

Approved: June 30, 2009

**COMMITTEE ON MINISTRY
The Presbytery of Long Island**

2010 COMPENSATION PROGRAM FOR PASTORS WITH MANSES

(Includes proposed changes to become effective for existing calls and contracts,
January 1, 2010; for new calls and contracts, October 1, 2009)

* **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 \$42,700.

- **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.**

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

31.5 % 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 7.65% 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 2010, 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.

* change

Approved: June 30, 2009

**COMMITTEE ON MINISTRY
The Presbytery of Long Island**

**2010 COMPENSATION PROGRAM FOR PASTORS WITH
HOUSING ALLOWANCES**

(Includes proposed changes to become effective for existing calls and contracts,
January 1, 2010; for new calls and contracts, October 1, 2009)

* **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 \$64,100.

- **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.**

2. Pension Dues

31.5 % 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 7.65% 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 2010, 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**

