

How to Claim a Housing Allowance

A Minister's Guide



ChurchSalary

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CHAPTER 1

THE BASICS OF THE HOUSING ALLOWANCE BENEFIT

Lower your taxes. Increase your disposable income.

The housing allowance benefit lowers the amount of income tax that ministers pay by lowering their adjusted gross income (AGI). This savings can even extend to state income taxes.

However, be aware that minister's who receive a housing allowance will increase the amount of self-employment or SECA taxes that they owe unless they “opt-out.” Instead of splitting the cost of Social Security and Medicare with their employer (7.65% + 7.65%)—as regular employees do under FICA—ministers are solely responsible for the entire 15.3 percent.

In the end, claiming a housing allowance is a trade-off: ministers save money on their income taxes but pay higher Social Security and Medicare taxes. This trade-off is positive for most ministers, but—as they say in diet commercials—individuals results may vary.

This resource will cover the basics of how a housing allowance works, common pitfalls when first setting up this benefit, and finally a step-by-step overview to help you and your church claim a housing allowance.

What is a “housing allowance?”

The IRS allows minister's to set aside a portion of their compensation for housing expenses. This “housing allowance” portion is “exempt from” (or not subject) to income taxes.

There are two types of housing arrangements that churches can provide ministers.

- parsonage benefit
- cash housing allowance

Churches that offer a physical house where the pastor can live—a parsonage—can provide the pastor with an additional cash housing allowance to cover parsonage-related expenses. Pastors that own or rent their home typically receive a cash housing allowance from their church.

Here is one last important thing to note. Ministers in the US pay taxes in different “buckets,” which are usually federal income tax, self-employment tax (SECA), and state taxes. The housing allowance you claim is excluded from your federal income tax, and generally your state tax, but not your self-employment tax.

Ministers will still be responsible for paying self-employment tax on their full income, including their housing allowance, at a current rate of 15.3 percent.

Why does the housing allowance exist?

Earlier in US history, debates over the types of taxes permitted by the Constitution forced the government to pass the Sixteenth Amendment in 1913. It gave the federal government broad power “to lay and collect taxes on incomes, *from whatever source derived.*” This phrase created a major problem for churches and pastors and led to the creation of the housing allowance.

In the early twentieth century, most churches owned a house for the pastor to live in, rent-free—a significant financial benefit. However, now that the federal government was empowered to tax income “from whatever source derived,” many people felt parsonages were fair game.

To settle the debate over what counted as income for a host of workers, Congress passed the Revenue Act of 1921. This 100-year-old law “exempted from taxation ... the rental value of a dwelling house or appurtenances furnished to a minister of the gospel as part of his compensation.”

In essence, this meant that anyone who qualified as a “minister of the Gospel” didn’t have to count the value of the church’s parsonage as part of their “gross income.”

It is worth pointing out that pastors can’t simply declare their own house to be a parsonage on paper to save money on their taxes. Rather, parsonages were almost always owned by the church and usually located on (or near) the church property.

After World War II, church-owned parsonages decreased in popularity as pastors moved to the suburbs where they rented or purchased a home. After clergy from numerous faith traditions lobbied Congress, the housing allowance provision was updated in 1954 to include ministers who rent or own a home and do not receive a church-provided parsonage, as a way to treat all pastors equally.

Who qualifies for a housing allowance and what kinds of expenses does it cover?

In a nutshell, anyone who qualifies as a “minister of the Gospel” in the eyes of the IRS can claim a housing allowance. Learn more about who qualifies as a “minister of the Gospel” and the IRS’s definition in the next chapter under **Step 0: Determine if you qualify** (p. 13).

According to the IRS, ministers are allowed to claim expenses that relate to providing or renting a home including furnishings, utilities, and other housing-related expenses. These include:

- Mortgage or rent payment
- Utilities (power, water/sewer, gas/propane, internet/TV, and other)
- Property taxes (though these are still deductible on Schedule A with Form 1040)
- Homeowner’s insurance
- Repairs
- Maintenance (repairs, household cleaning, light bulbs)
- Landline phone (but not a cell phone)
- Lawn care and landscaping
- Furnishings
- Homeowner’s association dues

You can only claim estimated expenses for the coming year. Some pastors use last year’s expenses to estimate numbers for the coming year; however, expenses such as repairs, renovations, and purchases should be estimated looking forward. They cannot be backdated.

