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Dear Church Leaders,

Recently the Committee on Ministry of the Illinois South Conference met to discuss and decide on updates to the Illinois South Conference Compensation Guidelines. The 2023 guidelines are now available on the Conference website ([www.iscucc.org](http://www.iscucc.org)) or through the Conference office. We encourage you to prayerfully consider these guidelines when creating your compensation package for a search and call process and annually to evaluate how you are currently compensating your pastor.

The decision your church makes regarding compensating authorized ministers significantly impacts churches and ministers across the United Church of Christ. For stability and longevity of pastoral leadership within our churches, we believe it is vital to promote just and generous compensation to the skilled and valuable spiritual leadership of our Conference and authorized ministers.

**Therefore, we recommend a 5% increase which is a little more than half of the recently announced 8.7% cost of living adjustment (COLA) for 2023.** However, we realize that your church might not be able to meet the suggested compensation guidelines when it comes to your pastor's cash salary and housing allowance. If this is the case, we encourage consider other ways you might compensate your pastor.

**For example, in conversations with your pastor, your governing board, and the finance team of your church, talk about alternative ways to increase the overall package you provide.** Ask your pastor what they might benefit from the most. Instead of a dollar increase, they could benefit more from an extra week of vacation. Or maybe they could benefit from your church increasing the contribution you are making to their retirement plan. Open-hearted conversations about how your church can support your pastor and honor their good work will be greatly appreciated.

**We also encourage you to take the pastor's need for spiritual renewal quite seriously.** Working most weekends and holidays and tending to the daily requirements of congregational ministry can lead to professional burnout. **We urge you to include a sabbatical time in your call agreement**, planning well in advance for this time apart and educating your congregation about the importance of Sabbath rest and pastoral renewal. Further thoughts and resources for sabbatical leave are found on page 6 of this document.

If you have any questions or need additional resources, please feel free to reach out.

Together in Christ's service with you,  
The Committee on Ministry, and Rev. Shana Johnson, Conference Minister

# **Supporting Our Ministry 2023**

Minimum Compensation Guidelines  
for  
Authorized Ministers

Illinois South Conference  
United Church of Christ

Approved for distribution by the

Committee on Ministry Team  
of  
Illinois South Conference  
United Church of Christ

Revised November 2022

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*“But we appeal to you, brothers and sisters,  
to respect those who labor among you,  
and have charge of you in the Lord and admonish you;  
esteem them very highly in love because of their work.”*  
I Thessalonians 5:12-13

## I. Introduction - Understanding Support for Ministry

Conversations on salary considerations are to be grounded in the following:

**The Covenant Relationship:** When a congregation calls a person to assume responsibility as pastor and teacher, it covenants with that **person**, with **God**, and with the **wider church**, to care for, to support, and to grow in love and fairness. Therefore, the pastor is not “hired” by a congregation to work for it, but rather “called” to join the congregation and Conference in Christ’s ministry to the world. An important part of the covenant relationship is an annual review of the congregation’s ministry goals, and the ways in which it compensates its professional leadership.

**The concept of Stewardship:** We are the stewards of God’s resources as they are present in our lives and in the life of the church. In seeking the best use of the resources entrusted to its care, a congregation is to be sensitive to its own mission statement and aware of the needs of its staff members. Being faithful stewards means struggling with issues such as: In what ways is God calling us to compensate our staff, to care for our volunteers, to give to the wider mission and ministry of the denomination, and to maintain our buildings and property?

**The concept of Justice:** A congregation is called to provide fair and adequate support for those who lead it. It is to honor experience, education, responsibilities, and changing personal and economic conditions, and to respond with adequate compensation. Provisions are to be made for continued growth and education. A congregation is to be generous, just, and equitable regardless of the race, gender, or social status of their minister. (Please note that there continues to be inequality between male and female clergy salaries.) There are to be times for rest and relaxation. These are values our faith affirms.

It is best to view ministerial compensation in the context of the whole church’s ministry. All Christians are called to ministry and mission. Congregations have found that properly trained leaders are indispensable if they are to be faithful to the gospel and to God’s mission. Congregations “call” professional full and part-time pastors because the responsibilities of church leadership demand more education and time than can be offered by volunteers. Historically, it has been the tradition of the United Church of Christ to value well-educated pastors.

