

ANE – Pastoral Salary & Benefits Memorandum

To: ANE Church Board Chairs & Pastors
From: Pete Kontra, District Executive
Pete Kontra
Subject: 2019 Guidelines for Pastoral Salary & Benefits
Date: July 2018
Email CC: Director of Ministry / Area One District Executives / ANE Ministry Commission

This annual Salary Memo and related materials are distributed to Church Board Chairs and Pastoral Leadership throughout the Atlantic Northeast District. Additional copies should be made available for all appropriate lay leadership involved in the contract and/or church budget planning process. Please review this material in prayerful preparation for planning pastoral compensation and your 2019 Congregational Budget.

A. GUIDELINES FOR PASTORS' SALARY & BENEFITS:

This document is included and should be self-explanatory. Please note the following:

1. The *Congregational Ethics Paper* calls upon congregations to make an honest effort to meet the minimum salary as shown on the approved Cash Salary Table for Pastors. This may not be possible; however, serious effort and prayerful deliberations should be given to this goal.
2. The *Cash Salary Guidelines & Recommended Minimum Cash Salary Table for Pastors - 2019*:
This Salary Table was adopted by Annual Conference and represents a 2.0% increase over the previous year.
3. The IRS allowable mileage rate as of July 2018 is 54.5 cents per mile. Annual rate adjustments are set by IRS in October of each year and will be reported in the *Parking Lot* or emailed when they become available. Accurate record keeping is essential. A Ministry Travel Log should be kept for all church-related travel. Mileage reimbursement for actual miles driven is the best accounting for this item. Pastors should submit a monthly or quarterly mileage expense statement to the church treasurer for reimbursement. This system provides appropriate documentation for IRS and protects both pastor and congregation.
4. Congregations providing a parsonage should take seriously the *Church of the Brethren Housing Fund*. This plan calls for a 1% contribution of the fair market value of the parsonage to be set aside for the pastor's future and/or retirement housing needs. This action provides a long-term blessing to the pastoral family.

B. CHURCH OF THE BRETHREN MEDICAL PLAN AND PENSION PLAN

1. **Medical Insurance:** Church of the Brethren pastoral employment practices call for each congregation to secure suitable insurance coverage for the pastor and family. Insurance Coverage(s) include: Health, Long-term Disability (LTD), and Term Life. While the health care insurance benefit must be obtained elsewhere, Brethren Benefit Trust (BBT) continues to provide long and short term disability, Term Life, a Medicare Supplement, as well as *optional* dental and eye care coverage. The congregation is expected to pay a *minimum* of two-thirds ($\frac{2}{3}$) of the total premium. The pastor is expected to pay one-third ($\frac{1}{3}$) of the total premium.

2. **The Brethren Pension Plan:** See Guidelines for Pastors' Salaries and Benefits for instructions in calculating the pension amounts (Section I, Item C). Copy attached. All insurance and pension questions should be directed to Brethren Benefit Trust by calling: 1-800-746-1505.

C. ANNUAL CONFERENCE & DISTRICT CONFERENCE:

2019 Church of the Brethren Annual Conference

Location: Greensboro, North Carolina

Dates: July 3- 7, 2019

1. Annual Conference expense estimates for 2019 are as follows:
 - **TRAVEL + SHUTTLE + AIRPORT PARKING** \$300 - 450
 Airfare, mileage, rental and/or other forms of travel from various locations throughout ANE will need to be explored on your own. Obviously, expenses will vary according to method of travel and departure location.
 - **LODGING + TAX + HOTEL PARKING** \$600
 4 nights at A.C. @ \$150/night
 - **MEALS: GENERAL / TRAVEL /EVENT** \$200
 5 days @ \$40/day - includes travel day(s)
 - **REGISTRATION & A.C. BOOK** \$ 105-310*
 * *Projected* advanced registration fee: non-delegate (\$105); delegate fee (\$310)
 - **MISCELLANEOUS EXPENSES** \$ 75
 Tips, Tolls, Shuttle Service, & Etc.

2019 ANNUAL CONFERENCE ESTIMATED EXPENSE RANGE: \$1,280 – 1,635

2. District Conference 2019: Elizabethtown College - October 4-5, 2019
 Cost: \$50 should cover all expenses for District Conference*
 (*Amount does not include travel reimbursement or lodging)

D. GRACE NOTES TO LAY LEADERS:

- Seek God's best for your pastor and family.
- Cheerfully care for the financial and emotional needs of your pastor, spouse, and family.
- Find ways to express genuine appreciation and encouragement for your pastor: Plan a Pastor Appreciation Sunday – *October is Pastor Appreciation Month* / Ministry Celebration / Spouse Appreciation Event / Pastor-Spouse Weekend Getaway / Birthday Blessing / ... Be creative!
- Pray for your pastor and family on a regular basis.
- Be a blessing to your pastor and family.

