

**Kansas-Oklahoma Conference
United Church of Christ**

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Dear Friends and Colleagues in Christ,

Attached is the 2017-18 Compensation Guidelines document approved by the Conference Committee on Ministry, Subcommittee on Authorization (COM-A). Ministry has changed, so recognizing that reality these guidelines needed to change as well. Here are some of the changes you should look for in particular:

- The method for computing the housing allowance has changed.
- There is a new chart for figuring the appropriate cash salaries for authorized ministers. Ministry requires a broad range of special skills, experiences, and formation. Average weekly worship is the important measuring unit instead of church membership for the congregation.
- Part-time ministry is clearly defined using “units,” 3-4 hour blocks of time, and call agreements should clearly identify the pastoral activities expected by the minister and number of blocks per week to accomplish them.
- A number of leave items have been clarified and updated, including Parental Leave, Sick Leave, Civic Leave, and other Unpaid leave.

There are significant changes in these guidelines from previous years. COM-A is comprised of laypersons and authorized ministers who clearly understand the realities of congregational life and the truth that it will be a rare congregation and leadership team that will be able to implement all updated guidelines in 2017. **ALL congregations, however, are encouraged to seriously consider the guidelines and create a plan to move toward full implementation in 3-5 years.** Additionally, churches entering the process searching for a new settled minister will use these guidelines to communicate the compensation package they are able to offer with prospective ministers.

These guidelines were created in consultation with other UCC Conferences who share borders with the Kansas-Oklahoma Conference as well as an analysis of the annual salaries of other related and similar professions in Kansas and Oklahoma. They are intended to promote just and generous compensation to the skilled and valuable spiritual leaders of our Conference: our authorized ministers. They are also intended to help the UCC churches of the Kansas-Oklahoma Conference be attractive to the best and brightest leaders of our denomination, strengthening our mission and encouraging the health and vitality of our congregations. Quality leadership matters, and quite simply requires quality compensation.

Our Conference Minister is eager and happy to help your congregation’s leadership use these guidelines well. Please do not hesitate to contact her with any questions and concerns.

Grace & Peace,

A handwritten signature in black ink, appearing to read "Sean Weston".

Sean Weston, Chair
Committee on Ministry, Subcommittee A

Supporting Our Ministry

2017 - 2018 MINIMUM COMPENSATION GUIDELINES for Authorized Ministers in the Kansas-Oklahoma Conference

Recommended by the Kansas-Oklahoma Conference

I. INTRODUCTION: UNDERSTANDING COMPENSATION FOR MINISTRY

This resource is entitled "Supporting Our Ministry" because all authorized ministers (ordained clergy, commissioned and licensed ministers) are called and compensated for the sake of the whole church's ministry and mission. Any who recommend, determine or evaluate compensation for those leaders, therefore, need to understand compensation in the context of the whole church's ministry.

All Christians are called to ministry and mission, beginning with their baptism. Congregations have found that properly trained leaders are indispensable if they are to be faithful to the gospel and to God's mission. Well-educated, trained pastors help the church guard against distortions of the gospel, neglect of prayer or scripture, or misuses of religion. Studies in bible, church history, theology, psychology, and more prepare pastors to preach and teach the gospel faithfully in changing social times. Pastors need also to understand psychological, social, political and economic realities to help the church hear God's call and respond in faithful mission. Professional, full-time pastors developed because such responsibilities demanded more education and time than could be achieved by volunteers.

Congregations compensate pastors/teachers/preachers/leaders to equip members for ministry through: bible study, worship, preaching, teaching, administering the sacraments, counseling, prayer, spiritual direction, and support at times of special personal or community need. Compensation reflects, therefore, the congregation's intention to live in faithful service to God. That makes their relationship with their pastor or authorized minister different from that of employer to employee, even though a written call should be considered a legal contract. Their relationship is a covenant defined by their responses to God's call.

The following principles, in summary, are important when considering compensation for authorized ministers:

1. The church compensates leaders for the sake and in the service of the whole church's ministry and mission.

The pastor or other authorized minister is not "hired" by a congregation to serve itself, but called as pastor and teacher to lead all members in proclaiming the gospel, being stewards of God's human and material gifts, and serving God's mission. The pastor or other authorized minister is thus a local representative of the gospel tradition and the whole church.

