

Clergy Payroll FAQ

Find this information and more online at vaumc.org/clergypayroll

For All Churches

What was voted on at the 2026 Annual Conference?

The Annual Conference body voted to accept CFA's Proposal to the Virginia Conference as presented in the [Book of Reports](#) on page 79.

Beginning January 1, 2027, clergy payroll shall be administered through one of three options:

- **(A)** Clergy payroll may continue to be managed by a **paid professional staff member** of the local church.
- **(B)** Clergy payroll may continue to be managed through an **outside payroll vendor** selected and funded by the local church.
- **(C)** Clergy payroll may be administered by the **Virginia Conference Clergy Payroll** managed by the Treasurer's Office at no additional cost to the local church.

Staff/Pastor Parish Relations shall make a recommendation to the Charge Conference as to which payroll option they are choosing for their clergy. This will be reported by **November 30, 2026** via the Clergy Compensation Agreement for January 1, 2027.

What is the difference between the Clergy Compensation Form and the Clergy Compensation Agreement?

The Clergy Compensation Agreement is the new form in Unity for all appointments as of January 1, 2027. This will include the payroll processing election made by the church and will also have the clergy salary, housing allowance, employer benefits, and housing exclusion amounts. The new form replaces the current Clergy Compensation Form and has similar information. The Clergy Compensation Agreement is designed to clearly communicate the actual total employer cost to the local church and in multi-point situations how much each church agrees to contribute.

What is the timeline?

The process begins now and continues through Charge Conference Season. You can find a full timeline [HERE](#).

How do I find out more and/or ask questions?

Please first read through this FAQ, as we have worked hard to anticipate and answer questions about this process. We will also hold a webinar on **Monday, September 14 at 6:30 PM**. You can register for that webinar [HERE](#). It will be recorded and made available afterwards. Specific questions about clergy payroll not addressed within this FAQ may be sent to clergypayroll@vaumc.org.

For specific questions, **please consider the type of question** to determine who to contact.

Contact your **District Administrator** for:

- Questions about the appointment.
- Questions about individual lines on the Clergy Compensation Agreement.
- Questions about the new [Accountable Reimbursement](#) policy

Contact **the Treasurer's Office** for:

- Questions about the **Virginia Conference Clergy Payroll program**
- (804) 521-1104 clergypayroll@vaumc.org

Contact **VUMPI** for:

- Questions about pensions/benefits
- (804) 521-1100

Contact **your local church** for:

- Questions about reimbursements for continuing education, travel, parsonage or housing-related expenses.

When does a church need to tell someone which A, B, or C option they select?

The process naturally begins during the Charge Conference Season. As part of the new Clergy Compensation Agreement (revised summer 2026), churches will select their preferred option by **November 30, 2026**. This will be affirmed by the Charge Conference and submitted as part of the regular Charge Conference paperwork.

How do we select a Clergy Payroll Option?

The new Clergy Compensation Agreement will contain a space to indicate a Clergy Payroll option. That form must be completed by **November 30, 2026**. Typically, the Clergy Compensation Agreement will be affirmed as part of the fall Charge Conference session and submitted with the Charge Conference paperwork.

What if my church doesn't follow the typical 'fall' charge conference schedule?

If your church follows an alternate Charge Conference timeline, please ensure that your information has been updated via the Clergy Compensation Agreement in Unity by **November 30, 2026**.

Whose responsibility is it to ensure this has been handled?

Every church must make a Clergy Payroll designation by **November 30, 2026**, via the means noted above. District Offices will follow up to ensure this step has been completed via their offices.

Can we make a different choice later? (Can we change our minds?)

Of the three payroll choices available to clergy, it may be determined that a change is needed; these selection changes would most frequently occur prior to appointment changes or the start of the calendar year.

If churches have opted for either option A or B and later decided they would like the Virginia Conference to process the pastor's payroll (Option C), it would take a Charge Conference action which would be scheduled with the District Superintendent.

Is a Charge Conference required to affirm and solidify our selection?

Because the selection will be made via the Clergy Compensation Agreement, which requires charge conference approval, a charge conference is necessary to solidify the selection.

Is Accountable Reimbursement Affected and How So?

You can find information about Accountable Reimbursement [HERE](#).

In the Book of Reports, September and October dates were mentioned. Why have those dates shifted?

While we have begun onboarding some early adopters, we recognize that most churches will have their Charge Conferences between September and November. To make the process easier for the majority of churches, we have shifted the timeline since the Charge Conference is an easy and natural place to make and affirm the payroll selection.

Churches that would like to shift their clergy payroll to the Conference Clergy Payroll prior to January can do so by contacting the Treasurer's office at clergypayroll@vaumc.org or calling 804-521-1104.

The new Clergy Compensation Agreement has limits on the housing exclusion. Why?

Clergy are eligible to elect a housing exclusion up to the total of their salary and housing allowance. Per IRS rules, you cannot exclude more than your total taxable income derived from this appointment.

For Churches Selecting Options A/B

If we are to keep our current system, do we need to take any action?

ALL churches must make a selection via their Clergy Compensation Agreement by **November 30, 2026**. If your church is maintaining its current option and it falls into one of the three approved categories (A: Paid Professional Staff Member, B: Outside Payroll Vendor, or C: Virginia Conference Clergy Payroll), **the Clergy Compensation Agreement still needs to be completed** following the process outlined above.

If your current option **does not** fall into one of the three approved categories, your church **must select and move to** an approved option.

When do we need to decide?

ALL churches must indicate their payroll option on the Clergy Compensation Agreement by **November 30, 2026** following the process outlined above.

