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It is time to prepare for the 2017 tax filing season. As a special service to my ordained clergy clients, I am sending this illustration of what your Form W-2 should look like. Hopefully this illustration and the accompanying explanation will help you and your treasurer be assured that the Form W-2 prepared for you is accurate.

Forms W-2 are due to the employees no later than January 31, 2018 and that's also the date they must be mailed to the government. You might want to suggest that your treasurer provide you with your copies of the Form W-2 before they send in the government copy so if a correction is needed, it can be done much more easily. If they can get you the Form W-2 before the end of January, that is ideal as there is still an opportunity to review your Form W-2 with your treasurer before it is submitted on January 31.


As the employee in this situation, here are the things you should check to make sure the Form W-2 is correct when you receive it:

- Name, Address and Social Security Number are correct.
- Box 1 includes your Salary, FICA or SECA Allowance, but **NO HOUSING ALLOWANCE**. Auto and Education Allowances should be included here too *if the money is paid to you* without regard to your auto usage or attendance in educational classes.
- Boxes 3 and 5 are left blank or indicate "zero." *THIS IS THE MOST COMMON ERROR I SEE. SOME COMPUTER PROGRAMS AUTOMATICALLY FILL THEM IN AND IT TAKES A CLOSE REVIEW TO MAKE SURE THEY ARE REMOVED FOR CLERGY.*
- Box 12 has the amount you contributed to a tax-deferred plan with a Code "D" or "E." This means your contributions to a pension plan, a 403(b) plan or an annuity, not the congregation's contribution.
- Box 13 should have an "X" in the box for retirement plan if your congregation makes payments into a retirement plan for your benefit.
- Box 14 is where the church may indicate the amount you were paid as Housing Allowance. This information is optional, so the box may be blank. However if there is an amount in the box, verify that the amount matches what you received.
- If you have contributed to a tax-deferred plan and your church is located in a taxing municipality (in a city or village, but not a township) then the amount of wages in Box 18 should be the sum of the Salary in Box 1 PLUS the tax-deferred contribution in Box 12. Municipalities in Ohio do not allow a deduction from income for the federally tax-deferred contributions – for clergy or anyone.

Feel free to share this with your treasurer or refer them to our firm's website (address above) for this information and other resources listed under "Resources for Ordained Clergy."

Illustration of a Sample W-2 completed for Ordained Clergy

This is a guideline for the church treasurer to follow. This is only a guideline and may not be accurate for each congregation's situation.

a Employee's social security number PASTOR SSN		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN) CHURCH ID		1 Wages, tips, other compensation (A)		2 Federal income tax withheld (B)			
c Employer's name, address, and ZIP code CHURCH NAME AND ADDRESS		3 Social security wages - BLANK -		4 Social security tax withheld - BLANK -			
		5 Medicare wages and tips - BLANK -		6 Medicare tax withheld - BLANK -			
		7 Social security tips		8 Allocated tips			
d Control number		9 Verification code (C)		10 Dependent care benefits			
e Employee's first name and initial Last name Suff.		11 Nonqualified plans		12a See instructions for box 12 (D)			
		13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b			
		14 Other HOUSING ALLOWANCE		12c			
		f Employee's address and ZIP code		12d			
15 State	Employer's state ID number	16 State wages, tips, etc. (A)	17 State income tax if applicable	18 Local wages, tips, etc. (E)	19 Local income tax if applicable	20 Locality name	

Form **W-2** Wage and Tax Statement

2017

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

- Box 1 & Box 16 (A) Should include Salary and Taxable Benefits and SECA Allowance, but **not** Housing Allowance or Reimbursable Plan Payments.
- Box 2 (B) Federal Tax Withheld, if applicable.
- Box 9 (C) Some major payroll preparers are working with the IRS to combat identity theft. If there is an alpha-numeric code in this box, I will input it with your tax return data as appropriate to prove your identity.
- Box 12 (D) Indicates any contributions to a 403(b) plan or optional pension account taken from pastor's salary.
- Box 13 Indicates that the pastor is participating in the church's retirement plan.
- Box 14 Indicates amount of housing allowance paid to the pastor.
- Boxes 18, 19 & 20 (E) If the church is located in a taxing locality, complete these boxes. In most cases the amount will be the same as Box 1, unless there is an amount also shown in Box 12.



Prepared by:

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