2. The church's ministry both requires and deserves our faithful stewardship, our generous giving.

One part of the church's ministry must not be put in competition with another because of weak stewardship. For example, local and wider mission are both essential; adequate clergy compensation and building maintenance are both very important. Faithful ministry requires faithful stewardship.

3. Compensation should be consistent with the values faith affirms.

It should honor experience, education, and responsibilities. It should meet genuine needs and be reviewed annually to respond to changing personal or economic conditions. It should be generous, just, and equitable regardless of race, sex or social status.

II. COMPONENTS OF COMPENSATION

The following elements comprise an adequate and fair compensation package:

A. Cash Salary & Housing Allowance

Salary is determined by considering the responsibilities of the position, levels of education, years of experience, and the needs of the person. Additionally, congregations are encouraged to (a) add merit increase for special and unique skills, accomplishments, and training, as well as for academic work beyond the Master of Divinity or other academic training. Below you will see a chart relating minimum salary guidelines also to average worship attendance. The base salary should be comparable to that of other professions in the community requiring similar education and experience. The salaries listed in the chart are for all authorized ministers who are solo and senior ministers.

Housing

For authorized ministers, the cost of housing should be a part of the minister's compensation package. After the theoretical salary and housing compensation are agreed upon, the minister may choose to re-allocate that total compensation in a more beneficial way for their particular economic circumstances, in accordance with the codes of the IRS and ethics of authorized ministry. (For example, Pastor Jane has a base salary of \$32,000. The median cost of a house in her community is \$100,000. Her housing allowance would then be \$12,000. However, if she chooses to rent an apartment for \$500/month, she may choose to receive the balance of her housing allowance as cash.)

Relocation Expenses

It is understood that the calling congregation pays reasonable relocation expenses for a newly called minister and their family.

OPTION 1: PARSONAGE PROVIDED – If a parsonage is provided, it is recommended that there be a written agreement between the church and minister concerning all procedures for regular maintenance and repairs. The payment of utilities should be the responsibility of the church, except for personal long distance telephone calls. Because the pastor who lives in a parsonage will not accumulate equity as does a person who owns their own home, it is recommend that the church establish a tax sheltered equity fund (usually an IRA) into which payments in lieu of equity accumulation will be made on the pastor's behalf.

OPTION 2: HOUSING ALLOWANCE – If the church does not provide a parsonage, a housing allowance should be calculated and paid based on the median price of owner-occupied housing in the church's own community. **A minimum housing allowance should be no less than 1% per month of the value of the median-priced standard 3-bedroom home in the community** (e.g., if the median priced home is \$100,000, the annual housing allowance would be \$12,000, or \$1000/month). According to the IRS, the value of the annual housing allowance must be formally approved at the annual meeting of the church or by the appropriate church board each year prior to receipt of the allowance by the minister. The approval must be officially recorded in church minutes and be retained in the church files.

It is important for the church and minister to understand that the value of the parsonage, or the amount paid as housing allowance is NOT taxable for the purpose of income tax, and should not be included in box 1 of form W-2. However, the value of the parsonage or the housing allowance paid IS taxable for the purposes of Social Security.

NOTE: Definition of "Salary Basis"

The "Salary Basis" is the sum of the cash salary plus either the housing allowance or the value of the parsonage provided. For the purposes of calculating the "Salary Basis," the value of a provided parsonage should be set at 30% of the cash salary. The "Salary Basis" is the figure from which the pastor's pension contribution and Social Security offset is calculated.

The following chart indicates recommended base salary minimums based on average worship attendance and the pastor's years of experience. These are recommended guidelines only, congregations should be as generous as possible.

2017-2018 Clergy Compensation Guidelines (Cash Salary Only; Housing Allowance is Additional)

Experience	Average Worship Attendance				
	<u>1-50</u>	<u>51-100</u>	<u>101-200</u>	<u>201-300</u>	<u>300+</u>
0-3 years	32,000	34,000	36,000	38,000	42,000
4-7 years	34,500	36,500	38,500	40,500	44,500
8-11 years	37,000	39,000	41,000	43,000	47,000
12-15 years	39,500	41,500	43,500	45,500	49,500
16-19 years	42,000	44,000	46,000	48,000	52,000
20+ years	44,500	46,500	48,500	50,500	54,500

NOTE: These are guidelines only and should not be considered as recommendations for exact amounts of increases or salary amounts. Each situation and church varies, church leaders and members are encouraged to be mindful of the importance of leadership and fair and just compensation.

