

ANNUAL HOUSING EXPENSES

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| Rent <i>(if a primary residence was rented for all or part of the year)</i> | \$ _____ |
| Down payment on a home | \$ _____ |
| Remodeling and improvements | \$ _____ |
| Installment payments on a mortgage loan to purchase or improve your home <i>(include both principal and interest)</i> | \$ _____ |
| Furnishings and appliances <i>(purchase and repair)</i> | \$ _____ |
| Utilities connected with the dwelling <i>(gas, water, sewer, electricity, trash service, telephone charges, internet, etc.)</i> | \$ _____ |
| Property insurance | \$ _____ |
| Real estate taxes | \$ _____ |
| Homeowners association dues | \$ _____ |
| Repairs | \$ _____ |
| Maintenance <i>(household cleaners, light bulbs, pest control, yard service, etc.)</i> | \$ _____ |
| Miscellaneous home expenses | \$ _____ |
| TOTAL HOUSING EXPENSES | \$ _____ |

MINISTER'S HOUSING ALLOWANCE

In order to claim Minister's Housing Allowance exemptions for federal income tax purposes on your retirement distributions, you must:

- Have been credentialed during the time the contribution was made
- Have earned the income for the contribution from ministry
- Be retired
- Consider the expenses on your primary residence only

A minister can only claim Minister's Housing Allowance on the lesser of the two amounts listed below.

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| Actual annual housing expenses for this year <i>(see Total Housing Expenses)</i> | \$ _____ |
| Actual annual Fair Rental Value <i>(home + furniture + utilities)</i> | \$ _____ |

Internal Revenue Code 107, Treasury Regulation 1.107-1(b), and other IRS guidance state that ministers may exclude from their federal taxable income an amount of their pay that is designated as housing allowance pursuant to official action taken by the employing church or other qualified organization before the payment is made.

The following description is intended to provide guidelines under which a minister may declare housing on retirement account disbursements: What constitutes retirement for purposes of these rules regarding SECA tax and the housing allowance depends on an individual's particular facts and circumstances. Ministers with questions about whether they are retired for this purpose should consult their tax advisors. Ultimately, the minister must make this decision. Many facts and circumstances may be relevant in determining whether retirement has occurred. For example, if a minister is receiving retirement benefits from a plan and is making contributions to the same plan, the IRS may not consider that minister retired for purposes of the housing allowance and the favorable SECA tax treatment. Similarly, the IRS may view ministers as not retired if they have not had a meaningful break in service or change in work duties. Additionally, the IRS may not view you as retired if you are RMD age and have filed the paperwork to delay a required minimum distribution from your retirement account. Ministers and their tax advisors should work together to address the relevant facts and circumstances of each individual case.

Always keep receipts or other records of your actual housing expenses. Keep this document for your records; do not send to AGFinancial.