



Terms of Call for 2019

The Connecting Our Ministry Commission (COM) recommends the following actions on terms of call for the year 2019:

Effective Salary for 2019

- **A mandated 2% increase in the minimum effective salary.** For pastors with salary & housing allowance (**not in a manse**), the minimum effective salary is \$55,238. The Social Security offset is paid upon this amount, as well as Board of Pension dues in installed positions, and retirement/medical contributions for those in contracted positions.

For pastors who live in a church-owned manse, the Board of Pensions requires that the manse value be at least 30% of total Effective Salary. The manse value is used in calculating Board of Pension dues for those in installed positions. The Social Security offset is paid upon this amount, as well as Board of Pension dues in installed positions, and retirement/medical contributions for those in contracted positions.

- **A recommended 2% increase in effective salary for those above minimum.** COM recommends that congregations, if able, raise effective salaries at least 2% to reflect increases in the cost of living.

Benefits for 2019

- **Please see the 2019 Annual Review of Compensation forms** on the Presbytery website for the details on all aspects on compensation (available October 1, 2018). Board of Pension dues may be calculated once the amount of Effective Salary is determined. Board of Pensions dues for 2019 will be 37% of Effective Salary for each member's coverage. Medical Dues remain at 25%, Pension Dues remain at 11% and Death and Disability Dues remain at 1%. (As a reminder: There is no longer a difference between single and family coverage).

The specific amount determined to be salary will be different based upon whether this is an installed position in the Board of Pensions, or a covenant position with benefit allowances, and whether or not there is a manse. Each Terms of Call Annual Review form is individualized for the specifics of each pastoral position.

- For Pastors in a Covenant (Temporary Pastoral Relationship) the 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).

- 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:** For all pastors a Technology Allowance at 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.

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 Presbytery Stated Clerk, Rev. Dr. Michael Wilson, for any questions related to calculating terms of call.