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Clergy Exemption From Social Security

This is designed for clergy who are considering filing or who have filed Form 4361 to be exempt from Social Security taxes.

Questions to consider whether your exemption is valid and ethical:

1. If you discovered you qualified for any benefits under Social Security or Medicare, would you reject them?
2. Are you aware of any teachings, policy statements, or ethical guidelines of your religion or denomination which state it is either wrong, bad, unwise, sinful, or unscriptural for ministers to receive Social Security benefits?
3. Are you aware of any Bible passages or other religious writings that suggest it is wrong for ministers to receive Social Security benefits?
4. If you believe Social Security and Medicare are headed towards bankruptcy have you done anything to help non-ministers avoid the coming disaster?
5. Have you discussed your position with a denominational superior/overseer or other trusted spiritual leader who agrees that your position is well supported by Scripture and by your religion?

Evaluate:

If you answered NO to at least one of these questions you may want to reconsider your exemption from Social Security. If you answered NO to all five questions, your exemption is almost certainly invalid.

What to do if you have filed Form 4361 in error:

1. Plan to reenter Social Security when practical. "Look before you leap." The act of revoking your exemption will be effective for the whole calendar year. You may choose to re-enter either for the current tax year or the next tax year when you file your next tax return.
2. Compute your estimated social security tax by adding your annual salary and housing. Then take 15.3% of the total. Increase your federal income tax withholding or estimated taxes for the year by this amount.
3. If you have been conscientiously contributing to an alternative Social Security and Medicare Replacement Plan, begin forwarding those funds to the IRS as Federal Income Tax withholding.
4. If your family budget cannot handle the drop in take-home pay, additional planning may be needed. Many pastors will need to modestly increase their withholding now but not officially get back into Social Security until the next tax year.
5. File Form 2031 with your tax return for the year you wish to begin paying into Social Security, and trust God to honor your decision and provide for your needs.