Priest Compensation Exercise

New Business Administrator Institute

June 12, 2019

Your parish’s beloved pastor of 12 years is retiring. In spring, you received notification that Fr. Andrew will be replacing him in July. Although Fr. Andrew has been working at a parish for a number of years, he isn’t quite sure how to fill out the Priest Compensation Workbook. He comes to you for help.

Here is what Fr. Andrew tells you:

1. He was ordained in June of 2013
2. He does not plan on living at the rectory, so he will rent an apartment in your city. He thinks his rent will be $950 per month and it includes utilities. Besides rent, he has other expenses too. Cable and internet will cost $120 per month, plus he needs to buy new furniture and plans to spend $1500 during the whole year. Renter’s insurance is $45 per month.
3. He thinks that contributing to a 403b is a good idea and wants to contribute $4,000 per year. He doesn’t have a 403b account set up yet.
4. The whole stipend thing confuses him, so he just wants the parish to keep the stipends.
5. He expects to spend $5,300 on professional expenses during the year.
6. He is planning to withhold $6,000 federal income tax and $1,200 state income tax over the course of the year.

With this information, please fill out a Priest Compensation Workbook for Fr. Andrew.

*Contact Parish Finance Office for the completed workbook from this example.*