

2018 Clergy Compensation Recommendation to the Church/Charge Conference Instructions

IDENTIFICATION SECTION

Charge: Please use complete church name including city. (First, Grace, Hope, etc. only narrows the possibilities).
For multi-point charges, please indicate which is church 1, church 2, and/or church 3.

Clergy: Please print name legibly.

CLERGY COMPENSATION SECTION *(Note: Use annual figures in all sections)*

Line 1: Enter the base cash salary.

Line 2: Enter "0" if the clergy is enrolled in the Conference Group Health Care Plan or if the church pays no health insurance premiums for the clergy. If the church remits premiums for alternate coverage to the insurer or reimburses the clergy to assist in the purchase of alternate health care coverage, the entire amount must be entered on line 2. **[This is additional salary and the salary-paying unit cannot designate or require that the amount be used for health care premiums.]**

Line 3: Enter other taxable salary items paid to the clergy: i.e. Equitable Salary, Discretionary Allowances, Non-Accountable Reimbursement Plans.

Line 4: Add Lines 1-3 for Cash Compensation Subtotal.

Line 5: If the church pays the clergy share of the Detroit Conference group health insurance and/or vision premiums, enter the amount. If not, enter "0".

Line 6: Add lines 4 and 5 for Total Cash Compensation.

Line 7: Indicate whether the clergy is enrolled in the Detroit Conference health care plan or an alternate plan.

Line 8: Indicate the clergy's housing provision: Parsonage, Housing Allowance, or Neither.

IMPORTANT: Complete Lines 9-12 even if the clergy is retired or is not enrolled in the pension plan. This section is utilized to calculate the church's pension apportionment.

Line 9: Enter the Total Cash Compensation amount from Line 6.

Line 10: If "Parsonage" is checked on Line 8, multiply Line 6 by 25% and enter the amount. If not, enter "0".

Line 11: If "Housing Allowance" is checked on Line 8, enter the housing allowance amount. (This will be the same number as on Line 25.) If not, enter "0".

Line 12: Add Lines 9-11.

SALARY REDUCTION (Before Tax) ITEMS

Line 13: Enter the clergy's Before-Tax personal contribution to the pension plan being withheld from payroll. Do not enter the amount if it is being withheld After-Tax.

Note: A new "Before-Tax and After-Tax Contributions Agreement" form must be completed and submitted whenever a change is made in the contribution amount, or when receiving a new appointment. A new form does not need to be submitted if the amount/percentage is remaining the same in the current appointment. The agreement form is available through the Conference Benefits Office.

Line 14: Enter the amount of the clergy's contribution for health insurance per the "Conference Health Insurance Premium Chart." Enter the contribution amount on line 14 **[Based on Line 4] even if the church pays the clergy's portion.** (If the church pays the clergy portion, this amount will also be listed on Line 5.) If the clergy is not enrolled in the conference health care plan, enter "0".

Note: The 2018 Conference Health Insurance Premium Chart will be mailed to each church in late summer with projected rates for the coming year, and will be confirmed or amended as soon as the rates are finalized in late September.

Line 15: Enter the amount of the clergy vision premium per the “Conference Health Insurance Premium Chart.” Enter the amount on line 15 **even if the church pays the vision premium**. (If the church pays the vision premium, this amount will also be listed on Line 5.) If the clergy is not enrolled in the conference health care plan, enter “0”.

Line 16: Enter the amount approved for a Medical Flexible Spending Account (FSA).

RESTRICTIONS: Per Affordable Care Act (ACA) regulations, clergy must be eligible for a group health care plan to participate in a Medical FSA. The FSA must be written, IRS compliant and may not be implemented retroactively or amended during the year except with an appointment change. Maximum Medical FSA allowed is currently \$2,600.

Line 17: Enter other Pre-tax salary items and provide a description of the reduction. Generally this line item is “0”.

Line 18: Add lines 13-17.

SALARY REPORTABLE TO IRS

Line 19: Enter total cash compensation from Line 6.

Line 20: Enter approved amount of cash compensation designated as “Household Furnishings Allowance.”

Line 21: Enter total Salary Reduction Items from Line 18.

Line 22: Subtract Lines 20 & 21 from Line 19. This is the amount reported as taxable wages on the clergy’s W-2.

EMPLOYEE BENEFITS

Line 23: Enter the local church share of the conference health care premium per the “Conference Health Insurance Premium Chart.” If the local church pays directly or reimburses the clergy for alternate health care coverage, enter “0” and include that amount on Line 2.

Line 24: Enter a numerical value for estimated parsonage utilities. Please do not enter “Full” or “All”. If a parsonage is not provided, enter “0”.

Line 25: Enter the approved amount for clergy receiving a housing allowance instead of a parsonage. Include all funds provided for the maintenance of a private home. If a parsonage is provided, enter “0”.

Line 26: Enter a numerical value for estimated travel expenses. Please do not enter “IRS rate” or “All”.

Line 27: Enter the budgeted amount for clergy Continuing Education & Annual Conference.

Line 28: Enter the “Pension Apportionment” number received from the Conference Treasurer’s Office.

Line 29: Enter amount approved for a written, IRS compliant accountable reimbursement plan (i.e. Professional Reimbursement Account). Non-Accountable Reimbursement Plans are not included on Line 30, but must be listed on Line 3.

Line 30: Enter additional miscellaneous local church expenses related to clergy benefits and provide a description of the expense. Generally this line item is “0”.

Line 31: Add Lines 23-30.