



To: Whom It May Concern

From: Nazarene Benefits USA – Church of the Nazarene

Subject: Distributions from the Nazarene 403(b) Retirement Saving Plan Designated as Minister's Housing Allowance

Section 107 of the Internal Revenue Code provides that, in the case of a minister of the gospel, gross income does not include the rental value of a home furnished to the minister as part of the minister's compensation, or rental allowance paid to the minister as part of the minister's compensation to the extent used by the minister to rent or provide a home. In Rev. Rul. 75-22, 1975-1 C.B. 49, the Internal Revenue Service concluded that the portion of a retired minister's Nazarene 403b Plan designated as a rental allowance by the national governing body of a religious denomination having complete control over the retirement fund was excludable under Section 107.

The 1982 General Board of the Church of the Nazarene voted that funds designated as housing allowance paid to a retired minister could be designated as housing allowance to the extent allowed under Section 107 of the Internal Revenue Code. This designation was intended to be permanent.

Based on this information, as long as the records maintained by the General Secretary's Office of the Church of the Nazarene confirm that a minister has an active and current credential, that minister is eligible to receive a housing allowance under the aforementioned IRS Code.

If you have questions, you may contact us at benefits@nazarene.org or **888.888.4656**.