Rev. Rul. 56-138, 1956-1 C.B. 202

A trust is organized and operated by an employer for the primary purpose of paying pensions to its retired employees. In addition, the trust also provides certain other benefits to selected employees or their beneficiaries, the selection of the recipients and the amounts paid being based on need and being solely within the discretion of an executive committee. Held, a trust organized and operated for the primary purpose of paying pensions to retired employees is not organized exclusively for charitable purposes within the intendment of section 501(c)(3) of the Internal Revenue Code of 1954 and, therefore, is not entitled to exemption from Federal income tax under section 501(a) of the Code. Contributions to such a trust are not considered to be charitable contributions and, therefore, are not deductible by the donors as charitable contributions under section 170 of the Code.