

The Presbytery of Boston Committee on Ministry Installed Pastor/Associate Pastor 2010 Compensation Policy

The Presbytery approved this policy at the November 22, 2009 meeting at Fourth Presbyterian Church.

Every church is required to review annually with its pastor(s) the adequacy of her/his compensation. The Book of Order requires churches to report their compensation packages to the Presbytery each year and seek the counsel of the Committee on Ministry where difficulties occur in meeting these guidelines.

This year's recommendation is for a raise of 3% in base compensation.

Minimum Base Compensation

\$51,300 (includes salary and housing allowance or manse, utilities and deferred income) **as of 1 January 2010**. For reference, the 2010 church-wide median pastor's compensation is \$52,200 or a 2.8% increase [see chart below or www.pensions.org and enter "Salaries in the Parish Ministry 2009 Salary Study" into the Search window.

Minimum factors to be applied to the base compensation are:

Manse Adjustment - at least 65% or a minimum of \$33,345 of this base compensation must be in cash for all whose base is cash and use of a manse.

Experience Adjustment - 1% (\$ 513) is added to the minimum base for each year of active ministry after ordination for the first ten years; **0.5% (\$257)** for each additional year.

Pastor in Manse or renting - In addition, it is recommended that pastors who live in a manse and do not own a home, or who permanently rent their home, should receive an additional **5% of Minimum Base Compensation plus Experience Adjustment in deferred income** to make up for their lack in equity growth.

Minimum Benefits

1 PCUSA Board of Pensions: Full pension and medical dues (for 2010 they remain the same at 31.5% of Effective Salary) for half-time and up.

Note: The "Effective Salary" (upon which Pension/Major Medical Dues are paid) is at least the Subtotal of the sum of **Cash Salary, Utilities and Furnishings Allowance, and Manse Rental Value or Housing Allowance**; it shall also include any **Deferred Compensation, Bonuses, unvouchered allowances, gifts from employers, Flexible Spending Accounts, and SECA in excess of 50%**.

2. Social Security Offset: Because the IRS considers ministers employees of the church for every tax purpose except Social Security, Ministers have incurred the additional burden of self-employment tax. Most employees pay a FICA tax of 7.65% with a matching contribution from their employer. Since the church pays the employer's portion of FICA taxes for all other employees of the church, **it is the policy of the Presbytery to instruct churches to provide their installed ministers with a Social Security Offset (SECA) equal to the employer's portion of FICA tax: 7.65% of salary.**

3 ACCOUNTABLE REIMBURSEMENT ACCOUNT

(to include such items as:)

1. **Travel** expense account of at least \$ 1,500 for reimbursement of business auto And travel expenses at the current IRS rate (\$.505 cents per mile in 2009; the IRS may increase or decrease this for 2010).
2. **Professional** expense reimbursement account for such items as books, periodicals, professional memberships and expenses incurred by the pastor in doing the work of the church. Minimum allowance for 2010 remains \$600.
3. **Educational Allowance** for the pastor's continuing education. Minimum Allowance for 2010 remains \$1,500. This must be in an accumulating fund from year to year, for up to three times the current annual amount. Having an accumulating account makes it possible for one to save for a serious educational event that incurs greater costs.
4. **Medical Deductibles 2% of minimum base salary.** The minimum for 2010 is \$ 1,026.
5. A **Medical Flexible Spending Account (IRS FSA)** is a salary reduction that allows payment of all vouchered medical, dental, prescription, and other legitimate medical expenses in pre-tax dollars. Any funds not paid by documented voucher must be reported at the end of the year as salary.
6. **Sabbatical Fund** is figured at 1/28 of effective salary.

Benefits Threshold

Any combination exceeding **\$3,600 in the Accountable Reimbursement Accounts** listed above may be counted toward minimum compensation for those ministers whose salary is below the minimum. Pension and Medical dues shall be paid on that portion which is counted toward salary. [i.e., Rev. Jones, fresh out of seminary, receives \$50,800 in Cash salary, housing, and deferred income. He gets \$1,500 for travel allowance, \$2,000 for educational allowance and \$1,200 for Professional expenses. Rev. Jones' cash salary is \$500 below the minimum. However, the expense allowances (educational, travel, and professional) are \$1,100 above the threshold of \$3,600 set by this policy {\$ 1,500 + \$ 2,000 + \$ 1,200 = \$ 4,700 - \$ 3,600 (threshold) = \$ 1,100}. So, effectively, the compensation is now \$ 600 above the minimum required. Dues are paid on the cash salary of \$ 50,800, and the \$ 500 which allows them to meet these minimum guidelines, for a total of \$ 51,300 which is the minimum suggested compensation.

Unit Service This is to be used for those working less than seven units.

