

The OCA Pension Plan is a 401(a) and not a 403(b). Please apply the information on filling out W2 forms beginning with tax year 2013.

Completing Forms W-2, 941 and 1099

The following information is based on reporting rules as of December 2010. It is the responsibility of the treasurer to keep up with changes to taxes and reporting. The information on these web pages is provided as guidelines to parish treasurers, but should not necessarily be considered the latest information.

See section V for samples of completed forms based on supplied scenarios

I. COMPLETING FORM 941

Follow the IRS instructions provided with this form. Note the following for parish clergy and other employees.

Line 2: Wages, Tips, and other compensation. The amount on this line should be the total of all taxable compensation paid to clergy or other church employees in the quarter being reported. It does not include any clergy housing allowance.

Line 3: Income tax withheld. For clergy, this would also include any withholding for self-employment taxes (Social Security and Medicare) if requested by the clergy on a W-4 form.

Line 4: If the parish has only clergy employees, then the box should be checked.

Lines 5a and 5c: For non-clergy employees, insert the total of all taxable Social Security and Medicare wages. Compute the amount of these taxes that should have been withheld.

Line 6e: For Clergy and non-clergy employees, enter the total amount of all taxes that should have been withheld.

Line 10: Enter the parish total tax liability for the quarter.

Line 11: Enter the amount of withholding already deposited during the quarter.

Line 7a: Insert any fraction of a cent discrepancy between what was calculated on this form and what was calculated on a monthly basis during the quarter.

Line 13: Enter the same amount as line 10, unless lines 12a through 12d apply.

Lines 14 and 15: Use the appropriate box to enter an underpayment or overpayment of the parish tax liability.

Follow the Form 941 instructions on how to pay any underpayment for the quarter.

II. COMPLETING FORM W-2

Follow the IRS instructions provided with this form. Note the following as you fill out the form for parish clergy or other church employees.

Box e: Identify the employee by name. Do not insert titles or academic degrees such as Dr. or Rev. at the beginning or end of the employee's name.

Box 1: Report all wages paid during the year. This includes salary, value of the personal use of an employer provided car, bonuses, most Christmas gifts paid by the church, business expense reimbursements paid under a "non-accountable plan" (i.e. no receipts provided), any portion of a minister's self-employment taxes paid by the church. The mandatory employee contribution withheld for the OCA pension plan, is not deducted from the salary.

Do not include a housing allowance or annual rental value of a parsonage.

Enter 0.00 if total compensation is a parish council approved housing allowance.

Box 2: List all federal income taxes that you withheld from the employee's wages. The amounts reported in this box for all employees should correspond to the amount of withheld income taxes reported on your four 941 forms for the reporting year.

Box 3 and 5: Report a non-minister employee's wages subject to Social Security and Medicare taxes. Boxes 3 and 5 are left blank for priests and deacons with respect to compensation received in the exercise of their ministry.

Box 4 and 6: Report the Social Security and Medicare taxes withheld from a non-minister employee's wages. Boxes 4 and 6 are left blank for priests and deacons with respect to compensation received in the exercise of their ministry.

Box 13: Check the box "Retirement Plan" for clergy who participate in the OCA Pension Plan.

Box 14: Though not mandatory, you may report a church-designated housing allowance in this box. The information is helpful for clergy filing their personal income tax.

Although also not mandatory, you may report the amount of the mandatory employee and/or employer contribution to the pension plan in this box.

III. COMPLETING FORM 1099

Follow the IRS instructions provided with this form. Note the following as you fill out the form for parish clergy or other church employees. This form is filled out for those not classified as employees and who earned \$600 or more in the reported year.

Box 7: For Clergy who are being treated as independent contractors, fill in the total amount of any compensation, including any housing allowance. Also include any reimbursements given that were not backed up with receipts. Payments of medical insurance by the parish directly to the insurance company is not taxable and does not appear on the form.

Box 4: Only used for backup withholding. If an independent contractor has not supplied a correct SSN, then 28% backup withholding must be deducted from each check.

