

2020  
Oregon-Idaho Conference  
Payroll Tax Guidelines for Lay Supply Pastors (and other lay employees)

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

*Note: Health premiums, Medical Reimbursement amounts (FSA-Health & Dependent Care/HSA) and UMPIP/Retirement Pre-Tax Salary Reduction amounts are not included in taxable amounts below.*

**Federal Tax:**

Tax rate determined from Tax Tables in [IRS Publication 15 Circular E](#), Employer's Tax Guide. Deposited to IRS – see instructions in Circular E booklet – or online at [www.irs.gov](http://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 2020: paid on first \$137,700 in wages per employee: 6.2% employee/6.2% employer. 6.2% is withheld from the employee check and matched by employer contribution of 6.2%, deposited as above.

**Medicare:**

Tax rate for 2020: 1.45% employer/1.45% employee. Withheld from employee check and matched by employer contribution of 1.45%, deposited as above.

**New Federal W-4**

Employees who are hired in 2020 or employees making changes to withholding in 2020 will be required to complete the new [2020 Form W-4](#). There is a five-step process and new [Publication 15-T](#) (Federal Income Tax Withholding Methods) for determining employee withholding.

**State Tax:**

**Idaho:** Determined from [tax tables](#) from [Idaho State Tax Commission](#). Deposited online using Taxpayer Access Point ([TAP](#)).

**Oregon:** Determined from the [Oregon Withholding Tax Withholding Formulas](#) from [Oregon State Department of Revenue](#). May be deposited online using the [Oregon Payroll Reporting System \(OPRS\)](#).

*Generally – deposited quarterly with Oregon form OQ or Idaho form 910. If Federal taxes require more frequent deposits (see above) state taxes must be filed accordingly.*

[Oregon Filing Due Dates and Contact Information](#) and [Tax Forms and Fliers](#).

**Oregon W-4**

Employees with an existing “Oregon only” federal Form W-4 don't need to change their allowances for Oregon unless they revise their federal Form W-4 after January 1, 2020. Use the [OR-W-4](#), Oregon Employee's Withholding Allowance Certificate, for determining Oregon allowance claims. Employee can use the [Oregon Online Withholding Calculator](#) (see Tools/Calculate Withholding).

**Idaho W-4**

[Form ID W-4](#) for state withholding.

**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 of Oregon Employment Department](#). The employer contribution only is deposited with state tax withholding and Oregon Workers

Benefit Tax.

**Oregon Workers Benefit Tax:** (Oregon only)

2020 tax rate: (0.022) times number of hours worked. One half (.011) is withheld from employee check and matched by employer contribution of (.011) times number of hours worked, deposited to State with State tax withholding (if any) and SUI (for churches with lay employees).

**Oregon State Transit Tax** (Oregon Only)

The most recent information we have received from the state indicates that ordained clergy performing ministerial duties are not subject to this tax. All other employees are subject. The tax rate is one-tenth of one percent (.001)-or \$1 per \$1,000. File quarterly with [Form OR-STT-V](#).

**Worker's Compensation Insurance:**

All churches are required to have worker's compensation insurance for all 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 websites. Also see the [State of Oregon Bureau of Labor and Industries \(BOLI\)](#) and [Idaho Department of Labor](#) websites for other helpful information.*