Congregations use educated professional leadership to equip the whole congregation for ministry. Compensation reflects the congregation’s intention to live in faithful service to God. This makes the congregation’s relationship with their pastor different from that of employer to employee, even though a written and signed “call agreement” is considered a legal contract. As noted above, this relationship is a covenantal relationship between professional and lay Christians shaped by their mutual responses to God’s call and the needs of the church.

## II. Components of Compensation

The following elements comprise an adequate and fair compensation package:

### A: Base Salary

Salary is determined by considering the responsibilities of the position, level of education, years of experience, and the needs of the person. The base salary is to be comparable to that of other professions in the community requiring similar education and experience.

**(See table on page 11 for minimum compensation guidelines.)**

## **B: Housing**

When a housing allowance is furnished, it is to be adequate to purchase or rent housing that would compare to the average housing in the membership of the church and in the community. The amount of total salary designated for housing, again, must be established in advance by vote of the church or official board and reported in writing to the pastor before payment at that salary level begins. The IRS stipulates that clergy calculate the amount of housing allowance by taking the lowest of these three figures: (a.) The amount of salary allocated at the regular annual meeting of the church as housing allowance, (b) the fair rental value of housing, utilities, and furnishings, and (c) actual costs. If the housing allowance is lower than actual expenses, and the fair market value of the home, the clergy will not be able to get the full benefit of this exclusion. For this reason, the amount of the housing allowance should allow for unexpected expenses that may be incurred. Any unspent housing allowance must be claimed as income at the end of the year.

When housing is provided for with a parsonage, all utilities, excepting personal, long-distance phone calls, are paid by the church. The parsonage is to be well maintained and compare at least with average housing in the membership and community. Since clergy are considered "self-employed," they must pay Self Employment tax (on the estimated rental expense of comparable housing in the area) in addition to their cash salary.

The value of the parsonage is based on the fair rental value of the home. The IRS allows that a portion of the pastor's salary may be designated as a parsonage allowance. By official vote of the church or official board, the church can stipulate that a portion of the salary be designated as a parsonage allowance. (This must be in writing.) This allowance can be used to purchase cleaning supplies, furnishings, decorative items, and to provide upkeep for the church-owned parsonage. This is an important tax break that would benefit many of our clergy. Some congregations offer to contribute to a tax-sheltered equity fund to compensate for a pastor's loss of equity by living in a parsonage.

### **Housing Equity is recommended when a parsonage is provided.**

A **housing equity allowance** differs significantly from a housing allowance, and that difference must be understood clearly so the two are not confused.

A housing allowance (discussed previously) is intended to provide financial compensation necessary for the pastor to provide for his/her own home during the present performance of duties. A housing equity allowance is intended to provide for housing at a later date by creating a fund to offset home equity lost when a pastor lives in a church-owned parsonage.

Many local churches are unable or unwilling to sell their parsonages. Their pastors are, in effect "paying rent" to live in the church-owned parsonage at the church's pleasure. Churches providing a housing equity allowance have recognized that when they require their pastor to live in a parsonage, the pastor and any family are disadvantaged at retirement, if the pastor dies, or if the pastor becomes disabled. After a number of years of "renting" a parsonage, that person and any family have accumulated no equity with which to provide for housing needs unless a housing equity allowance has been created by the local church that has required the pastor to live in a parsonage. Increasingly, local churches have been trying to fairly compensate for that economic disadvantage to the pastor by developing a planned housing equity allowance.

Establishing a housing equity allowance should be done carefully yet simply. The plan should be prepared in writing to be effective while avoiding possible misunderstanding.

Some local churches consult with a reliable local resource person (a realtor or other housing professional) to discover how much a typical home in the community appreciated during the current or immediately previous year. If a typical house in the community were valued at \$125,000 and appreciated by 3%, the housing equity allowance for the year would be \$3,750.00. Some other local churches pay a fair percentage of the base salary, like 5-10% per year as a housing equity allowance.

A housing equity allowance is considered additional compensation by the Internal Revenue Service and the Illinois Department of Revenue, and eventually will be taxable. If the allowance is paid directly to the pastor each year, the tax obligation will be immediate. If, however, the housing equity allowance is paid by the church into a tax-sheltered fund for future use by the pastor (or pastor's family) and is not immediately available, it is not taxable income until it is withdrawn for use at a later date.

