

— M E M O #3 —

Tax and Reporting Procedures





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The tax and reporting requirements with which churches must comply often seem to complicate the job of the local church treasurer. Many treasurers who volunteer their services to the church feel the special tax treatment of ministers adds another level of complexity to an already time-consuming task. Following is an overview of many of the basic federal tax and reporting issues.

Classification of Employees

Since legal and tax obligations of the church board as employer differ for the lay and ministerial employee, it is important that the classification of each employee is determined accurately. One of the most significant differences in the tax treatment of lay and ministerial employees relates to Social Security/Medicare tax. Lay employees are always subject to the Federal Insurance Contributions Act (FICA) type of Social Security/Medicare tax. Conversely, ministerial employees are always subject to the Self-Employment Contributions Act (SECA) type of Social Security/Medicare tax.

The church may have employees who are considered to perform ministerial duties by the church board, but who are actually lay employees by IRS definition. Most churches will have at least one employee, the pastor. The pastor is usually a ministerial employee, since most pastors are either ordained or district-licensed ministers. If a pastor holds a local minister's license, this person's tax status with the IRS is that of a lay employee. The Manual (523) specifically states that a local minister "is a lay member of the Church of the Nazarene..."

Staff associates who are ordained or district-licensed ministers are generally ministerial employees as long as they are performing ministerial functions as outlined in Memo #12: Who Is a Minister for Tax Purposes? Other employees (e.g., secretaries and janitors) are lay employees even if they are ordained or district-licensed ministers.

THE FOLLOWING CLASSIFICATION SUMMARY MAY BE HELPFUL:

Self-Employed:

Itinerant evangelists and song evangelists who are not incorporated

Employees:

A. Ministerial:

- Pastor who is ordained or district-licensed
- Staff member who is ordained or district-licensed and who is performing ministerial or administrative duties (*including deacons*)

B. Lay:

- Pastor who is not ordained or district-licensed (*even if holding a local minister's license*)
- Church secretaries and church janitors
- Staff members who are not ordained or district-licensed ministers
- Ordained or district-licensed ministers who are not serving in a ministerial or administrative capacity

These distinctions may not be consistent with the way the role of the individual is seen in the local church; however, they are important to understand because they are based on both IRS guidelines and the Manual of the Church of the Nazarene.



CAUTION!

Determine employee classifications accurately.



SEE:

**Memo #12:
Who Is a Minister for Tax Purposes?**



The Ministerial Employee

Each year, the church should issue Form W-2 to each of its employees—including all ministerial employees. However, the issuance of Form W-2 does not affect how a ministerial employee pays income tax and Social Security/Medicare tax (Self-Employed Contributions Act—SECA) (using the self-employment tax rate) to the IRS.

A minister can make estimated quarterly tax payments to the IRS (Form 1040-ES), or the minister and the local church may enter into a voluntary arrangement whereby the church withholds federal (and possibly state and local) income taxes. The local church has no obligation to withhold federal income tax from the ministerial employee. However, each church will need to check the applicable rules regarding withholding state and local income taxes.

If the church withholds income taxes under a voluntary arrangement, the income tax withheld must be remitted to the IRS on at least a quarterly basis. Quarterly payroll tax returns (Form 941) must also be filed. Ministers should have a thorough understanding of this process before entering into a voluntary withholding agreement. Your local tax consultant can help.

As an important part of supporting ministers' retirement, many Nazarene churches pay a Social Security/Medicare tax allowance. This allowance for the minister's Social Security/Medicare (SECA) tax liability must be reported as taxable income on Form W-2 (Box 1). Furthermore, it is also taxable for Social Security (SECA) purposes when the ministerial employee files Schedule SE with the yearly income tax return.



CAUTION!

Never withhold Social Security/Medicare taxes from the minister.



REMEMBER!

Check your state and local tax rules for withholding.

The Lay Employee

Upon hiring a lay employee, the church becomes obligated to withhold federal (and state and local as applicable) income tax and Social Security/Medicare tax (FICA) from the employee's salary and to report that salary and withholding to the IRS and to the individual. Failure to withhold and report can result in penalties and serious problems which should be carefully avoided. Obligations, procedures, and tables for withholding federal income tax and Social Security/Medicare tax (FICA) are in IRS Publication 15 Circular E—Employer's Tax Guide (available from [irs.gov](https://www.irs.gov) or by calling **800.829.3676**).

