



Upper New York Conference

The United Methodist Church

To live the Gospel of Jesus Christ and to be God's love with our neighbors in all places.

August 2019

TO: Staff/Pastor Parish Relations Committee Chairpersons
Pastors Serving Local Churches
FROM: Susan Latessa, Director of HR/Benefits
RE: 2020 Pastor Compensation Information

Greetings to our colleagues in the local churches of the Upper New York Conference!

A packet of information has been prepared related to pastor compensation in our Conference for 2020, along with related benefits. Staff/Pastor Parish Relations Committee Chairpersons are receiving an email copy of the information that pertains to the task before them prior to Charge Conferences this fall. This information, as well as important financial information that pastors will find helpful in planning for the year ahead, can also be opened and/or downloaded from the Upper New York Conference website: www.unyumc.org/about/2020-compensation-package.

Local Church Treasurers have already received information informing them of the process and how to get information online at unyumc.org/about/2020-compensation-package.

It is IMPERATIVE that the pastor or S/PPRC Chair provide an approved copy of the compensation form to the treasurer following charge conference.

Salary Computation:

1. See *Setting the Pastor's Compensation* brochure. **PLEASE** read the brochure before doing the salary sheet.
2. I encourage you to use the EXCEL spreadsheet versions of the enclosed worksheets and report form –which will be available on the Charge Conference Forms page after August 9:
www.unyumc.org/resources/forms
3. Please note that there are changes in the minimum salary computation approved at AC (outlined in the clergy support policy).
4. Salary Forms are due in your District Office 2 weeks prior to your Charge Conference.
5. Salary support grant application process (Equitable Compensation) will be published in September 2019 for 2020 grants. Applications are due in the District offices in October 2019. (check conference website for further details when available)

Clergy Benefits:

1. It is important to note that the benefit premiums have been developed and approved by the Conference Board of Pension & Health Benefits with the EXPECTATION THAT 100% OF THE BENEFIT PREMIUMS BILLED WILL BE PAID.
2. 2020 health Insurance rates, pension plan costs, and disability/death benefit premiums are provided in the accompanying document: *Setting the Pastor's Compensation* and on the Clergy Compensation Form. Workers Comp and short-term disability, which is covered and billed through the multi-peril church insurance program, are not included in this information.

3. Dental Coverage: Our dental coverage through Metlife is currently out to bid. As soon as we have the new rates and plan details, we will send the information to the pastors accordingly.

Clergy Considerations:

When considering your compensation package, it is a good time to review your financial goals and options.

1. Review the health plan deductibles and co-payments you have experienced. There are NO Health Reimbursement Accounts (HRAs) for the PPO plan.
2. Starting January 1, 2020, the Pastor's Personal Contribution (PERS) for any HealthFlex plan will be equivalent to 3% of compensation (salary+housing). This should be taken from payroll on a pre-tax basis.
3. Consider a pre-tax Flexible Spending Account (FSA) available through HealthFlex. This benefit also reduces the amount of compensation you are taxed on (per pay period) and helps manage your deductible and co-payment costs. FSAs can only be elected during Open Enrollment and should be deducted from your paycheck. Keep an eye out for communications about Open Enrollment coming this Fall (Late October/Early November).
4. Are you saving enough for retirement? Consider starting or increasing your personal contribution to the United Methodist Personal Investment Plan (UMPIP). Review the **UMPIP Information** document regarding the 1% match for CRSP; use the **UMPIP Contribution Election Form** to make changes. Take advantage of the FREE financial planning offered through Ernst & Young.
5. Do you have household expenses that could qualify as housing exclusion? Use of this exclusion does not cost your church more, but can exclude some of your income from federal income taxes. The resolution form is included on the Charge Conference Forms page (see below).
6. The Annual Conference approved the designation of a separate amount for continuing education within the clergy Accountable Reimbursement Plan (ARP). (See Clergy Support Policies) The total MINIMUM ARP remains \$3,500 for full-time clergy serving one church or \$4,500 for multiple churches. However, within that amount you need to identify how much will be designated for continuing education.

Charge Conference Forms:

Other forms that are needed for your church/charge conference are available on the UNY website's Charge Conference Forms page, along with their deadlines: www.unyumc.org/resources/forms

Clergy Appointment Moves:

If a clergy appointment move (of any distance) is paid for by the Conference, a 1099-MISC reflecting the actual cost of the move will be sent to you at year end. Under tax law, the cost of a move paid on your behalf is taxable income which must be reported, and the expense is non-deductible.

Important Dates:

See Deadlines on the Annual Report Form Check List

Late October/Early November – dates to be announced -- Open Enrollment and FSA Election Period

- This is important for anyone who waived HealthFlex coverage and wishes to enroll for 2020; for those who want to elect a FSA for 2020; and for those who want to elect the CDHP coverage (with HRA).

If you need any assistance, please contact Julie Valeski (ext. 2001 or JulieValeski@unyumc.org) or me (ext. 2002 or susanlatessa@unyumc.org). Thank you!

cc: District Superintendents # # #
Local Church Treasurers