IV. SCENERIOS

Scenarios for parish clergy

1. Father James B Scott is rector of St Simeon Orthodox Church and receives an annual salary of \$30,000 and a housing allowance of \$12,000. He pays into the OCA Pension plan and has 6% of his \$42,000 (\$2,520) withheld over the year. The parish pays 8% of \$42,000 (\$3,360) into Father James' pension plan. The parish pays his medical insurance premium, life insurance premium (under \$50,000 per year), and a car allowance of \$2,000 per year. He is only reimbursed for expenses for which he has submitted a receipt. He has elected not to have any taxes withheld from his paycheck. He received a \$500 birthday gift from the parish.
2. Father Timothy R Poe is the full-time sacristan at St Simeon Orthodox Church. He receives an annual salary of \$20,000 and a housing allowance of \$10,000. He pays into the OCA Pension plan and has 6% of his \$30,000 (\$1,800) withheld over the year. The parish pays 8% of \$30,000 (\$2,400) into Father James' pension plan. The parish pays his medical insurance premium and life insurance premium (under \$50,000 per year). He is only reimbursed for expenses for which he has submitted a receipt. He has elected to have federal income taxes of \$2,000 and self-employment taxes \$2,295 of any taxes withheld from his paycheck.
3. Scenario for Deacon John C Doyle who serves on Sundays at the same parish. He has a secular job as well. He is paid \$200 a month and does not have any taxes withheld.
4. Scenario for Father Joseph A Thomas who is a full-time priest at a mission. As compensation, he receives a housing allowance of \$20,000 and participates in the OCA pension plan.

Scenarios for parish non-clergy employees


5. Sally Jones is the secretary and administrative assistant for Father James' parish. She works part-time and is paid an annual salary of \$20,000. The church pays for her medical insurance. She received a cash Christmas gift of \$100.
6. Mary Taylor is a choir director at Father James' parish. She is paid \$100 per month and considers herself an independent contractor.

Scenario for a priests substituting for the rector

7. Father Matthew, a priest at another church, was paid \$1200 for substituting several times for Father James.

V. EXAMPLES OF FORMS COMPLETED FOR ST SIMEON CHURCH

Scenario 1

a Employee's social security number SSS-SS-SSS1		OMB No. 1545-0008		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile		
b Employer identification number (EIN) 94-NNNNNNNN				1 Wages, tips, other compensation 32500		2 Federal income tax withheld 0.00				
c Employer's name, address, and ZIP code St Simeon Orthodox Church 123 Skete Rd Mount Athos, CA 94NNN				3 Social security wages 0.00		4 Social security tax withheld 0.00				
				5 Medicare wages and tips 0.00		6 Medicare tax withheld 0.00				
				7 Social security tips 0.00		8 Allocated tips 0.00				
d Control number				9 Advance EIC payment 0.00		10 Dependent care benefits 0.00				
e Employee's first name and initial James B Scott		Last name Scott		Suff.		11 Nonqualified plans		12a See instructions for box 12		
1234 Walter St San Francisco, CA 94NNN		f Employee's address and ZIP code		13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b				
				14 Other 12000.00 Housing Allowance 2520.00 Emp. mand. WH		12c				
				12d						
15 State CA Employer's state ID number NNN-NNNN-N		16 State wages, tips, etc. 32500		17 State income tax 0.00		18 Local wages, tips, etc. 0.00		19 Local income tax 0.00		20 Locality name

Form **W-2** Wage and Tax Statement

2010

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
 This information is being furnished to the Internal Revenue Service.

Scenario 3

CORRECTED (if checked)


PAYER'S name, street address, city, state, ZIP code, and telephone no. St Simeon Orthodox Church 123 Skete Rd Mount Athos, CA 94NNN		1 Rents \$	OMB No. 1545-0115 2010 Form 1099-MISC	Miscellaneous Income Copy B For Recipient
		2 Royalties \$		
		3 Other income \$	4 Federal income tax withheld \$	
PAYER'S federal identification number 94-NNNNNNN	RECIPIENT'S identification number SSS-SS-SSS3	5 Fishing boat proceeds \$	6 Medical and health care payments \$	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name John C Doyle Street address (including apt. no.) 1234 Arthur St City, state, and ZIP code San Francisco, CA 94NNN		7 Nonemployee compensation 2400.00 \$	8 Substitute payments in lieu of dividends or interest \$	
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$	
		11	12	
Account number (see instructions)		13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no. CA NNN-NNNN-N	18 State income \$

Form **1099-MISC**

(keep for your records)

