



2026 PASTOR COMPENSATION REPORT

Copy this page and complete a separate compensation report for each pastor under this charge's Episcopal appointment or Conference Superintendent assignment.

Pastor: _____

Church: _____

District: _____

COMPENSATION INFORMATION —

2026 Cash Salary approved at the 2025 Charge/Church Conference \$ _____

HOUSING ARRANGEMENTS —

Does the pastor live in a parsonage provided by this church/charge? ☐ Yes ☐ No

Does the pastor live in a parsonage provided by another church? ☐ Yes ☐ No

Housing Allowance – cash amount church pays to pastor in lieu of parsonage? \$ _____

BENEFITS AND OTHER INFORMATION —

Accountable Reimbursement (*signed policy resolution must be on file with local church treasurer and PPR/SPR Chair*) \$ _____

Pastor is enrolled in Global Methodist Church Pension ☐ Yes ☐ No

Pastor is enrolled in the Global Methodist Health Insurance program? ☐ Yes ☐ No

If yes, which type of health plan? ☐ Single ☐ Pastor+One ☐ Pastor+2 or more

If no, waiver of coverage must be signed and filed with Conference Benefits Officer

Housing Exclusion Resolution Amount adopted by Charge/Church Conference (*designates amount of salary pastor intends to exclude from reported income for Income Tax Purposes. Has no cash transactional impact on church. Signed exclusion resolution must be on file with local church treasurer and PPR/SPR Chair*) \$ _____

What position does this pastor hold?

☐ Lead pastor—local church

☐ Associate Pastor/Staff Position

☐ Lead pastor—multipoint charge

☐ Pastor/Deacon in Specialized Ministry

If Transitional Licensed Local Pastor, has pastor completed GMC-approved alternative education pathway or does the pastor have an MDIV? ☐ Yes ☐ No



2025 COMPENSATION —

During 2025, has this pastor been paid in accordance with the compensation reported on the 2025 Charge Conference form or Salary Recommendations and Benefit Policies of the NCGMC?

☐ Yes

☐ No

PASTORAL COMPENSATION IN MULTI-POINT CHARGE —

Please list each church and the percentage of all costs that are to be paid to the charge, along with the dollar amount. (i.e. Church A, Church B, Church C each pay 33.33% - \$33,333 of a \$100,000 budget)

Church Name	% of Budget	Dollar Amount of Pastoral Compensation	
	%	\$ _____	of \$ _____
	%	\$ _____	of \$ _____
	%	\$ _____	of \$ _____
	%	\$ _____	of \$ _____
	%	\$ _____	of \$ _____



2026 ACCOUNTABLE REINBURSEMENT POLICY

This policy should be approved and completed for each pastor under this church's Episcopal appointment or Conference Superintendent assignment.

Under Internal Revenue Service Code Section 62(a)(2)(A), gross income does not include reimbursed expenses or adequately accounted business expense allowances for employees. Internal Revenue Service Regulation 1.162-17(b) provides that an employee need not report on tax returns expenses paid or incurred by the employee solely for the benefit of the employer, for which they are required to account and do account to their employer, and which are charged directly or indirectly to the employer. Further, IRS Regulation 1.274-5(e)(4) provides that an adequate accounting means the submission to the employer of an account book, diary, statement of expense, or similar record maintained by the employee in which the information (as to each element of expenditure amount, time and place, business purpose, and business relationship) is recorded at or near the time of the expenditure, together with supporting documentary evidence, in a manner that conforms to all the adequate records requirements as set forth in the regulations.

Therefore, the Global Methodist Church hereby establishes an accountable reimbursement policy pursuant to IRS Regulations upon the following terms and conditions:

1. Expenses deemed ordinary and necessary shall be made solely for the benefit of the church and shall be paid directly, whenever possible, by the local congregation, or indirectly and reimbursed to the person or entity who does pay the expense. Ordinary expenses include, but are not limited to, the following: automobiles, office supplies, postage, computer supplies, books, subscriptions, professional dues, vestments, continuing education, lodging and meals while traveling and entertainment related to church business.
2. Adequate accounting of expenses must be provided to the church by the employee, meaning there shall be submitted a statement of expense, account book diary or other similar record showing the amount, date, place, business purpose, and business relationship involved. Appropriate documents, cash receipts, canceled checks, credit card receipts and contemporaneous records for non-receipted expenses less than \$25 must be attached to a monthly expense report. Both the employee and the church shall retain copies of documentary evidence and expense reports. These reports need not include information that would violate pastoral confidences.
3. Reimbursements or advances must be paid out of budgeted church funds and not be reducing the compensation of the employee. *Budgeted amounts not spent must NOT be paid as a salary bonus or other personal compensation in any fiscal year. If such payments are made, the entire amount of the accountable reimbursement policy will be taxable income to the employee.*
4. The church may pay amounts in advance of the employee's actual expenditure on either an as-needed or by standard monthly expenses allowance. However, adequate accounting of the advances by expense report must be made in the month following an expenditure. Any excess advance must be returned to the church before additional needed or allowance amounts are provided to the employee.



