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PO Box 2469 Charleston, WV 25329

Phone: (304) 344-8331 Fax: (304) 344-9584

**TO:**  Pastors, Chairpersons of PPR Committees, and Treasurers

**FROM:**  Rev. Amy Shanholtzer, Dean of the Cabinet

Jamion Wolford, Conference Treasurer

**DATE:** July 16, 2022

**RE:** 2023 CLM or Assigned Supply Compensation

Greetings! We write concerning the responsibility of the Pastor/Staff-Parish Relations Committee to make recommendations to your Charge Conference for the upcoming compensation package for your pastor.

Your careful attention to detail in completing the “Assigned Supply Report Of Support” is critically important. This document provides common information needed for the pastor, the local church, the District office, the Conference Treasurer’s office, and Wespath. **It is imperative that this information is complete and correct or forms will be returned slowing the process for pension and other financial matters.**

We hope that you will foster an atmosphere of teamwork and shared concern by including the pastor in your deliberations, discussion of needs, desires and goals. As a matter of fact, after the Total Appointive Cost has been arrived at, the rest of the top of the sheet is pastoral responsibility. The result of this open communication will be improved clergy morale, deeper understanding and appreciation by lay leadership.

The instructions in this guide are for Assigned Supply who are all lay persons. They do not work under Equitable Compensation Guidelines and are not eligible for those benefits. The Charge must withhold Social Security (FICA) and Medicare taxes and must withhold Federal and State Income Tax because they are lay employees and not considered clergy. The enclosed instructions will help guide you.

Thank you for the good work that you do in the ministry and mission of the Church. Your District Superintendent and Jamion Wolford, the Conference Treasurer, are ready to assist you with matters related to the Report of Clergy Support. Parish workshops for churches and/or parishes are available from the Conference Treasurer upon request.

**INSTRUCTIONS FOR COMPLETING THE 2023 “ASSIGNED SUPPLY REPORT OF SUPPORT”**

**Make sure to the header section of the worksheet is complete; the District Office will be completing their box. The line “*Local Churches on the Charge totals”* at the top of the sheet is important.** On multiple church charges, the Charge Conference determines, in consultation with each church, the percentage of the Charge totals to be paid by the individual churches. Please be sure to provide this information; the Excel document of this Report of Supply Support can assist with each church’s specific dollar figures with this information. You must provide the percentage for each church. **The first church listed on the line for “Local Churches on the Charge” will be listed as the “Billable Church.”**

**Note: When using the Excel document some boxes, especially in the header section, use drop down options and one of those options must be selected.**

**All amounts provided should be annual totals, unless otherwise approved by Superintendent.**

**Box #1 – Salary Paid by Local Church**

* This amount is the gross annual salary agreed to between the assigned supply pastor and the church.
* This amount is prior to any withholdings, deductions, allowances, or exemptions.
* This amount does not include any supplements paid by parties other than the church.

**Boxes #2-4 – Other Taxable Income**

* Other taxable income planned to be paid by the church to the pastor.

**Box #5 – Gross Wages**

* Amount of pastor’s income prior to any deductions or tax withholdings and is the sum of boxes 1-4.
* “Assigned Supply” are lay persons and as such do not work under Equitable Compensation Guidelines and are not eligible for any benefits. Note: The Charge must withhold Social Security (FICA) and Medicare taxes and must withhold Federal and State Income Tax because they are lay employees and not considered supply.
* **ANY CHANGE IN THIS AMOUNT MUST BE DONE WITH CHARGE CONFERENCE ACTION.**

**Box #6 – Supply Health Insurance Premium**

* Health insurance premium withheld from pastor’s payroll.
  + Amount is equal the total participant elected health, dental, and vision premiums.
  + See Conference Health Insurance Rate sheet for a listing of monthly premiums.
  + If elected, include any participant health saving account or flexible spending account contributions
  + Assigned Supply Pastor is eligible for Conference Health Insurance Plan if he or she is assigned at least 75%. Responsible Superintendent determines percentage of assignment.
  + **The charge must pay the amount by an automatic draft from a church checking or savings account.**

**Box #7 – Pastor’s UMPIP (Before Tax)**

* This is an optional amount determined by the pastor, deducted from the pastor’s payroll prior to taxes being withheld, and paid directly to Wespath by the church. This can be a flat dollar amount or a percentage. You may call the Conference office at 1-800-788-3746 ext. 41 for information and forms.
* Because the church/charge is their own Plan Sponsor Manager, billing address changes must be initiated by the church/charge. To change a UMPIP billing address with Wespath the following steps will apply:
  + On letter head submit the following information – Primary Contact (generally the Treasurer, or whoever is paying the invoice), Billing Address, Participant Information (including birthdate and Social Security #), Fax to 1-800-866-5195 or mail to Wespath 1901 Chestnut Ave., Glenview, Illinois, 60025-1604 or email to prcwebteam@wespath.org.
  + The above instruction would also apply if a past payment needs to be submitted.

**Box #8 – Other Before Tax Deduction(s)**

* Any know pretax deductions elected by pastor.

