

Accounting & Data Processing Office

M e m o

To: All Diocesan Parishes, Schools, and Agencies

From: Lori Glenn

Date: December 28, 2020

Re: Year-end Payroll Procedures

We need to receive a W-2 worksheet (enclosed) for every Diocesan priest (retired and active) you pay. Please complete a worksheet for every priest whether we pay him through the payroll system, or if you pay him directly. Please submit your worksheets no later than **January 14, 2021.**

The total compensation of a diocesan priest must be reported on his Form W-2. This includes payments for weekend assistance, reconciliation assistance, Sacramental Program Stipends, Lenten events, Seminar or Retreat help, etc. **Do not include mileage reimbursement.** This could mean that a parish, school, or diocesan agency will submit W-2 worksheets for several diocesan priests, including some from other parishes.

Due to the change in the Priests' reimbursement policy, make sure that you report any taxable personal meals that have been reimbursed to the Priest. **This specifically includes ALL personal meals outside the rectory including "Dine-In" at restaurants, alone or with others, but without a documented ministry purpose.** Also please include any gifts from the parish or parish organizations paid directly to the Priest such as a Christmas bonus from Altar & Rosary Society etc...

Do not prepare W-2 Worksheets for priests who are members of religious communities. They are exempt from filing income tax returns. Do not prepare W-2 Worksheets for priests serving from other dioceses. If you paid a priest from another diocese \$600 or more during 2020, issue that priest Form 1099-NEC. A copy of the 1099-NEC memo is located on the Documents & Forms page.

Please review your payments to individuals and unincorporated companies for services rendered. These are individuals and companies who are not your employees but provide a service to your parish. **Use the new Form 1099-NEC** to report amounts paid to these individuals and companies totaling \$600.00 or more during the calendar year. Send a W-9 form when you are paying a new vendor to determine if a 1099 is required to be issued.

For updated employment forms, consult the Diocesan web site at RockfordDiocese.org; select Documents/Forms under Resource Links (left hand column); then choose Accounting/Payroll and then the appropriate form.

Please don't hesitate to call with any questions.

Catholic Diocese of Rockford
P. O. Box 7044
Rockford IL 61125

(815) 399-4300
(815) 399-5657 FAX

2020 W-2 Worksheet for Priests

Submitted by:

Parish/Agency # _____

Priest's Name _____

Parish/Agency _____

Address _____

City _____

City _____ St _____ Zip _____

SS# XXX - XX - _____

Regular Salary + \$ _____

Clergy Assistance/Confessions/Speaking Fees/etc... + \$ _____

Additional Compensation:

Auto insurance paid by parish + \$ _____
(\$780 for entire year)

* Mass stipends + \$ _____

Stole fees + \$ _____

** Taxable personal meals + \$ _____

Gifts from Parish and Parish Organizations + \$ _____

Sub-total = \$ _____

Less: 403(b) Retirement Plan - \$ (_____)

Net W-2 salary – Box 1 of W-2 = \$ _____

* Include Mass stipends paid to a priest from a Mass checking account or other source.

** Personal meals (eating alone or with friends) outside the rectory that have been reimbursed to the priest.

The standard mileage rate for computing the value of the business use of an automobile for the year 2021 is 56.0 cents per mile. The rate for 2020 was 57.5 cents per mile.