B. Vacation and Holidays

Healthy congregations and healthy pastors realize the need for time for renewal and relaxation. Clergy are often expected to work more than the standard work week. Responsibilities often require work on evenings and Saturdays as well as Sundays; therefore an annual paid vacation of four weeks, including four Sundays, should be considered standard for all ministers, regardless of full-time or part-time. Holidays such as New Year's Day and other normally observed holidays should be observed. Compensatory time for Easter and Christmas is strongly encouraged.

C. Work Week

Pastors want to be available to the members of the congregations they serve and members of the congregation rightly expect their pastor to be available in times of need. Therefore, pastors are on call twenty-four hours a day, seven days a week, but not all weeks are equally busy or demanding. A typical pastor's week may vary from forty to more than eighty hours. Pastors and congregations are encouraged to schedule two days off per week to ensure a minister's continued health and endurance.

D. Forms of Ministry

1. Full-Time Solo or Senior Ministry

Full-time ministers should receive at least the minimum cash salary. For the purposes of these recommendations, it is assumed that full-time service consists of approximately 12-13 units of work per week, where one unit equals one 3-4 hours block of time, such as one morning, one afternoon, or one evening, as averaged over the course of a year.

2. Full-Time Associate Ministry

Associate ministers' compensation will vary with responsibilities, experiences, and training. While it is common for an associate minister's cash salary and housing to be less than that of the senior minister's in that congregation, it should meet at least the minimum guidelines on page 2. Any differential between the compensation of a senior pastor and that of an associate would best be accomplished by INCREASING the compensation of the senior pastor (for additional responsibilities, etc.) rather than by reducing the compensation of the associate. Full benefits should be provided for all full-time authorized ministers.

3. Part-time Ministry

Churches that cannot afford the recommended full-time salary package may wish to consider offering their minister a part-time salary package, which is based on the minister's time commitments in terms of "units." Transparency and good communication is key to this package, because without those a church might easily develop unrealistic time expectations of its part-time minister.

One approach to negotiating a transparent part-time minister compensation package is to look at each morning, afternoon, or evening as constituting one unit of work (e.g. 3-4 hours). For example, a minister who spent a morning on worship preparation, an afternoon on hospital visitation and administrative work and an evening at a church meeting would have worked 3 units that day.

- A full time pastoral position would average 12-13 units/week over the course of a year.
- A three-quarter time position would average 9 units/week over the course of a year and the minimum salary and benefits should be calculated at 75% of a full-time ministry package.
- A half-time position would average 6 units/week over the course of a year and the minimum salary and benefits should be calculated at 50% of a full-time ministry package.

This approach permits a church to set priorities while also providing considerable flexibility. Lay people might prepare the newsletter, teach an adult Bible Study or make routine visits to shut-ins, freeing up the part-time ministers to concentrate on worship preparation, a limited number of meetings, and counseling of and visitation to those in need. In this way, a church may provide a professional-level ministry with a part-time minister.

A possible, but not exhaustive list of church activities and responsibilities that might be included in a minister's total units of time are:

- Worship planning and preparation
- Sunday worship and Sunday programs
- Visitation at hospitals, nursing homes, personal homes
- Administration, phone calls, emails
- Church, community, and denominational meetings
- Counseling, weddings, funerals, and other pastoral concerns
- Teaching, Bible Study, Adult Education
- Communication Venues: bulletins, newsletters, website, other
- Community-based chaplaincy at nursing homes, jails, hospitals, etc.

Another means for determining part-time compensation would be to consider the cost of leading worship at \$125-200/day plus mileage reimbursement, and that of all other pastoral responsibilities at \$20-30 per hour plus mileage reimbursement, based on experience. Please note: according to the IRS **mileage reimbursement** cannot be paid for trips from home to the church, no matter how far it is. Mileage **can** be paid for visits and other off-site ministry miles.

4. Supply Ministry

Supply ministry is another model by which to address the pastoral needs of a congregation between installed pastorates, pastoral sabbaticals, pastoral family leave, vacations, and other authorized pastoral leave situations. This may be as little as regular pulpit supply or expanded to include hospital visitation and/or other specified pastoral duties. Supply ministers may be lay, licensed or ordained.