It is recommended that the local church pay the housing equity allowance into a fund for the pastor (or pastor's family) and that the fund be in a depository agreed upon by the local church and the pastor. It should be further understood that the deposited funds are only available to the pastor (or pastor's family) at

- retirement, or
- disability of the pastor, or
- death of the pastor, or
- church sale of the parsonage with the intent that the pastor purchases or rents a home of his/her choice. It should also be agreed that the depository can be changed if the pastor resigns, but that the fund and restrictions on its use can be continued.

### **C: Vacation and Days Off**

A standard workweek for pastors is estimated to be approximately 50 hours. Responsibilities often require work on evenings and Saturdays as well as Sundays. An **annual vacation of four weeks, including four Sundays**, is to be considered as standard. **Two days off per week** is strongly encouraged to assure a pastor's continued health and endurance.

You are encouraged to provide one week of the summer as a "**camp week**," allowing the pastor to serve as a counselor or director in the Conference Outdoor Ministries program. This would not be considered vacation time since your pastor would be working all week with children and youth.

### **D: Benefits**

Benefits are those items other than base salary and housing that are considered part of the compensation package. They are the congregation's responsibility in providing adequate and just support of their pastor or leader. These include health and dental benefits, annuity, long-term disability, and group life insurance. The Pension Boards of the United Church of Christ offer the following benefits to pastors with standing and laypersons employed at least 20 hours per week:

#### **1. Health Insurance**

The United Church of Christ offers a Health Benefits Plan and Dental Benefits Plan. These are self-insurance programs providing comprehensive health and dental benefits that clergy and their families retain if they move from one state to another. There is only **one open-enrollment period** to enter the Plan: **within 90 days of one's first call to work 20 hours or more per week**. Subsequent entry into the Plan is by proof of good health only. Once included in the Plan, clergy and their families are insured for life as long as premiums are paid. **The church is to pay the entire premium for family coverage** unless only single coverage is needed. No plan is immune from the national problem of escalating health-care costs. Your Conference office or the United Church of Christ Pension Boards will help if you have questions about this Plan.

## 2. Annuity

The Pension Boards of the United Church of Christ administer an annuity fund for clergy and lay workers. This tax-sheltered fund is very carefully invested to provide maximum benefits at retirement. Annuity payments are calculated at 14% of the **total** salary (total of base salary + housing). When a parsonage is used, the value of housing is calculated at 30% of the base salary. Thus, the annuity payment for a pastor living in a parsonage would equal 14% x 130% of the base salary. Additional tax-sheltered payments may be made by agreement of the church, the pastor, and the Pension Boards.

## 3. Disability and Death Benefits

Congregations are to provide disability insurance through the UCC Pension Boards' Life Insurance and Disability Income Benefit Plan. This insurance relieves the church of liability in the event of their pastor's total or partial disability or death. The program provides for Short Term coverage beginning after 30 days and continuing for 5 months. Long Term disability benefits would begin after the 6 months and would pay a percentage of base salary and housing, plus annuity, to age 65. The congregation is responsible for continuation of benefits during the first 6 months of disability. Decreasing term life insurance is included in the Plan. The annual premium is 1½% of the total amount of **total** salary. Contact "Member Services" at the Pension Boards for details by calling Toll Free 1-800-642-6543.

## 4. Social Security Reimbursement

Congregations are to budget an amount equal to at least an employer's portion, or 7.65% of base salary plus housing, as a social security offset (reimbursement.) The Internal Revenue Service considers ordained clergy *employees* in relation to the income tax, but *self-employed* in relation to the social security tax. Clergy must pay the self-employed social security tax rate (currently 15.3%) on base salary + social security offset (reimbursement).

## E: Sabbatical Leave

A common sabbatical leave is three or four months, with pay, after five or six years of service. Usually, a pastor is required to commit to at least one more year of service following a sabbatical leave. Sabbatical leaves encourage longer pastorates and give both pastor and congregation new appreciation and fresh energy for their covenant in ministry. If a supply pastor is needed during the sabbatical period, congregations can prepare for that expense by adding annually to an escrow account for that purpose. Lay persons also can be prepared to lead worship and carry responsibilities for visitation, community leadership, and other regular pastoral duties. For further information about Sabbath time and the place of sabbatical leave in your church's ministry, contact The Alban Institute at [www.alban.org](http://www.alban.org).

