

2019 APPORTIONMENT REMITTANCES DEADLINE STATISTICAL INFORMATION INPUT DEADLINES, STATISTICAL INFORMATION INSTRUCTIONS & W-2 INFORMATION

To: Pastors of the Louisiana Annual Conference
From: Tom Dolph, Conference Statistician
Date: December 2019

The Annual Conference by adopting the Report of the Conference Council on Finance and Administration has set the final date for 2019 Apportionment Remittances. **To be credited for 2019 Apportionments MUST be in the Conference Finance Office in Baton Rouge no later than noon on Thursday, January 9, 2020.**

Statistical Tables I, II, and III **and** the Table II Itemized Worksheet are to be entered online. You will access this system by going to the conference web-site www.la-umc.org and clicking on the link that will be on the home page; it should be the first button (2019 Statistical Data Entry) in the list of buttons towards the bottom of the page. **Print a copy of each completed Statistical Table (I, II and III) and the Itemized Worksheet for Table II from the online data entry site just before submitting.** You can begin entering information on January 2, 2019. **The deadline for Table 1 is 9 pm on January 10, 2020.** The Pastor's report containing the names related to membership changes on Table 1 must be sent to the district office as soon as the data is input online. **Tables 2 & 3 will be due January 19th, 9 pm. Note this new split deadline for the tables.** Any table may be submitted beginning January 2nd but **all** tables must be submitted by the deadlines above.

All required forms and information will be reviewed at the District level. The dates of the reviews will be January 20-24. Times and places for reviews will be announced through your District Office. **You will receive instructions from your district as to how and when the review of your entries will occur and how you are to submit your forms.** At the review (the pastor, not an associate or other staff member) will take the following documents for review:

- Statistical Table 1. (original copy)
- Statistical Table 2. (original copy)
- Table 2 Itemized Worksheet. (original copy)
- Table 2 Worksheet Senior Pastor Compensation & Expenses. (original form)
- Table 2 Worksheet Associate Pastor Compensation & Expenses. (one for each associate) (original form)
- Statistical Table 3. (original copy)
- Membership Report of the Pastor. **(Must contain names that match the numbers on table 1)**
- Report of the Finance Committee.
- Fund Balance Report.
- Report of the Trustees.
- Insurance Declarations Page (See note on page 9 below.)
- Attestation of the Pastor and Treasurer.
- Safe Sanctuary Compliance Form.
- Treasurer's Report for the Year. (this form is not provided – it is whatever form the Treasurer normally uses to report year end finances)
- Copy of W-2 for all clergy and lay pastors.
- Other Documents required by your particular district that are listed in their communique to you.

If you have questions: email tdolph@la-umc.org. Include form & line numbers related to your questions. Also include a call back phone number. **Please read all instructions before emailing. Also note, earlier is better! If you wait to the last minute I may not be available to answer your questions. Thanks for your attention to this important work.**

GENERAL INSTRUCTIONS

1. Please read **ALL** instructions and study your Tables, I, II, III and Worksheets carefully before completing same.
2. The information for all Statistical Tables, Worksheets and Reports is for a twelve (12) month period beginning January 1, 2019 and ending December 31, 2019.
3. **Do not** write in any items or change the heading of any line (except for entering additional "Other" on Table II Itemized Worksheet on the lines with blanks. Write in the type of expense on the handwritten Table II Itemized Worksheet and then enter the totals on the *Other Category* on the on-line date entry).
4. Clearly mark the entire name of the church and its location. (ex: Sulphur, Wesley UMC instead of Wesley). This makes it easier to identify the records.
Always include the church's Employer Identification No. (Federal Tax ID No.) in this format *****.
5. Your employer identification number cannot be 00-0000000 and you cannot use the conference EIN. Multiple churches on a charge should not have the same EIN.
6. Make sure figures are legible; that is, make sure that the figures can easily be read. This is especially true with being able to distinguish between 1, 7 and 9; 2 and 5; 4 and 9; and 3 and 8 etc.
7. Report finances in dollars only. Do not report cents but round to the nearest dollar. If the cents are under 50 cents go to the lower dollar; if the amount is 50 cents or over go to the next highest dollar.
When there is nothing to report for a line item, enter "0".
8. When the tables and forms are complete:
 - a. If commas were used to make sure they are in the proper place. If a comma is misplaced, it can cause serious errors and increases in your apportionment.
 - b. Check lines with a "0" to make sure that it is reasonable that there is nothing to report on that line.
 - c. Check the line amounts against last year's amounts. If there is a large difference between what was entered on a line for last year and what is entered this year (either as an increase or decrease), double check the amounts for accuracy and be ready to explain large differences.
 - d. Check to be sure that figures were entered on the correct line. In the process of entering from the worksheet to the on-line software, it sometimes happens that a series of figures are entered on the wrong lines, so verify that everything is on the proper line.
 - e. Check lines 41- 47a and compare to last year to see if there are any large changes. **These lines comprise the apportionment formula. REMEMBER IT IS YOUR RESPONSIBILITY TO MAKE SURE YOUR RECORDS ARE CORRECT.**
 - f. Note that **the pdf forms and worksheets are not the same as online entry.** The pdf forms will not save automatically or online. Best practice is to save them to your computer **before** filling them in, then save as you go. You may type directly from your computer into some forms or print, then hand write the information. The purpose of these forms is for you to have the information you need before going to the Online Data Entry. Be sure to bring your original worksheets with you to your in-person review.

