Internal Revenue Code Section 414(c)
Definitions and special rules

(c) Employees of partnerships, proprietorships, etc., which are under common control.
   (1) In general.
   Except as provided in paragraph (2), for purposes of sections 401, 408(k), 408(p), 410, 411, 415, and 416, under regulations prescribed by the Secretary, all employees of trades or businesses (whether or not incorporated) which are under common control shall be treated as employed by a single employer. The regulations prescribed under this subsection shall be based on principles similar to the principles which apply in the case of subsection (b).

(2) Special rules relating to church plans.
   (A) General rule. Except as provided in subparagraphs (B) and (C), for purposes of this subsection and subsection (m), an organization that is otherwise eligible to participate in a church plan shall not be aggregated with another such organization and treated as a single employer with such other organization for a plan year beginning in a taxable year unless:
      (i) one such organization provides (directly or indirectly) at least 80 percent of the operating funds for the other organization during the preceding taxable year of the recipient organization, and
      (ii) there is a degree of common management or supervision between the organizations such that the organization providing the operating funds is directly involved in the day-to-day operations of the other organization.

   (B) Nonqualified church-controlled organizations. Notwithstanding subparagraph (A), for purposes of this subsection and subsection (m), an organization that is a nonqualified church-controlled organization shall be aggregated with 1 or more other nonqualified church-controlled organizations, or with an organization that is not exempt from tax under section 501, and treated as a single employer with such other organization, if at least 80 percent of the directors or trustees of such other organization are either representatives of, or directly or indirectly controlled by, such nonqualified church-controlled organization. For purposes of this subparagraph, the term "nonqualified church-controlled organization" means a church-controlled tax-exempt organization described in section 501(c)(3) that is not a qualified church-controlled organization (as defined in section 3121(w)(3)(B)).
(C) Permissive aggregation among church-related organizations. The church or
convention or association of churches with which an organization described in
subparagraph (A) is associated (within the meaning of subsection (e)(3)(D) ), or
an organization designated by such church or convention or association of
churches, may elect to treat such organizations as a single employer for a plan
year. Such election, once made, shall apply to all succeeding plan years unless
revoked with notice provided to the Secretary in such manner as the Secretary
shall prescribe.

(D) Permissive disaggregation of church-related organizations. For purposes of
subparagraph (A) , in the case of a church plan, an employer may elect to treat
churches (as defined in section 403(b)(12)(B) ) separately from entities that are
not churches (as so defined), without regard to whether such entities maintain
separate church plans. Such election, once made, shall apply to all succeeding
plan years unless revoked with notice provided to the Secretary in such manner as
the Secretary shall prescribe.