



THE PRESBYTERY OF SOUTHERN NEW ENGLAND
Standards for Ministerial Compensation for 2008

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. In exercising that responsibility The Presbytery has approved the following minimum compensation standards for use by COM in these reviews.

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

- ◆ A pastoral call by the vote of the Congregation to a permanent pastoral relationship as Pastor, Associate Pastor, or Co-Pastor. 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 continue education time...”* (The Book of Order 14.0506(b))
- ◆ A pastoral call by the vote of a Session to a temporary pastoral relationship as Stated Supply, Interim Pastor, Interim Co-Pastor, Interim Associate Pastor, or Organizing Pastor (G-12.0513). 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 to its Ministers of Word and Sacrament.
- ◆ A pastoral call by vote of the Presbytery’s Committee on Ministry to designated pastoral relationship as Pastor or Co-Pastor (G-14.0502(g)). In approving such compensation, the Committee on Ministry acts in lieu of but in the spirit of the congregation’s Pastor Nominating Committee and is, therefore, subject to the promises and obligations to its Ministers of Word and Sacrament.

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 by the Congregation *“to perform a special ministry of the Word and Sacrament”* (G-6.0201); the accountability of each Minister to Presbytery (G-6.0201); the equality of each Pastor holding one of the *“permanent pastoral offices of minister of the Word and Sacrament; pastor, Associate Pastor, and Co-Pastor”* (G-6.0202); 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-6.0202)

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 Ministers, enabling each to work with mutual respect among of Ministers of Word and Sacrament and lay 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 Ministers serving part-time in a permanent pastoral office are to conform to the spirit and intent of these standards.

Minimum Starting Compensation

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 used by the Board of Pensions for reporting purposes. Please also note that there is a difference in how the Presbytery and the Board of Pensions handles the Medical Deductible for purposes of computing the Effective Salary.

1. *Annual Cash Salary*: A minimum annual cash salary of \$34,500. Some of this may be paid in the form of deferred compensation. (The figure will be revised each year to reflect changes in the cost of living in our area.)
2. *Housing Allowance*: 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, and includes 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. *Deferred Compensation*: It is optional for the call package to include such items as tax-sheltered annuities, 403(b) plans, Keogh and Retirement Savings plans.
4. *Other allowances*: Any non-vouchered allowance should be included in this line. Any of these allowances are optional. These could include items like: insurance premiums for additional insurance or individual employees (premiums for group insurance are not included) or contributions to SECA over 50% of the employee's SECA obligation.

5. *Manse amount:* 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 Line 1. 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.
6. *Total Effective Salary*

Effective salary is defined by the Board of Pensions. However, the definition involves some ambiguities pertaining to the reimbursements of deductibles and co-payments of medical expenses, the amounts of which cannot be known at the time the Effective Salary is determined. Therefore, the Presbytery of Southern New England includes in Effective Salary the following:

 - ◆ The cash salary including deferred compensation
 - ◆ The Housing Allowance or the Manse rental equivalent
 - ◆ Payments for Social Security in excess of the 50% offset
 - ◆ All allowances for items not reimbursed against paid receipts such as utilities, cars and travel, etc.
 - ◆ Premiums paid by the congregation for optional insurance such as dental, life, and other.
7. *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. Minimum and Maximum dues are also specified annually.
8. *Accountable Reimbursement Plan*
 - a. Continuing Education allowance – Reimbursements of at least \$1000 against paid receipts for expenses for books, continuing education, and study leave.
 - 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. Medical Deductible (Note: This is not on the Board of Pensions form in this place.) – A vouchered medical deductible (IRS definition of medical deductible) of 2% of Effective Salary.
9. *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, & 5 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.
10. *Group plan for medical deductible, coinsurance, and dental premiums:* These plans are optional.
11. *Other vouchered allowances:* Moving costs where applicable are to be reimbursed against paid invoices or billed directly to the church. The provisions for such moving costs are to be included in the Call of the pastor.
12. *Utility and furnishing allowances:* These are optional. If a manse is provided, the church should be billed directly for the services. If a manse is not provided, utility costs should preferably be reimbursed against paid vouchers.

13. *Bonuses, unvouchered allowances, gifts, etc.* (Gifts from private donors and honoraria are NOT included): Bonuses, etc., are optional but may include end of year and other bonuses and down payment grants for the purchase of a home.

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.

GENERAL PROVISIONS:

- A. In accordance with G14.0506 of The Book of Order, 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 pastors and the Session or their personnel committees shall review the adequacies 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 with 3 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 approved by Presbytery in May 2005. 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, 2008, the compensations for new or continuing pastors are to comply with these minimum standards.

Approved by the Presbytery of Southern New England May 5, 2007 to become effective January 1, 2008.