A minimum weekly compensation of at least \$125-200, plus travel expenses, is recommended for worship leadership. The compensation should be increased when there is more than one worship service, or when the pastoral services beyond worship leadership have been agreed upon.

5. Intentional Interim Ministry

Ministers who provide Interim Ministry have a special set of gifts to help congregations with the transition from settled minister to settled minister. They rely on churches to support them during their ministry in the local setting, but also need to maintain some stability between interims. Churches should take this into account when negotiating the terms to be applied at the end of an interim contract. It is suggested that each church setting seek to provide an additional 30-45 days of full compensation following the end date of an interim minister's time in serving a church setting for more than 6 months, and 15 days of full compensation for less than 6 months of service.

Interim ministers, whether part-time or full-time, may be called according to the cash salary guidelines found above or by using the "unit" system illustrated in the Part-time Ministry section on page 5. Since units offer a combined compensation of salary and housing, a minimum of \$90 per unit would be a starting point for clergy with less than 5 years of experience in interim ministry. The minimum for experienced interims would be \$105 per unit. Clergy that have a special expertise in crisis and/or after-pastor ministry would start at a minimum of \$120 per unit.

4. Commissioned Ministry

Commission ministers are lay persons normally with a college degree plus specialized training in a specific area or ministry not requiring ordination, such as Christian education, music ministry, administration, outdoor ministry, etc. Compensation should reflect experience, education and special training, and be similar to that of other individuals in the community with similar responsibilities.

5. Licensed Ministry

Licensed Ministers serve a vital role in the life of the Kansas-Oklahoma Conference. This guidelines should be used for full and part-time licensed ministers. Full-time licensed ministers should be compensated according to the cash salary guidelines on page 4 of this document. Full housing and general benefits should be provided for full-time ministry.

Part-time licensed ministry should be compensated using the same approach as part-time ordained ministry, as described above.

E. Benefits

Benefits are those items other than base salary and housing that are considered part of the compensation package. They are the congregation's responsibility in providing adequate and just support of their pastor or leader. These include health and dental benefits, annuity, long term disability, and group life insurance. The Pension Boards of the United Church of Christ offer the following benefit plans to pastors with standing and lay persons employed at least 20 hours per week

1. Health Insurance

The United Church of Christ offers 3 Health Benefits Plans and a Dental Benefits Plan. These are self-insurance programs providing comprehensive health and dental benefits that clergy and their families retain if they move from one state to another. Once included in the Plan, clergy and their families are insured for life as long as premiums are paid. Once a pastor leaves the plan it may be impossible to re-enter. No plan is immune from the national problem of escalating health care costs. Your Conference office or the Pension Boards will help if you have questions about this Plan. The church should pay the entire premium for family coverage unless only single coverage is needed.

2. Pension/Annuity

The Pension Boards of the United Church of Christ administer an annuity fund for pastors and lay workers. This tax-sheltered fund is very carefully invested to provide maximum benefits at retirement. Annuity payments are calculated at 14% of the total of base salary plus housing. When a parsonage is used, the value of that housing is calculated as 30% of the base salary. Thus the annuity payment for a pastor living in a parsonage would equal 14% x 130% of the base salary. When a housing allowance is paid, annuity is calculated at 14% of the total of base salary plus actual housing allowance. Additional tax-sheltered payments may be made by agreement of the church, the pastor and the Pension Boards.

3. Long-term Disability, Death Benefits and Group Life Insurance

Congregations should also provide long-term disability insurance through the UCC Pension Boards' Life Insurance and Disability Income Benefit Plan. This insurance relieves the church of liability in the event of their pastor's total or partial disability or death. Total disability benefits would begin after 90 days of disability, and would pay a percentage of base salary and housing, plus annuity, to age 65. The congregation is responsible for continuation of salary, housing and benefits during that 90 day waiting period. Decreasing term life insurance is included in the Plan, as is Group Life Insurance. The annual premium is 1.5% of the total amount of base salary and housing. Contact the Conference office or the Pension Boards for details.

4. Social Security Reimbursement

Congregations should budget an amount equal to at least an employer's portion, or 7.65% of base salary plus housing, as a social security reimbursement. The Internal Revenue Service considers ordained pastors employees in relation to the income tax, but self-employed in relation to the social security tax. While pastors must pay the self-employed social security tax rate (the Social Security tax rate for 2013 is 15.3 percent on self-employment income up to \$113,700), the IRS allows self employed persons to deduct one-half that amount before calculating their income taxes as well as social security taxes. Therefore, the formula for computing the actual social security tax for ordained clergy is: $(\text{Base Salary plus Housing}) \times .9235 \times .153$. The congregation should budget half of that amount.