ALL lay employees (both full-time and part-time) are automatically covered by Social Security/Medicare under the FICA plan. This requires withholding one-half of the taxes from the employee, paying a matching amount from the employer's own funds, remitting the funds to the proper depository institution, and reporting this total to the IRS on Form 941 each quarter.



SEE

IRS Publication 15 Circular E Employer's Tax Guide to find obligations, procedures, and tables for withholding federal income tax and Social Security/Medicare tax.

The Employer Identification Number

Your congregation is required to report employment taxes (federal income taxes and Social Security/Medicare taxes withheld) and give Form W-2 to employees, including the minister, whether or not taxes are withheld. Your church should already have a federal Employer Identification Number (EIN) and, in some states, a state identification number. Your congregation must use the EIN on all items sent to the IRS.

Most district journals list each church's EIN. If your church does not have an EIN, contact your district superintendent for instructions in securing one. Form SS-4, used to request the federal EIN, can be secured and submitted online at [irs.gov](https://www.irs.gov). The absence of the appropriate identification number may cause unnecessary and improper reporting of amounts withheld for income and/or Social Security/Medicare taxes. It might also cause unnecessary scrutiny of an employee's tax records for previous years.



REMEMBER!

Use your EIN on all items you send to the IRS.

If your church has an EIN, but is not receiving quarterly and annual payroll tax forms, call the IRS, give them your EIN, state that you now have a requirement to file tax returns, and ask them to provide a copy of IRS Publication 15 Circular E—Employer's Tax Guide and the necessary reporting forms.





What Is Taxable for Federal Income Tax Purposes?

For the ministerial employee, taxable income consists of cash salary paid as compensation, cash bonuses or love offerings, automobile or other allowances (if not paid under an accountable reimbursement plan), Social Security/Medicare tax allowances, and taxable fringe benefits. It **does not** include a properly designated housing allowance or fair market rental value of a church-owned parsonage, Nazarene 403(b) Retirement Savings Plan contributions, or business and professional expense reimbursements (e.g., business-related transportation/travel, meals, books, dues, office supplies, etc.), provided such reimbursements are paid under an accountable reimbursement plan. Subject to certain housing allowance limitations, the greatest exclusion for the ministerial employee is the value of housing and utilities provided, or the cash compensation designated as housing allowance which is used for that purpose.

For the lay employee, taxable income consists of cash salary paid as compensation, any cash bonuses or love offerings, automobile or other allowances (if not paid under an accountable reimbursement plan), Social Security/Medicare tax allowances, taxable fringe benefits, and housing. It does not include Nazarene 403(b) Retirement Savings Plan contributions, business and professional expense reimbursements (e.g., business-related transportation/travel, meals, books, dues, office supplies, etc.), provided such reimbursements are paid under an accountable reimbursement plan. The cash housing allowance or the fair market rental value of housing provided and utilities must be reported as taxable income for lay employees. Only ordained or district-licensed ministers performing ministerial or administrative duties may claim the housing exclusion provided by Section 107 of the Internal Revenue Code. (See Memo #13: The Minister's Housing Allowance.)



SEE

*Memo #13:
The Minister's
Housing
Allowance.*



REMEMBER!

*Business
reimbursements
must be
included on
Form W-2 as
taxable income
unless they are
paid through
an accountable
reimbursement
plan which has
been formally
adopted by
the church.*

Business Expense Reimbursements

Requirements for business expense reimbursements are based on IRS Regulation 1.62-2(d)(3). These requirements apply to every church and affect all employees. They are not optional—they must be followed, or the church employee may pay unnecessary taxes.

IRS regulations require that business reimbursements be included on Form W-2 as taxable income to the individual unless paid through an accountable reimbursement plan which has been formally adopted by the church board. The requirements for the accountable reimbursement plan are three-fold: (1) The church may reimburse only those business expenses that an employee substantiates within 60 days of the expenditure with receipts and/or in writing as to the date, amount, place, and business nature. (2) The employee must return any excess reimbursements (i.e., unused expense advances) within 120 days of the expenditure. The excess reimbursement may not be treated as a bonus or gift. (3) Any advance must be made within 30 days of when the expense is paid or incurred.

Form W-2 income cannot be reduced after-the-fact. In other words, the IRS will not allow reimbursements to be paid through a retroactive reduction of salary. In order for reimbursements to be paid and qualify under an accountable reimbursement plan, properly substantiated expense reimbursements must be paid separately from the employee's salary. The salary amount and the accountable reimbursement plan must be established in advance of payment. If the church establishes a dollar limit on the expense plan (instead of reimbursing 100 percent of expenses), any balance remaining in the expense plan at year-end must remain with the church to avoid negative tax consequences. The payment of the balance to the employee makes all payments made to the employee under the plan during the year reportable as taxable income on Form W-2.



