

MAJOR CHANGES

Included with this revision of the Congregational Treasurer's Manual
– OCTOBER 2018 –

NOTE: All changes to the manual are not listed below; only those determined by its editors to be major.

1.305: Notifies all Forms W-2 should be provided to employees no later than January 31st following the calendar year in which the compensation is earned. Table shows moving expense payments should be reported on Form W-2 in box 1 (eff 1/1/18); and adds tangible and intangible gifts (defined in 1.315) to the "includible" column.

1.315: Clarifies only limited *tangible* gifts may be given to employees tax-free for length-of-service milestones.

1.325: Table cites Rev Rul 80-110, clarifying a minister may reduce self-employment earnings with job-related expenses regardless whether they qualify for an income tax deduction (e.g. unreimbursed business expenses, non-deductible job-related moving expenses).

1.335: Updates the new Social Security wage base limit for 2018.

1.345: Updates the Estimated Taxes Worksheet and related table consistent with provisions in the recent Tax Cuts and Jobs Act (TCJA).

1.410: Updates allowable earnings for retirees who are receiving Social Security in 2018.

3.310: Adds the same new wage reporting information added in 1.305.

4.306: Suggests accessing the new personalized CPS employer portal at *ConcordiaPlans.org* for details about health plan options.

4.310: Adds a participating CRSP employer may also elect to allow part-time workers to participate in CRSP.

4.320: Informs employers they may pay monthly invoices from CPS online at its new personalized employer portal.

4.330: Informs employers beginning 1/1/19 they can enroll workers on the new personalized employer portal.

4.335 & 4.340: Notifies benefit forms and other materials can also be accessed through the CPS member/ employer portal.

4.435: Adds CPS enrolled workers purchasing voluntary group term life insurance through Minnesota Life may pay their premiums through payroll deduction by the worker's employer.

4.440: Announces CPS enrolled workers have access to "Ground Rounds", top doctors in the U.S. to provide expert second opinions and help find best doctors for a host of procedures.

5.211: Updates the annual contributions limits to fund a Tax-Sheltered Annuity.

6.125: Recommends congregations employ an Accountable Plan instead of paying cash allowances because the TCJA now completely disallows employees' deductions for unreimbursed business expenses.

6.135: Informs lessees of cars (or trucks and vans) valued over \$50,000 in 2018 who are deducting their entire business use of them that they must "add back" or include an amount each year to their compensation to partially offset the entire lease deduction. Inclusion amounts are available in IRS Publication 463.

6.140: Notifies any employment-related moving expenses reimbursed or paid by the employer are taxable.

7.230: Updates the employee's annual contribution limit to Flexible Spending Arrangements: \$2,650 for 2018.

7.315: Announces the availability of a Withholding Calculator at *irs.gov* for help in calculating the number of allowances an employee can claim on Form W-4. Use of it replaces the need for the W-4 worksheet.

7.316: Suggests wiping a computer clean before disposing of it.

7.334: Reverts to the old test used to determine white collar exemption from overtime pay, i.e., paid on a salary basis at the required salary level of at least \$455 per week (the equivalent of \$23,660 per year).

7.343: Updates the new Social Security wage base limit for 2018.

7.355: Notifies Forms W-2 must be mailed or electronically sent to SSA by January 31st.

7.602: Announces to qualify using the vehicle cents per mile method for valuating employee's personal use of a car, the car must not exceed \$15,600 in 2018 (\$17,600 for a truck or van) when first provided to the employee.

11.110: Announces income and related losses from multiple unrelated activities, each must be reported to IRS separately so losses from one may not be used to offset income from the other. At the time this publication was preparing for print, IRS had not released guidance relative to this new tax provision. As soon as it is available, we will update and post additional information on this matter at lcms.org/resources.

11.115: Notifies the cost of employer-provided qualified transportation and commuting benefits and any parking facility used in connection with qualified parking and has not been treated as taxable compensation is subject to unrelated business income tax. At the time this publication was preparing for print, IRS had not released guidance relative to this new tax provision. As soon as it is available, we will update and post additional information on this matter at lcms.org/resources.

11.136: Updates tax withholding rate to 24% when prize winner refuses to provide SSN; or when conditions are met requiring the filing of a Form W-2G.

13.310: Suggests referencing useful guidelines for congregational constitutions and corresponding bylaws that are available at lcms.org/ccm under "Helpful Documents".

16.200: Introduces the solution of proactive firewall management with active monitoring for added data security against computer hackers on the internet.

16.300: Introduces the solution of cloud-based software to always have the latest version of software accessible by multiple devices.

16.400: Introduces the solution of data storage in the cloud to reduce or eliminate the need for a network server and provide greater access for most devices with proper login credentials.

16.500: Suggests asking whether discounts for non-profit organizations are available when purchasing software and computer equipment.

20.300: Suggests how to improve internal control when using online bill pay.

23.700: Explains net assets are classified based on the presence or absence of donor-imposed restrictions.

Chapter 24: Although not mentioned in the text, *Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, goes into effect for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. If your financial statements are presented in conformance with GAAP, consult your accountant for these new reporting requirements."

Chapter 26: Updates throughout the chapter reflect current terminology and practice; and attempts to make material more time neutral, replacing old statistics with statements that are timeless about the research.

Where text refers to the "standard business mileage rate," this rate is currently 54.5 cents/mile (went into effect 1/1/18). Unfortunately, IRS had still not released the 2019 rate when this manual was being printed. As soon as it is available, we will update and post the new rate at www.lcms.org/resources.

The Congregational Treasurer's Manual is published in a printed format and on CD, both available through your district office. It may also be viewed at www.lcms.org/resources.