

2019
Oregon-Idaho Conference
Payroll Tax Guidelines for Lay Supply Pastors (and other lay employees)

Federal Unemployment Tax (FUTA): Churches are exempt from FUTA.

Federal Tax:

Tax rate determined from Tax Tables in IRS Publication 15 Circular E, Employer's Tax Guide. (Note: Medical Reimbursement and Pension Pre-Tax Salary Reduction amounts are not included in taxable amount.)

Withheld from employee check, deposited to IRS – see instructions in Circular E booklet – or online at www.irs.gov.

(Generally – deposited quarterly with form 941 if total of Federal, Social Security and Medicare are less than \$2,500 for the quarter, or deposited monthly if total is more than \$2,500 and less than \$50,000 for the year. See IRS Publication 15 for details or if total is more than \$50,000 for the year.)

Social Security:

Tax rate for 2019 paid on first \$132,900 in wages per employee: 6.2% employer/6.2% employee. (Note: Medical Reimbursement amounts (FSA/DCA) are not included in taxable amount.)

6.2% withheld from employee check and matched by employer contribution of 6.2%, deposited as above.

Medicare:

Tax rate for 2019: 1.45% employer/1.45% employee. (Note: Medical Reimbursement amounts (FSA/DCA) are not included in taxable amount.)

Withheld from employee check and matched by employer contribution of 1.45%, deposited as above.

State Tax:

Tax rate: Determined from tax tables from State Department of Revenue. (Note: Medical Reimbursement amounts (FSA/DCA) pension Pre-Tax Salary Reduction amounts are not included in taxable amount.)

Withheld from employee check, deposited to State.

SUI (State Unemployment Insurance):

Idaho: As of this writing, churches are exempt from State Unemployment Insurance in Idaho.

Oregon: The tax rate is determined individually for each employer, contact State Employment Dept.

Employer contribution only, deposited to State with State tax withholding and Ore Workers Benefit Tax.

Oregon Workers Benefit Tx: (Oregon only)

2019 tax rate: (0.024) times number of hours worked. One half (.012) is withheld from employee check and matched by employer contribution of (.012) times number of hours worked, deposited to State with State tax withholding (if any) and SUI (for churches with lay employees).

Worker's Compensation Insurance:

All churches are required to have worker's compensation insurance for all employees (clergy and lay.)

Contact State Insurance Commission or Insurance company (Liberty NW, SAIF) for policy details.

Local numbers for IRS, Social Security Administration, and State Department of Revenue are listed in the government pages of your local phone book. Most also have helpful internet web-sites. Also see the state Bureau of Labor and Industry website for other helpful information.