



STEWARDSHIP CONNECTIONS

A Newsletter for Financial Connections Within the Anabaptist Community

Anabaptist Business and the Law

By Tyler W. Hochstetler, Esq.

What makes an Anabaptist business different from a non-Anabaptist one?¹ Can customers tell a difference when they walk into a place of business? Operating with a high level of legal and moral integrity is the standard to which we all should aspire. Because our business dealings are a part of our testimony, we strive to represent Christ faithfully in all areas of business (1 Timothy 4:12). There is no “off switch” to our testimonies on the way to work on Monday morning.

Living out our Anabaptist principles will likely cost us something, even during times of peace and prosperity, if we persevere in them. If our principles never cost us anything over the course of our lives, perhaps we should examine them in the light of scriptural truth. Let’s consider some common examples in which our principles can be applied to areas of business and law.

Conflict

The teaching and application of nonresistance is rarely found these days. This means that we Anabaptists will sometimes

be defrauded or cheated.² Remembering that we’re only stewards of God’s property can help take away our natural inclination to fight with others. Further, commitment to “resist not” helps maintain a heart of reliance on the living God for provision and protection regardless of the kinds of conflicts we encounter.³

Arbitration

The world’s value system uses litigation every day to inflict harm on others. The best defense to litigation is to follow the Golden Rule in Matthew 7:12⁴ and treat everyone the way you would like to be treated. Going above and beyond to make peace with an angry customer can leave a Christian witness and resolve an explosive situation without going to court.

Sometimes all attempts at privately making peace are unsuccessful, and it is helpful to involve a mediator. A mediator is a neutral third-party who tries to facilitate

1 This article speaks of and to the descendants (including the Mennonites and Amish) of the “re-baptizers” who separated from the state churches in Europe beginning in the late 1500s and then immigrated to the United States. Their focus has been to closely and literally follow the life and teachings of Jesus Christ and to witness of Him through their businesses, as through all other aspects of their lives.

2 1 Corinthians 6:7 “Now therefore there is utterly a fault among you, because ye go to law one with another. Why do ye not rather take wrong? why do ye not rather suffer yourselves to be defrauded?”

3 Romans 12:19 “Do not take revenge, my dear friends, but leave room for God’s wrath, for it is written: “It is mine to avenge; I will repay,” says the LORD.”

4 Matthew 7:12 “Therefore all things whatsoever ye would that men should do to you, do ye even so to them: for this is the law and the prophets.”

Continued on page 2 »

In this Issue

Anabaptist Business and the Law..... 1

Tyler W. Hochstetler, Esq.

ECFA Review for Anabaptist Foundation..... 3

Steward or Owner?..... 4

Young Family Finance & Budgeting Seminars..... 7

MO Business & Employee Seminars 11

Upcoming Business Workshops..... 12

agreement between two parties. In many conflicts, mediation is an excellent tool to help the parties reach agreement. A mediator can provide a calm and objective voice in an emotional disagreement, and can help the parties find common ground. Using mediation more frequently can result in fewer lawsuits.

Because mediation is voluntary in nature, the mediator cannot force the parties to reach agreement. Sometimes the other party refuses to make peace and wants to take the dispute to court. One way to limit the possibility of being wrongfully sued is using arbitration clauses in written agreements with customers, business partners, and employees.

Anabaptists rely heavily on the honor and trustworthiness of the people with whom they contract. The problem is, not everyone is trustworthy. The most well-written contract is only as good as the people signing it. Including arbitration clauses in contracts can help lessen this vulnerability. An arbitration clause states that the parties will not take each other to court, and it provides another method of resolution. The parties may also agree to allow a Christian organization to handle the arbitration, rather than an expensive, secular organization.

Arbitration is comparable to mediation in that it involves two disagreeing parties who agree to meet with an independent person or panel to bring resolution to a matter. The difference between mediation and arbitration is that an arbitrator can make a legally binding decision. In mediation, if one party chooses to abruptly terminate the mediation meeting, progress ends because cooperation is voluntary. In arbitration, each party has an opportunity to be heard, and then the arbitrator renders a ruling that is legally enforceable. Of course, our focus is not just protecting our interests, but to give more even than is expected or considered just. Jesus calls us to give more than asked, even to those considered our enemies,⁵ and even heaping “coals of fire”⁶ made up of undeserved blessing upon them.

