

## **Policy 570 POLICY ESTABLISHING AN UNEMPLOYMENT SAVINGS ACCOUNT IN LIEU OF PAYING UNEMPLOYMENT INSURANCE**

### **Introduction**

In 1989 Oregon churches were required to provide unemployment insurance for all lay employees based on an Oregon Supreme Court ruling. In 1996, members of the clergy were added to the list required to be covered. In lieu of paying unemployment insurance taxes like any other employer at a rate set by law, the church may reimburse the state Trust Fund for the state's share of regular benefits, additional benefits and one-half of extended benefits paid to former employees as unemployment insurance benefits. It is a prudent practice to set aside funds for paying these costs if they arise. Currently the church uses the Basic Saving Account at Oregon State Credit Union to keep the State mandated funds of 2% of payroll on deposit.

### **Policy**

The church will meet the requirement of providing unemployment insurance for all lay employees or clergy by setting up a savings account that is not used for any other purpose in lieu of deducting payroll taxes. The church will keep 2% of the budgeted payroll and payroll taxes in the savings account set up for this purpose. When claims are filed, the church will reimburse the state from the General Fund since the special account can not be used for this purpose.

Adopted by the Board, June 6, 1989 with some revisions discussed October 8, 1990.

Revisions adopted by the Finance Cabinet 6/14/2010.

Board adopted revisions on November 1, 2010.

Revisions adopted by the Finance Cabinet 12/14/20.

Revised policy adopted by the Board 1-19-2021.