

**Committee On Ministry
The Presbytery of Long Island**

Approved: June 28, 2011

2012 Compensation Program

For the years 2010 and 2011, the Committee On Ministry, and then the Presbytery, out of concern for the effects of the economic downturn on individuals and congregations, decided not to recommend a specific increase for pastors' compensation. While some congregations were still able to give increases, many others kept their pastors' compensation at the same level. During the years since the last increase was recommended, the Consumer Price Index for New York/ New Jersey/ Long Island has increased 5.6%.

The Committee feels strongly that it is not fair to ask pastors to go on accepting what amounts to a decrease in purchasing power. Furthermore, congregations that allow their pastors' compensation to fall behind equitable levels put themselves in a precarious situation. Pastors who cannot afford to pay all their bills may decide to move to other parts of the country where the cost of living is lower and salaries are relatively higher. Congregations that find themselves without a pastor often have to make a big jump in compensation in order to attract candidates. Several churches here that have recently called pastors have had to offer salaries that are as much as \$10,000 above the presbytery minimums. Some churches may find they may not be able to call a pastor at all.

Therefore, the recommendation this year is that all existing calls that are above the minimum should be increased by at least 2.1%, which is the increase in the CPI for the last year. Congregations that did not give increases in the previous two years should consider more to make up for that. Please note that congregations that are right at the minimum will have to give an increase of 2.1% plus 0.5% for the additional year of experience in order to stay at the minimum.

Approved: June 28, 2011

COMMITTEE ON MINISTRY
The Presbytery of Long Island

2012 COMPENSATION PROGRAM FOR PASTORS WITH MANSES

(Includes proposed changes to become effective for existing calls and contracts, January 1, 2012; for new calls and contracts, October 1, 2011)

* **1. Cash Aggregate**

Defined as the total of the cash salary, including the manse allowance, plus the tax-deferred investment.

The Manse Allowance

- Defined as that portion of the cash salary which the pastor reasonably expects to spend from his/her own resources on the home, including furnishings.
- Must be designated by the session in advance of when expended, not retroactively. May be adjusted during the year, in advance of increased expenditures, keeping the total aggregate the same.
- Accurate records and documentation of amounts must be kept by the pastor. Unused portion should be reported by the pastor as income.
- Not subject to income tax, but subject to SECA tax and pension dues.

Tax-deferred investment

- Paid by the church directly into a tax-deferred investment or an annuity, usually a 403 (b)(9) plan, such as the Board of Pensions' Retirement Savings Plan.
- Not subject to income tax or SECA tax, but subject to pension dues.

The minimum cash aggregate shall be \$43,600.

- **The minimum cash aggregate shall be increased one-half of one percent for each year since a pastor's ordination, up to 30 years.**
- **The minimum cash aggregate shall be increased by \$2,000 for churches with 151-350 members, \$4,000 for churches with 351-500 members, and \$6,000 for churches with over 500 members.**
- **The tax-deferred portion of the cash aggregate shall be at least \$1,000.**

It is recommended that all existing calls which exceed these minimums be increased at least 2.1% for 2012.

2. Free Use of Manse

For part-time calls or contracts, use 30% of the cash aggregate + premiums for #5 below for the Board of Pensions, and the annual fair rental value for SECA tax calculation. For full-time, use the annual fair rental value. Not subject to income tax, but subject to SECA tax and pension dues.

3. Full Utilities

Heat, electricity, and water must be provided by the church. Others may be provided, but are not required. Utilities paid directly by the church are not subject to income tax or pension dues, but are subject to SECA tax. Use approximate annual cost. Other utilities paid by the pastor should be included in the Manse Allowance.

* 4. **Pension Dues**

32.25 % of Effective Salary (#1+ #2 above + premiums for #5 below) paid to the Board of Pensions for retirement benefits, life insurance, disability benefits, and major medical.

5. **Additional Insurance**

Thoughtful and thorough consideration of additional forms of insurance available -- dental, additional life, and long-term care. Premiums are subject to pension dues.

* 6. **SECA Tax Reimbursement** (self-employment tax or social security)

Approximately one-half of the pastor's SECA Tax obligation, or 6.65% of #1 + #2 + #3 above, but excluding the tax-deferred investment. It is subject to income tax and SECA tax, but not subject to pension dues. It should be included on the W-2 form. If the pastor has requested voluntary withholding, it may be paid along with the cash salary. If the pastor pays taxes with quarterly estimates, it may be paid quarterly in advance of when those payments are due.

7. **Automobile Expense Reimbursement**

Reimbursement of actual mileage on church business at the IRS standard mileage rate for 2012, under an accountable reimbursement plan.

