

#### **IV. ITINERANT CLERGY MOVING EXPENSE**

##### **Effective Date – June 1, 2016**

The Itinerant Clergy Moving Expense Committee met to study moving expense needs and policies. The Committee makes the following recommendations.

##### **A. Eligibility**

1. Pastors of local churches continuing under appointment to local churches within the Conference, district superintendents, ministerial assistants to district superintendents and Conference ministerial staff whose salaries are paid from the Conference Treasurer's office.
2. Pastors in section A.1. who become Conference Evangelists upon moving from an appointment to new residence. Their moving expense to return to any of the above categories will also be paid.
3. Pastors in section A.1 who retire from serving appointment or who assume approved medical leave or return into active service from approved medical leave.
4. Widows or widowers of those identified in section A.1. upon moving from place of appointment to new residence.
5. Pastors moving into an appointment in the North Carolina Conference under section A.1.
6. Interim Supply pastors
7. Pastors being appointed to leave of absence are entitled to moving expense for one leave of absence.
8. Pastors who are called to active military duty will be entitled to moving expense at the time of call up, if need be, and at the time of return, if need be, if not covered by the military, with substantiation of the military orders.
9. Persons moving who are not defined above will not be eligible to make claim.

##### **B. Payment of Claims**

1. All reimbursements must be substantiated with paid receipts for actual moving expenses. All reimbursements must be for expenses which are deductible for income tax purposes according to Internal Revenue code, Section 217, non-taxable fringe benefits. Payment will be granted to all who are eligible to make claims as follows:
  - a. Active itinerant clergy in section A.1., A.2., A.5., A.6., A.7. and A.8. (except retiring clergy, widows, widowers, and clergy couples) will receive reimbursement of costs up to \$2,250.00 with submission of paid receipts for actual moving expense.
  - b. Retiring itinerant clergy, widows or widowers will receive reimbursement of costs up to \$3,500.00 with submission of paid receipts for actual moving expenses. The retirement amount may be granted upon request when taking medical leave in lieu of receiving the retirement benefit at retirement.
  - c. Itinerant clergy couples will receive reimbursement of costs up to \$2,600.00 with submission of paid receipts for actual moving expenses. If only one member of the clergy couple is re-appointed, section B.1.a. will apply.
2. Travel: Mileage is reimbursed at the standard IRS rate for moving expense deductions. This rate may be paid per mile per vehicle for a single trip to move each vehicle to the new residence. If a vehicle is used to move household goods, i.e., in lieu of a moving company, additional trips maybe reimbursed as necessary. The per trip mileage will be computed from appointment to appointment, or from the

Conference boundary to the appointment, or from the appointment to the residence/Conference boundary (in case of retirement), whichever is less. Either the mileage as described above or actual out of pocket expenses for gas, oil, etc. may be reimbursed from the Conference boundary.

3. Reporting and Payment Requirements
  - a. IRS guidelines require that moving expense reimbursements be reported on a W-2. Based on recommendation from legal counsel and their consultations with the Internal Revenue Service, we recommend that the W-2 be issued by the local church. The Conference Treasurer will provide to the local church all moving expense information to be reported on the W-2. The Conference Treasurer will make payment to the new local church appointment. The new local church will pay the clergy and include the moving expense on the W-2 that they issue to the pastor at the end of the year. In absence of a new appointment, payment will be made to and reported by the old appointment.
  - b. The Conference Treasurer will make this payment upon receiving the Itinerant Clergy Moving Expense Requisition form signed by the person receiving reimbursement and verified by the District Office, along with appropriate receipts to substantiate the expenses.
  - c. The pastor should send the completed document, "So You're Moving" checklist to the District Office. This will fulfill the 2012 *Discipline*, Paragraph 2533.4, which states "The chairperson of the board of trustees or the chairperson of the parsonage committee, if one exists, the chairperson of the committee on pastor-parish relations, and the pastor shall make an annual review of the church-owned parsonage to ensure proper maintenance."
  - d. Moving expense funds will be withheld by the Conference Treasurer if the district superintendent determines that the parsonage was inadequately cleaned or was damaged beyond normal wear and tear. If an inspection by the district superintendent and the pastor-parish relations committee or the parsonage committee reveals monetary needs for cleaning or repairs, or for having the fuel tank filled, the remaining balance of the moving expense due said pastor shall be made payable to the respective district to pay for needed cleaning or repairs. If the district superintendent or the moving pastor is NOT in agreement with said pastor-parish relations committee or the parsonage committee, the superintendent may request the arbitration committee of the clergy living committee to inspect the parsonage involved and give an impartial recommendation.
4. The Conference Treasurer will make an advance payment up to \$600.00 to eligible itinerant clergy to cover the expense of deposit and fees for moving expenses prior to their move, upon verification by the District Office. Those receiving an advance must substantiate their expenditures, and any money that is left over shall be refunded to the Conference Treasurer. All advance payments shall be included in W-2 information provided to the local church by the Conference Treasurer for inclusion on the W-2.
5. No additional claim can be made against a local church, district or the Conference for payment of moving expenses.
6. Reimbursable expenses include the cost of boarding and moving domestic animals, the moving of recreational vehicles, moving household and personal goods, travel as

defined in B.2., lodging, packing, crating, in-transit storage and insurance, labor costs, and any other expense necessary to physically move household items.

Expenses which are not reimbursable include meals, purchase of household items, or any other item not reasonable or necessary for the move.

7. The request for moving expense reimbursement must be received in the Treasurer's Office no later than four months following the date of the move.
8. Reimbursement will be considered a qualified, non-taxable fringe benefit not subject to income and self-employment tax when:
  - Your move is 50 or more miles from the old appointment to the new appointment **and**
  - Your new appointment is full time for at least 39 weeks during the first 12 months at the new location.

If your new appointment does not meet the above conditions, then the reimbursement will be reported as taxable for both income and employment tax.

However, if your reimbursement is treated as taxable income, an additional stipend in the amount of 20% of the taxable income portion will be provided. The maximum stipend will be no more than 20% of the applicable limit stated in section B.1.

#### C. Review Committee

1. There will be a Review Committee consisting of one person appointed by the chairperson of the Council on Finance and Administration, one district superintendent appointed by the Bishop, the Conference Treasurer, the director of Ministerial Relations and the chair of the Moving Expense Committee.
2. The Review Committee will consider and have final authority over any questionable or disallowed claim or special claim beyond allowances set in the approved plan.