



INFORMATION FOR CHURCH TREASURERS – 2023

- The 2023 IRS Mileage Reimbursement for vouched professional miles will increase to **65.5 cents** on **1/1/2023**. 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.
- Housing Allowances – if applicable and working with the Pastor, the **Session** should designate a housing allowance for 2023 for pastors who own or rent their home. A housing allowance must be designated in advance, never effective retroactively.
- The Board of Pensions medical dues for Pastor's Participation increase to 29 percent of effective salary for 2023 increasing total dues to 39 percent of effective salary. The benefits package for ministers includes family medical coverage in the preferred provider organization (PPO), 29 percent, the Defined Benefit Pension Plan, 8.5 percent; Death and Disability Plan, 1 percent; and Temporary Disability Plan, 0.5 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). A 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 - (includes Effective Salary and Dues calculators.)
- The cap on income subject to Social Security tax is increased to \$160,200 for 2023.
- As of 1/1/2023, the federally required contribution cap on “Flexible Spending Accounts” (FSA) is increased to **\$3,050**. These pre-tax accounts can be used to pay for qualified medical expenses– [note this cap is not applicable to an employer funded Health Reimbursement Arrangement (HRA)]. Also, the 2023 FSA may include an option to allow employees to carryover up to \$610 of their prior year FSA funding.
- The State of Indiana is changing how churches file their annual reports and access sales tax exemption certificates beginning in 2023. This new legislation revises the filing frequency for Annual Reports from annually to every five years. After 2022, the due date for the new Form NP-20R, Nonprofit Organization's Report, is based on the last two digits of the organization's federal employer identification number (FEIN). Please find more information and due dates at: <https://www.in.gov/dor/files/2022-nonprofit-tax-changes-agency-announcement.pdf>
- 403b elective deferral contributions (employee) to defined plans **increased to \$22,500 for 2023**. Additionally, if you are age 50 or older, the catch-up contribution limit is **\$7,500 for 2023 bringing the total to \$30,000 for applicable contributions**.
- **January 31, 2023**, is the due date for filing 2022 Forms W-2 and W-3 with the Social Security Administration. Form 1099-(NEC,MISC, etc.) is also due to contractors and the IRS by January 31 when reporting non-employee compensation payments.
- A bank record or a **written statement** from the church is needed by donors to confirm the amount and date of any donation of money. Donors must get a written acknowledgement from the church for all gifts worth **\$250** or more. It must include, among other things, a description of the items contributed. Special rules apply to cars, boats and other types of property donations.
- The church member per capita is our shared gift providing primary support to the operating ministry of the Presbytery, Synod and General Assembly. As approved by the Assembly in November, presbytery per capita stays at \$29.50 for 2023. The Synod rate stays at \$3.81, and the General Assembly increased to \$9.85. This results in a total per member rate for **per capita of \$43.16 for 2023**.

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

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