Liability Planning

The gap between Christian living and the world’s way of living is getting wider. Despite your best efforts to live out the teachings of Jesus, a lawsuit may still find its way to your doorstep. When your business is sued, you have two options under the law: (1) respond to the suit or (2) lose by default. Federal courts provide 21 days to respond to a suit. Failure to respond can result in losing by default. This is especially

tragic because many cases aren’t grounded in law or facts and are used as tools for dishonest gain. Losing by default can result in a judgment being entered against a business, which can turn into a lien on property and a forced sale.

Many Anabaptist business owners have been threatened with litigation at some point by customers trying to get a discount, by dishonest personal injury attorneys, or by regulatory authorities. Despite these challenges, we can approach difficult situations with knowledge and wisdom found in the Word of God.

Matthew 5:25 teaches us to “agree with thine adversary quickly, while thou art in the way with him; lest at any time the adversary deliver thee to the judge, and the judge deliver thee to the officer, and thou be cast into prison.” In some cases, especially if there is a degree of fault involved, you may have an opportunity to settle a matter promptly. This can lift a heavy burden off your shoulders and leave a Christian testimony at the same time. Plaintiffs can be taken by surprise when prompt restitution or settlement is made.

Estate Planning

Anabaptist principles can also be applied in estate planning. Questions like these are important to ask: Who is going to take on the business after I die? Will my wife be financially secure? Who is going to care for my minor children? How should I divide the family farm? What about our child with a disability?

Passing away without preparing a will or trust can cause significant problems. Without a will or trust, the secular court system can decide where your children will go, who will get the business, and how the family farm will be divided. If no heirs can be located, the court will give your assets to the state government through a process called escheat. This can be avoided by having a will or trust.

Estate planning provides an incredible opportunity to leave a legacy of faith to your loved ones rather than a legacy of extra paperwork and stress. The Anabaptist principle of stewardship should be practiced in all areas of life, well in advance of what we think may be our last minute on earth. Remember that tomorrow is not promised (James 4:13–14).

For example, a young father passed away in a tragic car accident. His dad had begun the process of working with the probate court to establish disbursement to the children, but before the process was complete, he was also killed. Neither the young father nor his dad had a will or trust, resulting in a lengthy and complex process that could have been avoided with a basic estate plan.

It is encouraging to remember that our contributions on

⁵ Matthew 5:40-44

⁶ Romans 12:20

ECFA Review for Anabaptist Foundation



Anabaptist Foundation holds membership with the Evangelical Council for Financial Accountability (ECFA), an organization that sets and monitors ethical and financial standards for about 2,200 Christian nonprofit organizations. ECFA operates on the principle that nonprofit organizations should be held to the Biblical standard found in 2 Corinthians 8:21: “Providing for honest things, not only in the sight of the Lord, but also in the sight of men.” The Foundation wishes to operate in line with this Biblical instruction. We desire to be accountable to our church constituency.

Organizations wishing to hold membership at ECFA are held accountable to meet seven standards for their financial accounting, board governance, and operational integrity. Those seven standards are:

1. **Doctrinal Issues:** Having a written statement of faith that clearly affirms a commitment to the evangelical Christian faith and alignment with Biblical truths and practices.
2. **Board Governance:** Being governed by a responsible board of not less than five individuals, a majority of whom shall be independent, who shall meet at least semiannually to establish policy and review the organization’s accomplishments.
3. **Financial Oversight:** Preparing complete and accurate financial statements. Having an independent board that works with an independent certified public accountant to review the annual financial statements. Having a board that is closely aware of any material weaknesses in internal control or other significant risks.
4. **Use of Resources and Compliance with Laws:** Exercising appropriate management and controls to provide reasonable assurance that all of the organization’s operations are carried out and resources are used in a responsible manner and in conformity with applicable laws and regulations, taking into account Biblical mandates.
5. **Transparency:** Providing a copy of its current financial statements upon written request and any other disclosures as the law may require, including financial oversight. Willing to supply, on request, a report on any specific project for which it sought or is seeking gifts.
6. **Compensation-Setting and Related-Party Transactions:** Compensation for its staff is set and all related-party transactions are handled in a manner that demonstrates integrity and propriety in conformity with ECFA’s *Policy for Excellence in Compensation-Setting and Related-Party Transactions*.
7. **Stewardship of Charitable Gifts:** Including adherence to guidelines for
 - a. Truthfulness in communications
 - b. Meeting giver expectations and intent
 - c. Clear communication about charitable gifts
 - d. Acting in the best interests of givers
 - e. Not paying percentage compensation for securing charitable gifts

During November 2020, ECFA conducted a periodic review of Anabaptist Foundation. We are thankful to be able to report ECFA’s conclusion: “**We found Anabaptist Foundation to be in full compliance with ECFA standards.**” Our desire is to remain accountable to our church constituency and to operate in a manner that is first Biblical and also ethical and legal. We encourage conservative Anabaptist organizations to strive together toward these goals.

