

***TITHING
PRINCIPLES
AND
GUIDELINES***

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NOTE: This printing retains the wording of the document originally published in October 1984 except for updated references to the 1990 edition of the Church Manual. The "Notes to Tithing Guidelines" have been incorporated into the "Tithing Guidelines" section.

FOREWORD

The church has historically been reticent to issue official directives as to how members should apply the doctrine of tithing to specific situations. Rather, it has limited itself to quoting those scriptures and Spirit of Prophecy statements which teach the principles of tithing and appeal for wholehearted faithfulness of its members in this aspect of their Christian life.

Church members and workers, however, continually ask questions about tithing. It was to provide a source of counsel and helpful information that the General Conference Officers appointed a committee to prepare the document, "Tithing Principles and Guidelines." For the same reason, the committee membership included several lay persons and denominational workers of various types.

In this document, the committee presents a summary of its wide-ranging study of how Seventh-day Adventist Christians respond under varying circumstances to God's tithing requirement. It also presents an excellent compilation of tithing principles, each supported by Bible and Spirit of Prophecy references and quotations, which can be used by individuals in making their own conscientious decisions regarding tithing.

Copies of the "Tithing Principles and Guidelines" document will be made available to denominational organizations and individuals who request them. It is hoped that they will be used, not as a rule of judgment for others, but rather as a source of helpful counsel and information for individual Seventh-day Adventist Christians who seek to be faithful stewards of the means entrusted to them.

—General Conference Officers

INTRODUCTION

In today's complex society it is often difficult for wage and salary earners, as well as self-employed professional and business persons, to determine what their tithable income is. Members frequently inquire of pastors or write to conference offices seeking counsel regarding tithe questions that are troubling them. Individuals are usually reluctant to try to provide answers based on their personal opinions. It has been felt that material should be available to send to such persons that is based on the thinking of a "multitude of counselors."

The computing of one's tithe has become more complicated in recent years. Employers are providing a growing number of fringe benefits, some of which are not reported to the government as income, and some are not paid to the employee in cash. There are several legally required payroll deductions, and other deductions that may be directed to tax shelters, retirement programs and insurance policies.

Through the years the General Conference has provided counsel regarding various aspects of tithing. Individuals have also expressed their personal opinions on this subject through articles in the Adventist Review. Comprehensive guidelines have not previously been developed to assist members in computing their tithe.

In 1983 the General Conference Ministerial-Stewardship Department conducted a survey on tithing practices. A comprehensive questionnaire was sent to union and conference presidents, treasurers and stewardship directors. The responses to this questionnaire confirmed the need for further study, clarification and guidelines on the subject of tithing.

In October 1983 the General Conference Committee appointed a special committee* to undertake this study. After several meetings of the full committee and numerous meetings of a subcommittee, the first draft of the committee's report was completed. In the spring of 1984, this draft, along with a questionnaire, was sent to 160 church administrators and departmental directors, approximately 60 pastors and 60 laymembers.

These persons were requested to evaluate the proposed Tithing Principles and Guidelines and to express their opinions and suggestions regarding them. Overall, the responses were very positive from the 120 persons who returned the questionnaire. A large number of helpful suggestions were received and many of them have been incorporated in the final wording of the Guidelines.

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TITHING PRINCIPLES

... Principles

1. GOD IS OUR CREATOR, OWNER, SUSTAINER AND REDEEMER.

For by him were all things created that are in heaven, and that are in earth, visible and invisible, whether they be thrones, or dominions, or principalities, or powers: all things were created by him and for him: And he is before all things, and by him all things consist. Col. 1:16, 17.

Isa. 13:1; Gen. 1:1; Ps. 33:6-9; Ps. 100:3; Ex. 20:8-11; Rev. 14:6, 7; John 1:1-4; Ps. 24:1, 2; Ps. 50:10-12; Hag. 2:8; Jas. 1:17; I Chron. 29:11-14; Deut. 8:18; Acts 17:24, 25; I Cor. 6:19, 20.

"We belong to God; we are His sons and daughters,—His by creation and His by the gift of His Only Begotten Son for our redemption. 'Ye are not your own; for ye are bought with a price: therefore glorify God in your body, and in your spirit, which are God's.' The mind, the heart, the will, and the affection belong to God; the money that we handle is the Lord's. Every good that we receive and enjoy is a result of divine benevolence." CS 72.

2. MAN IS A MANAGER OR STEWARD ADMINISTERING GOD'S GOODS.

Thou madest him to have dominion over the works of thy hands: thou has put all things under his feet." Psalms 8:6.

1 Cor. 4:1; Gen. 2:15; Gen 1:26-28; 1 Tim. 6:7; Acts 4:32; Luke 12:42-43.

"A steward identifies himself with His master. He accepts the responsibilities of a steward, and he must act in his master's stead, doing as his master would do were he presiding. His master's interest becomes his. The position of a steward is one of dignity because his master trusts him." 9T 246.

