SETTING THE PASTOR’S COMPENSATION

The United Methodist Discipline directs the Staff/Pastor Parish Relations Committee to:

1. **Consult** with pastor and staff about: compensation, housing, pension, health and life insurance, vacation, professional expenses, continuing education, sabbaticals, honorariums for guests including preachers and organists, etc.

2. **Recommend** appropriate proposals pertaining to the items above to the Church Council on an annual basis.

**Process**

In order to give these matters appropriate consideration, many Staff/Pastor Parish Relations Committees begin the process of consultation with pastor and staff in August or September.

- The Staff/Pastor Parish Relations Committee **recommends** to the Church Council, and **reports** to the Finance Committee.
- The **Church Council may make** the final decision on compensation, etc. for all staff members except the pastor.
- Upon receiving the recommendations of the Church Council, the **Church Conference makes** the final decision regarding the pastor’s compensation package.

**Salary Package Components**

The policies and compensation package components which follow are approved for 2015.

I. **Minimum Base Compensation** - A standardized minimum base compensation is established for The Upper New York Annual Conference that requires the following:

   A. A minimum base salary of $35,000 for all full time clergy persons.

   B. Plus a credential increment based on status as follows:

<table>
<thead>
<tr>
<th>Increment</th>
<th>Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full connection</td>
<td>10% ($3,500)</td>
</tr>
<tr>
<td>Provisional</td>
<td>8% ($2,800)</td>
</tr>
<tr>
<td>Associate</td>
<td>6% ($2,100)</td>
</tr>
<tr>
<td>FT LP completed</td>
<td>4% ($1,400)</td>
</tr>
<tr>
<td>MDiv</td>
<td>none (-0-)</td>
</tr>
</tbody>
</table>

C. Plus an additional amount per full time equivalent year of service based on credentials as follows:
### Full Provisional Associate FTLP w/MDiv FTLP per year of FTE service up to 17 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Full</th>
<th>Provisional</th>
<th>Associate</th>
<th>FTLP w/MDiv</th>
<th>FTLP</th>
<th>per year of FTE service up to 17 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$237</td>
<td>$235</td>
<td>$234</td>
<td>$233</td>
<td>$230</td>
<td>17 years</td>
</tr>
</tbody>
</table>

D. Plus an additional $500 for each additional church on the pastoral charge (over one), not adjusted for part-time appointments.

E. No pastor’s salary can be decreased as a result of this policy, as long as they retain their current appointment.

F. All churches are encouraged to offer a salary increase of no less than the percentage increase in Conference Average Compensation (2.1% for 2015) in order to account for increases in the costs of living. Churches are encouraged to consider further raises based on exceptional service.

## II. Housing

All full time clergy appointed to a full-time charge or a United Methodist extension ministry shall be provided either a parsonage or a housing allowance.

When a parsonage is provided, the General Board of Pension & Health Benefits (GBOPHB) requires that it be valued at 25% of salary for benefit computation purposes. In a multi-church charge, this factor is added to salary for all churches in the charge, regardless of which church owns the parsonage in which the clergy person lives.

Pastors may utilize the favorable tax advantages of a housing exclusion, which does not increase the compensation package but does lower the pastor’s federal income tax liability. Housing is exempt from federal income taxes but is NOT exempt from self-employment tax.

A pastor living in a parsonage may have a Housing Exclusion; a pastor living in his/her own home may take advantage of a Housing Exclusion in addition to the Housing Allowance. This can be accomplished by passing a resolution designating an amount greater than the housing allowance listed on the compensation package.

## III. Accountable Reimbursement Plans

The UNY Annual Conference has approved the following recommendations related to Accountable Reimbursement Plans:

A. All pastors appointed within the Upper New York Annual Conference are entitled to an Accountable Reimbursement Plan (ARP) for professional expenses incurred while performing pastoral duties.

B. A minimum annual Accountable Reimbursement Plan (ARP) budget for a full time pastor shall be $3,500 for a single church appointment and $4,500 for a multi-church appointment.

C. Pastoral appointments of ¾ time, ½ time or ¼ time shall budget and pay an ARP proportionally to this standard for full-time appointments.

