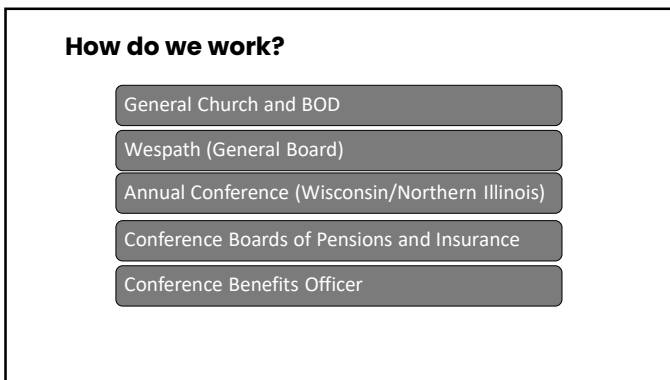
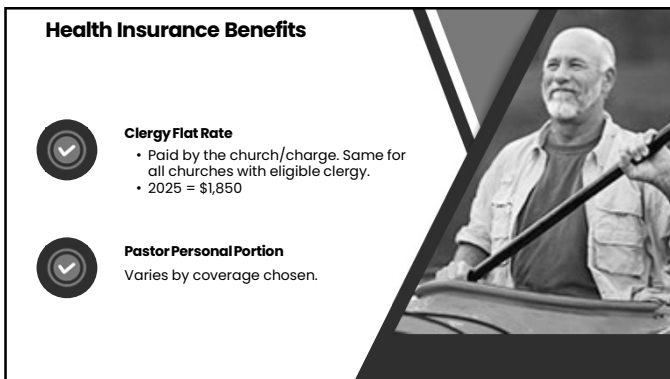




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2024 HealthFlex Benefit Options

The infographic displays various benefit options categorized into four groups:

- Medical/Behavioral/Rx Plans:** Represented by six apple icons with labels: NEW H2000, H2500, H5000, C2000, C3000, and B1000.
- Dental Plans:** Represented by three tooth icons with labels: Premier PPO, PPO, and Dental HMO. A box indicates "Up to 3 Dental Plans".
- Vision Plans:** Represented by three eyeglass icons with labels: Exam Core, Full Service, and Premier. A box indicates "3 Vision Plans".
- Health and Reimbursement Account Options:** Represented by four piggy bank icons with labels: HSA, HRA, Health PSA, and FSA. A box indicates "Health and Reimbursement Account Options".

4

Clergy Retirement Benefits

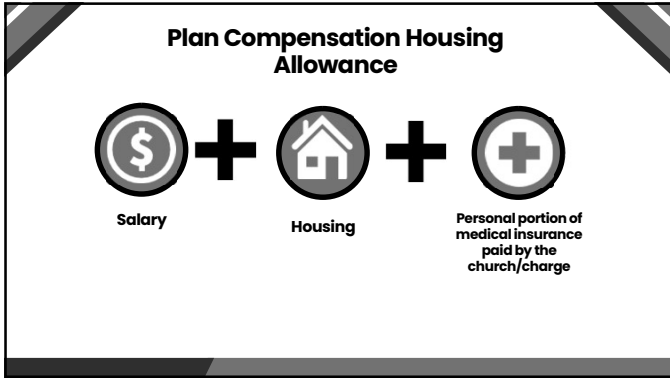
- Clergy Retirement Security Plan (CRSP)
- United Methodist Personal Investment Plan (UMPIP)
- Comprehensive Protection Plan (CPP)
- Changes coming in 2026- COMPASS

5

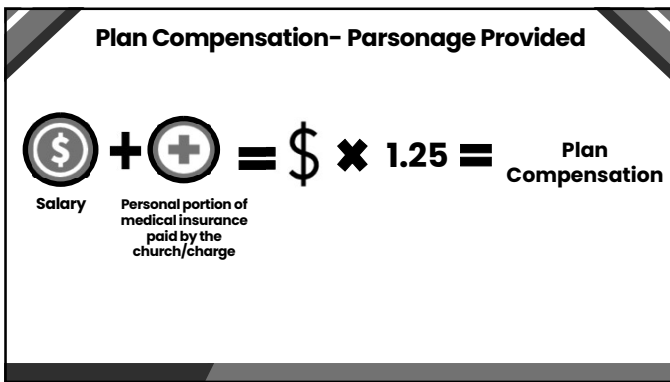
Clergy Retirement Security Plan (CRSP)

- Defined contribution and Defined Benefit
- Based on **plan compensation**
- Paid fully by the church/charge at a set percentage each year
 - This year it is 13 %
- Clergy appointed full-time, 3/4 time or 1/2 time eligible