**Box #9 – Taxable Wages**

* Amount will calculate for you if using the Excel document.
  + If not using Excel, this is Total Compensation less boxes 6-9.
* If there is no other taxable income such as moving expense, this box should equal box 1 on the W-2.

**Box #10 – Employee/Pastor's Portion of FICA & Medicare (7.65% of taxable wages)**

* The amount to be withheld from the pastor’s payroll checks for the employee’s portion of payroll taxes.
* This amount must be remitted and reported timely according to payroll tax guidelines.
* The following link provides IRS guidance and forms for withholding, remitting, and reporting payroll taxes:<https://www.irs.gov/businesses/small-businesses-self-employed/employment-taxes>

**Box #11 – Federal Income Tax Withholding**

* The amount to be withheld from the pastor’s payroll checks for the employee’s federal income taxes.
* Pastor should be completing an IRS Form W-4.
* The following link provides IRS guidance and forms for withholding, remitting, and reporting federal taxes withheld: <https://www.irs.gov/businesses/small-businesses-self-employed/employment-taxes>

**Box #12 – State Income Tax Withholding**

* The amount to be withheld from the pastor’s payroll checks for the employee’s state income taxes.
* Pastor should be completing a state withhold form.
* The following links provide state guidance and forms for withholding, remitting, and reporting federal taxes withheld:WV: <https://tax.wv.gov/Business/Withholding/Pages/WithholdingTaxForms.aspx> Maryland: <https://www.marylandtaxes.gov/index.php>

**Box #13 – Pastor’s UMPIP (After-Tax)**

* This is an optional amount determined by the pastor, deducted from the pastor’s payroll prior to taxes being withheld, and paid directly to Wespath by the church. This can be a flat dollar amount or a percentage. You may call the Conference office at 1-800-788-3746 ext. 41 for information and forms.
* This contribution could be a Roth contribution or simply an after-tax election.
* Because the church/charge is their own Plan Sponsor Manager, billing address changes must be initiated by the church/charge. To change a UMPIP billing address with Wespath the following steps will apply:
  + On letter head submit the following information – Primary Contact (generally the Treasurer, or whoever is paying the invoice), Billing Address, Participant Information (including birthdate and Social Security #), Fax to 1-800-866-5195 or mail to Wespath 1901 Chestnut Ave., Glenview, Illinois, 60025-1604 or email to prcwebteam@wespath.org.
  + The above instruction would also apply if a past payment needs to be submitted.

**Box #14 – All Other After-Tax Deductions**

* This could be money the pastor elects to have withheld from his or her check for any other agreed upon reason.

**Box #15 – Net Income**

* Annual amount paid to pastor after all deductions and withholdings.
  + This is the amount used to calculate the amount the pastor will receive in their payroll check.
  + This does NOT represent taxable income.

**Box #16 – Employer/Church's Portion of FICA & Medicare (7.65% of taxable wages)**

* The amount to be by the church for the employer’s portion of payroll taxes.
* This amount must be remitted and reported timely according to payroll tax guidelines.
* The following link provides IRS guidance and forms for withholding, remitting, and reporting payroll taxes:<https://www.irs.gov/businesses/small-businesses-self-employed/employment-taxes>

**Box #17 – Church UMPIP**

* This is an optional amount paid by the church/charge into the pastor’s personal UMPIP.
* This is paid directly to Wespath and administered by the church/charge.

**Box #18 – Health Insurance Paid by Charge Over Charge Responsibility**

* Only used if a church/charge elects to pay more than the charge’s responsibility ($7,200 for 2023) of the pastor’s health care premium(s) and/or additionally elected health account contributions.

**Box #19 – Accountable Reimbursement Plans**

* Accountable Reimbursement Plans are the professional business expenses to do ministry; the expenses are only for that which is expended, if not used the money is NOT given as supplemental pay to the pastor. Expenses **must** be submitted to the church/ charge treasurer in a consistent manner.
* **Money provided to the pastor for attending Annual Conference should be included in the ARP. Advances can be given, but receipts must still be provided upon return from Annual Conference and any unexpended funds must be returned.**
* For any information needed regarding ARP policy, you may contact the Conference Treasurer’s office (304-344-8331, ext 35). As always, the information received from the Conference Treasurer is only meant to give general guidance, not legal advice.

**Box #20 - Parsonage Utilities**

* All parsonage utilities should be in the name of the church/charge; the church/charge shall be responsible for 100% of these costs. Base telephone service at the parsonage is also included and can be in the name of pastor.
* **It is understood that this figure is only an estimated cost on this report.**
* These expenses are not part of the “Total Appointive Cost.”

**Box #21 *-* Charge Insurance Responsibility ($7,200)**

* $7,200 for 2023 under HealthFlex

##### COMPLETING THE ASSIGNED SUPPLY REPORT OF SUPPORT

* **ACQUIRE ALL SIGNATURES FOR THE FORM AND ENSURE ALL PARTIES RECEIVE A COPY OF THE FORM FOR THEIR RECORDS.**
* **CHURCH MUST SUBMIT TO THE DISTRICT OFFICE.**
* **IF A CHANGE IS NECESSARY, CONTACT THE SUPERINTENDENT TO DETERMINE WHETHER A CHARGE CONFERENCE IS REQUIRED.**