

GENERAL INSTRUCTIONS



THE INFORMATION NEEDED TO FILL IN EACH COLUMN IS EXPLAINED BELOW.
PLEASE READ ALL THE INSTRUCTIONS BEFORE YOU BEGIN COMPLETING THE FORM

NAME OF EMPLOYEE (W-2 HOLDER), 1099 CONTRACTOR, OR UNINSURED CONTRACTOR

- Please include every W-2 holder which is paid a wage, salary, honorarium, and/or any love offering, including part-time and full-time workers, 1099 contractors, and independent contractors, **unless they had their own workers' compensation insurance during the audit period.** (Workers' compensation is not part of state or IRS filing rules. When completing the audit form, the amount that each person was paid does not determine whether or not they need to be included on the audit form.)
- If they **do not** have their own workers' compensation coverage (uninsured contractor), they must be included on the audit.
- If they **do** have their own workers' compensation coverage, they need not be listed. You must obtain a certificate of insurance from them providing proof of workers' compensation coverage. You must submit that document along with your audit. (See the FAQ booklet question # 6 for information about obtaining certificates from contractors).
- If you have no regular paid clergy, list any paid interim positions or guest speakers.
- If any employees left your employment or were hired during the audit period, please indicate the number of weeks they worked.

JOB TITLE & DATES WORKED

Please indicate all job titles. For those employees with more than one job title, please indicate all job titles. Be sure to specify the amount of payroll for each job title, if available. If you employ security personnel, please indicate if they carry a gun. Also please indicate the dates each employee has worked.

GROSS PAYROLL FOR AUDIT PERIOD

Report the payroll for the audit period indicated in the upper right-hand corner of the workers' compensation audit form.

THERE IS NO SUBTRACTING DEDUCTIONS OF ANY KIND FROM GROSS PAYROLL FOR THE AUDIT.

- Payroll means gross wages or salaries before deducting social security or withholding taxes.
- Do **NOT ADD OR SUBTRACT** employer or employee contributions to health insurance or to pension plans.
- Do **NOT** include mileage or auto expenses that have been reimbursed or documented with receipts.
- **DO** include as payroll any auto allowance for which you do not require documentation of expenses.
- Indicate the amount for any church owned housing under the column of "Parsonage = 25% of Salary; OR Housing Allowance."

PARSONAGE = 25% OF SALARY; OR HOUSING ALLOWANCE

Rent-free living is owned housing provided to the recipient at no charge. **IF HOUSING PROVIDED BY THE CHURCH THIS IS COMPENSATION AND MUST BE REPORTED.**

- If your pastor lives in your parsonage:
 - Indicate 25% of Pastor's Gross Wages in this column, DO NOT INCLUDE UTILITIES
 - If you reimburse another church for a portion of the "value" of the parsonage, each church must report its own share as Housing Allowance, which is 25% of the pastor's salary that is paid by your church
- Non-Cash Compensation:
 - A regular worker under the direction of the church receives no cash compensation but is allowed to live in the church owned house at no cost to the worker, must have the fair market rental value of the house reported as payroll
 - Example: Person that does custodial work for the church, receives no salary, but is allowed to live in a church owned house at no cost. Church would need to indicate their name, title, and under the Housing column the fair market rental value of the house.
- If your pastor receives a housing allowance in lieu of a salary and there is no "Gross Payroll" to report, you would report 100% of the Housing Allowance in "Parsonage = 25% of Salary; OR Housing Allowance" column.
- If the housing definition is unclear please contact the insurance coordinator Barbara Gruezke at 732.359.1037
- When rent-free living quarters or housing allowance are not provided, please indicate not applicable (N/A).
- DO NOT REPORT THE AMOUNT DESIGNATED AS HOUSING EXCLUSION (which is for IRS purposes only) as the housing allowance and DO NOT subtract it from any wages
 - Example: Pastor receives a **\$15,000 housing allowance** in lieu of salary or in lieu of parsonage and a \$15,000 housing exclusion. **Report \$15,000** as the housing allowance, NOT \$0!
 - If pastor **lives in his/her own house AND does NOT receive a Housing Allowance** (DO NOT INCLUDE amount designated as HOUSING EXCLUSION), then **report N/A** as the housing amount in your payroll figure.

TOTAL PAYROLL

Indicate the combined total of the "Gross Payroll for Audit Period" and "Parsonage - 25% of Salary OR Housing Allowance" column here.

