

DOLLAR\$ & \$SENSE

JULY 2022

CONFERENCE TREASURER

USCIS Form I-9

The U.S. Citizenship and Immigration Services requires the Form I-9 to be completed for all individuals hired for employment in the United States. Newly appointed pastors must complete this form at each new appointment prior to their first day. Go to <https://www.uscis.gov/i-9> to access the most recent form.

Moving Expenses

Effective 1/1/2018, the Tax Cuts and Jobs Act removed the exclusion of moving expenses as a fringe benefit to employees. Employees (except for certain members of the Armed Forces) must pay taxes on moving expenses provided by employers, whether the employer directly pays for the moving expenses or the employee is reimbursed from the employer for the moving expenses.

This change impacts our clergy and churches in two ways:

1. Treasurers must add the moving expenses to the W2 box 1 and box 16 at the end of the year, so it is reported properly as taxable income. Keep in mind that pastors have 'dual-tax status' by IRS rules, meaning that they are 'common law' employees of their church, so they must receive a W2 at the end of the year. Pastors are 'self-employed' for Social Security and Medicare purposes, meaning the church does not withhold or pay Social Security or Medicare. Pastors are individually responsible for filing a quarterly tax estimate on Form 1040 ES.
2. Moving expenses are now considered 'pensionable compensation' by Wespeth. Pastors and treasurers will receive instructions to report moving expenses on the EVC website, so the pension amount is properly calculated for your pastor. An additional pension bill will come from VUMPI in the fall with the amount due by the church.

Moving expenses cannot be reported as Accountable Reimbursement or as Housing Exclusion. Please be sure that moving expenses are properly handled by your church to avoid penalties by the IRS or misrepresentation of the pensionable compensation. If you have questions, please give us a call at 804-521-1100.

New Districts

The Annual Conference voted to move to 8 new districts as of July 1, 2022. Your apportionment statement reflects your church transactions for the first six months of the year and coordinates with your original district. Your July statement will reflect your new district. This change does not affect your apportionment or to whom you send your monthly payment.

2023 Minimum Compensation Schedule

Annual Conference approved the following Minimum Compensation Schedule beginning January 1, 2023:

Full Connection Pastors	\$45,000
Provisional & Associate Members	\$40,500
Local Pastors	\$38,000

IRS Mileage increase as of July 1, 2022

On June 9, 2022, the IRS announced an increase in its mileage rate for the final six months of 2022. Beginning July 1, 2022, the standard mileage rate for business travel will be 62.5 cents per mile, up 4 cents from the rate that was in effect at the beginning of the year. Volunteer mileage rate remains unchanged at 14 cents per mile.

Welcome New Pastors!

Welcome to all newly appointed pastors! You will receive your church's apportionment statement each month. Your treasurer will also receive a copy. You should have received a Welcome email from Acumatica, our online apportionment portal. Let us know if you need assistance logging in.

Lay Supply Pastors

Treasurers should be sure to withhold Social Security and Medicare (FICA), as well as Federal and State taxes from your pastor's paycheck if they are lay supply pastors. Lay supply pastors are not eligible for the Housing Exclusion. Call our office if you need guidance on payroll withholding.

Material Resources/Kits Donations

Our office continues to receive monies for supplies and shipping. Please be sure to make checks payable to VAUMC and mark it Fund #901440.

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