

SALARY GUIDELINES FOR THE PASTOR/STAFF-PARISH RELATIONS COMMITTEE GUIDELINES AND PROCEDURES

General Policy:

PROCESS FOR APPROVING THE SALARY PACKAGE

The Pastor/Staff-Parish Relations Committee shall:

- Discuss pastoral support provisions with the pastor(s).
- Report its recommendations to the Administrative Board/Council.
- Submit budget items to the Committee on Finance.
- Submit recommendation to the Charge/Church Conference for final action.

Only the Charge/Church Conference has the authority to set pastoral salaries and other pastoral support provisions.

The initiative for recommending the annual salary, benefits and travel package rests with the Pastor/Staff Parish Relations Committee. Annually, prior to the adoption of the budget for the new fiscal year, the Committee is to confer with the pastor(s) about all pastoral support provisions, i.e., Salary, Housing, Continuing Education.

Pastoral support provisions should reflect the many demands the church and the community make upon the pastor and current economic factors. Consideration should be given to the rising cost of preparing to enter and retire from parish ministry. The salary support package should, above all else, reflect appreciation for the quality of the pastoral ministry and leadership provided by the pastor(s). A church is wise which pays the pastor(s) a generous salary and which makes provision for annual salary increases.

Instructions

A. Charge Information:

1. If a single church, enter the name of the church. If a multi-church charge, enter the name of the charge.

B. Pastor Information:

1. Enter the name of the Pastor.
2. Check with pastor about Conference Relationship status (ex. Elder, Local Pastor, etc.)
3. See Pastoral service record in most recent Journal.
4. Minimum Base Salary Required: *The minimum base salary is just that – a bare minimum to be paid to pastors. It is not the standard for setting salaries; it is the line below which salaries shall not go. See table & instructions below.*

2010 MINIMUM SALARY			
Years of Service	Full Members & In-Service Probationers	Associate Members	Full-Time Local Pastors
Less than 3.....	\$35,187	\$33,627	\$32,068
After 3.....	\$35,901	\$34,306	\$32,711
After 6.....	\$36,613	\$34,973	\$33,352
After 9.....	\$37,335	\$35,662	\$33,995
After 12.....	\$38,043	\$36,343	\$34,641
After 15.....	\$38,757	\$37,020	\$35,271
The years of service of a minister are to be computed on TOTAL full-time service in the United Methodist Church or its antecedents			

Part-Time Local Pastors

Compensation of all part-time pastors shall be negotiated by the Pastor/Staff Relations Committee and the District Superintendent.

C. Negotiated Base Compensation & Social Security Offset

1. This is the *negotiated* base salary.
2. Social Security Offset: *In addition to the cash salary paid to each full-time pastor, an amount equal to 1/2 the current Self Employment tax rate – as determined by the IRS – shall be paid by the local church to offset the difference between self-employed and employee Social Security tax rates. All pastors are encouraged to participate in the Social Security Program. This amount is only available for those participating in the Social Security program.*

Formula

$$\begin{array}{r}
 \text{_____} \\
 \times \quad \text{.XXX} \quad (1/2 \text{ of Current Self-Employment Tax Rate or } 7.65\%) \\
 \hline
 = \text{_____} \quad (\text{Soc. Sec. Tax Offset [enter in line C.2 of worksheet]})
 \end{array}$$

3. Sum of Negotiated Base Salary & Social Security Offset

D. Housing

1. A parsonage shall be provided for the appointed pastor and his/her family and furnished according to the standards established by the 1998 Annual Conference.
 - Utilities, which include gas, electricity, TV antenna or initial basic cable installation, water, sewer rental, basic private telephone bill (not personal long distance charges) and equipment, heat, refuse collection, smoke detectors, and CO detectors, shall be furnished by and paid by the local charge. Refer to the Parsonage inspection form for additional Parsonage Guidelines.
2. When a housing allowance is granted in lieu of a parsonage, it shall be done only by the approved conference policy (p. 214, 1980 Conference Journal). It is recommended that the allowance, including utilities, be the greater of 30% of the pastor's negotiated base salary and Social Security Off Set or the reasonable estimated cost of housing determined by Housing Allowance Worksheet.

