



Cooperative Baptist
Fellowship North Carolina

4th QUARTER 2024 CHURCH ADMIN UPDATES

This is a summary update provided by CBFNC Legal Resources Partner Jason Cogdill on two important administrative issues that may be applicable to some churches.

UPDATE: NEW FEDERAL DOL RULE FOR DETERMINING EMPLOYEES EXEMPT FROM OVERTIME

Many of you are aware of the new 2024-25 rule establishing increased salary thresholds required to exempt a salaried executive, administrative, or professional employee from overtime pay requirements. The first part of the new rule went into effect on 7/1/24 including a new \$43,888 salary minimum (up from the longstanding amount of \$35,568). The next threshold takes effect 1/1/25, which is \$58,656. Of course, churches maintain the ability to utilize part-time workers who are paid hourly or salary. However, for those individuals to not be paid overtime (even if salaried), it will be important that they do not work more than 40 hours.

If you have not studied this topic and would like to see a good breakdown of where things stand, here is a [great summary from the NC Center for Nonprofits](#).

As a word of clarification, ministers are exempt from federal overtime rules. However, the rules will generally apply to non-minister staff members employed by churches and nonprofits. Some churches take the position that the federal law—specifically, the Fair Labor Standards Act—does not apply to all churches, and I do not think that is an unreasonable position. However, the general consensus from experts is that the rule does apply, and the best practice approach is to comply with the rules to avoid any potential employee challenges going forward.

Based on the result of the national elections, it is possible that this rule will be suspended or changed in 2025. That possibility does not change the analysis above as we enter 2025 with the new rules in place. If there are changes, we will do our best to keep you informed.

EMPLOYEE BENEFIT OPTIONS FOR 2025

The 4th quarter is a key time for employee benefits, since (a) many group plans renew for January 1, (b) the annual open enrollment period for the Health Insurance Marketplace—individual health coverage, including potential for premium subsidies—starts November 1, and (c) the annual Medicare open enrollment period begins October 15. *Note: This update focuses on health-related benefits. Info on 403(b) options is separately available if helpful.*

Health Insurance Marketplace: To confirm, if any individual is going to have private, individual (direct from an insurance carrier) coverage in place for 1/1/25, the application has to be finalized by December 15. If you are interested in no cost, expert assistance with plan selection or subsidy eligibility, I have ready referrals to help you. These advisors are paid by the carriers, so no fee applies to you as an individual policyholder.

Summary of Options for Small Groups: Each year, I publish a summary of health coverage options for small groups. Linked [here](#) is this year's version, and I hope that you find it helpful. Importantly, there are options both for what coverage is provided and how the coverage is provided or communicated to employees or prospective employees. I enjoy helping organizations determine how best to solve this challenge.

Offer for Benefits Consultation for Church or Individual Staff Members: I am available to assist with a consultation to discuss benefit options and details. This can be done at the church level (administrative planning on how to provide benefits to staff) or an individual, personalized basis. Any such consultation would be at no cost to the church or the minister, and part of my resource work for CBFNC partners.

For Additional Assistance, Contact:

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