IRS Group Exemption Regulations

2026 NAD Annual Council

Group Exemption Timeline

- In Process for Years
- Came Into Effect January 20, 2026
- Compliance January 22, 2027
- Requires General Supervision

Group Exemption Regulations

General Supervision Requirements

- Annual Education
- Uniform Purpose Statement
  - January 22, 2026
- IRS Form 990 Review

Annual Education

Group Exemption Regulations

Annual Education

- Email to Each “Subordinate Organization”
  - Local Church—Pastor and Treasurer
  - Each YB Entity
  - taxexempt@gc.adventist.org
- eAdventist Usage
- No Action Required by Recipient

Uniform Purpose Statement

Uniform Purpose Statement

- All Entities Entering Group Exemption on or after January 20, 2026
- Must be in Governing Instrument
- Churches' UPS in Church Manual
- UPS for other Entities in Working Policy
- Entities not in WP Must Ask NAD for Language

Group Exemption Working Policy Changes

C 47 10 ORGANIZATIONAL STRUCTURE, GOVERNANCE, AND OPERATION—POLICY AMENDMENT

RECOMMENDED, To approve C 47 10 Organizational Structure, Governance, and Operation—Policy Amendment as follows:

C 47 10 Organizational Structure, Governance, and Operation

1. *Governing Documents*. The governing documents of the organization (i.e., articles of incorporation, constitution, bylaws, articles of association, trusts, etc.) shall provide for the following:

a. Relation to Denomination. The organization shall be affiliated with and/or be an integral part of the Seventh-day Adventist ~~Church,~~ Church. ~~and its primary purpose shall be in harmony with, and supportive of, the mission of the Church~~. Its governing documents shall provide that the organization's primary purpose is in harmony with, supportive of, and advances the mission of the Church and shall include the applicable Uniform Purpose Statement for its category of organization as set forth below. Organizations organized or first granted denominational status on or after January 20, 2026, shall include the applicable Uniform Purpose Statement in their governing documents. Organizations not falling within an established category shall adopt a Uniform Purpose Statement provided by the North American Division and approved by the General Conference of Seventh-day Adventists that reflects the organization's role in furthering the mission of the Seventh-day Adventist Church.

Group Exemption Working Policy Changes

Uniform Purpose Statements are as follows:

1) Churches. For purposes of this policy, the Uniform Purpose Statement for a local Seventh-day Adventist church shall be the statement of mission and purpose contained in the current Seventh-day Adventist *Church Manual*.

2) *Educational Institutions.* (School Name) is a part of the system of educational institutions operated throughout the world in furtherance of the educational ministry of the Seventh-day Adventist Church (the "Church"). Rooted in the Church's biblical understanding of creation, the fall, redemption, and re-creation, as reflected in Adventist Education, (School Name) provides education in which Christian faith and values are integrated throughout the curriculum and life of the school. Through the harmonious development of body, mind, and soul, it prepares students for lives of faith, service, and leadership.

Group Exemption Working Policy Changes

3) *Healthcare Organizations*. The Corporation and its health care operations are a part of the system of medical and clinical educational institutions operated throughout the world in furtherance of the health ministry of the Seventh-day Adventist Church (the "Church"), and its activities will be conducted in support of the health mission of the Church.

4) *Media Ministries*. The purpose of (organization name) is to advance the mission of the Seventh-day Adventist Church through media and communication ministries that proclaim the everlasting gospel of Jesus Christ, encourage individuals to follow Jesus Christ and grow in Christian discipleship, and foster engagement with the ministry and fellowship of the Seventh-day Adventist Church. All activities of the organization shall be conducted in harmony with the beliefs, mission, and purposes of the Church.

5) *Community Service Centers.* (Organization Name) is a ministry of the Seventh-day Adventist Church and exists to serve the community and further the Church's charitable and humanitarian ministry by helping individuals in need and supporting their physical, mental, social, and spiritual well-being.

IRS Form 990 Review

Group Exemption Regulations—
Form 990 Review

IRS Form 990--Return of Organization Exempt From Income Tax

- Does not Apply to Form 990 Exempt Entities
- GC Committee
  - Meets Once a Year
  - Representation
  - Submission of Form 990 to GC
  - Review & Retention of Form 990

Group Exemption Working Policy Changes

C 47 35 Periodic Review-The North American Division may conduct a periodic review of organizations on which it confers denominational status. All denominational organizations that are required to file Internal Revenue Service Forms (IRS) 990 or ~~990-T shall annually submit a copy of the form(s) to the Secretary of the North American Division within 30 days subsequent to the form(s) being filed with the Internal Revenue Service (or in Canada Form T3010 to Canada Revenue Agency).~~ 990-EZ shall annually submit a copy of such forms to the committee designated by the General Conference for administration of the Seventh-day Adventist Church's group exemption within 30 days after filing with the IRS (or in Canada Form T3010 to Canada Revenue Agency). Form 990-N does not satisfy the information requirements applicable to the administration of the group exemption; organizations filing Form 990-N shall provide such additional information as may be required by the General Conference.

Other Issues

The Clergy Act Is Now Law

A limited opportunity for certain clergy to re-enter Social Security

- Signed into law on October 20, 2026.
- Allows eligible ministers who previously opted out are eligible to revoke that exemption.
- The election is voluntary and may take effect for tax year 2029 or 2030.
- Re-entry is prospective: ministers begin paying self-employment tax on covered ministerial earnings and may earn future Social Security and Medicare coverage.
- Once the exemption is revoked, the minister cannot opt out again.
- IRS guidance and the required filing process are still forthcoming; no immediate filing is required.

Key takeaway: This creates an option, not an automatic enrollment or a one-size-fits-all recommendation.

QUESTIONS