

To: All General Conference Employees
From: Ted Stuckey and Bob Hull
Date: August 26, 1983
Subject: Income Tax Withholding

Resolution

As you know, the conference delegates at Bethlehem '83 gave approval for conference officers to stop withholding income taxes from the monthly wages of certain non-ordained employees. Those who request this for reasons of conscientious objection to the use of their taxes for military preparations are eligible. A copy of the Bethlehem '83 "Resolution on Faithful Action Toward Tax Withholding" is attached.

The Division of Administration is prepared to begin this witness effective September 1, 1983, with September 22 paychecks to reflect the change.

Meeting

All employees are invited to a meeting in the chapel/coffee room at 10:30 a.m. on Thursday, September 1, 1983, for an explanation of plans for this witness. It will facilitate the meeting if everyone has read these materials in advance. Attendance is not required, of course.

GB/DA Minutes

Following approval of the resolution, the Judicial Action Committee of the General Board met with the Division of Administration. Minutes of that meeting are as follows:

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21. JOINT MEETING WITH JUDICIAL ACTION COMMITTEE: The Division of Administration then met jointly with the Judicial Action Committee adding Vern Preheim, Jake Tilitzky, Bob Hull and Jim Gingerich to the group. The issue initially based upon the conference action is when to begin. Ted says that starting with the August pay period would be a real scramble.

CONSENSUS to begin September 1 and to require a written request from employees who do not want federal taxes withheld from their paychecks.

Further CONSENSUS to draft a request form which will be used by all persons.

Vern and Ted agreed that a group not including anyone directly involved with the issue needs to be formed to assist with implementation questions. Jim Gingerich suggested that the Judicial Action Committee simply be reappointed for that purpose.

CONSENSUS that will be an appropriate way to handle the matter. The General Board will act on that matter Saturday.

Whether or not Social Security withholding should be affected was discussed since treating people as self-employed was how the resolution was presented.

CONSENSUS the resolution speaks of federal income tax and only federal income tax should be affected by the vote; General Conference will continue to withhold Social Security and state taxes and will also continue to pay the employer's portion of Social Security so that only federal income tax is affected by the action at conference.

Vern and Ted will draft a letter to the director of IRS and other appropriate government officials to explain the action of conference.



Ted asked for guidance on the source of money for fines and penalties which we expect. Bob Hull suggested that the war tax alternative fund is already in existence being operated out of his office and that it would be a good source. Discussion followed.

CONSENSUS that employees who opted to request that we not withhold federal tax should be invited to pay the amount of taxes they ultimately choose to withhold from the government to the tax alternative fund which would then fund all liabilities to conference. Anyone desiring to donate funds to this project should also give them to the tax alternative fund.

Request Form

Attached to this memorandum is a standard form proposed by DA attorney Duane Heffelbower. All non-ordained employees who wish to participate in this witness are encouraged to sign this request and give it to Ted Stuckey not later than September 19, 1983.

Procedures

The DA will cease withholding from all non-ordained employees who so request, effective September 1, 1983. PLEASE NOTE that this applies only to U.S. federal income tax; withholding will continue for U.S. Social Security and for Kansas income taxes. (See attachment.)

How to Handle Quarterly Estimated Tax Reporting

Non-ordained employees participating in this witness are encouraged to conscientiously report and pay the balance of their U.S. federal income taxes which are used for non-military purposes. While there is no established I.R.S. category for "non-withholding for non-ordained employees," a further witness can be made to the integrity of our conscientious objection by voluntarily subordinating ourselves to the I.R.S. category which allows ordained and self-employed persons to estimate and pay proportions of their annual taxes on a quarterly basis. This will be a new procedure for many persons participating in this witness. A folder with step-by-step instructions on quarterly estimated payments is being prepared and will be available from the Peace and Justice office.

Dispersed Staff

General Conference staff persons not working in Newton, Kansas, are encouraged to direct questions to Ted Stuckey or Bob Hull on an individual basis. Photocopies of the "quarterly estimated tax" procedures will be sent to dispersed staff as soon as they are available.

TS/RH:er

Attachments: Resolution on Faithful Action Toward Tax Withholding
Non-Withholding for Non-Ordained Employees
Letter of request

