

## Reporting and Taxing Clergy Auto Insurance

The parish or institution to which a priest is assigned should pay the first \$750 annually for automobile insurance, with the priest himself paying the balance. See the Clergy Remuneration Policy for increased limits for “high insurance” areas (Boston, Brockton, Chelsea, Everett, Lawrence, Lowell, Lynn, Revere, Somerville).

Payments made to a priest or to an insurance company (including the RCAB’s Insurance Department) for auto insurance is taxable and must appear on the W-2 form at the end of the year.

In IOI, under Hours & Dollars, go to Year-to-Date Adjustments. Choose “Standard Adj” under Adjustment Type. Choose one of the following Earnings Codes in IOI depending on who paid the insurance bill:

- AUCR/CLGYREIM: “CR” stands for Cash Reimbursement. Choose if priest has paid the insurance bill himself and therefore needs a taxable reimbursement through payroll.
- AUNC/CLGYFRNG: “NC” stands for Non-Cash. Choose if parish or institution has paid the bill. Use of this code will simply record the priest's imputed income and tax the remaining portion of the check.

Enter the correct amount under Gross Amount (\$750.00 or more depending on city/town). To enter the GL account code – 5206 – first delete the empty space in the G/L Code field that will be in front of the first number you type. Then type in the 5206. Click Save.

You will then be taken to the ACH & Balancing tab. The Balance amount (same as Gross Amount from prior tab) will show in red. You will need to enter the same amount under Net Check Amount. Click Save. Then Preview to confirm that adjustment was correctly entered.

Balancing Information	
Total Earnings	750.00
Total Taxes	0.00
Total Deductions	0.00
Total ACH	0.00
Net Check Amount	0.00
Balance	750.00