## III. Reimbursable Expenses

Reimbursable expenses are those costs, reimbursable to the authorized minister, which are incurred in the performance of duties. **They are not part of the person's compensation.** They are "business" expenses for which the congregation is responsible. The IRS considers the following to be reimbursable expenses:

### A: Travel

The Internal Revenue Service establishes annually a maximum allowable rate for deducting business travel mileage. Check the IRS website for the annual rate - <https://www.irs.gov/tax-professionals/standard-mileage-rates>. The rate includes the full costs of auto depreciation, insurance, maintenance, and operation as a per mile cost. It is recommended that churches reimburse pastors for actual mileage logged in the performance of the ministry at the IRS allowable rate or other negotiated rate. It is **not** recommended that a monthly flat rate travel allowance be paid unless that rate has been determined by averaging a significant period of months' auto usage and multiplied by IRS reimbursement rate per mile.

### **B: Continuing Education**

Congregations should expect a pastor or leader to be committed to continued professional growth and development, since both truly benefit from it. Continuing education leave of minimally two weeks each year is recommended, with an amount budgeted to cover a major portion of the expenses for tuition, travel, housing, and meals that might be involved. The church board or appropriate committee should be involved in approving a mutually beneficial experience.

### **C: Other Professional Expenses**

The church may budget an amount for annual professional expenses including such items as:

- Professional journals, books, or periodicals
- Hosting or entertaining church leaders, members, or guests
- Dues to professional organizations such as the Academy of Parish Clergy,
- The Association of United Church Educators, or the Interim Ministry Network

### **D: Conference and Association Meetings**

Pastors are encouraged to attend official Conference and Association meetings for the benefit of churches and clergy. A pastor is to be encouraged also to serve in wider ministry - in the Association, camping ministries, Conference, or national settings. Such service, in appropriate amounts, is to be considered part of the congregation's and pastor's ministry. Such service is neither time off nor vacation. Expenses are to be reimbursed by the local or wider church.

### **E: Pulpit Supply Preachers**

During periods of scheduled absence of the pastor, such as the Sundays of scheduled vacation, Conference meetings, continuing education, sick leave or other approved personal leave, the payment of pulpit supply preachers is the responsibility of the church. See section V: C, "Other Staff and Specialized Ministry," for suggestions of compensation for this service.

### **F: Worker's Compensation Insurance**

In Illinois, an employer is required to carry Workers Compensation if there are five or more employees. The employees can be either full or part-time. There is no payroll qualification. Basically, any church with an employee can purchase Workers Compensation coverage, and we recommend that churches purchase the coverage. If a claim should occur, the payments are made under the Schedule of Benefits set forth by the state.

The United Church of Christ-Insurance Board (UCC-IB) "Workers Compensation" coverage automatically includes coverage for volunteers, where applicable by state law.

### **G: Malpractice Insurance**

In today's litigious society, it is advisable for churches to carry malpractice insurance to protect both the pastor and church in the event of a lawsuit. Congregations insured through the UCC-IB Insurance Program have that coverage.

**All authorized ministers (including retired persons and students in care)** serving in any capacity in churches of the Illinois South Conference are required to participate in, and be certified in having completed, periodic Boundary Training. While this does not insure against sexual and other forms of misconduct, the requirement does ensure that those serving our churches are cognizant of the issues.

Since January 1, 2007, all persons seeking to circulate a profile in the United Church of Christ are required to pay for a national criminal background check, the cost of which may be reimbursed by the congregation that calls them. There is an additional line item added to the attached worksheets indicating this cost to the congregation.



#### **IV. Other Support**

Congregations are wise to anticipate special situations or needs of their pastors, commissioned or licensed ministers, or other employees. Such special situations include illness, personal emergencies, the birth of a child, etc. **Personnel policies** regarding such needs can avoid confusion and avert tensions in the relationship. If the church has no personnel policies for pastors or other employees, a beginning point could be consideration of the Conference personnel policies. You may request a copy from the Conference office at (618) 654-2125.

##### **A: Sick Leave**

In developing sick leave policy, the congregation might begin by considering the Conference personnel policy that allows one day per month for a maximum of 12 days per year, not cumulative. If an extended illness occurs, the official church board could be empowered to arrange for full salary up to 12 weeks. In case of long-term disability, the congregation is expected to sustain full salary and benefits through the first 90 days of confirmed disability, after which disability insurance benefits apply.

##### **B: Family Leave**

A period of maternity/paternity leave is an important way for congregations to support a pastor and family. **Four weeks of leave are recommended**, usually to be taken during the last weeks of pregnancy and first weeks after delivery, adoption or beginning of foster-care. Details of the leave are to be negotiated and clearly shared with the congregation to avoid misunderstandings.

