



Lisa Kutas
Human Resources Director
228 N. Walnut St.
Lansing, MI 48813
517-342-2511

DIOCESE OF LANSING
M I C H I G A N

MEMORANDUM

TO: Priests and Bookkeepers
FROM: Lisa Kutas
DATE: April 21, 2021
RE: Priest Compensation 2021-2022

Along with this memorandum, please find a copy of the 2021-2022 Priests' Remuneration schedule.

Highlights:

- 1) The base salary for the A Schedule has been increased by 1.4%, the cost of living allowance reported by the Federal government.
- 2) The monthly benefit amount for "room" has increased to \$725 based on a ten county (diocesan) average of the fair market rental value of a one bedroom parsonage. The priest does not receive this amount; however he must report the fair market rental value as taxable income for his self-employment taxes. The amount of this benefit should be reported in box 14 of the priest's W-2.
- 3) The cost of auto insurance for priests has increased to \$1,220 per year. This is reported as a taxable benefit on the priest's payroll.
- 4) By way of reminder, **the Diocese of Lansing requires that all priests should be in the Social Security system and should never opt out.** Payroll deductions for Social Security tax and Medicare tax are **NOT** permitted for priests. Priests are responsible for these tax liabilities as part of their self-employment status. Priests may increase their federal income tax withholdings to help offset this tax liability. Consult your tax advisor for further information.

Please refer any questions directly to me by phone 517-342-2511 or email at lkutas@dioceseoflansing.org.

Ann Arbor · Flint · Jackson · Lansing

Clinton · Eaton · Genesee · Hillsdale · Ingham · Jackson · Lenawee · Livingston · Shiawassee · Washtenaw

DIOCESE OF LANSING

POLICY 1303.1 / 1303.2

PRIESTS' REMUNERATION

July 1, 2021 - June 30, 2022

1. REMUNERATION (taxable)	PASTORS		PAROCHIAL VICARS	
	A (1)	B (2)	A (1)	B (2)
a. Base (1.4% increase)	\$37,100	\$A-\$3000	\$32,448	\$A-\$3000
b. Annual Increment for years ordained	\$200	\$200	\$200	\$200
c. Stipends	No	\$10 / Mass	No	\$10 / Mass
d. Stole Fees (3)	Yes	Yes	Yes	Yes
e. Car insurance (4)	~\$1220	~\$1220	~\$1220	~\$1220
f. Food Allowance (5)	\$425/mo.	\$425/mo.	\$425/mo.	\$425/mo.
g. Car Allowance	\$275/mo.	\$275/mo.	\$275/mo.	\$275/mo.
h. Room (6)	\$725/mo.	\$725/mo.	\$725/mo.	\$725/mo.
<p>Items (a.) through (g.) are taxable for both income and self-employment. Item (h.) is taxable for self-employment only. Room is the diocesan estimate (10-county HUD average) of the fair market rental value of the housing occupied and used by a priest, including necessary utilities as defined by the IRS.</p>				
2. BENEFITS (non-taxable)				
a. Health Insurance	Yes	Yes	Yes	Yes
b. Dental Insurance	Yes	Yes	Yes	Yes
c. Disability	Yes	Yes	Yes	Yes
d. Pension (7)	Yes	Yes	Yes	Yes
e. Long term care (8)	Yes	Yes	Yes	Yes
3. REIMBURSABLE EXPENSES (non-taxable) - MAXIMUMS (9)				
a. Formation (Education & Retreat)	\$1,200	\$1,200	\$1,200	\$1,200
Annual Convocation	~\$600	~\$600	~\$600	~\$600
b. Clerical Clothing (10)	\$500	\$500	\$500	\$500
d. Dues / subscriptions (11)	\$500	\$500	\$500	\$500
e. Equipment / supplies (11)	\$1,000	\$1,000	\$1,000	\$1,000
4. NON-PAROCHIAL MINISTRY (12)				
a. Remuneration: For full time service - use the Pastor's base in Column A + annual increment				
b. Increment of 10% added to the base (only if the priest cannot do weekend contract work)				

5. PARISH REQUESTS (contracted help)	
a. Entire Weekend including Reconciliation	\$250.00 (includes stipend) plus mileage
b. Single Weekend mass only	\$80.00 (includes stipend) plus mileage
c. Weekday Mass	\$45.00 (includes stipend) plus mileage
d. Baptism, Wedding, Funeral	Stole fee plus mileage
e. Reconciliation	\$50.00 plus mileage

NOTES

All priests assigned to parishes/schools/retreat center in the Diocese of Lansing are paid as employees and given a W-2 each year. All priests are to be enrolled in Social Security and never to opt out.

