

# Ministerial Housing Allowance

## FT\_HR\_BE\_40

Responsible Officer  
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### Policy Statement

In accordance with Section 107 of the Tax Code, serving in a seminary is permitted for housing allowance purposes for ordained ministers of the gospel who teach or have positions in.

### Policy Procedures

The Internal Revenue Service (IRS) allows certain personal expenses associated with providing housing to be excluded from the gross income of an ordained minister who qualifies for the allowance. In accordance with Section 107 of the Tax Code, serving in a seminary is permitted for housing allowance purposes for ordained ministers of the gospel who teach or have positions involving administrative and overall management duties as ministers of the gospel. However, each ordained minister who claims a ministerial housing allowance should be aware that the employee, alone, bears the risk of the allowance being disallowed and for the payment of any associated penalties should there be any adverse future ruling by the IRS. Employees should consult their own legal and/or tax counsel prior to claiming the ministerial housing allowance.

Employees who believe they qualify for the housing allowance must submit their request in writing to be approved by the Board of Trustees. The IRS requires that such approval be granted by the governing body prior to any designation of housing allowance. The allowance request must be based on the recipient's calculations of the cost to provide a home, utilities, etc. as outlined by the applicable regulations. Each recipient is advised to keep abreast of the tax laws, which change yearly. In accordance with IRS Publication 517, the University is not responsible for matching, collecting, or remitting Social Security and Medicare taxes for ordained ministers receiving the housing allowance. Any part of the housing allowance that is not actually used for "providing a home and utilities" must be reported, by the recipient, on his income tax return as additional income.

### Compliance

#### Federal

Section 107 of the Tax Code