

Deacon Modules Instructions



Diocese of
Green Bay



DEACON MODULES INSTRUCTIONS

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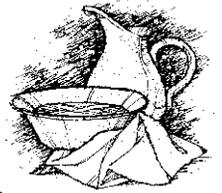
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Diocese of
Green Bay

AGREEMENT FOR DIACONAL MINISTRY

Diaconate Department



I, _____, a Deacon of the Diocese of Green Bay, in obedience to the Bishop, whose mission I share and in consultation with those whose signatures appear below, agree to serve the parish of _____.

A. Primary Service

Each week I will commit myself to approximately _____ hours of diaconal ministry at _____ in the following manner:

(Parish/Institution)

Service of Charity/Justice/Pastoral Outreach:

Service of Word:

Service of Liturgy:

B. Other Areas of Diaconal Service:

C. Deacon (Couples) Specific Needs and Expectations:

D. Pastor's (Pastoral Leader) Specific Needs and Expectations:

Note: If a deacon is a paid employee of a Parish/Institution, attach a copy of his Job Description.

E. Continuing Development and Formation

I agree that I will pursue my continuing development and formation as outlined in the Continuing Formation Policy for Deacons.

F. Term of Agreement

This is a (new/renewed) agreement for the period of _____year(s) which will commence on _____ and will conclude on _____.

1. New agreements are for 1 year, renewal agreements may have a duration of one to three years.

2. Revision

Agreement revisions **can be made for** changes in **Deacon's** health, family, employment or parish needs. **Changes in pastor/pastoral leader may also be a need for agreement revisions. Revisions can be made anytime during the agreement term. An updated agreement should then be sent to the Diaconate Director.**

3. Termination

After consultation with the Diaconate Director, a request for termination of this agreement must be given in writing to the appropriate parties 60 days prior to the desired termination date. Termination may be initiated for cause. Final decision on diaconal assignments are made by the Bishop.

G. Financial Provisions For A Parish Deacon (updated annually on July 1 by the Diocese)

1. The deacon will receive the current diocesan mileage rate for the parish related travel.
2. A parish or institution with an assigned deacon shall budget an annual continuing development and formation allowance per deacon as set forth by the Diocese.
3. The parish will pay toward the cost of the annual retreat for the Deacon and his wife at the rate set forth by the Diocese.
4. The parish will pay to the Department of Diaconate the annual sum of \$200.00, per deacon, as set forth by the Diocese.
5. The deacon is entitled to any monies that exceed the standard stole fees for baptisms, marriages, funerals, etc.
6. The parish is free to pay the deacon any additional monies it sees fit as negotiated by the parties involved.

We enter this agreement in good faith, on this date of _____.

Parish/Institution

Deacon

Spouse

Pastor/Administrator/Pastoral Leader

Diaconate Director

Deacon Faculties

By virtue of his ordination, a Deacon in the Diocese of Green Bay is granted the following faculties upon assignment by the Ordinary:

1. To do charitable, administrative and welfare work on behalf of the community he serves.
2. To foster and support the laity in ministry.
3. To read the Scriptures to the faithful, to teach the people, to proclaim the Gospel and to preach the homily at the Eucharistic Liturgy.
4. To preside and preach at religious worship and public prayer.
5. To carry out all the roles in the liturgical rites which the ritual books attribute to the deacon.
6. To administer Baptism and to supply the ceremonies that have been omitted in emergency Baptisms.
7. To distribute Holy Communion, to bring Holy Viaticum to the sick, and to impart Benediction of the Blessed Sacrament.
8. To witness and bless marriages in the parish to which he has been assigned, in accordance with Canon Law.
9. To administer sacraments and blessings as prescribed by the ritual books.
10. To preside at funeral and burial rites.
11. To provide pastoral care to Christian communities under the direction of the pastor.

It is understood that the Deacon will exercise the Order of Deacon in accordance with the Code of Canon Law and the norms of the Diocese of Green Bay under the direction and supervision of the pastor or parish director of the parish or institution to which he is assigned. The Order is not to be exercised outside of this assignment except with the express permission of the local pastor or parish director.

The above mentioned faculties remain in effect until termination of assignment or departure from the jurisdiction of the Diocese of Green Bay.