3. JESUS IS OUR EXAMPLE IN FAITHFUL STEWARDSHIP. A STEWARD IDENTIFIES FULLY WITH HIS MASTER'S INTEREST.

For I came down from heaven, not to do mine own will, but the will of him that sent me. John 6:38.

John 4:34; Matt. 26:39; Matt. 28:18-20; Isa. 43:5-7; Matt. 5:16; Luke 11:42; Matt. 10:8; Prov. 21:26; 1 Cor. 3:9.

"The great work which Jesus announced that He came to do was entrusted to His followers upon the earth. Christ, as our head, leads out in the great work of salvation and bids us follow His example. He has given us a worldwide message. This truth must be extended to all nations, tongues, and people. Satan's power was to be contested, and he was to be overcome by Christ and also by His followers. An extensive war was to be maintained against the powers of darkness. And in order to do this work successfully, means were required. God does not propose to send means direct from heaven, but He gives into the hands of His followers talents and means to use for the very purpose of sustaining this warfare." 3T 388.

4. **GOD IS TO BE FIRST IN EVERYTHING.**

. . . Principles

Thou shalt have no other gods before me. Exodus 20:3.

Thou shalt love the Lord thy God with all thy heart and with all thy soul, and with all thy strength, and with all thy mind; and thy neighbor as thyself. Luke 10:27.

Matt. 6:33; II Cor. 8:5; Prov. 3:9-10; Ex. 23:19.

"Our Redeemer claims far more than we give Him. Self interposes its desire to be first; but the Lord claims the whole heart, the entire affections: When we are in harmony with God, the thought of His honor and glory comes before everything else. No person is preferred before Him in our gifts and offerings. We have a sense of what it means to be partners with Christ in the sacred firm." 6T 103-104.

5. **THE TITHE PRINCIPLE IS DIVINE IN ORIGIN.**

But he whose descent is not counted from them received tithes of Abraham and blessed him that had the promises. Heb. 7:6.

Mal. 3:7, 10; Heb. 7:6; Gen. 14:18-20; Gal. 3:29; Rom. 4:11; Heb. 7:14-17.

"But the tithing system did not originate with the Hebrews. From the earliest times the Lord named the tithe as His; and this claim was recognized and honored. Abraham paid tithe to Melchizedec, the priest of the Most High God. Jacob, when at Bethel, in exile and a wanderer, promised the Lord, 'of all that Thou shall give me I will surely give a tenth to thee.' As the Israelites were about to be established as a nation, the law of tithing was reaffirmed, as one

of the divinely ordained statues upon obedience to which their prosperity depended." PP 525.

6. **MAN IS CO-PARTNER WITH GOD.**

Now then we are ambassadors for Christ, as though God did beseech you by us: we pray you in Christ's stead, be ye reconciled to God. We then, as workers together with him, beseech you also that ye receive not the grace of God in vain. II Cor. 5:20; 6:1.

Mal. 3:10-12.

The greatest lesson to be taught and to be learned is the lesson of co-partnership with Christ in the work of salvation. CT 434.

7. **THE TITHE IS HOLY EVEN AS THE SABBATH IS HOLY.**

And all the tithe of the land, whether of the seed or the land, or of the fruit of the tree, is the Lord's: it is holy unto the Lord." Lev. 27:30.

Lev. 27:32.

"The very same language is used concerning the Sabbath as in the law of the tithe: 'The seventh day is the Sabbath of the Lord thy God.' Man has no right nor power to substitute the first day for the seventh. . . In like manner a tithe of our income is 'holy unto the Lord.' The New Testament does not reenact the law of the tithe, as it does not that of the Sabbath; for the validity of both is assumed, and their deep spiritual import explained." CS 66.

8. **REGULARITY AND SYSTEM TO BE EXERCISED IN RETURNING TO GOD HIS OWN.**

... Principles

And at that time were some appointed over the chambers for the treasures, for the offerings for the firstfruits, and for the tithes, to gather them into them out of the fields of the cities the portions of the law for the priests and Levites: for Judah rejoiced for the priests and for the Levites that waited. Neh. 12:44.

Neh. 10:32-39; II Chron. 31:11-21; I Cor. 16:1-2; II Cor. 8, 9; 3T 411; R&H, May 19, 1893; 3T 393-394.

"This matter of giving is not left to impulse. God has given us definite instruction in regard to it. He has specified tithes and offerings as the measure of our obligation. And he desires us to give regularly and systematically. . . Let each regularly examine his income, which is all a blessing from God, and set apart the tithe as a separate fund, to be sacredly the Lord's. . . After the tithe is set apart, let gifts and offerings be apportioned 'as God hath prospered you.'" R&H, May 9, 1893.