5. All elements, terms and requirements of this reimbursement policy are to be understood and followed by the church administrative team members, with the primary responsibility of expense reporting belonging to the employee and IRS reporting of salary as required by the church payroll manager.
6. The PPR/SPR committee is responsible for approving vouchers submitted by the pastor, and the local church treasurer is responsible for paying approved vouchers.
7. By previous or concurrent resolution, duly adopted by the Administrative Board/Church Council/Leadership Team or Charge Conference, the ordinary and necessary expenses as suggested for the employment needs of the employees under this policy are included in this accountable reimbursement policy from January 1, _____ to December 31, _____.

Pastor or employee name: _____

2026 Accountable Reimbursement Total (annualized) \$ _____

Approved at the Charge or Church Conference or Administrative Board, Church Council, or Leadership Team meeting on _____ (date).

Required Signatures:

Chair, Admin Board/Church Council/Leadership Team

Date

Treasurer, Church or Charge

Date

Pastor

Date

Signed document to be kept on file at local church, copy provided to pastor and submitted to Presiding Elder.



2026 PARSONAGE or HOUSING ALLOWANCE EXCLUSION

Frequently Asked Questions:

What is the purpose of this form? The Internal Revenue Code Section 107 has a provision that allows ministers of the Gospel to exclude from their reportable income some costs of living in a parsonage or in their own home. The church uses the Parsonage or Housing Allowance Exclusion Resolution to provide the required documentation of the exclusion.

Does this cost the church anything? No, it does not. The pastor's salary is neither increased nor decreased as a result of this resolution. It merely designates a portion of the pastor's salary as being excluded from the amount of compensation the church reports on the pastor's W-2 Form.

When should this resolution be completed? At least annually (generally at charge conference) and whenever there is a change in pastors. The resolution must be done before the pastor incurs expenses and the resolution cannot be made retroactive.

How much should the exclusion amount be? The pastor establishes the amount of exclusion in consultation with the PPR/SPR. For a church-owned parsonage, the amount should not exceed the fair rental value of the home, including furnishing if they are provided. Several real estate websites offer estimated fair rental values for comparable properties, but a useful calculation is 5-8% of the home's market value. If a housing allowance is paid to the pastor, the exclusion should include the full allowance as well as any other anticipated expenses.

Often, it is advisable to set the exclusion amount as higher rather than lower. There is no penalty for setting a high exclusion, but any estimate that fails to cover actual expenses means the pastor is paying more for taxes than the law provides. All expenses are to be verifiable with receipts or other documentation. The burden of proof is on the pastor, not the church, and any exclusion not used for housing expenses under the rule is expected ethically, legally and morally to be reported as income by the pastor when filing income taxes. Pastors are encouraged to seek professional tax advice as needed to maximize this benefit appropriately.

What is included in the exclusion? Any expenses that a pastor may incur while living in the parsonage or their own home. A partial listing of items is below for reference, *if paid by pastor*:

1. Rent or principal payments, cost of buying a home, and down payments.
2. Real estate taxes and mortgage interest for the home.
3. Insurance
4. Improvements, repairs, upkeep of home or contents.
5. Furnishings and appliances
6. Decorator items
7. Utilities
8. Supplies and materials to maintain home.

The following may NOT BE INCLUDED: labor hired for maintenance or cleaning, groceries, personal toiletries, etc.

Complete additional resolutions for other appointed or assigned pastors.



RESOLUTION FOR PARSONAGE or HOUSING ALLOWANCE EXCLUSION

WHEREAS this church provides a parsonage or housing allowance as part of the compensation of our regularly appointed or assigned minister of the Gospel, and;

WHEREAS the cost of providing the parsonage or housing allowance with utilities and/or furnishings may be excluded from gross income as provided by the Internal Revenue Service Revised Rule 599,359-51-52 and Section 107;

THEREFORE BE IT RESOLVED that the Global Methodist Church will designate \$_____ of the pastor's salary as parsonage/housing allowance. This amount is to be excluded from the reported taxable income.

THIS RESOLUTION IS EFFECTIVE DURING THE CALENDAR YEAR FOR 2026.

Approved at the Charge or Church Conference or Administrative Board, Church Council, or Leadership Team meeting on _____ (date).

Required Signatures:

Chair, Admin Board/Church Council/Leadership Team

Date

Please print name

I accept full responsibility for maintaining and keeping available for any requirements of the Internal Revenue Service all supporting documentation for expenses incurred for the portion of the above exclusion estimate that I shall claim as actual expenses for housing and/or furnishings as allowed by law.

Pastor

Date

Please print name

Signed document to be kept on file at local church, copy provided to pastor and submitted to Presiding Elder and the NCGMC Benefits Office.