

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

▶ Attach to Form 1040, 1040-SR, or 1040-NR.

▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2020

Attachment
Sequence No. **01**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

Your social security number

EARL CLERGY

400-00-8002

Part I		Additional Income	
1	Taxable refunds, credits, or offsets of state and local income taxes	1	
2a	Alimony received	2a	
b	Date of original divorce or separation agreement (see instructions) . . . ▶ _____		
3	Business income or (loss). Attach Schedule C	3	
4	Other gains or (losses). Attach Form 4797	4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5	
6	Farm income or (loss). Attach Schedule F	6	
7	Unemployment compensation	7	
8	Other income. List type and amount . ▶ _____	8	
9	Combine lines 1 through 8. Enter here and on Form 1040, 1040-SR, or 1040-NR line 8	9	0

Part II		Adjustments to Income	
10	Educator expenses	10	
11	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	11	
12	Health savings account deduction. Attach Form 8889	12	
13	Moving expenses for members of the Armed Forces. Attach Form 3903	13	
14	Deductible part of self-employment tax. Attach Schedule SE	14	3,392
15	Self-employed SEP, SIMPLE, and qualified plans	15	
16	Self-employed health insurance deduction	16	
17	Penalty on early withdrawal of savings	17	
18a	Alimony paid	18a	
b	Recipient's SSN ▶ _____		
c	Date of original divorce or separation agreement (see instructions) . . . ▶ _____		
19	IRA deduction	19	
20	Student loan interest deduction	20	
21	Tuition and fees deduction. Attach Form 8917	21	
22	Add lines 10 through 21. These are your adjustments to income . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10a	22	3,392

For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 1 (Form 1040) 2020

**SCHEDULE SE
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Self-Employment Tax

▶ Go to www.irs.gov/ScheduleSE for instructions and the latest information.
▶ Attach to Form 1040, 1040-SR, or 1040-NR.

OMB No. 1545-0074

2020

Attachment
Sequence No. **17**

Name of person with self-employment income (as shown on Form 1040, 1040-SR, or 1040-NR)

Social security number of person
with self-employment income ▶ **400-00-8002**

EARL CLERGY

Part I Self-Employment Tax

Note: If your only income subject to self-employment tax is **church employee income**, see instructions for how to report your income and the definition of church employee income.

A If you are a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361, but you had \$400 or more of **other** net earnings from self-employment, check here and continue with Part I

Skip lines 1a and 1b if you use the farm optional method in Part II. See instructions.

1 a Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A **1a**

b If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code AH **1b** ()

Skip line 2 if you use the nonfarm optional method in Part II. See instructions.

2 Net profit or (loss) from Schedule C, line 31; and Schedule K-1 (Form 1065), box 14, code A (Statement #1 farming). See instructions for other income to report or if you are a minister or member of a religious order **2** **48,000**

3 Combine lines 1a, 1b, and 2 **3** **48,000**

4 a If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter amount from line 3 **4a** **44,328**

Note: If line 4a is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.

b If you elect one or both of the optional methods, enter the total of lines 15 and 17 here. **4b**

c Combine lines 4a and 4b. If less than \$400, **stop**; you don't owe self-employment tax. **Exception:** If less than \$400 and you had **church employee income**, enter -0- and continue ▶ **4c** **44,328**

5 a Enter your **church employee income** from Form W-2. See instructions for definition of church employee income **5a**

b Multiply line 5a by 92.35% (0.9235). If less than \$100, enter -0- **5b**

6 Add lines 4c and 5b **6** **44,328**

7 Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2020 **7** **137,700**

8 a Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$137,700 or more, skip lines 8b through 10, and go to line 11 **8a** **36,000**

b Unreported tips subject to social security tax from Form 4137, line 10 **8b**

c Wages subject to social security tax from Form 8919, line 10 **8c**

d Add lines 8a, 8b, and 8c **8d** **36,000**

9 Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 ▶ **9** **101,700**

10 Multiply the **smaller** of line 6 or line 9 by 12.4% (0.124) **10** **5,497**

11 Multiply line 6 by 2.9% (0.029) **11** **1,286**

12 **Self-employment tax.** Add lines 10 and 11. Enter here and on **Schedule 2 (Form 1040), line 4** **12** **6,783**

13 **Deduction for one-half of self-employment tax.** Multiply line 12 by 50% (0.50). Enter here and on **Schedule 1 (Form 1040), line 14** **13** **3,392**

Part II Optional Methods To Figure Net Earnings (see instructions)

Farm Optional Method. You may use this method **only** if (a) your gross farm income¹ wasn't more than \$8,460, or (b) your net farm profits² were less than \$6,107.

