Some religious groups including the Amish do not believe in commercial insurance because it is seen as not trusting in God and additionally, they believe in “taking care of their own”. While the Amish believe in “render unto Caesar what is Caesar’s”, they objected to paying into Social Security’s “Old Age, Survivors, and Disability Insurance”. While the government initially argued this was just another tax – they later admitted it was not. In 1965 when the Medicare bill was enacted – the Old Order Amish and other religious sects who conscientiously objected to insurance, were exempted from paying Social Security and Medicare taxes, provided the sect had been in existence since December 31, 1950.

With the exception of Social Security and Medicare taxes, members of these religious sects pay the same income, property, sales, and other taxes as everyone else. In order to be exempt from Social Security and Medicare taxes, a member of these sects must obtain a Social Security number and file Form 4029 – Application for Exemption from Social Security and Medicare Taxes and Waiver of Benefits. This application when approved – waives all rights to receive any Social Security benefits for the filer and anyone else who might have been eligible to receive benefits on the filer’s Social Security record.

This exemption from Social Security and Medicare taxes is applicable for self-employment income and wages. However, for wages to be exempt, both the employer and employee must have approved Form 4029 exemptions. Thus, wages paid to an Amish employee by an employer who is not a member of the sect would be subject to Social Security and Medicare withholdings.