E. BUSINESS NOTES TO LAY LEADERS:

- **Complete & Return** a signed copy of the *Renewal Agreement* (see attachment) to the ANE District Office no later than **January 31, 2019**. This important document is a part of your Pastor's official Ministry File and employment history.

F. CONGREGATIONAL GIVING TO DISTRICT MINISTRIES:

Finally, I am asking that your congregation adopt the recommended \$55.00 per member Self-Allocation Goal established to support ANE's Ministry Investment Plan – District Budget. (Stretch Goal is \$60.00 per member.) Your congregation's strong financial support is ANE's **only** significant means of financing our common vision and ministry. District Staff and District Board are working hard to encourage and develop faithful pastoral and lay leadership; to manage a strong Pastoral Placement Process; to provide exciting and relevant district-wide youth ministry; to lend support to a broad variety of congregational requests and needs; to promote the planting of new congregations; to advance Kingdom-work through multi-cultural experiences, work camps, service projects, disaster relief, evangelism, non-violent witness; to forward international cultural connections, as well as to partner with local congregations to elevate our mutual vision of developing "**spiritually healthy New Testament congregations who covenant and network together to further the Kingdom of God.**"

Attachments: (4)

- Guidelines for Pastors' Salaries and Benefits – Office of Ministry Document **pages 1-6**
- 2019 Cash Salary Guidelines **page 7**
- 2019 Recommended Minimum Cash Salary Table for Pastors **page 8**
- Renewal Agreement for Pastors and Congregations **pages 9-12**

***A fillable renewal agreement is available online for download and completion, as noted below**

Documents are located online at:

www.brethren.org

From the Home Page, select the "**Leadership**" tab; then move down the dropdown menu to **Ministry Office**; then select **Forms** on the left hand column ... there you will be able to access:

- Salary Guidelines and the current Salary Table.
- The Renewal Agreement is also available here.
- Please note other ministry-related forms and documents for your use.

CHURCH OF THE BRETHREN

GUIDELINES FOR PASTOR'S SALARIES AND BENEFITS

The congregation asks a designated group (executive committee, ministry committee, or other group) to negotiate a fair and equitable compensation package with the pastor(s). Since that designated group varies in different settings, this document will simply refer to the congregation. *The guidelines suggested here are recommendations for use for negotiation between the pastor(s) and the congregation with the assistance of a District Executive/Minister (or designee).* These guidelines, while stated broadly with a full-time pastor in mind, are adaptable to local situations, including part-time service. As pastors move from one location to another, an attempt needs to be made to provide uniform procedures for determining their fair compensation. It is with that in mind that these guidelines should be used.

- *If congregations find it impossible to meet the guidelines or to provide benefits, there is an ethical obligation to discuss the reasons and their implications with the pastor and to plan in good faith to meet the recommended scale and benefits as soon as possible. If, in the midst of open and honest discussion, it clear that scale and benefits are beyond reach, the job description should be immediately adjusted to match salary and benefits with expectations and time requirements.* (“Congregational Ethics Polity in the Church of the Brethren,” approved by 2014 Annual Conference)

The cash salary exhibit, the renewal agreement, and a start-up agreement form will be sent to District Executives/Ministers following Annual Conference each year.

District Executives/Ministers are always available as consultants in the pastor/congregation relationship and should participate at least once every three (3) years in the review of pastoral performance.

I. COMPENSATION

A. Cash Salary

There is one base factor as a beginning point in the Recommended Minimum Cash Salary for Pastors; this factor is adjusted annually. The adjusted figures and minimum salary table will be furnished after Annual Conference each year by the Director of Ministry and may be found at <http://www.brethren.org/ministryoffice>.

1. Education

The recommended cash salary assumes the Master of Divinity degree as the standard educational level for full-time pastors. However, in recognition of the variety of educational levels for many who are approved for ministry, two additional columns are shown. It is assumed that individuals in these categories have had educational programs for ministry approved by their District Ministry Commission and/or District Board; approved programs include Training in Ministry Program (TRIM), Education for Shared Ministry (EFSM), and district-administered Academy Certified Training Systems (ACTS).

2. Experience

Experience differential is computed up to thirty (30) years of experience. Larger increases are given in the beginning years of a pastor's career than in the later years. After thirty (30) years, the congregation and pastor(s) need to negotiate a yearly increment that reflects cost of living and additional experience.

3. Social Security

Ministers, for Social Security purposes, are self-employed and are responsible for the total Social Security payment. The base salary figure is built on that assumption.

