To help our ministry partners steward God’s financial resources with wisdom and compassion.

Benefit BULLETIN
PCA Retirement & Benefits, Inc.

HIDDEN TREASURE

Occasionally, I enjoy watching the “Antiques Roadshow” on PBS. In each episode, auction house specialists and dealers from around the country offer free appraisals of antiques and collectibles. Though I find each item’s provenance interesting, I really enjoy seeing the astounded look on people’s faces when they discover the actual value of a family heirloom, yard sale bargain, or long-lost attic treasure. Imagine being in possession of something valuable, and never realizing the magnitude of its worth. Could you be overlooking something of great value as well?

One hidden treasure you may not have discovered yet is the denominational PCA Retirement Plan (a 403(b) plan). You may not realize it, but not all retirement savings accounts are alike. The PCA Retirement Plan offers several unique advantages tailored specifically to you.

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Consider the following advantages:

**Tax Savings.** Contributions made to the PCA Retirement Plan avoid Federal and State income taxation, and grow tax deferred until withdrawal. This is a great benefit for those striving to save sufficiently for retirement, and is also true of many other retirement plans. But in the PCA Retirement Plan, ordained ministers also avoid a 15.3% Self Employment (SECA) tax on their contributions. The same amount contributed to a traditional IRA would incur these SECA taxes. Think of how much more could be saved by investing 15.3% more each month. Over a 40 year investing period (at 7% growth) this could amount to $180,000 or more!

**Professional Management.** Imagine being able to gather a ‘dream team’ of the best educated and most experienced financial minds in the PCA, with the assistance of one of the top investment research and consulting firms in the country, to oversee the complexity of your investments. It’s not a dream. This is exactly what you have in the PCA Retirement Plan. There are several investment options including professionally managed Target Date Funds, which are not ‘off the shelf’ Target funds, but age-appropriate, custom designed, broadly diversified portfolio’s constructed specifically for you.

**Morally Screened.** All of our privately managed PCA funds are morally screened. Which means our funds exclude companies profiting from corporate involvement in abortion, pornography, gambling, human rights violations, financial services exploitation, the promotion of alternative lifestyles, other anti-family, or bioethical issues. It is our desire to invest in companies that promote justice, mercy and compassion, and provide goods or services that benefit our communities and society at large.

**Low Costs.** There are no commissions, loads, sales charges, or 12b-1 fees in any of our Core or Target Funds. And, by in-
vesting together, PCA Retirement Plan participants are charged lower institutional class fees, instead of the full retail fees charged to IRA investors. Management, administrative, and investment costs are significantly less than those in many other comparable Employer plans (only .96% on average). As a non-profit organization, and as your fiduciary, we work hard to ensure your returns are not whittled away by unnecessary fees and expenses.

**Higher contribution Limits.** You are also eligible to save much more in the PCA Retirement Plan than in an IRA. The maximum amount that can be annually deposited into an IRA is $5,500 ($6,500 age 50+). But you are eligible to annually contribute up to $17,500 ($23,000 age 50+) to the PCA Retirement Plan. Up to $52,000 is possible counting Employer contributions ($57,500 age 50+). Contribute more and save more in taxes.

**Housing Allowance.** In retirement, ordained PCA ministers are eligible to receive an annual Housing Allowance exclusion. For example, a pastor with $1,000/month of eligible housing expenses could completely exclude $12,000 of his distributions from taxation. Over a 20 year retirement period, he could potentially avoid taxes on $240,000 or more. No other type of retirement plan or financial service provider is able to offer this exceptional and unique benefit.

These are just a few of the benefits provided by the PCA Retirement Plan. If you have not yet discovered the PCA Retirement Plan you may be passing over an investment vehicle that could literally save you thousands of dollars. Perhaps now you can see why the PCA Retirement Plan is truly a hidden treasure! Interested in knowing more? Call us today and let’s talk about getting your retirement plan on track for the future.
I’m still learning…are you?

In the past five years since the Lord called my husband home, I have had more days than I want to admit when all I want to do is go home, close and hide behind the door while grieving. I mourn the loss of my best friend and confidante while remembering those sweet times we had together facing life as a couple, trying our best to walk in the ways of the Lord. If I am being truthful, I feel sorry for myself during those times. There are so many things I didn’t know how to do when he died…changing the oil on my car and buying new tires, were among them. It has been a learning curve to be sure.