D. Congregations are encouraged to budget ARP above the required minimum in consideration of location-specific mileage needs and other factors.

## IV. Benefits

A. All pastors under appointment to a United Methodist Church 50% or more are eligible to participate in the Clergy Retirement Security Program (CRSP). The eligible clergyperson will be enrolled unless a Waiver of Participation, notarized and filed on the prescribed form, is received in the Benefits Office. The charge shall pay the
monthly CRSP Invoice. The rate has been set by the UNY Conference Board of Pension and Health Benefits at 14.0% of Pension Base Compensation for 2015.

B. Long term **disability and death benefits** are provided for enrolled clergy through the Comprehensive Protection Plan (CPP). All full time clergy, and elders, associate or provisional members serving 75%, appointed to a United Methodist Church have mandatory coverage. Churches will be billed at a rate of 3% of Pension Base Compensation for these mandatory enrollments. Elders, Provisional Members, and Associate Members who serve less than 75% are eligible under the optional category. Churches will be billed 4.4% of Denominational Average Compensation ($242.95 per month) for these optional enrollments.

C. All full time clergy appointed to a local United Methodist Church are entitled to health insurance and are eligible to enroll in the Conference-sponsored health insurance plan. Regardless of enrollment, all charges that have a full time pastor will pay the **blended rate premium of $12,000** into the health insurance program in 2015. This premium may be split between churches served by the full time pastor when the appropriate information is provided to the Benefits Office.

D. Clergy who are enrolled in the health care program and receiving benefits will incur a **Pastor’s Personal Contribution** based on coverage level. The appropriate amount will be added to the church’s monthly invoice. The church should deduct the pastor’s contribution from pay on a pre-tax basis.

<table>
<thead>
<tr>
<th>Pastor’s Annual Personal Contribution</th>
<th>Single</th>
<th>Two Person</th>
<th>Family (3 or more)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPO B750 Plan</td>
<td>$1,272</td>
<td>$2,400</td>
<td>$3,168</td>
</tr>
<tr>
<td>CDHP</td>
<td>$ 372</td>
<td>$ 708</td>
<td>$ 936</td>
</tr>
<tr>
<td>First United American (over 65 plan)</td>
<td>$ 0</td>
<td>$0 for 2 +65 $960 for 1 +65/1 -65 B500 plan $0 for 1 +65/1 -65 CDHP plan</td>
<td>$1,728 for 1 +65/2 -65 B500 plan $0 for 1 +65/2 -65 CDHP plan</td>
</tr>
<tr>
<td>Optional Guardian Dental Buy Up Benefit</td>
<td>$191.90</td>
<td>$380.40 Participant &amp; Spouse $416.40 Participant &amp; Child</td>
<td>$612.00</td>
</tr>
</tbody>
</table>

V. Other Considerations

A. Time off policies are included in the **Clergy Support Policies** document as revised at Annual Conference.

B. Using the guidelines noted, **“less than full time”** pastors (3/4 or 1/2 or 1/4) shall consult with the Staff/Pastor Parish Relations Committee and the district superintendent regarding housing, utilities, vacation, and professional expenses.

C. Churches with clergy serving less than full time should include in their salary support packages a "**health insurance allowance**" in a pro-rated amount that relates to the blended rate to enable the clergy person to obtain health insurance or fund a Health Savings Account.

D. Pastors are strongly encouraged to participate in the **Social Security Program**. Retirement, disability, and health benefit programs are structured around the Social Security system.

E. Pastors are strongly encouraged to personally contribute to their retirement savings by utilizing the **United Methodist Personal Investment Plan (UMPIP)**. Contributions can
be “before tax,” “after tax” or a combination. See enclosure for more information on UMPIP and CRSP.

VI. Pulpit Supply

The honorarium for pastor supply shall be $90 for one service and $75 for each additional service in 2015, plus mileage reimbursement at the current IRS rate.

VII. Clergy Support Policies

For more detailed information, please consult the 2015 Clergy Support Policies. This document has been created from the policies and guidelines developed thus far for the Upper New York Annual Conference. It is on the web at: www.unyumc.org/CompPackage.