

Checklist for Preparing Ministry W-2's Box 1

It is very, very important to have the figure in Box 1 of your W-2 correct. If you do not have this number correct your whole tax return (federal and state) is incorrect and you may be losing very valuable employee benefits that may cost you hundreds of dollars a year.

Amounts to be included in Box 1

1. Salary (less housing allowance), Christmas bonus, honorariums (if turned over to the church and passed back to the pastor), social security 'allowances', moving expenses if over and above allowable by IRS code, and life insurance premiums of over \$50,000 coverage. Essentially, any monies coming from the church to the pastor except the following:
 - A. Reimbursed expenses paid out through an approved accountable plan.
 - B. Health, dental and vision premiums paid by the employer.
 - C. Pre-designated and approved housing allowances.
 - D. Pre-designated and approved utility allowances.
 - E. One time annually Church gift of \$25 or less.
 - F. Parsonage rental value.
 - G. Contributions to a 403(b) Plan.
 - H. Value of business use of a Church vehicle. (Please note; the value of personal use needs to be included in the Pastor's W-2.

** If you have any questions concerning what should or should not be included in the Minister's W-2 please contact your Ministry Tax Specialist**

U.S. Treasury Circular 230 Notice: Any tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of (a) avoiding penalties that may be imposed under the Internal Revenue Code or by any other applicable tax authority; or (b) promoting, marketing or recommending to another party any tax-related matter addressed herein. We provide this disclosure on all outbound correspondence to assure compliance with new standards of professional practice, pursuant to which certain tax advice must satisfy requirements as to form and substance.