



2012 Pastoral Services Worksheet for Pastors who Live in a Parsonage

Name of pastor: _____

Position: _____

Percent time: _____ Credited years of experience: _____

I. Pastoral compensation

(see instructions for detailed explanation of each line item)

A Base salary	\$ _____
B Increments for years of service	\$ _____
C Education consideration	\$ _____
D Fair rental value of parsonage + church-paid utilities ¹	\$ _____
E Total of lines A, B, C, and D	\$ _____
F Social Security allowance (E × 7.65%)	\$ _____
G Social Security taxable income (E + F)	\$ _____
H Estimated personal parsonage expenses for 2012	\$ _____
<small>(from Housing Allowance worksheet)²</small>	
I Estimated Income reportable to IRS as wages on W-2 or Form 1099 (G - H - D)	\$ _____
J Contribution to retirement fund (E × 10%)	\$ _____
K Contribution toward health insurance premium	\$ _____
L Pastor's total compensation (G + J + K)	\$ _____

II. Accountable business reimbursements

M Hospitality	\$ _____
N Car allowance at current IRS rate	\$ _____
O Continuing education (seminars, books, workshops)	\$ _____
P Professional dues	\$ _____
Q BIC conferences (travel costs and registration fees)	\$ _____
R Total reimbursements (M + N + O + P + Q)	\$ _____

III. Total pastoral compensation/remuneration for 2012 (L + R)

\$ _____



Recommended Annual Paid Time Off for Vacations and Holidays

The following annual benefits are recommended in addition to total pastoral remuneration provided.

Vacation

Years of service	Weeks vacation per annum*	Number of Sundays included
1 to 5	2	2
6 to 10	3	3
11 to over	4	4

* When calculating the equivalent number of vacation days, multiply the number of days your pastor is contracted to work during a standard work week times weeks of vacation recommended (e.g., 4 days per week, including Sundays × 2 weeks for a pastor with 2 years of service equals 8 days of vacation, 2 of which can be Sundays).

10 paid holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas, 3 personal days

Denominational involvement: Three Sundays per annum for Regional Conference, General Conference, and camp meetings, as needed. Also, up to two additional Sundays for ministry and resource appointments outside the congregation may be negotiated with the church board.

- 1 *The IRS currently allows ministers to exclude the annual fair rental value (FRV) of a parsonage, including utilities, provided rent-free by a church from federally taxable income as long as the recipient is a minister of the gospel and the benefit is specifically provided as part of the compensation for services performed as a minister of the gospel. (Any other worker who receives rent-free use of an employer-provided home must include the FRV in his/her federally taxable gross income.)*

While the minister does not have to pay federal income taxes on the FRV of a church-provided parsonage and utilities, such expenses are subject to Social Security taxes. Therefore, these values must be included in the self-employment earnings reported on Schedule SE (form 1040) when a minister computes his/her Social Security tax liability.

It is important not to overstate or understate the FRV as an understatement will have an adverse effect on the minister's retirement benefits while an overstatement will have an adverse effect on social security taxes paid. Also, the amount excluded cannot be more than the reasonable pay for a minister's services.

- 2 *Use the Parsonage Allowance Worksheet to calculate, document, and approve this amount. See explanations of the parsonage allowance at the end of the worksheet for more information.*