9. **THE TITHE IS TO BE BROUGHT TO GOD'S STOREHOUSE.**

Bring ye all the tithes into the storehouse, that there may be meat in mine house, and prove me now herewith, saith the Lord of hosts, if I will not open the windows of heaven, and pour you out a blessing, that there shall not be room enough to receive it. Mal. 3:10.

Ex. 23:19.

"The tithe is sacred, reserved by God for Himself. It is to be brought into His treasury to be used to sustain the gospel laborers in their work." 9T 249.

"It is a part of your work to teach those whom you bring into the truth to bring the tithe into the storehouse as an acknowledgment of their dependence on God." Ev 250.

10. **THE TITHE IS RETURNED TO GOD IN PROPORTION TO THE INCOME, IN RECOGNITION THAT ALL WE ARE AND HAVE ARE HIS.**

. . . and they shall not appear before the Lord empty: Every man shall give as he is able, according to the blessings of the Lord thy God which he hath given thee. Deut. 16:16, 17.

Deut. 14:22, 23; II Cor. 8:12.

"In the Bible system of tithes and offerings the amounts paid by different persons will of course vary greatly, since they are proportioned to the income." CS 73.

"In God's dealing with the Jews and His people to the end of time, He requires systematic benevolence proportionate to their income." 3T 405.

11. **RETURNING TITHE AND OFFERINGS IS PART OF WORSHIP, A JOYFUL EXPRESSION OF PRAISE, LOVE, AND GRATITUDE.**

And now behold, I have brought the first fruits of the land, which thou, O Lord, hast given me. And thou shalt set it before the Lord thy God, and worship before the Lord thy God: And thou shall rejoice in every good thing which the Lord thy God hath given unto thee, and unto thine house, thou, and the Levite, and the stranger that is among you. Deut. 26:10, 11.

II Cor. 8:7-9; II Cor. 9:12-13.

". . . God imparts His gifts to us that we also may give, and thus make known His character to the world. Under the Jewish economy, gifts and offerings formed an essential part of God's worship. The Israelites were taught to devote a tithe of all their income to the service of the sanctuary. Besides this they were to bring sin offerings, free-will gifts, and offerings of gratitude. These were the means for supporting the ministry of the gospel for that time. God expects no less from us than He expected from His people anciently. The great work for the salvation of souls must be carried forward. In the tithe, with gifts and offerings, He has made provisions for this work." COL 300.

12. **IN THE TITHING SYSTEM THE INDIVIDUAL DETERMINES WHAT IS INCOME.**

Every man according as he purposeth in his heart, so let him give; not grudgingly, or of necessity: for God loveth a cheerful giver. II Cor. 9:7.

"God, the Creator of man, by instituting the plan of systematic benevolence, has made the work bear equally upon all according to their several abilities. Everyone is to be his own assessor and is left to give all he purposes in his heart." 4T 469.

"In determining the proportion to be given to the cause of God, be sure to exceed, rather than fall short, of the requirements of duty." Ibid.

13. **THE BIBLE AND THE SPIRIT OF PROPHECY CLEARLY DEFINE TEMPORAL AND SPIRITUAL BLESSINGS RESULTING FROM FAITHFUL STEWARDSHIP.**

And God is able to make all grace abound toward you; that ye, always having all sufficiency in all things, may abound to every good work. II Cor. 9:8.

Deut. 28:1-13; Mal. 3:10-12; II Cor. 9:8-11.

"Whenever God's people, in any period of the world, have cheerfully and willingly carried out His plan in systematic benevolence and in gifts and offerings, they have realized the standing promise that prosperity should attend all their labors just in proportion as they obeyed His requirements." CS 347.

"...The spiritual health and prosperity of the church is dependent in a great degree on her systematic benevolence. It is like the life blood which must flow through the whole being, vitalizing every member of the body. . ." 3T 405.

14. **THE SUPREME PURPOSE OF THE TITHE IS TO DEVELOP CHARACTER AND TEST OUR LOYALTY TO GOD.**

Return unto me, and I will return unto you, saith the Lord of hosts. But ye said, wherein shall we return? . . .Bring ye all the tithes into the storehouse, that there may be meat in mine house. And prove me now herewith, said the Lord of hosts... Mal. 3:7-12.

"...God planned the system of beneficence, in order that man might become like his Creator, benevolent and unselfish in character, and finally be a partaker with Christ of the eternal, glorious reward." 9T 255.

"We should never forget that we are placed on trial in this world to determine our fitness for the future life. None can enter heaven whose characters are defiled by the foul blot of selfishness. Therefore, God tests us here by committing to us temporal possessions that our use of these may show whether we can be entrusted with eternal riches." CS 22.