##### **C: Emergency or Personal Leave Days**

It may be helpful to identify a number of personal leave days to be used in cases of special family crises or celebrations. Details of the leave are to be negotiated and clearly shared with the congregation to avoid misunderstandings.

#### **V. Other Staff and Specialized Ministry**

**No ordained pastor is to be expected to serve full time for less than the minimum compensation guidelines** outlined in this document. While compensation for Commissioned or Licensed Ministers may not meet the guidelines for ordained pastors, there must still be fair and adequate compensation for the responsibilities involved. If your church needs help in identifying persons for any of the following positions, please call the Conference office.

##### **A: Associate Pastors**

Associate pastor compensation will vary with responsibilities, experience, and training. While it is common for an associate pastor's base salary and housing to be less than a senior pastor's, it ought not be less than 80% of the senior pastor's base salary and housing. In any case, it should meet at least 80% of the minimum guidelines in this document. Full benefits should also be offered.

##### **B: Interim and Intentional Interim Pastors**

An "intentional interim pastor" is a pastor contracted to serve a church during a stipulated transition period in order to help that congregation meet particular goals before calling a new, settled pastor. An intentional interim pastor handles all the regular pastor's duties and helps the church identify those important goals and set objectives for the interim period, which may be one to two years. Compensation for this specialist in interim ministry is to be at least at the same level as the last full-time pastor but may need to be higher to adequately compensate for the interim's unique skills, or to stretch the congregation toward more adequate compensation for the next settled pastor.

### **C: Regular Supply and Pulpit Supply Pastors**

A congregation desiring full or part-time pastoral leadership during an interim or sabbatical period, but not intending to address particular challenges or developmental goals during that period, may contract for the services of a regular supply pastor to assist them in maintaining their ministries and programs. Compensation for regular supply pastors is to meet the guidelines, using the part-time formula when the contract involves less than full time service.

Where a congregation needs only worship leadership, a pulpit supply pastor may be contracted for one or more consecutive weeks. A weekly compensation of approximately \$200, plus travel expenses (Check the IRS website for the current rate) is a fairly standard amount for that service. An additional amount is to be added if the church involves more than one service.

### **D: Commissioned Ministers**

Commissioned Ministers are lay persons authorized to serve in the United Church of Christ according to the guidelines of the *“Manual on Ministry.”* They normally have a college degree plus specialized training in a specific area of ministry not requiring ordination, such as Christian education, music ministry, congregational health ministry, parish nursing, administration, outdoor ministry, etc. Compensation should reflect experience, education, and special training.

Full-time service should include all the benefits recommended above in II. D.

### **E: Licensed Ministers**

Licensed Ministers are lay persons who have received special training to preach and lead worship in settings where an ordained pastor is not available. Compensation is to address fairly the minister’s needs in relation to the amount of time and responsibilities required by the position. Churches may wish to consider a percentage of the recommended guidelines for base salary and housing, considering also average compensation and benefits received in the community.

## **VI. Working Together for Effective Ministry**

The covenant that binds a pastor and congregation in mutual ministry and mission needs to be nurtured, strengthened, and sometimes renewed. Here are some specific ways this can be done:

### **A: Pastor-Parish Relations Committee**

A small committee of three to seven persons is given the specific job of **nurturing** the pastor, the relationship between the pastor and the congregation, and **clarifying the role** of the pastor. Such care can build the trust and communication necessary to deal effectively with the inevitable tensions and conflicts that arise. Guidelines for such a committee can be found in the document, *“The Pastoral Relations Committee,”* available from the United Church of Christ website: [www.ucc.org-Pastoral Relations Committee members](http://www.ucc.org-Pastoral Relations Committee members); A [Sure Foundation](#) at UCC Resources

### **B: Annual review of Compensation**

An important task for the Church Board or appropriate committee (Pastor-Parish Relations, Personnel, or Finance) is an annual review of the pastor’s compensation. The review is to be an open and caring conversation allowing the pastor to express changing needs or expectations. An annual increase of base salary reflecting any increase in the cost of living should be considered. This should include a review and adjustment of mileage reimbursement (if applicable) based on current IRS guidelines. Compensation does reflect the congregation’s intentions to take seriously their own calling. Additional salary increases reflecting meritorious service or increased responsibilities affirm the mutual covenant between pastor and congregation. Increases in pastoral compensation are to be advocated by a member of the Pastor-Parish Relations Committee or Personnel Committee. A pastor ought not be put in the position of defending her/his own compensation.