More questions?

Consult the Frequently Asked Questions section in the Appendix to learn more about these topics.

- 1.** Can bivocational pastors claim a housing allowance?
- 2.** Is housing allowance a once-and-done estimate?
- 3.** Where can things go wrong with a housing allowance?
- 4.** How can I help my church leadership understand the value of providing a housing allowance?
- 5.** Do I need a CPA to claim a housing allowance on my taxes?
- 6.** Isn't the housing allowance benefit going away?
- 7.** If I decide to claim a housing allowance, what resources will help me understand how to prepare my taxes?
- 8.** How do you opt-out of SECA taxes? Should you?

CHAPTER 2

7 STEPS TO CLAIM A CASH HOUSING ALLOWANCE

Over 90 percent of ministers receive a cash housing allowance because they rent or buy a home instead of living in a parsonage. A “cash housing allowance” is simply a decision by the church, on paper, to designate a portion of the minister’s annual salary for the purpose of “providing a home.” The non-housing portion of a minister’s paycheck is sometimes called their “base salary.” While the minister will receive both their base salary and housing allowance in a single paycheck, their taxes and tax forms need to be structured and filed a certain way.

The following chapter(s) walk you through the process of claiming a cash housing allowance. For details on parsonages, consult the *Church & Clergy Tax Guide* (provided as a free PDF, p. 11).

Overview

While only a church can give a cash housing allowance, in reality both the church and the minister must work together to claim this tax benefit. In total, it may take up to seven steps to qualify for and claim a housing allowance.

Pay close attention to who is responsible for executing each step (church, minister, or both) and notice how each step leads to the next:

- **Step 0: (Pre-requisite)** The **minister** and **church** determine if the pastor qualifies.
- **Step 1:** The **minister** fills out a worksheet estimating their housing expenses.
- **Step 2:** The **church** reviews and approves a formal written resolution.
- **Step 4:** The **church** structures the pastor's paycheck and tax forms.
- **Step 5:** The **minister** saves money to pay SECA taxes from each paycheck.
- **Step 6:** The **minister** pays SECA and income taxes.
- **Step 7:** The **church** and **minister** repeat Steps 1-6 every year.

Step 0: (Prerequisite) Church and Minister — Determine if you qualify

To be eligible, you must fit the IRS's definition of a "minister." Note that the IRS uses the term "minister" rather than "pastor."

A minister is a (1) "licensed, commissioned, or ordained" person who (2) "performs ministerial services as an employee" of a church, denomination, or religious organization.

There are two components of this definition: (1) only “ministers of the gospel” who receive compensation (2) for performing certain “ministerial duties” can receive a housing allowance from their congregation or denomination. You cannot give yourself a housing allowance, *and you cannot claim a housing allowance on income from a secular job.*

The first half focuses on *what you are*—your **designation** as a minister. The second half focuses on *what you do*—the **duties** you perform as a minister. You need both to qualify.

Ministers	
Designation	Duties
Are licensed, commissioned or ordained by a church, denomination, or religious organization.	Perform ministerial services as an employee of a church, denomination, or religious organization.

What counts as a “ministerial service” or duty?

According to a court case *Knight v. Commissioner* (1989), if ministers perform one or more of the following four ecclesial or “sacerdotal” functions, their work at the church may qualify as a “ministerial service” or duty:

- Administer the sacraments (e.g., Lord’s Supper)
- Lead or conduct worship services
- Control, conduct, or maintain a religious organization
- Considered a spiritual leader by their religious body

If you qualify, proceed to Step 1.

If you don't qualify, work with your church or denomination to figure out if you should qualify. Then, work with them to become formally ordained, commissioned, or licensed. Once you are newly ordained, consult FAQ #8 about opting out of SECA in the Appendix and proceed to Step 1.

Step 1: Minister — Fill out a Worksheet

Ministers who rent or buy their home must first estimate how much they spend to “provide a home” for themselves and their family. The church shouldn't pick a number out of thin air. Pastors must estimate their housing expenses for the church *looking forward* toward the coming year, *not backwards*.

What can you claim? According to the IRS, “a minister who receives a [cash] housing allowance” can exclude from their gross income: rent or mortgage payment, utilities, repairs, and “other expenses directly relating to providing a home.”

Use the sample expense forms in the Appendix. There are forms for computing parsonage allowances as well as a housing or rental allowance. This is a simple and convenient way for your church to designate an appropriate allowance.