15. **IT IS THE CLEAR DUTY OF CHURCH LEADERS, MEMBERS AND PARENTS TO PRACTICE TITHE FAITHFULNESS AS ONE OF GOD'S REQUIREMENTS.**

Bring ye all the tithes into the storehouse, that there may be meat in mine house, and prove me now herewith, saith the Lord of hosts, if I will not open the windows of heaven, and pour you out a blessing, that there shall not be room enough to receive it. Mal. 3:10.

Lev. 27:30, 32; Num. 18:21; Deut. 6:6-9; Deut. 8:11-18; Luke 11:42.

"Let the church appoint pastors or elders who are devoted to the Lord Jesus, and let these men see that officers are chosen who will attend faithfully to the work of gathering in the tithe. If the pastors show that they are not fitted for their charge, if they fail to set before the church the importance of returning to God His own, if they do not see to it that the officers under them are faithful, and that the tithe is brought in, they are in peril. They are neglecting a matter which involves a blessing or a curse to the church. They should be relieved of their responsibility, and other men should be tested and tried." E G White, R&H Supplement, Dec. 1, 1986.

TITHING GUIDELINES

... Guidelines

In the Tithing Guidelines that follow, the committee has made an earnest effort to present in concise format an understanding of tithing principles from the Bible, the Spirit of Prophecy, previous church positions and the personal knowledge and tithing experience of its members. It has tried to steer a course between providing complete, authoritative answers to every specific tithing question on one hand, and a succession of vague generalities on the other.

The members of the committee, ordained ministers and laypersons, do not pretend to have the final answers to all tithing questions. The objective of this study has been to enunciate principles and guidelines which under the blessing of the Holy Spirit can be of assistance to members in determining what is tithable income.

The committee wishes to emphasize that the "Tithing Guidelines" are not intended as dogmatic, hard and fast regulations regarding the matter of computing tithe that are intended to be binding on church members in the future. Instead, they are counsel-guidelines and represent the consensus opinion of a group of church administrators, pastors and laypersons (as well as the opinion of many of the persons who responded to the questionnaire). They have spent many hours struggling with the complex and difficult tithe questions and issues that most of our church members have to face these days in their stewardship relationship with God.

The committee has tried to develop guidelines regarding the main types of personal income that members may receive during their lifetime. The comprehensive nature of the guidelines may cause some persons to judge them as being "picky" or legalistic. However, that was certainly not the intent. Questions are being asked regarding all of the types of income and issues that have been addressed.

All tithing decisions should be personal decisions that are made after much serious thought and prayer. It is the hope of the committee that this material will stimulate the thinking of all church members and lead to a fuller and more uniform understanding of the responsibilities and privileges of Christian stewardship.

Incorporated into the Guidelines are Notes which provide additional explanatory material on most of the Guidelines. It is hoped that these Notes will contribute to a fuller understanding of the concepts expressed in the Guidelines.

1. TITHE.

Tithe is 10% of personal income, which is defined in III-A.

Notes: These guidelines are based on the premise that tithe should be calculated on the total "personal income" instead of one's "increase." Some might feel that it is more appropriate to use the Biblical "increase" instead of the term, "personal income." The decision to use "income" is based on a careful study of the meaning of the word "increase" as used in Scripture. For example: "Thou shalt truly tithe all the increase of thy seed, that the field bringeth forth year by year." Deut. 14:22, 28 KJV. Other, more modern translators, clarify what was meant by "increase":

** .. all the yield of your seed." RSV*

** .. all of your crop." NEB*

** .. of all that your fields produce." TEV*

Under the simple agrarian culture of Israel, the tithe was computed on the gross yield of seed or herd. There were apparently no business expenses perceived or considered. Labor was communal and oxen powered the handcrafted plows and harrows. These were not quantified in terms of money.

Today's society, however, presents the farmer, the business and professional person with a complex array of production, overhead and other business expenses which must be considered in determining the tithable portion of the fruits of one's labors. It therefore seemed best to use the more contemporary "personal income" for this purpose. Ellen White used "increase" but more commonly "income" in her statements regarding tithe.

Examples: "Let each regularly examine his income." R&H, May 9, 1893. "A tithe of all our income is the Lord's." R&H Supplement, Dec. 1, 1896. An early action of the General Conference Committee also supports the use of the word "income."

"Resolved, That we believe it to be the duty of all our brethren and sisters. . .to devote one-tenth of all their income from whatever source, to the cause of God." Minutes of the Special Session of the General Conference, Published in the R&H, April 6, 1876, p. 108.

2. RETURNING THE TITHE.

A. WHEN TO RETURN—Tithe should be returned as first fruits when the personal income is received. In cases where the actual income is determined only at the end of an accounting period, although it has been received on a continuing basis, tithe should be returned systematically based on projections and adjusted at the end of the period.

Notes: The Bible and the Spirit of Prophecy emphasize the importance of returning the tithe to God on a timely and systematic basis: "Honor the Lord with thy substance and with the firstfruits of all thine increase." Prov. 3:9. "Of all our income we should make the first appropriation to God." 4T 474. "We are not to consecrate to Him what remains of our income after all our real or imaginary wants are satisfied; but before any portion is consumed we should set apart that which God has specified as His." CS 71.

