



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 2024.

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, set according to credential level, for all full-time clergy persons as follows:

	<u>Base</u>
Full connection (elders & deacons):	\$42,418.44
Provisional (elders & deacons):	\$40,903.20
Associate Members:	\$40,145.58
FT LP completed Course of Study or MDiv:	\$39,387.96
FT Local Pastor:	\$37,873.76

- B. Plus an additional amount per full time equivalent year of service based on credentials as follows:

	<u>Full</u>	<u>Provisional</u>	<u>Associate</u>	<u>FTLP w/MDiv</u>	<u>FTLP</u>	<u>per year of FTE service up to</u>
2024	\$424	\$409	\$401	\$394	\$379	25 years

- C. Plus, an additional \$500 for each additional church on the pastoral charge (over one), not adjusted for part-time appointments.
- D. No pastor's salary can be decreased because of this policy, as long as they retain their current appointment.
- E. All churches are encouraged to offer a salary increase of **no less than 3.5%**. We encourage you to consider that inflation is 6% at the time of the recommendation and the 2023 Social Security Cost of Living Adjustment is 8.5%.

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, Wespath 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. Housing exclusions must be in place before a new appointment starts or before the start of a new calendar year.

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 eligible for 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. Within the Accountable Reimbursement Plan there shall be a designated amount for the pastor's continuing education. If the amount is not fully used in the current fiscal year, a pastor may request to roll over the remainder of the ARP Continuing Education amount with an SPRC approved plan for the use of the funds.
 - a. This plan and specific amount is to be reported to the local church/charge conference at year end. No more than three successive years of funding or \$2,000 (whichever is less) can be rolled over in this manner. This maximum dollar amount should relate to full time clergy. The amount for part time clergy shall be prorated.
 - b. In the event of a pastoral change, the roll over amount will be a part of the appointment conversation amongst the pastor, the churches, and District Superintendent(s) involved.
- D. Pastoral appointments of $\frac{3}{4}$ time, $\frac{1}{2}$ time or $\frac{1}{4}$ time shall budget and pay an ARP proportionally to this standard for full-time appointments.

- E. 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 United Methodist Churches at **75% or more** are eligible to participate in the Clergy Retirement Security Program (CRSP Pension). 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 **13.8% of Pension Base Compensation** for 2024.
- B. All pastors under appointment to United Methodist Churches at **50%, but less than 75%**, are eligible to participate in the United Methodist Personal Investment Plan (UMPIP) with the church(es) making contributions at **9% of Pension Base Compensation** for 2024. Clergy may decline this benefit by completing a Waiver of Participation (see A above).
- C. **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.**
- D. All full-time clergy appointed to a local United Methodist Church are eligible for health insurance and are eligible to enroll in the Conference-sponsored health insurance plan. Regardless of enrollment status (even if coverage is waived), all charges that have a full-time pastor must pay the **blended rate premium of \$15,120** into the health insurance program in 2024. If a pastor is full-time due to a multi-charge appointment, this blended rate premium may be split between churches served by the full-time pastor. The percentage split should be entered on the pastor's comp sheet and returned to the Benefits Office for processing.
- E. There is a **Pastor's Personal Contribution to health insurance (PERS) in 2024 in the amount of any elections over the set premium credit.** This amount will be dependent on the plan(s) you enroll in. Clergy and/or spouses over age 65, pay for Medicare Part B out of pocket.

V. Other Considerations

- A. Time off policies are included in the **Clergy Support Policies** document. (see below)
- 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. ***This is treated as taxable income to the pastor and should be included in the salary amount.***
- D. Pastors are strongly encouraged to participate in the **Social Security System** by making quarterly estimated payments or by requesting income tax withholding from their paychecks. 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)**. Visit the conference website Benefits page for more information on UMPIP and CRSP. [Pension and Financial Planning | The Upper NY Conference \(unyumc.org\)](https://www.unyumc.org/pension-and-financial-planning)

VI. Pulpit Supply

The honorarium for pastor supply shall be \$90 for one service and \$75 for each additional service in 2024, plus mileage reimbursement at the current IRS rate.

VII. Clergy Support Policies

For more detailed information, please consult the **2024 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 conference web at: www.unyumc.org.

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