How Much is Too Much?

According to the IRS, pastors who own their home are “limited to the least” of three options:

1. The amount actually used to provide a home.
2. The amount officially designated as a housing allowance.
3. The fair rental value of the home.

This means that even if options 2 and 3 are higher than “the amount actually used to provide” your home, you cannot claim them. You are limited to the lowest amount—which is often option 1.

The wisest approach is to “**keep it real**” because if you own your home and the IRS decides to audit you, they will want to see numbers based on your real expenses. You’ll want to keep records (receipts) to back up your information in case of an audit.

Helpful IRS Publications

- Treasury Regulation 1.1402(c)-5 provides more technical language and official regulations
- “Ministers Audit Technical Guide” by the IRS provides extensive detail on what would be included in an audit.
- *Tax Guide for Churches & Religious Organizations*, “Special Rules for Compensation of Ministers: Parsonage or Housing Allowances,” p. 22.

Find the publications above using their title and a search engine.

Step 2: Church — Adopt a Resolution

Because churches provide a housing allowance, Step 2 must be completed by church leaders. Ideally, to avoid a conflict of interest, the evaluation and approval process (voting) would not include the pastor or family members of the pastor.

The process is simple. Collect the worksheet (Step 1) from your pastor. Review the amount and discuss it. Draft a written resolution for your minister. Use the sample resolution in the Appendix (p. 30) as a starting point. Approve it. Record the resolution in your church minutes. Store the resolution in your church files.

Step 3: Minister – Estimate Taxes

After the church has approved a housing allowance amount, ministers need to estimate and prepare to pay their self-employment (SECA) and income taxes for the coming year. For details on Steps 4-6, we recommend you consult the *Church & Clergy Tax Guide* by Church Law & Tax (see p. 11).

The basic forms you need to estimate your taxes are a W-4 (federal and state, if applicable) and 1040-ES. Follow the instructions in Form W-4 to estimate your income taxes and in 1040-ES to estimate your self-employment taxes.

Form W-4 / Employee Withholding Certificate

Churches are not required to withhold income taxes from the paychecks of ministers. However, you can ask your church to withhold taxes using this form. You can account for both your SECA taxes and additional untaxed income under Step 4c, “Extra Withholding.”

Form 1040-ES / Estimate Tax for Individuals

To estimate your self-employment taxes for the coming year and prepare for your quarterly payments, use these two worksheets found in Form 1040-ES:

1. Self-Employment Tax and Deduction Worksheet (p. 6)
2. Estimate Tax Worksheet (p. 8).

Step 4: Church — Structure Check and Tax Forms

Now that the church has approved a housing allowance amount, the church bookkeeper needs to structure the minister's paychecks correctly. For more details on this process, and because it gets technical, we recommend you consult either *Church Compensation* by Elaine Sommerville or the *Church & Clergy Tax Guide* by CLT. These resources can be found online in the Church Law & Tax store.

Paycheck

Ultimately, ministers don't need two separate paychecks. Even though the church has divided the minister's salary into two portions on paper—base salary and cash housing allowance—these two portions can be paid to the minister through one paycheck.

Tax Forms

How you handle the tax forms for the minister at your church will depend on whether they are classified as an independent contractor (1099) or an employee (W-2).

The good news is that most ministers are church employees for income tax purposes and should receive a W-2. If you are unsure about your pastor, consult Chapter 2 of the *Church & Clergy Tax Guide*.

Step 5: Minister — Save Money

After you fill out these forms and worksheets, use your calculated figures to save money from each of your paychecks. If your church is not withholding extra money to help cover self-employment taxes on your housing allowance, you will need to save and pay this money yourself. If you don't prepare, making these quarterly payments may be impossible.

Plan ahead. Remember that even though you owe the IRS four equal payments, the due dates are not necessarily evenly spaced. To account for this, consider creating a SECA savings account with a buffer, so quarterly payments don't bite into your income.

Payment Period	Due Date
January 1 – March 31	April 15
April 1 – May 31	June 15
June 1 – August 31	September 15
September 1 – December 1	January 15

Send in your quarterly payments using [IRS.gov/Payments](https://www.irs.gov/Payments) or via the mail using the instructions and forms in your 1040-ES. A list of mailing locations for your quarterly payments (if you're old school) as well as four payment vouchers can be found on the 1040-ES form.