If you serve as a board member for a conservative Anabaptist charity and would like to learn more about best practices for nonprofit organizations, we offer some free resources. Please contact us at info@afweb.org or **800-653-9817**.

STEWARD OR OWNER

By Lyle Musser

Wise stewardship is using our God-given resources to do God's will in His world and among His people. A steward jumps out of bed in the morning, puts on work clothes, and asks, *How can I faithfully manage the resources God has given me today? How can I use my Master's resources to prosper His business today?*

Stewardship is a broad topic that touches nearly all of our everyday activities. It includes our use of finances, the way we manage our time, employ our unique skills, and relate to the people around us. Stewardship attitudes are expressed in daily life and action. The 21st-century Christian living in North America is daily confronted with lies and cultural pressures to abandon the simple God-honoring principles that have guided God's people for many generations. We will look at God's directives concerning Biblical stewardship, along with its negative counterpart expressed in the culture around us.

Open-Hand Stewardship vs. Tight-Grip Ownership. The primary stewardship attitude could be described as grateful stewardship versus selfish ownership. The steward takes the stance that "everything I have is a gift from God" whereas the owner takes the position that "everything I have is mine and I deserve it because I earned it." Psalm 24:1 says, "The earth is the LORD'S, and the fulness thereof; the world, and they that dwell therein."

We tend to think of ownership and

stewardship as being closely related. We think that when we take ownership of something, we become a steward of that thing on God's behalf. According to Psalm 24:1, there is only one owner—God. To be an owner, we must rival God. Stewardship and ownership are competing attitudes in the hearts of people. Owners reach out with a grasping hand to take things they can call their own. Stewards reach out with an open hand to see what gifts God will place in it.

Steward	Owner
Contentment	Covetousness
Thanksgiving	Complaining
Temperance	Excess
Humility	Pride
Brotherhood	Independence
Simplicity	Complexity

Contentment or Covetousness.

The content steward recognizes that everything he holds has been provided by the gracious hand of God, so he holds his resources with an open hand. The covetous person has an owner mentality as he tightly grips "his" resources as the product of "his" hands. Though he claims to hold his resources, in reality his resources hold him.

Contentment provides an environment in which relationships take precedence over acquiring things. Covetousness, on the other hand, puts the acquisition of things ahead of relationships, making it a common

cause of conflicts related to finances. Nearly all of us can think of disgraceful situations where a covetous owner attitude drove wedges between close friends or family as the inheritance was disbursed or an item of value was passed on to the next generation. This should not happen among saints. The content steward finds joy in being productive with the goal of providing for himself and others.

The covetous owner is driven by endless desire to have just a little more for self.

Thankful or Complaining.

Thanksgiving is the logical response of a content steward because he finds joy in what God has provided. Complaining is the logical response of a covetous owner because he is never satisfied with the amount or quality of "his" things. The irony of the covetous, owner attitude is expressed in Ecclesiastes 5:10, "He that loveth silver shall not be satisfied with silver; nor he that loveth abundance with increase: this is also vanity." This dissatisfaction manifests itself in complaining, while the content steward gives thanks, which is the appropriate response when receiving a gift.

Temperance or Excess. A lifestyle of temperance is manifested in restraint, self-control, trusting the Lord, and living within one's means. Joyful acceptance coupled with good discipline is evident even when there is abundance. Human nature is prone to extremes rather than good balance. "(God) giveth us richly all things to enjoy," but it's not possible for us to experience and enjoy *all* of God's good things. Times of abundance should highlight the goodness of God rather than be viewed as a license to high living.

