

**TOGETHER**



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## **WELS female called workers eligible for parsonage allowance**

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**E**ver since an Internal Revenue Service (IRS) Private Letter Ruling in 1956, WELS pastors and male teachers have qualified for the parsonage allowance. This provision of the Internal Revenue Code (IRC) allowed pastors and male teachers to exclude from taxable compensation the value of housing, utilities, and furnishings. In that same ruling in 1956, the IRS declared that WELS female teachers did not qualify for this tax benefit according to the IRC and the IRS interpretation of the rules at the time.

Since 1956, court rulings and interpretations have expanded the eligibility for the parsonage allowance to include female teachers in other church bodies. Recently, questions have been asked about WELS female called worker eligibility under today's interpretations of the IRC. This led the Synodical Council to study the issue and to seek legal advice to determine whether this provision should be available to WELS female teachers and female staff ministers.

We are pleased to report that, after a thorough investigation, we have received a legal opinion that synod ministry certified female teachers and female staff ministers in our synod do qualify for the parsonage allowance. That opinion, from a nationally recognized expert in this area of tax law, was based on court rulings and interpretations of the current language in an IRS publication outlining the qualifications for the exemption.

It is important to note that a necessary requirement for a called worker to receive this tax benefit is that the worker be ordained, licensed, or commissioned by a church body. Based on the advice from our attorney, having synod ministry certification is the equivalent of being licensed by the synod.


This tax benefit has not become available because WELS has changed in its understanding or definition of the role of female called workers. Our description of female teachers and female staff ministers as called workers who serve in the public ministry hasn't changed. What has changed is the way the courts have interpreted IRS rules regarding the required qualifications for this benefit. In other words, this is not a question of theology (our teaching has not changed) but of how tax law is interpreted and applied by the courts and the IRS.

On the basis of the legal advice received, and with input from the Conference of Presidents, the Synodical Council and the Conference of Presidents have determined that there is no reason why synod ministry certified female teachers and female staff ministers should not receive this benefit. Both the Synodical Council and the Conference of Presidents have determined that all calling bodies are to implement this provision for its synod ministry certified female teachers and female staff ministers no later than January 1, 2021. While calling bodies will

need to make this change, it remains up to the individual called worker to decide whether or not to take advantage of this parsonage allowance benefit.

You can find helpful information that will answer questions about this change and provide guidance to congregations and called workers on the WELS Finance Cloud site at [wels365.sharepoint.com/sites/finance](https://wels365.sharepoint.com/sites/finance) (WELS Cloud login required).

Links to these resources have been sent electronically to called workers and will be sent soon via mail to congregations and other calling bodies.

Serving with you in Christ,  
WELS President Mark Schroeder 

## New WELS Investment Funds video highlights benefits to ministry

Since 1997, WELS Investment Funds has been faithfully providing investment portfolios to WELS and ELS ministries, helping them to achieve their ministry goals.

Currently, WELS Investment Funds manages more than \$225 million for our synod and over 200 organizations, including congregations, area Lutheran high schools, and WELS-affiliated ministries.

"It's another way we can support each other," says Mr. Jim Holm, executive director of WELS Investment Funds. "By pooling our God-given resources, we can take advantage of lower cost, institutionally priced investment opportunities that are not available to smaller investment accounts."


WELS Investment Funds has released the first video in a series to highlight the benefits to ministry when organizations partner with WELS Investment Funds. Watch it now at [wels.net/wif](https://wels.net/wif).

"I recommend that ministries view the video and prayerfully consider WELS Investment Funds for their investment needs," says Mr. Dennis Walters, chairman of the WELS Investment Funds board. "Our investment advisor and co-fiduciary, Vanguard, gives us access to the world's premier index and active fund managers. Our goal is for all ministries to be aware of the services of WELS Investment Funds and be able to benefit from them."

Mr. David Bartelt, vice president of the Kettle Moraine Lutheran High School Foundation in Jackson, Wis., knows those benefits firsthand. Since 2013, Kettle Moraine Lutheran (KML) has partnered with WELS Investment Funds, but that wasn't always the case. Prior to 2013, the leadership at KML thought they should manage their investments themselves.

Looking back, Bartelt says, "We spent meeting upon meeting being money managers rather than ministry managers." He wishes they would have entrusted their investments to WELS Investment Funds sooner. "What they have done for us is immeasurable. They help us focus

more on ministry rather than managing money."

If you would like to learn how WELS Investment Funds can help support your organization's ministry goals, or for a free review of your current investment portfolio, contact Executive Director Jim Holm at [jim.holm@wels.net](mailto:jim.holm@wels.net) or 414-256-3206. 

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