CAUTION!

The IRS will not allow reimbursements to be paid through a retroactive reduction of W-2 salary.

Income Tax Withholding

For the ministerial employee, federal (and possibly state and local) income tax may be withheld if the minister and the church enter into a voluntary arrangement. Otherwise, the ministerial employee generally will need to file and pay estimated tax (Form 1040-ES) to cover federal income tax and Social Security/Medicare tax (SECA) obligations. For married couples filing a joint return, the minister's spouse could choose to have additional income tax withheld from his or her pay to cover the total liability for the couple. Even if a voluntary withholding arrangement is used, FICA taxes should never be withheld from a minister.

For the lay employee (both full-time and part-time), the employer must withhold income tax according to the provisions of the tax law. There are fines and penalties for failing to comply. The employer must secure Form W-4 on which the employee claims any exemptions for self and dependents. The amount withheld is then determined by using the charts provided in IRS Publication 15, Circular E—Employer's Tax Guide. Care must be taken with lay employees to withhold on all taxable income, including a cash housing allowance or the value of housing and utilities provided.



REMEMBER!

For the lay employee, the employer must withhold income tax according to the provisions of the tax law.

Social Security/Medicare Tax Withholding

For the ministerial employee, the church should never withhold Social Security/Medicare (FICA) taxes as it does for lay employees. The law provides that payment be made directly by the ministerial employee as if self-employed. The tax is based on the current self-employment rates (see below). This rate must be applied on taxable income (i.e., salary, cash bonuses or love offerings, automobile or other allowances, Social Security/Medicare tax allowances, or taxable fringe benefits) and housing allowance (whether a cash allowance or the fair market rental value of housing and utilities provided). Many Nazarene churches provide to the minister a Social Security/Medicare tax allowance equal to the full amount of the Social Security tax paid. That allowance, in turn, becomes taxable for income and SECA tax purposes based on the date it is paid.

For the lay employee, Social Security laws state that all lay employees (both full-time and part-time) are covered automatically by Social Security/Medicare tax withholding rules under FICA. Therefore, all Nazarene church employers must withhold FICA at the current employee rates (see chart) from the lay employee's wages that are subject to Social Security/Medicare taxes and must pay a matching amount from church funds. This would include payment of FICA taxes on any salary-reduction contributions to the Nazarene 403(b) Retirement Savings Plan. The total is then paid to the government for the individual. Churches may want to give an allowance to the lay employee equal to the full amount withheld. Such an allowance becomes taxable income similar to allowances paid to ministers (see previous paragraph).



SOCIAL SECURITY/MEDICARE CONTRIBUTION RATES

	Social Security ¹	Medicare ²
SECA Self-employment rate ³	12.4%	2.90%
FICA Employee Rate	6.2%	1.45%
FICA Employer Rate	6.2%	1.45%

¹Applies to wages up to \$176,100 for 2025.

²Applies to all wages with no limit.

³When Form 1040 is filed, there is an adjustment to the self-employment income base for computing the SECA tax due (Schedule SE) and also an income tax deduction of 50% of the SECA tax computed.

Form W-4

All employees, whether part-time or full-time, must complete a Form W-4, *Employee's Withholding Allowance Certificate*. That form reports the number of withholding allowances requested by the employee and is the basis upon which the amount of federal income tax to be withheld is determined. Once completed, a Form W-4 remains valid until a new one is filled out. All W-4 Forms are retained by the employer. W-4 Forms remain subject to review by the IRS, but employers need to submit them only when directed to do so by the IRS.

You should keep on file your minister's Form W-4, noting that no federal taxes are to be withheld pursuant to Section 3401(a)(9) of the Internal Revenue Code which specifically exempts a minister's wages from income tax withholding. Of course, if the minister and church have agreed to voluntary withholding of income taxes (not Social Security—FICA taxes), then the Form W-4 should indicate the correct number of withholding allowances and any amount of extra withholding requested.

Employees who had no income tax liability in the previous year, and do not expect to pay a tax in the current year, may request that no income taxes be withheld in the current year by completing the appropriate lines on Form W-4. (Note: some exceptions apply.)

On another line of Form W-4, employees may request that additional federal income tax be withheld. If your minister elects to have income taxes withheld and desires additional income tax to be withheld in order to cover the personal obligation of the Social Security/Medicare (SECA) tax payment (which must be paid at the self-employment rate), that amount should be shown as income tax withholding.