14 Maximum income for optional methods **14** **5,640**

15 Enter the **smaller** of: two-thirds (2/3) of gross farm income¹ (not less than zero) or \$5,640. Also, include this amount on line 4b above **15**

Nonfarm Optional Method. You may use this method **only** if (a) your net nonfarm profits³ were less than \$6,107 and also less than 72.189% of your gross nonfarm income, **and** (b) you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years. **Caution:** You may use this method no more than five times.

16 Subtract line 15 from line 14 **16**

17 Enter the **smaller** of: two-thirds (2/3) of gross nonfarm income (not less than zero) or the amount on line 16. Also, include this amount on line 4b above **17**

¹ From Sch. F, line 9; and Sch. K-1 (Form 1065), box 14, code B.

³ From Sch. C, line 31; and Sch. K-1 (Form 1065), box 14, code A.

² From Sch. F, line 34; and Sch. K-1 (Form 1065), box 14, code A-minus the amount you would have entered on line 1b had you not used the optional method.

⁴ From Sch. C, line 7; and Sch. K-1 (Form 1065), box 14, code C.

Part III Maximum Deferral of Self-Employment Tax Payments

If line 4c is zero, skip lines 18 through 20, and enter -0- on line 21.

18	Enter the portion of line 3 that can be attributed to March 27, 2020, through December 31, 2020	18	
19	If line 18 is more than zero, multiply line 18 by 92.35% (0.9235); otherwise, enter the amount from line 18	19	
20	Enter the portion of lines 15 and 17 that can be attributed to March 27, 2020, through December 31, 2020	20	
21	Combine lines 19 and 20	21	

If line 5b is zero, skip line 22 and enter -0- on line 23.

22	Enter the portion of line 5a that can be attributed to March 27, 2020, through December 31, 2020	22	
23	Multiply line 22 by 92.35% (0.9235)	23	
24	Add lines 21 and 23	24	
25	Enter the smaller of line 9 or line 24	25	
26	Multiply line 25 by 6.2% (0.062). Enter here and see the instructions for line 12e of Schedule 3 (Form 1040)	26	

Example

Employee Business Expenses

(for use only by Armed Forces reservists, qualified performing artists, fee-basis state or local government officials, and employees with impairment-related work expenses)

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040-SR, or Form 1040-NR.
▶ Go to www.irs.gov/Form2106 for instructions and the latest information.

Your name EARL CLERGY	Occupation in which you incurred expenses CLERGY	Social security number 400-00-8002
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Part I Employee Business Expenses and Reimbursements

		Column A Other Than Meals	Column B Meals
Step 1 Enter Your Expenses			
1 Vehicle expense from line 22 or line 29. (Rural mail carriers: See instructions.)	1		
2 Parking fees, tolls, and transportation, including train, bus, etc., that didn't involve overnight travel or commuting to and from work	2		
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Don't include meals	3		
4 Business expenses not included on lines 1 through 3. Don't include meals	4	6,000	
5 Meals expenses (see instructions)	5		
6 Total expenses. In Column A, add lines 1 through 4 and enter the result. In Column B, enter the amount from line 5	6	6,000	

Note: If you weren't reimbursed for any expenses in Step 1, skip line 7 and enter the amount from line 6 on line 8.

Step 2 Enter Reimbursements Received From Your Employer for Expenses Listed in Step 1

7 Enter reimbursements received from your employer that weren't reported to you in box 1 of Form W-2. Include any reimbursements reported under code "L" in box 12 of your Form W-2 (see instructions)	7		
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Step 3 Figure Expenses To Deduct

8 Subtract line 7 from line 6. If zero or less, enter -0-. However, if line 7 is greater than line 6 in Column A, report the excess as income on Form 1040 or 1040-SR, line 1 (or on Form 1040-NR, line 1a)	8	6,000	
Note: If both columns of line 8 are zero, you can't deduct employee business expenses. Stop here and attach Form 2106 to your return.			
9 In Column A, enter the amount from line 8. In Column B, multiply line 8 by 50% (0.50)	9	6,000	
10 Add the amounts on line 9 of both columns and enter the total here. Also, enter the total on Schedule 1 (Form 1040), line 11. Employees with impairment-related work expenses, see the instructions for rules on where to enter the total on your return SEE CLERGY ATTACHMENT ▶	10		4,000

For Paperwork Reduction Act Notice, see your tax return instructions.

Federal Supporting Statements

2020 PG01

Name(s) as shown on return

Tax ID Number

EARL CLERGY

400-00-8002

SCHEDULE SE - ALLOWABLE EXPENSES

Statement #1

DESCRIPTION

AMOUNT

Net non-farm profit or loss
clergy unreimbursed employee expenses
Amount flowing to Line 2

54,000
6,000
48,000

Example

Figuring the Percentage of Tax-Free Income

Note. For each line, enter the appropriate amount in **all** boxes that aren't shaded.