### **C: Ministry Evaluation**

Any planned evaluation of the church's ministry needs to be done at a time sufficiently distant from annual compensation review to avoid linking the two. Ministry evaluation is best undertaken when the purposes of evaluation are clear, and there are not immediate tensions in the relationship between pastor/lay leaders and congregation. Such purposes might be to clarify congregational goals and objectives, to assess the pastor's use of time in relation to those objectives, to identify unmet ministry needs, or skills that need further development. Evaluation of the congregation's ministry is as important as evaluation of the pastor's. They go together. After all, the ministry and mission belong to both. Deficiencies in ministry by one party can seriously impede effectiveness by the other. Three recommended resources which can be found online: *When Better isn't Enough: Evaluation Tools for the Twenty-First Century Church* by Jill Hudson; *Completing the Circle: Reviewing Ministries in the Congregation* by David R McMahill; and *The Power of Appreciative Inquiry* by Diana Whitney.

### **D: Flexible Spending Account Plan**

Through the Pension Boards, local churches participating in the UCC Health Benefit Plans may establish a Flexible Spending Account for clergy. Aside from a modest initial set-up fee, making this Account available does not have a cost to the local church as it is funded by the clergy person's voluntary salary redirection into the Account. The Account provides participants with tax savings related to medical deductibles, co-pays and dependent care expenses and is an attractive addition to a compensation arrangement.

**CLERGY COMPENSATION MINIMUM GUIDELINES  
Housing Allowance Provided**

Years of Experience		Membership of Congregation *						
		1-100	101-200	201-300	301-400	401-500	501-600	601+
0 to 5	<b>Total</b>	<b>\$ 51,297.32</b>	<b>\$ 53,724.63</b>	<b>\$ 56,151.95</b>	<b>\$ 58,579.27</b>	<b>\$ 61,006.59</b>	<b>\$ 63,433.90</b>	<b>\$ 65,861.22</b>
	Cash Base	\$ 39,459.47	\$ 41,326.64	\$ 43,193.81	\$ 45,060.98	\$ 46,928.14	\$ 48,795.31	\$ 50,662.48
	Housing	\$ 11,837.84	\$ 12,397.99	\$ 12,958.14	\$ 13,518.29	\$ 14,078.44	\$ 14,638.59	\$ 15,198.74
6 to 10	<b>Total</b>	<b>\$ 58,579.27</b>	<b>\$ 61,006.59</b>	<b>\$ 63,433.90</b>	<b>\$ 65,861.22</b>	<b>\$ 68,288.54</b>	<b>\$ 70,715.86</b>	<b>\$ 73,143.18</b>
	Cash Base	\$ 45,060.98	\$ 46,928.14	\$ 48,795.31	\$ 50,662.48	\$ 52,529.65	\$ 54,396.81	\$ 56,263.98
	Housing	\$ 13,518.29	\$ 14,078.44	\$ 14,638.59	\$ 15,198.74	\$ 15,758.89	\$ 16,319.04	\$ 16,879.19
11 to 15	<b>Total</b>	<b>\$ 65,861.22</b>	<b>\$ 68,288.54</b>	<b>\$ 70,715.86</b>	<b>\$ 73,143.18</b>	<b>\$ 75,572.08</b>	<b>\$ 77,999.40</b>	<b>\$ 80,425.13</b>
	Cash Base	\$ 50,662.48	\$ 52,529.65	\$ 54,396.81	\$ 56,263.98	\$ 58,132.37	\$ 59,999.54	\$ 61,865.48
	Housing	\$ 15,198.74	\$ 15,758.89	\$ 16,319.04	\$ 16,879.19	\$ 17,439.71	\$ 17,999.86	\$ 18,559.65
16 to 20	<b>Total</b>	<b>\$ 73,143.18</b>	<b>\$ 75,572.08</b>	<b>\$ 77,999.40</b>	<b>\$ 80,425.13</b>	<b>\$ 82,854.03</b>	<b>\$ 85,279.76</b>	<b>\$ 87,707.08</b>
	Cash Base	\$ 56,263.98	\$ 58,132.37	\$ 59,999.54	\$ 61,865.48	\$ 63,733.87	\$ 65,599.82	\$ 67,466.99
	Housing	\$ 16,879.19	\$ 17,439.71	\$ 17,999.86	\$ 18,559.65	\$ 19,120.16	\$ 19,679.95	\$ 20,240.10
21+	<b>Total</b>	<b>\$ 80,425.13</b>	<b>\$ 82,854.03</b>	<b>\$ 85,279.76</b>	<b>\$ 87,707.08</b>	<b>\$ 90,134.40</b>	<b>\$ 92,560.13</b>	<b>\$ 94,990.62</b>
	Cash Base	\$ 61,865.48	\$ 63,733.87	\$ 65,599.82	\$ 67,466.99	\$ 69,334.15	\$ 71,200.10	\$ 73,069.71
	Housing	\$ 18,559.65	\$ 19,120.16	\$ 19,679.95	\$ 20,240.10	\$ 20,800.25	\$ 21,360.03	\$ 21,920.91