8. **Pastoral Ministry Expense Reimbursement**

A \$500 minimum for expenses in the pastoral ministry -- such as books, journals, vestments, and entertainment -- under an accountable reimbursement plan.

9. **Continuing Education Expense Reimbursement**

\$1,500 minimum. Can be accumulated for up to three years. Actual use or accumulation to be approved by session in advance and report received afterward. Under an accountable reimbursement plan.

10. **Vacation**

30 days, including 5 Sundays. After ten years in current position, 37 days, including 6 Sundays.

11. **Continuing Education Time**

Fourteen days, including two Sundays. Can be accumulated up to 42 days by agreement with session in advance. See Presbytery policy. Attendance at Early Ministry Institute may be part of this time.

12. **New Pastors' Orientation Time**

(New calls and contracts only.) Time in the first year for the pastor to attend a conference for new pastors to the Presbytery (3 days).

13. **Maternity/Paternity Leave**

Eight weeks/two weeks respectively. See Presbytery guidelines.

14. **Moving Expenses**

(New calls and contracts only.) Full, reasonable.

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**COMMITTEE ON MINISTRY
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**2012 COMPENSATION PROGRAM FOR PASTORS WITH
HOUSING ALLOWANCES**

(Includes proposed changes to become effective for existing calls and contracts,
January 1, 2012; for new calls and contracts, October 1, 2011)

* **1. Cash Aggregate**

Defined as the total of the cash salary, including the housing allowance, plus the tax- deferred investment.

The Housing Allowance

- Defined as that portion of the cash salary which the pastor reasonably expects to spend on the home, such as for rent, mortgage, property taxes, insurance, utilities, maintenance, and furnishings.
- Must be designated by the session in advance of when expended, not retroactively. May be adjusted during the year, in advance of increased expenditures, keeping the total aggregate the same.
- Accurate records and documentation of amounts must be kept by the pastor. Unused portion should be reported by the pastor as income.
- Not subject to income tax, but subject to SECA tax and pension dues.

Tax-deferred investment

- Paid by the church directly into a tax-deferred investment or an annuity, usually a 403 (b)(9) plan, such as the Board of Pensions' Retirement Savings Plan.
- Not subject to income tax or SECA tax, but subject to pension dues.

The minimum cash aggregate shall be \$65,400.

- **The minimum cash aggregate shall be increased one-half of one percent for each year since a pastor's ordination, up to 30 years.**
- **The minimum cash aggregate shall be increased by \$2,000 for churches with 151-350 members, \$4,000 for churches with 351-500 members, and \$6,000 for churches with over 500 members.**

It is recommended that all existing calls which exceed these minimums be increased at least 2.1% for 2012.

* **2. Pension Dues**

32.25 % of Effective Salary (#1 above + premiums for #3 below) paid to the Board of Pensions for retirement benefits, life insurance, disability benefits, and major medical.

3. Additional Insurance

Thoughtful and thorough consideration of additional forms of insurance available -- dental, additional life, and long-term care. Premiums are subject to pension dues.

* **4. SECA Tax Reimbursement** (self-employment tax or social security)

Approximately one-half of the pastor's SECA Tax obligation, or 6.65% of #1 above, but excluding the tax-deferred investment. It is subject to income tax and SECA tax, but not subject to pension dues. It should be included on the W-2 form. If the pastor has requested voluntary withholding, it may be paid along with the cash salary. If the pastor pays taxes with quarterly estimates, it may be paid quarterly in advance of when those payments are due.

5. Automobile Expense Reimbursement

Reimbursement of actual mileage on church business at the IRS standard mileage rate for 2012, under an accountable reimbursement plan.

6. Pastoral Ministry Expense Reimbursement

A \$500 minimum for expenses in the pastoral ministry -- such as books, journals, vestments, and entertainment -- under an accountable reimbursement plan.

7. Continuing Education Expense Reimbursement

\$1,500 minimum. Can be accumulated for up to three years. Actual use or accumulation to be approved by session in advance and report received afterward. Under an accountable reimbursement plan.

8. Vacation

30 days, including 5 Sundays. After ten years in current position, 37 days, including 6 Sundays.

9. Continuing Education Time

Fourteen days, including two Sundays. Can be accumulated up to 42 days by agreement with session in advance. See Presbytery policy. Attendance at Early Ministry Institute may be part of this time.

10. New Pastors' Orientation Time

(New calls and contracts only.) Time in the first year for the pastor to attend a conference for new pastors to the Presbytery (3 days).

11. Maternity/Paternity Leave

Eight weeks/two weeks respectively. See Presbytery guidelines.

12. Moving Expenses

(New calls and contracts only.) Full, reasonable.

* **change**

