



INFORMATION FOR CHURCH TREASURERS – 2017

- The 2017 IRS Mileage Reimbursement for vouched professional expenses will decrease to **53.5 cents** on 1/1/2017. It is important to confirm that the church has an Accountable Reimbursement Plan in place to address professional expense reimbursements. If you do not have a plan in place, the members of your staff could face negative tax consequences. A sample Accountable Reimbursement Plan is available, please contact Eric at the presbytery office 317.923.3681.
- Housing Allowances – working with the Pastor, the **Session** should designate a housing allowance for next year for pastors who own or rent their home. A housing allowance must be designated in advance, never effective retroactively. A sample Housing Allowance Resolution is available, please contact Eric at the presbytery office 317.923.3681.
- The Board of Pensions, Medical Plan dues for installed clergy will be 24.5 percent of **effective salary** for member or member and family for 2017. Total dues are 36.5 percent respectively, including Pension Plan dues of 11 percent and Death and Disability Plan dues of 1 percent. Effective salary includes any compensation received during a Benefits Plan year by a Plan member, including, but not limited to, any sums paid for housing allowance (including utilities and furnishings). The manse value included in effective salary is at least 30% of all other compensation. Deferred compensation, bonuses; and lump sum allowances are included in Effective Salary. The Board of Pensions has expanded online resources to include additional templates, sample resolutions, online training and other helpful information applicable to churches that can be found at www.pensions.org - (including Effective Salary and Dues calculators.)
- Social Security is raising the cap on taxable income subject to the combined 7.65 percent tax rate for Social Security, and Medicare [15.3 percent on the first \$127,300 of income.]
- As of 1/1/2017, the federally required contribution cap on “Flexible Spending Accounts” (FSA) is increased to \$2,600. These pre-tax accounts, used to pay for family medical expenses, may include an **employee** funded plan for qualified medical expenses – [note this cap is not applicable to an **employer** funded Health Reimbursement Arrangement]. Also, the church FSA may include an option to allow employees to carryover up to \$500 of their prior year FSA funding. This fixed dollar **option** could replace the carryover time period option (e.g., 90 days to remit prior year medical expenses). Note that the church plan may not include a carryover time period and fixed dollar option.
- 403b elective deferral contributions (employee) to defined plans stay at a maximum of \$18,000 for 2017. Additionally, if you are age 50 or older, the catch-up contribution limit is \$6,000 for 2017.
- In December 2016, the U.S. Congress passed important legislation as a part of the Cures Act. In summary, congregations (employers) who have only one employee who works 25 hours or more per week **may now provide a non-taxable reimbursement or payment for their employee's health insurance premium**. If your congregation has two or more persons who work 25 hours a week or more, but less than 50 such persons, you now have the option to establish a qualified small employer health care arrangement (HRA) that would give opportunity for the **employer** to provide up to \$4,950 to a single employee and up to \$10,000 to an employee plus one or employee with a family on a pre-tax basis. These are funds that the employer provides, not funds that the employee elects to set aside as a voluntary salary reduction. The same amount has to be provided for all employees of the same category. Funds may be paid to the employee for substantiated qualified medical expenses.
- The church member per capita is our shared contribution providing the primary support for the operating ministry of the Presbytery, Synod and General Assembly. As approved by the Assembly in November, presbytery per capita is \$27.24 for 2017. The Synod rate is unchanged at \$3.81 and General Assembly increased .38 to \$7.50. This results in a total per member rate for per capita support of \$38.55 for 2017.

Thank you for your work and ministry. If you have any questions – we’re here to help you!

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