Even if a member does "set apart" the tithe as his income is received but does not bring it to the "storehouse" at regular intervals, he goes counter to inspired instruction and exposes himself to the temptation to borrow the tithe for personal use. "The Lord calls for His tithe to be given in to His treasury, strictly, honestly and faithfully, let this portion be returned to Him." Ibid 82. "That which has been set apart according to the Scriptures as belonging to the Lord, constitutes the revenue of the gospel, and is no longer ours. It is no better than sacrilege for a man to take from God's treasury in order to serve himself or to serve others." 9T 246, 247.

Some may have good intentions of eventually returning the tithe, but choose to do so at a more convenient time—perhaps at the end of the year. Such persons are not only putting their own needs ahead of the claims of God but run the risk of getting so far behind in their obligations to God that it may be very difficult for them to ever catch up.

"There are men whom God has blessed, whom He is testing to see what response they will make to His benefits. They have withheld their tithes and offerings until their debt to the Lord God of Hosts has become so great that they grow pale at the thought of rendering to the Lord His own,—a just tithe. Make haste, brethren, you have now the opportunity to be honest with God; delay not." CS 97.

B. WHERE TO RETURN—The tithe is the Lord's and should be brought to the "storehouse" (conference treasury) through the church, in which the person's membership is held, as an act of worship. Where unusual circumstances exist, church members should consult with the officers of their local conference.

Notes: The Biblical admonition is: "Bring ye all the tithes into the storehouse that there may be meat in Mine house." Mal. 3:10.

The following statement appears in the Church Manual (1990 edition): "The tithe is the Lord's and is to be brought, as an act of worship, to the conference/mission treasury through the church in which the person's membership is held. Where unusual circumstances exist, church members should consult with the officers of their conference/mission." p. 133. Returning the tithe to one's local church sets in motion the denomination's plan for sharing in a fair and equitable way these financial resources with the world church.

In recognition of the Bible plan and the solemn obligation that rests upon church members as children of God and members of His body, the church, all are encouraged to return a faithful tithe (one tenth of their increase or personal income) into the denomination's treasury.

The tithe is not used or disbursed by the local church but is remitted to the conference treasurer. Thus the tithe from all the churches flows into the local conference treasury, which in turn remits one tenth of its total tithe income to the union. The union in turn forwards to the General Conference, or its divisions, one tenth of its total tithe income. Thus the local conference, the union, and the General Conference are provided with funds with which to support the workers employed and to meet the expense of conducting the work of God in their respective spheres of responsibility and activity.

In addition to remitting to the union 10 percent of their tithe income, local conferences/missions also remit through the union to the General Conference, or its divisions, an additional percentage of their tithe as determined by the General Conference Committee or division committee for the financing of the church's program.

These policies have been developed for the gathering and disbursing of funds in all the world and for the conducting of the business affairs of the cause. The financial and business aspect of the work are of great importance. They cannot be separated from the proclamation of the message of salvation; they are indeed an integral part of it.

God has designated a plan which if followed will provide abundant support for His church. The tithe is to be presented to God as an experience of worship. When each member fulfills his obligation the church will have ample funds with which to carry out its mission—in the local church, the conference, the union and the world field.

The tithe plan is weakened and disrupted when the individual member decides to direct his tithe to organizations or projects of his own choice. The person to whom they might give it may indeed be needy and the project may be worthy, but the fact remains that this is not God's plan. When this practice is followed, is the person really returning the tithe to God? God claims the tithe as His: "All the tithe of the land, whether of the seed of the land, or the fruit of the tree is the Lord's: it is holy unto the Lord." Leviticus 27:30.

"The portion that God has reserved for Himself is not to be diverted to any other purpose than that which He has specified. Let none feel at liberty to retain the tithe to use according to their own judgment. They are not to use it for themselves in an emergency, nor to apply it as they see fit, even in what they may regard as the Lord's work." 9T 247.

"A very plain, definite message has been given to me for our people. I am bidden to tell them that they are making a mistake in applying the tithe to various objects which, though good in themselves, are not the object to which the Lord has said the tithe should be applied. Those who are making this use of the tithe are departing from the Lord's arrangement." Ibid. 248.

For personal reasons some members may prefer to send a portion of their tithe directly to their local conference. Such arrangements should be made with the conference treasurer.

Bringing the tithe to the storehouse—the treasury of the church (the local conference through the local church)—provides for the equitable and sustained financial support of the worldwide program of the Seventh-day Adventist Church and is a major contributing factor to the worldwide unity of the church.

