

THE PRESBYTERY OF SOUTHERN NEW ENGLAND  
Standards for Ministerial Compensation for 2012

**INTRODUCTION**

The Committee on Ministry of the Presbytery of Southern New England (COM) is charged with the responsibility of reviewing the terms of call and changes in terms of call for the pastors of the churches in the presbytery. Certified Christian Educators and Certified Associate Christian Educators also have access to COM in matters of compensation and benefits. Providing guidance in the exercise of that responsibility, the Presbytery has approved the following minimum compensation standards for use by COM in these reviews [G-2.0804, G-2.1103b, G-3.0303c].

The purpose of these minimum compensation standards is to specify the terms required for:

- An installed pastoral relationship such as Pastor, Associate Pastor, or Co-Pastor [G-2.0504a]. In approving the terms of such a call, the congregation promises the following: *“so that you may be free to devote yourself full time (part time) to the ministry of Word and Sacrament among us, we promise and obligate ourselves to pay the following: annual salary, manse/housing allowance, utilities allowance, automobile, continuing education, and books, personal business, and other expenses, moving costs, and vacation and continuing education time...”* [1988 The Book of Order 14.0506]
- A temporary pastoral relationship, approved by the presbytery and obtained by the session [G-2.0504 b]. In approving such compensation, the session is acting in lieu of but in the spirit of the congregation and is, therefore, subject to the same promises and obligations.
- Certified Christian Educators and Certified Associate Christian Educators called to service [G-2.1103 b].
- It is expected that the terms for Presbyterian pastors serving in churches of other denominations will meet these standards.

The guiding principles of these minimum compensation standards are:

- Grounded in Scripture: for “the laborer deserves to be paid.” (Luke 10:7); and “in the same way, the Lord commanded that those who proclaim the Gospel should get their living by the gospel.” (I Corinthians 9:14)
- Informed by our Constitution: for the integrity of each pastor’s call [G-2.0504]; the accountability of each Minister to Presbytery [G-2.0501]; and the diversity of responsibilities that reside in the pastoral office and may be designated in a variety of ways according to the needs of the congregation/presbytery [G-2.0501].

The elements of these minimum compensation standards represent the best judgment of the Presbytery. The compensation package of each pastor must be:

- A fair living wage that is linked to a statistical compilation of wages and economic conditions for the locale of the congregation.
- Equitable among pastors (teaching elders), enabling each to work with mutual respect for each other and for other employees in a multiple-staff church.
- A clear witness to social justice regarding the pastor’s compensation, without regard to gender, ethnic background or family/individual situations.
- Adequate and fair, including the option for one to live in the locale of the calling congregation and in consideration of the circumstances of the particular church identified in the elements listed below.
- Reviewed annually for the adequacy of his/her compensation in light of current economic conditions.

The elements of actual pastoral calls will be appropriately shaped by the particular realities of local churches, such as

- The responsibilities of the particular pastoral office
- Financial resources of the congregation
- Standards of living in the locale of the congregation
- Skills, education and experience of the Pastor

**NOTE: Compensation for pastors (teaching elders) serving part-time in a permanent pastoral office are to conform to the spirit and intent of these standards.**

#### **GENERAL PROVISIONS**

- A. All calls shall be in writing and shall include all agreements between the pastors and the congregations. They shall be approved by the congregations and then recommended for approval by the Presbytery through the Committee on Ministry.
- B. Annual meetings with the pastor(s) and the Session or their personnel committee(s) shall review the adequacy of each element of the calls and modify these as may be advisable, following proper procedures for such changes as indicated in A above.
- C. Congregations are to comply with Equal Employment Opportunity provisions and are to adhere to fair employment practices without regard to race, ethnic origin, gender, age, disability, marital status or sexual orientation.
- D. Local churches may for good and valid reasons petition the Presbytery through the Committee on Ministry to approve calls that do not conform to these minimum Standards. When doing so they shall either submit a plan that brings them into compliance within three years or request an exception to the policy by documenting the particular circumstances that prevent compliance. Such exceptions must be included in the written call, and the Presbytery may specify conditions for continuing to grant the exceptions.
- E. Compensation for clergy involves unusual income tax considerations. Sessions or their personnel committees should not attempt to give advice pertaining to income tax matters but should suggest that the pastors seek qualified tax advisors.
- F. These standards supersede those previously approved by Presbytery. They may be revised in accordance with Section 8.03A of the By-laws of the Presbytery of Southern New England.
- G. **Effective January 1, 2012**, the compensation for new or continuing pastors are to comply with these minimum standards.

**PRESBYTERY OF SOUTHERN NEW ENGLAND  
MINIMUM COMPENSATION CALCULATION  
AND REPORTING**

The compensations are to consist of the following:

Note that the numbers of these items correspond to the numbered lines on the report form and to the lines in the form ENR-111 used by the Board of Pensions for reporting changes.