Department of the Treasury - Internal Revenue Service

Scenario 4

a Employee's social security number SSS-SS-SSS4		OMB No. 1545-0008		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile					
b Employer identification number (EIN) 94-NNNNNNNN				1 Wages, tips, other compensation 0.00		2 Federal income tax withheld 0.00							
c Employer's name, address, and ZIP code St Simeon Orthodox Church 123 Skete Rd Mount Athos, CA 94NNN				3 Social security wages 0.00		4 Social security tax withheld 0.00							
				5 Medicare wages and tips 0.00		6 Medicare tax withheld 0.00							
				7 Social security tips 0.00		8 Allocated tips 0.00							
d Control number				9 Advance EIC payment		10 Dependent care benefits							
e Employee's first name and initial Joseph A Thomas		Last name Thomas		Suff.		11 Nonqualified plans		12a See instructions for box 12					
1234 Paine St San Francisco, CA 94NNN		f Employee's address and ZIP code		13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b							
				14 Other 20000.00 Housing 1200.00 Emp. mand.WH		12c							
				12d									
15 State CA		Employer's state ID number NNN-NNNN-N		16 State wages, tips, etc. 0.00		17 State income tax 0.00		18 Local wages, tips, etc.		19 Local income tax		20 Locality name	


Form **W-2** Wage and Tax Statement

2010

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
 This information is being furnished to the Internal Revenue Service.

Scenario 5

a Employee's social security number SSS-SS-SSS5		OMB No. 1545-0008		Safe, accurate, FAST! Use		 Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN) 94-NNNNNNNN		1 Wages, tips, other compensation 20100.00		2 Federal income tax withheld 1005.00			
c Employer's name, address, and ZIP code St Simeon Orthodox Church 123 Skete Rd Mount Athos, CA 94NNN		3 Social security wages 20100.00		4 Social security tax withheld 1426.20			
		5 Medicare wages and tips 20100.00		6 Medicare tax withheld 291.45			
		7 Social security tips 0.00		8 Allocated tips 0.00			
d Control number		9 Advance EIC payment		10 Dependent care benefits			
e Employee's first name and initial Last name Suff. Sally L Jones 1234 Hamilton St San Francisco, CA 94NNN		11 Nonqualified plans		12a See instructions for box 12 C C C C e			
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b C C C C e			
		14 Other		12c C C C C e			
				12d C C C C e			
f Employee's address and ZIP code							
15 State CA	Employer's state ID number NNN-NNNN-N	16 State wages, tips, etc. 20100.00	17 State income tax 804.00	18 Local wages, tips, etc. 0.00	19 Local income tax 0.00	20 Locality name 0.00	
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Form **W-2** Wage and Tax Statement

2010

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

Scenario 6

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. St Simeon Orthodox Church 123 Skete Rd Mount Athos, CA 94NNN		1 Rents \$	OMB No. 1545-0115 2010 Form 1099-MISC	Miscellaneous Income Copy B For Recipient
		2 Royalties \$		
		3 Other income \$	4 Federal income tax withheld \$	
PAYER'S federal identification number 94-NNNNNNN	RECIPIENT'S identification number SSS-SS-SSS6	5 Fishing boat proceeds \$	6 Medical and health care payments \$	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name Mary R Taylor Street address (including apt. no.) 1234 Wolf St City, state, and ZIP code San Francisco, CA 94NNN		7 Nonemployee compensation 1200.00 \$	8 Substitute payments in lieu of dividends or interest \$	
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$	
		11	12	
Account number (see instructions)		13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no. CA NNN-NNNN	18 State income \$

Form **1099-MISC**

(keep for your records)

Department of the Treasury - Internal Revenue Service

Scenario 7 - No need to file Form 1099 for Father Stephen

Scenario 8 is below:

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. St Simeon Orthodox Church 123 Skete Rd Mount Athos, CA 94NNN		1 Rents \$	OMB No. 1545-0115 2010 Form 1099-MISC	Miscellaneous Income Copy B For Recipient
		2 Royalties \$		
		3 Other income \$	4 Federal income tax withheld \$	
PAYER'S federal identification number 94-NNNNNNN	RECIPIENT'S identification number SSS-SS-SSS7	5 Fishing boat proceeds \$	6 Medical and health care payments \$	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name Matthew E Russell Street address (including apt. no.) 1234 Lawrence St City, state, and ZIP code San Francisco, CA 94NNN		7 Nonemployee compensation 1200.00 \$	8 Substitute payments in lieu of dividends or interest \$	
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$	
		11	12	
Account number (see instructions)		13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no. CA NNN-NNNN-N	18 State income \$

Form **1099-MISC**

(keep for your records)

Department of the Treasury - Internal Revenue Service

This form will only show amounts for one quarter of the year. Only scenarios 1,2,4, and 5 are used to complete this form.