1. Column A includes Mass stipends in the base remuneration.
2. Column B is reduced by \$3,000 because it excludes Mass stipends in the base remuneration. Mass stipends are paid to the priest and reported on his W-2.
3. The priest is to maintain a log of stole fees received. Stole fees are considered taxable income.
4. Car insurance is provided through Michigan Catholic Conference and is paid to MCC by the employing unit. The premium is considered taxable income to the priest. The priest does not receive this amount but it is reported through his payroll and is reflected on his W-2.
5. If the parish is paying for a cook and groceries, then the priest(s) assigned to that parish will not receive a food allowance.
6. The priest does not receive this amount as a payment for room. For purposes of the self-employed tax status of priests, a monthly benefit amount of the residence is reported to determine Social Security/Medicare tax liability. This is the fair market rental value of the priest's living space, including basic utilities. In the Diocese of Lansing, the reportable cost for 2021 is to be based on data provided by the Department of Housing & Urban Development (by Metropolitan Area of by County). The 10-county average has been provided on the chart.
7. Unit contribution to the MCC for diocesan priests' pension is \$6,000/year/incardinated priest. Extern priests do not participate in the Diocese of Lansing's priests' pension plan. The unit pays into the extern priest's diocesan/religious order pension plan the amount determined by that diocese/religious order up to a maximum of \$6,000. If there is no pension plan in the extern's diocese/religious order, the priests are to be given \$6,000 per year to invest in a retirement program through their own diocese/religious order or other retirement plan (e.g., IRA). Or the parish may contribute directly on his behalf to the 403B plan with the MCC.
8. Long term health care benefit is available only to eligible, incardinated priests of the Diocese of Lansing. Premiums are paid by the unit. This benefit is made available to priests over 40 years of age according to current industry underwriting standards. Priests must complete the application requirements and meet the eligibility standards of independent insurance companies for this benefit.
9. According to IRS Accountable Plan regulations, all reimbursable business expenses may be claimed only when they are directly tied to a priest's ministry and a receipt is presented for actual expenses incurred. These reimbursements are not considered taxable income. All reimbursements must be part of the annual budget process and must be approved by the finance council chair.
10. Reimbursable clerical clothing includes the costs of vestments, albs, chasubles, cinctures, clerical shirts, rabats, clerical collars, cassocks, surplices, etc. It does not include black suits, black pants, belts, shoes, or black socks, etc.
11. Equipment, supplies, dues, and subscriptions are reimbursable to the priest when these items are required to enhance the priest's ministry and a detailed receipt is provided. Tangible real property, such as cell phones and laptops, purchased by the parish are to be considered parish property.

12. Priests who are not assigned to a parish but have residence at the rectory (ex: high school chaplains) are provided room by the parish. If the priest does not provide regularly scheduled sacramental ministry to the parish, the parish may charge the assigned entity the monthly costs of room the parish provides for the priest (see 1h.). The employing unit reports this amount of the room on the priest's W-2 in box 14 as a benefit provided.

DECREE

By means of this general decree, and in accordance with particular law in the Diocese of Lansing (*Presbyteral Council Meeting, Sept 9, 1997*), I hereby establish the above schedule as an update of the Priests' Remuneration within the Diocese of Lansing effective July 1, 2021.

Given in Lansing, MI on this the 3rd day of March, 2021.

A handwritten signature in black ink, appearing to read "Earl Boyea". The signature is fluid and cursive, with a long horizontal stroke at the end.

Most Reverend Earl Boyea, Bishop of Lansing
DIOCESE OF LANSING