Christians in abundant times live in the quandary between joyfully receiving the good gifts of God and

the temptation to overindulge in those same good gifts. A lack of temperance leads to a lifestyle of excess in which consumption, leisure, and entertainment become priorities. There is only one prayer recorded in Proverbs—a prayer that we could avoid extremes:

“Two things have I required of thee; deny me them not before I die: Remove far from me vanity and lies: give me neither poverty nor riches; feed me with food convenient for me: Lest I be full, and deny thee, and say, Who is the LORD? or lest I be poor, and steal, and take the name of my God in vain.” (Proverbs 30:7–9)

This prayer recognizes two extremes: poverty and unrestrained wealth. It asks for “enough,” similar to the Lord’s Prayer when we ask for daily bread. This prayer belongs on notecards by the sink and in bookmarks in our Bibles, because we are wealthy and full, and in that state, the natural thing to do is deny our Lord. We must beware.

Humility or Pride. Our God is a “consuming fire,” yet we are told to “draw nigh to God.” The only logical response to these commands is to come before Him in reverence,

humility, and godly fear. When believers gather in a spirit of humility, it produces a brotherhood in which mutual submission, exhortation, and accountability are highly valued.

The humble steward knows that one day he will stand before God to give account of his stewardship. This promotes a godly fear that welcomes accountability from the brotherhood to keep his stewardship in proper perspective. The humble, accountable steward can stand before God with much more confidence when he has the voice of the brotherhood confirming his testimony.

Trust in God is foundational to humble Christian living. Scripture warns that wealth can lead to self-trust and pride. Rather than using wealth to humbly serve in the pattern of Christ, the proud use wealth to make sure they serve themselves. Pride shuns accountability and grows irritated by simple living. One day the proud owner will stand before God alone without the confirming voice

of his brotherhood. This sobering reality should open our hearts to wise counsel from caring brothers who can walk together in our stewardship challenges.

Anabaptist groups have historically been known as plain, simple, and humble people, but the growing wealth in our communities over the last century is challenging these qualities like never before. Church leaders in our communities are called on frequently to assist with relational problems related to money, not because money is the problem, but because stems of pride, entitlement, and high living easily grow out of full pocketbooks and overgrow a plain, simple, and humble lifestyle modeled by our Master.

A great challenge in our day is to create avenues of accountability where brothers and sisters can challenge and encourage each other to simple living and the single-hearted contentment that comes from following Christ. Do our people have the humility to invite this accountability as a blessing of brotherhood, or will our people continue to stumble and fall over the independence and pride of wealth?

Brotherhood or Independence. Brotherhood, humility, and service walk hand in hand in the family of God. Mutual submission and accountability lead to care and concern expressed in mutual aid as needs arise. On the other hand, pride and independence walk hand in hand in the lives of those who trust in self and in riches.

WHAT WOULD I HAVE TODAY IF GOD REMOVED HIS GIFTS THAT I FAILED TO THANK HIM FOR YESTERDAY?



OPEN-HAND STEWARDSHIP



TIGHT-GRIP OWNERSHIP

Continued on page 6 »

Independence is expressed by an attitude that says, “I take care of myself, so why can’t you take care of yourself?” This spirit immunizes a person from the blessings of love and care shared in the mutually dependent brotherhood.

We should shudder in fear that God would describe us as the Laodicean church who “had it all together” as they proclaimed, “I am rich” while God said “you are wretched, and miserable, and poor, and blind, and naked.”

Abundance of things does not make a church rich; rather, it makes brotherhood more challenging.

Simplicity or Complexity. Sin leads to confusion and complexity. A look at our world today confirms this truth. The godly want to see their sin forgiven and worldliness expelled

from their lives. They value a lifestyle of joyful simplicity that enables them to conscientiously navigate through this world. 2 Corinthians 1:12 uses the words *simplicity* and *godly sincerity*.¹ The word *simplicity* in this verse refers to a sincerity that is not self-seeking. This single-hearted devotion to Christ clears the confusion and causes the Christian to walk with clarity in a complex world. It motivates the disciple of Christ to forsake worldly status and pleasures as he travels through this world as a pilgrim and stranger seeking a better country.

Simplicity should characterize all

¹ “For our rejoicing is this, the testimony of our conscience, that in **simplicity** and godly sincerity, not with fleshly wisdom, but by the grace of God, we have had our conversation in the world, and more abundantly to you-ward.” (2 Corinthians 1:12)

areas of our lives, but simplicity in stewardship becomes extra difficult when we can afford, and thereby wrongly justify, all kinds of baggage that a true pilgrim would never carry. Jesus expects us to deny ourselves the worldly pleasure around us in order follow Him. Too often, we scoff at simplicity and find ourselves disillusioned and confused in a complex world, as we run after its glitz and pleasure.

