

2023 CLERGY BUDGET COMPENSATION PACKAGE

REPORT OF PASTOR (STAFF) - RELATIONS COMMITTEE TO CHARGE CONFERENCE

PASTOR'S NAME _____ Last 4 digits of Social Security # XXX-XXX-_____

CHARGE NAME: _____ DISTRICT _____ Begin date for this compensation: _____

NOTE: Use One column per Church/Salary paying unit	1	2	3	4	Column 5
Church/Salary Paying Entity Name					COMBINED TOTAL
Church GCFA Number (6-digit number)					FOR THE YEAR
A. Clergy Compensation Items					
A 1. Net Cash Salary (Include on line 1 W-2) If you are not retired clergy, see instructions for line A-1 on back for required amount)					
A 2. Salary Support (Equitable Comp, New Church, etc.) (Include on line 1 W-2)					
A 3. After Tax UMPIP/Roth Contribution (Include in line 1 on the W-2; it does NOT go in box 12.)					
B. Salary Reductions (not included on Line 1 of W-2)					
B-1. Wespeth Personal Investment Plan (UMPIP) (Include in Box 12 on W-2 code E)					
B-2. Conference Health Plan Premiums (participant's share) (100% of Dental & Vision)					
B-3. Health Flexible Spending Accounts (See Instructions)					
B-4. Child Care Flexible Spending Account (See Instructions)					
B-5. Health Saving Accounts (See Instructions)					
C. Housing Related Allowances (Not included on Line 1 on W-2 should be included on block 14 and noted as Clergy Housing)					
C-1. Housing Allowance (Not living in UM provided parsonage)					
C-2. Parsonage Allowance (Utilities & Appurtenances in UM provided parsonage)					
D. Sub Total: Total Gross Cash Salary					
E. UM provided parsonage, (25% of total of line D (not on W-2)(NOT PAID AMOUNT)					
F. Clergy Plan Compensation for Pension (Total D & E)					
G. Employer Reimbursable Expense Limit: Includes Continuing Education (Not on W-2)					

Clergy Signature _____

Column 1: PPRC Chair & Treasurer Signature _____

Column 2: PPRC Chair & Treasurer Signature _____

Column 3: PPRC Chair & Treasurer Signature _____

Column 4: PPRC Chair & Treasurer Signature _____

NOTE: Only District Superintendent will complete below

*Does Pastor live in a United Methodist provided parsonage? Yes

No

**Time Appointed: Full

Less than full time

Clergy Status _____ DS Approval _____ Date sent to Treasurer _____

*For local church use in calculating/budgeting direct bill benefit costs.

	1	2	3	4	FOR YEAR
Line F from page 1 (Clergy Plan Compensation for Pension)					
Direct Bill calculation factor: **Full time clergy 6%. **Part time clergy 0%					
Direct billed amount as calculated					

**Churches with full time clergy will be billed 6% in 2023, and the part time will not be billed due to a direct bill holiday that was approved by the Conference Board of Pensions.

***All churches with clergy enrolled in the Conference insurance plan will be billed \$14,400.00 per policy. (\$1,200.00 per month)

Clergy Premium Rates for 2023 as adopted by 2022 Annual Conference are as follows:

Medical Plan/Tier	2023 Monthly Participant Share (medical Only)	Dental Plan/Tier	2023 Monthly Rate
B1000 w/ P1		Passive PPO 2000	
Employee Only	\$253	Employee Only	\$48
Employee and One Dependent	\$480	Employee and One Dependent	\$95
Family	\$655	Family	\$143
CDHP/C2000 w/ P2		Dental PPO	
Employee Only	\$214	Employee Only	\$40
Employee and One Dependent	\$406	Employee and One Dependent	\$78
Family	\$554	Family	\$118
C3000 w/ P2		Dental HMO	
Employee Only	\$95	Employee Only	\$16
Employee and One Dependent	\$178	Employee and One Dependent	\$28
Family	\$242	Family	\$50
H1500 w/ P3			
Employee Only	\$190		
Employee and One Dependent	\$360		
Family	\$492		
H2000 w/ P4		Vision Plan/Tier	2023 Monthly Rates
Employee Only	\$106	Full Service	
Employee and One Dependent	\$199	Employee Only	\$8
Family	\$272	Employee and One Dependent	\$13
		Family	\$20
H3000 w/ P5		Premier	
Employee Only	\$0	Employee Only	\$14
Employee and One Dependent	\$0	Employee and One Dependent	\$23
Family	\$0	Family	\$36

