



Presbytery Center
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Together Transforming
Lives, Congregations, Communities, World
Connected to the Synod of the Northeast and Presbyterian Church (USA)

Newark Presbytery Committee on Ministry 2012 Compensation Policy

Summary

It is the policy of Newark Presbytery that its member churches shall provide equitable compensation of pastors and shall meet or exceed the minimum amounts specified for certain of the terms included in calls. Every church of the Presbyterian Church (USA) is obligated to review annually with its pastor(s) the adequacy of his/her/their compensation. Additionally, by the action of the General Assembly, each Presbytery may set minimum salary requirements and has the power to enforce such standards. It is the responsibility of the Committee on Ministry to propose these minimums to the Presbytery for approval. This will typically be done in the middle of the year preceding the year they are to go into effect. Also, the Committee on Ministry conducts a salary review early in each calendar year to determine the compliance of the compensation with the minimum. In situations where the Presbytery minimums are not met, full approval of the "call" is withheld until the situation is corrected. If you need assistance with pastoral compensation issues, please contact the Committee on Ministry chairperson, or the General Presbyter.

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**Committee on Ministry
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FULL-TIME POSITIONS

2012 Annualized Minimum Terms of Call for Ministers Serving Congregations

In keeping with the Synod of the Northeast "Standards for Ministerial Employment and Compensation Practices," the work schedule of ministers is divided into units made up of a morning, afternoon or evening devoted primarily to church-related work. Full-time ministry is a minimum of thirteen (13) units per week¹. It shall be recognized by churches and ministers that ministry, full- or part-time, requires being on call for emergencies.

2012

INCOME

Effective Salary ² (3% increase in minimum for 2012)	\$51,424
Includes:	
Cash salary and housing allowance, or	
Cash salary with manse ³ and utilities provided, or	
Cash salary with manse provided and utilities allowance.	

Social Security Offset ⁴	Optional
Home Equity Share ⁵	Optional
Deferred Compensation ⁶	Optional
Bonuses/Special Gifts ⁷	Optional

PENSION/MEDICAL/DEATH and DISABILITY

32.25% of Effective Salary for 2012	16,584
Pension (11%); Medical (20.25%); Death and Disability (1%)=32.25%	

REIMBURSABLE OR VOUCHERED EXPENSES & BENEFITS ⁸

Travel Expenses ⁹	3,300
Professional Expenses ¹⁰	500
Continuing Education ¹¹	800
Vacation ¹²	4-weeks
Study Leave ¹³	2-weeks
Sick Leave	12-days
Reasonable Moving Expenses	Provided



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PART-TIME POSITIONS

2012 Annualized Minimum Terms of Call for Ministers Serving Congregations

Part-time ministry is determined on the number of units needed to perform effectively the pastoral functions and expectations. A minimum of three units should be allocated for worship and preaching.

INCOME	<u>2012</u>
Effective Salary - per unit (3.09% change for 2012)	\$ 83.50
Includes:	
Cash salary and housing allowance, or	
Cash salary with manse and utilities provided, or	
Cash salary with manse provided and utilities allowance.	
 Bonuses/Special Gifts	 Optional

REIMBURSABLE VOUCHERED EXPENSES & BENEFITS (See footnote #8.)

Travel Expenses	IRS rate per mile
Professional Expenses	250
Continuing Education	250
Vacation	4 weeks
Study Leave	2 weeks
Sick Leave	12 days
Reasonable Moving Expenses	Provided



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PULPIT SUPPLY AND MODERATOR POSITIONS

2012 Annualized Minimum Terms of Call for Ministers Serving Congregations

Pulpit Supply: \$155 per worship service

(Increase of \$5 proposed for 2012)

Congregations, regardless of size, are to pay a minimum of \$150 per worship service, Sunday regular worship, funeral service, or wedding (counseling sessions are included in this amount). Mileage reimbursement at the IRS rate shall be added to the minimum. Congregations are encouraged to pay higher honoraria based on the pulpit supply's experience level and advanced degrees.