E. Pension Contribution: Local charge contributions to the pastor's pension are based on negotiated salary, plus Social Security Offset, plus Housing Amount.

1. Calculation of Housing Amount:
 - If a parsonage is provided, multiply line C.3 on worksheet by .25
 - If a housing allowance is provided enter the actual housing allowanceEnter the amount on the Housing Amount line on the worksheet.
2. Calculation of pension will be based on the Defined Benefit amount, plus the 3% Defined Contribution amount as illustrated on the Salary Worksheet.

F. Additional Pastoral Reimbursements

1. **Travel:** Travel provisions shall be made for all full-time pastors and student pastors, and shall be considered as part of the local church/charge budget under administrative expenses. The local church/charge, after consultation with the pastor, shall select one of the following options to insure adequate travel provisions for its pastor while involved in church business.

Option 1: The local church/charge shall rent or purchase a vehicle for the pastor, and shall be responsible for all ownership and operating costs of the vehicle. Ownership costs shall include gasoline, oil, tires, maintenance and repair of the vehicle. It shall be understood that the vehicle is to be available to the pastor at all times, with the cost of personal use being reimbursed at current Internal Revenue Service rates.

Option 2: The local church/charge shall pay its pastor an annual amount of at least \$1,700 for ownership costs, and reimburse the pastor for operating costs at a minimum of 14 cents per mile, both payable at least monthly upon submission of travel vouchers. The \$1,700 will be considered as salary for tax purposes.

Option 3: The local church/charge shall reimburse its pastor for vouchered travel expenses at the IRS rate.

Travel expenses for pastors in less than full-time appointments shall be negotiated between the District Superintendent and the Pastor/Staff Relations Committee

2. **Continuing Education:**

The United Methodist Church has made continuing education mandatory for every pastor. Therefore, continuing education shall be provided for all full-time and part-time pastors under appointment. It shall be accumulative and used only during the current assignment. It shall be payable upon submission of vouchers. It shall be payable at the minimum rate of full-time \$750 per year and part-time \$500 per year.

(See Next Page)

2. **Continuing Education (Cont.)**

		2009 <i>(current year)</i>	2010 <i>(next year)</i>
a.	Amount budgeted but unspent in prior years of the current appointment		DNA
b.	Amount budgeted for 2009 <i>(current year)</i>		DNA
c.	Amount available in 2009 <i>(current year)</i> (Add a and b)		DNA
d.	Less amount expended or planned for expenditure in 2009 <i>(current year)</i>		DNA
e.	Amount unspent from prior year and current year budgets and available for 2010 <i>(next year)</i> (Subtract d from c)	DNA	
f.	Amount budgeted for 2010 <i>(next year)</i> (for minimum see information above)	DNA	
g.	Total budgeted for 2010 <i>(next year)</i> (Add e and f)	DNA	

One of the greatest needs of the pastor is to continue education throughout the years of ministry. Developing skills, learning new techniques, keeping abreast of what's happening in the church – are all necessary to equip pastors for effective ministry. The time spent in continuing Education is not to be considered vacation time.

G. Charge Conference Action Relative to Pastor's Tax Reports

- Each pastor shall report the fair rental value of the parsonage as income for Social Security purposes. The fair rental value shall be negotiated by the pastor and the Pastor/Staff Relations Committee and approved by the Charge Conference.
- Each charge is encouraged to designate, each year, at the Charge Conference, a portion of the pastor's cash salary as parsonage exclusion for use as the pastor sees fit for purchase **of furnishings for the charge-owned parsonage.**

H. Other Considerations

1. Vacation AND TIME AWAY FROM THE PARISH:

- Vacation time shall be granted based on the conference year (July 1 to June 30) and negotiated with the Pastor/Staff Relations Committee.
 - Ⓡ Full-time service: minimum of four weeks vacation, which shall include four Sundays.
 - Ⓡ Less than full-time pastors: minimum of two weeks, which shall include two Sundays, plus two additional Sundays.
 - Ⓡ Student Local Pastor Vacation shall be granted on the following basis: minimum of two weeks, which shall include two Sundays, plus two additional Sundays.
- Pulpit supply during vacation periods shall be arranged by the Committee on Staff Parish Relations and paid for by the local church.
- All Pastor/Staff Relations Committees shall encourage their pastors to take a minimum of one day off per week.
- Some involvement of pastors in ministries beyond the local church is expected as an aspect of our connectional ministry: e.g., evangelistic missions, camping programs, work camps, etc. Such time is not to be considered as vacation. However, the extent of such involvement is to be negotiated by pastors and Pastor/Staff Relations Committee.
- Pastor/Staff Relations Committees are encouraged to pay special attention to the recommendations of the Board of Ordained Ministry on Study Leave, Sabbatical Leaves and Short Term Educational Opportunities found on pages 40-42 of the 2000 Policies, Procedures and Guidelines

