



SUPPORT AND BENEFITS FOR PRIESTS

2023 □ updated □ mileage rate increase

July 1, 2022, through June 30, 2023

Parochial Vicar			
Ordained	Bi-weekly Support	Monthly Support	Annual Support
0-5 years	1,362.00	2,951	35,412
6-10 years	1,377.23	2,984	35,808
11-15 years	1,393.38	2,787	36,228
16-20 years	1,408.62	3,052	36,624
21-25 years	1,423.85	3,085	37,020
26-30 years	1,439.08	3,118	37,416
31-35 years	1,454.31	3,151	37,812
36 + years	1,470.46	3,186	38,232

Pastor or Administrator with one parish of less than 800 registered units			
Ordained	Biweekly Support	Monthly Support	Annual Support
0-5 years	1,377.23	2,984	35,808
6-10 years	1,393.38	3,019	36,228
11-15 years	1,408.62	3,052	36,624
16-20 years	1,423.85	3,085	37,020
21-25 years	1,439.08	3,118	37,416
26-30 years	1,454.31	3,151	37,812
31-35 years	1,470.46	3,186	38,232
36 + years	1,491.69	3,232	38,784

Pastor or Administrator with more than 1 parish or more than 800 reg. units			
Ordained	Bi-weekly Support	Monthly Support	Annual Support
0-5 years	1,393.38	3,019	36,228
6-10 years	1,408.62	3,052	36,624
11-15 years	1,423.85	3,085	37,020
16-20 years	1,439.08	3,118	37,416
21-25 years	1,454.31	3,151	37,812
26-30 years	1,470.46	3,186	38,232
31-35 years	1,491.69	3,232	38,784
36 + years	1,512.00	3,276	39,312

This compensation schedule assumes that stipends for Masses offered are turned over to the parish or supporting institution. Priests move to the next level on the first of the month after the anniversary of their ordination.

RETIREMENT SAVINGS AND COMPENSATION PLANS

Social Security

All priests are required to pay into Social Security.

401 (a) Plan

The 401(a) plan is a retirement savings plan designed to allow employers (parishes) to supplement priest's retirement benefits by making contributions into the plan on the priest's behalf. The employer or parish paying a diocesan priest's salary is obligated to make a contribution of 15% of the priest's salary into the 401(a) plan. Contributions should continue to be made so long as the priest is actively employed, regardless of age. The 401(a) plan is administered through Empower Retirement Services. Contributions and any earnings on contributions are tax-deferred until the money is withdrawn. When a diocesan priest changes parish assignments, Empower Retirement must be contacted regarding the change in employer (parish).

Parishes served by religious order priests and international priests will contribute the same amount as for diocesan priests. The parish will send 15% of the religious order priest's salary directly to the religious order for retirement funding for the priest. Parishes with an international priest should consult the Vicar for Clergy regarding payment.

403 (b) Plan

The 403(b) plan is a retirement savings plan designed for employees of tax-exempt organizations. The 403(b) plan allows priests to supplement retirement benefits by saving pre-tax dollars through a voluntary salary contribution. The 403(b) plan is administered through Empower Retirement Services. Contributions and any earnings on contributions are tax deferred until the money is withdrawn. Priests are encouraged to contact their tax or financial advisor for additional retirement savings options.

Leo Benevolent Association

1. The Leo Benevolent Association (LBA) provides priest retirement benefits for priests' service prior to July 1, 2010. All parishes will make a contribution to the plan each month. The LBA will invoice each parish based upon the number of contributing units and adjusted by the Economic Buying Index (EBI).
2. The full benefit from the LBA at normal retirement is \$1,500 per month, as of 1/1/2022. A qualifying active priest, at age 70, may request this benefit.

BUSINESS EXPENSE ACCOUNT

(Reflects IRS Mileage Rate as of 1/1/23)

Priests are encouraged to use a combined "Business Expense Account". The purpose of this account is to reduce the amount of taxable compensation reported on the priest's Form W-2. This account combines the car allowance and education/retreat allowance into one business expense account and **replaces** the individual car and education/retreat allowances. It is meant to cover not only business auto, education and retreat expenses, but also other business and professional expenses. As such, it is more flexible than the two individual allowances in covering more types of business and professional expenses while reducing taxable income. (Other business and professional expenses would include such items as subscriptions, books and personal vestments, etc.)