Ministers of Word and Sacrament are professionals. Honoraria are not to be based on the size of a congregation or ability to pay. Honoraria are for services rendered. Higher honoraria should be considered for those with 5, 10, or more years of experience and additional amounts given for advanced degrees.

Moderator of Session and Congregational Meetings: \$60 per meeting

(No change proposed for 2012)

Ministers of Word and Sacrament are professionals. Honoraria are not to be based on the size of a congregation or ability to pay. Honoraria are for services rendered. Higher honoraria should be considered for those with 5, 10, or more years of experience and additional amounts given for advanced degrees.

NOTES

2012 Annualized Minimum Terms of Call for Ministers Serving Congregations

¹ Newark Presbytery uses a UNITS model for establishing accountability for ministerial time. Full-time is based on approximately thirteen (13) units per week. Thirteen units are approximately equivalent to forty hours, or three (3) hours per unit. You may estimate that a "unit" is equivalent to a "Morning," or "Afternoon," or "Evening" time span.

² For a church PROVIDING A MANSE and paid utilities:

The Effective Salary minimum is \$ 51,424 with the minimum cash salary of \$35,997 (70%), and the minimum housing allowance of \$15,427 (30%). The fair rental value of the manse as determined by the PNC or Session and cost of utilities may be deducted providing that the minimum cash salary is met.

For a church NOT PROVIDING A MANSE:

The Effective Salary (total of cash and housing allowance) minimum is \$ 51,424. The negotiated Minister's housing allowance must be supportable to the IRS, if required.

For 2011, the Consumer Price Index, Cost of Living Adjustment (COLA) average inflation rate is 2.63%.

³ Manse value is calculated at 30% of Effective Salary.

⁴ The 198th General Assembly (1986) approved "A Pastoral Letter to Candidates and Ministers Regarding Social Security" which encouraged newly ordained ministers not to opt out of Social Security, and which encouraged ministers who had opted out of Social Security to re-enroll. Toward these ends, Newark Presbytery urges all congregations to include in terms of call the employer portion of the FICA tax (7.65%) owed by the ministers.

⁵ Newark Presbytery, recognizing the advantages afforded to churches and the disadvantages to ministers and their families, encourages churches whose ministers reside in manses to include in the terms of call a minimum annual figure of \$500 as a home equity share. The equity share may be placed in a tax-deferred annuity program to assist the ministers with housing at retirement or with relocation to another call.

⁶ The Board of Pensions considers reported individual retirement accounts, tax-deferred annuities, and other deferred compensation contracts in the calculation of pensions dues.

⁷ The congregation must approve all compensation to the pastor, and congregation must report to the IRS, all bonuses and other cash gifts, for which donors receive attestation of charitable donations.

⁸ Congregations are responsible for providing funds in their operating budgets for the costs of necessary services performed in the exercise of ministry. Such payments are not considered as income to ministers for tax reporting purposes providing that an accountable employee business reimbursement plan has been established. Such a plan must require that the ministers meet all three of the following Internal Revenue Service (IRS) rules.

- a. Ministers must have paid, or incurred, deductible expenses while performing services as employees of the church.
- b. Ministers must adequately account to the congregation for these expenses within a reasonable time period.
- c. Ministers must return any excess reimbursement or allowance within a reasonable time period. Payments to ministers for travel, and other necessary ministry expenses under a non-accountable plan, are considered wages and subject to income tax withholdings and payments of social security, Medicare, and federal unemployment tax. Churches should report such payments on the W-2 income forms if the ministers do not substantiate timely expenses with receipts or other documentation, and if ministers do not return timely advances not used for ministry expenses.

⁹ Travel costs are reimbursed at the Internal Revenue Service (IRS) mileage rates. The rate through December 31, 2011 is: 55.5 cents per mile for business miles driven (up from 50.0 cents).

¹⁰ Professional expenses may be used to reimburse ministers for books, membership fees, and other business-related costs.

¹¹ Continuing education funds are intended for the professional development of ministers and should be disbursed on a voucher basis after consultation with the sessions on plans for study. The ministers may make arrangements for advance payments if necessary.

¹² Vacation minimum is four weeks, cumulative to two months.

¹³ Study leave is minimum of two weeks, cumulative to one month.