3. PERSONAL INCOME.

A. DEFINITION—Personal income is salary, hourly wages, tips, commissions, allowances, benefits, individual profits from a business or professional operation, investment income, pension benefits and inheritances, to name only a few. In some cases gifts and services should be included. (Succeeding Guidelines provide additional information regarding these components of personal income).

B. GROSS INCOME—Tithe should be computed on the gross amount of a wage or salary earner's income before legally required or other employee authorized deductions. This includes federal and state income taxes which provide for services and other benefits of responsible citizenship. Contributions to Social Security may be subtracted—See Guideline III-F.

Notes: Through the years the Seventh-day Adventist Church has taken the position that members should return tithe on their gross personal income before deductions for Social Security, federal and state income tax, etc.

Back in 1879, writing in The Review and Herald, James White made the following comment: "Does the word income mean the gross income of all that comes into one's hand. . . or does it mean net income? ". . . After carefully reviewing the subject from all points, we answer, A tithe of all our income. This does not mean a tenth of our annual increase of property after the cost of food and clothing, and other expenses are paid, but that nine parts of our income are to meet all these expenses, while a tenth of our income is the Lord's." July 31, 1879.

The General Conference Committee studied this matter at the 1943 Annual Council and the following recommendation was approved: "We advise all our believers that according to our best knowledge we should adhere to the principle under which this denomination has carried forward its work from the early days, and not permit income tax or any other expense from the salary to affect that portion reserved by God for Himself. This would mean the paying of the tithe on the full salary and earnings before any deduction and payment has been made by way of income taxes."

In an article entitled, "Should the Total Salary be Tithed?", Elder O A Troy Sr., clearly expressed the position of the church in these words:

"Israel gave the tithe of their increase—whether from the herd or from the field. If the herd increased by ten head of cattle, the tenth animal belonged to the Lord. It was His without any deductions being made. If the income from the field was one hundred bushels, ten bushels belonged to the Lord. This was given to the Lord without any deduction of any kind. (Leviticus 27:30).

"As Seventh-day Adventists, we have followed this principle in respect to tithing our salaries. Whenever we have received our salaries—daily, weekly, or monthly—we have set aside the tithe as the Lord's, and have taken it to the storehouse of the Lord, the church. From the remaining nine-tenths we have paid our house rent or

payments, food, clothing, taxes, et cetera. That has been our time-honored practice.

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"In recent years, however, as a convenience and as an aid to accuracy, our government has arranged to deduct its tax at the source of our salary. While one may not have as much money in his hand at the end of the week or month, this method does not change the actual amount of salary the individual earns. Essentially his income is the same whether taxes are taken out at the source of the income or paid at a later time.

"In this connection it is well to note that the government computes the tax to be paid on the basic salary of the wage earner. And although Social Security and other deductions may be made by the employer, the government calculates its percentage on the original base salary. As stewards of God, can we be less faithful in our financial relationship with God than we are with the government? God's admonition to us is, "Honour the Lord with thy substance, and with the firstfruits of all thine increase." So as stewards of the Lord's possessions, we should take out all His portion as soon as it comes into our hands." R&H, Feb. 7, 1957.

Certain taxes, such as federal, state and county income tax, are withheld from the salary of wage earners. Other taxes, such as sales, property, and auto, are paid directly by the individual. Even though we do not always approve of the way government at various levels spends tax revenues, we do receive many helpful services from them. These taxes have practically first call on our income and constitute a significant part of our living expenses.

C. BUSINESS & PROFESSIONAL PROFITS—In

determining personal income from businesses or professions, accepted accounting procedures applied in a consistent manner from year to year should be followed. The net profit of a personal or closely held corporation used by a profession or business is also personal income.

D. ALLOWANCES AND BENEFITS—Allowances and

benefits generally fall into two areas: Those provided for the purpose of increasing income and those provided to carry out job requirements. Allowances and benefits are personal income to the extent that they are not offset by actual job-related expenses.

Notes: *In addition to hourly wages or a salary, most organizations provide allowances and benefits to their employees. Most of these allowances and benefits are for the personal benefit of the employee and constitute another form of remuneration. Some allowances, however, are provided to cover the expense of carrying out job assignments.*

Some job-related allowances are provided as a flat monthly amount. These do not constitute personal income except to the extent that the allowance exceeds the job-related expenses. Example: An employee receives a travel allowance of \$300 per month. His expenses during a certain month amount to \$250. During that month he would realize personal income of \$50 on the travel allowance.

Many organizations, including the Seventh-day Adventist Church, reimburse their employees for the additional expense that they incur because they use their personal automobiles in their employment. Such compensation, if based on the actual miles driven, does not constitute personal income. Reimbursement for other job-related expenses, such as motel and airplane tickets, does not constitute personal income.

E. NON-CASH BENEFITS—Benefits received, such as employer-provided free housing and the personal use of an automobile, constitute personal income to the extent a reasonable value is determined. Other benefits, such as employer contributions to Social Security and the company's pension plan, payments to Worker's Compensation, and unemployment insurance, do not constitute personal income until benefits are received from these provisions.