1. The priest may be reimbursed by the parish, after submitting proper documentation, up to the maximum annual limit of **\$10,320** for one site and **\$12,144** for more than one site. Since these reimbursements are for business expenses, they are not taxable.

2. With the passing of the Tax Cuts and Jobs Act of 2017, unreimbursed business expenses are no longer allowed as an itemized deduction in 2018 and going forward. By using a Business Expense Account, the reimbursed expenses are excluded from income for both income and self-employment tax purposes.
3. Ministry related expenses in excess of **\$10,320** for priests with one site or **\$12,144** for priests with more than one site, and not reimbursed by the parish, **no longer** qualify as a deduction for federal income tax purposes on Schedule A Itemized Deductions. **However, they remain 100% deductible when calculating self-employment tax on Schedule SE Self-Employment Tax of the priest income tax return but must be properly documented.**
4. Instead of the priest paying for the expenses and being reimbursed, the parish may pay these expenses directly to the vendor (up to the limited amounts).
5. Any amount **not spent** under the annual limit **cannot** be paid to the priest. Doing so will make all expenses paid under the Business Expense Account reportable and taxable to the priest.

ALLOWANCES

The following (car and education/retreat) allowances are not available if the priest has elected to use the above combined business expense account.

Car Allowance *(Reflects IRS Mileage Rate as of 1/1/2023)*

Method A: Reimbursement at the IRS rate for all documented ministry-related miles. The IRS approved reimbursement rate, effective for ministry-related miles driven on or after January 1, 2023, is 65.5 cents per mile. Amounts received under this method are not included in taxable compensation. The diocesan policy is that ministry-related miles can be reimbursed at this rate up to an annual total of **\$9,096** for priests assigned to one parish site. Priests assigned to more than one parish site can receive a maximum annual reimbursement of **\$10,920**. Any unused mileage under the annual limits **cannot** be paid to the priest. Doing so converts Method A to Method B and all mileage reimbursements become fully taxable to the priest.

Method B: Flat monthly allowance of **\$758** for one parish site or **\$910** for more than one site. The allowance received will be part of your W-2 reported compensation. With the passing of the Tax Cuts and Jobs Act of 2017, business related expenses (including ministry related business mileage) **can no longer be** claimed as a tax deduction for income tax purposes. **These expenses remain 100% deductible when calculating self-employment tax on Schedule SE Self-Employment Tax of your income tax return. To claim the mileage against self-employment tax, the IRS still requires proper documentation of ministry-related miles.**

Any priests who are in a position where their mileage will exceed these guidelines may request an adjustment from the Vicar General/Moderator of the Curia.

Education/Retreat Allowance

1. Diocesan priests are to make an annual retreat. In addition to the priests retreat with the Bishop, they may also choose to make a personal retreat at another time.
2. An allowance of \$1,225 per year is available from the parish or institution in which a priest serves.
3. The purpose of this allowance is to provide for purchase of professional materials and to encourage participation in programs, workshops, seminars and a retreat. The priest is to present voucher documentation to the parish or institution for reimbursement of these expenditures.

