

CLERGY COMPENSATION WORKSHEET

	This Year	Next Year
1. SALARY AND HOUSING		
A. Cash Salary ¹		
B. Housing Allowance ²		
2. BENEFITS (Paid from church funds)³		
A. Retirement ⁴		
B. Long Term Disability		
C. Group Life Insurance		
D. Health Insurance/Health Saving Account		
3. REIMBURSEMENT FOR BUSINESS EXPENSES⁵		
A. Auto		
B. Conference, Meetings, etc.		
C. Continuing Education Allowance		
D. Professional Expenses and Books		
E. Entertainment/Hospitality		
4. OTHER		
A. Christmas/Holiday Bonus ⁶		
B. Social Security Offset ⁷		

¹ Report on Form W-2 Box 1

² DO NOT report as regular salary. Housing Allowance may be reported on Form W-2 Box 14 "Other". A housing allowance must be designated in advance to be exempt from federal income tax.

³ Represents cost paid by the employer and are not considered salary

⁴ Represents the church's contribution to the pastor's retirement account (§403b). Do not report this amount on the Form W-2. Clergy may voluntarily contribute to their own retirement through a salary reduction arrangement. Report pastor's salary reduction for retirement on Form W-2 Box 12.

⁵ Qualified expenses must be reimbursed under an accountable reimbursement arrangement. Flat monthly "allowances" that do not require substantiation by the pastor are considered salary and must be reported on Form W-2 Box 1.

⁶ All bonuses are taxable salary and must be reported on Form W-2 Box 1

⁷ Churches are exempt from paying the employer's portion of Social Security and Medicare taxes. These amounts are paid by the minister through the Self Employment tax. Some churches provide their ministers with an "allowance" to reimburse the minister for having to pay the employer's portion on Social Security and Medicare taxes. However, these "offset" amounts are taxable to the minister and must be reported as salary on Form W-2 Box 1.