A unit is a block of time given by a clergyperson in service to the congregation: a morning, an afternoon, an evening. The service given may be administrative, pastoral, worship leadership or preparation and/or study for any of these activities. Compensation for services given will be, for any one day, a minimum of one unit. The minimum compensation for a unit is \$ 90.00. Beyond the first unit of compensation in any one day, partial units of service may be rendered and paid. Board of Pension dues are to be negotiated for regular employment.

Temporary Moderator

Services of a presbyter as moderator on a temporary basis will be compensated at the rate of two units (\$ 180) per meeting after rendering gratis service for one (1) meeting.

Pulpit Supply

The minimum honorarium for the supply of a single service of worship is \$ **180.00**;
\$ **250.00** for two services

Effective Implementation of these Policies

The Presbytery is fully aware of the financial challenges facing both our clergy and our congregations and stands ready to consult with sessions as they work through budgets and the required annual review of pastoral compensation.

Any session which believes it cannot recommend at least the minimum salary to its congregation or suspects that its congregation will not concur with such recommendation, should contact the Committee on Ministry for consultation and negotiation on the matter.

We would like to remind the congregations that they have an obligation under the PC(USA) Book of Order to submit changes in their Terms of Call annually to the Presbytery for approval.

Median Salaries and Dues Minimums and Maximums for 2010

06/25/2009

Median Salaries for 2010

Each year, The Board of Pensions of the Presbyterian Church (U.S.A.) uses current effective salary data to calculate median effective salaries that are needed for dues billing and benefit determinations for the following year. Based on effective salary information reported to the Board of Pensions as of May 1, 2009, the full-time median salaries for 2010 are:

Employment Classification	2010	2009	2010 from 2009
Pastors*	\$52,200	\$50,800	+ 2.8%
Exempt Lay Members	\$38,800	\$37,600	+ 3.2%
Non-Exempt Lay Members	\$28,500	\$27,600	+ 3.3%

**While the figures used to calculate the pastors' median include only ordained minister members serving churches, the median applies to all ordained minister members for determining benefits based on effective salary: pension credit accruals, disability benefits, and death benefits.*

Pension credits, disability benefits, and death benefits are calculated at the applicable median salary when the member's total annual effective salary is below the median salary for that member's employment classification. When making benefit determinations, the median salaries shown above are prorated for members working fewer than 35 hours per week.

Dues Minimums and Maximums

The minimum salary participation basis for healthcare dues in 2010 is \$33,930; this is 65% of the pastors' median. The maximum is \$104,400, or 200% of the pastors' median.

The minimum salary participation basis for pension and death and disability in 2010 is \$13,050; this is 25% of the pastors' median. For 2009, federal law set the pension participation basis cap at \$245,000.

The cap for 2010 has not yet been determined.

Minimum Salary Requirement

Effective April 1, 2002, the Board of Pensions clarified that, in order to be eligible for enrollment and continued participation in the Benefits Plan of the Presbyterian Church (U.S.A.), a church worker must receive a salary equal to 25% of the pastors' median, prorated for members working fewer than 35 hours a week. This minimum salary requirement is \$13,050 for 2010. For more information, please refer to [Administrative Rule 305](#) in the Forms & Publications section of Pensions.org or call 800-773-7752 (800-PRESPLAN).

The new [Pensions.org](#) Web site features informative and educational news stories. Some of the most recent articles include:

- [Median Salaries and Minimums and Maximums](#)
- [Salaries in the Parish Ministry 2009 Salary Study](#)

Salaries in the Parish Ministry 2009 Salary Study

The Board of Pensions of the Presbyterian Church (U.S.A.) annually tabulates the median and average effective salary information reported to it for minister members of the Benefits Plan who are serving U.S. congregations. The median salary is generally considered more representative than the average salary because it is less influenced by very high or very low salaries.

The most recent study, as of May 1, 2009, shows the median salary of all Presbyterian Church (U.S.A.) minister members of the Benefits Plan serving U.S. congregations is \$52,200, as compared with \$50,800 one year earlier, an increase of 2.8%. The average salary of these ministers is now \$57,199, an increase of 2.8% from last year's average of \$55,652.

The table below shows a five-year comparison of average salaries received by the ordained minister members of the Benefits Plan of the Presbyterian Church (U.S.A.) serving local congregations as of the date shown. These averages exclude salaries paid to chaplains, foreign missionaries, pensioners serving churches, and personnel at the Board and other church agencies. The averages are based on the effective salaries on which benefits dues are calculated and include cash salary, manse or housing allowances, and deferred compensation as reported by the churches.

Average Salaries % Chg. Avg. Sal.

Synod 5/1/2005	5/1/2006	5/1/2007	5/1/2008	5/1/2009	2009 vs. 2005
The Northeast	\$52,249	\$54,278	\$55,974	\$58,048	\$60,133 15.09%
Total Church	\$50,534	\$51,974	\$53,662	\$55,652	\$57,199 13.19%