ON-LINE INFORMATION IN GENERAL

1. Remember, you may begin your data entry on **January 2, 2020**. Table 1 must be **completed by January 10, 2020**. Tables 2 & 3 are due by **January 19th**. Remember to send (via mail or email) the pastor's report to the District Office as soon as you have entered Table 1 online. **Do not wait until the last minute!** The longer you wait the more people will be on the system and the more problems you will encounter. Although the online system may be open, there may be no one available to help if you call after normal business hours (for ex. over the weekend).
2. If you are entering for more than one church, enter only one church at a time. **DO NOT** open two browser windows and enter churches concurrently.
3. Go to the conference's website: www.la-umc.org and find the link on the Home page: "2019 Statistical Data Entry." At the log-in page, you will need to enter your church Username (six-digit permanent General church ID number) and your church Password (your Conference church ID number, which is usually a four-digit number). These numbers can be found on your Apportionment Remittance form and Benefits Billing sheet or may be retrieved from the District Office. When these numbers are entered, your church's information grid should come up.
4. To begin entering your local church's 2019 statistical data:
 - a. On the 2019 Row Click the button to the right that says "Open".
 - b. From the tabs near the top left choose the table you wish to complete. Remember that you **must** enter the Table 2 worksheet before you complete Table 2.
5. To begin data entry simply click inside the white box that corresponds to the line # you are entering.
6. To advance between line items, either hit the "Enter" or "Tab" button.
7. You can only enter information in the **white boxes**. Any colored boxes will be inserted for you by the Conference Office or will self-calculate. You do not need to enter any information in colored boxes.
8. **Enter the Table 2 Itemized Worksheet BEFORE entering Table 2.**
9. All fields must be filled before a Table can be submitted. If there is no data for a data field, enter a "0" into the field. The person entering the data **MUST** enter his/her full name, phone number and email address as the data entry person for each document or the data will NOT submit. After entering this data, **the Save button MUST be clicked again.**
10. **Once you have completed your data entry session, click the "SAVE" located at the top, right corner of the page to save all entries.** Upon saving, if calculated fields are out of balance, such as the Male/Female split not being equal to the Total Membership, an error message will appear, for ex: **ERROR: Checksums do not match!** Go back to those fields that will now be highlighted in RED to correct your entries and then SAVE your changes. Review all the entries to ensure that they are accurate.
11. You can "SAVE", print and log out of the system and come back to your work as many times as you like before the deadline **as long as you have not clicked the "Submit" button.**
12. To print a copy of the SAVED data, click the Print button located at the top, right corner of each Table.

