



# SAINT CHARLES BORROMEO SEMINARY, OVERBROOK

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## PHILADELPHIA SUMMER ASSIGNMENT COMPENSATION

### PAYMENT PROCEDURE, STIPEND SCHEDULE, AND TAX INFORMATION

*The following guidelines pertain to seminarian interns who are United States citizens. If the seminarian intern assigned to your parish is not a United States citizen, please contact the Office of the Director of Pastoral and Apostolic Formation for guideline information.*

#### “EMPLOYEE” STATUS

##### A. NOTE TO PARISH SUPERVISORS AND/OR BUSINESS MANAGERS:

**If the seminarian intern is a United States citizen, he is to be paid as an employee. If the seminarian intern is not a United States citizen, please contact the Office of the Director of Pastoral and Apostolic Formation for further information.**

1. The Parish agrees to pay the Intern a stipend based on the *Stipend Schedule* (see pg. 3).
2. The Parish agrees to withhold all appropriate taxes, as required by law, from any gross amounts paid to the Intern, and to provide him with a W-2 Form at the end of the calendar year.

**N.B.** Many Seminarians’ gross incomes are well *under* the legal Earned Income limit and *might not* be required to have Federal Income Tax withheld. The payment method should be convenient for the Parish. Any questions or concerns related to tax status and/or withholding should be part of an open dialogue between the Intern and his Pastor/Supervisor and/or Parish/Business Manager.

3. The Parish agrees to pay:
  - a. the Employer’s portion of the Intern’s F.I.C.A. (6.2%), Medicare (1.45%)
  - b. the Intern’s annual health insurance.

**N.B.** Please make checks for medical insurance payable to **“Insurance Fund”**. Please *do not* make insurance checks payable to Saint Charles Borromeo Seminary. The Office of the Dean of Men, Theology will send reminders to the Parish about insurance rates and due date. **Also note:** Even though health insurance is *non-taxable* as a “benefit”, it is calculated as a Parish cost (see pg. 3).

## **B. NOTE TO I – III THEOLOGY SEMINARIANS:**

1. Complete a W-4 Form (provided by the Parish) before you begin your Internship.
2. Know that you are required to report as “Income” all monies paid to you in accordance with the IRS Tax Code. Note that health insurance is a “benefit” and, therefore, *non-taxable*.
3. Ensure that questions or concerns related to tax status and/or withholding are part of an open dialog with your Pastor/Supervisor and/or Parish/Business Manager.
4. Familiarize yourself with those items in the Federal Tax Code that might apply to you:

***N.B.*** According to the *2021 IRS Individual Income Tax Filing Instructions*: **For online IRS information on taxes, go here:** <http://www.irs.gov/individuals/index.html>

5. **Remember:** *Federal* Income Tax (often referred to as either F.I.T. or F.W.T.) is *different from* Social Security (F.I.C.A.), Pennsylvania State Income Tax, and any local taxes (e.g., Philadelphia City Wage Tax, Lower Merion Occupational Privilege Tax, etc.) that may be imposed upon you.
6. It is incumbent upon each individual to determine whether and which (Federal, state) tax returns he must file and *taxes* (F.I.T., F.I.C.A., state, local), *if any*, he must pay. Typically, *most taxpayers* are liable for F.I.C.A., and state and local taxes, whether he is exempt from Federal Withholding or not. However, filing tax returns ensures that any tax overpayments can be refunded to you.

## **COMPENSATION GUIDELINES**

### **Approximate Annual Parish Costs for I – IV Theology and Pre-Theology I – II Seminarians**

<b>SEMINARIAN LEVEL/TYPE</b>	<b>SUMMER STIPENDS</b>	<b>TOTAL ANNUAL HEALTH INSURANCE COST</b>
<b>I, II, III Theology and After Pre-Theology I, II and IV College</b>	<b>\$2,800</b>	<b>\$5,300**</b>
<b>IV Theology</b>	<b>\$2,800</b>	<b>\$5,300**</b>

**\*\*N.B.** The health insurance costs are an estimate and may vary from year-to-year. Health insurance is a “benefit” and, therefore, non-taxable; it should, however, be calculated into the parish cost.

### **Approximate Annual Parish Costs for Seminarians Returning from Spiritual Year\***

- \*Summer Stipend will be determined according to the amount of time served in parish.
- \*There are no health insurance costs to the parish for seminarians returning from Spiritual Year.