P.O. Box [redacted]
Newark, NJ 07101

[redacted]

[redacted]

JUN 2 1 1992

Dear Applicant:

We have considered your application for exemption from Federal Income Tax as an organization described in Section 501(c)(9) of the Internal Revenue Code.

The evidence submitted indicates you were formed [redacted]

Your purpose is to provide gifts for members on specific occasions, including but not limited to, anniversaries, illness, and retirement.

Membership is open to any employee of [redacted] located at [redacted]. Your source of income is member's dues and assessments.

Section 501(c)(9) of the Internal Revenue Code provides for the exemption of voluntary employees' beneficiary associations providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents or designated beneficiaries, if no part the net earnings of such association inures (other than through such payments) to the benefit of any private shareholder or individual.

Section 1.501(c)(9)-3(a) of the Income Tax Regulations provides a voluntary employees' beneficiary association is not operated for the purpose of providing life, sick, accident for other benefits unless substantially all of its operations are in furtherance of the provision of such benefits.

Section 1.501(c)(9)-3(d) of the Regulations provides the term "other benefits" includes only benefits that are similar to life, sick, or accident benefits. A benefit is similar to a life, sick, or accident benefit if (1) it is intended to safeguard or improve the health of a member, or (2) it protects against a contingency that interrupts or impairs a member's earning power.

Based on the submitted evidence, we conclude that the benefits you provide are not the types of benefits an IRC 501(c)(9) organization can provide.

[redacted]

We also conclude that your activities constitute inurement of income to the individual members. Therefore, you have not established that you have been or will be organized and operated for the specified purposes of Section 501(c)(9) and you are not entitled to the claimed exemption from tax. We have further concluded that you would not qualify as a 501(c)(7) organization.

You are required to file Federal Income Tax Returns on Form 1120.

You have the right to appeal this determination if you believe that it is incorrect. To appeal, please refer to the enclosed Publication 892.

If you do not appeal within thirty days from the date of this letter, this determination will become final.

Sincerely yours,

[redacted]
District Director

Enclosure
Pub. 892

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