

2018-2019 TAC Housing Resolution for Retired or Disabled Ministers

The TAC Retired or Disabled Ministers Rental/Housing Allowance Resolution is included in the Board of Pensions report in the TAC Journal which is posted each year on the TAC website at www.txcumc.org under Resources > Journals.

The 2018-2019 TAC Retired or Disabled Ministers Rental/Housing Allowance Resolution is found in Section IV of the Board of Pensions Report on pages J-57 and J-58 of the 2018 Journal at <https://www.txcumc.org/files/fileslibrary/J18J.pdf>

Following is the 2018-2019 TAC Retired or Disabled Ministers Rental/Housing Allowance Resolution:

Board of Pensions Report to Annual Conference

Section IV. Housing Resolution

RESOLUTIONS RELATING TO RENTAL/HOUSING ALLOWANCES FOR RETIRED OR DISABLED MINISTERS

The Texas Annual Conference (the “Conference”) adopts the following resolutions relating to rental/housing allowances for retired or disabled clergypersons of the Conference:

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 retired and disabled Clergypersons are considered to be deferred compensation and are paid to retired and disabled Clergypersons in consideration of previous active service; and

WHEREAS, the Internal Revenue Service has recognized the Conference (or its predecessors) as the appropriate organization to designate a rental/housing allowance for Clergypersons 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 or disability payments** received from plans authorized under *The Book of Discipline of The United Methodist Church* (the “Discipline”), which includes all such payments from the Wespath, during the years 2018 and 2019 by each retired 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 or disability payments to which this rental/housing allowance applies will be any pension or disability payments from plans, annuities, or funds authorized under the *Discipline*, including such payments from Wespath and from a commercial annuity company that provides an annuity arising from benefits accrued under a Wespath plan, annuity, or fund authorized under the *Discipline*, that result from any service a Clergy person rendered to this Conference or that an active, retired or disabled Clergy person of this Conference rendered to any local church, annual conference of the Church, general agency of the Church, other institution of the Church, former denomination that is now a part of the Church, or any other employer that employed the Clergy person to perform services related to the ministry of the Church, or its predecessors, and that elected to make contributions to, or accrue a benefit under, such a plan, annuity, or fund for such retired or disabled Clergy person's pension or disability as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a Clergy person's gross income in any year for federal income tax purposes is limited under Internal Revenue Code section 107(2) and regulations there under to the least of:

- (1) the amount of the rental/housing allowance designated by the Clergy person's employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year;
- (2) the amount actually expended by the Clergy person to rent or provide a home in such year; or
- (3) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year.

The housing/rental allowance exclusion is available only to clergy, not to surviving spouses, but the death of a minister during the year does not invalidate the exclusion for the entire year. The exclusion is still available for the part of the year the minister was alive.

Since neither the Wespath nor the Texas Annual Conference gives legal tax advice, each minister should consult with his or her own attorney, CPA, or other tax advisor.