



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

Date:
07/27/2026
Employer ID number:

Form you must file:

Tax years:

Person to contact:

Release Number: 202643017
Release Date: 10/23/26
UIL Code: 501.09-00, 501.09-04

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)(9). 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

Date:
06/03/2026
Employer ID number:

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

Legend:

B = State
C = Number

UIL:
501.09-00
501.09-04

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)(9). 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)(9)? No, for the reasons stated below.

Facts

You were formed in the state of B as a domestic nonstock corporation. You are a voluntary membership association and not an employee's association. You currently have C members. You state you are a member-driven, community-based organization focused on mutual support, solidarity, and community development. You provide mutual aid, bereavement support, sick and accident support, community assistance, and member-based social and family support programs.

Your Articles of Incorporation state your purpose is to assist families and members when passed away. All of your revenue is from membership fees and all of your revenue spent is for the benefit of your membership.

Your specific programs are as follows with the percentage of your time devoted to each program noted in parenthesis:

- **Bereavement Support Program (70%)**
You provide financial assistance and coordinated community support to members and their families in the event of a death. This includes funeral-related expenses and emotional support. Beneficiaries are the members' immediate family.
- **Emergency Assistance Program (15%)**

You offer limited financial aid to members facing unexpected hardships such as medical emergencies or urgent financial distress. Beneficiaries are members in need.

- **Community Engagement Activities (10%)**

You conduct regular meetings, cultural gatherings, and mutual support initiatives that strengthen community bonds. Beneficiaries are all members and, indirectly, their families.

- **Administrative Services (5%)**

You keep records and communications to ensure compliance that supports your overall functioning for the benefit of all of your members.

You are governed by your members through an elected board of directors. Board members are elected by the membership during scheduled meetings.

You have a designated committee responsible for reviewing and approving benefit applications. Committee members are selected from your general membership or appointed by your leadership. Committee members are eligible to receive the same benefits as all other members. When a committee member applies for benefits, they are excluded from the review process, and the remaining committee members evaluate the application to ensure fairness and avoid conflicts of interest.

Law

IRC Section 501(c)(9) exempts voluntary employee beneficiary associations (VEBAs) that provide life, sick, accident, or other benefits to members or their dependents/designated beneficiaries, provided no part of the net earnings benefit any private shareholder or individual.

Treasury Regulation Section 1.501(c)(9)-1(a) provides that to be described in IRC Section 501(c)(9) an organization must be an employee's association.

Treas. Reg. Section 1.501(c)(9)-2(a)(1) provides that the membership of an organization described in IRC Section 501(c)(9) must consist of individuals who become entitled to participate by reason of their being employees and whose eligibility for membership is defined by reference to objective standards that constitute an employment-related common bond among such individuals. An association will be considered to be composed of employees if 90 percent of the total membership of the association on one day of each quarter of the association's taxable year consists of employees.

Revenue Ruling 85-199, 1985-2 C.B. 163 held that a trust that provided life, sick, accident, and other benefits to one employee did not qualify for exemption from federal income tax as a voluntary employees' beneficiary association under IRC Section 501(c)(9) since an organization must be an employee's association, and its membership must consist of individuals sharing an employment-related common bond. The requirement that an organization be an employee's association indicates that the organization must be formed on behalf of employees who associate together to receive the benefits provided by the organization.

Application of law

IRC Section 501(c)(9) exempts a VEBA that provides life, sick, accident, or other benefits to members or their dependents/designated beneficiaries. Treas. Reg. Section 1.501(c)(9)-1(a) states a VEBA must be an employee's association. Moreover, Treas. Reg. Section 1.501(c)(9)-2(a)(1) states that the membership of a VEBA must consist of individuals who become entitled to participate by reason of their being employees and whose eligibility for membership is defined by reference to objective standards that constitute an employment-related common bond among such individuals, and an association will be considered to be composed of employees if 90 percent of the total membership of the association on one day of each quarter of the association's taxable year consists of employees.

You are not an employee's association. Your membership is not defined by reference to objective standards that constitute an employment-related common bond, and 90 percent of your membership is not composed of employees at least on one day of each quarter of any taxable year. Also, see Rev. Rul 85-199.

Conclusion

You are not an employee's association. Therefore, you do not qualify for IRC Section 501(c)(9).

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