

704. Resolutions Relating to Rental/Housing Allowances for Retired, Disabled, or Former Clergypersons of the North Georgia Annual Conference

The North Georgia Annual Conference (the “conference”) adopts the following resolutions relating to rental/housing allowances for active, retired, terminated, 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 active, retired, terminated, and disabled clergypersons are considered to be 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 clergypersons who are or were members of this conference and are eligible to receive such deferred compensation;

NOW, THEREFORE, BE IT RESOLVED:

***See NOTE below for IRS limitations

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 Church* (the “*Discipline*”), which includes all such payments from Wespath Benefits & Investments (“Wespath”), 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 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 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, 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 an active, a retired, a terminated, or a disabled clergy person'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 clergy person'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 regulations thereunder, to the least of: (a) 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; (b) the amount actually expended by the clergy person 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 clergy person or former clergy person 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.