When the widows at my church have a small amount of time to share with each other (there are 32 of us) I find we are all on a learning curve. One of how to live the single life, where to go for car repairs so we won’t be taken advantage of, who to ask for help to change the light bulbs in our houses, or clean the blades of our ceiling fans, because we can’t reach them any longer and don’t want to stand on chairs. These types of conversations help us all to realize we are in a special community within the community of our church body.

To help all of us navigate the waters of widowhood, we have created a Facebook Community page called, **PCA Widows and Ministerial Relief**. It’s a place of community for all the widows of the Presbyterian Church in America, whether by death or abandonment, all over the world to uplift, comfort, and share in each other’s lives. It’s a community where you can receive encouragement from your sisters in Christ who are walking the same path. It is a place for us to share our likes, the latest books we have read, a movie we have recently seen….even pictures of our children and grandchildren. We can ask each other questions, offer answers and generally encourage and uplift each other. It is a place for us to “comfort others who are in affliction, with the comfort with which we ourselves are comforted by God.” (2 Cor. 1:4-5)

Come join in the conversation. “Like” PCA Widows and Ministerial Relief Community on Facebook. Your sisters in Christ are expecting you.
Recently when my husband and I packed our youngest son off to college, I began praying God would open a door for me to work full time in a ministry where I could put my heart’s desire of helping others to work. I learned RBI was looking for a Benefit Representative position and instantly knew it would be a great opportunity for me to help my Christian brothers and sisters while God continued to grow me in my desire.

My desire to help others succeed arose during my time working in human resources within the hotel industry. The Lord gave me a true love and compassion for people from all walks of life. He provided me the opportunity to work with the employees from housekeepers and kitchen stewards to front desk clerks and managers beginning with their initial interviews. God truly gave me a loving heart for them and a desire to help them in whatever way I could. Several years later, He continued cultivating this desire when I became the Video Librarian for Christian Education and Publications, now known as Discipleship Ministries (CDM) where I guided callers to appropriate materials for their congregations.

Now, at RBI, He is further developing my love and compassion as I work with a team of people who are genuinely committed to providing the best care possible for our pastors, widows and all of those working in our denomination. I was struck by this commitment during my training time with each person in the office. It is exciting to see how each of their commitments to loving those in our denomination helps to make RBI stand out from other insurance companies, banks and brokerage firms as we live out our core values in every area of the business. I now help our ministry partners to experience firsthand living out some of our Core Values when I answer phone calls. Sometimes the questions are challenging, but we make sure at the end of the day, every caller has the best possible answer. A ministry partner who is satisfied makes my day. Since our vision at RBI is “to help our ministry partners steward God’s financial resources with wisdom and compassion,” I believe it is part of my job to help everyone have as much information about our plan and resources as they need to make informed decisions. Knowledgeable participants make better decisions about stewarding their resources.

Becoming an empty nester has been a big adjustment for me. It’s nice to be able to focus on developing a ministry here as I continue to learn how to adjust. God has placed it on my heart to concentrate on “Fear not, for I am with you; be not dismayed, for I am your God; I will strengthen you, I will help you, I will uphold you with my righteous right hand,” (Is. 41:10). I am continuing to learn how to love others in different ways as the Lord further teaches me about how to place others ahead of myself in my daily life.

From the heart of...

Jan Magnuson
Our newest Benefit Representative

A ministry partner who is satisfied makes my day... Knowledgeable participants make better decisions about stewarding their resources.
In the early-1990s, my mother’s family gathered in New Hampshire for a family reunion. This was an unusual gathering since most of the family preferred to limit travel. However, my Aunt Mary was able to lure our family away from the southeast due in large part to her cooking prowess. That is right—my aunt is a culinary genius. She is able to pull “MacGyver” like feats with a few simple ingredients. The culinary delights she created in her fully stocked kitchen were limited only by our imaginations.

