

Instructions to prepare W-2:

Box a: Enter pastor's social security number

Box b: Enter church's employer identification number (Caution: verify with IRS if you have not used this number in recent years)

Box c: Enter church's name and address

Box 1: Taxable salary computed as follows:

Total cash salary

MINUS:

- Employee contributions to Dependent Care Account
- Employee contributions to Medical Flex Account
- Employee contributions to HSA
- Pastor's portion of health insurance paid directly by pastor through payroll deduction
- Elective PRE-TAX contributions to retirement plans (UMPIP). Roth and after-tax contributions to UMPIP are *not* subtracted.
- Housing allowance paid to pastor (when pastor owns home)
- Additional housing designated by the pastor
- Furnishings allowance designation (when church provides parsonage)

PLUS:

- + Unspent housing/furnishings allowance
- + Gifts paid through the church treasurer (gifts received from individuals are not taxable)

Box 2: Federal tax withholding if pastor requested

Boxes 3 through 8: leave blank

Box 10: Enter amount of dependent care benefits paid through a Flex Plan/125 Plan

Box 11: Leave blank

Box 12: If pastor made elective contributions to a retirement plan, enter appropriate code and amount contributed. If pastor and/or employer made elective contributions to an HSA plan, enter appropriate code and amount contributed.

- 403(b) / UMPIP pre-tax contributions are code "E," Roth contributions are code "BB"
- HSA amounts are code "W" for both employee and employer contributions

Box 13: Check "Retirement Plan" box if the denomination has a retirement plan, and/or pastor makes elective contributions

Box 14: Optional information – enter:

- "Housing" / "Furnishing allowance" – and amount

Box 15: State of residency & church's employer state ID number if you have one

Box 16: Same amount as box 1

Box 17: Enter state tax withholding if pastor requested

Instructions to prepare W-2:

1) Housing Allowance Example:

- Salary: \$50,000
- Housing allowance designated out of that \$50,000: \$20,000
- UMPIP contributions: \$3,500
- Medical Flex Plan contributions: \$1,200
- Dependent Care FSA contributions: \$1,000
- HSA plan contributions: \$2,000

Box 1 – Federal Taxable Wage:	
Total cash salary: \$50,000	
<i>MINUS:</i>	
-	\$20,000
-	\$3,500
-	\$1,200
-	\$1,000
-	\$2,000
=	<u>\$22,300</u> to be entered into Box 1

a Employee's social security number 400-36-8022		OMB No. 1545-0008		Safe, accurate, FAST! Use		IRS e-file		Visit the IRS website at www.irs.gov/efile		
b Employer identification number (EIN) 75-8855462			1 Wages, tips, other compensation 22,300		2 Federal income tax withheld					
c Employer's name, address, and ZIP code GREAT SOFTWARE TEST 814 ATLAS AVE MADISON WI 53714			3 Social security wages		4 Social security tax withheld					
			5 Medicare wages and tips		6 Medicare tax withheld					
			7 Social security tips		8 Allocated tips					
d Control number			9		10 Dependent care benefits 1,000					
e Employee's first name and initial CLERGY TEST		Last name TEST		Suff.		11 Nonqualified plans		12a See instructions for box 12 E 3,500		
f Employee's address and ZIP code 123 DO NOT MAIL ST MADISON WI 53714			13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b W 2,000					
			14 Other HOUSING 20,000		12c					
					12d					
15 State Employer's state ID number WI 036888888888801		16 State wages, tips, etc. 22,300		17 State income tax		18 Local wages, tips, etc.		19 Local income tax		20 Locality name

Form **W-2** Wage and Tax Statement

2021

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

Instructions to prepare W-2:

2) Parsonage Example:

- Salary: \$50,000
- Furnishing allowance designated out of that \$50,000: \$4,000
- UMPIP contributions: \$3,500
- Medical Flex Plan contributions: \$1,200
- Dependent Care FSA contributions: \$1,000
- HSA plan contributions: \$2,000

Box 1 – Federal Taxable Wage:	
Total cash salary: \$50,000	
<i>MINUS:</i>	
-	\$4,000
-	\$3,500
-	\$1,200
-	\$1,000
-	\$2,000

=	\$38,300 to be entered into Box 1

a Employee's social security number 400-36-8022		OMB No. 1545-0008		Safe, accurate, FAST! Use		IRS e-file		Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN) 75-8855462				1 Wages, tips, other compensation 38,300		2 Federal income tax withheld			
c Employer's name, address, and ZIP code GREAT SOFTWARE TEST 814 ATLAS AVE MADISON WI 53714				3 Social security wages		4 Social security tax withheld			
				5 Medicare wages and tips		6 Medicare tax withheld			
				7 Social security tips		8 Allocated tips			
d Control number				9		10 Dependent care benefits 1,000			
e Employee's first name and initial CLERGY TEST		Last name TEST		Suff.		11 Nonqualified plans		12a See instructions for box 12 E 3,500	
123 DO NOT MAIL ST MADISON WI 53714				13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b W 2,000			
				14 Other FURNISHI 4,000		12c			
						12d			
f Employee's address and ZIP code									
15 State Employer's state ID number WI 036888888888801		16 State wages, tips, etc. 38,300		17 State income tax		18 Local wages, tips, etc.		19 Local income tax	
								20 Locality name	

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