

**North Carolina Annual Conference
BOARD of PENSION**

**WORKSHEET for RETIRED MINISTERS and MINISTERS ON MEDICAL
LEAVE to DETERMINE HOUSING EXCLUSION**

Retired Ministers

As found in the Report of the Board of Pensions of the North Carolina Annual Conference under the section, *HOUSING EXCLUSION ALLOWANCE*, "an amount equal to 100% of the pension payments received by a **RETIRED** minister (including amounts received from the Duke Endowment and any amounts received from the Ministers' Transition Fund (MTF)), " may be counted provided it can be substantiated under Revenue Ruling 71-280, 1971 C:B92. "The only amount that will qualify for exclusion under section 107 (2) of the Code as "rental value" is an amount equal to the fair value of the home, including furnishings and appurtenances such as a garage, plus cost of utilities."

Ministers on Medical Leave

As found in the Report of the Board of Pensions of the North Carolina Annual Conference under the section, *HOUSING EXCLUSION ALLOWANCE*, "an amount equal to 100% of the disability payments including the lump sum grant made the first year of the medical leave received by a minister on **MEDICAL LEAVE** (including amounts received from the Duke Endowment and any amounts received from the Ministers' Transition Fund (MTF)), " may be counted provided it can be substantiated under Revenue Ruling 71-280, 1971 C:B92. "The only amount that will qualify for exclusion under section 107 (2) of the Code as "rental value" is an amount equal to the fair value of the home, including furnishings and appurtenances such as a garage, plus cost of utilities."

COMPLETE THE FOLLOWING:

PENSION INCOME

I. One hundred percent (100%) of the pension or disability payments received (including amounts received from the Duke Endowment, the Ministers' Transition Fund, and the lump sum grant made the first year of medical leave) (A) TOTAL \$ _____

ACTUAL COST

II. 1) Rent on leased premises or payments on purchase of a home, including down payment and/or installment payments (principal, interest) \$ _____
 2) Property Taxes \$ _____
 3) Home Owner's OR Rental Insurance \$ _____
 4) Utilities \$ _____
 5) Repairs and Maintenance \$ _____
 6) Furnishings (purchase or rental of) \$ _____
(B) TOTAL \$ _____

RENTAL VALUE

III. 1) Reasonable Fair Rental Value of House, Appurtenances (Garage, etc.), and Furnishings \$ _____
 2) Utilities \$ _____
(C) TOTAL \$ _____

YOUR HOUSING ALLOWANCE IS EQUAL TO THE LEAST OF (A), (B), OR (C) ABOVE =

Question: Where do I put this on my 1040 tax form?

Answer: From the NC Conference Journal:

Please Note: There is no place on your 1040 Tax Form to list this Housing Exclusion. Wespath Benefits and Investments has provided a sample statement to be used: "I received \$_____ from Wespath Benefits and Investments, Incorporated in Missouri; and/or from a commercial annuity company that provides an annuity arising from benefits accrued under a Wespath plan, annuity, or fund authorized under the Discipline and \$_____ from the Duke Endowment and \$_____ from the Ministers' Transition Fund (total \$_____) as reported on the attached 1099-R's. I did not include that amount on Line 16b because \$_____ * has been excluded under provisions of IRC Section 107 of the Internal Revenue Code as a rental allowance exclusion. As a retired clergy person, I am entitled to take this rental allowance exclusion."

* In this blank put the least of the three amounts on your Housing Exclusion Worksheet.