

## FORM W-2 REMINDERS – W2 SHOULD BE ISSUED TO ALL CLERGY AND LAY EMPLOYEES

Per IRS Guidelines: <https://www.irs.gov/businesses/small-businesses-self-employed/members-of-the-clergy>

For services in the exercise of the ministry, members of the clergy receive a Form W-2 but do not have social security or Medicare taxes withheld. They must pay social security and Medicare by filing [Form 1040 \(Schedule SE\), Self-Employment Tax](#). For additional information refer to [Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers](#).

- **HOUSING RESOLUTION:** Do not include the pastor's housing resolution in Box 1. Total cash paid to pastor should be reduced by this amount and the resultant figure reported in Box 1. The housing resolution amount may be reported in Box 14 as "Housing Allowance."
- **DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT:** Use Box 10 to report *pre-tax* amounts withheld from pay for contribution to the HealthFlex Dependent Care Flexible Spending Account. (a.k.a. DCA).
- **HEALTH CARE FLEXIBLE SPENDING:** *pre-tax* amounts withheld from pay for contribution to Medical Reimbursement Account **are not** reported on Form W2. (a.k.a. FSA).
- **HEALTH SAVINGS ACCOUNT:** Use Box 12 to report *pre-tax* amounts withheld from pay for Health Savings Account (HSA) and include the employer HSA contributions embedded in the HealthFlex plan type. Indicate **code W**. (This information will be made available to Church Treasurers in December from the Conference Human Resources and Benefits office.
- **CLERGY/EMPLOYEE CONTRIBUTION TO UMPIP:** Use Box 12a to report amounts withheld from pay and contributed on a *pre-tax* basis. Indicate **code E**. See the IRS instructions for other wage treatment.
- **EMPLOYER CONTRIBUTIONS TO CRSP AND UMPIP:** The box labeled "Retirement Plan" should be checked for all persons participating in a United Methodist Pension Plan (employer sponsored contribution plan). The church contributions to CRSP **are not** reported on Form W2
- **CLERGY/EMPLOYEE MEDICAL PREMIUM:** Clergy and lay medical premiums to the HealthFlex Insurance Program should not be included in Box 1. If you have a lay employee, the church should not withhold FICA tax on that amount nor should they pay the employer share of FICA. The church contributions to Medical **are not** reported on Form W2

### W-2 Local Church Instructions:

- BOX 1** – Report all wages. Do not include the pastor's Housing resolution. Total cash paid to pastor should be reduced by the housing resolution, medical flex, dependent care, health savings accounts. report resultant figure in Box 1.
- Box 2** – Complete only if a pastor voluntarily elects to participate.
- Box 3, 4, 5, 6** – Left blank for pastors.
- Box 10** – Report contributions made by pastor or lay employees for Dependent Care Account.
- Box 12** – Use Box 12 to report pre-tax amount withheld from pay for HealthFlex Health Savings Account – indicate code W.
- Box 12** – Use Box 12 to report pre-tax amount withheld from pay and sent to Wespath for UMPIP - indicate code E.
- Box 12** – Code DD: employer paid medical insurance is **NOT REPORTED** by church plans like HealthFlex (<https://www.wespath.org/assets/1/7/4846.pdf>)
- Box 12** – Code C: group-term life up to \$50,000 is **NOT REPORTED** by clergy with CPP benefits as the benefit does not exceed this threshold.
- Box 13** – Mark the box labeled "Retirement Plan" for all persons participating in a United Methodist Church Employer Contribution Pension Plan.
- Box 14** – The Housing Resolution amount may be reported in Box 14 as "Housing Allowance."
- Box 17, 19** – Complete only if a pastor voluntarily elects to participate.

22222		VOID <input type="checkbox"/>	a Employee's social security number		For Official Use Only ▶ OMB No. 1545-0008	
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code			3 Social security wages		4 Social security tax withheld	
			5 Medicare wages and tips		6 Medicare tax withheld	
			7 Social security tips		8 Allocated tips	
d Control number			9		10 Dependent care benefits	
e Employee's first name and initial		Last name	Suff.	11 Nonqualified plans		12a See instructions for box 12
f Employee's address and ZIP code			13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b	
			14 Other		12c	
					12d	
15 State	Employer's state ID number		16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
						20 Locality name

Form **W-2** Wage and Tax Statement

2020

Department of the Treasury—Internal Revenue Service  
For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Copy A—For Social Security Administration. Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

Cat. No. 10134D

**Do Not Cut, Fold, or Staple Forms on This Page**