Aunt Mary did not disappoint the family. She prepared extravagant meals, day after day, for breakfast, lunch and dinner. Later in the week, Aunt Mary took a break from her gourmet responsibilities, and took her nieces and nephews to the Harvard Club of Boston. It was an impressive establishment with an equally impressive name. As a teenager, I thought it was almost worth the hassle of having to wear a coat and tie—almost.

After a short tour of the facilities, we went to the dining hall to be seated. Our waiter greeted us and mentioned some appetizing daily specials. As we reviewed the menu, my Aunt Mary recommended we all order seafood. She said New England was famous for its seafood, and we should choose an item from the broad assortment of fish and shellfish on the menu. My ten-year-old cousin, a provincial Texan, decided to order off the menu. She could not find anything that looked familiar or appealing. She placed an order for fried catfish, shrimp, fries and hush-puppies. The waiter looked puzzled and then told us catfish was not served there. He did, however, recommend a few alternate fish selections (i.e. cod, haddock, and halibut) which he said would pair well with shrimp. My young cousin was now the puzzled one. After a momentary pause, she changed her mind and decided to order a hamburger.

As I look back on this event, I don’t find her selection surprising. I too would be paralyzed by the endless and unfamiliar food offerings on the menu. While the hamburger was not the best option on the menu, it was a familiar option to my cousin and that is why she chose it.

Many of us exhibit the same behavior when we choose investments for our retirement account. We read through a menu of
top-tiered investment options we don’t understand, and we make a selection based on what we know. My cousin’s choice did not have lasting effects. However, some of our investors suffer for decades with their poor investment choices. These choices affect not only our ministry partners, but it also affects members of their respective families.

PCA Retirement & Benefits, Inc. has been gifted with interest and expertise in the area of investments, and we are not content with sitting on the “sidelines” and watching our ministry partners struggle with their investment choices. We found a process that allowed us to provide you with the maximum amount of investment assistance, and we called it “Investment Refresh.” Through this process we moved your assets and future contributions into a Target Retirement Fund on September 26th. This type of fund is comprised of several underlying investments, and it automatically changes, providing you with an age appropriate investment at each stage in your life. No longer do you have to make tweaks or wholesale investment changes to your retirement account. We do that type of work for you.

Target Retirement Funds are an ideal investment for the vast majority of our participants. However, we knew there were some people who would not want a change to their retirement account. That is why we provided the ability to opt-out of Investment Refresh, via a form or on-line account. We had over fifteen forms of communications about Investment Refresh and many of those mediums explained how our participants could opt-out. Those who opted out of Investment Refresh were able to keep their investments just as they directed.

We are pleased to be able to offer this high level assistance to you as your partners in ministry. We believe Investment Refresh is a highly effective strategy to help you improve the mix of your investments and also enhance your retirement readiness. If we can offer further assistance in determining how much to save or planning for retirement; give us a call. We would love to hear from you.
Leaving a LEGACY of PREPAREDNESS

I could see the panic in her eyes. She could not hide the fear in her face. My visit to Elizabeth’s home was difficult knowing her husband of many years was only hours from dying. Elizabeth’s grief came from her husband’s impending death, but was intensified by the fact she would be left to make some difficult decisions on her own. She looked at me and asked, “What am I going to do?”

Separation from a spouse can be the most difficult time in one’s life. Elizabeth and her husband could have talked about finances prior to this point, and it would have given her some comfort in her crisis. Because this didn’t happen she is faced with looking for answers on her own. There are three questions Elizabeth and her husband could have answered beforehand which would have helped ease her into the transition of living as a widow.

1). To whom should I go for financial counseling?
2). What information will I need?
3). Where can I find these resources when I need them?

While emotional support and encouragement would come from Elizabeth’s extended family members, pastor and church family, having trusted advisors already in place would have been invaluable during this stressful time. You too will profit from having sound, trustworthy counselors ready to rely on for financial guidance. Seek them out now while you can make these decisions without the weight grief places on you.

In addition, Elizabeth wasn’t prepared for what information she would need. She needed to know where all of the accounts she and her husband held were located. These might
include accounts at local bank(s), investment firms, credit unions, and the Social Security Administration. By knowing these institutions’ names, account numbers, and contact persons, she could have avoided the time she had to spend searching for the information during a time when overwhelming sorrow scattered her memory.

