



Employer Provisions

Administrative Rule 301: Eligibility

Benefits Plan Reference

Article II Eligibility and Enrollment

Original Date

01/2017

Revision Date

01/2024

Eligibility Rules

Employment relationship

The Benefits Plan eligibility and enrollment rules for employers are intended to promote compliance with the Internal Revenue Code rules for employer group health plans, some of which apply to church plans. Each employer is responsible for ensuring that its personnel policies comply with applicable legal requirements.

The Benefits Plan is an employer group health plan, and eligibility is premised on a valid employment relationship between employer and employee. Verification of the employment relationship and full reporting of the associated compensation are required for plan enrollment. The Benefits Plan is a church plan, as defined in §414(e) of the Internal Revenue Code; it has legal standing to provide benefits only for Presbyterian Church (U.S.A.) ministers and employees of PCUSA churches and PCUSA associated and affiliated employers and their eligible family members. An employer may not enroll volunteers or congregants in the Benefits Plan because donated or volunteer services do not constitute a valid employment relationship. An easy test for the employment relationship is whether the employer reports wages for the employee to the Internal Revenue Service on a W-2 form.

The Internal Revenue Code also permits ministers who are self-employed or employed by non-PCUSA organizations (e.g., a hospital or prison chaplain) in the exercise of their ministries to participate in a church plan.

Ministers in a validated service of a non-PCUSA employer, receiving a W-2 from that employer, cannot be self-employed or remit dues for themselves. The employer completes an Employer Agreement, and must remit dues to the Board of Pensions.

Compensation and enrollment

A minister of the Word and Sacrament serving as an installed pastor (associate pastor or other installed position at a church) must be enrolled for Pastor's Participation by the church, regardless of the amount of compensation being paid to or the number of hours worked by the minister. The reported effective annual salary (including housing allowance or manse amount, if applicable) must be consistent with the number of hours reported. The Board assumes that the terms of call for each installed pastor have been approved by the presbytery and comply with any minimum call requirements of the presbytery.

Employers of ministers in non-installed positions may enroll them in Pastor's Participation, Minister's Choice, or other Benefit Plan options but should enroll them consistently within an employment classification. For Pastor's Participation or Minister's Choice, the non-installed minister must be regularly

scheduled to work a minimum of 20 hours per week in the exercise of their ministry for the employer.

An Employer who offers the Medical Plan may not offer any other medical plan simultaneously to that classification of employees. An Employer should consistently offer all employees within an employment classification the same benefits.

Employees, either ordained or lay, who are scheduled to work fewer than 20 hours per week may be enrolled in the Dental Plan, the Vision Eyewear Plan and/or participation in the Retirement Savings Plan of the Presbyterian Church (U.S.A.) (RSP). There is no minimum compensation or hours of service required for those plans.

The Board will not adjust death benefits or disability benefits for any adjustments to salary (increases or decreases), employment classification employment hours, or participation levels reported after the date of death or onset of disability.

Validated ministries

A minister working in a validated ministry is eligible for Benefits Plan participation under Pastor's Participation, Minister's Choice, or any of the Benefit Plan options. The minister's presbytery must confirm annually in writing that it has validated the employment as an extension of ministry.

A chaplain is a validated minister serving in a specific type of ministry, traditionally uniformed service, hospital, or prison-type settings. See also Administrative Rule 402 Participation: Military Leave for benefits information regarding ministers and other employees who leave active employment for military service.

Military chaplains serving in a uniformed service for the U.S. may also be entitled to additional pension credits under the Chaplains Deposit Fund, upon retirement.

Non-PC(U.S.A.) ministers

A Formula of Agreement enables ordained ministers in the Evangelical Lutheran Church in America, the Reformed Church in America, and United Church of Christ to serve the PC(USA) in ministerial positions. Ministers in the Formula of Agreement are eligible for the Retirement Programs, Financial Protection Programs, and or the Health Programs. The ministers are not eligible for a minister's benefits package (Pastor's Participation or Minister's Choice).

Ministers in the Formula of Agreement, who are in Pastor's Participation, prior to January 1, 2021, may continue that participation until the end of their current call.

Ordained ministers of other denominations with which there is no comity agreement who are employed by a PC(USA) church or PC(USA)-affiliated employer for 20 hours a week or more may participate in the Benefits Plan but cannot be enrolled in a minister's benefits package.

Korean Presbyterian Church Abroad (KPCA) ministers, church and affiliate employees are eligible for the Retirement Programs, Financial Protection Programs, and or the Health Programs. The KPCA ministers are eligible for the KPCA package, which includes Defined Benefit Pension Plan, Death and Disability Plan, Temporary Disability, and the EAP.

Seminary students

A seminary student may elect medical coverage for themselves and eligible family members, provided they are enrolled full time in a theological seminary, graduate school of religion, divinity school, or school of Christian education; classified as an inquirer or candidate under the care of a presbytery, preparing for a church vocation in the PC(USA); and not already employed in eligible service.

Three medical options are available to seminary students and their eligible family members:

- PPO (preferred provider organization)

- EPO (exclusive provider organization)
- HDHP (high deductible health plan)

Seminary students will have the opportunity to continue, change, or discontinue their medical coverage during seminary student healthcare enrollment each year (usually in late summer).

Seminary student healthcare coverage ends August 31 following graduation. Exception: Seminary students who are enrolled in the Medical Plan on their date of graduation and whose presbyteries require them to take additional courses may continue participation under seminary-student status until the required courses are complete.