



NEW CHURCH PLANTER'S ORIENTATION

- Plan your typical week
- Write monthly reports
- Church Planting resources

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Orientation to Church Extension Ministries

1. At the time you are called/hired to be a church planter in the Bible Fellowship Church (BFC), you will need to contact the Church Extension (CE) office and make payroll arrangements. Arrangements for allowances and any other necessary salary items must be made before the first salary check is issued. If you are ordained with the BFC, contact the Executive Director for information regarding the Ministers' Annuity Fund.
2. All full-time church planters are to be given three weeks of paid vacation per year, along with ten paid sick or personal days per year and seven paid holidays (New Year's Day, Easter, Memorial Day, July 4th, Labor Day, Thanksgiving, and Christmas). Any unused PTO will not be carried over. At this particular time, we are asking the church planter to track his own PTO and to notify the office of his PTO and vacation dates.
3. The raising of support is essential. You should **seek to raise 100%** of your needed support before being called to your target site. This is not the sole responsibility of the church planter. Church Extension and the director will assist you in raising your support and the start-up costs of opening the mission church. You will need to begin immediately to seek ways of raising support. The CE administrative assistant will assist you in the production of mailing lists and donor solicitation letters, etc. You will need to contact churches within the BFC as well as outside the BFC and ask for permission to come and share your vision and seek their support (go with a planned presentation). The director will assist you with tools, contacts, and encouragement.
4. You will need to familiarize yourself with the *Stages of Planting a Bible Fellowship Church* as outlined in the *BFC Church Planting Guide - Five-Year Plan* and the manual and guide we use as developed from the **DCPI Church Planter's Handbook** (on ChurchPlantingBFC.org/Resources, the button under the BFC Church Planting Guide which says Download DCPI Handbook). These guides and manuals will be your checklist for developing your church plant. The stages outlined will help guide you and your team through the planting of the church and what you will be accountable to as the progress of the plant is reviewed. The five-year plan will give you an understanding of the time and money Church Extension has approved for the development of the mission church and its graduation. Finally, you will need to keep a BFC *Articles of Faith and Biblical Principles of Living* (found on BFC.org or contact the office for a paper copy) and a current *BFC Yearbook* on hand to answer questions and assist you with conforming to the BFC. You will need to take your people through the BFC *Articles of Faith* and especially instruct your leadership regarding the BFC *Articles of Faith*.

NOTE: We plan ten years for an Urban or Ethnic church plant.

5. We expect the church planter to graduate the mission church he is planting and therefore he must give at least a five-year commitment to the plant.

6. You will meet monthly, when possible, with the director and/or an assigned coach or mentor as arranged with them.
7. Monthly reports need to be submitted to the director and the CE office on the 10th of the month for the preceding month. These reports should be sent via e-mail to the CE office – CEMoffice@bfc.org and director - davgun@dejazzd.com on the form provided by the office (see Addendum 1). These reports are a very valuable tool. They keep the Board of Church Extension (BOCE) and the Church Extension staff informed about the needs and progress of the church plant. They also allow the director to monitor the progress of the mission and keep the BOCE informed of the news from the mission churches. Financial reports also should be submitted monthly to Church Extension (these will be kept in-house). Financial reports must be done in QuickBooks. The administrative assistant will assist with setting this up.
8. You will need to set a date for the first meeting of the *Transitional Leadership Team (TLT)* within two months of your calling/hiring, and notify the TLT with a prepared agenda. The first meeting will be an organizational meeting. The following is an example of an agenda for the first TLT meeting:
 - Devotions
 - Prayer
 - Roll call and introductions
 - Election of a secretary (this person will begin the minutes and keep a *Minute Book*, as well as circulate the minutes to the TLT and director)
 - Review of the church planter's vision, goals and objectives for the mission church
 - Review of any history and progress of the mission church
 - Review of the preliminary budget in order to approve and adopt the budget
 - Schedule future meetings
 - Questions
 - Items for approval
 - Prayer
 - Adjournment
9. You have been called to be a church planter, not primarily a pastor. Although there is some overlap, your primary duty is to utilize your gifts and competencies to reach the lost with the Gospel. An ongoing networking/evangelistic contact in your target community and gathering people to worship the Lord is your priority in church planting. It should be clear to your leaders and the people of the mission church that your role is to plant the church and then, Lord willing, to move on and plant other churches.
10. Prayer is the essential element of church planting. You will be asked to produce a prayer/partner mailing list of 200 or more people (friends, supporters, pastors, elders, missions committees from supporting churches). The CE administrative assistant will give you a schedule for submission of your prayer letters. She will then have the letters printed and mailed to your list. Your responsibility is to produce the draft of your prayer letter, have it submitted on time, and then the office will do the rest.