Step 6: Minister — Pay SECA and income taxes

Whether you choose to file your own taxes or pay a CPA, consider consulting the *Church & Clergy Tax Guide* by Church Law & Tax. The details you need to stay on the right side of the law can be found in this comprehensive resource. (see p. 11).

That said, there is a basic math formula that every minister should understand. Understanding this basic math can help as you navigate the process of both estimating and paying your Social Security and Medicare self-employment taxes.

- **Calculation #1:** Figure out your gross income that is subject to self-employment taxes.

For a comprehensive list of things that count toward your gross income for self-employment taxes look up IRS Publication 517, “Self-Employment Tax: Figuring Net Earnings.”

- **Calculation #2:** Multiply your gross income by 92.35 percent.

Most employees (non-ministers) fall under something called FICA (Federal Insurance Contributions Act). Under FICA, regular employees split the cost of Social Security and Medicare taxes with their employer. Both the employee and employer pay 7.65 percent, which adds up to 15.3 percent.

When the government was creating the rules for Social Security, they excluded pastors and other self-employed workers. Eventually, though, the government passed a law detailing how ministers and self-employed workers could enter the Social Security system called the Self-Employment Contributions Act or SECA.

Ministers who receive a housing allowance fall under SECA not FICA. As such, they are responsible for covering both *their* half *and* the employer's half ($7.65\% + 7.65\% = 15.3\%$). To make things fair, the IRS credits ministers for paying the employer's half (7.65%) of these taxes.

The simplest way to account for this 7.65 percent credit is to multiply your gross income by 0.9235 or 92.35 percent.

- **Calculation #3:** To calculate your Medicare self-employment taxes, multiply by 2.9 percent.

Self-employment taxes cover two things: Social Security and Medicare. The 15.3 percent you owe is actually a combination of a 2.9 percent tax for Medicare and 12.4 percent tax for Social Security. Because these taxes are calculated differently, they are calculated separately on the 1040-ES and 1040 Schedule SE forms.

There is a ceiling on Social Security taxes. Everything you earn up to that ceiling—\$147,000 in 2022—is subject to a Social Security tax. By contrast, *there is no ceiling for Medicare taxes*. You owe a 2.9 percent Medicare tax on *all* your gross self-employed income.

If you don't earn more than the Social Security ceiling, you can use 15.3 percent to calculate both self-employment taxes together.

- **Calculation #4:** To calculate your Social Security self-employment tax multiply all your income below the ceiling (\$147,000 in 2022) by 12.4 percent.

As we noted in Calculation #3, there is a ceiling on taxes for Social Security. Income you earn above this amount is not subject to Social Security taxes.

- **Calculation #5:** Add up your Social Security and Medicare self-employment taxes.

This is the total amount of self-employment taxes that you owe. For most ministers, who earn less than the Social Security ceiling, this will add up to 15.3 percent of the figure from Calculation #2.

- **Calculation #6:** Deduct half of your self-employment tax from your gross income.

Ministers receive two credits for paying the employer portion of their Social Security and Medicare taxes.

The first credit (Calculation #1) lowers the gross income subject to self-employment taxes by 7.65 percent ($100\% - 7.65\% = 92.35\%$).

The second credit allows ministers to deduct half of their self-employment taxes from their taxable income on Form 1040.

The math here may seem complicated but understanding these basic steps and two credits are crucial to properly claiming a housing allowance. If something didn't make sense, practice running through these calculations with numbers from your own paycheck.

7 STEPS TO CLAIM A HOUSING ALLOWANCE

	CHURCH	MINISTER	
STEP 0 PREREQUISITE	Ordain, license or Commission	Determine if you qualify	by August
STEP 1		Fill out HA worksheet. Give to church.	September
STEP 2	Review and approve resolution in writing		October
STEP 3		Estimate taxes (W-4 & 1040-ES)	November
STEP 4	Structure paychecks and tax forms		January
STEP 5		Save money from each paycheck	
STEP 6		File yearly and quarterly taxes	by April 15 June 15 Sept 15 Jan 15
STEP 7 REPEAT	Repeat step 1	Repeat step 1	September

APPENDIX

FREQUENTLY ASKED QUESTIONS

1. Can bivocational pastors claim a housing allowance?

Churches may designate a housing allowance for bivocational ministers who are “ministers” for tax purposes. A minister’s housing allowance can be designated for ministerial income only. Secular employers cannot designate a housing allowance for ministers who are paid for working in non-ministerial jobs.

