

# 2018 CLERGY BUDGET COMPENSATION PACKAGE

## REPORT OF PASTOR (STAFF) - RELATIONS COMMITTEE TO CHARGE CONFERENCE

PASTOR'S NAME \_\_\_\_\_ Last 4 digits of Social Security # XXX-XXX-\_\_\_\_\_

CHARGE NAME: \_\_\_\_\_ DISTRICT \_\_\_\_\_ Begin date for this compensation: \_\_\_\_\_

Church/Salary Paying Entity Name						Column 6
District Number						COMBINED
Church GCFA Number (6 digit number)						TOTAL
NOTE: Use One column per salary paying unit	1	2	3	4	5	FOR YEAR
A. Clergy Compensation Items						
A 1. Cash Salary (Include on line 1 W-2) If you are not retired clergy and serve FULL time, see instructions for line A-1 on back for required amount)						
A 2. Salary Support (Equitable Comp, New Church, etc) (Include on line 1 W-2)						
A 3. Non Accountable Business Expense (Include on Line 1 W-2) (IRS Form 2106 for Expenses Pastor declared for travel, continuing education, annual conference etc)						
B. Salary Reductions (not included on Line 1 of W-2)						
B-1. Wespah (General Board of Pension) UM Personal Investment Plan (UMPIP) (Include in Box 12 on W-2 code E)						
B-2. Conference Health Plan Premiums						
B-3. Health Flexible Spending Accounts (See Instructions)						
B-4. Child Care Flexible Spending Account (See Instructions)						
B-5. Health Saving Accounts (See Instructions)						
C. Housing Related Allowances (Not included on Line 1 on W-2 should be included on block 14 and noted as Clergy Housing)						
C-1. Housing(Only if Not living in UM provided parsonage)						
C-2. Utilities and Appurtenances (UM Parsonage or not)						
D. Sub Total All Lines in Sections A, B, C This is Clergy Compensation						
E. Employer Reimbursable Expense Limit: Is a plan adopted? ___yes ___no (Not on W-2)						
F. Total (Basis for appointment and for Clergy Benefit Billing Add lines D and E)						

\_\_\_\_\_ Clergy Signature     
 \_\_\_\_\_ Column 1=PPRC Chair & Treasurer Signature     
 \_\_\_\_\_ Column 2=PPRC Chair & Treasurer Signature  
 \_\_\_\_\_ Column 3=PPRC Chair & Treasurer Signature     
 \_\_\_\_\_ Column 4=PPRC Chair & Treasurer Signature     
 \_\_\_\_\_ Column 5=PPRC Chair & Treasurer Signature

**NOTE: Only District Superintendent will complete below**

**For 2017 Charge Conference Season DUE in Conference office no later than 12-4-2017**

\*Does Pastor live in a United Methodist provided parsonage? Yes \_\_\_ No \_\_\_ \*\*Time Appointed: Full \_\_\_ Less than full time \_\_\_\_\_

Clergy Status \_\_\_\_\_ DS Approval \_\_\_\_\_ Date Faxed to Treasurer \_\_\_\_\_ **601-326-0568**



## 2018 Clergy Budget Compensation Package Instructions

### General Instructions:

This form is used by the charge conference for officially setting the salary of appointed pastors and determining the Clergy Benefit that the conference will bill. Also, this form can also be of real benefit in providing documentation required by the IRS. Remember, this form must be adopted at Charge Conference and line F can only be changed by Charge Conference Action.

- All amounts are to be **ANNUAL** (not monthly) amounts regardless of the date of the appointment.
- A separate column must be used for each salary paying unit (District Appointment, Wesley Foundation, etc) .
- Be sure to check your addition and enter sub totals and totals in the correct boxes.
- You must use column 6 to total all columns.
- Be sure all signatures are obtained before submitting the form to the District Superintendent at charge conference.
- All payments to or on behalf of the clergy must be included on this form; ie: church paid utilities, insurance contributions, annual conference meeting reimbursements etc.

### Data Section-Top of Form

All blanks must be properly completed. Be sure you enter the GCFA and the church conference number.

Use begin date for this compensation to indicate effective date of this compensation.

GCFA and church conference numbers may be found on your mission share report.

### Section A: Clergy Compensation Items

A-1 This is the cash salary that is to be included on the W-2 form. If you are clergy by tax law definition and not retired, an amount must be entered on this line. You must have a minimum cash salary of 4% of plan compensation for full time clergy and 5.75% for less than full time clergy. Plan compensation is line D if you do not live in a UM provided parsonage. If you do live in a UM provided parsonage, plan compensation is 125% of line D. This definition is determined by General Conference and Wespath (General Board of Pension).

A-2 Equitable compensation and new church salary is a grant to the local church. **Check with your DS for the correct amount** to enter here, if any. The conference treasurer direct deposits the funds to the church account and the local church treasurer pays those designated funds to the pastor. The amount is included on the W-2 form.

