

**CHURCH BENEFITS BOARD, INC.
403(b)(9) PLAN AND TRUST**

ELIGIBLE EMPLOYER STATUS EXPLANATIONS

This document was created to assist you in identifying your Eligible Employer Status in question 5 of the Adoption Agreement for purposes of eligibility to participate in the Church Benefits Board, Inc. 403(b)(9) Plan and Trust. It is not legal or tax advice and is provided for informational purposes only.

Church/Church Association:

Defined in section 3121(w)(3)(A) of the Internal Revenue Code as a church, a convention or association of churches, or an elementary or secondary school which is controlled, operated, or principally supported by a church or by a convention or association of churches that is exempt from tax under section 501(c)(3) of the Internal Revenue Code.

Qualified church-controlled organization (QCCO):

A church-controlled 501(c)(3) tax-exempt organization described in section 3121(w)(3)(B) of the Internal Revenue Code that:

- (1) does not offer goods, services or facilities for sale to the general public or
- (2) normally receives 25% or less of its support from governmental sources or from sales in activities related to its general purpose.

Examples of QCCOs:

- church camps that receive more than 75% of their support from a sponsoring church (less than 25% of the support is from camp fees).
- Seminaries

Non-qualified church-controlled organization (NQCCO):

A church-controlled 501(c)(3) tax-exempt organization described in section 3121(w)(3)(B) of the Internal Revenue Code that:

- (1) offers goods, services or facilities for sale to the general public, other than those sold at a nominal charge, and
- (2) normally receives more than 25% of its support from either governmental sources or receipts from admissions, sales of merchandise, performance of services or furnishing of facilities, or a combination of both.

Examples of NQCCOs:

- church-related colleges, universities, hospitals, children's homes, retirement housing facilities and nursing homes that are open to the general public

Self-employed minister:

A duly ordained, commissioned, or licensed minister that is self-employed within the meaning of section 401(c)(1)(B) of the Internal Revenue Code in connection with the exercise of his/her ministry. Self-employed ministers are treated as being their own employers for purposes of the Plan. Self-employed ministers are issued an annual Form 1099 and not a Form W-2.

Employer of a chaplain or minister that is not a church or church related organization:

A non-church 501(c)(3) or a non-501(c)(3) employer that employs a duly ordained, commissioned or licensed minister or chaplain, and with respect to which the minister or chaplain shares common religious bonds. The employer may only participate in the plan with respect to the minister or chaplain.