

Church Financial Hot Topic

Paying a Minister Legally

The following interview questionnaire will help a church budget committee dialogue with its minister to determine how to best pay him in light of current tax laws and tax benefits. Also, the questionnaire will help the committee avoid legal complications associated with paying a minister incorrectly.

Ministerial Compensation	Funds Needed
Church-Related Expenses	
What are the estimated expenses for the minister's church-related business travel expenses next year? (Multiply the Internal Revenue Service standard mileage rate by the expected church-related business miles to be driven by the minister.)	
What are the estimated expenses for the minister to attend church-related conferences, continuing education seminars, and conventions next year?	
What are the estimated hospitality expenses expected to be incurred by the minister next year? (Church-related luncheons, church-related entertainment expenses, church-related wedding and baby gifts, and other church-related business expenses)	
What are the estimated expenses by the minister for the purchase for church-related books, CDs, online resources, and other documents next year?	
What are the expected church-required ministerial cell phone expenses next year?	
Church-Provided Benefits	
What are the minister's group medical insurance premiums expected to be next year? What will group family coverage cost?	
What are the minister's disability insurance premiums expected to be next year?	
What are the minister's life insurance premiums expected to be next year? Is the life insurance group term life?	
What should be the amount of the church's contribution to the minister's retirement plan next year? (Recommended 10 percent of the minister's salary and housing allowance)	
What should be the amount of the church's contribution to help the minister pay the Social Security Self-Employment Tax next year? (Recommended 7.65 percent of the minister's salary and housing allowance)	
Ministerial Income	
How much of the minister's salary should be set aside for housing allowance next year?	
What should the church pay the minister as salary next year?	

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