F. Sabbatical Leave

A common sabbatical leave is **three months**, with salary and benefits, after five or six years of service. Pastors are encouraged to participate financially by setting aside funds in advance to cover a part of the cost during sabbatical time. Usually a pastor is required to commit to at least one more year of service following a sabbatical leave. Sabbatical leaves encourage longer pastorates, and give both pastor and congregation new appreciation and fresh energy for their covenant in ministry. If a supply pastor is needed during the sabbatical period, congregations can prepare for that expense by adding annually to an escrow account for that purpose. Lay persons also can be prepared to lead worship and carry responsibilities for visitation, community leadership, and other regular pastoral duties.

G. Suggestions for Supplementing Compensation

The Kansas-Oklahoma Conference is well aware that many of our churches struggle to meet these guidelines. The first approach in such a situation must be a careful inward look in which the congregation openly and prayerfully considers whether it is really teaching and challenging its members to be generous givers and faithful stewards of the financial resources God has given to each member. In cases where the resources to compensate at the guideline minimums cannot be obtained, it is important to enter into constructive negotiation with the pastor about alternative ways to recognize and honor the pastor's work. Congregations may consider these additional means of support:

1. Offer extra time off annually for travel or study. Your pastor may have need or desire for the freedom to take more time away from the congregation than one month of vacation allows. A pastor may serve full time for fewer months, or part time with two or more vacation periods.
2. Members of a congregation are sometimes able to offer in-kind support of pastors or lay ministers. Free use of a car, locally grown or produced food, etc.
3. Consider increases in benefits. Some benefits, such as a tax-sheltered equity fund, or additional annuity payments, have longer term value to a pastor and do not increase immediate tax liability.
4. Consider providing a year-end bonus, a contribution toward paying off their seminary debts, or (for pastors who live in a parsonage) contributions toward a (usually tax-deferred) housing equity plan.

I. Cafeteria Plan Considerations

It is possible to reduce the pastor's taxable income by designating a portion of the salary for such items as incurred medical expenses and child care expenses. An official action by the appropriate church board allocates a fund from which the pastor can draw for reimbursement of appropriate expenses. The unused portion of the fund is "lost" to the pastor, cannot be paid as salary, a hedge against setting aside an unrealistic amount. Be sure to ask for competent professional advice to insure compliance with current tax regulation.

III. REIMBURSABLE EXPENSES

Reimbursable expenses are those costs, reimbursable to the pastor or lay ministers, which are incurred in the performance of duties. They are not part of the person's compensation. They are "business" expenses for which the congregation is responsible. The IRS considers the following to be reimbursable expenses:

A. Travel

The Internal Revenue Service establishes annually a maximum allowable rate for deducting business travel mileage. The rate includes the full costs of auto depreciation, insurance, maintenance and operation as a per

mile cost. It is recommended that churches reimburse pastors for actual mileage logged in the performance of the ministry at the IRS allowable rate or other negotiated rate. It is not recommended that a monthly flat rate travel allowance be paid.

The church may also choose to provide the minister with an auto for church business by purchase or lease. When such an auto is used for personal use, the minister should reimburse the church for such use. Please note: according to the IRS **mileage reimbursement** cannot be paid for trips from home to the church, no matter how far it is. Mileage **can** be paid for visits and other off-site ministry miles.

B. Continuing Education

Congregations should expect a pastor or leader to be committed to continued professional growth and development, since both truly benefit from it. Continuing education leave of two weeks each year, including two Sundays, is recommended, with an amount budgeted to cover a major portion of the expenses for tuition, travel, housing and meals that might be involved. The appropriate church board should be involved in approving a mutually beneficial experience.

C. Other Professional Expenses

The church should budget an amount for annual professional expenses such as: Professional journals, books or periodicals; hosting or entertaining church leaders, members or guests; vestments, dues to professional organizations such as the Academy of Parish Clergy or the Association of United Church Educators.