- **Salary** is calculated to reflect IRS' requirements for clergy tax filing. **Housing Allowance** is arbitrary and should be set by the church governing board each year prior to January 1, in accordance with clergy's **anticipated household expenses** for the coming year.
- **Housing** must reflect the actual living expense of clergy. If it is set too low, it will deprive clergy from claiming full amount of expenses. If it is set too high, clergy will have to reflect this on tax return.
- **Social Security offset (reimbursement)** is calculated by adding **Cash Base + Housing** and multiplying the total times 7.65% or .0765 which is the employer's share of FICA and Medicare tax.
- **Cash Base + Social Security offset (reimbursement)** is the amount on which Clergy will pay income tax. **Cash Base + Housing + Social Security offset (reimbursement)** is the amount on which Clergy will pay FICA and Medicare tax.
- All benefits/expenses, including Social Security, are listed on the "Terms of Call Worksheet" on pages 12-13.
- **If parsonage is provided, Total** would be essentially the same as above table minus Housing Allowance but remember that clergy will still have to figure the equivalent value of living in the parsonage as income for IRS. **Social Security offset (reimbursement)** is calculated as **Cash Base plus 30% (estimated Social Security taxable value of parsonage) times 7.65% or .0765** which is the employer's portion of FICA and Medicare tax. (.075 x 130% of Cash Base.)
- It is advisable to establish an escrow Housing account for clergy living in a parsonage to ensure clergy will have housing in retirement.
- \*While the official membership of the congregation is one way to understand the expectations of pastoral services, churches are also encouraged to think in terms of all the people served which would include: Average number of participants in worship; Homebound individuals; Community ministry involvement; Outreach contact/evangelism efforts. Incremental support should be given for your pastor's involvement in each of these areas.

**TERMS OF CALL WORK SHEET**  
**Authorized Minister**

Full time\_\_\_\_\_ Part time\_\_\_\_\_

**COMPENSATION**

A Base Cash Salary \_\_\_\_\_

B Housing \_\_\_\_\_

Parsonage provided (valued at 30% of base cash salary, includes all utilities except long distance phone calls)

Parsonage allowance for furnishings & minor maintenance \_\_\_\_\_

**OR**

Housing Allowance \_\_\_\_\_

C Benefits

1. Health Insurance \_\_\_\_\_

2. Dental Insurance \_\_\_\_\_

3. Retirement / Annuity (14% of A. & B.) \_\_\_\_\_

4. Life and Disability (1.5% of A. & B.) \_\_\_\_\_

5. Social Security Reimbursement (7.65%) \_\_\_\_\_

6. Group Life Insurance \_\_\_\_\_

7. Long term care insurance \_\_\_\_\_

8. Worker's Compensation \_\_\_\_\_

9. Malpractice / Professional Liability Insurance \_\_\_\_\_

10. Total Benefits (add 1 thru 9) \_\_\_\_\_

D Total Compensation \_\_\_\_\_ **(Salary, Housing & Benefits)**

**REIMBURSABLE EXPENSES** (incurred on behalf of the church)

A Travel, \_\_\_\$0.625/mile (check IRS website for 2023 rate)\_\_\_\_\_

B Continuing Education Time \_\_\_2 weeks/year\_\_\_\_\_

Expense \_\_\_\_\_

C Other Professional Expenses \_\_\_\_\_

D Conference and Association \_\_\_\_\_

E Moving Expenses \_\_\_\_\_

F National Criminal Background Check \_\_\_\_\_

