

**Resolution on Rental/Housing/Household Expense Allowance, in accordance with Federal Guidelines for clergy housing, the following resolution is recommended.**

**WHEREAS**, the religious denomination known as The United Methodist Church (the Church), of which this Conference is a part, has in the past functioned and continues to function through ministers of the gospel (within the meaning of Internal Revenue Code section 107) who were or are duly ordained, commissioned, or licensed ministers of the Church (Clergypersons);

**WHEREAS**, the practice of the Church and of this Conference was and is to provide active Clergypersons with a parsonage or a rental/housing allowance as part of their gross compensation.

**WHEREAS**, pensions or other amounts paid to active, retired, terminated, and disabled Clergypersons are considered deferred compensation and are paid to active, retired, terminated, and disabled Clergypersons in consideration of previous active service; and

**WHEREAS**, the Internal Revenue Service has recognized the Conference (or its predecessors) as an appropriate organization to designate a rental/housing allowance for Clergy Persons who are or were members of this Conference and are eligible to receive such deferred compensation.

**NOW, THEREFORE, BE IT RESOLVED:**

**THAT** an amount equal to 100% of the pension, severance, or disability payments received from plans authorized under The Book of Discipline of The United Methodist (the Discipline), which includes all such payments from Wespeth Benefits and Investments, during the period January 1, 2022 through December 31, 2022 by each active, retired, terminated, or disabled Clergyperson who is or was a member of the Conference, or its predecessors, be and hereby is designated as a rental/housing allowance for each such Clergyperson; and

**THAT** the pension, severance, or disability payments to which this rental/housing allowance designation applies will be any pension, severance, or disability payments from plan, annuities, or funds authorized under the Discipline, including such payments from Wespeth Benefits and Investments and from a commercial annuity company that provides an annuity arising from benefits accrued under a Wespeth Benefits and Investments plan, annuity, or fund authorized under the Discipline, that result from any service a Clergyperson rendered to this Conference or that an active, a retired, a terminated or a disabled Clergyperson of this Conference rendered to any local church, annual conference of the Church contributions to or accrue a benefit under, such a plan, annuity, or fund for such an active, a retired, a terminated, or a disabled Clergyperson's pension, severance, or disability plan benefit as part of his or her gross compensation.

**Note:** The rental/housing allowance that may be excluded from a Clergyperson's gross income in any year for federal (and, in most cases, state) income tax purposes is limited under Internal Revenue Code section 107(2), and regulation thereunder, to the least of: (a) the amount of the rental/housing allowance designated by the Clergyperson's employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year; (b) the amount actually expended by the Clergyperson to rent or provide a home in such year; or (c) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year. Each Clergyperson or former Clergyperson is urged to consult with his or her own tax advisor to determine what deferred compensation is eligible to be claimed as a housing allowance exclusion.