11. Timely communication between you and the CE director and the office is essential. The director keeps a very busy schedule and depends upon your cooperation in keeping them informed of prayer needs, praises for what God is doing in the mission, upcoming events, struggles, concerns and suggestions. This allows the directors to seek ways to best assist you, keep the BOCE members informed, and be responsible to the BFC. Communication between you and your supporting partners, especially those churches who support you and the mission church, is vital. Such things as thank you notes and personal letters allow the supporters to pray more specifically and feel involved in the work.
12. The administrative assistant and office staff are very important to the mission of Church Extension. The administrative staff will be available to answer questions and assist you in a number of areas, but their primary duties are to handle the administrative functions of Church Extension and the tasks delegated by the director. It would be advisable that as soon as possible you establish your Administrative Team (A-Team) to handle the administrative needs of the mission church and assist you in carrying out your vision.
13. You will find it helpful to know some specific expectations the director and the BOCE have in their relationship with you as a BFC church planter:
 - We expect you to focus on your target community, making significant contacts, doing the work of an evangelist, and inviting people to the fellowship at the church. Jim Griffith, from Griffith Coaching, states, “...*a church planter must make 1,000 contacts in his first three (3) years, if he wants to plant the church.*”
 - We expect you to be the leader of a team (see the *TEAM Structure Booklet*) at the mission church. As leader you will need to be, as one Christian leader said, “...*more committed than the most committed lay person in your ministry.*” You will need to lead in holiness of life, prayer and devotional commitment, Bible study, serving, evangelism, giving of tithes, time and energy, and enthusiasm.
 - We expect you to plant a BFC church. You need to practice preaching and teaching that is based on the doctrinal distinctives of the BFC: a Reformed and Calvinistic approach with clear practical application. You need to assimilate your people into the events and life of the BFC and educate your people in the understanding of the BFC’s *Articles of Faith* and the *Biblical Principles for Living*.
 - We expect you to keep on learning about church planting, taking advantage of such things as: books written on church planting, attendance at training seminars and forums, and learning from websites that are focused on church planting. (See Addendum 2)
 - We expect you to be open with your joys and praises as well as concerns, needs and struggles. You can expect the director and BOCE to be a strong support team who will be encouraging, caring and exercise discretion. We are all on the same team with the same goal, to honor our Lord by means of reaching people with the Gospel and making disciples through church planting.
 - We expect you to take advantage of the fellowship times offered to pastors and church planters in the BFC, i.e. Ministerial Convention, BFC Conference and other denominational gatherings. It will prove to be valuable for you to meet with other pastors and church planters in your region. These times of regional involvement for

prayer and sharing will help you feel a part of the BFC and add a collegial dimension to your ministry.

13. You will meet once a year with the Personnel Committee from the BOCE. An *Annual Report Booklet* will be sent to you and you will be asked to prepare your Annual Report for the meeting. It will include your yearly statistics, an evaluation of the mission church's goals and objectives for the year, along with an approved listing (approved by your A-Team and Transitional Leadership Team) of the mission church's goals and objectives for the new year. At this meeting the Personnel Committee will spend time with you, evaluating how the mission church is developing according to the Five-Year Plan. From this meeting the Personnel Committee will make recommendations to the BOCE and then the committee will pass on their recommendations to you and your TLT. The director will take time to go over the recommendations and assist you with any implementation that needs to be accomplished.
14. You are **required** to attend all *Church Planters' Training Days*. These training days are normally scheduled in the spring and fall. Your leaders and any other interested people from your mission church are welcome to join us. You are also **required** to attend the *Church Planters' Roundtable meeting*. The Roundtable is only for the church planters and any assistant planter or intern who may be at the mission church.
15. Since time management for the church planter is very important, I listed *My Week as a Church Planter*, a guide and checklist to assist you with setting up your weekly, monthly and yearly calendars. Please feel free to formulate your own time management schedule, but do not neglect this area of accountability, and share it with the TLT and the director. (See Addendum 3)

Conclusion

You are a very vital individual for the furtherance of the Kingdom and particularly the future of the Bible Fellowship Church. God has called you to step into the shoes of such men as Peter (church planter in Jerusalem), Paul (church planter to the world), Barnabas and church-planting pioneers like Silas, Timothy, and Aquila & Priscilla (church planting associates of Paul). Like these early church planters, millions of others over the centuries have not been able to settle for anything less than making disciples by the means of being an active witness for the Gospel and bringing people into a relationship with Christ and His body through church planting.