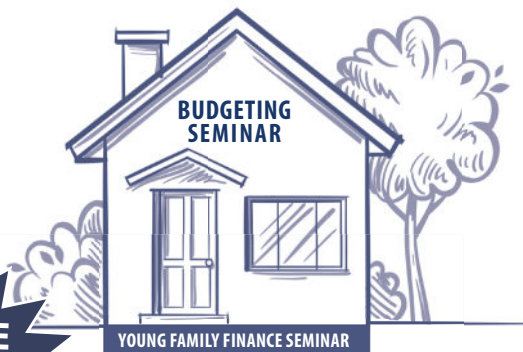
Are you a steward? The evidence will be found in your contentment, thanksgiving, moderation, humility, love for the brotherhood, and lifestyle of simplicity.

Are you an owner? The evidence will be found in your covetousness, complaining, excess, pride, independence, and complexity in lifestyle. ✎



Family Finance Seminar
in Buffalo, MO

Young Family Finance & Budgeting Seminars



**SCHEDULE
A SEMINAR
IN YOUR
AREA**

Our Young Family Finance and Budgeting seminars fit together like a house on a foundation. Together the two can help protect youth and young married couples against the strain and stress of harsh financial elements.

The Young Family Finance Seminar lays a solid foundation by teaching Bible principles, such as stewardship concepts, principles of giving, scriptural view of debt, and principles of saving. The Budgeting Seminar then offers practical advice in setting up a budget, the “walls” that protect young people

against financial distress. However, a budget quickly falls apart if it is not built on the foundation of Biblical principles.

Anabaptist Financial partners with local communities that have a heart for this kind of teaching. For more information, or to schedule a Young Family Finance or Budgeting seminar in your area, please contact Jason Sensenig at jasonsensenig@afweb.org or call him at **570-468-1357**.

Upcoming Budgeting Seminars

Intercourse, PA

Monday, February 22, 2021, 6:30 - 9:00 PM

Intercourse Fire Company, 10 Hollander Road, Gordonville, PA 17529

Sponsored by Cross Keys Business Group. Contacts: Elmer Stoltzfus: 717-271-4296 or Elam Esh: 717-786-1552

Quarryville, PA

Tuesday, February 23, 2021, 6:30 - 9:00 PM

Hoffman Building (At the Solanco Fairgrounds), 172 South Lime Street, Quarryville, PA 17566

Sponsored by Nickel Mines Business Owners Group. Contacts: Levi Esh: 717-529-2291 or John David Zook: 717-442-3191

White Horse, PA

Wednesday, February 24, 2021, 6:30 - 9:00 PM

White Horse Fire Company, 111 White Horse Road, Gap, PA 17527

Sponsored by Pequea Business Group. Contact: Eli Beiler: 717-768-0001

There is no cost for the seminars, but we would appreciate your registration to ensure adequate seating and handouts. Snack will be served, and finance resources provided free of charge.

To reserve your seats, **call 570-468-1268** and leave a message or **email seminars@afweb.org**.

earth don't need to cease when we pass away. We can leave a legacy of faith that lives on. For example, an Anabaptist business owner recently decided that he wanted his business to continue working for the kingdom of God after his death. He set up a trust for the business. The trustees were permitted to continue operating the business after the owner's death, with 100% of net proceeds designated for charity.

This same creativity can be applied to giving during life. Estate planning is not reserved for giving upon death. Giving during life can minimize the amount of paperwork and property left for your family to handle. Giving during life can also maximize your tax savings. For example, someone who owns property in Pennsylvania may have purchased the property in 1975 for a fraction of its current value. If it's sold before death, the capital gains tax on the property could be significant. If it's *not* sold before death, the inheritance tax rate for Pennsylvania is 4.5% for transfers to children, 12% for transfers to siblings, and 15% for transfers to other heirs (not including spouses). A person in this situation may have to pay capital gains tax if he sells the property before his death, and his heirs may have to pay inheritance tax if he does not sell. Giving the property to children or to the church can become an attractive option.

Further, it is not needful to fully gift an asset. A partial sale—partial gift can offset most or all of the capital gains tax, while preserving the balance when it is needed by the donor for future use. Regardless of which direction you take, always check with your accountant or attorney in making tax decisions.

