

- For **Pastors in a Covenant (Temporary Pastoral Relationship)** the minimum required medical contribution remains at 11% of Effective Salary, the required retirement contribution at 11%. Death and Disability Insurance is also required (it may be purchased from the Board of Pensions at 1% of Effective Salary for those participating in either Medical or Retirement, at 2.5% for those who do not participate, or from a private insurance company). If the pastor does not need medical reimbursement, then that amount may be applied to retirement savings. For those in a less than half-time position, benefits are encouraged but not required. Because of the flexibility available in Covenant positions, COM approves these individually, based upon conversations with the pastor and session.

The Board of Pensions has introduced a new program, called “Minister’s Choice,” for 2021. Its cost is 10% of Effective Salary, and it includes the Pension Plan, the Death and Disability Plan, and the Temporary Disability Plan (as well as access to assistance and education programs available in Pastor’s Participation). COM encourages congregations to consider Minister’s Choice for covenant positions. **For 2021, COM will consider any conflicts between Minister’s Choice and the Presbytery of Donegal’s policy on a case by case basis.**

- For all pastors whose **compensation is at Presbytery minimum, COM highly recommends a Longevity Step Increase** in Effective Salary each year. Specific amounts would depend upon experience, and the compensation ability of the congregation. COM is available to help with this conversation.
- **Mileage reimbursement** is at the IRS standard mileage rate. Sessions should budget this expense based upon expected mileage. If expenses for mileage and travel authorized by the session exceed the budgeted amount, submitted expenses must continue to be paid.

The use of an “accountable” reimbursement arrangement is recommended for tax purposes. This requires that business miles are substantiated with adequate records at least every 60 days at the IRS approved rate. Following other reimbursement arrangements potentially makes the payment taxable income to the recipient.

- **Continuing Education:** a minimum of \$750 and a minimum of 2 weeks (defined as fourteen days, including 2 Sundays.) Both the time and Con Ed allowance are cumulative for three years and must be documented in the minutes by the session. This figure is not taxable to the minister and not part of Effective Salary for Board of Pension purposes.
- **Vacation:** A minimum of one month (defined as thirty days, including four Sundays. The session is free to define one month as thirty-one days.)

- **Technology Expenses:** Sessions have two choices for technology access for pastors. They may provide cellphone and internet access as part of the church expense budget. Otherwise, a Technology Allowance of a minimum of \$600 annually is required if the session expects to be able to contact the pastor electronically (via email or cell phone) when the pastor is not in the church office. This allowance may be used for mobile phone expenses, internet service expenses or a combination of both, and is generally paid on a pro-rated monthly basis.

Questions? We know these calculations are increasingly complex. In many cases determining salary is different for IRS and Board of Pension purposes. Please contact the Stated Clerk or the Executive Presbyter for any questions related to calculating terms of call.