Deposit of Withheld Amounts

Taxes deducted from wages should be segregated into separate accounts in the church's bookkeeping system. There are very specific instructions on the frequency of depositing these funds. IRS Publication 15, *Circular E—Employer's Tax Guide*, explains this process in detail. Deposits must be made properly and on a timely basis to avoid late penalties. Each quarter, Form 941 must be filed to report the amounts withheld to IRS.



REMEMBER !

All employees should complete a Form W-4 for the church's file.



IDEA

Most of the forms mentioned in this memo may be completed and filed online. See irs.gov and ssa.gov for more information.



SEE

IRS Publication 15, Circular E—Employers Tax Guide, to properly deposit withheld amounts.



Form 941

You should complete and submit Form 941 each quarter to the IRS. It is used to report both federal income taxes and FICA taxes withheld. Note most of the forms mentioned in this memo may be completed and filed online. See [irs.gov](https://www.irs.gov) and [ssa.gov](https://www.ssa.gov) for more information.

By the last day of the month following the end of each quarter, Form 941 must be filed. There are penalties for not doing so. You may wish to file the form even if no taxes are withheld, although there is no requirement to do so.

As soon as you owe more than \$2,500 in employment taxes (withholding of federal income and FICA taxes, as well as the employer's FICA taxes), your congregation must pay that money by the method required by the IRS. (You should automatically receive instructions for making those payments along with a supply of IRS computer-readable forms unless you use an electronic payment process.) All federal employment taxes due must be paid at least quarterly, and more frequent deposits may be required.



CAUTION!

File Form 941 by the last day of the month following the end of each quarter.

Here are a few of the items you will report on Form 941:

- ▶ **On line 2**, report the total of all wages paid and any other compensation paid by the employer, whether or not the employer is required to withhold federal income tax or Social Security tax. This line includes the minister's salary.
- ▶ **On line 3**, report total federal income tax withheld from wages. If you wish, you may indicate in the lower margin of the form the number of ministerial employees included on line 1 and their compensation you had to include on line 2 which is "not subject to withholding pursuant to IRC Section 3401(a)(9)."
- ▶ **On lines 5a and 5c**, report the appropriate totals for applicable FICA wages and Medicare wages paid (these may not be the same amounts as reported on line 2) and the amount of tax due on those wages (employee and employer taxes). Since ministerial employees are not subject to FICA and Medicare withholdings, do not include their compensation in these totals.
- ▶ **On line 10, report total taxes**. This will include withheld taxes and the taxes due from the employer for both FICA and Medicare.
- ▶ **On line 13a**, report any deposits made for accumulated withholdings. A record of tax liability (not deposits) for each month of the quarter is also required on line 16. Upon filing Form 941, any taxes still due must be paid.

Form W-2

If your congregation does not receive a supply of employment tax forms before the end of the year, you will want to request them by calling the IRS (**800.829.3676**). By January 31, each employee must be given Form W-2 reporting wages paid during the preceding tax year. (Note that Forms W-2 and W-3 may be completed electronically at [irs.gov](https://www.irs.gov).)

The IRS, in Publication 517, has indicated clearly for a number of years that the church employer should provide a Form W-2 to the **minister** at the end of the tax year. This is true even though there may have been no withholding for federal income tax due to the exemption and even though the minister's wages are not subject to withholding for Social Security/Medicare tax (*FICA*).

The lay employee must also receive Form W-2 from the church. Since the employer is required to withhold federal income tax and any applicable Social Security/Medicare taxes, the treasurer can determine the amount withheld and the amount of taxable wages from the accounting records. Taxable wages must include cash housing allowance and the value of any housing or utilities provided.

Form W-2 requires the employer's name, address, ZIP code, and Employer Identification Number (EIN), as well as the employee's name, address, ZIP code, and Social Security number. In Box 1, show wages paid. In Box 2, show any federal income tax withheld. Boxes 3, 4, 5, and 6 are completed with dollar amounts only for lay employees. (For ministers, Boxes 3, 4, 5, and 6 should be left blank.)

The following statements give general guidelines that apply to the minister's Form W-2 and the lay employee's Form W-2. Specific instructions can be secured from any local IRS office or at [irs.gov](https://www.irs.gov).



REMEMBER!

W-2s must be available or mailed by January 31 to all employees.



SEE

IRS Publication 517 for more information on Social Security rules for clergy.





