

Setting up members of the Clergy

When a member of the Clergy is hired on, there are a few steps to take after they are hired to ensure their setup is correct. You must first hire them on and then back into the employee profile to make changes to the taxes.

Clergy members are not subject to Social Security and Medicare taxes, however they are subject to report taxable wages for Federal, State and Local taxes. While the Clergy member can opt not to pay Federal and State taxes, the employer is responsible for reporting the taxable wages and withholding any locals, as needed.

The two configuration steps for this are:

- Turning off the FICA tax codes (Social Security and Medicare)
- Marking the tax-exempt reason as "Clergy" in tax handling tab

Tax Setup

Follow the steps below to properly set up taxes for members of the Clergy:

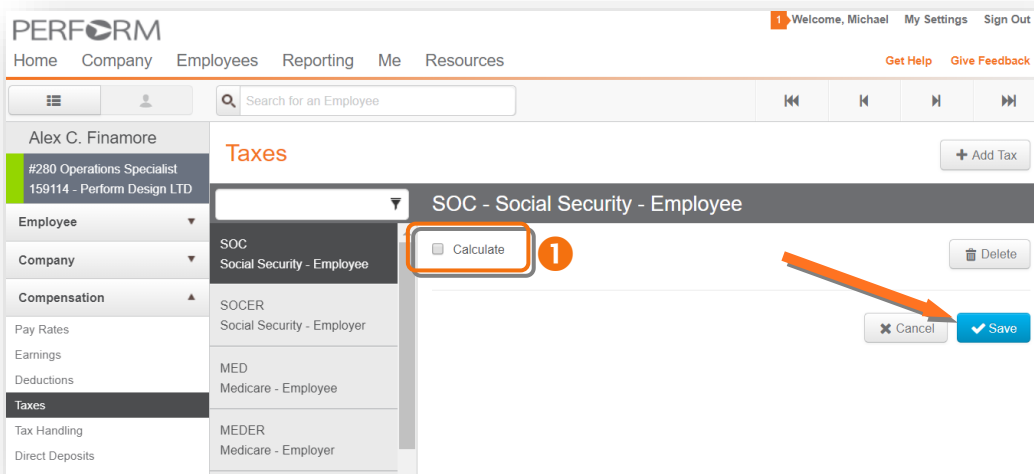
- 1 To turn off the Social Security and Medicare codes, hover over the Employees menu, then click **Manage Employees** and select the employee. Click to open the employee's **Compensation** menu and select **Taxes**.

For both the Employer and Employee FICA (Social Security and Medicare) taxes, uncheck the box next to the word Calculate then click [Save](#).

- 2 To indicate they are Clergy and exempt, remain on the same employee from Step 1 and click on their Tax Handling page beneath Taxes. Alternatively, hover over the Employees menu, then click **Manage Employees** and select the employee. Click to open the employee's **Compensation** menu and select **Tax Handling**.

Under Tax Exempt Reason drop down, select "Clergy" from the options then click [Save](#).

- 3 To ensure all codes are turned off, go back into the employee's **Taxes** page and double check that all 4 FICA taxes are greyed out and the calculate box is unchecked.



Screenshots continued on next page

