

Social Security and other information for clergy and other religious workers

Under Internal Revenue Service (IRS) rules, most clergy are considered employees for income tax purposes and self-employed for purposes of Social Security (SECA) and Medicare taxes. These clergy are exempted from mandatory income tax withholding, and the congregation/employer may not withhold Social Security or Medicare taxes from a pastor's salary or pay an employer's share.

Clergy are responsible for paying their income taxes and all of their Social Security liabilities. One way to handle this obligation is for clergy to file quarterly estimated tax payments directly with the IRS. For IRS purposes, self-employed taxable income is the gross salary paid, inclusive of housing and other allowances given as part of the clergy salary package. For income tax purposes, the adjusted gross income includes salary (excluding housing allowance) and one-half of the self-employment tax. Clergy would use IRS [Publication 505](#) for more information on determining and filing estimated taxes.

It is important to note that although clergy are considered self-employed for Social Security taxes and the congregation/employer cannot make Social Security (or SECA) withholding payments for clergy, clergy can direct their congregation/employers to withhold funds that can be applied to both the income tax liability and the Social Security payment obligation. Clergy would complete [IRS Form W-4 Employee's Withholding Allowance Certificate](#) which will indicate the amounts that the congregation/employer will withhold for social security and income tax purposes. This avoids clergy needing to 1) remember to pay the quarterly estimated payments; 2) having to make sure the money to cover those quarterly payments is in their checking accounts; and 3) having to remit those payments. With the use of the W-4 form, each paycheck has been reduced, but the money is being sent directly to the IRS by the congregation/employer and no quarterly filing should be necessary.

Other religious workers' (church employees) wages are generally subject to social security and Medicare tax under the Federal Insurance Contributions Act (FICA), as well as income tax withholding. Religious workers may also request additional tax withholding from their paycheck by completing IRS Form W-4.

It is always important throughout the year for all employees to check on the payments and deductions made. If for some reason the income or tax liability assumptions change, IRS Form W-4 can also be amended to request different withholdings.

This article is current as of July 10, 2014. For updates and more information on this topic – see IRS [Publication 517](#), Social Security and Other Information for Members of the Clergy and Religious Workers.