



Employer Provisions

Administrative Rule 301

Eligibility Benefits Plan

Reference

Article III Eligibility

Original Date

01/17

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 employed in the exercise of their ministries to participate in a church plan.

Compensation and Enrollment

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.

Employers of ministers in non-installed positions may enroll them in Pastor's Participation or menu options but should enroll them consistently. For Pastor's Participation, the minister must be regularly scheduled to work a minimum of 20 hours per week in the exercise of his or her ministry for the employer.

Employers of ministers in non-installed positions who are scheduled to work fewer than 20 hours per week may enroll them for the, the Dental Plan, Vision and/or participation in the Retirement Savings Plan of the Presbyterian Church (U.S.A.) (RSP) under menu options. There is no minimum compensation or hours of service required in those plans.

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.

A Minister in a Validated Ministry

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

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 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 seminary student may elect medical coverage for themselves and eligible family members, provided they are enrolled full time in a theological seminary, graduate school of religion, divinity school, or school of Christian education; classified as an inquirer or candidate under the care of a presbytery, preparing for a church vocation in the PC(USA); and not already employed in eligible service.

Three medical options are available to seminary students and their eligible family members:

- PPO (preferred provider organization)
- EPO (exclusive provider organization)
- HDHP (high deductible health plan)

Seminary students will have the opportunity to continue, change, or discontinue their medical coverage during seminary student healthcare enrollment each year (usually in late summer).

Seminary student healthcare coverage ends August 31 following graduation. Exception: 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.