13. You MUST “SUBMIT” your work in order for it to be complete. **Print a final copy BEFORE hitting SUBMIT. Please print a copy showing 2 year data. Once you hit submit you cannot print.**
14. All tables MUST be submitted individually. Once **submitted** the table or worksheet is closed to further edits; that is, you cannot make any changes. **Click the SUBMIT button only when you are finished editing the data.** If further edits are necessary, contact your District office.
15. When you are ready to exit the program, please use the [Logout] button on the top, right side of your screen.
16. After April 15, 2020, you will be able to print a complete copy of your church’s statistical tables with the fields that are imported by the Conference Treasurer’s office.
17. **Please read all line descriptions and instructions carefully. Line numbers and categories may have changed.**

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TOP “WHAT TO DO’S” FOR DIFFERENT TABLES/FORMS/REPORTS

STATISTICAL TABLE I

1. The number entered on **Line 1** must be the same as Line 4 from last year’s Table I. This number should be prefilled for you and can also be found on Line 4 on last year’s form.
2. **Lines 2a, 2b & 2c:** Professions are categorized according to Confirmation Class participation, regardless of whether youth or adult. Line 2c are persons who have been professing members but are no longer counted on **any** church's rolls. If another church counts them as a member, these should be listed as transfers. Lines 2d and 3c should be used for correcting previous year errors in membership figures, i.e. wrong numbers were submitted in previous years.
3. **Line 4** – “Total Professing Members” Member does not mean the number of active participants but the actual names on the rolls. To remove names one must follow the guidelines in the “Book of Discipline” (reported on Line 3a). This line is self calculating.
4. The addition and subtraction of lines 2 & 3 to/from line 1 must equal Line 4 and the total of Lines 5a-5g must equal Line 4. The total of 6a & 6b must also equal line 4. Note - lines 5 & 6 auto calculate. If lines 4, 5 & 6 are not the same you will receive an error message when saving.
5. Line 7 is for regular, **weekly, in-person** Average Worship attendance.
 - Do include regular worship services that are held at the church on a year-round weekly basis, and include all who participate even if for only part of the worship service.
 - Do include regular worship services held at other locations. For example, if the church regularly does a year-round **weekly** worship service at a nursing home it can be included.
 - Do include groups who are extensions of the church who are worshipping away from the church on a Sunday morning (e.g., youth retreats, mission trips).
 - Do not include small group meetings, choir practices, bible studies, etc. even if they start with a prayer and include a song.
 - Do not include worship services that are only held seasonally or on special occasions such as revivals, special advent/lent services, Christmas Eve, Maundy Thursday, Good Friday, etc.
 - Do not include outreach services held by pastors or members of the church away from the church on a special basis (i.e., it is not regularly done on a weekly or monthly basis by that group at the location for that constituency).
 - **Do not include on-line worship attendance.** This number should be placed on Line 7a if available and applicable. Keep in mind the guidelines mentioned above regarding the ongoing weekly nature of counting online worship numbers, special or seasonal services should not be counted.
6. Lines 9 & 10 Differentiate baptised and constituent members differently than previously. Please read line descriptions carefully. These categories are not age dependent nor do they represent a "yearly" number but all who fall into the category. Both lines represent non-members with the major difference being baptism.
7. Lines 11a-d count individuals involved in Christian formation groups. Even if someone attends every Sunday School class and Bible study offered they only count as 1 person. Lines 12-17 descriptions should be read carefully.
8. Lines 20-23 report both the numbers of mission/outreach/mercy ministries and the number of individuals involved, both as servers and recipients,. Please read each description carefully.
 - Do include persons who work in community ministries provided by your local church such as after school programs, food banks, or homeless ministries and persons who work as part of the church’s support of community ministries with other churches or organizations such as Habitat for Humanity. Do not include persons who volunteer for ministries on their own without the support of endorsement of the church. Although this is important ministry, it should not be counted here.

