

Pastor's 2021 Compensation Form Instructions



Housing

- **Parsonage Provided** – If your church provides a parsonage answer “Yes” otherwise answer “No”
- **Date of Parsonage Inspection** – Write the date of the last inspection of the church owned parsonage. If the church does not provide a parsonage then leave this line blank.
- **Housing Allowance** – List the amount of money the church provides for the pastor’s housing allowance. This is only in lieu of a church owned or leased parsonage. The pastor does not have to provide the church receipts for reimbursements and these funds. This amount may be reported on box 14 of the pastor’s W2.

Payment

- **Church Contribution to Pastor Compensation** – List the total pastor’s salary as approved by the charge/church conference prior to any deductions. Do not include other compensation items listed below (Equitable Compensation, Cash Allowances, or Utilities and Appurtenances).
- **Equitable Compensation or Mission Local Church Support** – List all funds received from the Conference for the support of the salary for the pastor.
- **Cash Allowances** – List any amount paid to the pastor for non-accountable cash allowances. This may include, but not limited to car or travel allowance, discretionary funds, and/or expense accounts.
- **Utilities and Appurtenances** – List funds designated for use by the pastor for housing related expenses as provided for by IRS section 107. This may include utilities, furnishings, or other non-consumable housing related expenses. More information on this topic can be found in IRS Publication 517 or by visiting www.umc.org/gcfa/tax-packet.

Deductions

- **Flexible Spending Plan** – These plans sometimes referred to as Cafeteria 125 plans may only be used in conjunction with a bona fide group health care plan. If the church does not offer the pastor health care coverage through a group plan, then flexible spending plans may not be used for health care reimbursements. In other words, these plans cannot be used to reimburse medical expenses, including premiums for plans bought through the medical exchange.
- **UMPIP Contribution** – This is the voluntary contribution by the pastor to the United Methodist Personal Investment Plan (UMPIP). These funds may be withheld on either a tax-deferred or tax-paid basis. At least 1% of plan compensation (Line 5 plus housing) must be contributed in order to receive a 1% matching contribution.
- **UMPIP Contribution Tax Deferred** – If the contribution from the prior line is contributed on a tax-deferred basis then write “Yes” on line 7b. If the contribution is being made after-tax write “no.”
- **403B Contribution Other Than UMPIP** – List any amount being contributed to a retirement fund for the pastor other than UMPIP. Please indicate whether this is being made on a tax-deferred basis.

Reimbursements and Benefits

- **Accountable Reimbursement** – Fund established to reimburse the pastor for expenses. This should only be established with a written policy set by the church and requires written documentation of expenses. For more information and sample policies visit www.umc.org/gcfa/tax-packet.
- **Does the Church Provide Group Insurance for You** – Please write yes or no if the church provides group insurance for the staff for the next calendar year in which YOU participate.

Minimum Compensation for Full Time Clergy (p.304, 2019 Arkansas Conference Journal)

- Minimum compensation for full time clergy is set by the Annual Conference, as recommended by the Conference Commission on Equitable Compensation.
- Minimum compensation for full time clergy appointments in church settings must be set at or above the standards (as noted on line 11 of the compensation form). **A parsonage or housing allowance in lieu of a parsonage shall be provided in addition to the figures listed below:**

Full Connection \$48,330

Provisional, Associate Member, \$47,280

Local Pastor, \$46,230

Appointed pastors serving a charge that provides a group health insurance plan shall be subject to the following minimum compensation support:

Full Connection \$36,330

Provisional, Associate Member, \$35,280

Local Pastor, \$34,230