2023 Minimum Salary Compensation Amounts:

Full Conference, Provisional, Commissioned, and Associate Members **\$45,350.00** with Parsonage
Full Conference, Provisional, Commissioned, and Associate Members **\$56,675.00** without Parsonage
Full Time Local **\$44,350.00** with Parsonage
Full Time Local **\$55,675.00** without Parsonage

2023 Clergy Budget Compensation Package Instructions

General Instructions:

This form is used by the charge conference for officially setting the salary of appointed pastors and determining the insurance that the conference will bill. Also, this form can also be of real benefit in providing documentation required by the IRS. Remember, this form must be adopted at Charge Conference and line F can only be changed by Charge Conference Action.

- All amounts are to be **ANNUAL** (not monthly) amounts regardless of the date of the appointment.
- A separate column must be used for each salary paying unit (District Appointment, Wesley Foundation, etc.).
- Be sure to check your addition and enter sub totals and totals in the correct boxes.
- You must use column 5 to total all columns.
- Be sure all signatures are obtained before submitting the form to the District Superintendent at charge conference.
- All payments to or on behalf of the clergy must be included on this form; i.e.: church paid utilities, insurance contributions, annual conference meeting reimbursements, etc.

Section A: Clergy Compensation Items

- A-1 This is the net cash salary that is to be included on the W-2 form. If you are clergy by tax law definition and not retired, an amount must be entered on this line. You must have a minimum cash salary of 4% of plan compensation for full time clergy and 9% for less than full time clergy. This definition is determined by Wespath.
- A-2 Equitable compensation and new church salary is a grant to the local church. Check with your DS for the correct amount to enter here, if any. The conference treasurer direct deposits the funds to the church account and the local church treasurer pays those designated funds to the pastor. The amount is included on the W-2 form.
- A-3 After Tax UMPIP/Roth contributions should be included in Box 1 on the W-2. They do not go in box 12.

Section B: Salary Reductions

- B-1 Full time clergy must contribute up to 1% of plan compensation to receive the conference equivalent match of up to 1%. Plan compensation is defined in Line F.
- B-2 Only Conference Insurance Plan Contributions can be listed on this line according to the Affordable Care (ACA). As a salary reduction, premiums that are listed must be billed to and remitted by the local church/salary paying entity.
- B-3 Line B-3 is an annual election on January 1, 2023 for the FSA. It will carry over to any appointment change. To enter any amount on this line Clergy must participate in the Conference health insurance plan.
- B-4 The Conference FSA plan provides an annual election for a child care plan up to the maximum levels as provided by IRS guidance. It will carry over to any appointment change. If an amount is entered on this line, the administration of the plan must be through the Health Flex Plan. The Conference Benefits Office will provide the paperwork to get this established. The plan must be completed by December 1, 2022.
- B-5 The HSA level of participation is governed by the high deductible plan in which the participant enrolls. It will carry over to any appointment change. If an amount is entered on this line, the administration of the plan must be through the conference benefits office. Enrollment through the Conference plan requires paperwork completion by December 1, 2022.

Section C: Housing Related Exclusions/Allowances (IRS Code Section 107)

Housing allowances are two types and should be paid equally over the year. Clergy are required to account for these funds to the IRS. Line C-1 are the funds paid to the pastor by the church to provide housing when the pastor is not living in a UM parsonage. Parsonage Allowance-Utilities and appurtenances (line C-2) are acceptable whether the home is provided by the church. These amounts can be changed for future months-not prior months. Be sure you submit any changes on this form to your district office. This amount should be entered on line 14 of the W-2 Form and marked as Clergy housing.