What is the difference between the Clergy Compensation Form and the Clergy Compensation Agreement?

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For Churches Selecting Option C: Virginia Conference Clergy Payroll

What is the timeline?

The process begins now and continues through Charge Conference Season. You can find a full timeline [HERE](#).

In the Book of Reports September and October dates were mentioned. Why have those dates shifted?

While we have begun onboarding some early adopters, we recognize that most churches will have their Charge Conferences between September and November. To make the process easier for the majority of churches, we have shifted the timeline since the Charge Conference is an easy and natural place to make and affirm the payroll selection.

Churches that would like to shift their clergy payroll to the Conference Clergy Payroll prior to January can do so by contacting the Treasurer's office at clergypayroll@vaumc.org or calling 804-521-1104.

What payroll company will the Conference be using?

The Virginia Conference Clergy Payroll will be administered using [ADP](#) Workforce Now.

When will the first paycheck come?

The first paycheck using the Virginia Conference Clergy Payroll program will be issued on January 5, 2027.

What is the payroll schedule?

Clergy will be paid twice a month on the 5th and 20th.. You can find a complete schedule of payroll dates [HERE](#).

Is there direct deposit?

Yes. A clergyperson can select either direct deposit or a mailed check. We encourage clergy to use direct deposit, and ADP Workforce Now will guide them through entering the required information. Checks will be issued and mailed on scheduled paydays, but arrival time will vary because of the USPS.

We have decided to enroll in the Virginia Conference Clergy Payroll program. What happens now?

- **Step 1:** Make your selection via the Clergy Compensation Agreement in Unity.
 - Affirm and submit this via Charge Conference.
- **Step 2:** Clergy will receive a Welcome email from ADP to begin the Onboarding process. To complete this, you will need personal information such as:
 - Social Security number
 - Address and phone number
 - I9 information
 - Direct deposit information (optional)
 - Emergency contact (optional)
 - Income tax elections (optional)*
- **Step 3:** Be prepared to complete the I9 process with a member of the Treasurer's office prior to December 15, 2026. This is the verification of employment and will require the necessary documentation and should take approximately 10 minutes.
- **Step 4:** The Treasurer's office will enter your payroll information, including benefit elections.
- **Step 5:** Check your first paycheck on January 5th, 2027, and ensure all is in order.

Who has access to my payroll information?

Salary and housing allowance are not confidential. The Conference Treasurer's Office, VUMPI, and the Unity database manager will have access to the information to process payroll.

Who can make changes/updates, and how often can they be made?

Changes to employee benefits are coordinated with the VUMPI office according to their policies. If there are tax or bank account changes, they are done via self-service in ADP Workforce Now as needed. Compensation changes flow through the Charge Conference process in Unity. Clergy can make changes to their retirement contribution elections at any time through the Wespath Benefits portal.

When/if we have questions about the setup process or during the year, how do we get those answered?

clergypayroll@vaumc.org and 804-521-1104

How quickly can we expect a response?

Within 48 hours.

We want to give our pastor a Christmas Bonus or Love offering. How do we do this within the Virginia Conference Clergy Payroll system?

The church S/PPRC chair will enter the bonus/love offering in Unity. The treasurer's office will be notified automatically via Unity, and the bonus will be added in the following payroll.

We want to give our pastor a raise. How do we do this?

The S/SPRC chair of the church will enter the new compensation in Unity and have it approved by the Charge Conference, and District Superintendent, as is currently the practice. The treasurer's office will be notified automatically via Unity.

In the Book of Reports, it said *clergy can have the option of having tax withheld by the conference, which will offer them the opportunity to no longer have to pay quarterly federal and state estimated taxes, and even to receive tax refunds.* What do we need to do to qualify? And when do we stop paying estimated taxes?

Clergy are responsible for estimating and paying Social Security and Medicare, just as they do now. Clergy will have the option to either pay estimated taxes or have Federal and State Income tax withheld from their paycheck if they choose so in the Onboarding process in ADP Workforce Now.

What about other expenses/reimbursements that were previously handled by our volunteer/staff treasurer (such as continuing education)? How do we handle those within this new system?

These expenses remain at the local church level.

The church typically reimburses the clergy person for certain bills, such as utilities. Who handles that within this new system, and what is the reporting mechanism?

These expenses remain at the local church level.

How is confidentiality being handled?

During the onboarding process, clergy enter their personal information such as Social Security number and direct deposit information directly in ADP Workforce Now.

Conference payroll staff is E-I-9 certified and remains in compliance with Homeland Security for all I9 guidelines.

After enrolling, are we able to unenroll and return to option A (paid professional staff person) or option B (outside vendor)? And if so, how do we do that? And how often/when?

Yes. At another Charge Conference, the church may elect another option for payroll processing. This can take effect at either an appointment change or for the start of a new calendar year. With this, the clergy will still receive the minimum number of W-2's and allow for a seamless transfer back to the church.

For information on scheduling a charge conference, please contact your district office.

Upcoming Webinar Series

Clergy and laity are invited to come and hear about important tax information, the new Virginia Conference Clergy Payroll, accountable reimbursement, and so much more! 1 C.E.U. is available for those who attend all four sessions, buy the book "The Clergy Tax Trap" by the Rev. Bill Davidson, and write a reflection paper.

Cost will be:

\$15.00 for those attending **not** in need of C.E.U.'s

\$25.00 for those attending in need of C.E.U.'s (will include purchase of the book)

Registration and Details to come!

Note: this webinar series is separate from the September 14 Q&A. There is no charge to attend the [informational webinar](#) on September 14.