A final consideration is document retrieval, or knowing where important documents are stored. Elizabeth needed information about trusted advisors and financial institutions, however, these documents may be dispersed in different locations (home, office or bank safe deposit box) and searching for this information would cause added stress for her during this tragic time. To avoid the frustration and time looking for these documents, a single document locator which contains records of places, dates and document descriptions is essential. This valuable file should be kept in the home.

To prevent you from experiencing what Elizabeth did, PCA Retirement & Benefits, Inc. and the PCA Committee of Discipleship Ministries have teamed up to produce a booklet called Wise Planning. Originally designed for our PCA Widows’ ministry, it is now available for all ages and stages of life, married or single. It offers invaluable advice and guidance for knowing what you will need, advice on gathering it while providing you with a document retrieval system. It may be accessed on the RBI website, www.pcarbi.org by following these links: Resources, Publications and Wise Planning. You may also call the RBI office for further questions at 800.789.8765.

The pain Elizabeth experienced in losing her husband was tough, but not being prepared for financial decisions increased her stress. We can learn from this story by planning ahead and leaving a legacy of preparedness for our remaining family members. Using Wise Planning will allow you to answer the tough questions now, so you won’t have to when you are grieving.

GREAT NEWS: LIFE INSURANCE BENEFIT INCREASE!

For a number of years, PCA RBI has offered our ministry partners $10,000 Basic Term Life insurance with matching Accidental Death and Dismemberment (AD&D) for a monthly premium of $2.66. We are excited to announce that our Basic Term Life insurance has been increased to $25,000 coverage, which includes $25,000 for AD&D.

This significant increase to our Basic Term Life/AD&D insurance coverage is even more appealing because it is offered to our ministry partners for the $2.66 monthly rate.

If you are currently covered under Basic Term Life/AD&D insurance your benefit coverage was updated on January 1, 2015 to reflect this change. Term reductions (based on your age) for Basic Term Life/AD&D insurance face value and premiums was also updated and calculated as a percentage of the new $25,000 plan.

The updated Basic Term Life/AD&D Insurance Certificate is viewable and printable from the “Plans & Policies” tab in SmartBen, our online benefits administrator. The certificate is the booklet which details the plan benefits including instructions for conversion option and processing a claim. A printed copy should be kept with your important papers.
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She was a pastor’s wife in a small church where she taught the children, discipled the women and cared for her family. She served willingly, joyfully and often sacrificially. The church provided what it could which wasn’t much. But they didn’t complain. They were just glad to serve the Lord.

Today she is a pastor’s widow. At 91 she has outlived her husband and their modest retirement savings. The people she and her husband served are gone or scattered and have mostly forgotten her.

She is proud to see her children actively engaged in Christian service themselves. But they too struggle with limited resources and are unable to provide her much assistance. Alone, she faces the challenges of aging, failing health, and meeting life’s basic needs with severely limited resources.

The PCA Ministerial Relief Fund was created to provide financial assistance to meet the needs of pastor’s widows. At a time when their hope is fading, gifts to this ministry demonstrate to her and other faithful servants that the Lord and His people have not forgotten them.

Research from recent surveys indicate the needs of these church servants will rise dramatically. If we are to meet their needs, more churches and individuals need to give. We invite you to partner with us in this worthwhile endeavor.

Donations may be sent to:

PCA Ministerial Relief
1700 N. Brown Road, Suite 106
Lawrenceville, GA 30043

Or donate online on the RBI website:

www.pcarbi.org

For the needy shall not always be forgotten, and the hope of the poor shall not perish forever.