A-3 Non Accountable Plan Allowances are salary type elements that are for your business expenses. **This amount is to be paid equally to the pastor without documentation.** These amounts are reported on line 1 of your W-2 form. You must take deductions on your tax return for the actual expense you paid. If you account to the church treasurer for the expenses, then you must use a reimbursement plan in item B below.

### Section B: Salary Reductions

B-1 **Full time clergy must contribute up to 1%** of plan compensation to receive the conference equivalent match of up to 1%. Plan compensation is defined in A-1 above.

B-2 **Only Mississippi Conference Insurance Plan Contributions** can be listed on this line according to the Affordable Care Act (ACA). As a salary reduction, premiums that are listed must be billed to and remitted by the local church/salary paying entity.

B-3 Line B-3 is an annual election on January 1, 2018 for the FSA. It will carry over to any appointment change. **To enter any amount** on this line, the Affordable Care Act (ACA) requires that Clergy must be **eligible to participate** in the Conference provided group health insurance plan. If an amount is entered on this line, the administration of the plan must be through the conference benefits office.

B-4 The Conference FSA plan provides an annual election for a child care plan up to the maximum levels as provided by IRS guidance. It will carry over to any appointment change. If an amount is entered on this line, the administration of the plan must be through the conference benefits office. The Conference Benefits Office will provide the paperwork to get this established. The plan must be completed by December 4, 2017.

B-5 The HSA level of participation is governed by the high deductible plan in which the participant enrolls. It will carry over to any appointment change. If an amount is entered on this line, the administration of the plan must be through the conference benefits office. Enrollment through the Conference plan requires paperwork completion by December 4, 2017.

**Section C: Housing Related Allowances** Housing allowances are two types and should be paid equally over the year. Clergy are required to account for these funds to the IRS. Line C-1 are the funds paid to the pastor by the church to provide a parsonage when the pastor is not living in a UM parsonage. Utilities and appurtenances (line C-2) are acceptable whether the home is provided by the church or pastor. These amounts can be changed for future months-not prior months. Be sure you submit any changes on this form to your district office. This amount should be entered on line 14 of the W-2 Form and marked as Clergy housing.

**Section D is the total of all lines in sections A, B, and C.**

**Section E: Employer Reimbursable Expense Limit** This is the block where you will enter the amount budgeted by the church for employee business expenses. There must be a plan adopted by the Board or charge conference prior to payment of the first check. The pastor is accountable to the church for these reimbursed expenses. These amounts **shall not** be included on the W-2 form. Any amount not used cannot be legally paid to the pastor.

**Section F: Total Basis for Appointment and Clergy Pension Benefit Invoice** The appointment basis is the grand total of the compensation line D amount plus the church's reimbursable plan amount on Line E. This amount must be adopted by charge conference. This is also the amount that Clergy Benefit invoice is based on.

The following chart allows the church to compute the 2018 Clergy Benefit Invoice amount for budgeting purposes. The church will receive one bill for clergy benefits. The Clergy Benefit is an expense of the salary paying entity and is NOT chargeable to the Pastor.

Church/Salary Paying Entity Name (Same as page 1)						Column 6
District Number (Same as page 1)						COMBINED
Church GCFA Number (6 digit number) (Same as page 1)						TOTAL
NOTE: Use One column per salary paying unit	1	2	3	4	5	FOR YEAR
Section 1. Enter amount as determined by instructions for Section 1.						
Section 2. If the pastor lives in a UM provided parsonage follow the instruction for Section 2. If not, enter -0-.						
Section 3. Follow the instructions for Section 3						
Section 4: Enter the amount as determined by the instructions for Section 4 below.						

**Section 1:** From Page 1, determine F. Total less A 2. Salary Support.

**Section 2:** Multiply line Section 1 by 25% and enter here. (Note: The 25% factor is the Wespath (General Board of Pension) determined rate to give value to a UM provided parsonage and is for benefits computations only.) (See front page at bottom under the District Superintendent section to determine if a pastor lives in a parsonage.)

**Section 3:** For an amount to enter into Section 3, add Section 1 and Section 2.

**Section 4:** Follow the instructions below and enter in Section 4. This annual amount will be billed in monthly increments. ACH is available for payment of this amount and there is a \$10 discount available for using the ACH method.

**Use only one of the following lines:**

1. If your pastor is full time, multiply Section 3 by 26.5% and enter in Section 4.
2. If your pastor earns in total more than \$20,454 and is serving less than full time (see bottom of page 1), multiply Section 3 by 20% and enter in Section 4.
3. If your Pastor in total earns less than \$20,454 and is serving less than full time (see bottom of page 1), multiply Section 3 by 6% and enter in Section 4.

Benefit Rates for 2018 as adopted by 2017 Annual Conference are as follows:

1. Pension- Full Time 15.5%
2. Pension ¾ Time-Total Salary in excess \$20,454 9%
3. Pension ½ time Total Salary less than \$20,454 6%
4. Medical Benefits Total package in excess of \$20,454 11%