

## **Notice to local churches regarding moving expense payments: Changes due to federal tax law (enacted December 2017)**

Wespath Benefits and Investments created the following to provide general information to local churches about the changes in federal tax law concerning moving expense payments, and the importance of reporting such payments to the New England Conference.

### **Changes to moving expense payments**

The Tax Cuts and Jobs Act of 2017 changed, among other things, the taxability of moving expense payments made to or on behalf of individuals, including clergy.

This broadly includes moving expense reimbursements, payments by churches or conferences directly to moving companies, etc.— which are taxable if made during the years 2018 through 2025 (These changes are scheduled to sunset at the end of 2025). These amounts will be includable in the gross income of clergy, and also will be subject to self-employment taxes (“SECA”).

### **Benefit plan impact**

Since moving expense payments are now “compensation” under U.S. tax law, they also will be considered plan compensation for certain Wespath benefit plans — the Comprehensive Protection Plan (CPP), the Clergy Retirement Security Program (CRSP) and the Retirement Plan for General Agencies (RPGA) — which define plan compensation to include any remuneration to the extent it is included in the participant’s gross income.

When plan compensation increases, associated benefits in CPP, CRSP and RPGA also increase for active clergy, as plan benefits are generally based on plan compensation.

### **Reporting requirements**

It is important and necessary for local churches to report any moving expense payments made to, or on behalf of, active clergy to the Conference for benefit calculation purposes. The Conference will share this information with Wespath so the full compensation of all active clergy can be taken into account for plan benefit determination purposes.

If local churches fail to report moving expense payments to the Conference, clergy may receive fewer benefits than they are entitled to under the terms of the plans, which could expose local churches to liability for such benefits and losses of plan earnings.

### **What to report to the Conference**

Your Conference needs to know:

- The amount of any moving expense payment provided to or on behalf of an active clergyperson,
- The date on which it was paid, and
- The name of the clergyperson.

### **How to report moving expense payments**

To report payments to the New England Conference, local churches should complete the [Clergy Moving Expense form](#). (Click the link to complete the online form.) This form can also be found through the website [Form Finder](#).