Form **941 for 2010: Employer's QUARTERLY Federal Tax Return**
 (Rev. October 2010) Department of the Treasury — Internal Revenue Service

951110
 OMB No. 1545-0029

(EIN) -

Employer identification number

Name (not your trade name)

Trade name (if any)

Address

Number Street Suite or room number

City State ZIP code

Report for this Quarter of 2010
 (Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Read the separate instructions before you complete Form 941. Type or print within the boxes.

Part 1: Answer these questions for this quarter.

1	Number of employees who received wages, tips, or other compensation for the pay period including: <i>Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), or Dec. 12 (Quarter 4)</i>	1	<input type="text"/>
2	Wages, tips, and other compensation	2	<input type="text"/>
3	Income tax withheld from wages, tips, and other compensation	3	<input type="text"/>
4	If no wages, tips, and other compensation are subject to social security or Medicare tax	<input type="checkbox"/> Check and go to line 6e.	
	<i>Column 1</i>	<i>Column 2</i>	
5a	Taxable social security wages* <input type="text"/> × .124 =	<input type="text"/>	<i>*Report wages/tips for this quarter, including those paid to qualified new employees, on lines 5a-5c. The social security tax exemption on wages/tips will be figured on lines 6c and 6d and will reduce the tax on line 6e.</i>
5b	Taxable social security tips* <input type="text"/> × .124 =	<input type="text"/>	
5c	Taxable Medicare wages & tips* <input type="text"/> × .029 =	<input type="text"/>	
5d	Add <i>Column 2</i> line 5a, <i>Column 2</i> line 5b, and <i>Column 2</i> line 5c	5d	<input type="text"/>
6a	Number of qualified employees first paid exempt wages/tips this quarter	See instructions for definitions of qualified employee and exempt wages/tips.	
6b	Number of qualified employees paid exempt wages/tips this quarter		
6c	Exempt wages/tips paid to qualified employees this quarter <input type="text"/> × .062 =	6d	<input type="text"/>
6e	Total taxes before adjustments (line 3 + line 5d - line 6d = line 6e)	6e	<input type="text"/>
7a	Current quarter's adjustment for fractions of cents	7a	<input type="text"/>
7b	Current quarter's adjustment for sick pay	7b	<input type="text"/>
7c	Current quarter's adjustments for tips and group-term life insurance	7c	<input type="text"/>
8	Total taxes after adjustments. Combine lines 6e through 7c	8	<input type="text"/>
9	Advance earned income credit (EIC) payments made to employees	9	<input type="text"/>
10	Total taxes after adjustment for advance EIC (line 8 - line 9 = line 10)	10	<input type="text"/>
11	Total deposits, including prior quarter overpayments	11	<input type="text"/>
12a	COBRA premium assistance payments (see instructions)	12a	<input type="text"/>
12b	Number of individuals provided COBRA premium assistance	Complete lines 12c, 12d, and 12e only for the 2nd quarter of 2010.	
12c	Number of qualified employees paid exempt wages/tips March 19-31		
12d	Exempt wages/tips paid to qualified employees March 19-31 <input type="text"/> × .062 =	12e	<input type="text"/>
13	Add lines 11, 12a, and 12e	13	<input type="text"/>
14	Balance due. If line 10 is more than line 13, enter the difference and see instructions	14	<input type="text"/>
15	Overpayment. If line 13 is more than line 10, enter the difference <input type="text"/>	Check one: <input type="checkbox"/> Apply to next return. <input type="checkbox"/> Send a refund.	

Name (not your trade name)

Employer identification number (EIN)

Part 2: Tell us about your deposit schedule and tax liability for this quarter.

If you are unsure about whether you are a monthly schedule depositor or a semiweekly schedule depositor, see Pub. 15 (Circular E), section 11.

16 Write the state abbreviation for the state where you made your deposits OR write "MU" if you made your deposits in multiple states.

