

# Certification by Churches and Qualified Church-Controlled Organizations Electing Exemption From Employer Social Security Taxes

**File in Duplicate**

<b>Please type or print</b>	Full name of organization	Employer identification number
	Address (Number and street)	
	City, state, and ZIP code	Date wages first paid
	If exemption is based on a group ruling, give full name of central organization	Group exemption number

**Purpose of Form.**—By filing this form, the organization named above elects exemption from employer social security taxes by certifying that it is a church or church-controlled organization which is opposed for religious reasons to the payment of social security taxes.

**Effect of Election.**—This election applies to all current and future employees of the electing organization for services performed. However, this election does not apply to ministers of a church, members of a religious order, or to services performed in an unrelated trade or business of the church or church-controlled organization.

The electing organization is required to continue to withhold income tax and to report the tax withheld and wages, tips, and other compensation paid to each employee on **Form W-2**, Wage and Tax Statement, and to file **Form 941E**, Quarterly Return of Withheld Federal Income Tax (or **Form 941**, Employer's Quarterly Federal Tax Return, if the organization has employees whose wages are not exempted by this election (such as those engaged in unrelated business activities) and remain subject to employer taxes). The organization can permanently revoke the election by filing Form 941 and paying social security taxes. This election will be permanently revoked if the organization fails to file Form W-2 for 2 years or more and fails to furnish such information within 60 days after a written request by the IRS.

Employees receiving compensation of \$100 or more in a year from the electing organization are subject to self-employment tax on the compensation. They will be considered employees for all other purposes of the Internal Revenue Code including the withholding of income tax.

**Who May File.**—Churches and qualified church-controlled organizations (defined below) who are opposed for religious reasons to the payment of social security taxes may elect exemption from the taxes by filing this form.

The term "church" includes conventions or associations of churches. It also includes an elementary or secondary school that is controlled, operated, or principally supported by a church (or conventions or associations of churches).

A qualified church-controlled organization includes any church-controlled tax-exempt

organization described in section 501(c)(3) of the Internal Revenue Code except an organization that:

1. offers goods, services, or facilities for sale, other than on an incidental basis, to the general public, AND
2. normally receives more than 25 percent of its support from the sum of governmental sources and receipts from admissions, sales of merchandise, or furnishing of facilities in activities that are not unrelated trades or businesses.

Goods, services, or facilities which are sold at a nominal charge substantially less than the cost of providing such goods, services, or facilities are not included in 1 above.

An organization which meets both conditions 1 and 2 above will be excluded from the definition of a qualified church-controlled organization and therefore not eligible to file this form. For example, a church-controlled hospital will generally meet both conditions and will not qualify to make the election.

However, a seminary, a religious retreat center, or a burial society will generally qualify to make the election regardless of its funding sources because it does not offer goods, services, or facilities for sale to the general public. A church-run orphanage or home for the aged may qualify if not more than 25 percent of its support is from admissions, sales of merchandise, or furnishing of facilities in other than unrelated trades or businesses plus from governmental sources. Auxiliary organizations of a church such as youth groups, women's auxiliaries, church pension boards, and fund-raising organizations will generally be eligible to make the election.

**When To File.**—File this form in duplicate after you hire employees but prior to the first date on which a quarterly employment tax return would otherwise be due from the electing organization.

**Where To File.**—File with the Internal Revenue Service Center for the state in which the church or church-controlled organization is located, as listed.

Alabama, Florida, Georgia, Mississippi, South Carolina Atlanta, GA 39901

New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester) Holtsville, NY 00501

New York (all other counties), Connecticut, Maine, Massachusetts, Minnesota, New Hampshire, Rhode Island, Vermont Andover, MA 05501

Illinois, Iowa, Missouri, Wisconsin Kansas City, MO 64999

Delaware, District of Columbia, Maryland, Pennsylvania Philadelphia, PA 19255

Kentucky, Michigan, Ohio, West Virginia Cincinnati, OH 45999

Kansas, Louisiana, New Mexico, Oklahoma, Texas Austin, TX 73301

Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming Ogden, UT 84201

California (all other counties), Hawaii Fresno, CA 93888

Arkansas, Indiana, North Carolina, Tennessee, Virginia Memphis, TN 37501

Churches or church-controlled organizations in Guam, the Northern Mariana Islands, American Samoa, the Virgin Islands, or Puerto Rico should file this form with the U.S. Internal Revenue Service Center, Philadelphia, PA 19255.

If you are already filing Form 941, file Form 8274 with the Internal Revenue Service Center where you file the Form 941.

**Filing Instructions.**—Complete this form by supplying the information called for. If you do not have an employer identification number, submit a completed **Form SS-4**, Application for Employer Identification Number, with this election. If you have applied for a number but have not yet received it, write "Applied for" and the date you applied in the space provided for the number. An authorized official of the church or the qualified church-controlled organization must sign the form. Send two copies to the appropriate IRS address. Keep a copy for your records.

I certify that the above-named organization is a church or qualified church-controlled organization, as defined in section 3121(w) of the Internal Revenue Code, which is opposed for religious reasons to the payment of employer social security taxes, and elects not to be subject to such taxes.

**Sign Here**

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(Signature of authorized official) (Title) (Date)