If an asset, such as land, is properly given to a charity, such as a church, the owner receives three benefits: the owner (1) avoids all capital gains tax, (2) receives a tax deduction for the value of the land, and (3) receives the blessing of advancing the kingdom of Christ. We didn't bring any property with us into this world, and we won't take any with us when we depart, but we can leave a legacy of faith and stewardship for those left behind. However, it is prudent to fully consider the needs of owners during their lifetimes. Some legal counsel, without consideration for Biblical integrity, uses elder law to shield assets so they pass through their estate as inheritance, potentially leaving parents dependent upon government assistance programs.

Employment Law

Anabaptist principles should also be practiced in employment. It's easy to forget that our lives are a testimony to our employees. Many employees don't follow the Biblical principles we do. Employees can claim discrimination, harassment, retaliation, breaches of employment contracts, and many other things. Selecting employees carefully and treating them with integrity is the best defense against future difficulties.

Part of a good employee experience is ensuring that employees know what is expected of them. Having a clear employee handbook to relay the expectations and details of employment in writing is a useful resource. Maintaining clear verbal and written communication with employees is a key component of employee contentment.

Be generous with praise and reward diligence. Employees are much more likely to be satisfied with their work experience if their employer regularly thanks them for their accomplishments. If you treat employees the way you would want to be treated, there will be less room for arguments and dissatisfaction (Matthew 7:12). Some employees are not being encouraged or affirmed in their homelives, and it means a great deal to them when their employer

commends them. Everyone has a deep desire to be needed and to matter. Affirmation for work well done is a critical element in building a healthy and prosperous employee culture. Some businesses go even further, providing teaching in the workplace to strengthen their respective roles at home.

Sometimes the difficult decision to terminate an employee becomes necessary. This should seldom come as a surprise to the failing employee. As opposed to secular "fire quickly" business counsel, a brotherhood-based approach makes every effort to instruct, train, match job requirements, and giving the employee every opportunity to succeed. When termination must occur, it should be done as carefully and peacefully as possible.

It is often recommended to hire employees "at will." This means that your business maintains the freedom to hire and fire employees without contractual obligations. It also means that an employee may leave at will. The advantage to the employer is avoiding a scenario in which



Some employees have never been encouraged or affirmed in their homelives, and it means a great deal to them when their employer commends them.

you are required to keep an underperforming or unhappy employee because of a long-term agreement. Handling a problematic employee promptly can avoid infecting other employees.

When terminating high-level employees, long-term employees, or employees likely to react negatively to termination, consider providing a severance payment for at least several weeks' worth of work to give them time to find another job. Sometimes going the second mile can prevent going five or six miles down to the courthouse if the employee becomes litigious.

Always maintain a culture where reporting abuse and wrongdoing is welcomed. If someone is suffering or being abused, be sure they have a clear method of reporting it within your company. Employers must also be diligent to flee temptation and misconduct. "Keep thy heart with all diligence; for out of it are the issues of life" (Proverbs 4:23). Few things are more destructive to a business, spiritually and legally, than sexual misconduct in the workplace. Avoiding improper relationships with or between employees can protect you from both legal and moral loss.

Vicarious Liability

An employer can be held liable for an employee's actions through a legal doctrine known as vicarious liability. Remember this before sending a risky or reckless employee out on the job. Every time you put a dangerous driver on the road, they become a rolling liability. Every time you put a careless worker on the jobsite, they become a walking liability. Every time someone is working or driving on your time clock, their liability can become your liability. Injured parties often look for the deep pockets and may ignore the employee's actions and try to pin blame on the company in a lawsuit. This reemphasizes the need to select and supervise employees carefully and avoid keeping risky employees.

Independent Contractors

The Internal Revenue Service warns employers about misclassifying employees. While treating employees as independent contractors may be financially tempting, it's important to ensure that all workers are classified correctly.

The Equal Employment Opportunity Commission (EEOC) has published 16 factors to evaluate in determining whether a worker is an employee or an independent contractor. States like Pennsylvania have also passed strict legislation to require construction workers to have written contracts for each job, as well as other requirements, in order to qualify as independent contractors. In determining



whether your workers are employees or independent contractors, consider questions such as these, which would be asked by government agencies regarding proper work classification:

1. Does the worker have the ability to control when, where, and how the job is performed?
2. Does the job require a special level of expertise?
3. Does the worker provide his own tools?
4. Does the worker own his/her own business?
5. Does the worker set his/her own hours and fees charged?
6. Can the worker be fired?
7. Does the worker believe there is an employer-employee relationship?