2. Is housing allowance a once-and-done estimate?

No. Each year the pastor and the church leadership must complete the process outlined above. However, churches that fail to designate an allowance in advance of a calendar year should do so as soon as possible in the new year (though the allowance will only operate moving forward in time or “prospectively”).

Churches should consider adopting a “safety net” allowance to protect against the loss of this significant tax benefit due if someone fails to designate an allowance for the coming year.

3. Where can things go wrong with a housing allowance?

Given how the housing allowance process works (or should work), churches should not approve excessive estimates. However, this can and does happen. Given that the IRS provides clear guidelines on how to calculate and who approves this number, if a church pays unreasonable compensation, of which housing allowance is a part, the penalties can be severe.

4. How can I help my church leadership understand the value of providing a housing allowance?

The housing allowance is the most important tax benefit available to pastors. Many pastors do not take full advantage of it because they (or their tax adviser or church board) are not familiar with the rules. The place to start is become familiar with how the housing allowance works. Study this book and pass it along to leaders at your church to help them understand both how it works and why it is such a valuable tax benefit.

5. Do I need a CPA to claim a housing allowance on my taxes?

Not necessarily. Most ministers can prepare their own tax returns. While a minister's taxes are unique, they are not impossibly complex. With a little effort, most ministers can comprehend the tax rules for ministers sufficiently to prepare their own tax returns. The information provided in the *Church & Clergy Tax Guide* (provided as a free PDF, p. 11) together with IRS Publication 17 ("Your Federal Income Tax") contain all the info needed in most cases.

Of course, some ministers will prefer, for a variety of reasons, to have someone else prepare their tax returns. If that is your choice, be sure to select someone with experience in the preparation of ministers' tax returns (preferably a tax attorney or a CPA). You may wish to share a copy of the *Church and Clergy Tax Guide* with the person you select. (see p. 11).

6. Isn't the housing allowance benefit going away?

The housing allowance has been debated in our court system in the past few years. But after recent rulings, it appears that it is here to stay. It serves as a significant tax benefit to clergy in general and, with some planning, it can benefit your personal finances.

7. If I decide to claim a housing allowance, what resources would help me understand how to prepare my taxes?

There are several excellent resources available. Because each pastors' situation for preparing taxes is very individualized, the best next step is to review Chapter 6 of the annual *Church & Clergy Tax Guide*. This valuable guide, used by church leaders and pastors nationwide, is available to you free, in PDF format, as a UMI customer (see p. 11). Share it with your church leadership and with your tax preparer.

8. How do you opt-out of SECA taxes? Should you?

Newly ordained, licensed, or commissioned ministers have a two-year window to opt-out of paying SECA taxes (Social Security and Medicare). This is commonly described as "opting out of Social Security." Opting out means you are choosing not to participate

in the Self-Employment Contributions Act (SECA) which governs how you pay into both Social Security and Medicare.

To opt-out, ministers must file Form 4631 within two years of earning a “ministerial income” of \$400 or more. You must print out, complete, and sign this form. Then, you are supposed to inform your congregation or denomination of your decision and mail the form to the IRS. The IRS will evaluate your form, either approve or reject your exemption, and send you a copy in the mail.

This decision to apply for this exemption is your call, but there are at least two major reasons why you should think long and hard about whether to opt-out.

Reason #1 – Religious Principles

The SECA exemption is very narrow. It is based on your conscience and religious beliefs. When it was originally passed, Congress called it the “Exemption of Amish and other religious sects”¹ because it was created mainly for Old-Order Amish ministers whose religion taught them to be opposed to the concept of Social Security and death insurance.²

It is worth discussing the Amish theology that led them to opt-out of both Social Security and Medicare. Before you opt-out, ask yourself—Does my theology and my religious community fit this description? And note that the Amish/Mennonite theology which leads them to opt-out is positive in nature. In other words, their community-oriented theology simply renders these government programs unnecessary.

¹ *Bulletin*, September 1965, p. 17.

² S. REP. NO. 89-404, reprinted in 1965 U.S.C.C.A.N. 1943, 2055.