F. RETIREMENT PROGRAMS—Payments by individuals or amounts withheld from wages for retirement programs, such as Individual Retirement Accounts, Tax Sheltered Annuities, or other retirement plans, including Social Security, does not reduce personal income. When one begins to receive benefits from such retirement plans, an amount equal to the personal contributions can be subtracted before one begins to return tithe on the benefits received. An exception may be necessary for Social Security, as no record is maintained of the accumulated amount withheld or paid by individuals over the years.

Notes: It is recognized that it is a difficult task to keep records or to obtain information regarding contributions to Social Security over a period of up to 40 years or more. Because of this difficulty many members tithe the full amount of remuneration before deducting payments made for Social Security coverage, and upon receiving Social Security benefits have tithed the total amount of the retirement benefits received. Members may consider two other options as listed:

1. Return tithe on the amount of remuneration in full before deducting payments made for Social Security coverage, and upon receiving Social Security benefits begin to tithe the benefits after the total amount of payments made for Social Security coverage tithed in previous years has been recovered.

2. Return tithe on the amount of remuneration after deduction of payments made for Social Security coverage, and upon receiving Social Security benefits begin to tithe the benefits immediately on the total amount of the retirement benefits received.

In relating to Social Security, members should keep in mind that Social Security is not only a retirement plan but also includes the following income components: Disability benefits and widow and dependent children benefits.

G. INSURANCE BENEFITS—There are two basic types of insurance policies available to individuals: 1. Those that provide protection against potential catastrophic losses or expenses, and 2. Those that safeguard future income. Payments received from the first type would not be personal income unless they exceed actual losses and expenses, provided the premium has been paid from tithed income. Payments received from the second type would be personal income when they exceed the accumulated premiums that have been personally paid from tithed income.

Notes: Members are often perplexed to know how to relate to the many different types of insurance coverages that they participate in—some of which are provided as benefits by their employer and others that they pay for themselves. It is hoped that the guidelines that involve various types of insurance will be of help to members in making tithe decisions regarding the payments they receive from insurance policies.

One basic type of insurance provides protection against potential major catastrophic losses or expenses. Examples of this type would be, health care, fire insurance on one's home, auto collision and liability, etc. The recommendation is that the premiums for this type of insurance be paid from tithed income. On this basis, payments received from any of these coverages would not constitute personal income unless they exceed actual losses and expenses.

Another basic type of insurance safeguards future income. Examples of this type would be, Worker's Compensation, life, accident, unemployment and disability insurance. The recommendation is that insurance provisions of this kind that are provided by the employer do not constitute personal income until such time as benefits are received from these provisions. If a person participates in the cost or pays the full premium for any of these coverages, the recommendation is that payments received would constitute personal income when they exceed the premiums that have been personally paid from tithed income.

H. HEALTH CARE ASSISTANCE—Employer paid health care insurance premiums and/or assistance should be considered personal income. In cases where health care expenses are covered by the employer on a self-insured basis, the employee may choose to return tithe on the estimated premium that would be necessary to provide such coverage.

Notes: If an employer provides health care insurance to cover hospitalization and other major medical expenses and grants direct assistance on other health care expenses, such as outpatient services that the employee has incurred on a self-insured basis, the recommendation is that the member consider as personal income the premium for the health care insurance and also tithe the employer-provided assistance.

In situations where the employer provides all health care assistance on a self-insured basis, the member may choose to tithe the estimated cost of the premium that would be required to cover such major medical expenses. On either basis, the payments for major medical expenses that usually would be made to the hospital by an insurance company would not constitute personal income.

Example: An employer provides hospitalization coverage through an insurance company. The monthly premium to cover the member and his family is \$150. The member returns tithe on the \$150. Last year the member had heart surgery. The total expense was \$25,000 and was paid by the insurance company. The member would not be obligated to tithe the \$25,000 payment as he was in effect tithing the cost of the insurance that purchased the protection.

During the same year the member was assisted to the extent of \$2,200 for dental care and other miscellaneous outpatient services. He would pay tithe on this direct assistance.

In situations where an employer provides hospitalization and other major medical expense protection on a self-insured basis, the principle would be the same. In either type of situation information may be available from the employer regarding the premium expense if the coverage is through an insurance company or an estimate if the coverage is provided on a self-insurance basis.

Perhaps many members have not looked upon employer-provided health care insurance or health care expense assistance as personal income. However, it is a major benefit that self-employed persons have to pay themselves. It is assumed that most members are paying their share of health care insurance premiums or expenses from tithed income. It seems logical that the full amount of such benefits be considered personal income.