5/8/2008



Diocese of
Green Bay

FINANCIAL PROVISIONS FOR A PARISH DEACON 2017-2018

July 1, 2017 - June 30, 2018

ANNUAL RETREAT: Deacons are required to make an annual retreat. \$500 reimbursement is allowed for a deacon and wife; \$250 for single deacon.

CONTINUING FORMATION: A \$650 reimbursement is allowed per year from the parish for professional training or education. A deacon is to present voucher documentation to the parish for courses, workshops, or seminars and related mileage.

MILEAGE: The parish will reimburse the deacon for parish related travel at the current IRS rate (54 cents a mile, effective 1-1-2016). The deacon must submit a request for mileage approval in accord with parish policy.

PARISH FEE: The deacon's parish will pay the Diocesan Diaconate Department the annual sum of \$200 per deacon on active status.

STOLE FEES: If a deacon is assigned to the parish, stole fees established by the diocese are to revert to the parish. The deacon is entitled to any moneys given that exceed the standard stole fees. If a deacon is not assigned to the parish but is invited by the pastor or pastoral leader to preside at a baptism, wedding or funeral for which there are stole fees, the parish may designate a fee for the deacon over and above the standard stole fees.

DEACON AS A PARISH EMPLOYEE: When a deacon is a parish employee, the above provisions should be included in the deacon's work agreement. In addition, please see the documents "Tax Treatment of Deacon Compensation" and "Estimated Housing Costs for Deacons and Priests who pay their own Housing Costs" which are available from the Diaconate Office or the diocesan website.

MODULE

Tax Treatment of Deacon Compensation Paid by Parishes and Other Diocesan Institutions

January 1, 2006

The federal and state reporting requirements referred to here must have been implemented by January 1, 2006.

Deacons in the Diocese of Green Bay are treated, for tax purposes, similarly to Diocesan priests in regard to the compensation they receive from parishes and other Diocesan institutions for performing ministerial duties. The contents of these guidelines should be shared with each deacon. Because the deacon has much to consider in planning his tax year, he should review these guidelines with his tax preparer for planning purposes. Certain approvals must be in place before the tax year begins.

The payroll for deacons who perform non-ministerial duties (for example, work on the maintenance staff) should be processed the same as lay employees. The determination of whether a deacon is performing ministerial duties, *as defined by the Internal Revenue Service*, may not be a simple decision. It is determined after considering several factors outlined by the courts and Internal Revenue Service. It is **not an option** of the deacon, pastor, trustees, or the parish finance council. Please call the diocesan Financial Consultant for a determination.

Tax Status of Deacons Receiving Compensation for Performing Ministerial Duties

Deacons are considered “dual status” employees. “Dual status” means that deacons are considered employees for income tax purposes but self-employed for Social Security purposes. This means that deacons should receive a W-2 each year, but Social Security and Medicare taxes cannot be withheld from their checks and Social Security and Medicare wages cannot be listed on their W-2s. Deacons are required to pay self-employment taxes with their personal tax returns.

Housing Allowance

Deacons Who Rent or Own Their Own Home

The parish or other Diocesan institution may designate part of the salary it pays to a deacon for performing ministerial duties to be a housing allowance. This provides a tax benefit to the deacon since the amount designated as a housing allowance is not taxable for income tax purposes. The housing allowance amount is taxable for self-employment taxes.

The Church & Clergy Tax Guide 2004 Edition by Richard R. Hammar, J.D., LL.M., CPA, on page 173 lists the following as items deacons may include in their housing allowance calculation:

- Down payment on a home
 - Mortgage payments on a loan to purchase or improve your home (include both principal and interest). Payments on home equity loans and second mortgages where the proceeds are not used for housing (for example, a second mortgage is taken out to pay for a child's college tuition) can **not** be included.
- Real estate taxes
- Property insurance
- Utilities (gas, electricity, water, trash pickup, local telephone charges)

- Furnishings and appliances (purchase and repair)
- Structural repair and remodeling
- Yard maintenance and improvements
- Maintenance items (cleaning supplies, light bulbs, pest control, etc.)
- Homeowners' association dues

Rental payments can also be included in the housing allowance calculation.

An *Estimated Housing Costs* form can be used by deacons to calculate their housing allowance amount. The form can be found on the diocesan website under finance info. This form must be prepared and signed by the deacon, and approved by the pastor, parish director, priest administrator or trustee before January 1st each year. The approval should be noted in the minutes of a Finance Council meeting.

