



# BWC's coverage exemption for religious sects

Employers and employees who – in following the tenets of their religion – object to the payment and acceptance of insurance benefits, can apply to be exempt from workers' compensation coverage in Ohio.



The employer and employees must be members of a religious sect that has existed continuously since Dec. 31, 1950, (for example, Amish or Mennonite), or a division of that sect. In addition, the employer and employees must be conscientiously opposed to accepting insurance payments resulting from injury, death or disability, or payments toward medical care for injuries and illnesses. You can find this exemption in Ohio Revised Code (ORC) §4123.15. It also permits employees who belong to the religious sect to waive their right to workers' compensation benefits.

## How does an employer qualify for this exemption?

If an employer and employee(s) qualify, the employer may choose the religious sect exemption by completing and submitting to BWC an *Application for Exemption from Ohio Workers' Coverage and Waiver of Benefits* (U-3E). After we review the application and grant a religious exemption from workers' compensation coverage, we no longer require the employer to pay premiums or assessments on any employees covered by the exemption.

## What is the procedure for obtaining an exemption?

- If the employer does not have an existing workers' compensation policy, the employer

must first establish a policy by completing an *Application for Coverage* (U-3).

- Employers must submit a U-3E to BWC seeking the religious exemption.
- The employee and the employer must qualify for the exemption.
- If the employee is a minor, their signature and Social Security number are required along with the parent/guardian signature.

We will grant the exemption to the employer and employees if:

- It is the accepted practice of the eligible religious sect or division of that sect to provide for dependent members of the sect (for example, a member that has been injured or disabled). The employer and employees must be conscientiously opposed to accepting insurance payments resulting from injury, death or disability; or payments toward medical care for injuries and illnesses.

## What must the employer do to be considered compliant?

After we grant a religious exemption, we will no longer require the employer to pay premiums or assessments on any employees covered by the exemption. To be compliant:

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- This exemption does not relieve the employer from the obligation to pay the applicable minimum administrative charge. Therefore, the employer must submit the minimum annual premium every year, verifying the employees are exempt from coverage.
- The employer must also report the payroll of any employees who do not qualify for the exemption and pay the appropriate premium for these employees. The non-qualifying employee is eligible to receive any benefits or compensation to which they are entitled. As a reminder, the employer now reports this payroll via the true-up process.
- Even if there is zero payroll, the employer must true-up (indicating such) by Aug.15 every year to avoid having their payroll estimated.

### Once granted, is an exemption permanent?

Yes, unless we determine that any one of the principals — employer, employee or sect — has ceased to meet the requirements specified in ORC §4123.15. In addition:

- The exemption does not follow the employee where employed by multiple employers. Each qualifying employer must submit a separate U-3E.
- It is the responsibility of the employer to notify BWC within 30 days if they are no longer designated as a member of the religious group or no longer follow the established teachings of the religious group. From that date forward the employer is responsible for all premiums and assessments or for self-insuring employers paying compensation and benefits directly.

If you have questions about exemption from workers' compensation coverage in Ohio for religious sects, log on to [bwc.ohio.gov](http://bwc.ohio.gov), or call **1-800-644-6292**, and listen to the options.