

NOTES ON FEDERAL/STATE LAWS

Federal Wage and Hour

Many church leaders have questioned whether the church is subject to various provisions of the wage and hour law such as the federal minimum wage and requirement to pay overtime after forty (40) hours of work per week.

To be covered by the wage and hour law, a church must be an “enterprise” **engaged in interstate commerce or commerce that crosses state boundary lines**. This means the church has business dealings and/or memberships that cross state lines.

A church is considered to be **engaged in interstate commerce** if it satisfies any one or more of these conditions:

- Operates a **private school**;
- Has **significant purchases of supplies, literature, and equipment** from **out-of-state vendors**;
- **Sells products** (such as literature or tapes) to persons or other churches **in other states**;
- Has several **people from other states** that attend services;
- Operates a “**web page**” on the internet;
- Operates an **unrelated trade or business**;
- Engages in **television or radio broadcasts**.

If the church satisfies any of the above conditions, it may be subject to the federal minimum wage and overtime pay and perhaps certain other provisions of the federal wage and hour laws.

A Supreme Court decision has said “the nonprofit character of an enterprise does not place it beyond the purview of federal laws regulating commerce.”

The church should be the “example” by going beyond the scope of the law and treating employees with Christian dignity, respect, fairness and generosity.

Federal/State Posting Requirements

There is much confusion in churches as to what is legally necessary to achieve compliance with Federal and State posting requirements. There are many companies now specializing in preparing large colorful posters and saying that employers found to be in violation of Federal/State Laws by willfully failing to post up-to-date labor notices and may be subject to criminal penalties as well as civil liability actions including assessments of thousands of dollars.

For the vast majority of churches in Kansas-Nebraska the only poster we would recommend posting in a conspicuous place in the church office for all ministerial, clerical and maintenance employees to see is concerning the Workers’ Compensation Law. These posters are readily available free of charge from your insurance agent and/or insurance company. They are notices that inform the employees that they are covered by Workers’ Compensation and will identify the procedures employees should take if injured.

There may be a few other requirements for churches with twenty (20) or more employees. It would be advisable to check further your state and federal requirements.