It is important to note that the amount the deacon can exclude from his federal and state taxable wages is limited to the lesser of:

- 1) The amount actually used to provide a home
- 2) The amount officially designated as a housing allowance
- 3) The fair rental value of the home, including furnishings, utilities, etc.

Also note these other considerations when setting the housing allowance amount.

- 1) The housing allowance amount is not considered “compensation” when calculating the amount that can be contributed to a 403(b) or a 125 plan. Designating a housing allowance amount reduces the amount that can be contributed to a 403(b) plan.
- 2) If you receive a tax-free housing allowance, a portion of your business expenses must be allocated to the tax-free income and thus becomes nondeductible. Example: Deacon Smith receives total compensation of \$20,000, \$5,000 of which is designated as a tax-free housing allowance. Therefore, if Deacon Smith has \$4,000 of business expenses, only \$3,000 ($15,000/20,000 \times 4,000$) can be deducted on his tax return since one fourth ($5,000/20,000$) of his income is a tax-free housing allowance. Additionally, a statement must be attached to the deacon's tax return in order to deduct a portion of his business expenses. The statement must include the following information:
 - a. A list of each item of taxable ministerial income by source plus the amount.
 - b. A list of each item of tax-free ministerial income by source (housing allowance) plus the amount.
 - c. A list of each item of otherwise deductible ministerial expenses plus the amount.
 - d. How you figured the nondeductible part of your otherwise deductible expenses.
 - e. A statement that the other deductions claimed on your tax return are not allocable to your tax-free income.

An example statement is contained in Publication 517 – Social Security and Other Information for Members of the Clergy and Religious Workers.

Note: this allocation does not apply to deductions of home mortgage interest or real estate taxes on a deacon's home.

- 3) Designating a portion of a deacon's salary as tax-free housing allowance reduces the limitation thresholds for some itemized deductions such as the 7.5% floor for medical expenses, the 2% floor for miscellaneous deductions and the 50% ceiling for charitable contributions.

Deacons Who Live in Parish-owned Housing (Parish Directors)

The value of housing provided to deacons is not subject to income tax. However, it must be added to the deacon's taxable salary when calculating his self-employment taxes.

Payroll Withholding

Since deacons are considered self-employed for Social Security purposes, no Social Security or Medicare taxes should be withheld from their checks (additionally, no Social Security or Medicare wages should be included on their W-2s). Deacons are also exempt from normal income tax withholding. However, deacons may enter into a voluntary agreement with their employer to have both federal and state income tax withheld. The basic form used for such an agreement is Internal Revenue form W-4. Deacons who have income taxes withheld from their paychecks should have enough taken out to cover any self-employment taxes that will be due. Deacons that do not have income taxes withheld from their checks should make estimated quarterly payments to both the federal and state revenue agencies.

Retirement Contributions

Amounts contributed to 403(b) retirement plans are not subject to federal and state taxes. Additionally they do **not** have to be included in the calculation of self-employment tax. This is a major tax advantage that ordained deacons have over lay employees.

Amounts designated as a housing allowance are **not wages** and are excluded for the computation of the contribution to the diocesan retirement plan.

Estimated Housing Costs for Deacons and Priests who pay their own Housing Costs

Category of Expense	Estimated Amount
Down payment on home	
Mortgage payments on loan to purchase or improve your home	
Monthly rent	
Property Insurance	
Real Estate taxes	
Utilities (electric, gas, water, trash, local telephone)	
Furnishings and appliances (purchase & repair)	
Structural repairs and remodeling	
Yard maintenance and improvements	
Maintenance items (cleaning products, light bulbs etc.)	
Homeowners association dues	
Miscellaneous	
Total Estimated Expense for Calendar Year _____	

I request the above amount be designated as my housing allowance for the next calendar year. I understand the entire housing allowance designated by the church is not necessarily nontaxable. Rather, it is nontaxable, for income tax purposes, only to the extent that it does not exceed my actual housing expenses or the annual rental value of my furnished residence, including utilities. The nontaxable amount is the lowest of 3 amounts: (1) my actual housing expenses for the year, (2) the church-designated housing allowance, or (3) the annual rental value of my furnished residence, including utilities.

I understand that the receipt of housing allowance does not create, nor is it to be construed as creating a contract for continued employment. I also acknowledge that my employment remains "at-will" and that either I or the employer may terminate my employment at any time with or without cause and with or without notice.

