

Kentucky Annual Conference
2019 Clergy Compensation Form Instructions

- Complete a compensation form for each pastor under episcopal appointment to the local church. **In the case of a multiple-point charge, each church must complete a compensation form.**
- Compensation is to be reported on a calendar year basis (12 months).
- Minimum Base Compensation for 2019:

Clergy Status	Minimum Base Salary
Full Conference Member	\$36,200
Provisional Member	\$34,129
Associate Member	\$34,129
Full-Time Local Pastor	\$32,054

A – Clergy/Church Information

1. Name
2. Conference relationship status: Indicate the relationship status. Ex: FE, PE, FL, PL, SY, RE, etc.
3. Appointment percentage: For clergy serving less than full-time, appointment percentage is to be set by the District Superintendent.
- 4-7. Church information: Indicate district, charge name, church name and church GCFA#.

B – Compensation

1. Cash salary: Base salary
2. Equitable compensation: Amount that may be provided by the Conference to meet minimum compensation requirements.
3. Self-Employment Tax: Any amount paid by the church toward the pastor’s self-employment tax.
4. Other income: Includes but is not limited to travel stipends, YMCA/gym memberships, and payments to an IRA or other personal investment plan. *For Full-Time appointments, do not include amounts for United Methodist pension and insurance plans (CRSP/ CPP) or amounts for expenses that are reimbursed through an accountable reimbursement plan. UMPIP or other payments made into pension funds should be included for appointments less than full-time.*
5. Health Insurance Allowance: The church/salary-paying unit is required to pay the Conference Silver Plan employee-only premium for full-time clergy. The Silver Plan employee-only premium should *not* be reported in this section. Only report amounts in this section the church/SPU pays *in addition* to the required Silver Plan employee-only premium. The health insurance allowance can include, but is not limited to: the “buy-up” cost for the employee-only Gold Plan, additional premiums for adding dependents to either the Silver or Gold Plans, dental/vision insurance premiums, additional compensation for employee to purchase insurance through exchange or public/private market or additional compensation for coverage under a spouse’s employer group health plan. Effective January 1, 2019, health insurance allowances are included in the plan compensation for calculating pensionable income.

If a church pays the cost of the conference health plan for the pastor, *including* the “buy-up” to the Gold Plan, the pastor’s spouse and dependents, the payments are not *taxable* wages and are not subject to Social Security, Medicare and FUTA taxes. All other payments as referenced in the above paragraph are included in the employee’s taxable income and should be reported on the employee’s W-2.

C-1 - Housing: Parsonage

- 1-2. Parsonage: Indicate if the pastor is provided a parsonage and if the pastor resides in the parsonage.
3. Parsonage equivalent: Enter the amount from line B-6 and multiply by 0.25 (25%).

C-2 – Housing: Housing Allowance

3. Housing Allowance: Cash amount paid to the pastor if a parsonage is not provided. The required minimum housing allowance for full-time clergy is \$16,000. The cash housing allowance is different than the Housing Exclusion (Section E).

D – Calculate Total Plan Compensation

Plan compensation/pensionable income is used to calculate pension plan contributions for clergy enrolled in CRSP and CPP premiums.

E – Housing Exclusion

A portion of income the pastor may be able to exclude from gross income for federal income tax purposes. For more information, please refer to the Clergy Housing Q&A www.kyumc.org/finance.