D. Conference Involvement

Pastors are expected to attend official Conference meetings to maintain their ministerial standing. A pastor should be encouraged also to serve in wider ministry settings - in the conference or national settings. Such service, in appropriate amounts, should be considered part of the congregation's and person's ministry.. Such wider service is neither time off nor vacation. Expenses not reimbursed by the wider ministry setting should be reimbursed by the local church.

E. Pulpit Supply Preachers

During periods of scheduled absence of the pastor, such as the Sundays of scheduled vacation, Conference Annual Meeting, continuing education, sick leave or other approved personal leave, the payment of pulpit supply preachers is the responsibility of the church. See page 6 for suggestions of compensation for this service.

F. Worker's Compensation Insurance

In Kansas, churches whose total payroll exceeds \$20,000 annually must carry worker's compensation insurance on all employees, including pastors. In Oklahoma, all church employees, including pastors, must be covered by worker's compensation insurance. The United Church Insurance Program offers this coverage at competitive rates. Churches in Oklahoma are exempt from the State's unemployment tax.

G. Malpractice Insurance

In today's litigious society, churches should also carry malpractice insurance to protect both the pastor and church in the event of a lawsuit. Congregations insured through the UCC Insurance Board have that coverage.

H. Criminal Background Check

When a pastor is first called to a church, the congregation will reimburse the newly called and settled pastor for the cost of the background check required for the search & call process.

IV. OTHER SUPPORT

Congregations are wise to anticipate special situations or needs of their pastors, commissioned or licensed ministers, or other employees. Such special situations include illness, personal emergencies, the birth of a child, etc. Personnel policies regarding such needs can avoid confusion and avert tensions in the relationship. If the church has no personnel policies for pastors or other employees a beginning point could be consideration of the Conference policies.

A. Family Medical Leave

In developing a family medical leave policy, the congregation might begin by considering the Conference policy, which allows one day per month for a maximum of 12 days per year, not cumulative. If an extended illness occurs, the official church board could be empowered to arrange for full salary up to 12 weeks. In case of long term disability, the congregation is expected to sustain full salary and benefits through the first 90 days of confirmed disability, after which disability insurance benefits apply.

B. Parental Leave

A period of parental leave is an important way for congregations to support a pastor and family. Parental leave of up to eight weeks with full compensation is encouraged. Any accrued vacation or sick leave may be used to extend the leave period. Another option for extending the leave would be for the minister to work part-time, engaging some of the responsibilities while making provisional arrangements for others. These guidelines could also apply to adoptive parents. Details of the leave and arrangements for the continuation of the church's pastoral responsibilities during the leave should be negotiated and clearly expressed to the congregation to avoid misunderstandings.

C. Sick Leave

Sick leave should be established at 30 days per year with no unused days carried over to the next year. Sick leave may be used for personal illness or accident, the care of a person in the minister's immediate family, or medical and dental appointments. In the event of serious and extended illness and/or disability an additional 60 days may be negotiated with the local church governing body in consultation with Conference staff, if requested (see the section on disability insurance).

D. Emergency or Personal Leave Days

3-5 days of personal leave, with no unused days carried over to the next year, should be allowed to be used in cases of special family crises or celebrations.

E. Civic Service Leave

Regular full-time and part-time ministers who are members of a US Military Reserve or National Guard unit should be excused from work when called for military duty and training. Churches shall adhere to all federal and state laws affecting military leave.

Ministers should be granted leave for jury duty. They should receive up to two weeks compensation while serving as a jury member. Compensation should be figured as the difference between their regular compensation and the jury duty per diem day. Ministers are expected to resume pastoral duties once released from jury duty for the day.

F. Other Unpaid Family Leave

Unforeseen circumstances and events in the minister's family that necessitate time and attention away from the church should be handled with compassion and concern. Other unpaid leave for the care of a spouse, child, parent or self should be negotiated as needed according to the following principles:

- 1)To care for a spouse, son, daughter, or parent who has a serious health condition; for a serious health condition that makes the employee unable to perform the essential functions of his or her job; or for any qualifying exigency, as defined by the Family and Medical Leave Act, arising out of the fact that a spouse, son, daughter, or parent is a military member on active duty or call to covered active duty status, up to 12 workweeks of unpaid leave in a 12-month period will be granted.
- 2) In cases of unpaid leave, health insurance will remain uninterrupted and unchanged for the employee and their family.
- 3) Unpaid leave workweeks will not be included in calculations to figure accrued vacation and other benefits (except health insurance).

