



Administrative Rule 301: Eligibility

Benefits Plan Reference: Article 2: Eligibility and Enrollment

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Eligibility Rules

Employment relationship

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

The Benefits Plan is an employer group benefits plan, and 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 IRC §414(e), with ability to provide benefits for Presbyterian Church (U.S.A.) ministers and employees of PC(USA) churches and PC(USA) associated and affiliated employers and their eligible family members only. 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 ministers who are self-employed or employed by non-PC(USA) organizations (e.g., a hospital or prison chaplain) in the exercise of their ministries to participate in a church plan.

Ministers in a validated service of a non-PC(USA) employer who receive a W-2 from that employer cannot be self-employed or remit dues for themselves. The employer must complete an Employer Agreement and remit dues to the Board of Pensions.

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 by the church in the Congregational Pastors Package or, if eligible, Transitional Pastor's Participation,* 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 of Pensions assumes that the terms of call for each installed pastor have been approved by and comply with any minimum call requirements of the presbytery.

Employers of congregational leaders in non-installed positions may enroll such leaders in the Covenant Package, the Congregational Pastors Package, Transitional Pastor's Participation* (if eligible), or other Benefits Plan offerings but should enroll them consistently within an employment classification. A congregational pastoral leader is a minister of the Word and Sacrament or commissioned pastor employed by a PC(USA) congregation, including installed ministers and ministers and commissioned pastors working 20 hours or more per week.

Any employee working 20 hours or more per week may be eligible for the Covenant Package regardless of ordination status.

An employer who offers the Medical Plan may not offer any other medical plan simultaneously to that same classification of employees. An employer should consistently offer all employees within an employment classification the same benefits.

Employees, either ordained or lay, who are scheduled to work fewer than 20 hours per week may be enrolled in the Dental Plan, the Vision Plan, and/or allowed participation in the Retirement Savings Plan of the Presbyterian Church (U.S.A.). The Board of Pensions does not require a minimum compensation or hours of service for those plans.

The Board of Pensions will not modify death benefits or disability benefits for any adjustments to salary (increases or decreases), employment classification, employment hours, or participation levels reported after the date of death or onset of disability.

Validated ministries

A minister working in a validated ministry is eligible for Benefits Plan participation under the Covenant Package, Transitional Pastor's Participation* (if eligible), or any of the Benefits Plan options. The minister's presbytery must confirm annually in writing that it has validated the employment as an extension of ministry.

A chaplain is a validated minister serving in a specific type of ministry, traditionally U.S. uniformed service, hospital, or prison-type settings. Refer to 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 U.S. uniformed service may also be entitled to additional pension credits under the Chaplains Deposit Fund upon retirement.

Non-PC(USA) ministers

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 ministerial positions. Ministers in the Formula of Agreement are eligible for enrollment in the Retirement Plans, Death, Disability & Life Plans, and Health & Wellness Plans. The ministers are not eligible for the Congregational Pastors Package or Transitional Pastor's Participation.*

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 the Benefits Plan but cannot be enrolled in the Congregational Pastors Package or Transitional Pastor's Participation.*

Korean Presbyterian Church Abroad (KPCA) ministers, church, and affiliate employees are eligible for the following benefits: Retirement Plans, Death, Disability & Life Plans, and Health & Wellness Plans. Also, KPCA ministers are eligible for the Covenant Package, which includes the Defined Benefit Pension Plan, the Death and Disability Plan, the Temporary Disability Plan, and access to the Employee Assistance Plan, education programs, and the Assistance Program.

Seminary students

Seminary students 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)
- 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, with the exception that 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 participation under seminary-student status until the required courses are complete.

Ministers sharing a position (previously known as 14-09 couples)

When two married minister employees serve part-time and share one position at the same church, they may enroll in Transitional Pastor's Participation,* if eligible. Under this option, only one employee enrolls in medical coverage, with the spouse and family covered under that plan, while both employees receive pension and death and disability coverage.

Alternatively, 14-09 couples may enroll in the Congregational Pastors package, in which each employee enrolls separately in medical coverage. Employers should evaluate both options to determine the best fit.

**Transitional Pastor's Participation is available to congregational pastoral leaders in Pastor's Participation as of Dec. 31, 2024.*