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(4) It is organized exclusively for one or more of those purposes enumerated in paragraph (c) of this section.

[T.D. 7438, 41 FR 44392, Oct. 8, 1976]

§ 1.501(c)(21)–1 Black lung trusts—certain terms.

(a) Created or organized in the United States. A trust is not created or organized in the United States unless it is maintained at all times as a domestic trust in the United States. For this purpose, section 7701(a)(9) limits the term United States to the District of Columbia and States of the United States.

(b) Insurance company. The term insurance company means an insurance, surety, bonding or other company whose liability for the kinds of claims to which section 501(c)(21)(A)(i) applies is as an insurer or guarantor of the liabilities of another.

(c) Black Lung Acts. The term Black Lung Acts includes any State law providing compensation for disability or death due to pneumoconiosis even though the State law compensates for other kinds of injuries. For this purpose, the term pneumoconiosis has the same meaning as it has under federal law. See 30 U.S.C. 902.

(d) Insurance exclusively covering such liability. The term insurance exclusively covering such liability includes insurance that covers risk for liabilities in addition to the liabilities to which section 501(c)(21)(A)(i) applies. In such a case, payment for premiums may be made from the trust only to the extent of that portion of the premiums that has been separately allocated and stated by the insurer as attributable solely to coverage of the liabilities to which section 501(c)(21)(A)(i) applies.

(e) Administrative and other incidental expenses. The term administrative and other incidental expenses means expenditures that are appropriate and helpful to the trust making them in carrying out the purposes for which its assets may be used under section 501(c)(21)(B).

(f) Time or demand deposits. The term time or demand deposits includes checking accounts, savings accounts, certificates of deposit or other time or demand deposits. The term does not include common or collective trust funds such as a common trust fund as defined in section 584.

[44 FR 52197, Sept. 7, 1979]

§ 1.501(c)(21)–2 Same—trust instrument.

As trust does not meet the requirements of section 501(c)(21) if it is not established and maintained pursuant to a written instrument. The trust instrument must definitely and affirmatively prohibit a diversion or use of trust assets that is not permitted under section 501(c)(21)(B) or section 4953(c), whether by operation or natural termination of the trust, by power of revocation or amendment by the happening of a contingency by collateral arrangement, or by any other means. No particular form for the trust