Yours is a kingdom calling. Evangelism and church planting are God's means by which the lost are reached and brought into fellowship with other Christians for the purpose of worshipping and glorifying God.

Informational booklets from Church Extension, like this orientation guide, will help you adjust to your calling in Church Extension. Your meetings with the director, your coach/mentor, and BOCE will also guide and assist you. Attendance at forums and seminars, reading, and keeping informed about church planting will be of great assistance. But no matter how many manuals are produced, seminars and meetings are held, or books read, your ultimate and final guide and counsel will come from God through the Holy Spirit and the Word. The Spirit and the Word are where you will gain the divine counsel and direction necessary to plant a church.

We are a church planting team and our captain is the Lord Jesus Christ. May what we strategize and accomplish in Church Extension, and your particular church plant, always bring honor and glory to Jesus and further His Kingdom.

Acts 13:4,5 "So, being sent out (church planters Paul and Barnabas) by the Holy Spirit, they went...and... began to proclaim the Word of God..."

Addendum 1

CHURCH EXTENSION - CHURCH PLANTERS MONTHLY REPORT

MONTH -

Name of Mission Church -

Church Planter -

Vision Statement:

Mission Statement:

PLANS FOR THE DEVELOPMENT OF THE MISSION CHURCH:

1. Sunday Worship

Current plans for Sunday worship

Current plans for Visibility/Marketing

Current plans for Launch or Growth

2. Preaching and teaching

Current Plans for preaching:

Current plans for Sunday teaching:

Current plans for mid-week studies:

QUICK SUMMARY

Category	Stat
Attendance wk/av	
Offerings wk/av	\$
Weekly Self Support needed	\$
Sunday School	
Witnessing	
New Contacts	
Follow Up	
Counseling	
Hospital	
Mid week:	
Bible Studies	
Small Groups	
Prayer meeting	
Youth meetings	
Personal Support needed	\$

3. Evangelism and Outreach

Current plans for intentional witnessing

Current plans for community surveying

Current plans for community networking

Current plans for community evangelistic campaigning

Current plans for evangelism training

4. Discipleship

Current plans for Leadership Development (A-Team, CGLT):

Current plans for New Believer's Discipleship

Current plans for Assimilation of New Attendees

5. Functional Growth

Current plans for Church Departments (i.e. Nursery, Music, Youth, Christians Ed., etc.)

Current plans for facility (acquisitions, renovations)

Conversions (include date and names)

- 1.
- 2.

Baptisms (include date and names)

- 1.
- 2.

New Members (include date and names)

- 1.
- 2.
- 3.

Personal Ministry Needs

- 1.
- 2.
- 3.

Family Needs/Prayer Requests

- 1.
- 2.
- 3.

Ministry Prayer Requests and Praises

- 1.
- 2.
- 3.

Notes and action points from monthly meeting with the Executive Director:

- 1.
- 2.
- 3.

Notes and action points from previous meeting with TLT:

- 1.
- 2.
- 3.

Notes and action points from previous meeting with the A-Team

- 1.
- 2.
- 3.

PERSONNEL COMMITTEE RESOLUTIONS:

- 1.
- 2.
- 3.

Graduation date:

“Quick Summary” Glossary

1. Attendance wk/avg – This number is a total weekly average of attendees at Sunday AM services in person and online for the month. **75**

In Person - Those in seats on a Sunday AM Service **70**
On-Line - Those individuals who are committed to the Mission Church but prohibited from attending. **5**

2. Offerings wk/avg – The average total of offerings for each week of the month. **\$2,500**

3. Weekly Self Support Needed - The current budget total plus the salary for a full-time divided by 52.

Example:

Mission Church’s Budget	=	\$75,000.00
Full-time Pastors Salary	=	\$70,000.00
Total Self-Supporting Budget=		\$145,000.00
Weekly Self-Support Needed =		\$2788