PAYROLL CODE (0963, or 0891)

Indicate the code number that applies to that specific employee, each code is defined below:

PAYROLL CODE Continued:

0963 Church/Clerical Employees:

- Appointed clergy
- Hired clergy (not appointed)
- Lay church office workers
- Nursery attendants for worship time (not school or day care workers)
- Musicians

0963 Custodian/Lawn Care Employees:

- Custodians/Janitors
- Lawn Care providers
- Snow Removal providers

who are

- Employees of the church (church staff)
- Contracted workers who do not have their own workers' compensation insurance.
- **Note:** Contracted workers who **do** have their own workers' compensation coverage, need not be listed. However, you **must** obtain a certificate of insurance from them providing proof of workers' compensation coverage for the audit period. You **must** submit that document along with your audit.

0891 Day Care Employees:

- Teachers, directors and school clerical staff
- Do not include payroll for worship-time nursery attendant
- Do not report non-church-controlled school payroll. NON-CHURCH-CONTROLLED Schools, Nursery Schools, or Day Cares are required to provide their own workers' compensation insurance.

TOTAL PAYROLL BY CODE

Indicate the combined total payroll for each applicable code here.

PROVIDE THE TOTAL # OF EMPLOYEES

You must indicate the total number of employees for each category (Appointed Clergy, Lay/Hired Staff, and Uninsured Contracted Employees).

YOUR APPOINTED PASTOR IS ALWAYS AN EMPLOYEE for workers' comp purposes! If your pastor is a Supply Pastor (hired by the church through the District Superintendent) report hired clergy under "Lay/Hired Staff" not under "Appointed Clergy."

IMPORTANT ADDITIONAL INFORMATION

CERTIFICATE OF INSURANCE

When using an insured contracted service, a certificate of insurance must be returned with the audit. This certificate must have the workers' compensation section designated and must show coverage for the time period of the audit.

- If more space is needed to provide information, please complete additional pages and submit via e-mail insurance@gnjumc.org or via **FAX 732. 359.1039**
- If you have attachments, we recommend you send all documents together.
- If you need help or have any questions on this audit, contact the insurance coordinator, Barbara Guezke at **732.359.1037** or insurance@gnjumc.org.
- Your church's **CMIC Account #** and **Rating Group ID** are all indicated on your **Master Certificate of Insurance** as well as the cover letter that was included in the 2015 Property Insurance Program renewal packet, which was mailed to the church. Contact insurance@gnjumc.org or tiffanyl@sovinsurance.com if you need this information.

CHURCH NAME: First UMC **GNJAC CHURCH #:** 1000
CMIC ACCOUNT #: 01234567 **RATING GROUP ID:** 001

Name of Employee (W-2 Holder), 1099 Contractor, or Uninsured Contractor	Job Title	Gross Payroll for Audit Period	Parsonage - 25% of Salary OR (+) Housing Allowance (=)	Total Payroll	Payroll Code (0963 or 0891)
Bill Smith	Pastor	\$26,860	+ 6,715	= \$33,575	0963
Mary Robin	Church Secretary	\$12,500	+	= \$12,500	0963
Jim Barney	Custodian	\$9,270	+	= \$9,270	0963
Joe Rothschild (contractor)	Cleaning	\$2,000	+	= \$2,000	0963
Betty Fry	Sunday School Teacher	\$3,000	+	= \$3,000	0963
Missy Green	Child Care Worker	\$8,000	+	= \$8,000	0891
Kent Jones	Teacher	\$10,000	+	= \$10,000	0891
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Total Payroll by Code: **0963:** 60,345 **0891:** 18,000
Provide the total # of employees: **Appointed Clergy:** 1 **Lay/Hired Staff:** 5 **Uninsured Contracted Employees:** 1

- If more space is needed to provide information, please complete additional pages and submit via fax, or e-mail
- If you have attachments, we recommend you send all documents together.
- If you need help or have any questions on this audit, call (732)359-1037, or email us at insurance@gnjumc.org

YES, I hereby certify that the information provided is a true statement of gross earnings paid to all employees for the audit period.

Contact Person: John Smith **Signature:** _____
Title: Treasurer **Daytime Phone:** 555.732.1000
Email Address: jsmith@email.com **Website:** www.firstumc.org