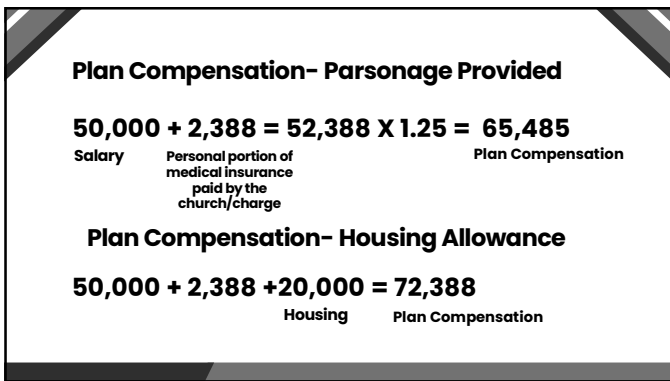
6



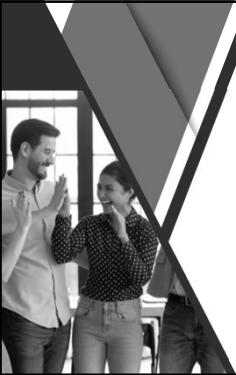
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UMPIP

- Can be clergy or lay
- Defined contribution only (403b)
- Clergy can choose several options; this is a payroll deduction and paid direct to Wespath
- For Clergy- calculated on PLAN COMPENSATION

10



Comprehensive Protection Plan (CPP)

- CPP – is a benefit for clergy serving 75% or 100%. It is a death and disability (long-term disability) plan to which churches contribute **3% of Plan Compensation.**
- CPP provides death benefits and long-term disability (unable to perform duties for 6 months or more) benefits to eligible clergy.
- \$50,000 death benefit for “active” clergy who are eligible
- Death benefits are also provided for the spouses and minor dependent children of eligible participants.

Eligibility criteria

11

Clergy are employees for Income Tax purposes

- Employee receives a W-2 (not a 1099-Misc)
- Report income on Form 1040 (not on Schedule C)
- Tax Advantaged benefits for employees
 - Pre-tax flex plans (HSA/FSA/Dependent Care)
 - Pre-tax medical insurance premium payments
 - UMPIP Contributions
 - Accountable Reimbursement plans (mileage/professional expenses)
 - Housing/Parsonage Allowance

12

Clergy pay Social Security tax and Medicare tax as if they were Self-Employed

- Social Security & Medicare tax are paid in two different ways.
- If you are an employee
 - Deducted from your paycheck
 - The total tax is 15.30%
 - 7.65% Paid by the employee
 - 7.65% Paid by the employer
- If you are self-employed (CLERGY!)
 - The tax is calculated on your personal tax return and paid in along with federal income tax
 - The total tax once again is 15.30%
 - The entire burden falls on the self-employed individual. Clergy are considered Self-Employed for Social Security & Medicare Tax.

13

What is the Parsonage Allowance??

- When you live in a parsonage you are receiving something of value in exchange for services which you are providing.
- Members of clergy can exclude this value from their taxable income for Federal Income Tax purposes. (Wisconsin also allows this exclusion for State Income Taxes, Illinois does not.)
- However, you cannot exclude this value from your income for calculating your Social Security & Medicare tax (Self-employment/SECA tax)

14

What is the Housing Allowance

- Some clergy receive a housing allowance instead of having a parsonage provided to them.
- In this case, the clergy can also designate a portion of your wages as a housing allowance which is exempt from federal income tax in addition to what is paid as housing or out of their cash salary.
- This can include purchasing a home plus furnishing the home.
- The allowance is excluded for federal income tax purposes but is included for calculating your income subject to Social Security & Medicare tax (Self-employment/SECA tax) .

15

Example of W-2 with a Housing Allowance

a Employer's social security number 111-11-1111		bOMB No. 1545-0046		cRA, accounts: PART-TIME		dIRS e-file		Use the IRS website at www.irs.gov/efile	
1 Employer identification number (EIN) 75-8855462			1 Wages, tips, other compensation 39,300			2 Federal income tax withheld			
4 Employer's name, address, and ZIP code GREAT SOFTWARE 814 ATLAS AVE MADISON WI 53714			3 Social security wages			4 Social security tax withheld			
5 Control number			5 Medicare wages and tips			6 Medicare tax withheld			
6 Employer's first name and initial CLERGY TEST			7 Social security tax			8 Allocated tax			
8 State WI 53714			9			10 Dependent care benefits			
11 Nonqualified plans			12			13 See instructions for box 12			
14 Other			15			16			
17 State wages, tips, etc. WI 93,300			18 Local wages, tips, etc.			19 Local income tax			
20 Locality name			21			22			

16

Example of W-2 with a Parsonage

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17 State wages, tips, etc. WI 93,300			18 Local wages, tips, etc.			19 Local income tax			
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17

Questions?



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18