

Instructions for Clergy Salary Worksheet

- **Line 1:** Enter the cash stipend and any other taxable income to the cleric.
 - Include bonuses, unaccountable travel paid, school tuition paid for cleric's children, severance pay, generally any payment that would be reported on Box 1 of the W-2 form. Unaccountable travel means travel that is paid in addition to stipend for which no mileage accounting is reported back to the church.
- **Line 2:** Enter any social security allowance paid. This is additional income to help offset the SECA tax paid by the cleric.
 - Not required, though some churches prefer to do this.
 - Is simply additional income, on which SECA tax will be paid.
- **Line 3:** Utilities and Household Allowance. Enter the amount provided to the cleric for this purpose and paid directly to him or her.
 - There should be something here if cleric is living in church-owned housing.
 - Usually not paid to a cleric owning his own home, but could be (as separate from a housing allowance.)
- **Line 5:** Household expenses paid to third party. Enter the amount here of any utilities or other household expenses paid directly to a third party. These are treated no differently by the IRS from those paid to the cleric.
- **Lines 7a and 7b:** Enter either the housing allowance paid, or 30% of line 6 for rectory value.
 - For 5a, this should be the housing allowance as designated in the resolution
 - For 5b, this is merely an amount calculated for 403(b) purposes, and has no relationship to the actual or SECA taxable value of the rectory.
 - You should NOT have something on both lines.
- **Line 9:** Enter any amount paid by the church to a tax-deferred annuity or similar plan for the cleric.
 - Note: While this amount is 403(b)-assessable, it does not figure into the 30% calculation above.
- **Line 10:** Becomes the base compensation for purposes of calculating the 403(b) amount, as well as a key number in comparing salaries. Enter one-twelfth of this number in the Gross Pay column of the 403(b) worksheet you submit monthly.
- **Line 11:** Calculate the 403(b) contribution. This should agree with the amount submitted to the plan on behalf of the cleric. One-twelfth of this is submitted monthly.
- **Lines 12 – 14:** Should be filled out as they apply.
 - Mainly to help with your budgeting purposes
 - Insurance shown is the church's cost assuming the cleric is contributing toward the cost as provided by diocesan policy. This could be more.
 - Add anything else in the way of benefits provided
 - Subtract the rectory value to get the number which should match your budget.