

## ***Moving Rules***

The following guidelines are in effect for pastors and their families of the Eastern Pennsylvania Conference involved with moving by appointment:

1. All pastors assigned to a new appointment within the Annual Conference which requires a change in residence, retiring pastors, graduates from an accredited seminary (M.DIV.) to his/her assigned charge or to the residence of a family member (not both), those on special appointment returning to our Conference, those appointed from outside the bounds of the Conference, the surviving spouse of a pastor, or a pastor taking disability leave will receive a check-up to the amount of:

\$2500 – if the move is 40 miles or under

\$3500 – if the move is 41-80 miles

\$4000 – if the move is over 80 miles

The Cabinet, Board of Ordained Ministry and Conference Council on Finance and Administration shall conduct an annual review of the above costs. Financial responsibility for moving expenses over the above amounts will be negotiated between the pastor and the new local church after consultation with the Pastor Parish Relations Committee, Pastor and the District Superintendent.

A \$200 maximum packaging allowance is included in the amounts listed above. The pastor will pay any cost exceeding the maximum packaging allowance.

Insurance: Insurance at a minimum rate of \$.30 per pound is carried by all transportation companies under federal and state regulations. Also guidelines governing the use and limitations of that service are provided. The Conference provides insurance for the loss of household goods from start of loading to end of unloading up to the \$40,000 per move. The coverage is "All Risk" including theft and collision, subject to a \$250 deductible per loss. It may not be necessary to purchase additional insurance from the mover unless the total value of your household goods exceeds \$40,000.

For those outside of the boundaries of our Conference, the applicable mileage is only the mileage within the boundaries of Eastern Pennsylvania Conference.

2. Clergy couples moving to one residence will receive a single moving allowance plus an additional \$200 for moving a second office. If a clergy person is moving to a new appointment but not a new residence he/she is only eligible for the \$200 office moving allowance.
3. A member of the Conference appointed to attend graduate school will only receive the moving allowance on his/her return move.

### *Clergy Specific Policies*

4. A member of the Conference approved for sabbatical leave, leave of absence, and exiting will not have a claim on the moving expense of the Conference. Moves to special appointments, except for District Superintendents and Conference Executive Staff, are not paid by the Annual Conference.
5. The pastor will be responsible for making all arrangements for moving, including method for moving, i.e., professional moving firm (if necessary). The actual moving date will be confirmed by the Cabinet.
6. A check in the amount of the move will be sent to the pastor no less than a week prior to the date of the move, after a written estimate from a licensed moving company is sent to the Eastern Pennsylvania Annual Conference Treasurer. Estimates shall be received no less than two weeks prior to the move date. If the actual moving cost is less than the estimate, the pastor will reimburse the Conference.
7. The pastor assigned to a new appointment will begin his/her appointment on July 1st.
8. Pastors retiring will move before June 15. The conference will pay for one move in retirement. This can be at the time of retirement or saved for a move in retirement. A request for saving the move must be lodged with the Benefits officer. The moving cycle for all other clergy is between June 15 and June 30 annually. The last Sunday in June will be considered the "Transition Sunday," and neither the new pastor nor the current pastor will be required to fill the pulpit on that Sunday. Transition Sunday shall not be counted against the clergy person's vacation time.
9. For the pastor who moves at a time other than at Conference time, the guidelines apply, except for the dates which are established by the Cabinet after consultation with the Local Church Pastor/Parish Relations Committee and the pastor.

10. The Tax Treatment of Moving Expense Reimbursement Update: The Revenue Reconciliation of 1993 has made significant changes in the way moving expenses are treated for tax purposes. One significant change in the Act is to require that the distance between the taxpayer's new principal place of employment and previous residence must be at least fifty (50 miles (35 miles for expenses incurred on or before December 31, 1993). Another change is that qualified moving expenses now will be an adjustment to gross income, rather than an itemized deduction on Schedule A. Many clergy do not currently have sufficient itemized deductions to use Schedule A. The adjustment to income (on the front of Form 1040) will be available whether they can itemize or not.

Conferences and other entities that pay or reimburse moving expenses that qualify for the moving expense deduction will be able to treat these payments as exclusions from the income of the recipient. In these cases only (moves over 50 miles to a new principal place of work), the payer will not be required to issue a Form 1099. In all other cases of payments for reimbursements of moving expenses, Form 1099s will continue to be required, as ¶ 82 of the Internal Revenue Code requires that moving expense reimbursements be included in gross income.

For expenses incurred after December 31, 1993, deductible moving expenses include only (1) the reasonable expenses of moving household goods and personal effects from a former residence to a new residence and (2) the reasonable expenses of travel (including lodging) from a former residence to a new place of residence. The cost of meals is now not deductible as a moving expense. Certain qualified costs connected with the sale, purchase or lease of a residence are also not deductible.

Other than these changes, the required conditions for the moving expense adjustment are that

- a. The move must be made to a new principal place of work.
- b. The new job site must be at least 50 miles farther from home than the previous job site,
- c. The moving expenses incurred must be within a "reasonable time" of the start of the job, generally construed to be one year later or less but expandable if circumstances indicate a longer period would be reasonable.
- d. The work at the new location must continue for a certain required period. This period for self-employed individuals is 78 weeks in the 24-month period following the arrival at the new work site of which at least 39 weeks are performed during the first 12 months. (There may be circumstances under which this time period test is suspended such as death, disability or involuntary transfer from employment at a new location.)
- e. The definition of "self-employed individual" by the Internal Revenue Service does not include semi-retired, part-time students or similarly situated taxpayers who work for only a few hours each week. If you have taken your return or report the deduction as income in a subsequent year.

Persons should always consult a tax professional, the IRS regulations, guidelines, and publications.