



## **Employer Provisions**

### **Administrative Rule 301 Eligibility**

#### **Benefits Plan Reference**

Article III Eligibility

#### **Original Date**

01/17, revised 10/18

**Replaces:** Administrative Rules 101, 105, 109, 111, 305

---

## **Eligibility Rules**

### **Employment Relationship**

The Benefits Plan eligibility and enrollment rules for employers are intended to promote compliance with the Internal Revenue Code rules for employer group health plans, some of which apply to church plans. Each employer is responsible for ensuring that its personnel policies comply with applicable legal requirements.

As the Benefits Plan is an employer group health plan, eligibility is premised on a valid employment relationship between employer and employee. Verification of the employment relationship and full reporting of the associated compensation are required for plan enrollment. The Benefits Plan is a church plan, as defined in §414(e) of the Internal Revenue Code; it has legal standing to provide benefits only for Presbyterian Church (U.S.A.)-related employees and their eligible family. An employer may not enroll volunteers or congregants in the Benefits Plan because donated or volunteer services do not constitute a valid employment relationship. An easy test for the employment relationship is whether the employer reports wages for the employee to the IRS on a W-2 form.

The Internal Revenue Code also permits self-employed ministers engaged in the exercise of their ministries to participate in a church plan. Full reporting of self-employed income from the exercise of ministry may be required for plan enrollment.

### **Employed Ministers**

*Installed ministers.* A minister of the Word and Sacrament serving as an installed pastor (associate pastor or other installed position at a church) must be enrolled for Pastor's Participation by the church, regardless of the amount of compensation being paid to or the number of hours worked by the minister. The reported effective annual salary (including housing allowance or manse amount, if applicable) must be consistent with the number of

hours reported. The Board assumes that the terms of call for each installed pastor have been approved by the presbytery and comply with any minimum call requirements of the presbytery.

*Non-installed ministers.* Employers may enroll ministers in non-installed positions regularly scheduled to work a minimum of 20 hours per week in the exercise of his or her ministry in Pastor's Participation or menu options. Employers may enroll ministers in non-installed positions who are scheduled to work fewer than 20 hours per week for participation in the Retirement Savings Plan of the Presbyterian Church (U.S.A.) (RSP), dental and/or vision eyewear, under menu options. There is no minimum compensation or hours of service for participation in these plans/programs.

### **Self-employed Ministers working in Validated Ministries.**

A minister service in a validated ministry is eligible for Benefits Plan participation — under Pastor's Participation or menu options (medical, pension, death and disability, RSP, and/or optional benefits if working more than 20 hours per week; medical, dental, vision eyewear and/or RSP participation only if scheduled to work less than 20 hours per week). The minister's presbytery must confirm in writing that it has validated the employment as an extension of ministry.

### **Ministers ordained in other denominations serving PC(USA) churches or organizations**

A Formula of Agreement enables ordained ministers in the Evangelical Lutheran Church in America, the Reformed Church in America, and United Church of Christ to serve the PC(USA) in installed or other ministerial positions. The minister must choose to remain enrolled in his/her denomination's benefits plan or enroll in the Benefits Plan, and may not switch plans once that choice is made until that PC(USA) service ends.

Ordained ministers of other denominations with which there is no comity agreement who are employed by a PC(USA) church or PC(USA)-affiliated employer and regularly scheduled to work for 20 hours a week or more may participate in menu options.

### **Chaplains**

A chaplain is a minister serving in a specific type of ministry, traditionally uniformed service, hospital, or prison-type settings. Enrollment rules follow those for validated ministries, above. (See also Administrative Rule 402 Participation: Military Leave for benefits information regarding ministers and other employees who leave active employment for military service.)

Military chaplains serving in a uniformed service for the U.S. may also be entitled to additional pension credits under the Chaplains Deposit Fund, upon retirement.

### **Seminary Students**

A full-time seminary student may subscribe for medical benefits if the presbytery verifies that the student is under its care, has been classified as an inquirer or a candidate, and is in good

faith preparing for a church vocation with the PC(USA). Seminary students may choose one of two medical options:

- PPO (preferred provider organization)
- EPO (exclusive provider organization)

Seminary students who are enrolled in the Medical Plan on their date of graduation and whose presbyteries require them to take additional courses may continue to participate on seminary student status until the required courses are complete.

### **Changes to Enrollment Information**

The Board will not adjust death benefits or disability benefits for any adjustments to salary (increases or decreases), employment classification (Ordained, Exempt Lay, and Non- Exempt Lay), employment hours, or participation levels reported after the date of death or onset of disability.