9. The following relationships exist between Statistical Table I and the Report of the Pastor:

Statistical Table I (ST I)	Report of the Pastor (RP)
Lines 2a, 2b, & 2c	These names are listed on Line 2a of the RP. Thus, the total of the numbers on Lines 2a, 2b & 2c of ST I must equal the number of names listed on Line 2a of the RP.
Lines 2e & 2f	These names are listed on Line 2b & 2c respectively of the RP. Thus, the number on Line 2e of the ST I must equal the number of names listed on Line 2b of the RP and the number on Line 2f of the ST I must equal the number of names listed on Line 2c of the RP
Lines 3a & 3b	These names are listed on Line 3a of the RP. Thus, the total of the numbers on lines 3a and 3b of ST I must equal the number of names listed on Line 3a of the RP.
Lines 3d & 3e	These names are listed on Line 3b & 3c respectively of the RP. Thus, the number on Line 3d of the ST I must equal the number of names listed on Line 3b of the RP and the number on Line 3e of the ST I must equal the number of names listed on Line 3c of the RP
Line 3f	These names are listed on Line 3d of the RP. Thus, the number on Line 3f of ST I must equal the number of names listed on Line 3d of the RP.
Line 8	There is a possible overlap on these names. The number listed on ST1 Line 8 should have corresponding names in either RP 1 or RP 2a. depending on whether the baptism was based on a profession of faith or not. Not every name in 2a will be on this line but every number on ST 1 line 8 should have a corresponding name in either RP1 or RP 2a

STATISTICAL TABLE II (If there is more than one Associate Pastor see below for special instructions)

1. You **MUST** enter on-line the Table 2 Itemized Worksheet **before** entering online Table 2. The information from the Table 2 Itemized Worksheet will automatically populate the following lines on Statistical Table 2: Lines 38, 45-47, 49. **SAVE BUT DO NOT SUBMIT** the Table II Itemized Worksheet before you have entered Statistical Table 2 and are ready to submit it, because you may find that there was an error on Table II Itemized Worksheet you need to correct.
2. Lines 29a and 30-36f are imported by the conference office and do not need to be entered.

3. Line 25 should always be greater than “0” and should not be the exact same as last year. **Line 25 should be equal to the figure listed on “Total amount of cash in all treasuries of the church” from the Fund Balance Report.**
4. Line 26 should never exceed the total of lines 24 and 25.
5. Line 37 is where money sent directly to places like the Louisiana Methodist Children’s Home etc is listed if it was not sent through the Conference Office.

FOR THE ENTRIES REGARDING PASTOR SALARIES

Remember this is what was actually paid in 2019, not what was budgeted.

- Be careful and do not enter the Senior Pastor’s salary twice – once as the Senior Pastor and once as the Associate.
 - If the church had more than one senior pastor during the year (e.g., one pastor was assigned Jan 1 –June 30, 2019 and another pastor was assigned July 1 – December 31, 2019):
 - Complete a Table 2 Worksheet Senior Pastor Compensation & Expenses for each senior pastor.
 - Total the figures for all the senior pastors and enter the totals on another Table 2 Worksheet Senior Pastor Compensation & Expenses
 - Enter the totaled worksheet figures into the Table 2 Worksheet Senior Pastor Compensation & Expenses on-line
 - Provide copies of all Table 2 Worksheets Senior Pastor Compensation & Expenses at your district review.
 - If the church has more than one associate during the year:
 - Complete a Table 2 Worksheet Associate Pastor Compensation & Expenses for each associate pastor.
 - Total the figures for all the associate pastors and enter the totals on another Table 2 Worksheet Associate Pastor Compensation & Expenses
 - Enter the totaled worksheet figures into the Table 2 Worksheet Associate Pastor Compensation & Expenses on-line
 - Provide copies of all Table 2 Worksheets Associate Pastor Compensation & Expenses at your district review.
6. Line 39 is the total of the number on Line 5a of the Table 2 Worksheet Senior Pastor Compensation & Expenses 2019 AND Line 5a of the Table 2 Worksheet Associate Pastor Compensation and Expenses 2019 for all Associate Pastors. Remember if the church is on a charge, the amount that is entered is what is paid by that church. If the lead church on the charge writes the check to the Conference but is reimbursed by the other church(es) on the charge, only the net amount is entered (that is, total paid minus amount reimbursed). This is money actually paid in 2019, not what was listed on the Compensation Form adopted at Charge Conference or the amount of the billings. Amounts which are paid directly to the General Board of Pensions and Health Benefits due to a voluntary reduction by the pastor(s), are not listed here but are included in the information on Line 41a or Line 41b of Statistical Table 2 (it is listed on Lines 1e of the Table 2 Worksheets of Senior Pastor and/or Associate Pastor and becomes part of the total for Line 41a or Line 41b of Statistical Table 2).
 7. Line 40 is the total of the number on Line 5b of the Table 2 Worksheet Senior Pastor Compensation & Expenses 2019 AND of Line 5b of the Worksheet Table 2 Associate Pastor Compensation and Expenses 2019 for all Associate Pastors. Remember if the church is on a charge, the amount that is entered is what is paid by that church. If the lead church on the charge writes the check to the conference but is reimbursed by the other church(es) on the charge, only the net amount if entered (that is, total paid minus amount reimbursed). This is money actually paid in 2019, not what was listed on the Compensation Form adopted at Charge Conference or the amount of the billings.