Section D: Sub Total or total gross cash salary.

Section E: UM Parsonage Calculation for Pension/Direct Bill. 25% of line D. Not to be paid. Not to be on W2.

Section F: Clergy Plan Compensation for Pension. Total of lines D and E. This is the figure used when calculating direct bill pension.

***The direct billed pension is an expense of the salary paying entity and is NOT chargeable to the pastor.**

***The direct billed medical premium of \$14,400.00 is an expense of the salary paying entity and is NOT chargeable to the pastor.**

Section G: Employer Reimbursable Expense Limit This is the block where you will enter the amount budgeted by the church for employee business expenses. There must be a plan adopted by the Board or charge conference prior to payment of the first check. The pastor is accountable to the church for these reimbursed expenses. These amounts shall not be included on the W-2 form. Any amount not used cannot be legally paid to the pastor.



Contribution Election—Information and Instructions

United Methodist Personal Investment Plan (UMPIP)

INFORMATION

This form allows you to elect to make before-tax, Roth and/or after-tax contributions to your United Methodist Personal Investment Plan (UMPIP) account.

UMPIP is a 403(b) plan, subject to contribution limits under the Internal Revenue Code. Your total before-tax and Roth contributions for the year to UMPIP (and any other qualified retirement plans) cannot exceed the lesser of your compensation or the 2022 limit of:

- \$20,500 if you are under age 50 with less than 15 years of service
- \$27,000 (includes \$6,500 “catch-up” contribution) if you will be 50 or older by December 31
- Possibly higher if you have at least 15 years of service with all United Methodist-related organizations—call Wespath for further information

Your total before-tax, Roth and after-tax contributions (but not including “catch-up” contributions), plus any plan sponsor contributions to UMPIP [and any other 403(b) plans sponsored by your plan sponsor] cannot exceed your compensation for the 2022 plan year or \$61,000, whichever is less.

For these limit purposes, compensation does not include the value of any parsonage or housing allowance that is excluded from your taxable income.

You cannot withdraw contributions from UMPIP unless you have a financial hardship as defined under UMPIP, attain age 59½, are disabled as defined under UMPIP, retire, terminate employment and/or terminate your relationship with the annual conference.

INSTRUCTIONS

Part 1 – Personal Information

Complete your personal information. Use a black pen and print clearly in CAPITAL LETTERS. If you enter a new address that should be used to update your participant record, contact Wespath at **1-800-851-2201**.

Part 2 – Before-Tax Contribution

Indicate the dollar amount or percentage that you elect to have withheld from your compensation as a before-tax contribution and contributed to UMPIP.

Your compensation (including the value of any parsonage or housing allowance) will be reduced before withholding taxes are calculated. When you receive distributions from UMPIP, your before-tax contributions and earnings will be taxable.

Automatic Enrollment

If your plan sponsor has adopted automatic enrollment, review the **Automatic Enrollment Notice** to determine if this feature applies to you. If you have been automatically enrolled in UMPIP and wish to change your before-tax contribution election, or if you are about to be automatically enrolled and wish to make a before-tax contribution election that is different than the automatic contribution rate described in the **Automatic Enrollment Notice**, indicate that election on the form.

Automatic Contribution Escalation

If your plan sponsor has elected automatic contribution escalation, review the ***Automatic Enrollment Notice*** to determine your eligibility for this feature and learn how it works. Check the box to indicate whether you elect to have automatic contribution escalation apply to your before-tax contributions. If you do not make an election and are eligible for automatic contribution escalation, this feature will be applied to your contributions as the default election.

Part 3 – Roth Contribution

Indicate the dollar amount or percentage that you elect to have withheld from your compensation as a Roth contribution and contributed to UMPIP.