Please sign and date

Signature and Title	Date
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Approval of Housing Allowance

Signature - Designated Church Representative (Pastor, Parish Director, Administrator or Trustee)	Date
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Keep the original with the employee's payroll or personnel record.

Policy for a Permanent Deacon to enter Senior Permanent Deacon Status- Diocese of Green Bay, Wisconsin

The permanent deacons of the Diocese of Green Bay give faithful service over the course of their diaconate ministry. When age and health of the deacon make continued service on the parish level too difficult, a change of status is warranted. *Senior Permanent Deacon Status* begins when a deacon's resignation from active ministry is accepted by the bishop and the deacon no longer has an active assignment.

The *National Directory for the Formation, Ministry, and Life of Permanent Deacons in the United States* indicates under particular law governing deacons in the United States: **“Norms should be established in each diocese regarding the age, health, and other matters that need to be considered regarding a deacon’s resignation from a ministerial office or his retirement from ministerial duties.”** (103)

In order to assist the deacon and the bishop to make a successful transition, the following steps are asked of permanent deacons serving within the Diocese of Green Bay:

1. Deacons may seek permission from the bishop to enter *Senior Permanent Deacon Status* when they are age 70 or older. The deacon shall send a formal letter to the bishop requesting permission be granted to enter senior status and copy the diaconate director. The diaconate director will review the request, contact the deacon requesting senior status, and draft a letter of recommendation to the bishop for his consideration and action to approve *Senior Permanent Deacon Status*.
2. A deacon who reaches the age of 70 who is in good health and wishes to continue to serve as an active deacon is invited to do so with the verbal permission of his pastor. If the deacon is assigned to a parish with a parish leader, he will contact the diaconate director for permission to continue to serve as an active deacon. In remaining in active status, it is understood that the deacon will continue with all the ongoing formation and service requirements of an active deacon, regardless of age.
3. A deacon, given good health and a desire for continued active ministry, may continue to serve in active ministry until the age of 75.
4. If a request for resignation from active ministry is made and the request is accepted by the bishop, the deacon will be granted *Senior Permanent Deacon Status*. This will conclude his formal appointment to his assigned parish. However, the deacon may continue to serve the parish in whatever ways are jointly acceptable to him and his pastor/parish leader. While a formal agreement is not required, it is recommended that the expectations of the deacon and pastor/parish leader be clearly outlined.
5. By the time of his 75th birthday, a deacon should submit his letter of resignation from active status to the bishop. If the deacon wishes to continue to actively serve while his health allows him to do so, he may request in writing that his resignation be deferred. If the bishop, deacon, pastor/parish leader of his assignment, and diaconate director concur, the deacon may continue active service. Deferred resignation will be reviewed on an annual basis unless a longer term of deferment is agreed upon by all parties.
6. In the event a deacon's physical or mental health does not allow him to continue to serve in active status, nor apply for *Senior Permanent Deacon Status*, the diaconate director will advise the bishop. The Office of the Diaconate in consultation with the bishop and appropriate diocesan personnel shall have the ability to place the deacon in *Senior Permanent Deacon Status* or the equivalent.

7. While it is the responsibility of a deacon to initiate the request for *Senior Permanent Deacon Status*, the diaconate director shall be aware of the health and intentions of those deacons who are 70+ years old. If there is a concern about the deacon's ability to remain in active status, the diaconate director will begin a conversation regarding the deacon's current situation and coming years. The deacon's wife should also be invited into this conversation. The discussion will include topics about the deacon's health, family situation, and ability to serve in his diaconate ministry. An annual contact of this nature would continue until the time of the deacon's resignation from active ministry.

Revised 2/9/2021



VOLUNTARY WITHHOLDING AGREEMENT

EMPLOYEE

Name: _____

Address: _____

Social Security Number: _____

EMPLOYER

Name: _____

Address: _____

I, _____, hereby request that _____
(Employee Name) (Employer

_____ withhold \$ _____ Federal and/or
Name)

\$ _____ Wisconsin for income tax purposes each payroll period.

This agreement shall terminate as of _____ (leave blank if no termination
date desired).

(Employee Signature) (Date)

EMPLOYER:

This agreement must be attached to the employee's Form W-4 and constitutes a part of that Form W-4 per IRS Reg. 31.3402(p)-1(b)(1)(ii). A separate Wisconsin Form W4-T should be prepared for Wisconsin purposes.