In the eyes of labor regulators, what an employee is led to believe can outweigh the employer's rights. There is a cost to having employees because of payroll taxes, workers' compensation, and OSHA compliance. However, if the workers on a jobsite are "independent contractors" in name only, regulators can assess stiff penalties and try to classify everyone in the business as employees. In addition, misclassifying employees exposes workers to jobsite dangers without the protection of workers' compensation if they would suffer injury or lifelong disability.

Pennsylvania, in particular, has been aggressively auditing Anabaptist construction companies that do not classify their workers as employees. Regulators assume when they audit a business that everyone is an employee. The burden of proof then lies on the business owner to convince the regulator that the workers are truly independent contractors. When establishing the structure of a business, seek to build it on a firm foundation with solid legal footing. "Provide things honest in the sight of all men" (Romans 12:17).

Besides legal ramifications, a lack of respect or regard

toward workplace safety regulations can be irresponsible. A conscientious commitment to operate safely is a moral duty for employers and employees. In addition to preventing hurt or loss, which the owner may find himself liable for, this manifests regard for the workers involved and the governmental authority imposing the regulations.

Partners

Partnerships face similar challenges from some governmental agencies. For example, the Occupational Safety and Health Administration (OSHA) is beginning to look skeptically at Anabaptist partnerships. Such agencies have fined numerous Anabaptist partnerships for workplace safety violations, even when the partnership claimed lack of jurisdiction because everyone was a “partner.” In several recent cases in Pennsylvania, courts have ruled against Anabaptist partnerships that primarily used minority partners to operate.


If a business is structured as a partnership, the following are some example questions that some regulators may use to determine legitimacy:

1. Are there one or two majority partners directing and controlling most of the business, which gives the appearance of employment rather than a partnership?
2. Does the partnership hold regular meetings and votes with all partners?
3. Does the partnership keep minutes of meetings?
4. Does the partnership maintain an updated, written partnership agreement?
5. Does each partner understand the partnership structure, their ownership percentages, and the documents they signed when they joined?
6. Are there minor partners under the age of 18? If those partners were asked, would they agree that they contribute to company decisions and direction as a business owner?
7. Does the partnership use low capital contribution or buy-in amounts such as \$100, or does the

partnership use a substantial buy-in amount to show the value of each partner’s ownership?

8. Does the partnership cleanly share profits and losses with an easily traceable line to business profitability?
9. Does the partnership share equal voting rights? If not, is the method of voting fair and balanced to avoid concentrated control similar to employment?
10. Are the workers partners in name only, or does the partnership spread out authority to enable joint decision-making as a unit?
11. Does the partnership give check-writing authority to multiple partners, and not just one person?
12. Does the partnership try to “hire” or “fire” partners, or does it only add or remove partners by properly holding a partnership vote and updating the partnership paperwork?

Some partnerships have transitioned to an employee structure to avoid legal risks with the partnership model. Whatever direction is taken, we should seek to operate with legitimacy.

May God grant us wisdom in serving Him in business, including the way we relate to the law. May that wisdom guide us to properly discern our place as pilgrims and strangers in this world, and to humbly yield in a manner that honors our Lord, allows us to live in peace, and shines the light of the gospel in this world.⁷ 

⁷ Romans 13:1-7 “Let every soul be subject unto the higher powers. For there is no power but of God: the powers that be are ordained of God. Whosoever therefore resisteth the power, resisteth the ordinance of God: and they that resist shall receive to themselves damnation. For rulers are not a terror to good works, but to the evil. Wilt thou then not be afraid of the power? do that which is good, and thou shalt have praise of the same: For he is the minister of God to thee for good. But if thou do that which is evil, be afraid; for he beareth not the sword in vain: for he is the minister of God, a revenger to execute wrath upon him that doeth evil. Wherefore ye must needs be subject, not only for wrath, but also for conscience sake. For this cause pay ye tribute also: for they are God’s ministers, attending continually upon this very thing. Render therefore to all their dues: tribute to whom tribute is due; custom to whom custom; fear to whom fear; honour to whom honour.”

This article has been prepared for general education and information purposes only. It is not intended to constitute legal advice or opinions on any specific matters. Contact an attorney licensed in your state if you have specific legal questions about your business.

