

HOW TO SET UP DIOCESAN, EXTERN AND RELIGIOUS ORDER PRIESTS AND MEMBERS IN PAYCOM

Introduction – Clergy and religious order members are subject to special tax rules and therefore require special set up in Paycom. Here is a guide to assist you in setting up priests and religious brothers and sisters to ensure accurate tax withholding and reporting.

Diocesan Priests are ordained or incardinated in the Archdiocese of Denver and work for at the Curia offices, a parish, or other related ecclesial organization.

Extern Priests are ordained or incardinated in another diocese but are working in an Archdiocese of Denver parish or other related ecclesial organization with the approval of their Bishop for a specified time, for example a three-year assignment.

Religious Order Priests or Religious Order Members (Brothers and Sisters) belong to a Religious Order whose Superior has sent them to work in an Archdiocese of Denver parish or other related ecclesial organization. If they qualify under IRS Rev. Rul. 77-290¹, their earnings are not subject to withholding or reporting. If net pay is not directly deposited into an Order bank account, obtain written confirmation from the Superior as noted in the *Verifying Rev. Rul. 77-290 Requirements* section of this document.

Area	Diocesan	Extern	Religious Order
Tax form type	W-2	W-2	W-2
Employee Type <i>For Labor Allocations</i>	Clergy	Extern Clergy	Order Clergy, <i>except for Members use Religious</i>
Employee Pay Rates <i>Form 1/Pay Rates</i>	Clergy Compensation Schedule	Clergy Compensation Schedule	Clergy Compensation Schedule <i>except for Members per agreement with Order</i>
Mass Offerings <i>Form 2/Scheduled Earnings</i>	Code CMO or MAS Set as 3800.00MASOFF	Code CMO or MAS Set as 3800.00MASOFF	Code CMO or MAS Set as 3800.00MASOFF
Direct Deposit	Personal Bank Account	Personal Bank Account	Order Bank Account
Payroll Taxes <i>Form 1/Tax Setup:</i>			
Social security tax	Exempt – EE & ER	Exempt – EE & ER	Exempt – EE & ER
Medicare tax	Exempt – EE & ER	Exempt – EE & ER	Exempt – EE & ER
Federal Withholding	Subject to tax	Subject to tax	Exempt
Colorado Withholding	Subject to tax	Subject to tax	Exempt
Local OPT (Denver, Aurora & Sheridan)	Subject to if applicable	Subject to if applicable	Subject to if applicable
Include in W2/941?	Yes	Yes	No – Check box ²
Print Check Message <i>Demographics/Other</i>	No	No	Yes “FBO [Religious Order Name]”
Health/Dental/Vision <i>Form 2/Scheduled Deductions</i>	Pre-tax deduction	Pre-tax deduction	Post-tax deduction

¹ See IRS Rev. Rul. 77-290 at www.denverparish.com/paycom under **Need help with SPECIAL SITUATIONS? Want to read the memo on compensation paid to members of religious orders?**

² Email pat.kaus@archden.org to request the box is checked to exclude the wages from 941 and W-2 reporting.