

Professional allowances are now carefully monitored. Each month a form is filled out and documentation and receipts are supplied for the reimbursement request. It used to be up to the priest (with his tax man and his conscience) what to include in this account, but now the Archdiocese has clarified the expenses that are allowed and not allowed and it is the duty of the parish trustee treasurer and business manager to monitor this. This was not so strict before.

In addition to our salary we also receive a Retirement Savings Supplement each year which is comparable to the employer's portion of Social Security. Since we are considered self-employed for purposes of Social Security we pay our own taxes in quarterly payments. Our employer can now send it in for us from each paycheck if we so choose. Here at SJV we can also pay into a Flexible Savings Account which the parish will match. That is another deduction.

Two other compensations we receive are \$350 for an annual retreat and \$1000 for continuing education which is sent into the Archdiocese and kept there for us until we request it with proof of the education we have received.

I do hope this helps you understand how we priests get compensated and answers any questions you may have. If however you want to know more about our compensation or any other money matters here at SJV please feel free to ask [me](#) or [Jim Hessling](#).

Blessings,

Fr. Ken Knippel

13TH SUNDAY IN ORDINARY TIME
JUNE 27, 2010

PASTOR'S CORNER - Professional Reimbursement for Priests

From time to time I get asked a question or two about how a diocesan priest in the Archdiocese of Milwaukee gets compensated. In light of the charges pending against the former pastor here some wonder how that might have happened and if there are any changes in the way things are handled now.

Our compensation package is fairly complicated. We get a salary based on a survey done each year by the National Association of Church Personnel Administrators (NACPA) of comparable positions in religion and non-profits. That is then approved by the Administration Committee of the Council of Priests and then the Archbishop. For example this year the committee recommended a 1.5% increase, but the Archbishop rejected that recommendation and in a letter to us asked us to accept no raise for 2010-2011 in light of the current economy.

Once that number is established we fill out a form determining some of the possible variables for ourselves. Qualified Housing is one. We have the option of living in a parish rectory and paying rent or living elsewhere. It is our option. Fr. Phillip has decided to live in the parish owned house and pays the parish rent for that. I have decided to live in a condo and pay the mortgage. So I take a deduction from my salary for my housing. That amount is then tax free. In that I include my mortgage payments, real estate taxes, utilities, housing repairs and maintenance, and property insurance. I then reduce my salary by that amount which is paid to me in a separate check each month. Fr. Phillip can include his rent, decorating, and furnishings. Food, groceries, housekeeping, and other personal services are not included here.

We then deduct about one month's pay as our contribution to our priests' pension plan. The parish matches that contribution.

If we choose to have a tax sheltered annuity plan (403b) we can deduct that from our salary. When people give us gifts for celebrating funerals, weddings, or baptisms with them (stole fees) we turn them over to the parish at a rate of \$50 for a funeral, \$75 for a wedding, and \$10 for a baptism. Each Mass we say provides a \$10 stipend which also goes to the parish. If we choose to keep our stole fees and stipends we have to deduct \$6,000 from our salary. If people give us money at Christmas or Easter or for other occasions, as many do, it is a gift and we can keep it.

The next deduction is for professional allowance. We are allotted \$458 a month for professional allowance. That is a 'use it or lose it' within the year account, but no more than the \$458 per month will be paid. We are allowed to deduct more from our salary for this account if we think we will need it. That reduces our taxable income of course.