

FAQs on Priest Compensation Policy 5/20/26

Are there separate allowances for car, Social Security? No, pay includes all compensation.

What about food? Each priest is entitled to up to \$400/month for groceries/meals. The cost of groceries beyond \$400 and meals eaten out are personal expense to the priest. Reimbursements must be substantiated.

What about takeout food that is eaten at the rectory? OK, as long as the total for the meals taken at the rectory does not exceed \$400/month. Meals eaten at a restaurant are considered personal expense by the IRS unless they are for a business purpose and reimbursed with proper documentation.

What about meals that are ministry related? Business meals are reimbursable. The ministry purpose, names of attendees and itemized receipts must be documented by the priest and then provided to the parish office which retains them.

Can a priest retain stipends for baptisms and weddings? Other Sacramental Offerings on the occasion of sacraments or rites are presumed to be for the parish unless specifically stated otherwise. If retained by the priest these are considered by the IRS as taxable income for the priest.

Can a priest choose a lower salary and keep all his stipends? No, this option no longer exists. \$300 for stipends for Masses is included in the new salary.

Can a priest be reimbursed for his cell phone? Yes, up to \$100/month.

How much vacation does a priest get? 4 weeks, including up to 4 weekends.

Can a priest turn in mileage as a reimbursable expense? The new salary includes an increase to cover the cost of maintaining a vehicle. And yes, a priest can turn in business miles for reimbursement. This income is non-taxable. A priest could also keep track of their business miles, not be reimbursed, and use that as a business expense on their tax return Schedule C.