

**WEST OHIO CONFERENCE  
THE UNITED METHODIST CHURCH**

**2010 PASTOR COMPENSATION REPORT**

**PLEASE FOLLOW THESE STEPS:**

1. Please read all the information about clergy compensation before completing Form B.
2. Complete one Form B for each clergy appointed to your church.  
Do not put all pastors of a church on one form.
3. All compensation figures are for the **2011** calendar year.
4. Keep the instructions and a copy of each of the forms for your records. Give two additional copies to the district superintendent at the time of the charge conference.

**GENERAL INFORMATION**

Complete a compensation report for each clergy under appointment or assignment to the church. Compensation should be reported for actual salary at the beginning of the calendar year 2010. **In completing the compensation report, make an entry on each line. If the pastor is not provided compensation with respect to a specific line, enter zero.**

**REMEMBER, COMPLETE ONE FORM FOR EACH CLERGY. FORMS RECEIVED WITH COMPENSATION INFORMATION FOR MORE THAN ONE PASTOR WILL BE RETURNED TO THE CHURCH.**

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**COMPENSATION INFORMATION**

**Line 1 – Salary approved at Charge Conference**

Salary refers to money paid to or on behalf of the pastor by the church. Examples of other compensation are:

- Salary paid by the local church including grants from support through the Committee on Equitable Compensation and/or the District or Mission Society
- Payments to the pastor to cover self-employment taxes
- Bonuses
- Scholarships
- Contributions made to PIP or other 403(b) plan paid by the church but **not withheld** from the pastor's salary.

**Lines 1a – 1c: Sources of Compensation** Enter the amount to be paid by the church on line 1a. On line 1b, enter the portion of the Total Salary line to be funded by a grant from Equitable Compensation. Enter any portion of the Total Salary to be funded by the District or Mission Society on line 1c. The total of lines 1a, 1b and 1c should be shown on the line marked **Total Salary – Approved at Charge Conference**.

**Housing Arrangements:** Housing information should reflect the housing that the clergy person will be using, do not check parsonage unless it is being used by this pastor.

**Line 2a Parsonage:** If the church provides a parsonage with utilities, taxes and maintenance included, check “yes” on line 2a. A house or apartment rented by the church in lieu of a parsonage is classified as a church-owned parsonage since the church is paying all expenses. If the church does not provide a parsonage, check “no” on line 2a. **Forms received with no indication of housing will be assumed to have a parsonage.**

**Lines 2b Housing Allowance:** Check “yes” on line 2b if the church provides a housing allowance in lieu of a parsonage. Please enter the amount of the housing allowance on the line indicated in line 2b. Check “no” if a housing allowance is not provided.

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## **ADDITIONAL PASTORAL SUPPORT**

**Lines 1-3 Health Insurance Coverage:** As approved at the 2005 Annual Conference, each charge/church shall fund health insurance for its pastor(s) and family through the West Ohio Conference program. Pastors who have duplicate coverage through their spouse’s employment may use that coverage providing:

- ❖ Such coverage is at least as comprehensive as the conference program and;
- ❖ Evidence of coverage and a waiver signed by the pastor, the chairperson of the Administrative Board and the Pastor Parish Relations Committee is provided to the Conference Health Care Committee; and
- ❖ Any savings from such a plan accrue to the church, not the pastor.

Indicate on line 1 if the pastor is participating in the Conference Health Plan by checking either “yes” or “no”. Next, mark the appropriate plan in which your pastor participates on line 2. If you previously indicated that your pastor was not in the Conference plan, please answer line 3 with a yes or no answer.

**Line 4 Section 105/125 Plans:** After attending a seminar sponsored by the Conference Treasurer’s office, a church may set up a Medical Reimbursement Account (Section 105 or Section 125) for the employees of the church. Please note that the church must pass a formal resolution to establish a Section 105 Plan, which must be funded by the church, not the employee. Remember, in a Section 105 the church may not fund the plan by reducing the pastor’s salary or paying for the expenses through payroll deduction. If your church has established such a plan (105 or 125) over and above the health insurance 125 plan, indicate on line 4.

In contrast, the Section 125 Plan, which is used to pay the pastor’s portion of the conference health care plan, must be paid through payroll deduction and does reduce the pastor’s take-home pay. If your church has established such a plan (105 or 125) over and above the ‘premium only’ health care 125 plan, indicate on **line 4**.

**Line 5 Housing Exclusion Resolution Amount:** Section 107 of the Tax Code allows a church to pass a resolution, which excludes the cost of housing from a pastor’s reportable income for income tax purposes. Passage of this resolution does not reduce the amount the church pays the pastor, only the amount the church reports to the I.R.S. Even if the church provides a parsonage, the housing exclusion resolution should be passed to cover the pastor’s cost of furnishings and miscellaneous maintenance. Should a housing allowance be paid to the pastor in lieu of providing a parsonage, the housing exclusion resolution amount should be for at least as much as the housing allowance. Enter the amount of the housing allowance exclusion on line 5.

**Line 6 Accountable Reimbursement Plan (ARP):** Accountable expenses are for professional and business expenses incurred by the pastor, such as travel, continuing education, subscriptions, books, vestments, etc. Authorization for an accountable reimbursement plan should be made at the charge conference and whenever there is a pastoral change. This is done at the recommendation of the Pastor/Staff Parish Relations Committee. Accountable reimbursements **MUST** be paid pursuant to a written plan and substantiation of the expenses **MUST** be presented within 120 days of the expense incurring. Items included in accountable expenses are not reported for income tax purposes. The pastor's salary, however, may not be reduced to fund accountable expenses. Enter the amount of the ARP on line 6.

**Line 7 Cash Allowances Paid to the Pastor (Non-Accountable):** Although the General Council on Finance and Administration (GCFA) strongly recommends the use of an ARP, some prefer to give the pastor a cash allowance. An allowance may be given for such expenses as travel, continuing education, books, publications, health insurance premiums beyond that billed by the Conference, entertainment allowance or membership dues. Also, if the church reimburses the pastor for medical expenses and does not have a qualified Section 125 plan approved by the I.R.S., the payments are considered salary. Enter this amount on line 7.

**(For additional info - [www.GCFA.org](http://www.GCFA.org))**

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## **SIGNATURES**

PLEASE HAVE EACH INDIVIDUAL SIGN AND DATE THE COMPENSATION REPORT ON THE APPROPRIATE LINE. **ALL SIGNATURES MUST BE PRESENT FOR THE FORM TO BE VALID.**

**BE CERTAIN TO KEEP A COPY OF ALL FORMS FOR THE CHURCH FILE!**