4. Witnessing - Those individuals that the Church Planter has a “Gospel” conversation with; sharing about the Lord and salvation. **7**

5. New Contacts - Those individuals that were introduced to the church through a Conversation and the church’s info was given and the Individual’s contact information was acquired. **10**

6. Counseling - Meeting with those individuals to discuss their specific spiritual, emotional, marital, etc. needs. Note: we do not encourage the Planter to engage in ongoing counseling cases, but rather to look for a “counselor” to refer the individual(s). **2**

7. Hospital - Visits to individuals from the Planter’s flock or those referred to him for a visit. **2**

8. Bible Studies - The attendance at focused Bible studies held each week with groups of 3 or more. **13**

9. Small Groups - The attendance at organized small group meetings. **20**

10. Youth Meetings - The attendance at organized youth meetings. **15**

11. Personal Support Needed - This amount is on the Planter’s Commitment Sheet. It could be **0** or the amount listed on the Commitment Sheet. **0 or \$3,500**

Category	Stat
Attendance wk/avg:	75
In Person	70
On - Line	5
Offerings wk/avg	2,500
Weekly Self Support needed	2788
Witnessing	7
New Contacts	10
Counseling	2
Hospital	2
Mid week:	
Bible Studies	13
Small Groups	20
Youth meetings	15
Personal Support needed	0

Addendum 2 - Church Planting Resource Listing – Websites

NOTE: Sites marked with an (*) are the most helpful

***Exponential**

Conferences, free courses, eBooks, emphasizes becoming a multiplying church.

<https://exponential.org>

***Lifeway Research**

This is Ed Stetzer's website and home page for his ministry, Lifeway Research.

www.edstetzer.com

***Acts 29 Network**

The mission of the Acts 29 Network is to band together Christian, Evangelical, Missional & Reformed churches, who, for the sake of Jesus and the Gospel, plant churches across the United States and the world. Acts 29 is a network of pastors from around the nation and world whose dream is to help qualified leaders called by God to plant new churches and replant declining churches.

www.acts29network.org

***Outreach.com - Church Planting Resources**

Great resources and training tools for church planters and outreach.

www.outreach.com

***Starting a Church**

How to Incorporate, Bylaws, 501c3, Housing. Blog, podcast, webinars.

www.startchurch.com

***Mustard Seed Studio**

Church Marketing and Consulting Make Your Church Guest Friendly!

www.mustardseedstudio.com

NewThing Network

Catalyst for a Movement of Reproducing Churches

www.newthing.org

A Free Church Planting Handbook

A church planting handbook for laypeople, by Brad Boydston. This is the third revision of the handbook, which was originally published in 1993.

<http://bradboydston.com/handbook/>

Church Multiplication Network - Assemblies of God Church Planting

CMN is driven by a missional focus to effectively equip church multipliers through assessing, training and coaching, and providing strategic funding and resources. As a part of the Assemblies of God, we connect church planters to networks of multipliers at the local, district and national levels.

<http://churchmultiplication.net/>

Church Planting Training

Equipping church planting leaders, churches and associations to impact the planting of one million dynamic churches to reach the world for Christ.

<http://www.dcp.org/>

New Churches.Com

Helpful reading for the big picture on church planting. Books, recommended resources for those considering planting a church. From Lifeway.

<http://www.newchurches.com/>

Missiology

Study of missions history, theology of mission, intercultural studies.

<http://www.missiology.org/>

World Impact, Inc.

Inner city missions organization dedicated to planting churches among the unchurched urban poor in America.

<http://www.worldimpact.org/>

***Amazon.com: Books: Planting Growing Churches for the 21st Century ...**

Planting Growing Churches for the 21st Century: A Comprehensive Guide for New Churches and Those Desiring Renewal by Aubrey Malphurs

<http://www.amazon.com/Planting-Growing-Churches-21st-Century/dp/0801090539>

*** Church Planting Movements -Best Practices from Across the Globe**

...the growing number of church planting movements God is stirring around the world. ...View a larger image of church planting movements - David Garrison

<http://www.churchplantingmovements.com/>

***Sovereign Grace - Music**

We describe Sovereign Grace Music as sound+doctrine. For more than 25 years, we've been producing Christ-exalting music and training for local churches.