First, the Amish believe that 1 Timothy 5:8 teaches that not providing for elderly members of their community is a sin: “Anyone who does not provide for their relatives, and especially for their own household, has denied the faith and is worse than an unbeliever.”³ Second, most Amish and Mennonites have been historically opposed to any form of insurance: fire, life, death, etc. They believe that buying insurance is a sinful choice to trust in the world for provision rather than God.⁴

The Amish neither need nor want Social Security and Medicare because they share “any of their possessions” with the community like the earliest believers in Acts 4:32-35. This is why the original exemption specified that ministers who are exempt “must be” part of a “sect” that “make(s) provision for their dependent members.”

On Form 4631, to qualify for the exemption, ministers must sign a statement claiming they are:

“... conscientiously opposed to ... the acceptance of any public insurance that makes payments in the event of death, disability, old age, or retirement; or that makes payments toward the cost of, or provides services for, medical care.”⁵

This is a legally binding signed statement informing the federal government that you are opting out for religious reasons.

The IRS explicitly states that you can’t opt out for economic or political reasons—e.g., to save money. You must affirm that “because of your individual religious considerations,” or based on the teaching of your denomination, you are opposed to public insurance.

³ https://www.ssa.gov/OP_Home/rulings/oasi/45/SSR82-44-oasi-45.html#fn4

⁴ <https://anabaptisthistorians.org/2019/09/26/the-insurance-problem/>

⁵ IRS Form 4631

Reason #2 – Permanent Exemption

Opting out is irreversible. It cannot be undone. Whatever you earn as a minister will be *forever* excluded from the Social Security and Medicare system. If you serve as vocational pastor for your entire career, you will be entirely responsible for your own:

- Retirement
- Disability insurance
- Health insurance (after you retire)

If you change your mind in the future and want to receive some level of Social Security or Medicare coverage, you will need to get a secular job (for long enough to qualify).⁶

If you have already earned two years of qualifying income as an ordained, commissioned, or licensed minister the window to opt-out has closed. You cannot apply retroactively.

In other words, only ministers who have been ordained, commissioned, or licensed and earned ministerial income within the last two years can still opt-out. If you are an older pastor who was ordained more than two years ago, that ship has sailed.

⁶ There is a system of credits and benefits that dictate what you can receive and how much you qualify to receive. This system of credits applies to Social Security, disability, survivor, and Medicare benefits. Learn more about these credits on the Social Security Administration's website.

Sample Housing Allowance Resolution

Churches can use the language below to create a resolution for a pastor who owns or rents a home:

The following resolution was duly adopted by the board of directors of [Name of Church] at a regularly scheduled meeting held on [Day, Month, Year], a quorum being present:

Whereas, ministers who own or rent their home do not pay federal income taxes on the amount of their compensation that their employing church designates in advance as a housing allowance, to the extent that the allowance represents compensation for ministerial services, is used to pay housing expenses, and does not exceed the fair rental value of the home (furnished, plus utilities); and

Apply resolution prospectively. A resolution can only be applied prospectively, never retroactively. For a church to have a resolution in place for a specific calendar year, it needs to adopt the resolution by December 31 of the previous year. A resolution can be adopted after the start of a new calendar year, but it only applies from the date of the adoption and going forward.

Whereas Pastor [First and Last Name] is compensated by [Name of Church] exclusively for services as a minister of the gospel; and

Whereas, [Name of Church] does not provide Pastor [First and Last Name] with a parsonage; therefore, it is hereby

Resolved, that the total compensation paid to Pastor [First and Last Name] for calendar year 202_ shall be [\$_____], of which [\$_____] is hereby designated to be a housing allowance; and it is further

Resolved, that the designation of [\$_____] as a housing allowance shall apply to calendar year 202_ and all future years unless otherwise provided.

Housing Allowance Worksheet

Ministers Who Own or Rent

For _____ in Year _____
Name

Housing Expense	Estimated Annual Amount
Mortgage (principal & interest) or Rent payment	\$
Real estate taxes	\$
Insurance (homeowners or renters, umbrella)	\$
*Utilities	\$
*Repairs	\$
*Maintenance	\$
*Furnishings and appliances	\$
Down payment (in year of purchase)	\$
Miscellaneous (HOA dues, etc.)	\$
Total Expenses	

**See expanded worksheet for detailed list of eligible utilities, repairs, maintenance, and furnishings & appliances on p. 34.*

The above listed expenses represent a reasonable estimate of my housing expenses for the next year. I understand and agree that:

1. The church board will not designate a portion of my compensation as a housing allowance until I complete and return this form. Retroactive designations of housing allowances are not legally effective.
2. It is my responsibility to notify the church board in the event these estimates prove materially inaccurate during the year.
3. The entire housing allowance designated by the church is not necessarily nontaxable. Rather, the nontaxable amount is the lowest of three amounts (a) actually housing expenses for the year, (b) the church-designated housing allowance, or (c) the annual rental value of my home (furnished, including utilities).
4. My housing allowance exclusion is an exclusion for federal income taxes only. I must add the nontaxable amount of my housing allowance as income in reporting my self-employment taxes on Schedule SE (unless I opted out of self-employment taxes).