TYLER W. HOCHSTETLER, ESQ. is an Anabaptist attorney in Madison, Virginia. He focuses a key portion of his practice on serving the Amish and Mennonites in Pennsylvania and Virginia in various legal matters, including areas such as nonprofit law, business law, and peacemaking during legal adversity.

Business & Employee SEMINARS



Who then is a faithful and wise servant . . . ? Blessed is that servant, whom his lord when he cometh shall find so doing. (MATTHEW 24:45-46)

BUSINESS SEMINAR

Develop. Connect. Network.

Tuesday, February 23, 2021
Hillcrest Mennonite Community Center
23098 State Rt. M, Memphis, MO 63555

Topics include:

- Business As Mission *Gary Miller*
- Practical Business Accounting *Gary Garber*
- Buy/Sell Agreements *Gary Garber*
- Creating A Lean Enterprise *Daniel Wengerd*
- A Leader's Impact on Employee and Customer Relationships *Daryl Hurst*
- Eliminating Waste With Lean *Daniel Wengerd*
- Business Succession *Gary Garber*
- Leading By Example During Uncertain Times *Gary Miller*

Thursday, February 25, 2021
New Life Church
22139 MO-52, Barnett, MO 65011

Topics include:

- Business As Mission *Gary Miller*
- A Leader's Impact on Employees *Daryl Hurst*
- The Structure of the Business Plan *Greg Wolf*
- Creating A Lean Enterprise *Daniel Wengerd*
- Leading By Example During Uncertain Times *Gary Miller*
- Buy/Sell Agreements Help Brethren Dwell in Unity *Greg Wolf*
- Eliminating Waste With Lean *Daniel Wengerd*

EMPLOYEE SEMINAR

Learn. Connect. Energize.

Wednesday, February 24, 2021
Hillcrest Mennonite Community Center
23098 State Rt. M, Memphis, MO 63555

Topics include:

- Business Purpose for Employees *Daryl Hurst*
- Personal Finance – What Did God Have in Mind? *Gary Miller*
- Why Use the Lean Approach? *Daniel Wengerd*
- An Employee's Impact on Leaders and Customer Relationships *Daryl Hurst*
- Eliminating Waste With Lean *Daniel Wengerd*
- The Faithful Employee – In Uncertain Times *Gary Miller*

TO REGISTER:

Call 570-468-1268

Register online

www.afweb.org/resources/business-seminars

Email seminars@afweb.org

NOTICE: Seminars and workshops will be held in compliance with local COVID-19 requirements.

Ohio Business Seminars Canceled for 2021:

We regret to announce that, due to ongoing COVID-19 concerns, Anabaptist Financial is canceling its Ohio Business Seminars again for this year. We plan to resume the annual Business and Employee Seminar in 2022.

55 Whisper Creek Drive
Lewisburg, PA 17837

* * Address service requested * *

Stewardship Connections • Volume 14, Issue 1 • February 2021 • A quarterly publication of Anabaptist Financial

Website: www.afweb.org • Phone: 800-653-9817 • Fax: 866-230-6253 • Email: info@afweb.org

Editorial Team: Merle Herr, Richie Lauer, Paul A. Miller, Timothy Stoltzfus (officers);
Rachel Mast (managing editor); Teresa Sommers (graphic designer)

Reviewers: Wayne Keim,
Marvin Mast

UPCOMING BUSINESS WORKSHOPS

Workshops provide in-depth business education with a kingdom focus. They include quality business curriculum, taught by seasoned Anabaptist businessmen, utilizing a combination of instruction, discussion, and hands-on activities.

Spring 2021

March 2-3 – *Business Planning, New Holland, PA*
March 4-5 – *Business Succession, New Holland, PA*
March 22-23 – *Business Succession, Halsey, OR*
March 25-26 – *Business Succession, Pasco, WA*
March 31-April 1 – *Marketing, Middlebury, IN*
April 13-14 – *Business Planning, Versailles, MO*
April 15-16 – *Business Succession, Versailles, MO*
April 14-15 – *Marketing, New Holland, PA*
April 27-28 – *Human Resources, Odon, IN*

For registrations or questions concerning any of our workshops, call Sierra at **570-468-1268** or email workshops@afweb.org.

*"Very good and well-versed presenters."
"This workshop helped open my eyes to the process of business succession."
–Succession Workshop attendees*