<http://www.sovereigngraceministries.org/music/>

***Free Worship Music**

Free music & practical tips....

www.WorshipIdeas.com

***Passion4Planting**

Free demographic report. Bootcamps and other trainings. Most helpful is the PlanterPlan tool which is free. Helps you organize your reporting, team management, progress in your own church planting plan. Free tool with premium upgrade available.

<https://church-planting.net/>

Addendum 3

MY WEEK AS A CHURCH PLANTER

1. Teaching the Word (approx. 16-20 hrs)
 - a. Study and preparation for the sermon (9-11 hrs)
 - b. Study and preparation for various teaching (2-3 hrs)
 - c. Preparation of home group studies (2-3 hrs)
 - d. Discipleship (3-4 hr)
2. Corporate worship – if established (approx. 6 hrs)
 - a. Service planning/ bulletin preparation (3 hrs)
 - b. PowerPoint preparation (1 hr)
 - c. Sunday morning setup (1 hr)
 - d. Worship rehearsal (1 hr)
3. Shepherding the flock and family(10-? hrs)
 - a. Personal and family devotional time: prayer, meditation, Bible reading (daily)
 - b. Visits/phone calls/meals with folks (5-6 hrs)
 - c. TLT meetings (4-5 hrs/month)
 - i. Preparation work for meetings (2-3 hrs)
 - ii. Meetings (2 hrs once a month)
 - d. A-team (1-2 hrs)
4. Evangelism / Community involvement (8-10 hrs)
 - a. Community surveying utilizing the CE manual (Quarterly)
 - b. Community contacts (avg. 2 hrs/week) see below Misc. contacts
 - c. Community evangelism – prayer walks, follow-up/referral contacts, visitation, etc (6-8 hrs)
 - d. Meet with community leaders/individuals (1 hr/week)
5. Broader Church activities (including transportation times) (limit as necessary)
 - a. Church Extension meetings
 - i. Meet with director once a month (3-5 hours/meeting depending on location)
 - ii. Church planter Roundtable meetings (1) (7 hours/meeting)
 - iii. Church planter Training (2) (8 hours/meeting)
 - iv. Annual Report (1) (6 hours)
 - b. BFC Boards and Committees (4-6 per month)
 - c. BFC Regional Consortium (4-5 hrs per month)
 - d. Misc. local and travel meetings (2-4 hrs per month)
6. Administrative responsibilities (3-4 hrs/week)
 - a. Website/calendar updates
 - b. Long-term planning
 - c. Occasional publications (brochures, events, new movers, postcards, etc)
 - d. Promotional blasts (radio stations and community calendars)

- e. Monthly Church Extension reports
 - f. Supporter Newsletters every 2-3 months
 - g. Thank you notes and other correspondence with supporters
 - h. Annual reporting monthly and once a year (church and church extension)
7. Other (limit as necessary)
- a. Development
 - i. Theological/pastoral/sociological/historical study
 - ii. Conferences
 - b. Occasional blog/Facebook updates if involved.
 - c. Building needs if required (arranging work teams, occasional work, etc)
 - d. Other outreaches i.e. summer outreaches, special events, target community outreaches
 - e. Visits to supporting Churches (at least yearly)
 - f. BFC Conference (1 per year), Ministerial Convention (1 per year)
 - g. Misc. involvements/contacts:
 - 1) Door-to-door literature solicitation of the immediate target area and your own neighborhood.
 - 2) Handing business cards out to local business managers/owners.
 - 3) Placing posters in visible and willing businesses and offices.
 - 4) Holding regular lunches with key leaders in the Mission Church and the community.
 - 5) Visiting work places of people from the Mission Church (taking tours of the work places, factories or businesses of your people).
 - 6) Visiting local media sites: radio stations, newsprint publishers, etc.
 - 7) Visiting local schools on a regular basis and interviewing principals.
 - 8) Visiting local public officials and interviewing them.
 - 9) Holding public forums on those needs you discovered through your community surveying.
 - 10) Holding luncheons for local public officials, firemen, police, business people; with interesting speakers sharing on relevant topics.
 - 11) Attending local borough or township meetings a few times a year and volunteering on a committee.
 - 12) Creating a mailing list from all your contacting in the target area and sending out a quarterly newsletter from the Mission Church.
 - 13) Formulating a PSA (Public Service Announcement) listing and sending out PSAs on a regular basis about your events, services, etc.
 - 14) Holding "Senior" meetings for the elderly in your target area and those in the Mission Church i.e. a bi-monthly luncheon with a guest speaker, a craft or workshop, something coordinated with the local senior center, etc.

