

Credentials, Licenses and Parsonage Allowance

April 30, 2025
Kyoshin Ahn, NAD

Credentials and Licenses

(E 05)

- The **secretary** is **responsible** for the issuing of credentials and licenses, not **HR**
- They should be voted by **Executive committee** upon your recommendation
- It is important that each employee get the appropriate license
- Issued for definite period

Ministerial Employees

- Ministerial Credential
- Ministerial License
- Commissioned Minister Credential
- Commissioned Minister License

Licensed Minister

- Authorized to perform substantially all the functions of the ordained minister for members **in the churches** to which he is assigned and **elected as an elder**, and for the communities he serves
- The functions **excluded** are:
 - Organizing of a church
 - Uniting churches
 - Ordaining local elders and deacons
- Wedding ceremonies or baptisms outside of pastoral district possible if authorized by the conference president(s)

Commissioned Ministers

- Election as a **church elder** in the churches to which he/she is assigned.

- The functions excluded from Credentialed Commissioned Minister are:
 - Organizing or disbanding of a church
 - Uniting churches
 - Ordaining local elders and deacons
 - Become conference president

Emeritus Credentials

- Issued by the union conference committee and renewed from time to time at its discretion
- Issued by the Union
- Revised/strengthened policy in the pipeline

Orthodox Understanding

Once a person is ordained or commissioned—a symbolic act of life-long commitment or a public display of the sense of calling—that individual should always be credentialed and be on parsonage allowance.

Ministerial Parsonage

(E 25)

Ministerial Parsonage allowance

The ministerial parsonage allowance, also known as the housing allowance, is a tax benefit available to ministers, rabbis, priests, and other members of the clergy in the United States. It allows them to exclude certain housing-related expenses from their taxable income, either for a home they own or one provided by the church.

Qualifications

To receive the allowance, the person must:

1. Be an ordained, licensed, or commissioned minister
2. Perform ministerial duties ('sacraments') like preaching, officiating at religious ceremonies, etc. (communion, baptism, etc.).
3. Not exempt from self-employment tax (Social security/Medicare)
4. Have the allowance officially designated in advance by the church/employer

Scenario # 1

A long-time church employee, serving as an editor of a church magazine or as a Bible worker, appeals to your president to get ordained or commissioned. They strongly feel they are called as much as ministerial employees.

Guiding Principles

1. Remember that ordination/commissioning is primarily for ministerial functions
2. Adhere to the orthodox understanding
3. Money should never become a factor in this
4. Social Security Tax – their responsibility

Scenario # 2

An ordained pastor holding a Ministerial Credential is hired as a full-time director at a local conference camp.

This person no longer wants to be treated as a pastor with the Ministerial Credential and Ministerial exception, no parsonage, etc., and just have a credential as an administrator.

Have you heard of this kind of request? Can we change a pastor's credential like this?

IRS says "No"

“Can an individual seek revocation of their parsonage allowance or ordination/commission?”

Seeking the financial benefit of parsonage allowance should not be considered in the decision to ordain/commission.

Scenario # 3

A person is hired as a full-time janitor by an Adventist University. He is an ordained minister. He has never been found morally questionable. Thus, his credential was not revoked.

Which credential is to be issued to this person?

Scenario # 4

A licensed or ordained pastor is hired for the role of Associate Treasurer.

**Should this person be offered Parsonage?
Are new credentials issued?**

What is the process for determining the parsonage and issuing new credentials?

Scenario # 5

Regardless of their responsibility, a local conference ordains/commissions its leadership team. This conference is convinced that its leadership team is called to ministry and participates in local church events, including but not limited to preaching.

One of its employees is transferred to your conference and expresses their desire not to be on parsonage list. How do you handle this request?

Determining Criteria

1. Ministerial or non-ministerial functions
2. Job Description
3. Letter of intent by the employee (a sense of calling to pastoral ministry)
4. Authorized and willing to officiate sacraments on an annual basis

Non-Ministerial Employees

- Administrative Ministries Credential
 - Leadership position with not less than 5 yrs
- Administrative Ministries License
- Missionary Credential
 - with significant experience in denominational service, not less than 5 yrs
- Missionary License



Questions

Chaplains

- Military credentials issued by NAD
- Adventist Hospital chaplains through their employer
- Non-Adventist employers chaplain credential issued through NAD