



The Episcopal Diocese of California
 1055 Taylor Street, San Francisco, CA: 94108
 tel 415-673-5015; fax 415-673-4863

re: Parish Code No.

CERTIFICATION of RESOLUTION For 2018 CLERGY HOUSING ALLOWANCE

**THIS FORM IS INFORMATIONAL ONLY
 AND DOES NOT INSTRUCT FOR PAYROLL CHANGES**

**To change payroll figures or allocation of compensation submit the
 2018 PAYROLL AUTHORIZATION FORM**

This form is informational only and should be sent in support of the annual Payroll Authorization:

- before the first payday of each year certifying a housing allowance resolution was passed and recorded in vestry / bishop’s committee / executive board meeting minutes for all clergy employed.
- at any time during the year when clergy housing allowance and compensation changes.
- before the first payday when new clergy are employed.

NO HOUSING ALLOWANCE CAN BE PAID TO A CLERIC WITHOUT A RESOLUTION PASSED
 BY THE VESTRY, BISHOP’S COMMITTEE or BOARD.

HOUSING ALLOWANCE PAYMENTS CANNOT BE ADJUSTED RETROACTIVELY.

I certify that on the date of: _____ the Vestry Bishop’s Committee Board of Directors of *(name of institution):* _____ passed a resolution* authorizing a 2018 housing allowance in the amount of \$ _____ ** for The Rev. _____ . The resolution* is noted in the minutes and we have provided the Payroll Authorization to indicate salary and housing allowance to the payroll office.

**sample housing allowance language provided on the 2nd page of this document*

*** the amount should reflect the allowance to be paid in the year for which the resolution is enacted. If it is for a partial year, it should NOT state the annualized amount, only the amount actually to be paid in that year. The figure noted on the Payroll Authorization should be annualized.*

 Print & signature of authorizing agent (ie: warden or treasurer) of Church/Institution

 TODAY’S DATE

 Email or Phone of above named person

 PARISH CODE

Any ordained person (deacon or priest working in any capacity) is eligible for a housing allowance and their total compensation is to be assessed 18% pension per national canons.

Housing Allowance Defined

Federal tax law enables clergy to exclude from gross income for income tax purposes:

- ◆ The fair rental value of a church-owned parsonage that they are permitted to occupy on a rent-free basis as part of their church compensation
- ◆ The portion of their church compensation that is designated in advance as a parsonage allowance to the extent that the minister's out-of-pocket expenses incurred in maintaining the parsonage (including furnishings and utilities) equal or exceed the allowance
- ◆ The portion of their church compensation that is designated in advance as a rental or housing allowance to the extent that the minister's expenses incurred in renting a home are equal to or exceed the allowance
- ◆ The exclusion cannot be more than the smaller of the following:
 1. The amount actually used to provide a home
 2. The amount officially designated (in advance of payment) as a rental or housing allowance
 3. The fair market rental value of the home, including furnishings, utilities
 4. An amount which represents reasonable pay for services as a minister.

Sample Resolution: Clergy Owns or Rents

WHEREAS The Rev. xxxxxxxxx is employed as a minister of the Gospel by the Episcopal Church of St. Swithens, which does not provide a residence for him; the Vestry of St. Swithens resolves that of the total annual compensation of approximately \$60,000.00 to be paid to The xxxxxxxxx during the year 20xx, \$48,000.00 is to be designated a housing allowance within the meaning of that term as used in Section 107 of the IRS Code of 1986.

Sample Resolution: Rectory Provided

WHEREAS The Rev. xxxxxxxxx is employed as a minister of the Gospel by the Episcopal Church of St. Swithens, which does provide a residence for him, but does not provide full cost of maintaining such residence; the Vestry of St. Swithens resolves that of the total annual compensation of approximately \$60,000.00 to be paid to The Rev. xxxxxxxxx during the year 20xx, \$8,000.00 is to be designated a housing allowance within the meaning of that term as used in Section 107 of the IRS Code of 1986.

Reminder: A new housing allowance resolution must be passed in December or prior to first pay period of New Year or new employment