On the minister's Form W-2, report salary (cash and non-cash) paid in Box 1. Include any Social Security allowance; automobile or other allowances (if not paid under an accountable reimbursement plan); taxable fringe benefits; and church-paid love offerings. Exclude any auto or other business reimbursements which have been paid through an accountable reimbursement plan; contributions to the Nazarene 403(b) Retirement Savings Plan; and any designated housing allowance or the value of any housing or utilities provided. If federal income tax has been withheld from a minister's wages, fill in Box 2; otherwise leave it blank. Leave Boxes 3, 4, 5, and 6 blank.

On the lay employee's Form W-2, report salary (cash and non-cash) paid in Box 1 just as you did for the minister, but also include any housing allowance. *(The cash housing allowance or the fair market rental value of a parsonage and utilities must be reported as taxable income for lay employees. Only ordained or district-licensed ministers serving in a ministerial capacity can exclude it from income taxes.)* Automobile and other business

reimbursements paid through an accountable reimbursement plan are excluded from Boxes 1, 3, and 5. All Nazarene 403(b) Retirement Savings Plan contributions are excluded from Box 1; however, only employer-paid contributions over and above salary are excluded from Social Security/Medicare wages, (Boxes 3 and 5). Voluntary salary reduction 403(b) contributions are included in Boxes 3 and 5, and tax withheld must be reported on these funds, (Boxes 4 and 6).

Box 12 - Follow the Form W-2 instructions carefully. Any entry made should be carefully entered and labeled according to IRS codes provided in your Form W-2 instructions to avoid confusion in reporting these amounts. If more than four items need to be reported in Box 12, use a separate Form W-2. The following items may need to be considered when completing Box 12.

- ▶ **Group Term Life Insurance** – If the church employer pays for more than an aggregate of \$50,000 of group term life insurance for an employee, the cost of the coverage over \$50,000 must be reported both in Box 12 using Code C and in Box 1 (also in Boxes 3 and 5 if a lay employee).
- ▶ **Deferred Compensation** – Any contributions made through the church to an employee's Nazarene 403(b) Retirement Savings Plan under a voluntary salary reduction agreement must be reported in Box 12 using Code E. This amount should not be included in Box 1 for either ministerial or lay employees. This amount should be included in Boxes 3 and 5 for a lay employee.
- ▶ **Moving Expenses** – Note: With the passage of the Tax Cuts and Jobs Act of 2017, the deduction or tax-free treatment of moving expenses was eliminated, effective January 1, 2018.



REMEMBER!

If you need tax forms, you may contact 800.829.3676 or download them at [irs.gov](https://www.irs.gov).



CAUTION!

Follow the Form W-2 instructions carefully for labeling entries by IRS codes.



REMEMBER!

The church automatically enrolls qualified ministers in the 403(b) Retirement Savings.

Box 13 – Box 13 (Retirement Plan) must be checked if the employee is an active participant for any part of the calendar year in a retirement plan maintained by the church employer.

Employers who have contributed to the Nazarene 403(b) Retirement Savings Plan on an above salary basis for either a minister or a lay employee must also check this box.

Box 14 – If the church owns or leases a vehicle for an employee's use, the value of the "personal and nonbusiness" use of that vehicle is taxable income. The value of the use of the vehicle is established by using official tables available at [irs.gov](https://www.irs.gov). The amount of the personal and nonbusiness use must be included in Box 1 and in Box 14 (and in Boxes 3 and 5 if a lay employee). The employee must maintain a mileage log or similar record to substantiate business and personal use of the vehicle and submit this to the employer. If not substantiated, the employer must report 100 percent of the use of the vehicle as taxable income. If the employee fully reimburses the employer for the value of personal use of the vehicle, then no value would be reported in either Box 1 or in Box 14. You may want to refer to IRS Publication 535 for more information on vehicle usage valuation.



SEE

IRS Publication
535 for more
information on
vehicle usage.



REMEMBER!

Transmit the W-2
Forms to the IRS
by filing Form
W-3, Transmittal
of Wage and Tax
Statements.

Form W-3

In order to transmit the W-2 Forms to the IRS, your congregation must file Form W-3, **Transmittal of Wage and Tax Statements**. Form W-3 will be provided to your congregation at year's end with the supply of employment forms from the IRS.

The purpose of Form W-3 is to summarize for the IRS the number of W-2 Forms being transmitted. Information required includes the name, address, ZIP code, and EIN of the employer; the number of W-2 Forms being transmitted;



the total amount of wages, federal income taxes withheld, Social Security/Medicare (FICA) taxes withheld, and FICA wages reported on all of the W-2 Forms. Totals on Form W-3 should balance to the aggregate of the totals reported on any 941 Forms filed for the year.

