

INSTRUCTION SHEET CLERGY COMPENSATION REPORT 2021

THIS FORM IS TO BE COMPLETED ONLINE IN EVC.

Open your web browser and go to the EVC system www.evc.vaumc.org. On the EVC website, Login using your Pastor Logon ID and Password. When you enter the system you will find the "Charge Conference" button. Click the button and you will find the "Clergy Compensation Report" button. Click the button to begin Clergy Compensation data entry.

Enter data for lines 1, 2, 3, 4, 5, 6. Then click the "Save and Continue to Page 2" button. Enter data for lines 7a, 7b, 9, 10. (See below for Detailed Calculations per item.) All data fields must have a value. Click the "Continue to Clergy Compensation Review" button.

Carefully review the Draft Compensation Review document for data accuracy, at the bottom of the page are 2 buttons. If any data is in error, click the "Edit Data" button to return to Page 1 and edit your data. If all data is correct, click the "OK" button to process the form.

During processing, the following PDF format documents are sent by email to your conference email address and District Office:

- Charge Conference Clergy Compensation
- Charge Conference Parsonage Housing Exclusion
- Charge Conference Accountable Reimbursement
- Personal/Treasurer Compensation Finance Report

Detailed Calculations

1. Effective Date – The effective date will automatically calculate but may be changed by clergy completing the form if there is a different effective date.
2. Reside in the Parsonage – For purposes of pension calculation, please indicate if clergy resides in parsonage. Indicate Yes or No.
3. Percentage of Appointment – For purposes of pension credit, please indicate if serving $\frac{1}{4}$, $\frac{1}{2}$, $\frac{3}{4}$, or full-time appointment. **This must be accurate.**
4. Annual Base Salary – Charge Conference approved compensation to be paid by church less accountable reimbursement or travel allowance. Dollars are entered in whole dollar amounts without punctuation. Do not enter dollars with dollar signs, commas, decimal points, or cents. Example: if your Annual Base Salary is \$12,000.00 you will enter 12000 in the data field.
5. Equitable Compensation or Other Salary Supplements – Salary approved by Equitable Compensation Commission or other salary supplementation paid by district or organization other than the church.
6. Other Cash Allowances – Cash allowances other than housing or heat allowances not included in 4 and 5 above. May include such items as utility allowances or social security supplement, but churches are encouraged to include these types of allowances in the Base Cash Salary (line 4) whenever possible.
- 7(a). Accountable Reimbursement Plan – Portion of total compensation set aside for travel reimbursement and other unreimbursed business-related expenses. This is non-

taxable compensation that requires legitimate documentation for reimbursable expenditures.

- 7(b). Travel Allowance – (May not use this line item if any amount is included in Accountable Reimbursement Plan – line 7(a) above). A travel allowance is taxable income.
7. Accountable Reimbursement Plan or Travel Allowance – This line is automatically calculated based on input from line 7(a) or 7(b).
8. Appointment Workbook Compensation – This line is automatically calculated based on input from lines 4, 5, 6, and 7(a) or 7(b). This is the total compensation approved by Charge Conference and used by the Cabinet for appointment purposes.
9. Cash Housing Allowance – Amount paid by the church in lieu of providing a parsonage. If pastor resides in personal residence rather than the provided parsonage and does not receive a housing allowance, please enter "0".
10. Housing/Parsonage Exclusion Allowance – The Housing Exclusion Allowance (also referred to as Parsonage Exclusion Allowance) is an amount set by resolution of Charge Conference that allows clergy to exclude housing-related expenditures from their taxable income. For any clergy receiving a cash housing allowance (line 9), this exclusion should be at least the amount of the cash housing allowance plus any additional amount necessary to cover possible expenditures over and beyond the cash housing allowance.
11. Income to be reported on Federal Tax W-2 Form – This line is an automatic calculation based on the addition of lines 4, 5, 6, 7(b), 9 and the subtraction of line 10. This calculation does not reflect Pre-Tax deductions such as Personal Investment Plan (PIP) contributions, Personal Contribution to Conference Health Plan and Premium on Life Insurance over \$50,000.
12. Base Compensation for Pension Payment – This line is an automatic calculation based on the addition of lines 4, 5, and 6.
13. Housing Addition for Pensions – This line is an automatic calculation. If a parsonage is provided then this amount will be 25% of line 12. If a cash housing allowance is paid then this line will be the same as line 9. If pastor resides in personal residence rather than the provided parsonage and does not receive a housing allowance, no amount will be entered.
14. Compensation Used for Pension Contribution Billing – This line is an automatic calculation based on the addition of lines 12 and 13. This is the amount upon which CRSP and CPP are calculated according to appointment status of clergy.
- 15(a) CRSP – This line is an automatic calculation based on the sum of the following two components:
- 3% of compensation used for pension contribution billing (line 14), **plus**
 - 9% of the lesser of compensation used for pension contribution billing (line 14) or 135% of the 2021 Denominational Average Compensation
- 15(b) CPP – This line is an automatic calculation based on 4.4% of line 14 with a maximum of 4.4% of twice the Denominational Average Compensation. 2021 DAC is \$74,199

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Participation in CPP is based on the appointment status of Clergy. Clergy making at least 25% of the 2021 DAC, who are appointed 100 % or 75% (and whose appointment status is other than Retired, Part-Time Local Pastors, or Lay Supply) are eligible for CPP. All Clergy who are appointed 25% or 50%, or making less than 25% of the DAC are not eligible for CPP. (2021 DAC is \$74,199)

15. Pensions Premium – This line is an automatic calculation based on the addition of lines 15(a) and 15(b).

2021 Virginia Conference Clergy Life Insurance Premiums

Active clergy in the Virginia Conference who are participants in Wespeth's Comprehensive Protection Plan (CPP) will have group term life insurance for 2021 in the amount of \$75,000. This was comprised of benefits from Wespeth and the Virginia Conference. The IRS requires that equivalent premiums for group term life above \$50,000 be reported for the person covered by insurance as additional income. Each active clergy enrolled in CPP had \$25,000 in group term life insurance above the \$50K and should report this additional income on their tax returns. The following table provides the data needed by age group.

Annual Premium Pastor's Age	Equivalent Cost/\$1,000	Annual
Under 25	.05	\$15
25 thru 29	.06	\$18
30 thru 34	.08	\$24
35 thru 39	.09	\$27
40 thru 44	.10	\$30
45 thru 49	.15	\$45
50 thru 54	.23	\$69
55 thru 59	.43	\$129
60 thru 64	.66	\$198
65 thru 69	1.27	\$381
70 and above	2.06	\$618

Revised 2020 for 2021