Your compensation (including the value of any parsonage or housing allowance) will be reduced after withholding taxes are calculated. When you receive distributions from UMPIP, your qualified Roth contributions are non-taxable. See the *Roth Contribution Guide* at wespath.org/assets/1/7/4834.pdf for more information about the tax implications of Roth account distributions.

Part 4 – After-Tax Contribution

Indicate the dollar amount or percentage that you elect to have withheld from your compensation as an after-tax contribution and contributed to UMPIP.

Your compensation (including the value of any parsonage or housing allowance) will be reduced after withholding taxes are calculated. When you receive distributions from UMPIP, your after-tax contributions are non-taxable but the earnings on those contributions are taxable.

Part 5 – Signature

Read the statement and, if you agree, sign and date the form. Then, return it to your employer or plan sponsor. Keep a copy of the submitted form for your records.

Part 6 – Acceptance by the Plan Sponsor/Salary-Paying Unit

Your plan sponsor must sign and date this form and return it to Wespath as indicated.



Contribution Election

United Methodist Personal Investment Plan (UMPIP)

Part 1 – Personal Information

Name _____ Social Security # (last 5 digits) _____

Mailing address _____ Primary phone # (____) _____

_____ E-mail _____

☐ Clergy ☐ Lay ☐ Bishop

Part 2 – Before-Tax Contribution

Review the Instructions for important information about automatic enrollment and automatic contribution escalation.

Choose one:

- ☐ **Percentage of compensation:** _____% of compensation
- ☐ **Dollar amount:** \$_____ per month (cannot exceed your monthly compensation)
- ☐ I elect **not** to make before-tax contributions (Skip to Part 3)

Automatic Contribution Escalation (choose one if this feature applies to you—see Instructions):

- ☐ I elect to have automatic contribution escalation apply to my before-tax contributions (default)
- ☐ I elect **not** to have automatic contribution escalation apply to my before-tax contributions

Part 3 – Roth Contribution

Choose one:

- ☐ **Percentage of compensation:** _____% of compensation
- ☐ **Dollar amount:** \$_____ per month (cannot exceed your monthly compensation)
- ☐ I elect **not** to make Roth contributions

Part 4 – After-Tax Contribution

Choose one:

- ☐ **Percentage of compensation:** _____% of compensation
- ☐ **Dollar amount:** \$_____ per month (cannot exceed your monthly compensation)
- ☐ I elect **not** to make after-tax contributions

Part 5 – Participant Signature

I have read the instructions, and understand and accept the actions I have taken with this Contribution Election.
I acknowledge that:

- The indicated before-tax, Roth and/or after-tax contributions will be withheld from my pay and contributed to my UMPIP account.
- My before-tax contribution percentage will increase each year up to a maximum percentage as specified in the **Automatic Enrollment Notice**, if I am eligible, unless I elected not to have automatic contribution escalation apply to my before-tax contributions in Part 2.
- I cannot withdraw contributions from UMPIP unless I have a financial hardship as defined under UMPIP, attain age 59 ½, am disabled as defined under UMPIP, retire, terminate employment and/or terminate my relationship with my annual conference.
- This agreement will remain in effect with my current plan sponsor/salary-paying unit until I submit a new form.

Print Name _____

Signature _____

Date _____

Part 6 – Acceptance by the Plan Sponsor/Salary-Paying Unit

Effective date of this contribution _____ 1, 20____.

This date must be the first day of a month on or after the participant signed this form.

Plan sponsor name _____

Employer # _____

Plan sponsor address _____

Phone # (____) _____

Authorized representative _____

Title _____

Authorized signature _____

Date _____

Please complete this form and send it by:

- E-mail (scanned copy) to prcwebteam@wespath.org or
- Fax to 1-847-866-5195 or
- Mail to Wespath Benefits and Investments
1901 Chestnut Avenue, Glenview, IL 60025

The plan sponsor/salary-paying unit should keep the original form for its payroll records.