

DOLLAR\$ & \$SENSE

JUNE 2020

CONFERENCE TREASURER

2020 Appointments begin on July 1st

Bishop Lewis and the Cabinet recently announced that new appointments will officially begin on July 1 this year, which is different from prior years. Treasurers should start paying their newly appointed pastors on July 1st. For churches receiving a Lay Pastor, be sure to withhold Social Security and Medicare as well as Federal and State taxes.

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.

Data Verifications – 2019 Year-End Statistics

Each year, pastors and treasurers are sent a data verification by email (or by regular mail if we don't have an email for you) to verify the 2019 expenses reported through EVC Year-End Statistics. This information is important particularly because the expenses are used to calculate your church's apportionments for 2021. Please be on the lookout this coming week for your church's Data Verification. If you have questions, give us a call at 804-521-1100.

Rising Hope Virtual 5K – Conference Treasurer's Office

The conference treasurer's office is participating in the Rising Hope Virtual 5K on June 27th, celebrating their 25th Anniversary year and helping to raise funds for ministry with the poor. More than 300 families depend on Rising Hope's food pantry each week.

Go to <https://charity.gofundme.com/o/en/campaign/rising-hope-virtual-5k> and select Donate to sponsor the conference treasurer's office as we walk to support Rising Hope.

Welcome New Treasurers

Many churches nominate leadership to start in coordination with the appointment year. If you are a new treasurer, please let us know by sending an email to vatreasurer@vaumc.org with your church GCFA#, church name, your name, email and contact phone number.

Special Offerings

The **Samaritan Fund Offering** is one of the four Virginia Annual Conference Special Offerings taken up anytime between Mother's Day and Father's Day. The Samaritan Fund is a benevolent fund that provides financial assistance to Pinnacle Living residents who have outlived their monetary resources and, through no fault of their own, can no longer afford the full cost of their care. Access the website at <https://www.pinnacleliving.org> for materials or to learn more about this special ministry! Church treasurers can remit contributions to the Treasurer's office by notating **Fund #6411-Pinnacle Living (Samaritan Fund)** at the bottom of your apportionment statement or remitting a payment through www.vaumcpayapp.org.

Peace with Justice Sunday is scheduled for Sunday, June 7th. The General Board of Church & Society awards these funds to support programs that advocate peace and justice at home and around the world. For additional information, go to www.umcgiving.org and select Special Sundays. Church treasurers can remit contributions notating **Fund #4433 – Peace with Justice Sunday** on the apportionment statement or remitting a payment through www.vaumcpayapp.org.

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