Addendum 4

Example of the Financial Support Schedule - from Church Extension

(These figures may need to be adjusted accordingly.)

Year One Start-up Support – 100%

Church planter salary package	\$	70,000
Ministry expenses		10,000
Facility usage expenses		12,000
Staff expenses		10,000
<hr/>		
Total	\$	102,000

Year Two Support – 80 % / Mission Church – 20%

Church planter salary package	\$	56,000
Ministry expenses		8,000
Facility usage expenses		9,600
Staff expenses		8,000
<hr/>		
Total	\$	81,600

Year Three Support – 60 % / Mission Church – 40%

Church planter salary package	\$	42,000
Ministry expenses		6,000
Facility usage expenses		7,200
Staff expenses		6,000
<hr/>		
Total	\$	61,200

Year Four Support – 30 % / Mission Church – 70%

Church planter salary package	\$	21,000
Ministry expenses		3,000
Facility usage expenses		3,600
Staff expenses		3,000
<hr/>		
Total	\$	30,600

Year Five Support – 20 % / Mission Church – 80%

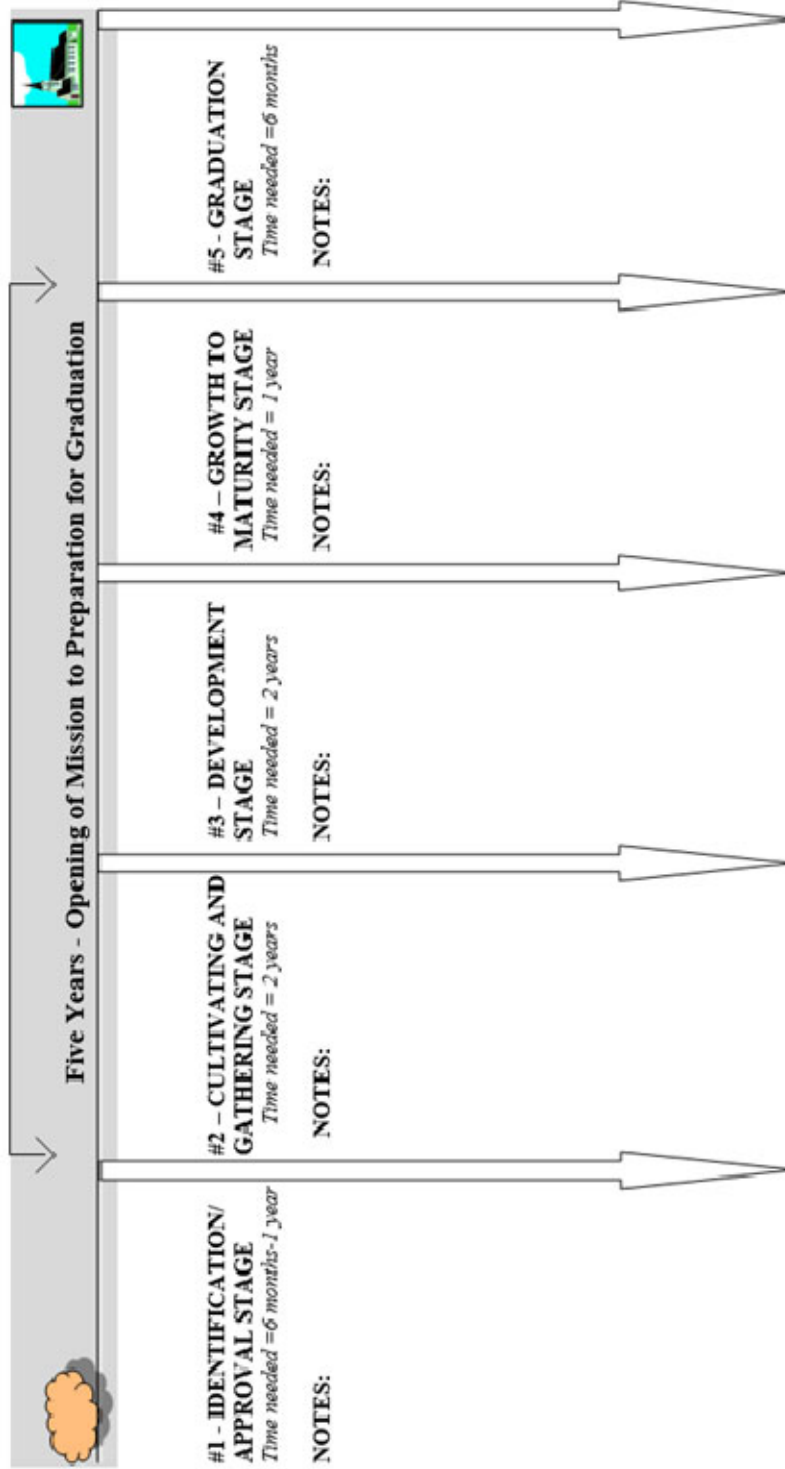
Church planter salary package	\$	14,000
Ministry expenses		2,000
Facility usage expenses		2,400
Staff expenses		2,000
<hr/>		
Total	\$	20,400