POLICIES REGARDING PRIESTS RESIDENCE

1. The ordinary residence for priests in pastoral ministry in our diocese is the parish rectory. The parish is to provide a furnished rectory. The parish pays for heat, water and electrical utilities. If a priest lives in a rectory or institution to which he is not assigned, the parish or institution paying his salary would reimburse the parish providing the residence \$325 per month for housing.
2. A priest in a parish will normally hire part-time people to clean and do laundry. He may also hire people to cook some meals. They are hired by the pastor but are to be paid by the parish. Food costs are paid by the priest. The parish or institution where a non-parochial priest lives should also provide housekeeping services. The parish is to be reimbursed by the institution that pays the priest his salary and benefits.
3. If a family member of a priest is living in the rectory, his/her living expenses are the responsibility of the family member or the priest and are not to be borne by the parish.
4. If desired, cable television or dish services are the responsibility of the priest, not the parish.
5. The parish pays for the parish office land telephone line(s). In addition, the parish is to provide EITHER a rectory (residence) land telephone line OR a cellular telephone for use by the priest for emergencies and for use when he is away from the office. The priest, after consulting with parish leaders, makes the decision as to which the parish provides. If the parish provides a rectory land telephone line, then personal long distance phone calls are the priest's responsibility. If the parish provides a cell phone that is used for parish business when the priest is away from the parish offices, then the parish pays for the cell phone and the priest reimburses the parish for the percentage of use that is personal as opposed to parish use. This may be done through an agreed upon percentage (such as 80% parish/20% priest or 60/40) that approximates a normal month's usage, rather than keeping track of each individual call.
6. The parish is to provide a computer with internet service with a minimum broadband service of 5 mbs, if available, for the priest in the parish office. Internet service in the rectory (residence), if desired, is the responsibility of the priest.
7. Pets may be kept by the priest either inside or outside of the rectory. However, paid parish staff members are not to be asked to care for the pet. If a pet damages the rectory, it must be thoroughly cleaned and/or repaired and the expense borne by the priest.
8. A priest's personal living expenses not directly related to their priestly ministry are to be paid by the priest. This would include (but not be limited to) costs related to tobacco products, alcohol used for personal consumption, costs for food and care of pets. Costs for entertaining guests related to parish ministry are to be reimbursed by the parish.

PERSONAL PROPERTY

Personal property owned by priests on assignment and living in a rectory is included in the parish insurance policy up to a value of \$25,000 per priest. Collections of stamps or coins, cash, statues, jewelry, cameras, motorcycles, guns or other items of significant value may not be covered, and should be insured separately at the expense of the priest. Items belonging to people other than the priest are not covered. It is recommended that the priest secures renter's insurance on his own. This can be secured at a reasonable cost from a local insurance agent.

A listing of each priest's personal property is to be maintained and kept on file at the parish. A video of this property is also helpful for insurance purposes. The parish should also maintain an inventory of its purchases and possessions in the rectory.

VACATION AND TIME AWAY FROM PARISH

Authorized leaves because of illness, retreat and continuing education are not considered here.

1. Each priest has a right to 4 weeks of vacation per fiscal year, including 4 weekends. Vacation time is not cumulative. The parish is to pay for substitute sacramental help during the priest's vacation.
2. A priest must advise the Regional Vicar or the Vicar for Clergy if he will be absent from the parish for more than one weekend consecutively. (If parish payrolls or bill payments are scheduled during this time a proxy request should be submitted to temporarily authorize the two parish Trustees to sign checks during this absence.)
3. Permission is required from the Vicar for Clergy for a priest to exceed his allotted vacation time. If this permission is granted, the priest does not receive a salary for any additional vacation time beyond four weeks and the priest is responsible for the cost of his replacement.
4. Pilgrimages or other formational/educational trips that are taken on behalf of or with parishioners are not included in a priest's vacation time. The parish is to pay for substitute sacramental help during these events.
5. Other pilgrimages or chaplaincies (e.g. on cruise ships) not involving parishioners are to be considered part of the priest's vacation time.

TEMPORARY LEAVE OF ABSENCE

If a priest is on a temporary leave of absence due to a medical condition, sabbatical, or other similar reasons, the parish normally continues to pay the salary of the priest. During this time, however, the parish does not pay a car allowance to the priest. If the priest is in a program where food is being provided, and the priest is not paying for that food service himself, then the parish deducts \$100 per week during that time from the priest's salary. Normally, the parish pays a priest's salary for the first six months of a medical leave.

Questions in this regard may be directed to the Vicar for Clergy. Support for priests on a leave of absence for other reasons is usually the responsibility of the diocese, not the parish, and is arranged through the Vicar for Clergy and Pastoral Leaders.

SABBATICALS

A priest may apply for a sabbatical every ten years. A priest may take two sabbaticals over the course of his priestly ministry. Guidelines for a sabbatical are available from the Vicar for Clergy.

HEALTH CARE AND END OF LIFE ISSUES

1. It is recommended that priests have an annual physical examination.
2. The premium for medical, dental and vision insurance is paid by the parish or employer for which the priest ministers.