Worksheet 1

2020

Name(s) as shown on return

Tax ID Number

EARL CLERGY

400-00-8002

	Source of Income		(a) Taxable	(b) Tax-free	(c) Total
1	W-2 salary as a minister (from box 1 of Form W-2)	1	36,000		36,000
2	Gross income from weddings, baptisms, writing, lecturing, etc. (from line 1 of Schedule C)	2			
Note. Complete either lines 3a through 3e or lines 4a through 4i.					
<ul style="list-style-type: none"> • If your church provides you with a parsonage, complete lines 3a through 3e. • If, instead of providing a parsonage, your church provides you with a rental or parsonage allowance, complete lines 4a through 4i. 					
3a	FRV* of parsonage provided by church	3a			
b	Utility allowance, if any	3b			
c	Actual expenses for utilities	3c			
d	Enter the smaller of line 3b or 3c	3d			
e	Excess utility allowance (subtract line 3d from line 3b)	3e			
4a	Parsonage or rental allowance	4a	18,000		
b	Utility allowance, if separate	4b			
c	Total allowance (add lines 4a and 4b)	4c	18,000		
d	Actual expenses for parsonage	4d	18,000		
e	Actual expenses for utilities	4e			
f	Total actual expenses for parsonage and utilities (add lines 4d and 4e)	4f	18,000		
g	FRV* of home, plus the cost of utilities	4g	18,000		
h	Enter the smaller of line 4c, 4f, or 4g	4h		18,000	18,000
i	Excess allowance (subtract line 4h from line 4c)	4i			
5	Ministerial income (for columns (a), (b), and (c), add lines 1 through 4i)	5	36,000	18,000	54,000
6	Percentage of tax-free income: $\frac{\text{Total tax-free income (line 5(b))}}{\text{Total income (line 5(c))}}$		\$ 18,000	=	33.3300 %**
<p>* FRV (Fair Rental Value): As determined objectively and between unrelated parties, what it would cost to rent a comparable home (including furnishings) in a similar location.</p> <p>** This percentage of your ministerial expenses won't be deductible. Use Worksheets 2 and 3 to figure your allowable deductions.</p>					

**Figuring Net Self-Employment Income for
Schedule SE (Form 1040)**

Worksheet 3

2020

Name(s) as shown on return

Tax ID Number

EARL CLERGY

400-00-8002

1	W-2 salary as a minister (from box 1 of Form W-2)	1		36,000
2	Net profit from Schedule C, line 31	2		
3a	Parsonage or rental allowance (from Worksheet 1, line 3a or 4a)	3a	18,000	
b	Utility allowance (from Worksheet 1, line 3b or 4b)	3b		
c	Total allowance (add lines 3a and 3b)	3c		18,000
4	Add lines 1, 2, and 3c	4		54,000
5	Schedule C expenses allocable to tax-free income (from Worksheet 2, line 6)	5		
6	Total unreimbursed employee business expenses	6	6,000	
7	Total business expenses not deducted in lines 1 and 2 above (add lines 5 and 6)	7		6,000
8	Net self-employment income. Subtract line 7 from line 4. Enter here and on Schedule SE (Form 1040), line 2.	8		48,000

Example

Figuring the Allowable Employee Business Expense Deduction

(Attach to your return)

Worksheet 4

2020

Name(s) as shown on return

Tax ID Number

EARL CLERGY

400-00-8002

		Column A	Column B
1	Percentage of expenses that are nondeductible (from Worksheet 1, line 6): 33.3300 %		
2	Use of car for church business for entire year: miles x 57.5 cents (\$0.575).	2	
3	Meals: \$	3	
4	Other expenses (list item and amount)		
a	Business Expenses Not Included Above	4a	6,000
b		4b	
c		4c	
d		4d	
e		4e	
5	Total expenses. In Column A, add lines 2 and 4a through 4e and enter the result. In Column B, enter the amount from line 3.	5	6,000
6	Enter reimbursements received for other expenses (Column A) and meals and entertainment (Column B) that were not included in box 1 of Form W-2	6	
7	Total unreimbursed expenses (subtract line 6 from line 5)	7	6,000
8	In Column A, enter the amount from line 7. In Column B, multiply line 7 by 50% (0.50)	8	6,000
9	Add the amounts from Column A and Column B of line 8 and enter the total here. Include the amount as a subtraction from income on Schedule SE, line 2.	9	6,000
10	Nondeductible part of expenses (multiply line 9 by the percent in line 1)	10	2,000
11	Ministerial employee business expense deduction allowed.* Subtract line 10 from line 9. This amount might be allowed on a state return (depending on the state) as miscellaneous deduction.	11	4,000

* None of the other deductions claimed in this return are allocable to tax-free income.

Example