INSTRUCTION SHEET
CLERGY COMPENSATION REPORT 2027

THIS FORM IS TO BE COMPLETED ONLINE IN Unity.

Open your web browser and go to the UnityWeb system unity.vaumc.org. On the UnityWeb portal, Login using your Pastor Logon ID and Password.

If you are appointed to a pastoral charge, navigate to your Charge, click the "Charge Conference" link, and click on the correct Charge Conference date. Scroll down until you see the heading "Clergy Compensation Forms"; your name along with the appropriate links (i.e. Create New, Edit) next to it to create/edit your clergy compensation form.

If you are appointed to UM Connectional Structures or other approved extension ministry, click on "Clergy Excellence", then Clergy Compensation form. At the top of the screen, there will be an option to create a new Clergy Compensation form; in addition, any forms in process (i.e. not yet approved and finalized) will allow you to edit them.

When creating a new form, the system will first request an effective date. This is the date the salary change will take effect (or your appointment begin date for new appointments). After you have entered the correct date, click the "Create Report" button to proceed. If serving multiple extension appointments, the system will also request which appointment to which the compensation form pertains.

On the report itself, enter data for lines 2, 4, 5, 6, 7a, 7b, 9 and 10. The lines for effective date and percentage appointed will automatically prepopulate with information. Lines 8 and 11 – 15 will automatically calculate based on your inputs. Once complete, hit the "Submit" button to save the report.

Once the report is submitted, use the "View/Print" link to review the Draft Compensation Review document for data accuracy. If any data is in error, click the "Edit" link to return to the form and edit/resubmit your data.

After you have submitted your Compensation report, the completed form (which includes Parsonage Housing Exclusion and Accountable Reimbursement sections where applicable) is made available to the District Office for approval. Once the district has marked the form as approved, it is finalized (i.e. can no longer be edited) and will take effect on the specified effective date in line 1.

Detailed Calculations

1. Effective Date – The effective date is the date the salary change will take effect (or your appointment begin date for new appointments).

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/Service Time – This information is prepopulated from Conference records.

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. This amount should not exceed line 4.

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 United Methodist Personal Investment Plan (UMPIP) 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 **35**% 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. **The minimum parsonage amount is $10,000**.

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 Compass and CPP are calculated according to appointment status of clergy.

15(a) Compass – This line is an automatic calculation based on the sum of the following two components:

- 7% of compensation used for pension contribution billing (line 14), **plus**
- $150 per month. $150 will be automatically prorated based on % appointed.

Clergy appointed 25% are not eligible for Compass. This does not include a 25% appointment that is part of a multiple appointment.

15(b) Comprehensive Protection Plan (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. 2027 DAC is $83,235

Participation in CPP is based on the appointment status of Clergy. Clergy making at least 25% of the 2027 DAC, who are appointed a total of 100 % or 75% (and whose appointment status is **other than** Retired, Other Denomination, 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. Multiple appointments could allow for eligibility.

15(c)

Clergy Health Direct Bill Amount – This employer contribution is automatically calculated based on the Clergy Status and the Clergy's total % appointed. $1,660 per month will be billed to the lead Church for each appointed fulltime eligible Active Clergy person, regardless of their personal Health Plan enrollment.

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

2027 Virginia Conference Clergy Life Insurance Premiums

Active clergy in the Virginia Conference who are participants in Wespath's Comprehensive Protection Plan (CPP) will have group term life insurance for 2027 in the amount of $75,000. This was comprised of benefits from Wespath 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.

	Equivalent	
Annual Premium		
Pastor's Age	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

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