8. Line 41a is the number on line 1 of the Table 2 Worksheet Senior Pastor Compensation & Expenses 2019. This is money **actually paid** in 2019, **not** what was listed on the Compensation Form adopted at Charge Conference.
9. Line 41b is the total of the number on Line 1 of the Table 2 Worksheet Associate Pastor Compensation & Expenses 2019 for all Associate Pastors. This is money **actually paid** in 2019, **not** what was listed on the Compensation Form adopted at Charge Conference.
10. Line 42a is the total of the number on Line 2 of the Table 2 Worksheet Senior/lead Pastor Compensation & Expenses 2019. Line 42b of the Table 2 Worksheet Associate Pastor Compensation and Expenses 2019 for all Associate Pastors. This is money **actually paid** in 2019, **not** what was listed on the Compensation Form adopted at Charge Conference.
11. Line 43 is the total of the number on Line 3 of the Table 2 Worksheet Senior Pastor Compensation & Expenses 2019 **AND** Line 3 of the Table 2 Worksheet Associate Pastor Compensation and Expenses 2019 for all Associate Pastors. This is money **actually paid** in 2019, **not** what was listed on the Compensation Form adopted at Charge Conference. If the reimbursement was not done pursuant to an accountable plan, including itemized receipts, then the amount is included in Line 41a or 41b as a part of base compensation. Reminder, our Conference does not allow non accountable reimburseables. Any reimbursable amount that
12. is received simply by dividing by the number of paychecks without the submission of receipts is base compensation.
13. Line 41c and 42c is money actually paid in 2019 for salary and benefits, **not** what was listed on the Compensation Form(s) adopted at Charge Conference. These lines are only for Deacons that are appointed to a local church as their primary appointment.
14. Line 47a & 47b should not be “0” and should not be the exact same number as last year.
15. Lines 48 and 49. **Please study carefully the instructions on these two items:**
 - a. Figures reported on Line 48 should be the amounts paid on the principal and interest of ongoing indebtedness. Do not include principal and interest on money borrowed and repaid within the current fiscal year. This should be reported on lines corresponding to the purpose for which the money was borrowed. If this amount includes any payment toward principle a corresponding reduction should show on 2018 & 2019 figures for lines 26.
 - b. Figures reported on line 49 should be the amounts paid from funds raised by the local church – either during the current year or accumulated over a number of years. Not funds from loans. Read description carefully.
 - c. Expenditures from borrowed funds are not reported on Line 49 except to the extent that they are borrowed and repaid within the current year. Example: A church pays \$200,000 upon completion of an addition to a building. \$50,000 is paid from an accumulated Building Fund, and \$150,000 is borrowed. The church makes payments of \$1,500 per month on the mortgage, beginning in May. For the first year, it would report \$62,000 on Line 49 (\$50,000 from its Building Fund plus eight payments of \$1,500 each). In subsequent years, it would report \$18,000 on Line 58. (Twelve payments of \$1,500 each). This procedure ensures that each expenditure from local church funds is reported only once, over a series of reports covering several years.

STATISTICAL TABLE 3

1. One "test" for number of giving units would be to count the number of year end statements that you send out. Most "one-time" givers would not be counted here (but their amount would be included in 52b or c) but anyone who gives regularly or frequently would.
2. Amounts received from loans are reported either on Line 52g if the loan proceeds were used for operating/program expenses or Line 53c if the loan proceeds were used for capital items.
3. Line 54b includes all grants of any type received from the conference or general church except for Equitable Compensation Grants (which are listed on line 54a).
4. Line 54c includes all grants of any type received from insitutions beyond the conference or general church.

