

Desert Southwest Conference  
Pastor's Compensation and Personnel Expenses Form – 2019

**2016 United Methodist Book of Discipline reads:**

**¶1627 Pastors' Expenses and Allowances** -- Local churches shall report to the annual conference, in the manner indicated on the annual conference report form, expenditures for the following purposes: (1) amounts reimbursed to pastors for expenses incurred by them in the fulfillment of their professional responsibilities; (2) amounts paid to or for pastors as allowances (including housing allowance) in addition to base compensation. Local churches are encouraged to consider guidelines provided by the annual conference and/or the General Council on Finance and Administration in setting and reporting the amounts of such allowances and reimbursements."

**Instructions for some of the more complex lines are as follows:**

**Compensation** – Cash Salary (line A) should comply with the 2019 Minimum Clergy Compensation Schedule as approved by the 2018 Annual Conference Session.

The approved housing allowance (line B) should be reasonable based on actual housing expenses to be incurred by the pastor and the fair rental value of his/her home (including furnishings and utilities). If a parsonage is provided instead of a housing allowance, line B should be reported as 25% of line A (the imputed value of the parsonage for plan compensation purposes).

**Pension - Clergy Retirement Security Program (CRSP)** – The figure for line D is obtained by multiplying the total compensation by 13%. The fillable form will do the calculation for you. This what the church will be billed for their pastor's pension in 2019.

**Conference Health Insurance** – Churches will be billed \$14,904 in 2019 for their pastor's health insurance. Through the conference program (HealthFlex Exchange), so that is the figure to use on line E. If the pastor obtains her/his health insurance through another approved source, (spouse's employer, military, previous employer or ACA marketplace), then you should put \$0 on line E and enter the appropriate figure on line G. If the pastor is part of a clergy couple, the put \$7,452 (half of \$14,409) on line E.

**Participant Portion of Health Insurance** – If the church decides to pay the participant portion of their pastor's health insurance in 2019, then a figure will need to be entered on line F. The amount will depend on the plan selected, so you will need to refer to the 2019 health insurance premiums sheet. The participant portion for the default plans in 2019 is \$67 per month, or \$804 for the year. Note that if the church is not paying the participant portion for their pastor (and instead will withhold it from his/her salary on a pre-tax basis), then line F should be reported as \$0.

**External Health Insurance Paid for Clergy Person** – If your pastor has opted out of the conference health insurance program and you have entered \$0 on line E, then you should report on line G the amount that you anticipate paying for him/her to be covered through another approved source (such as a spouse's plan). Since this will need to be reported as taxable income to the pastor, the expected cost

should be grossed up for taxes. Some churches use 135% of cost as the grossed-up figure to report on line G.

**Other Expenses** – Line H is for Pastor’s Continuing Education expenses. The minimum set at the 2018 Annual Conference is \$500. Enter on line I the amount for the Accountable Reimbursement Plan. The minimum of \$2000 was set at the 2018 Annual Conference Session. Line J includes annual conference registration costs (\$199 for 2018 but not yet set for 2019) and related hotel expenses.

Further assistance in completing this form can be obtained by contacting:

- Randy Bowman, Conference Treasurer/Benefits Officer — [rbowman@dscumc.org](mailto:rbowman@dscumc.org) or 602-266-6956 ext. 212; or
- Cynthia Satchel, Administrative Assistant, Conference Pension and Health Benefits office — [csatchel@dscumc.org](mailto:csatchel@dscumc.org) or 602-266-6956 ext. 214.