Year Six – Graduation year – 0% / Mission Church – 100%

Notes:

- 1. The church planter will need to raise 100% of his support before taking his assignment in his target area.**
- 2. The mission church will need to begin supporting the church planter and ministry expenses beginning in year two and each following year according to the percentages outlined.**
- 3. Ministry, facility usage, and staff expenses will be taken from the undesignated money of the general fund.**
- 4. This is a projection and Church Extension will remain open to discussing adjustments in the event this schedule cannot be maintained.**

Five Year Timeline for Church Planting in the BFC



Note:

1. All stages are explained and outlined in the BFC Church Planting Guide in combination with The DCPI Church Planter's Handbook. Handbook is available at ChurchPlantingBFC.org/Handbook
2. Exceptions to this Timeline may be in the case of an Ethnic or Urban church plant where certain stages will need to be extended. (Revised October 2005)

Addendum 6 Office Orientation

Financial and Statistical Reporting Information

- Payroll
- Background checks
- Monthly Reports
- Vacation dates
- CEM Contact Directory and BOCE Directory
- Roundtable and Training Days
- Church Planters' Wives Months
- Annual Report Books and Personnel Committee Meetings
- Commitment Sheet
- Appropriations, financial awareness, MAF (403b)
- Liability & Workers Comp Info

Communications and Marketing

- Church Extension Prayer Day (Pentecost Sunday)
- Prayer Letter information (including supporters address list)
- Prayer Ticker
- Pastor's email list (dodo group)
- Update supporters on your own including social media presence

Special Tax Planning Considerations for Church Planters

*The following information is from Ken Klein, Church Extension Board Member and professional financial advisor,
December 2025*

As a church planter, your BFC Credentials designation will dictate your tax planning considerations.

Before Licensed Probationer Status

Some church planters begin with the Bible Fellowship Church prior to becoming a licensed probationer through the BFC Credentialing process. If this is the case for you and you are not yet a licensed probationer, you will be hired by the Church Extension Ministries of the Bible Fellowship Church as a traditional W2 employee, subject to regular FICA and Medicare tax withholding along with Federal and State income taxes, similar to how any secular job does tax withholding. You will need to complete a W4 form to set up regular payroll tax withholding.

Federal Tax Withholding After Licensed Probationer Status

Once you have become a Licensed Probationer, you will be eligible to receive a Call from the Bible Fellowship Church. At that point, the IRS now considers you a Dual Status Pastor. This means that for Income Tax purposes you no longer are subject to FICA and Medicare Tax withholding (combined tax rates of 7.65%) but are eligible for a Ministry Housing Allowance that is exempt from Federal Income Taxes. This is a nice benefit. However, it also means that you are subject to Self-Employment Tax of 15.3% on both your Salary AND your Housing Allowance. If you do not set up voluntary tax withholding initially, you will receive a very unwelcome large Tax Bill due on your first tax return as a Dual Status Pastor. To avoid this issue, it is best to consult with a tax professional for guidance on the proper amount of taxes to withhold through the year.