REPORT OF THE TRUSTEES

1. The Trustees are to review the amount of insurance on an annual basis and determine its sufficiency. By signing this form with Line 6f marked "yes" the Trustees are declaring that this has been done. A set of minimum guidelines is included with the Statistical review packet. Replacement amounts should be determined by the trustees examination of reality. i.e. if this number is simply taken from insurance forms are the trustees reasonably sure that this figure accurately represents the replacement costs of each covered property.
2. If the answer to Question 2 is yes, trustees should make sure that they are in good standing with the Secretery of State. This can be done by going [HERE](#). and searching for the church's status.
3. If the answer to questions 5, 6b-f, or 7 is "no" the trustees will want to address these shortcomings as soos as possible.

- Please bring a copy of the declarations page of your insurance policy to your in person review. Note we do
4. not need your entire policy just the page that shows: 1) What people & property is covered. 2) The effective dates of coverage. 3) The coverage limits. Note that on property coverage limits there should be a strong correlation between the amounts of coverage and the value of the property listed on line 24 of Table 2. There is a guideline included in this packet for limits for other types of coverage. (for ex: D & O, Sexual Misconduct etc.)

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2019 - W-2
INFORMATION

A COPY OF ALL CLERGY W-2 FORMS MUST BE PROVIDED DURING THE TIME FOR CHECKING THE STATISTICAL INFORMATION YOU REPORTED

**BLANK W-3/W-2 FORMS CAN BE OBTAINED FROM THE
CONFERENCE OFFICE AFTER YEAR END**

FORM W-2 DEADLINES & IMPORTANT ITEMS FOR COMPLETING W-2 FORMS

- **Deadline to Employees:** Churches have until January 31, 2020 to provide a Form W-2 to its pastor(s) and lay employee(s) but may provide them earlier.
- **Deadline to Government:** Don't forget to send the federal and state governments their copy with the appropriate transmittal form (W-3 for federal government and L-3 for Louisiana). These forms are due earlier this year and must be submitted by January 31, 2020, whether the church files paper forms or electronically.

- **Federal Government-**

Mail Copy A of Form W-2 and Form W-3 (Red Forms- no substitute) to:

Social Security Administration
Direct Operations Center
Wilkes-Barre, PA 18769-0001

If you use “Certified Mail” to file, change the ZIP code to “18769-0002.” If you use an IRS-approved private delivery service, add “Attn: W-2 Process, 1150 E. Mountain Dr.” to the address and change the ZIP code to “18702-7997.” See Pub. 15 (Circular E) for a list of IRS-approved delivery services.

- **State Government -**

Mail Copy 1 and Form L-3 to:

Louisiana Department of Revenue
P.O. Box 91017
Baton Rouge, LA 70821-9017

Churches with a large number of employees should check with their tax advisor about possible requirements for e-filing.

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- Here are a few important items to keep in mind when preparing Form W-2:
 - Type all entries using black ink and, if possible, in a 12-point Courier font. Entries are read by machine. Handwritten, script or italicized fonts or entries made in other than black ink cannot be read.
 - Use decimal points followed by cents (or zeroes for no cents). Do not use dollar signs or commas.
 - Do not make any erasures, cross-outs or whiteouts. Copy A must be error free. If you make an error, put an "X" in the "Void" box, use the next Form W-2 and start again. Do **not** write "corrected" on the next Form W-2.
 - As Form W-2 is printed with two forms on a single page, send in the whole Copy A page (the page printed with red ink) to the SSA even if one form is blank or void. Do not cut or fold the page. Do not staple Forms W-2 to each other, or to Form W-3.
 - If a box does not apply, leave it blank.

FORM W-2 REMINDERS

All Appointed Clergy must be issued a W-2 form by the church (not a 1099 Form). Also, note that “Supply pastors” are treated as Lay employees, not ordained clergy for tax purposes.

The purpose of the following reminders is to give some general information on completing Form W-2 for clergy. Specific instructions on completing Form W-2 are available at <https://www.irs.gov/pub/irs-pdf/iw2w3.pdf>. **The General Council on Finance and Administration and the Louisiana Annual Conference of the UMC are not engaged in providing legal or accounting services and the information provided here should be used for guidance only. A competent professional should be sought for legal and tax advice.**

Box A is self-explanatory.

