)(4) and Treas. Reg Section 1.501(c)(4)-1(a)(1) because your activities do not primarily promote social welfare. You are primarily operating for the benefit of your members as opposed to benefitting the public at large. You manage a PSF that exclusively benefits your participating members through their employers contributions. You are serving the private interests of your members rather than the interests of a community.

You were established to collect contributions from employers on behalf of their employees and then distribute those funds to member employees, or their beneficiaries upon separation from their employer, unemployment, or death. These activities are primarily focused on benefitting your members as opposed to promoting the common good and general welfare of the community as described in Treas. Reg. Section 1.501(c)(4)-1(a)(2)(i).

Similar to the organizations described in Rev. Rul. 75-199 and Rev. Rul. 81-58 and Vision Service Plan, you are formed to collect contributions from employers and use these funds to provide benefits to your members. You operate primarily to serve the private interests of your members rather than the interests of the community.

Conclusion

You do not qualify under IRC Section 501(c)(4) because your activities primarily serve the private interests of your members, and any benefit to the community at large is secondary to the benefits conferred to your members. Therefore, 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