G. Working Conditions

The church should provide competent support, especially for office tasks and building maintenance. In providing office space at the church or parsonage, consideration should be given for the minister's need for technology, accessibility, privacy, and the ability to work without interruption. Safe church policies and practices should be a priority for both the minister and the church

H. Minister's Death

In the case of the minister's death, it is recommended that the spouse and/or family receive full salary for the current month plus any vacation time earned, plus three additional month's pay. The family should be entitled to live in the parsonage free of charge, or receive the housing allowance, up to 90 days. Further provisions may be made upon mutual agreement between the church, the spouse and/or family or the deceased minister, and the Conference Minister and/or the Committee on Ministry.

V. WORKING TOGETHER FOR EFFECTIVE MINISTRY

The covenant that binds a pastor and congregation in mutual ministry and mission needs to be nurtured, strengthened, and sometimes renewed. Here are some specific ways that can be done.

A. Pastoral Relations Committee

A small committee of three to seven persons is given the specific job of nurturing the pastor, the relationship between the pastor and the congregation, and clarifying the role of the pastor. Such care can build the trust and communication necessary to deal effectively with inevitable tensions or conflicts that arise.

Guidelines for such a Committee can be found in the documents, "The Pastoral Relations Committee," available from United Church Resources, or "Ministerial Relations Guidelines," available free from the Conference office.

B. Annual Review of Compensation

An important task for a Pastoral Relations Committee is an annual review of the pastor's compensation. The review should be an open and caring conversation allowing the pastor to express changing needs or expectations. An annual increase of base salary reflecting any increase in the cost of living should be considered. Compensation does reflect the congregation's intentions to take seriously their own calling. Additional salary increases reflecting meritorious service or increased responsibilities affirms the mutual

covenant between pastor and congregation. Increases in pastoral compensation should be advocated by a member of the Pastoral Relations Committee. A pastor ought not to be put in a position of defending their own compensation.

C. Performance Review

Any planned review of pastoral performance needs to be done at a time sufficiently distant from annual compensation review to avoid linking the two. Performance review should be undertaken only when its purpose is clear, and only if there are not immediate tensions in the relationship between pastor and congregation. Such purposes might be to clarify congregational goals and objectives, to assess the pastor's use of time in relation to those objectives, to identify unmet needs, or skills that need further development. Review of the congregation's performance is as important as review of the pastor's. After all, the ministry and mission belongs to both. Deficiencies in performance by one party can seriously impede effectiveness by the other. Instruments for "Local Church Evaluation" and "Clergy Evaluation" are available from United Church Resources.

HOW THE PASTOR'S COMPENSATION MIGHT APPEAR IN A LOCAL CHURCH BUDGET

This **sample** church line item budget illustrates how compensation can be presented to communicate clearly the components of compensation, its distinction from reimbursable expenses, and the scope of the church's responsibilities in adequately supporting the ministry. This example uses the figure of \$34,500 as the base salary.

PASTORAL SERVICES

	<u>Parsonage Provided</u>	<u>Housing Allowance</u>
<u>COMPENSATION:</u>		
Base Cash Salary	\$ 34,500	\$34,500
Parsonage Value (30% of Base Salary)	(10,350)	
Housing Allowance		\$10,350
Equity Fund (5%)	\$1,478	
Social Security Reimbursement. (Base Salary plus Housing) x .9235 x .153 / 2	<u>3,169</u>	<u>3,169</u>
Total Cash Compensation	\$ 39,147	\$ 48,019

BENEFITS

Health Insurance (family coverage, approximate) quarterly \$4,826	\$ 19,304
Annuity (14% of base salary plus housing)	6,279
Life Insurance, Long Term Disability Plan & Group Life Insurance 1.5%	<u>673</u>
Total Benefits	\$26,256

EXPENSES SUPPORTING THE MINISTRY

Travel (@ \$0.54.5/mile – 6,000miles)	\$ 3,270
Continuing Education	500
Professional Expenses	300
Meeting Expenses (Conference, Association, other)	500
Pulpit Supply Preachers (4 Sundays @ \$150 plus \$100 for travel)	<u>700</u>
Total Expenses Supporting the Ministry	\$ 5,270

Parsonage Expense to the Church

Utilities	\$2,750
Insurance	700
Maintenance	2,100
Furnishings	<u>2,100</u>
Total Parsonage	\$7,650