

Clergy Pension Basics

When a priest earns more than \$200 for three consecutive months, the Canons of the Church require payment of pension assessment by church employers of 18% of Total Assessable Compensation (TAC). On January 1, 2018 the Church Pension Group revised the calculation of TAC. CPG has published a helpful graphic detailing the elements of the calculation [at this link](#).

Please note:

1. This assessment is required by Canon Law to be paid for any clergy employed by an Episcopal Church institution for three consecutive months and paid more than \$200 per month. Assessments may be paid voluntarily on behalf of employed clergy who earn less than \$200 for periods in excess of three months. Each amount is exclusive of reimbursed travel or business expenses.
2. The revised [Clergy Pension Plan benefits guide](#) is available on the CPG website. It is highly recommended that all clergy read this immensely helpful booklet to better understand the contribution, pre-retirement planning and active retirement phases of the CPG benefits, as the benefits continue to expand.
3. All clergy should understand that there is a **two-year window** in which they can make corrections to compensation as reported to CPG. Once this period has passed, benefits are based on
4. the locked-in figures. **Two** different annual statements from CPG go to all clergy and these reports update clergy on known compensation, known employers and credited service time as a priest of the Church. It is the responsibility of the cleric to verify the information on these documents when they are received and to take action if the information is not correct.
5. The Church Pension Fund, through their website, provides the Episcopal Church clergy with an excellent guide for the preparation of each year's taxes. This document can be given directly to an individual's tax preparer for clarification on clergy taxation.
6. The Church Pension Fund provides much more than simply retirement funds for Episcopal Clergy. Additional information, including a full definition of "cash salary" components can be found at the www.cpg.org website.