NON-WITHHOLDING FOR NON-ORDAINED EMPLOYEES

1. Non-ordained employees who desire, after counseling with the Peace and Justice staff, to participate in this witness, will make a formal request as provided by the Division of Administration (DA) for income tax withholding to cease.
2. DA will issue monthly paychecks with stubs as before, but not withholding U.S. federal income taxes. Information on federal income tax amounts normally withheld will be given to the employee.
3. In February of each year, the Peace and Justice office will publicize the military portion of the tax for the current fiscal year, based on computations made by the Friends Committee on National Legislation, the recognized expert source.
4. Employees are encouraged to compute that percentage of their erstwhile income tax (plus penalty and interest if desired) and voluntarily deposit the sum in Account #5334 (War Tax Alternative Fund).
5. DA will allow interest to accrue and remain in that separate account, and will provide a monthly/quarterly accounting of the fund to General Conference employees.
6. If an employee's bank account or assets are garnisheed by the I.R.S./Revenue Canada for unpaid taxes, s/he can request from DA refund of the tax (plus proportionate penalties and interest if such were deposited) from the War Tax Alternative Fund. Requests will be routinely granted by DA unless extraordinary considerations indicate otherwise. These will be explained to the employee.
7. If a General Conference bank account or assets are garnisheed by the I.R.S./Revenue Canada for some or all of the participating employees' unpaid taxes, plus penalties and interest, DA may transfer an equivalent amount from the War Tax Alternative Fund to the garnisheed General Conference account.
8. If some or all participating employees' individual accounts and a General Conference account are garnisheed for the same unpaid taxes, DA will consider refund requests from any participating employees based on financial hardship; additional voluntary contributions to the War Tax Alternative Fund may be solicited anywhere for this purpose. The General Board may also consider a judicial action to recover all or part of this double confiscation (similarly to the 1974 American Friends Service Committee case).
9. Additional efforts on the part of participating employees may need to be considered if a large fine is levied on the General Conference, or General Conference corporate officers are imprisoned, or the General Conference tax exemption is withdrawn, or other punitive action is taken by the I.R.S./Revenue Canada.
10. Present employees interested in participating in this witness, and new employees as they arrive, will be counseled on these procedures by the DA and Peace and Justice staff.

RESOLUTION ON FAITHFUL ACTION TOWARD TAX WITHHOLDING

General Conference Mennonite Church Triennial Sessions
Bethlehem, Pennsylvania - August 1-7, 1983

As Mennonite Christians we seek to be biblically obedient, submitting to such injunctions as Romans 13:7, "Pay taxes to whom taxes are due," but also Romans 13:8, 10, "Owe no one anything except to love one another . . . love does no wrong to a neighbor; therefore love is the fulfilling of the law." We accept our subordination to government and our obligation to pay taxes. However, we must witness to governments our conviction that war and preparation for war do wrong to our neighbors and are contrary to the will of God as revealed in the teachings of Jesus Christ and his death, resurrection and ascension to lordship.

Thus we urge our governments to sharply reduce military spending and use our resources for life-affirming purposes. Furthermore, just as conscientious objectors have received exemption from military service, we also seek legislation exempting conscientious objectors from paying taxes for military purposes. Thus we continue to work in the United States for passage for the World Peace Tax Fund Act and in Canada for the Peace Tax Fund, which would allow individuals to designate all of their federal taxes for peaceful purposes.

Both the U.S. Internal Revenue Service and Revenue Canada require the General Conference Mennonite Church to violate the consciences of its employees who are conscientious objectors to paying taxes for military purposes.

In the United States, we have thoroughly explored all legislative, administrative and judicial avenues for obtaining a conscientious objector exemption to these withholding requirements, as we resolved at the 1979 Minneapolis midtriennial conference. Our explorations have convinced us there is no likelihood of relief in the near future for conscientious objectors to military taxes. The time has come when, like Peter and the apostles, "We must obey God rather than men" (Acts 5:29).

In Canada, equally thorough explorations of similar avenues for seeking a conscientious objection from withholding requirements have not yet been accomplished. We commend the "Resolution on Security and Disarmament" of the Canadian Mennonite Conference in 1982 and the work of the Canadian Tax Task Force under the sponsorship of MCC Canada Peace and Social Concerns. We encourage Canadian congregations to continue study of materials made available on the issue of military taxes.

As delegates to the 1983 triennial sessions of the General Conference Mennonite Church, we therefore:

1. Authorize the conference officers to test the constitutionality of the withholding requirements in the United States and to assert the higher claim of Christ's law of love by refusing to serve as tax collectors in cases where individual employees have asked that their federal income taxes not be withheld from their wages in order that they may conscientiously refuse to pay for war preparations. These employees will be treated similarly to the way General Conference treats ordained ministers, i.e. as self-employed persons, in that their earnings will be reported to the U.S. Internal Revenue Service, but no federal income tax withheld.

2. We request that the Conference of Mennonites in Canada consider means to obtain relief from Revenue Canada withholding requirements as these apply to General Conference Mennonite Church employees.

3. We shall inform the U.S. government of this act of conscientious objection to their withholding requirements. We shall again urge them to provide exemption from these requirements and exemption for people of peacemaking conscience from military use of their tax money.

At this moment of decision we commit ourselves to surround with our prayers the General Conference staff and government officials who will be involved in this action and all those individuals who refuse in conscience to pay taxes for war preparations, however costly their witness may be.

To: Division of Administration

I request that federal income tax not be withheld from my earnings in accordance with the action of the General Conference Mennonite Church in its resolution, "Faithful Action Toward Tax Withholding," at the 43rd triennial sessions held in Bethlehem, Pennsylvania, August 1-7, 1983.

Signature

Date