B. Housing

Congregations are encouraged to be sensitive to the housing needs of the pastoral family.

For congregations without parsonages, the fair rental value of a parsonage or a housing allowance is considered part of the pastor's total income. Total income is also used for computing pension, long-term disability, and Social Security. When the pastor(s) and the congregation agree to a housing allowance, the amount of that allowance should be the equivalent of fair rental housing for that community.

For tax purposes the congregation, via action by the church board (or an equivalent body), may declare a larger amount for housing than mentioned in the previous paragraph. The amount of this allowance should be recorded annually in the board minutes. This larger amount is allowed by the IRS to include the costs for utilities, furnishings, home improvements, etc. The pastor(s) will need to verify these expenses with the proper receipts.

Congregations with parsonages may declare a portion of the base salary for utilities, furnishings, etc., and this action should be recorded in the board minutes. The pastor(s) will need to verify these expenses with the proper receipts.

Congregations with parsonages are strongly encouraged to contribute annually 1 percent of the fair market value of the parsonage to the Church of the Brethren Housing Fund in the name of the pastor(s) to meet long-term housing and/or retirement needs. It is not a savings account. Information is available from the Director of Ministry, Church of the Brethren General Offices, 1451 Dundee Avenue, Elgin, IL 60120.

C. Pension Plan

Participation in a pension plan assures our pastors and families of the church's support in retirement years. Congregations in the Church of the Brethren are expected to contribute to a pension plan. The Church of the Brethren Benefit Trust operates the denomination's pension plan.

Brethren Benefit Trust pension figures are determined by adding to the cash salary one of the following:

- a. Twenty (20) percent of cash salary, or
- b. Fair annual rental value of the parsonage, or
- c. Housing allowance for those who receive one.

Of that figure, congregations pay 12 percent (11 percent to the pastor's account, 1 percent to the Church Workers Assistance Plan), and pastors pay 4 percent at the beginning of the month or quarter (depending on the method elected) directly to the Brethren Benefit Trust.

Pastors may tax shelter their portion and may make additional contributions to the Pension Plan. Information about the Pension Plan and Tax Deferred Annuity option can be obtained directly from Brethren Benefit Trust, 1505 Dundee Avenue, Elgin, IL 60120.

If a congregation and pastor select a pension plan other than the preferred plan of Brethren Benefit Trust, they are expected to use the same standards to calculate the pastor's pension benefit.

D. Medical Insurance Plan

Medical insurance coverage for the pastor and family are valued and important components of the pastoral benefits package. The pastor(s) and the congregation should participate in a medical insurance plan that provides just and equitable insurance coverage. The plan shall be mutually agreed upon by the pastor and congregation.

The following standards apply to medical insurance coverage:

- Standard inpatient facility services such as hospitalization and surgery.
- Standard outpatient facility services such as physician/specialist services, oncology treatment services, home health care, medical supplies & equipment, etc.
- Standard adult preventive care services such as routine physical exams, diagnostic screening, women's routine exams, immunizations, etc.
- Standard pediatric care services such as routine physical exams, pediatric immunizations, routine diagnostic screening, etc.
- Hospice services both inpatient and outpatient
- Mental health services both inpatient and outpatient including individual/family counseling.
- Major medical
- Prescription drug benefit

The following coverage and standards should also be included (available through BBT):

- Term life insurance – \$50,000
- Long Term Disability

The following minimum standards apply to medical insurance benefits:

- Premiums are divided on a 2:1 ratio between the congregation and the pastor(s).
- The congregation is responsible for paying 100% of the additional cost if a pastor/congregation elects to insure the pastor under the spouse's plan.
- Plan deductible rates – \$500 per person, \$1,000 per family, and a minimum coinsurance rate of 50% for in-network services.
- Congregations/pastor(s) who select a high deductible plan eligible for a Health Savings Account will include a contribution to the Health Savings Account from the congregation on behalf of the pastor. The minimum contribution is \$1,000 for family medical plans and \$500 for individual plans.

Dental, eye, long term care, and flex spending accounts are optional benefits.

E. Days Off, Vacation, and National Holidays

The pastor(s) should take off a day and a half per week, being free from parish responsibilities except for crisis ministries.

Vacation is based on total years of ministerial service. The pastor(s) should receive vacation time in the year it is earned:

- § Three (3) weeks for the first three (3) years of service;
- § Four (4) weeks for years four-twenty (4-20); and
- § Five (5) weeks after twenty (20) years.

Vacation time shall be taken at a time mutually agreed upon by pastor(s) and the congregation.

Paid national holidays should be mutually agreed upon.