Psalm 9:18
## RBI Benefit Plan at a Glance

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<tr>
<th>PLAN BENEFITS</th>
<th>WHO TO CALL</th>
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<tr>
<td><strong>PCA LONG TERM DISABILITY PLANS</strong></td>
<td>Harry Cooksey (ext. 1290)</td>
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<td></td>
<td>Mark Melendez (ext. 1274)</td>
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<td></td>
<td>— PCA Enhanced Long Term Disability Plan</td>
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<td>— PCA Basic Long Term Disability Plan</td>
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<td>— PCA Voluntary Long Term Disability Plan</td>
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<td><strong>PCA LIFE INSURANCE PLANS</strong></td>
<td>Harry Cooksey (ext. 1290)</td>
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<td>Mark Melendez (ext. 1274)</td>
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<td>— PCA Basic Life</td>
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<td>— PCA Standard Life</td>
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<td>— PCA Enhanced Life</td>
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<td>— PCA Dependent Life</td>
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<td>— PCA Voluntary Accidental Death &amp; Dismemberment</td>
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<td><strong>DENTAL INSURANCE PLANS</strong></td>
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<td></td>
<td>Mark Melendez (ext. 1274)</td>
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<td></td>
<td>— PCA Core/Buy-Up Dental</td>
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<td>— PCA Voluntary Dental</td>
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<td><strong>VISION INSURANCE PLANS</strong></td>
<td>Harry Cooksey (ext. 1290)</td>
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<td>Mark Melendez (ext. 1274)</td>
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<td></td>
<td>— PCA Core/Buy-Up Vision</td>
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<td>— PCA Voluntary Vision</td>
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<td><strong>PCA MINISTERIAL RELIEF</strong></td>
<td>Vickie Poole (ext. 1280)</td>
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<td>Bob Clarke (ext. 1270)</td>
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<td></td>
<td>— Emergency Assistance</td>
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<td>— Survivor Assistance</td>
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<td>— Health Insurance Assistance</td>
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<td><strong>PREFERRED PROVIDERS</strong></td>
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<tr>
<td><strong>LONG TERM CARE INSURANCE PLANS</strong></td>
<td>(901) 337-4146</td>
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<td>— Individual Long Term Care Insurance</td>
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<td><strong>PROPERTY &amp; LIABILITY INSURANCE</strong></td>
<td>Karl Williams (515) 267-5429</td>
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<td>— Property</td>
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<td>— Liability</td>
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<td>— Business Automobile</td>
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<td>— Umbrella</td>
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<td>— Workers Compensation</td>
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LONG TERM DISABILITY became Uniform POST-TAX PREMIUM on Jan. 1, 2015

Payments of long term disability premiums have been processed and paid as pre-tax (Employer-paid) or post-tax (Employee-Paid) as agreed upon between the church and the employee. Beginning January 1, 2015 the Enhanced LTD1 and Basic LTD2 products are offered as Post-tax premium products. Up to this point, LTD1 and LTD2 premium payments have been handled differently throughout the PCA; note the scenarios in these examples:

• Some PCA employers have considered this a pre-tax employer-paid benefit for our LTD 1 Enhanced and LTD 2 Basic disability plans. This has meant that income taxes were not paid on the cost of providing the premiums. At claim time, the LTD benefits paid to disabled employees will have taxes deducted.
• A second group of PCA employers has been deducting premiums from employees pay, which means employees are effectively paying the premiums with taxable dol-
lars leading to tax-free benefits at claim time.

• A third group of PCA employers has been including premiums as part of taxable compensation. This also means employees are effectively paying the premiums with taxable dollars leading to tax-free benefits at claim time.

• Finally, other PCA employers have been “grossing-up” the cost of premiums by increasing taxable compensation by an amount that reduces the net income impact, which again leads to tax-free benefits at claim time.

Although RBI invoices the LTD products, we have no knowledge of the payroll or payment preference implemented by the employer paying the invoice. With no means of reviewing reports listing the pre-tax or post-tax LTD premium payments, the LTD insurance carrier conducts research with the employer to determine tax status of each monthly benefit payment at claim time. Further, RBI personnel are learning that many employers have been providing the benefit tax free; we speak with approved claimants who are upset when they learn that their disability benefit check has had taxes deducted.

In the interest of a disabled employee receiving a disability check that provides tax-free benefits, we will be moving solely to Employer gross-up (LTD 1 and LTD 2) and Voluntary (LTD 3), which will provide tax-free benefits.

In the chart below, you will see the four most common methods of paying LTD premiums throughout the PCA. We will be moving solely to Employer gross-up (LTD 1 and LTD 2) and Voluntary (LTD 3), which will provide tax-free benefits.

