

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

▶ Information about Form 8274 and its instructions is at [www.irs.gov/form8274](http://www.irs.gov/form8274).

**File  
Two Copies**

<b>Please type or print</b>	Full name of organization	Employer identification number (EIN)
	Address (number and street or P.O. box number if mail is not delivered to street address)	
	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

**Sign Here**

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

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

**Purpose of form.** Churches and qualified church-controlled organizations (defined below) that are opposed, for religious reasons, to the payment of social security and Medicare taxes may elect exemption from the payment of the employer’s share of these taxes by filing Form 8274.

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

The electing organization must continue to withhold federal income tax on wages, tips, and other compensation, and to report this income and the tax withheld on Form W-2, Wage and Tax Statement. The organization must also file Form 941, Employer’s QUARTERLY Federal Tax Return, or Form 944, Employer’s ANNUAL Federal Tax Return, to report both the wages covered by this election and the wages of any employees engaged in unrelated business activities whose wages are not covered by this election and are subject to employer taxes.

Employees (except ministers of a church or members of religious orders) who receive wages of \$108.28 or more in a year from an electing church or qualified church-controlled organization are subject to self-employment tax on the earnings. They will be considered employees for all other purposes of the Internal Revenue Code, including federal income tax withholding.

**Churches and qualified church-controlled organizations.** The term “church” means a church described in sections 501(c)(3) and 170(b)(1)(A)(i). The term “church” includes conventions or associations of churches. It also includes any 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) unless the organization both:

- Offers goods, services, or facilities for sale to the general public, other than on an incidental basis or for a nominal charge, and

- Normally receives more than 25% of its support from governmental sources and/or receipts from admissions, sales of merchandise, services, or facilities in related trade or business activities.

*Section references are to the Internal Revenue Code unless otherwise noted.*

**Eligibility for election.** Any organization that meets both of the above conditions is **not** eligible to file this form. For example, a church-controlled hospital generally will meet both conditions and will not qualify to make the election. However, seminaries, religious retreat centers, or burial societies generally will be eligible, regardless of funding sources, because they don’t offer goods, services, or facilities for sale to the general public.

A church-run orphanage or home for the elderly that is open to the general public may qualify if not more than 25% of its support is from admissions, sales of merchandise, services or facilities in related trades or businesses, or from governmental sources. Church pension boards, fund-raising organizations, and auxiliary organizations such as youth groups and ladies auxiliaries generally may make the election.

**Revocation of election.** Either the electing church or organization or the IRS may revoke this election. The electing church or organization can permanently revoke the election by paying social security and Medicare taxes for wages covered by this election. The IRS will permanently revoke the election if the organization does not file Form W-2 for 2 years or more and does not provide the information within 60 days after a written request by the IRS.

**Employer identification number (EIN).** If you do not have an EIN, you may apply for one online. Go to the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and click on the “Employer ID Numbers” link. You may also apply for an EIN by faxing or mailing Form SS-4, Application for Employer Identification Number, to the IRS.

**Signature.** An official authorized to sign tax returns for the church or qualified church-controlled organization must sign Form 8274.

**When to file.** File Form 8274 after you hire employees, but before the first date on which a quarterly or annual employment tax return is due (or would be due except for this election). Keep a copy for your records.

**Where to file.** Send two copies of Form 8274 to: Internal Revenue Service, Ogden, Utah 84201-0027.