Legible signature of minister

Date

Secretary of church board

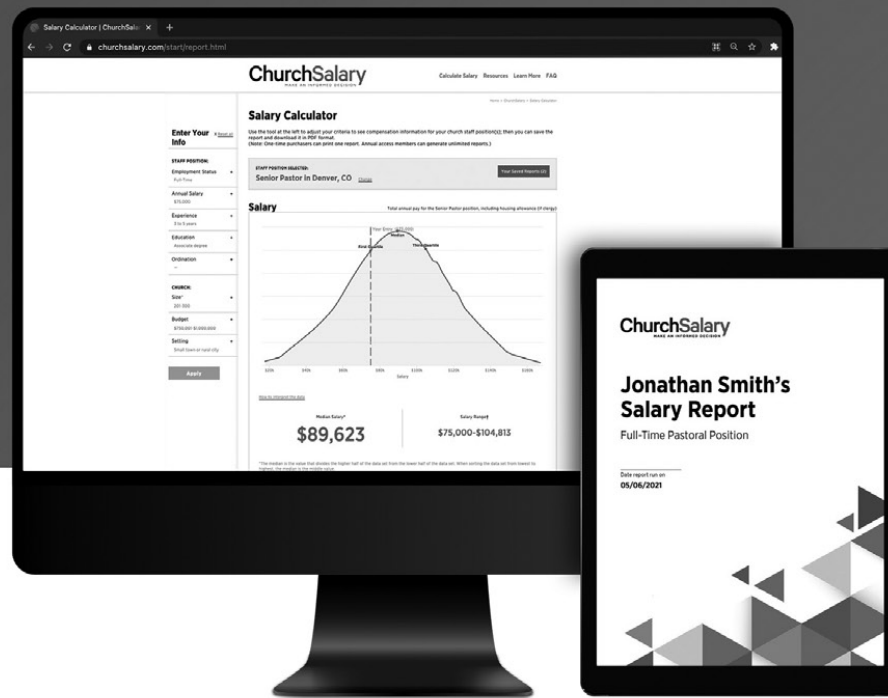
I attest that I received this form on

Date

Detailed Eligible Housing Allowance Expenses	
Housing Expense (Sub-items)	Estimated Annual Amount
UTILITIES	
Electricity	\$
Water/Sewer	\$
Natural Gas	\$
Home phone/internet (cell phones don't count)	\$
Cable/streaming	\$
Total Estimated Utilities	\$
MAINTENANCE	
Household cleaning (broom, cleaning solutions, etc.)	\$
Cleaning service (maid, house cleaning)	\$
Laundry supplies	\$
Lawn/Garden (mowing, gardening, snow removal, etc.)	\$
Total Estimated Utilities	\$
REPAIRS	
Hardware (tools, batteries, light bulbs, etc.)	\$
Structural (drywall, windows, siding, roof, etc.)	\$
Painting (interior or exterior)	\$
Total Estimated Utilities	\$

Furnishings & Appliances	
Furniture, carpets, rugs, etc.	\$
Decorations	\$
Electronics (TV, computer, printer, median players, etc.)	\$
Appliances (dishwasher, refrigerator, stove, HVAC, etc.)	\$
Kitchen (plates, pots, pans, cooking utensils, etc.)	\$
Linens (sheets, towels, blankets, etc.)	\$
Total Estimated Furnishings & Appliances	\$

Make informed decisions and offer fair pay using salary reports



Get data-backed reports for church staff positions that show:

- ▶ Nationwide picture of salaries for similar employees
- ▶ Localized recommendations for salaried staff
- ▶ Comparison of factors such as education and experience
- ▶ Demographic analysis of benefits for similar employees
- ▶ Cost of living comparison
- ▶ Salary ranges for comparable jobs outside the church



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