17 Check one: Line 10 on this return is less than \$2,500 or line 10 on the return for the preceding quarter was less than \$2,500, and you did not incur a \$100,000 next-day deposit obligation during the current quarter. Go to Part 3.

You were a monthly schedule depositor for the entire quarter. Enter your tax liability for each month and total liability for the quarter.

Tax liability: Month 1

Month 2

Month 3

Total liability for quarter Total must equal line 10.

You were a semiweekly schedule depositor for any part of this quarter. Complete Schedule B (Form 941): Report of Tax Liability for Semiweekly Schedule Depositors, and attach it to Form 941.

Part 3: Tell us about your business. If a question does NOT apply to your business, leave it blank.

18 If your business has closed or you stopped paying wages Check here, and enter the final date you paid wages / / .

19 If you are a seasonal employer and you do not have to file a return for every quarter of the year Check here.

Part 4: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

Yes. Designee's name and phone number

Select a 5-digit Personal Identification Number (PIN) to use when talking to the IRS.

No.

Part 5: Sign here. You MUST complete both pages of Form 941 and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.



Sign your name here

Signature box

Print your name here

Print your title here

Date / /

Best daytime phone

Paid preparer use only

Check if you are self-employed

Preparer's name

PTIN

Preparer's signature

Date / /

Firm's name (or yours if self-employed)

EIN

Address

Phone

City

State

ZIP code

Form 941-V, Payment Voucher

Purpose of Form

Complete Form 941-V, Payment Voucher, if you are making a payment with Form 941, Employer's QUARTERLY Federal Tax Return. We will use the completed voucher to credit your payment more promptly and accurately, and to improve our service to you.

If you have your return prepared by a third party and make a payment with that return, please provide this payment voucher to the return preparer.

Making Payments With Form 941

To avoid a penalty, make your payment with Form 941 **only if**:

- Your net taxes for either the current quarter or the preceding quarter (line 10 on Form 941) are less than \$2,500, you did not incur a \$100,000 next-day deposit obligation during the current quarter, and you are paying in full with a timely filed return, or
- You are a monthly schedule depositor making a payment in accordance with the Accuracy of Deposits Rule. See section 11 of Pub. 15 (Circular E), Employer's Tax Guide, for details. In this case, the amount of your payment may be \$2,500 or more.

Otherwise, you must deposit your payment by using the Electronic Federal Tax Payment System (EFTPS). See section 11 of Pub. 15 (Circular E) for deposit instructions. Do not use Form 941-V to make federal tax deposits.

Caution. Use Form 941-V when making any payment with Form 941. However, if you pay an amount with Form 941 that should have been deposited, you may be subject to a penalty. See Deposit Penalties in section 11 of Pub. 15 (Circular E).

Specific Instructions

Box 1—Employer identification number (EIN). If you do not have an EIN, apply for one on Form SS-4, Application for Employer Identification Number, and write "Applied For" and the date you applied in this entry space.

Box 2—Amount paid. Enter the amount paid with Form 941.

Box 3—Tax period. Darken the circle identifying the quarter for which the payment is made. Darken only one circle.

Box 4—Name and address. Enter your name and address as shown on Form 941.

- Enclose your check or money order made payable to the "United States Treasury." Be sure to enter your EIN, "Form 941," and the tax period on your check or money order. Do not send cash. Do not staple Form 941-V or your payment to Form 941 (or to each other).

- Detach Form 941-V and send it with your payment and Form 941 to the address in the Instructions for Form 941.

Note. You must also complete the entity information above Part 1 on Form 941.

Voucher not needed since no withholding taxes have been underpaid.

✂ **▼ Detach Here and Mail With Your Payment and Form 941. ▼** ✂

Form 941-V <small>Department of the Treasury Internal Revenue Service</small>	Payment Voucher ▶ Do not staple this voucher or your payment to Form 941.	<small>OMB No. 1545-0029</small> 2010
1 Enter your employer identification number (EIN).	2 Enter the amount of your payment. ▶	Dollars Cents
3 Tax Period <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <input type="radio"/> 1st Quarter </div> <div style="text-align: center;"> <input type="radio"/> 3rd Quarter </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"> <input type="radio"/> 2nd Quarter </div> <div style="text-align: center;"> <input type="radio"/> 4th Quarter </div> </div>	4 Enter your business name (individual name if sole proprietor). Enter your address. Enter your city, state, and ZIP code.	