

1 **RESOLUTION #2020 – 08**  
2 **Relating to Rental/Housing Allowances for Retired or Disabled Clergypersons**  
3 **Presented by Coleen Painter, President Board of Pension and Health Benefits**  
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5 **WHEREAS**, the religious denomination known as The United Methodist Church (the  
6 “Church”), of which this Conference is part, has in the past functioned and continues to  
7 function through ministers of the gospel (within the meaning of Internal Revenue Code  
8 section 107) who were or are duly ordained, commissioned, or licensed ministers of the  
9 Church (“Clergypersons”);

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11 **WHEREAS**, the practice the Church and of this Conference was and is to provide active  
12 Clergypersons with a parsonage or a rental/housing allowance as part of their gross  
13 compensation;

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15 **WHEREAS**, pensions or other amounts paid to retired and disabled Clergypersons are  
16 considered to be deferred compensation and are paid to retired and disabled  
17 Clergypersons in consideration of previous active service;

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19 **WHEREAS**, the Internal Revenue Service has recognized the Conference (or its  
20 predecessors) as the appropriate organization to designate a rental/housing allowance  
21 for retired and disabled Clergypersons who are or were members of this Conference.  
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23 **THEREFORE BE IT RESOLVED**, that an amount equal to 100% of the pension or  
24 disability payments received from plans authorized under The Book of Discipline of The  
25 United Methodist Church (“the *Discipline*”), which includes all such payments from  
26 Wespath during the year 2021 by each retired or disabled Clergyperson who is or was a  
27 member of the Conference, or its predecessors, be and hereby is designed as a  
28 rental/housing allowance for each such Clergyperson; and  
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30 **BE IT FURTHER RESOLVED**, that the pension and disability payments to which this  
31 rental/housing allowance applies will be any pension or disability payments from plans,  
32 annuities, or funds authorized under the *Discipline*, including such payments from  
33 Wespath and from a commercial annuity company that provides an annuity arising from  
34 benefits accrued under a Wespath plan, annuity, or fund authorized under the *Discipline*,  
35 that result from any service a Clergyperson rendered to this Conference or that a retired  
36 or disabled Clergyperson of this Conference rendered to any local church, annual  
37 conference of the Church, general agency of the Church, other institution of the Church,  
38 former denomination that is now a part of the Church, or any other employer that  
39 employed the Clergyperson to perform services related to the ministry of the Church, or  
40 its predecessors, and that elected to make contributions to, or accrue a benefit under,  
41 such a plan, annuity, or fund for such retired or disabled Clergyperson’s pension or  
42 disability as part of his or her gross compensation.  
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44 **NOTE:** The rental/housing allowance that may be excluded from a Clergyperson’s gross  
45 income in any year for federal income tax purposes is limited under Internal Revenue  
46 Code section 107(2) and regulations there under to the least of: (1) the amount of the

47 rental/housing allowance designated by the Clergy person's employer or other appropriate  
48 body of the Church (such as this Conference in the foregoing resolutions) for such year;  
49 (2) the amount actually expended by the Clergy person to rent or provide a home in such  
50 year; or (3) the fair rental value of the home, including furnishings and appurtenances  
51 (such as a garage), plus the cost of utilities in such year.