1. *Annual Cash Salary*: Include all annual cash salary. Also include employee contributions to 403(b)(9) plans, tax-sheltered annuity plans, salary reduction contributions to flexible health spending accounts, and cafeteria plans.
2. *Housing Allowance*: Include all housing, utility, and furnishing allowances. If a manse is not provided, the congregation must submit to the Committee on Ministry at the time of call two written estimates of the value of either the annual rental equivalent of a 2-bedroom apartment or the annual payment of a 30-year mortgage equivalent of a 2-bedroom house in the locale of the church. The minimum housing compensation will be the justified average between the two submitted estimates, plus utilities. (Utilities are defined as oil/electric/gas, water, and basic telephone service.) This value is to be established by two qualified persons active in local real estate work at the time a new pastor is called and evaluated at least every five years thereafter.
3. *Optional Deferred Compensation*: Employing organization contributions to 403(b)(9) plans, tax-sheltered annuity plans and equity allowances (Effective 1/1/08, matching contributions to the Board's Retirement Savings Plan should not be included.)
4. *Bonus*: Indicate year this optional amount will be paid. Include bonuses, unvouchered professional expense allowances, gifts from employing organizations, and manse equity allowances (unless contributed to a qualified deferred compensation program). Also include year-end or other bonuses, unvouchered allowances (such as expenses that are not paid through an accountable reimbursement plan), down payment grants for the purchase of a home, savings from interest-free or interest-reduced loans (not loan principal), and gifts paid by the employing organization. (Gifts received directly from private donors or honoraria are NOT included.)
5. *SECA*: Contributions to SECA over 50% of the employee's SECA obligation.
6. *Other allowances*: Include all other forms of compensation not otherwise covered in the fields above, including medical deductible and medical expense reimbursement allowances not paid through a group benefit plan, insurance premiums for additional insurance coverage provided for individual employees (premiums for group plan coverage are not included), and others.
7. *Manse amount*: (must be at least 30% of Lines 1-6 for members residing in a manse). If a manse is provided by the church instead of a housing allowance, it shall be a church-owned manse suitable for the requirements of the pastor's family and maintained in good condition by the congregation. The monetary value for compensation purposes is the fair market rental value but not less than 30% of Lines 1-6. This value is to be established by two qualified persons active in local real estate work at the time a new pastor is called and at least every five years thereafter. The call shall include all commitments by the church regarding repairs and maintenance of the manse and grounds.
8. *Total Effective Salary (as defined by the Board of Pensions, PC USA)* **The minimum total effective salary for the year 2012 is \$48,000.** The figure will be reviewed each year to reflect changes in the cost of living in our area. Determination of the housing component(s) must conform to Internal Revenue Service requirements for reportability and prior agreement.
9. *Benefits Plan Dues*: The call shall include payment of the Board of Pensions' dues for medical, death and disability insurance, and pension benefits. The dues are specified by the Board of Pensions each year as percentages of Effective Salary. The Board of Pensions website provides a dues calculator. Minimum and maximum dues are also specified annually. On [www.pensions.org](http://www.pensions.org) see Treasurers & Administrators > Calculators > Total Effective Salary, or follow this link:  
<http://www.pensions.org/portal/server.pt?open=514&objID=450&mode=2#>

10. *Accountable Reimbursement Plan*

- a. Continuing Education allowance – A reimbursement budget of at least \$1,000 against paid receipts for expenses for books, continuing education, and study leave. This allowance may be accumulated for up to three years.
  - b. Automobile and Professional expenses – Reimbursements for professional expenses including car and travel. Expenses for the use of the pastor’s personal car preferably should be reimbursed at the mileage rate allowed by the IRS for business travel.
  - c. Moving costs where applicable are to be reimbursed against paid invoices or billed directly to the church. Provision for moving costs are to be included in the Call of the pastor.
11. *Self-employment Contribution Act (SECA) Tax Allowance:* A Social Security offset payment of one half of the Pastor’s Self-Employment Tax. The half currently is 7.65% of the sum of Lines 1, 2, & 7 up to that threshold established by the IRS and 1.45% of the amount over that. These amounts are to be changed if and when the tax is changed by the Federal Government.
12. *Group plan for medical deductible, coinsurance, and dental premiums:* These plans are optional. Payments for individual coverage should be reported on line six.

**OTHER:**

*Number of Paid Holidays:* Paid holidays as customary in the area in which the church is located.

*Weeks of Annual Vacation:* Four full weeks of vacation annually, and five weeks after ten years of continuous service in a congregation. The church is to provide coverage for all pastoral functions in the pastor’s absence, including but not limited to the conduct of worship services.

*Weeks of Annual Study Leave:* Two weeks annually of paid study leave. Unused portions may accumulate to not more than six weeks. The study leave shall be approved by the Session as far in advance as possible and normally should not immediately precede, follow, or be mixed with vacation time. As with vacation, the church is to provide coverage for all pastoral functions in the pastor’s absence.

*Working Time Units/Weeks:* One Unit is a Morning, an Afternoon or an Evening. Thirteen (13) units is considered full-time. It is expected that the minister will have one full day off each week without any responsibility associated with church work.

*Early Ministry Institute:* Ministers in their first parish ministry in the Presbytery of Southern New England are required to participate in the Early Ministry Institute of the Synod of the Northeast. The church promises to provide appropriate time off for participation in this program.

**Approved by the Presbytery of Southern New England on November 12, 2011 to become effective January 1, 2012.**