

# Healthcare changes could impact churches

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DALLAS—Churches with more than one employee that have directly paid or reimbursed ministers or other staff for individual health insurance policy premiums tax-free could face penalties unless they change practices before July 1.

Under the Affordable Care Act, churches that [continue premium reimbursement plans](#) after June 30 could be subject to penalty of \$100 per day per participating employee, said Rollie Richmond, human resources director for the Baptist General Convention of Texas.

The provision does not apply to a church with only one paid staff member or if a congregation has a church- or employee-purchased group health plan in place, he noted.

Citing [recommendations](#) from GuideStone Financial Resources, Richmond suggested two ways churches could comply with the new regulation and avoid penalties:

- Institute a church- or employee-purchased health plan. Plans can be reviewed at [healthcare.gov](http://healthcare.gov), or an insurance broker can provide information. GuideStone recently launched a church- or employee-purchased health plan for a group as small as two people, he noted.
- Raise salaries. Increase taxable compensation to a level that will cover the health insurance cost, as well as tax exposure, if deemed appropriate.

“In order for this approach to be in compliance, the pay increase needs to

not be conditioned on purchasing health insurance,” Richmond added.

“Now is the time to take a look at your current practices and determine what, if any, corrective action you need to take to get into compliance with the ACA by July 1 and avoid those potential compliance penalties.”

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