

SUBTITLE C. EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX  
CHAPTER 21. FEDERAL INSURANCE CONTRIBUTIONS ACT  
SUBCHAPTER C. GENERAL PROVISIONS

IRC Sec. 3127

Sec. 3127. Exemption for employers and their employees where both are members of religious faiths opposed to participation in Social Security Act programs.

(a) In general. Notwithstanding any other provision of this chapter [[26 USCS §§ 3121](#) et seq.] (and under regulations prescribed to carry out this section), in any case where--

(1) an employer (or, if the employer is a partnership, each partner therein) is a member of a recognized religious sect or division thereof described in section 1402(g)(1) [[26 USCS § 1402\(g\)\(1\)](#)] and an adherent of established tenets or teachings of such sect or division as described in such section, and has filed and had approved under subsection (b) an application (in such form and manner, and with such official, as may be prescribed by such regulations) for an exemption from the taxes imposed by section 3111 [[26 USCS § 3111](#)], and

(2) an employee of such employer who is also a member of such a religious sect or division and an adherent of its established tenets or teachings has filed and had approved under subsection (b) an identical application for exemption from the taxes imposed by section 3101 [[26 USCS § 3101](#)],

such employer shall be exempt from the taxes imposed by section 3111 [[26 USCS § 3111](#)] with respect to wages paid to each of the employees thereof who meets the requirements of paragraph (2) and each such employee shall be exempt from the taxes imposed by section 3101 [[26 USCS § 3101](#)] with respect to such wages paid to him by such employer.

(b) Approval of application. An application for exemption filed by an employer (or a partner) under subsection (a)(1) or by an employee under subsection (a)(2) shall be approved only if--

(1) such application contains or is accompanied by the evidence described in section 1402(g)(1)(A) [[26 USCS § 1402\(g\)\(1\)\(A\)](#)] and a waiver described in section 1402(g)(1)(B) [[26 USCS § 1402\(g\)\(1\)\(B\)](#)],

(2) the Commissioner of Social Security makes the findings (with respect to such sect or division) described in section 1402(g)(1)(C), (D), and (E) [[26 USCS § 1402\(g\)\(1\)\(C\)](#), (D), and (E)], and

(3) no benefit or other payment referred to in section 1402(g)(1)(B) [[26 USCS § 1402\(g\)\(1\)\(B\)](#)] became payable (or, but for section 203 or 222(b) of the Social Security Act [[42 USCS § 403](#) or [422\(b\)](#)], would have become payable) to the individual filing the application at or before the time of such filing.

(c) Effective period of exemption. An exemption granted under this section to any employer with respect to wages paid to any of the employees thereof, or granted to any such employee, shall apply with respect to wages paid by such employer during the period--

(1) commencing with the first day of the first calendar quarter, after the quarter in which such application is filed, throughout which such employer (or, if the employer is a partnership, each partner therein) or employee meets the applicable requirements specified in subsections (a) and (b), and

(2) ending with the last day of the calendar quarter preceding the first calendar

quarter thereafter in which (A) such employer (or, if the employer is a partnership, any partner therein) or the employee involved does not meet the applicable requirements of subsection (a), or (B) the sect or division thereof of which such employer (or, if the employer is a partnership, any partner therein) or employee is a member is found by the Commissioner of Social Security to have ceased to meet the requirements of subsection (b)(2).