I. EDUCATIONAL SCHOLARSHIPS—Employer-provided tuition assistance for an employee's children is personal income to the employee. Cash educational scholarships to assist with living expense is personal income to the recipient. Employer reimbursement for an employee's educational expense that is not related to the employee's current work constitutes personal income. Such reimbursement that is related to the employer's current work would not be personal income.

Notes: Employer provided tuition assistance for an employee's children is a personal benefit to the employee whether it is reported to IRS as taxable income or not. The same is true of other tax free benefits such as health care expense assistance. Employees who receive tuition assistance pay the balance of their children's educational expenses from tithed income and members who do not receive any tuition assistance pay all of their children's educational expenses from tithed income. In cases where the tuition assistance is granted once a quarter or semester, employees may choose to tithe a portion of the assistance each month.

There are two types of employee reimbursement for employee's educational expense: 1) Where the employee decides the courses he is going to take with no requirement by the employer that the course(s) be related to the employee's current work assignment, such assistance constitutes personal income to the employee. 2) When the employer encourages the employee to upgrade his/her qualifications and specifies courses that are related to the present work assignment, such assistance may result in a mutual benefit, but the primary objective is to benefit the employer. If the further training results in enhanced remuneration, the employee will recognize that benefit by tithing the additional remuneration received.

J. INVESTMENTS—Income from investments received on a recurring basis, such as net income on rental properties, interest and dividends, should be considered personal income when received. The gain from investments such as stocks and property through appreciation which extends over a period of time would not normally be considered personal income until the investment is disposed of and the gain is received.

K. APPRECIATED PROPERTY—The gain on the sale of appreciated property is normally recognized as personal income. A person who is required to move or for personal reasons decides to move and realizes a gain on the sale of the personal home, may choose to tithe the gain. If the total equity is used to purchase a similar home in the new location, the person may choose to defer tithing the gain. If the person does not reinvest the total equity, the difference would be personal income.

Individuals/families are encouraged to make provision for the tithing of appreciated equity at an appropriate time, perhaps in an estate plan.

Notes: During recent years the value of residential properties has appreciated significantly. However, this appreciation, which has been generated by inflation and/or other factors, has not increased the usefulness of a personal residence to the owner. Many members have lived in the same home for many years.

On the other hand, other church members have moved one or more times during recent years. Many of these persons have been perplexed to know whether they should return tithe on the gain on the sale of their home, even though they had to immediately reinvest the proceeds from the sale in a similar home in the new location.

The position has been taken that the person who is required to move by his employer, or who for personal reasons decides that he needs to move, may not have anymore obligation to tithe equity appreciation on a personal residence than the person who continues living in a residence that has appreciated in value.

However, the responses from the questionnaires indicate that there are two schools of thought on this matter. Some feel that if a gain is realized at the time of a sale, it should be tithed at that time even though the gain is reinvested in another residence. Each person will have to make his own decision in this matter.

L. INHERITANCES—Inheritances received in cash are personal income. The current value of inherited property or other assets constitute personal income at the time they are received. In some cases, such as the inheritance of land, it may not be possible for the person to return the tithe until a portion is converted to cash.

M. WELFARE, DONATIONS & GRANTS—The ideal would be for all members to be in a position to return tithe on their total personal income regardless of the source or their personal situation. However, those who are receiving government welfare or charity assistance, Those who are receiving assistance from relatives or friends, or those who are receiving government educational grants, may only be able to return tithe on the portion of their income over which they have discretionary control.

SUGGESTED ANSWERS TO TITHING QUESTIONS

1. Government Criteria - For tithe purposes, should an individual follow government criteria in determining what is income?

Answer: Not necessarily. Governments may classify some allowances as nontaxable benefits. However, some of these allowances do benefit a person/family in a monetary way and thereby constitute a portion of personal income.

2. Adjusted Gross Income - is adjusted gross income for tax purposes the same as personal income for tithe purposes?

Answer: Not always. There are some types of income that can be excluded for tax purposes but which are still personal income to the individual.

3. Non-Adventist Spouses - How should members who have non-Adventist spouses relate to tithe?

Answer: Income received by a member spouse from a non-member spouse should be tithed if possible.

4. Nursing Home Care - What is the tithe responsibility of persons whose nursing home care is being subsidized by government agencies and who only receive a small stipend for use at their discretion?

Answer: They would return tithe on the stipend only. (See Guideline III-H)

5. Denominational Employees - Should denominational employees return tithe on their full monthly remuneration?

Answer: Yes. Denominational remuneration includes allowances that are personal income, except to the extent that they are offset by actual job-related expenses.

6. Church Offices - Has the church altered its stand on faithful tithing as a requirement for holding church office?

Answer: No. "Conference workers and church elders and other officers and institutional leaders are to recognize that as a principle of leadership in God's work, that a good example is to be set in the matter of returning tithe. No one shall be continued as either a church officer or conference worker who does not conform to this standard of leadership." (Church Manual, p. 133)