

# Church Health Plan

The local church at (Church name) \_\_\_\_\_, (Address/City/St/Zip) \_\_\_\_\_ has set forth the Church Health Benefit Plan for the Ministry, and it encompasses any and all medical expenses.

RESOLVED, that the following be and it hereby is adopted as and for the (1) official health plan and (2) the official health expense reimbursement policies of the church:

1. The church may pay the health insurance premiums of full-time ordained, commissioned, or licensed ministers and their dependents, as well as other staff, who are considered employees of the church for tax purposes, and even though ordained ministers may be considered self-employed for social security tax purposes.
- 2a. The church may reimburse all out-of-pocket health expense costs of full-time ordained, commissioned, or licensed ministers and their dependents, as well as other staff, who are considered employees of the church for tax purposes, and even though ordained ministers may be considered self-employed for social security tax purposes.
- 2b. In the event that any health expense is not paid for by health insurance, if any, paid or provided by the church or other payer or provider, the church may pay directly or may reimburse any church minister or other staff for any such non-covered expense which is paid by the minister or other staff person. The intent of this policy is to pay deductibles, any other forms of co-insurance which are not paid for by health insurance, if any, paid or provided by the church or other payer or provider, and in general, all "out-of-pocket health expense costs" incurred by a minister or other staff member of the church. The term "out-of-pocket health expense costs" shall include, but not be limited to, (1) deductibles not covered by health insurance, or (2) any other amounts not covered by any health insurance paid or provided by the church or other payer or provider, or (3) any other amount not covered by health insurance, whether or not the minister or other staff member is currently covered by health insurance, or was so covered at the time expenses were incurred, for all physicians, medicine, hospital costs, and all other costs commonly thought of as medical costs, including, but not limited to:
  - insurance premiums      prescriptions      dentists      lab fees
  - medical supplies              humidifier              Medicare premiums
  - doctors                      hospitals              nursing costs
  - air conditioning, electricity, hotel, transportation, and like costs where directed by physician or allowed by law
  - special equipment (such as eyeglasses, dentures, hearing aids, special shoes, etc.)
  - other costs allowed by statute, regulation, case law, or other authority
- 2c. This health expense reimbursement policy covers all health expenses which would otherwise be deductible on Schedule A of the Form 1040 income tax return of the minister or staff member who receives the reimbursement, and the minister or staff member must provide the church with the same type of proof as would be needed to claim a deduction on such Schedule A, in order to receive a reimbursement or direct payment from the church under this policy. Ministers may receive reimbursement under this policy by presenting receipts to the church treasurer in compliance with the official general reimbursement policy of the church.
- 2d. In the event that the IRS shall find that the health expense reimbursement policy of the church is taxable to a staff minister(s) because it discriminates in favor of highly paid or control employees, then the church shall include such taxable payments on the W-2(s) issued to such minister(s) as a taxable fringe benefit.