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CLERGY 2022 W-2 INSTRUCTIONS

Please use the following guidelines to prepare your pastor's Form W-2 correctly.

Boxes a, b, c, e, f: Should be completed appropriately

Box 1: **Total Compensation** includes the following compensation paid during calendar year 2022: cash salary; bonuses; flat monthly allowances for automobile expenses, professional expenses, etc.; social security allowance; gifts handled through the church treasury; moving expenses paid or reimbursed by the congregation; personal use of a church-owned vehicle, if not reimbursed.

It does not include: housing, furnishings, and utilities allowances; pension and medical insurance payments; pastor's voluntary contributions to a tax-sheltered annuity; interview expense reimbursements; payments under a qualified medical expense reimbursement plan; automobile and professional expense reimbursements, paid based on detailed expense reports submitted.

Boxes 2, 17, 19: Should be left blank, unless pastor opted for voluntary withholding. If so, the total amount withheld for federal income tax ***and social security self-employment tax*** should be entered in Box 2. State and school district voluntary withholding amounts and local withholding should be entered in Box 17, Box 19, and Box 19, respectively.

Boxes 3, 4, 5, 6: ***There should never be a dollar amount in these boxes; leave blank.***

Box 12: If pastor made contributions to a tax-sheltered annuity, report the amount in Box 12 with the letter "E". Group term life insurance over \$50,000 paid by the congregation should be reported in Box 12 with the Code "C". Otherwise, Box 12 should generally remain blank for pastors.

Box 13: If the pastor is covered under a retirement plan, mark an "X" in the retirement plan checkbox.

Box 14: This is an optional box for employer/employee communication only. ***Housing allowance and other information not required on Form W-2 may either be reported in this box or reported to the pastor in a separate letter.***

Box 16: Same amount as Box 1 for Ohio and most other states

Box 18 (City): Taxable income for Ohio city income tax generally is the total of the amount in Box 1 plus any contributions to tax-sheltered annuities (from Box 12, Letter E.)

Box 18 (School): Same amount as Box 1 and Box 16 in most cases (Ohio)

Boxes 15 and 20: Should be completed appropriately

All other boxes should remain blank, unless there are unusual circumstances.