



2018 Compensation Policy

Summary

It is the policy of Newark Presbytery that its member churches shall provide equitable compensation of pastors and shall meet or exceed the minimum amounts specified for certain of the terms included in calls. Every church of the Presbyterian Church (USA) is obligated to review annually with its pastor(s) the adequacy of his/her/their compensation. Additionally, by the action of the General Assembly, each Presbytery may set minimum salary requirements and has the power to enforce such standards. It is the responsibility of the Ministry Relationships Team to propose these minimums to the Presbytery for approval. This will typically be done in the middle of the year preceding the year they are to go into effect. Also, the Ministry Relationships Team conducts a salary review early in each calendar year to determine the compliance of the compensation with the minimum. In situations where the Presbytery minimums are not met, full approval of the “call” is withheld until the situation is corrected. If you need assistance with pastoral compensation issues, please contact the Ministry Relationships Team chairperson, or the Stated Clerk.

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Reporting forms are separately provided for Full-Time and Part-Time.



Full-Time Positions

2018 Annualized Minimum Terms of Call for Clergy Serving Congregations

In the Fall of 2016, the Committee on Ministry voted to do away with the concept of “units” when referring to the work schedule of ministers. It shall be noted, however, that full time as defined by the Board of Pensions is thirty-five (35) hours/week. It shall be recognized by churches and ministers that ministry, full- or part-time, requires being on call for emergencies.

	<u>2017</u>	<u>2018</u>
Income		
Effective Salary	\$55,390	\$56,497
Includes:		
Cash salary with manse ² and utilities provided ³ , or		
Cash salary and utilities allowance ⁴		
Social Security Offset ⁵	Optional	Optional
Home Equity Share ⁶	Optional	Optional
Deferred Compensation ⁷	Optional	Optional
Bonuses/Special Gifts ⁸	Optional	Optional
 Pension/Medical/Death & Disability		
37% of Effective Salary	\$20,217.35	\$20,903.89
Pension (11%); Medical (25%); Death & Disability (1%) = 37%		
 Reimbursable or Vouchered Expenses & Benefits		
Travel Expenses ¹⁰	\$3,300	\$3,300
Professional Expenses ¹¹	\$500	\$500
Continuing Education ¹²	\$800	\$800
Vacation ¹³	4 weeks	4 weeks
Study Leave ¹⁴	2 weeks	2 weeks
Sick Leave	12 days	12 days
Reasonable Moving Expenses	Provided	Provided



Part-Time Positions

2018 Annualized Minimum Terms of Call for Clergy Serving Congregations

Part-time ministry is determined on the number of hours needed to perform effectively the pastoral functions and expectations. A minimum of nine (9) hours should be allocated for worship and preaching. Compensation shall be calculated as a percentage of the figure approved for full-time positions.

	<u>2017</u>	<u>2018</u>
Income		
Effective Salary	Percentage of Full-Time	
Includes:		
Cash salary with manse ² and utilities provided ³ , or		
Cash salary and house allowance ⁴		
Bonuses/Special Gifts	Optional	Optional
 Reimbursable or Vouchered Expenses & Benefits		
Travel Expenses: IRS rate per mile		
Professional Expenses	\$500	\$500
Continuing Education	\$800	\$800
Vacation	4 weeks	4 weeks
Study Leave	2 weeks	2 weeks
Sick Leave	12 days	12 days
Reasonable Moving Expenses	Provided	Provided



Certified Christian Educators

Minimum Terms of Call for Full-Time Certified Christian Educators is a percentage of the Minimum Terms of Call for Full-Time Pastors. If the Certified Christian Educator position is part-time, a percentage proportional to the full time terms should be used.

2018

Income

Effective Salary

90% of the current minimum terms of call for pastors

Reimbursable or Vouchered Expenses & Benefits

Vacation

3 weeks

Study Leave

1 week paid

Other benefits are encouraged but not required.



Pulpit Supply and Moderator Positions 2018 Annualized Minimum Terms of Call for Clergy

Pulpit Supply: \$165 per worship service

Congregations, regardless of size, are to pay a minimum of \$165 per worship service, Sunday regular worship, funeral service, or wedding (counseling sessions are included in this amount). Mileage reimbursement at the IRS rate shall be added to the minimum. Congregations are encouraged to pay higher honoraria based on the pulpit supply's experience level and advanced degrees.

Moderator of Session and Congregational Meetings: \$65 per meeting

Ministers of Word and Sacrament are professionals. Honoraria are not to be based on the size of a congregation or ability to pay. Honoraria are for services rendered. Higher honoraria should be considered for those with 5, 10, or more years of experience and additional amounts given **Newark Presbytery** for advanced degrees



Notes

2018 Annualized Minimum Terms of Call for Clergy and Certified Christian Educators Serving Congregations

²Manse Allowance is calculated at 30% of Cash Salary.

³For a church PROVIDING A MANSE and paid utilities: The Total Effective Salary minimum is \$ 56,497 with the minimum cash salary of \$42,937 (76% of total effective salary), and the minimum manse allowance of \$12,881 (30% of cash salary \$42,937). For IRS W-2 reporting, fair rental value of the manse and actual cost of utilities as paid by the church should only be reported in Box 13.

⁴For a church NOT PROVIDING A MANSE: The Total Effective Salary (total of cash salary and housing allowance) minimum is \$56,497. The negotiated Minister's housing allowance must be supportable by the minister to the IRS, if required.

⁵The 198th General Assembly approved "A Pastoral Letter to Candidates and Ministers Regarding Social Security" which encouraged newly ordained ministers not to opt out of Social Security, and which encouraged ministers who had opted out of Social Security to re-enroll. Toward these ends, Newark Presbytery urges all congregations to include in terms of call the employer portion of the FICA tax (7.65% of Effective Salary) owed by the ministers.

⁶Newark Presbytery, recognizing the advantages afforded to churches and the disadvantages to ministers and their families, encourages churches whose ministers reside in manses to include in the terms of call a minimum annual figure of \$500 as a home equity share. The equity share may be placed in a tax-deferred annuity program to assist the ministers with housing at retirement or with relocation to another call.

⁷The Board of Pensions considers reported individual retirement accounts, tax-deferred annuities, and other deferred compensation contracts in the calculation of pensions dues.



⁸The congregation must approve all compensation to the pastor, and congregation must report to the IRS, all bonuses and other cash gifts, for which donors receive attestation of charitable donations.

⁹Congregations are responsible for providing funds in their operating budgets for the costs of necessary services performed in the exercise of ministry. Such payments are not considered as income to ministers for tax reporting purposes providing that an accountable employee business reimbursement plan has been established. Such a plan must require that the ministers meet all three of the following Internal Revenue Service (IRS) rules.

- a. Ministers must have paid, or incurred, deductible expenses while performing services as employees of the church.
- b. Ministers must adequately account to the congregation for these expenses within a reasonable time period.
- c. Ministers must return any excess reimbursement or allowance within a reasonable time period. Payments to ministers for travel, and other necessary ministry expenses under a non-accountable plan, are considered wages and subject to income tax withholdings and payments of social security, Medicare, and federal unemployment tax. Churches should report such payments on the W-2 income forms if the ministers do not substantiate timely expenses with receipts or other documentation, and if ministers do not return timely advances not used for ministry expenses.

¹⁰Travel costs are reimbursed at the Internal Revenue Service (IRS) business mileage rate.