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Premium Funding</th>
<th>Premium taxation during year of claim</th>
<th>Benefit taxation</th>
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<tbody>
<tr>
<td>Non-contributory</td>
<td>Employer (100%)</td>
<td>Pre-tax</td>
<td>Taxable</td>
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<tr>
<td>Employer gross-up</td>
<td>Employer (100%)</td>
<td>Post-tax</td>
<td>Tax-free</td>
</tr>
<tr>
<td>Voluntary</td>
<td>Employee (100%)</td>
<td>Post-tax</td>
<td>Tax-free</td>
</tr>
<tr>
<td>Contributory</td>
<td>Employer and employee</td>
<td>Pre-tax and post-tax</td>
<td>Partially taxable</td>
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</table>
the maximum benefit (without taxes deducted) and to have a more tax-beneficial application to all PCA LTD plan clients, beginning January 1 all LTD products are considered taxable premiums (whether paid by the employee or the employer). Having a tax-free benefit payment is tremendously beneficial for disability claimants, with little financial ‘pain’ by those paying the premiums. This enhancement to our plans comes with a modest 5% increase in premium.

**Action Required:** This new feature with the LTD premium a taxable fringe benefit will need to be executed by the payroll process for your enrolled employees.

**Post-tax Funding:** Premiums are paid by the employees (LTD-3 Voluntary) using payroll deductions after taxes and withholding have been taken. Alternate-ly, premiums are paid by the employer (LTD1-Enhanced or LTD2-Basic) funds and reports the premiums as taxable wages on the employees’ W-2 (grossing up the employees’ income).

**Result:** Tax me now. Income taxes are paid on the premium dollars so benefits paid to the employees will be tax-free.

**Important:** There is a 36-month look-back conducted by the carrier, Unum, for taxability decisions on submitted disability claims. If an employer moves to post-tax from pre-tax on January 1 and an employee is approved for disability on March 1, only 2/36ths of the disability payment is tax-free. This is determined by Unum claim adjusters by reviewing local employer pay stubs and W-2s. Each additional month after January 1, reduces the ratio of taxability one more month up to the 36 month look-back.

**Why is the price higher?**

Receiving LTD benefit payments as tax-free means there is very little realized loss of income. This leads to less incentive for claims to seek retraining or pursue other means to become employable. Unum statistics show that as claimants are less likely to go off claim with tax-free benefits means the PCA group plan will have higher expenses. The 5% increase adjusts the price with the understanding that PCA is implementing this change denomination wide.

**What if we have been doing this . . . do we have to pay the higher price?**

Yes. Employees and employers that have implemented the gross-up method already have effectively been getting some benefits at less than cost. Applying the higher price now means that all employers will benefit from the same methods.
RBI launched a new website design on September 12. The design incorporates the content we had on our former website, but adds several things, including:

- A new color scheme and layout
- Responsive features to better fit screen size and mobile platforms
- Useful articles on investing, finance and insurance
- Integration of social media content from our RBI Facebook and Twitter pages
- User ability to share articles using social media or email
- More prominent placement of login and forms

In addition, we will be bringing a number of other improvements over the next several months including:

- Ability to complete and remit enrollment and application forms online
- Ability to pay insurance invoices online
- Plan Administrator website to include content particularly useful for treasurers and administrators among our ministry partners

We encourage you to explore our website (www.pcarbi.org) and we certainly appreciate your feedback.
On November 13, 2014, the U.S. Court of Appeals for the Seventh Circuit reversed a district court’s ruling against the Minister’s Housing Allowance benefit. In the lower court’s ruling, Judge Barbara Crabb deemed the minister’s housing allowance as an unconstitutional preference for religion. Judge Crabb stayed her ruling until all appeals were exhausted. The three judge panel of the Seventh Circuit Court dismissed the case and found the plaintiffs, the Freedom From Religion Foundation, did not have standing to challenge the law because they have never been negatively impacted by the law.

The Minister’s Housing Allowance provision mentioned in the lawsuit permits ministers to deduct the fair rental value of their residence from their taxable income. This unique ministerial benefit dates back to 1954, and has the effect of lowering a minister’s federal income taxes.

Freedom From Religion Foundation et al v. Jacob Lew et al