H. Other Considerations (Cont.)

- Pulpit Supply:** Ordained pastors supplying a pulpit on a temporary basis shall receive at least:
 - \$50 per day in single church charge.
 - \$60 per day in a two church charge.

- \$25 per church, per day, in a multiple church charge.
- Plus mileage reimbursement in each instance.

3. Health Insurance:

Health Insurance will continue to be paid for all full-time appointments, including clergy couples, at the rate set by the Conference. Each full-time pastor, and any part-time pastors who are currently in the plan, will contribute 3% of their base salary (**See Line C. 1 on worksheet**). This contribution will be a payroll deduction by the local church which will then be used to offset the amount to be paid by the local church.

WORKSHEET

(Send completed copy of this worksheet to your District Superintendent
at least two weeks before Charge Conference.)

RECOMMENDATIONS FOR **2010** PASTORAL COMPENSATION

A.	Charge			
	1.	Name of Charge		
	2.	Staff-Parish Relations Committee Chairperson		
	3.	Address of Chairperson		
	4.	Phone of Chairperson		
B.	Pastor			
	1.	Name of Pastor		
	2.	Conference Relationship		
	3.	Years of Service:		
		a.	Less than full-time	
		b.	Full-time	
4.	Minimum Base Salary Required for 2010 (Section B in instructions)			
C.	Negotiated Base Compensation And Social Security Offset		2009 (Actual)	2010 (Actual)
	*1.	Negotiated Base Salary *If the pastor has elected either a Flexible Spending Account (FSA); Dependent Care Account (DCA); or a Medical Reimbursement please include that amount in the Base Salary.		
	2.	Social Security Tax Offset (7.65% of line above shall be paid to offset difference between self-employment tax rate and the employee Social Security tax rate.		
	3.	Total of Lines C.1 & C.2		
D.	Housing (Section D in instructions)			
			Yes	No
	1.	Parsonage Provided (Check One)		
2.	Housing Allowance (If Housing Allowance will be paid, enter the amount recommended for 2010)			
E.	Local Charge Pension Contribution (Section E in instructions)			
	Local Charge contributions to the pastor's pension are based on:			
	Negotiated Base Compensation & Social Security Offset (Line C.3)		_____	
	+ Housing Amount (See Instruction E.1)		_____	
	= Contribution Base		_____	

	Defined Contribution = 3% of Contribution Base above _____ Defined Benefit = *6,282.00 _____	
	TOTAL Local Charge 2010 Pension Contribution	_____
	*If pastor is not full-time, calculation would be based on appointment percentage: ¼ time would be 25% (\$1,570.50); ½ time would be 50% (\$3,141.00); ¾ time Would be 75% (\$4,711.50)	

F. Additional Pastoral Reimbursements			
Account Reimbursable Plan (ARP):			
Travel Reimbursement (See section F.1 in instructions)		(Check One)	
<input type="checkbox"/>	Option 1		
<input type="checkbox"/>	Option 2		
<input type="checkbox"/>	Option 3		
Mileage Reimbursement Rate:		Option 2 Rate	IRS Rate
Continuing Education (See section F.2 in instructions)		Amount added 2009(F.2.f.)	Total Budgeted 2010 (F.2.g)
Other Compensation Paid By Charge:			

G. Charge Conference Action Relative to Pastor's Tax Reports		
1.	Rental value of Charge-Owned Parsonage (See G.1 in Information Sheet)	
2.	Parsonage exclusion for furnishings (See G.2 in Information Sheet)	

Signed _____
 (Chairperson of Staff/Pastor Parish Relations Committee)

Date above recommendations approved: _____

Date salary recommendations sent to Committee on Finance _____