

**The Presbytery of the Pines
Congregational and Pastoral Care Committee
Compensation – last update 2019**

I. Minimum Terms of Call for full-time called Ministers of Word and Sacrament

The Presbytery of the Pines has established the following minimum terms for called and installed Ministers of Word and Sacrament. If churches are concerned about meeting these minimums, please contact the presbytery office.

A. EFFECTIVE SALARY/PENSION BASE	\$44,000
B. PENSION/ MEDICAL	\$16,280
C. TRAVEL/CONT. EDUCATION/PROF EXP	\$3,300
D. VACATION LEAVE WITH PAY	Four Weeks
E. CONTINUING EDUCATION LEAVE	Two Weeks
F. SOCIAL SECURITY OFFSET	\$3,300
TOTAL COST TO CHURCH	\$66,946

ELEMENTS OF THE CALL:

A. EFFECTIVE SALARY/PENSION BASE

1. Effective Salary/Pension Base includes cash salary plus housing and utilities. Housing is either the fair rental value of the manse as determined by a real estate appraisal or a housing allowance negotiated between the pastor and the congregation. In no case shall the housing allowance be less than 30% of the cash salary. In order to permit flexibility, no minima are suggested for utilities or other benefits, but the total must meet or exceed a total effective salary/pension base of \$44,000.
2. **A minister living in a manse shall have a minimum cash salary of \$30,800 PLUS FULL UTILITIES.** Utilities are defined as heat, light, gas, water, basic internet and telephone service.
3. Other financial benefits in the name of the pastor may be added and may or may not be included in pension calculations. Deferred compensation held in the name of the church need not be included in pension computations.

RECOMMENDATION FROM COMMITTEE ON MINISTRY:

1. Pastors who have worked within a given church for a period of ten (10) years should be considered eligible for a 5% increase over and above any agreed upon increase for salary. (5 yrs. of continuous service = 2.5%)
 2. Sessions and congregations should consider an increase in allowances as a means to increase effective salary. Congregations are also encouraged to explore the feasibility of such plans as the Flexible Spending Plan to assist in payments of medical deductibles, medical co-payments, childcare and/or elder care.
- NOTE: Pastors serving as Interims shall be compensated at a level of within 10% of the previous pastor's cash salary, provided the years in ministry and experience as an Interim are comparable.**

B. PENSION/ MEDICAL

1. The Board of Pensions has stated the minimum participation levels for 2019 to be \$44,000.
2. To compute BOP Dues, use the Dues Calculator at the Board of Pensions website, www.pensions.org.

C. TRAVEL / CONTINUING EDUCATION / PROFESSIONAL REIMBURSEMENT

1. The Travel/Continuing Education/Professional Reimbursement covers professional expenses paid by the church. Churches should adopt an *Accountable Reimbursement Plan* whereby clergy are reimbursed for properly documented professional expenses. An *Accountable Reimbursement Plan* describes a plan that reimburses an employee for the employee's expenses of carrying out duties benefiting the employer. Such a plan must be administered by the church and will require record keeping by the pastor, use of vouchers supported by receipts and contemporaneous records, and following applicable Federal rules of reimbursement for expenses. Professional travel is reimbursed and documented in the same manner. They should be part of a reimbursement policy.
2. The auto use reimbursement may be actual expenses or the IRS mileage rate. The IRS allowance for business use of personal vehicle in 2020 is 57.5 cents per mile. If the IRS business mileage rate is used, we suggest that the agreement not include the specific rate, as the IRS often changes the rate more than once in a particular year.
3. Travel expenses not reimbursed by the church may be claimed as an income tax deduction.
4. Continuing Education Leave Allowance is an Accountable Reimbursement item and includes the extra costs incurred for Continuing Education such as tuition, materials, travel and lodging.
5. Continuing Education Leave Allowance (time and funds) may be accumulated up to three years, with Session approval.

D. VACATION LEAVE WITH PAY

1. Four weeks vacation consists of twenty-eight (28) days including four (4) Sundays.

E. CONTINUING EDUCATION LEAVE

1. Two weeks Continuing Education Leave consists of fourteen (14) days including two (2) Sundays.
2. Continuing Education Leave may be accumulated up to three years, with Session approval.
3. Time absent for Continuing Education Leave is paid as part of salary and does not extend or augment a call.

Sabbatical leave is to be viewed as separate from regular vacation time, but in a given year may be combined with continuing education leave. During the sabbatical leave, the Pastor might not receive travel or continuing education reimbursement. (See Presbytery of the Pines *Guidelines for Sabbatical Leave*).

G. SOCIAL SECURITY OFFSET

Social Security Offset is intended to compensate pastors for the additional tax collected from them because they pay the self-employment tax which is calculated at 7.65% of item A, (\$3,300 for 2019), is fully taxable, and is not included in the Effective Salary. Clergy are considered self-employed by the Social Security Administration and are required to pay 15.3% of their salary. The Social Security Offset allowance alleviates this considerable tax burden. Social Security Offset allowance is not part of the calculation for pension/medical purposes.

H. MOVING COSTS

The presbytery has historically included full moving costs onto the field as part of the required basic terms of call for any arriving Minister of Word and Sacrament. As a part of the Tax Relief Bill of 2017, such moving costs are now considered income and therefore fully taxable to the minister.