Box B is the Employer Identification Number. Each local church (or charge) should have its own Employer Identification Number (EIN). Employer Identification Numbers can be obtained by filing IRS Form SS-4.

Box C is Self-explanatory.

Box D (control number) does not have to be completed.

Box E is the employee’s name. The name should be listed on the W-2 form as it is listed on the employee’s social security card.

Box F is self-explanatory.

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Box 1 contains certain items of compensation paid by the church. Set forth below are two lists, one for items that are reported in box 1 and the other for items that are not reported in box 1. These are meant to cover **some** of the more common items on clergy compensation. They do not cover all situations. **Churches should consult their own tax advisor regarding this information and for information about particular issues.**

ITEMS WHICH NEED TO BE REPORTED IN BOX 1

1. Salary, wages and bonuses
2. Gifts to the pastor that are paid through a church account
3. Any allowances (other than the housing allowance) must be reported as well as reimbursements that are made under a non-Accountable Reimbursement Policy. Also, any reimbursements that may have been listed on Section 3 of the Compensation Form but that were actually reimbursed without itemized receipts pursuant to an Accountable Plan **MUST** be included in Box 1 (for, e.g., if the church writes a check for 1/12 of the amount listed in Section 3 without requiring the documentation required by the Accountable Reimbursement Policy and IRS regulations, or if the church writes a check for the total of the Annual Conference amount without requiring documentation per the Accountable Reimbursement Policy and IRS regulations).
4. Anything paid by a church as a housing or utility allowance for a person who was a lay pastor **MUST** be included in Box 1.
5. Any amounts paid for mileage reimbursement in excess of the IRS rates (e.g. – for 2019, the IRS rate was \$.58 per mile. If a pastor were paid \$.60 per mile, the difference, \$.02 per mile, would have to be reported)
6. Taxable fringe benefits. The most common for clergy are:
 - a. **NEW IN 2018** The recent Federal Tax Cuts and Jobs Act (the “Act”) made numerous changes including the suspension of certain applications of Sections 217 and 132(g) of the Internal Revenue Code for the period January 1, 2018 through December 31, 2025. The end result of the Act’s suspension is that any reimbursement to, or payment on behalf of, **moving expenses for an employee/clergy during the same time period will need to be reported as taxable income to the employee/clergy.** For more information please go to our website at:
<http://louisiana-email.brapp.com/files/finance/memoformmovingexpenses.pdf>.

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- b. The cost of employer-provided group term life insurance that exceeds \$50,000 (Note: The \$50,000 CPP death benefit alone would not be enough to require reporting. However, if the clergy is covered under CPP and there is another plan purchased by the church that provides life insurance for the pastor, then the cost of coverage in excess of \$50,000 must be included).
 - c. The value of the personal use of a church-provided automobile, whether owned or leased;
- 7. A social security allowance (or any portion of the minister's self-employment taxes paid by the church).
 - 8. Salary reduction After-Tax contributions to the Wespath 403(b) Plan or other qualified plans

ITEMS NOT REPORTED IN BOX 1

- 1. Salary reduction Pre-Tax contributions to the Wespath 403(b) Plan or other qualified plans (Report on Box 12E of the W-2).
- 2. Properly designated (in advance) housing and utility allowance. The housing resolution amount may be reported in Box 14 as "Housing Allowance". **THIS DOES NOT APPLY TO LAY PASTORS.** Any amount paid to a lay pastor for housing and utilities must be reported in Box 1.
- 3. Qualified health and medical plan premium payments (the Conference plan is a qualified plan). If other health and medical plan payments are made by the church on behalf of the pastor, such amounts are included in Box 1.
- 4. Reimbursement of business expenses under an **Accountable Reimbursement Policy** (must have actually been done in accordance with the plan including receipts). If there were no receipts then the amount must be included in Box 1.
- 5. Amounts deducted from the pastor's check for Health Savings Account Contributions.
- 6. Any other payments under a qualified salary reduction plan — e.g., amounts deducted for dependent care assistance.

