

Pastors vs Employees vs Subcontractors

Q – Is an Ordained Pastor an Employee or a Subcontractor?

A – Neither! They are a SELF-EMPLOYED, but according to IRS, they are to receive a W-2.

See our *Pastor's Salary & Benefits* page for important information on how to properly handle and report Pastor's pay.

Q – Is your janitor an Employee or Subcontractor?

A – Check out the IRS guidelines at <https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee> and

<https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-defined>

Q – What forms should an Employee complete?

A – An I-9 form, the Federal W-4, and a Withholding form for whatever state the employee is working in. These are found at <https://www.irs.gov/forms-pubs> and at your state's web site.

Q – What forms should a Subcontractor complete?

A – ANYONE (other than an Employee or Pastor) that you pay should complete a W-9 form found at: <https://www.irs.gov/pub/irs-pdf/fw9.pdf> This protects the church from being responsible for their taxes. If the person or business receives more than \$600 in a year from the church and has a social security number (rather than a federal tax ID number) or is an LLC, then the church is required to file a 1099-Misc on them.

See our *Finance* page for additional information.