Estimated Quarterly Payments

While some of our pastors choose to set up tax withholding voluntarily, other pastors decide to withhold the tax themselves throughout the year from their paycheck and pay quarterly estimated taxes. This approach takes diligence and self-control to set aside a portion of each paycheck for estimated quarterly taxes. It is helpful to have a bank account for the estimated taxes to keep it separate from your regular cash flow. Your tax professional can provide payment vouchers for the estimated taxes which includes where to mail the payment or where to submit it online. Work closely with your tax professional to get as accurate an estimate as possible. If you have any financial changes throughout the year, let your tax professional know to see if the change impacts your estimated taxes. Estimated quarterly payments can be made for federal, state, and local taxes.

Housing Allowance

You can determine how much of your salary is designated for your housing allowance, but it must be determined before payment is received and it must be written down in an official employment contract or church minutes or official budget. The Church Extension Director will talk this through with you when determining your salary package and will have this amount written in your yearly appropriations.

At tax time, your predetermined housing allowance will appear on your W2. You must be able to prove that this amount was actually spent on housing expenses. Keep receipts for your mortgage/rent payments, home insurance/renters insurance, water, sewer, electric, garbage, real estate taxes, home repairs, furniture, HOA, pest control, appliances, etc. Landline phones count towards housing allowance, but cell phones do not.

If you did not spend the entire predetermined housing allowance on your housing expenses, you will only be able to deduct what you have actually spent. Check with your tax professional for how to handle the difference between your housing allowance and your housing expenses. If you are living in a parsonage, check with your tax professional for how to determine housing allowance.

State Tax Withholding

Most states follow the IRS rules in exempting Ministers Housing Allowance from state income taxes. There are a few notable exceptions, including Pennsylvania. If you are a Minister in Pennsylvania, your Salary AND your Housing Allowance are subject to PA Income Tax of 3.07%. You may want to opt for some extra PA tax withholding or make a PA Estimated Tax payment on the amount of your Housing Allowance. PA also tacks on high penalties and interest if you don't withhold enough PA tax throughout the year.

Health Insurance and Taxes

The Affordable Care Act Health Insurance is a common option for church planters under age 65. There are some unique factors that will affect your premiums, including the age of each person in the household as well as the Modified Adjusted Gross Income of the household. Premiums go up with age. The net costs after Premium Tax Credits are lower for married couples and are also lower depending on the number of children. The rules and income thresholds for Affordable Care Act health insurance change each year. For non-licensed church planters, your gross W2 income is what will determine the cost of your ACA health insurance premium. For credentialed pastors collecting a Housing Allowance, the Housing Allowance is NOT included to compute the cost of your ACA health insurance premium, so this may result in even lower cost for your family's health insurance premiums.

For those with children, a healthcare plan overseen by the state may be a good option for covering the children. For example, there are several pastors in PA who use the CHIP Program for healthcare for their children while the pastor and his wife are covered by an ACA plan. See Pennie.com for information on PA's healthcare for children. Maryland has an MCHP program and Delaware has a DCHP program.

Christian Health Cost Sharing Ministries

For some church planters, either those with a working spouse or those church planters still working a second job for a time, you will need to consider all household income, and it may exceed the level that ACA health insurance is affordable. For those situations, it may be worthwhile to consider one of the Christian Medical Cost Sharing Ministries. Three of these with solid plans and track records are Samaritan Health Ministries, Christian Healthcare Ministries and Medi-Share Christian Health Care. None of these are traditional Health Insurance plans but rather they are health cost sharing ministries. They can offer a very good solution for Christians and they do not factor in your household income to determine your costs, just your ages. Take a careful look at what these plans include. Many of the programs do not cover routine doctor visits.

Retirement Savings

Many church planters do not have retirement savings on their minds as a top priority. However, retirement savings is a biblical concept and starting early is extremely helpful to be prepared for retirement. For new church planters who are not yet licensed, your best option is to start saving some funds in a Traditional IRA or optionally into a ROTH IRA. In most cases, your Traditional IRA contributions will be tax deductible and will grow tax deferred. If you contribute to a ROTH IRA, your savings will grow tax free and come out tax free after age 59 ½ years of age.

Once you become licensed, you will become eligible to have Church Extension begin making Employer's contributions to the BFC 403B Retirement Plan. You can also make your own contributions to the 403B plan, or you can continue contributing to your Traditional or ROTH IRA account. For any of you looking for a guideline or goal to aim for retirement savings, many financial advisors recommend saving at least 10% towards retirement. If you are still paying down student loan debts or saving towards a home downpayment, you may need to start at a lower amount but aim to increase this sum each year until you are up to at least 10% of your income going into retirement savings.