



KPMG report

October 21, 2026



United States – The Clergy Act Signed into Law

On October 20, 2026, the President signed into law the *Clergy Act*¹, a bipartisan bill that will allow certain clergy who previously opted out of participation in the Social Security program to voluntarily reenter the system. The law specifies that eligible taxpayers will be able to rejoin in tax years 2029 and 2030. This is the first time since 2001 that Congress has passed legislation allowing clergy members who previously opted out of Social Security to revoke that election.²

WHY THIS MATTERS

Under ordinary rules, individuals who work as ordained ministers of religion or clergy must contribute to the Social Security program under the Self-Employment Contributions Act (SECA) to the extent that they are performing services of a ministerial nature required by the group for which they work.³ However, a carve-out exists for ministers and clergy who conscientiously object or are opposed on religious grounds to participating in the U.S. Social Security or Medicare programs.⁴ While making this election generally exempts affected persons from paying SECA taxes on their ministerial income, it also has the effect of preventing them, and potentially their family members, from receiving Social Security old-age, disability, or survivors benefits, as well as Medicare benefits. This election is generally irrevocable, and Congress has only opened up the ability to revoke the election four times in the past – for tax years 1986, 1987, 2000, and 2001.⁵

More Details

With the passage of this legislation, individuals who previously opted out of participation in Social Security and Medicare will be allowed to rejoin in tax years 2029 or 2030. It also provides that an individual making the election cannot later opt out again.⁶ The Internal Revenue Service (IRS) previously created Form 2031 for this purpose, but the IRS has not yet indicated whether the same form will be used for tax years 2029 and 2030. Under the bill, applicants can make a timely election by filing the prescribed form with their annual federal income tax return.

KPMG INSIGHTS

This new law will allow ministers of religion and clergy who previously opted out of participation in the Social Security program an opportunity to reverse that decision. For such individuals faced with the prospect of ineligibility for Social Security or Medicare benefits, this offers a rare opportunity to earn credits toward future

benefits. Churches and faith-based organizations may wish to encourage individuals who have previously opted out of the system to review their retirement planning, as this represents the potential to establish eligibility for future benefits.

ENDNOTES:

1 *Clergy Act*, H.R. 227, 119th Cong. (2026).

2 IRS Publication No. 517, *Social Security and Other Information for Members of the Clergy and Religious Workers* (2025).

3 I.R.C. § 1402(a), (c)(4).

4 I.R.C. § 1402(e).

5 IRS Publication No. 517, *supra* note 2.

6 H.R. 227, *supra* note 1.

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