

# Withholding Policy for Pastors

*In accordance with IRS Circular E, Ministers may have income taxes voluntarily withheld by the employing church if both parties agree.*

After considering the request of Rev. \_\_\_\_\_ we approved withholding from each paycheck, sufficient to pay the estimated tax obligations as reported by the minister for the following taxes as marked:

\_\_\_\_\_ Federal Income Tax

\_\_\_\_\_ State Income Tax

\_\_\_\_\_ Local Income Tax

\_\_\_\_\_ Other \_\_\_\_\_

The church will forward withheld taxes to the proper agency and report the same to the minister. Employers withholding \$2,500 or more each quarter must make monthly deposits through a local bank using FTD coupons available from the IRS.

A church must never include a minister's wages for Social Security, FICA or Medicare computations. Federal withholding is reported quarterly on Form 941. Similar forms may be required for states and cities. The treasurer may adjust payroll withholding to a different amount on the minister's request. The church is not responsible if the minister's estimate of taxes is incorrect. This agreement is effective immediately and will stand until amended.

moved by \_\_\_\_\_ and

seconded by \_\_\_\_\_

Passed on the date of \_\_\_\_\_.