Form W-3 and all attached W-2 Forms must be submitted to the IRS by the last day of January (unless that day falls on a weekend, and then by the following Monday). No money is sent with the Form W-3.

Form 1099-NEC

While the church generally is not required to withhold taxes from non-employees, Form 1099-NEC must be filed for payments to a self-employed person or unincorporated business if payments have been \$600 or more per year. This includes payments to independent contractors and unincorporated evangelists (*excluding any housing allowance properly designated in advance, Nazarene 403(b) Retirement Savings Plan contributions, or reimbursed expenses*). Payment of attorney's fees must be reported even if the firm providing the legal services is incorporated. Transmit copies of Form 1099-NEC to the IRS with Form 1096.



REMEMBER !

Form 1099-NEC must be filed for payments of \$600 or more per year to a self-employed person or unincorporated business.

Keep both an individual ledger sheet (or computer log) for each employee, plus a similar summary sheet for all wages paid to all employees.

CHECKLIST FOR PROCEDURES

The employer should:

1. Request an Employer Identification Number (EIN) from the IRS if one is not already assigned;
2. Have a valid Form W-4 on file for each employee;
3. Withhold federal income taxes and any applicable Social Security/Medicare (FICA) taxes from each paycheck, except paychecks of clergy in the exercise of ministry, unless the clergy and church have a voluntary agreement for withholding federal income taxes;
4. File Form 941 by the end of the month following each quarter and pay any balance due of taxes withheld;
5. At year's end, issue a Form W-2 to all employees and file Form W-3 transmittal; and
6. Issue Form 1099-NEC if necessary and file Form 1096 with the IRS.

Records

Your congregation must keep accurate records of all wages paid and taxes withheld. Keep an individual ledger sheet or computer log for each employee plus a similar summary sheet for all wages paid to all employees.

Notice

This federal tax information is only a guide to help local churches with the legal requirements of being an employer. No attempt has been made to cover state and local income taxes or workers' compensation which would differ for each local church. (*Refer to Memo #9: Workers' Compensation Laws and the Local Church.*) Federal Unemployment Tax is not discussed either. Churches are generally exempt from this tax.

These guidelines are general. Legal and technical accounting questions should be referred to legal counsel or your church auditor.



SEE

Memo #9: Workers' Compensation Laws and the Local Church.



WHAT GETS INCLUDED IN BOX 1 OF FORM W-2

MINISTERS	LAY	
YES	YES	Salary
NO	YES	Housing/furnishings allowance (designated in advance)
NO	YES	Parsonage rental value
NO	YES	Utilities paid by church
YES	YES	Social Security/Medicare “allowance”
NO	NO	Transportation/travel and other business and professional expense reimbursements only if paid under a board adopted accountable reimbursement plan
YES	YES	Reimbursements if not paid under an accountable reimbursement plan
YES	YES	Church love offerings or cash gifts in excess of \$25
NO	NO	Contributions to the Nazarene 403(b) Retirement Savings Plan
NO	NO	Group term life insurance premiums (for up to \$50K coverage) paid directly by the church
YES	YES	Moving expense reimbursements
NO	NO	Employee’s contributions to a Health Savings Account (HSA) (See IRS Publication 969)

The information contained in this memo series is of a general nature reflecting USA Nazarene Church polity.

It is not offered as specific legal or tax advice. Each person, local church board, and district should evaluate their own unique situation in consultation with their local legal and tax advisors.



SERVING THOSE WHO SERVE

Other NBUSA Memos That May Be Helpful

- #1:** Housing for Your Pastor: Parsonage or Housing Allowance?
- #2:** Church Employees or Independent Contractors?
- #4:** Strategies for Structuring Ministerial Compensation
- #5:** Minimizing Income Taxes for Church Employees
- #6:** Housing Allowance in Retirement
- #7:** Financially Caring for the Minister
- #8:** The Annual Church Audit
- #9:** Workers' Compensation Laws and the Local Church
- #10:** Can Ministers Opt Out of Social Security?
- #11:** Auto and Other Business Expense Reimbursements
- #12:** Who Is a Minister for Tax Purposes?
- #13:** The Minister's Housing Allowance

SCAN QR CODE

To browse the entire
NBUSA Memo series.



17001 Prairie Star Pkwy, Lenexa, KS 66220-7900
888.888.4656 | (FAX) 800.334.0634 | nbusa.org | benefits@nazarene.org