Box 2, the local church is not required to do any federal income tax withholding for clergy. However, some clergy may request voluntary withholding by filing a Form W-4 with the church. If the church withheld taxes and remitted them to the government on behalf of the clergy, the withheld amounts are included in Box 2.

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Boxes 3, 4, 5 & 6 are left blank for clergy. Clergy are defined as self-employed for Social Security or SECA purposes (under the Internal Revenue Code Section 3121 (b)(8)(A)). The church should not report Social Security/Medicare wages and must not withhold any Social Security/Medicare tax. Any Social Security/Medicare tax withholding done erroneously by the church (which comes from church funds) is additional reportable income to the pastor. If the church wishes to assist the pastor in paying all or a portion of his Social Security taxes, it should add an additional amount to the wages paid to the pastor and reported in Box 1 of the W-2.

Boxes 7, 8 & 9 are not applicable.

Box 10 is used to report amounts paid or incurred for dependent care assistance in a section 125 (cafeteria) plan.

Box 11 Amounts contributed to plans administered by the Wespeth (name changed from General Board of Pensions and Health Benefits) or other 403(b) plans should not be included in this box. However, if a pastor is a participant in some other (non-qualified) plan, amounts withheld from the pastor's pay and sent to that plan may need to be reported here. The church's tax advisor should be consulted.

Box 12 is to be used to show codes and amounts of benefits or contributions for clergy. (See the IRS Form W-2 instructions for a complete list of codes.) The following codes are the most relevant for clergy:

1. Code E: Used to report amounts withheld from pay and contributed on a tax-deferred basis to a 403(b) employee salary reduction plan, which includes the WESPATH UMPIP plan.
 - THIS IS THE EMPLOYEE UMPIP CONTRIBUTION THAT IS BILLED BY WESPATH, NOT THE UMPIP (pension) that is paid by the church to the conference for ¼ time clergy). Amounts that are contributed on a tax-paid basis to UMPIP by the clergy should be included in Box 1.
 - THERE ARE SPECIAL RULES FOR ROTH CONTRIBUTIONS and how these contributions must be reported; the church should check with its tax advisor.
2. Code P: Qualified moving expense reimbursements paid directly to the employee. See moving expenses in Instructions for W-2.

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3. Code W: H.S.A. Show any employer(ER) contributions **plus** amounts the **employee** (EE) elected to contribute by having the money withheld from his/her paycheck. For any clergy participating on the Conference's health insurance plan, the clergy person receives \$100 per month in the H.S.A. account as money provided by the employer (NOTE: This amount is paid by the church in the monthly health payment made by the church to the Conference.) In addition, if the pastor has money deducted from their paycheck for the HSA it is reported here. Thus, the amount to reported under Code W = (\$100 per month x number months for which the church was billed for the health insurance for the clergy person) + the amount the pastor had deducted voluntarily from his/her compensation. If a church is on a charge, the \$100 per month is prorated according to the percentage of the health insurance premium paid by the church.

4. Code DD: Health Insurance Cost provided by the church. The 2019 health insurance premium cost is \$1,330 per month or \$15,960 (note this excludes the H.S.A amount of \$100 per month) if the pastor worked at the church for the entire calendar year (this is the amount paid to the conference less the HSA contribution that is listed on Code W).

Box 13 Retirement Plan is checked if the pastor is a participant in the United Methodist Church CRSP or UMPIP pension plan (basically all clergy for whom the church receives a pension billing each month).

Box 14 may be used for additional reporting. If applicable, you include the amounts paid to the clergy person for housing allowance in lieu of parsonage and/or utility allowance here. Enter the words "Housing Exclusion" along with the amount. This does not apply to lay pastors. This is also the place where one could report that a parsonage is provided.

Boxes 15 State and Local Tax Information – Each local church must obtain a State Tax ID number from the Louisiana Department of Revenue.
(This can be applied for on-line. [http:// revenue.louisiana.gov/Businesses/BusinessRegistration](http://revenue.louisiana.gov/Businesses/BusinessRegistration)).

Box 16 is the same as Box 1

Box 17 is the amount, if any, withheld on a voluntary basis by the clergy for state taxes

Box 18 - 20 is left blank

For more specific instructions on a particular issue, please refer to <https://www.irs.gov/pub/irs-pdf/iw2w3.pdf>.

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