F. Special Circumstances

The pastor(s) shall be granted thirty (30) days for special circumstances (paternity/maternity, sickness, death in the family, other crises) beginning with the first year of career service and then ten (10) days for each succeeding year accumulating to no more than ninety (90) days. Upon request, the pastor(s) shall be granted this released time for special circumstances with the approval of the congregation. The congregation shall not be required to pay any accrued days for special circumstances after the pastor's service is terminated. Accurate records should be kept by the church. The accumulated days move with the pastor(s).

II. PASTOR-RELATED EXPENSES

A. Travel

The congregation should assume the cost of travel for parish responsibilities by reimbursing the pastor(s) for the use of a personal car. Mileage records should be kept and the pastor reimbursed for the actual miles at the accepted IRS rate. The congregation may choose to lease or purchase a vehicle.

B. Annual/District Conference

The congregation should expect both Annual and District Conference attendance by the pastor(s) and provide for the expenses and the time to do so.

C. Continuing Education

The "Guidelines for Continuing Education" adopted by the 2002 Annual Conference says, "Formal education does not complete one's learning and preparation for ministerial leadership. Education is a lifelong process." These guidelines encourage congregations to:

- Incorporate at least seven (7) days a year in the pastor's schedule for continuing education. This should be planned so that the pastor is not away for more than one Sunday during the seven days.
- Assist with appropriate financial support by creating a continuing education account in the annual budget or a special reserve fund, whereby both the congregation and the pastoral leader can save for the future.

(See Ministerial Leadership Manual AC140 for full guidelines)

D. Sabbath Rest

The "Guidelines for Sabbath Rest" adopted by the 2002 Annual Conference says, "The purpose of sabbath rest is for renewal of body, mind, and soul. It is an important component in long term planning and implementation of new ministries for growing pastors and missional congregations. A sabbath rest requires careful planning, and the goal is for it to be beneficial to both pastor and congregation.

The pastor may be granted a sabbath rest following four, five, six, or seven years of continuous ministry in the same congregation. The pastor's salary and benefits will continue during the sabbath rest. The congregation will provide for the ministry of the congregation while the pastor is away.

The sabbath rest is for three (3) weeks after four years, five (5) weeks after five years, seven (7) weeks after six years, nine (9) weeks after seven years. In addition, the pastor is entitled to his or her normal vacation annually. In many cases, the pastor may want to combine sabbath rest and vacation into one total period of time away.

Bi-vocational leaders are also eligible for a sabbath rest. It may be more difficult for these pastors and their congregations to agree on a sabbath rest, but it is well worth the effort. Their sabbath rest will need to take into account the congregational/pastoral agreement, and be prorated to satisfy the agreement.

The pastor is expected to remain with the congregation for at least one year following a sabbath rest.”

(See Ministerial Leadership Manual AC150 for entire guidelines.)

E. Professional Expenses

Professional expenses that may be incurred should be negotiated.

III. MOVING EXPENSES

The congregation will pay for the expenses of moving the pastor/pastoral family into the congregation as mutually negotiated.

IV. WORKERS COMPENSATION

Congregations should participate in state workers compensation plans even where it is optional for churches.

V. CONNECTIONAL MINISTRIES AND RELATIONSHIPS

Ordination is a calling of and for the whole church.

While little direct expense is involved, it is important that both the pastor(s) and the congregation discuss and agree on the number and types of ministry involvements beyond the immediate parish. Such ministries should include leadership roles in Annual Conference, Denominational, or District activities, camping programs, ecumenical organizations, and community involvements.

Special attention and support should be given by the congregation and the pastor to paying attention to nurturing peer relationships beyond the congregation, locally, district-wide, and denominationally. The well-being of the pastor (and pastoral family) depends upon the development and nurture of support groups and mentoring relationships between and among pastoral colleagues.

VI. ANNUAL REVIEW AND EVALUATION

It is important for the pastor(s) and executive committee (or ministry committee) to negotiate a job description and to evaluate pastoral performance annually. This should be done as a shared review of the congregation's mission and ministry.

VII. AUTHORITY FOR MINISTRY

The authority for ordination granted by Annual Conference rests with the District Board. Therefore, all ordained ministers in the Church of the Brethren are granted their authority by their District Boards upon recommendation of their District Ministry Commissions. Persons who are not ordained in the Church of the Brethren need approval by the District Board to serve as pastors. All ordained ministers are accountable to their districts for their ministry.

Approved by Pastoral Compensation and Benefits Advisory Committee, 7/99

Revised 1/2000

Revised 10/2002

Revised 10/2003

Revised 10/2007

Revised 10/2009

Revised 10/2010

Revised 6/2017

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