3. Medicare and Medicare Supplementary Insurance is a category for priests who reach their 65th birthday. For details, contact the Diocesan Benefits and Insurance Office (920-272-8201) or the Medicare Supplement Advocate (1-800-272-2443).
4. Health insurance coverage through St. Luke Benefit & Insurance Services Corp. can be maintained for priest clergy regardless of age, active/inactive status and/or other health care available.
5. The Leo Benevolent Association assists senior diocesan priests with health insurance costs. Senior priests can apply for this benefit by giving proof of purchase of a supplemental health insurance policy by June 1 of each year. A non-taxable subsidy of \$2,000 annually is payable on July 1 for those who qualify. Contact information for this benefit is: Diocese of Green Bay, Ministry Formation Department, P.O. Box 23825, Green Bay, WI 54305-3825 or call (920) 272-8198.
6. All priests are urged to have the following signed documents, with a copy of each document given to the Chancery for their personal file: Will (submit sealed copy); Funeral Plans; Durable Power of Attorney for Health Careand Durable Power of Attorney for Financial Affairs

RESPONSIBILITY FOR IMPLEMENTATION

Pastors, Administrators, and Pastoral Leaders have responsibility for seeing that these norms are implemented in the parish. Any variation from what is given here must have the written permission of the Vicar General/Moderator of the Curia.

SACRAMENTAL ASSISTANCE 2022-2023

Mass/Reconciliation Help-Out Fees

The following schedule applies to non-parochial priests and priest celebrants who help in the parishes and institutions of the Diocese.

<u>Weekend & Holy Days:</u>	One Mass	\$ 70	+ mileage (at current IRS rate)
	Two Masses	\$100	+ mileage
	Three Masses	\$135	+ mileage
	Four Masses	\$175	+ mileage
	Confessions	\$ 20	+ mileage
	Penance Service with Confessions (1 hr.)	\$ 35	+ mileage
<u>Weekday:</u>	One Mass	\$ 30	+ mileage

- Under this schedule, **the Mass stipend remains with the parish where the Mass was celebrated.** The payment schedule above reflects that change.
- If the same priest presides at both the Saturday and Sunday Masses, calculate the fee for the total number of Masses for the weekend, (e.g., 1 Saturday, 2 Sunday, the fee would be \$135 not \$70 for Saturday and \$100 for Sunday).
- If the priest comes for Confessions before Mass, the \$20 fee is added.
- If the priest does not stay overnight for the weekend Masses, mileage should be paid for both Saturday and Sunday.
- If a senior priest** is offering the Mass, the check should be made **payable to the senior priest.**

- Senior priests receiving help-out fees will need to complete W-9s for the parish that is paying the fees. Senior priests may receive a 1099 from the parish paying the fees if they receive more than \$600 in a calendar year.
- Mileage from January 1, 2023, is paid at \$.655 per mile.** Mileage is not included on the 1099 for help-out fees and is not included in the calculation for the \$600 amount earned for help-out fees in the year.
- If a priest who receives a salary** is offering the Mass, the check for help-out fee and mileage is to be made **payable to the institution (parish, religious order or diocese) that employs the priest.** The priest recoups the mileage reimbursement from the institution that employs him. (cf. Car Allowance, Method A or B, p. 3) Parishes receiving help-out fees will need to complete W-9s for the parish that is paying the fees.

Other Sacraments - Help-Out Fees (given to deacon, senior priest, or priest's employer)

Baptism within Mass no additional fee beyond Mass help-out fee (see above)

Baptism outside of Mass at a special time - \$30 plus mileage

Funeral (if requested by pastor or pastoral leader) - \$50 plus mileage

Wedding (if requested by pastor or pastoral leader) - \$50 plus mileage

Normally, if a family requests a priest or deacon other than one assigned to the parish for a wedding or funeral, the family, rather than the parish, would compensate the priest or deacon.

Offerings on the Occasion of the Celebration of a Sacrament (given to the parish)

These maximum amounts are set by Wisconsin Catholic Conference. No one should be denied a sacrament because the person fails to make an offering.

Mass Intention \$10

Baptism. \$10

Funeral \$50

Wedding \$75

Extra Mass Stipend for Senior Priests

Parishes with extra stipends for Masses are encouraged to send them for senior priests. Send to: Mass Stipends, c/o Fr. Kyle Sladek, PO Box 273, Redgranite, WI 54970-0273, for those senior priests who need extra income benefit from this sacramental ministry. Checks may be made payable to the Leo Benevolent Association.