

News & Notes

Winter 2015-2016

Payroll Service Has Seen Steady Growth

FCMM's launch of a church payroll service has grown to serve churches in seven states in the first year. The service is scalable and affordable for churches of all sizes and levels of need.

The Payroll Service is specifically geared to the needs of churches, clergy, and church staff. It includes FCMM's Long Term Disability and \$10,000 in term life and accidental death/dismemberment insurance.

Tax reporting, submitting of federal, state, and local tax payments, and issuing W2s are all standard features.

Payroll Churches participating in the FCMM Retirement Plan can have their contributions and reporting automatically handled through the service at no additional cost.

To cover the range of church payroll needs, we offer additional optional services at customized cost, including:

- Additional Term Life/AD&D Coverage of \$40,000 per eligible employee at \$15 per month per employee.
- Per-Payroll Workers Compensation Insurance, eliminating annual premiums and audit adjustments.
- Administration of health benefit programs including Health Savings Accounts, Flexible Spending Accounts, and Health Reimbursement Accounts.
- Human Resources Information System for time-and-attendance and other HR administration.

Cost of the service is a simple rate, based on the size of payroll. See the FCMM website for more information. To inquire or request a quick quote, contact FCMM at fcmm@fcmmbenefits.org or call 952-853-8433.



Tax Booklets Available for Download

Two PDF tax booklets are available for download from the FCMM website: *Preparing Tax Returns for Clergy* and *Reporting Procedures for Congregations*. The booklets are based on the two full-sized 2016 versions of books published by Zondervan annually, *The Minister's Tax & Financial Guide*, and *The Church and Nonprofit Tax & Financial Guide*. These publications have been provided by the Evangelical Council for Financial Accountability. The full-size books are available through book-sellers.

FCMM/GuideStone Now Offers Expedited "Micro-group" Health Insurance Quotes

The **group** health insurance plans of GuideStone have been available to EFCA churches and other FCMM clients since July 2015, for ministries with as few as two eligible staff members. Here's how to inquire for your church:

Small Groups: As of December 2015, an expedited, web-based system was put in place to provide quotes for small groups of 2-4 eligible staff members. By accessing www.guidestoneinsurance.org/microgroup, the church can run an illustrative rate and follow steps to obtain a firm rate and proposal. Assistance is still available by calling (214) 720-1190 but initiating contact through the website is encouraged for prompt response.

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All employers are required to report to the IRS which employees had “minimum essential coverage” in 2015 via Form 1095-B. There is no exemption for small employers. However, most churches with fewer than 50 employees will find that their healthcare plan will handle the report. Here are three scenarios:

1. A church offering no plan at all does not have to file a report. Those employees purchasing health insurance coverage in the marketplace or privately should receive the required information from their insurer.
2. For a church participating in an insured group plan, the insurer should provide the report directly to covered church staff.
3. If a church operates a self-insured plan, the church will be responsible for developing and distributing reports. For a church participating in FCMM’s partnership GuideStone plan, which is self-insured, the reports will be provided by GuideStone.

“Applicable Large Employers” (50 or more full-time equivalent employees) have additional reporting requirements that will typically require the services of a consultant.

Larger Groups: A church or ministry with 5 or more eligible employees may request a quote and more information by calling (210) 720-1195.

Personal Plans: Another option, in limited cases, may allow a single employee plan to be obtained. Employees at eligible employers may apply for medical coverage (for themselves and eligible family members) only within 60 days of new employment or a special enrollment event such as birth, adoption, marriage or a qualifying loss of coverage. For more information regarding eligibility, plan options, or enrollment, see www.guidestone.org/inseligibility. Click “Get a Quote” on the Personal Health Plans page to begin an application, or call (888) 984-8433.



Q: My retirement distributions will be starting soon. What is the schedule for my monthly income?

A: FCMM distributions take place monthly by direct deposit into your bank account on the first business day of the month.

Q: When will I receive my 1099R tax form for my retirement distributions?

A: Your 1099R form(s) are mailed by January 31 or the first business day following each year. If you don’t receive yours within a reasonable time, please contact FCMM for a copy. For your information, Box 1 “Gross Distribution” lists the total amount. When distributions include housing allowance, Box 2A “Taxable Amount” is left blank and Box 2B “Taxable Amount Not Determined” is checked. Just like clergy filing with housing allowance while employed, the clergy taxpayer receiving FCMM distributions designated as housing allowance is responsible to keep supporting documentation and to report any taxable amount.

Q: Why does FCMM maintain that a participating church must use only FCMM as their sole provider for the church’s retirement plan?

A: Current IRS regulations make it extremely difficult for an employer to coordinate multiple providers within a custom plan document, ensure administration of plan provisions, and consolidate information. Because violation of compliance would constitute an “operational failure” that would put both the employer and FCMM’s plan at risk, FCMM will not participate in a multiple vendor arrangement. As the sole provider of a local church’s retirement plan, FCMM is well equipped to serve as the plan sponsor and comply with the applicable rules. FCMM offers the opportunity for a church to provide a full-featured, compliant retirement plan, with the most favorable tax advantages, to all staff with the simplicity of our adoption agreement and no cost to the church. For more information see the FCMM website.