

Penn Northeast Conference
2022 Ministerial Compensation Recommendations for Authorized Ministers

PREAMBLE

The Penn Northeast Conference of the United Congregation of Christ recommends these compensation recommendations for *full-time* authorized ministers. Provisions for differences in experience, education, and congregation size are included. Methods for utilizing these recommendations for less than full-time authorized ministers are also included.

We would like you to understand that there may be different perspectives on these recommendations. One is what can congregations afford? A second is how can we fairly compensate authorized ministers? These recommendations come from the perspective of what is fair compensation. Regardless of your perspective, it is imperative that congregations and authorized ministers have conversations about these recommendations.

We are aware that some congregations may not be able to compensate their leaders according to these *recommendations* but hope they prove useful to congregations when addressing compensation matters.

These recommendations focus on the total cost of funding the position of minister. They also include recommendations around specific parts of the package. Our recommendation is that you start with the minimum total needed to adequately fund the position, and then work with the best allocation of that total salary and benefits to meet the needs of your minister.

Conversations on salary considerations need 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, to support and to grow in love and fairness. An annual review of what the congregation is doing, and how it compensates those who are its workers, is an important part of the covenantal relationship, and should be seen in that context.

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 to best use the resources entrusted to its care, a congregation should be sensitive to its own mission statement, and aware of the needs of its staff members. Being good stewards implies that we are trying to act as God wants us to act. Being good stewards means struggling with issues like how God is calling us to compensate our employees, to care for our volunteers, and to participate in the wider mission and ministry of the United Church of Christ.

The Concept of Justice: The concept of justice calls us to provide fair and adequate support for those who labor in the local church. This means providing adequate salaries, uninterrupted times for rest and relaxation, and providing for the staff's continued growth. Ministers are entitled to be treated equitably for payment of services, and their working conditions should be reviewed annually.

The Covenant of Mutuality: Mutual respect, mutual dependence, cooperation, and care for the congregation and each other are all important when it comes to the sometimes difficult and uncomfortable subject of ministerial compensation. It is tempting for those congregations whose financial resources do not come close to being able to meet the Conference recommendations to look at ministerial compensation in purely dollars and cents terms. But this can seriously damage their relationship with their minister if the minister feels that he or she have been asked to make a sacrifice for the good of the congregation, and that his or her needs have not been considered.

For both the congregation and the minister it may be helpful to look outside the compensation recommendations to provide a more localized sense of what is needed to live in the area. For example, consulting the salaries of schoolteachers in the local school district who have a master's degree is a good reference. There may also be non-salary ways to show support for the minister. Extra vacation, sabbaticals, administrative support, and certain lay ministries can all be ways to show respect and appreciation for the minister's contributions to the life of the congregation. These are best identified in dialogue with the minister to identify what is the best fit.

A. CASH SALARY

Fair and just compensation for ministerial leadership should be reviewed by all parties involved, and to this end, Penn Northeast Conference's Ministerial Compensation Recommendations for Authorized Ministers are provided. The CASH SALARY is the amount of actual dollars paid to the minister. For purposes of this document, Cash salary DOES include housing and utilities. Other allowances, benefits, Social Security, or reimbursable expenses are not included. The Penn Northeast Conference's Compensation Recommendations are for all authorized ministers serving in local congregations and institutions.

In 2022, a starting cash salary for a full-time ordained minister with standing in the Penn Northeast Conference and no experience is recommended to be at least **\$75,329 (3% increase) or at a 3% increase of your congregation's 2021 level.** A full-time minister who is a Licensed Authorized Minister, or a Member in Discernment who has Lay Ministerial Standing in the Penn Northeast Conference and no experience is recommended to be **\$64,200.**

These figures do not reflect a congregation providing a parsonage. If a parsonage is provided, as is reflected in the worksheet, the cash salary should be reduced by 30%.

These recommendations are based on the uncertainty of our economic status during the pandemic. We recommend that as you develop your congregational budget you consult the Consumer Price Index or the 2020 projected inflation rate and adjust your compensation accordingly. All congregations are urged to strive toward meeting these recommendations by incrementally increasing income over the long term until recommendations are met. Ministers serving congregations that pay less than the minimum cash salary, however, are encouraged to negotiate an arrangement with their congregation which will allow them to acquire supplemental income.

Additional Factors to Consider

a. Experience

Because of the value of experience, an experience differential should be added to the starting salary for each year of ordained ministry and service in the local setting of the United Church of Christ. Local settings that have yet to meet the recommendations are encouraged to be in conversation with the Conference Staff to explore possibilities.

Experience Differentials

1-15 years full-time experience	add \$750 per year
16 years and over full-time experience	add \$100 per year

b. Size of Congregation, History, and Location

Because of history and location, additional resources and church budget, some congregations can pay larger salaries. With increased worship attendance size for a congregation, there are increased responsibilities and workload. The following scale is to be used for adding to the starting figure:

2021 In-Person Average Attendance at Worship

100-150, add	\$ 500
151- 250, add	\$1,000
251- 400, add	\$1,500
Over 401, add	\$2,000+

Part-Time Authorized Ministers

In the case of a part-time Authorized Minister, the total full-time compensation should be calculated and then multiplied by the part-time percentage to determine the salary package, e.g., a half-time minister anticipated to work 22-25 hours per week would be computed by totaling the salary and housing for a full-time authorized minister and multiplying that figure by 50%. In the cases of part-time authorized ministers, the total compensation may be divided into salary, benefits, and housing in a manner desired by the authorized minister in agreement with the congregational leadership.

It is important to stress that a part-time minister is not someone who works full time for part-time pay, but a minister who actually only works part time. Please refer to the Call Agreement workbook, provided by the national setting of the United Church of Christ for the expectations and work hours suggested for part-time ministers. To expect full-time work for part-time pay is a justice issue.

Associate and Assistant Authorized Ministers

These Compensation Recommendations should be utilized for Associate or Assistant Authorized Ministers. In many cases the years of experience of an Associate or Assistant Authorized Minister is significantly less than the Senior Minister and their salary will reflect their level of experience,

Interim, Transitional or Designated Authorized Ministers

The compensation for Intentional Interim, Transitional or Designated Authorized Ministers should reflect these Compensation Recommendations. A full-time minister serving as an Interim, Transitional or Designated Minister performs all the duties of a full-time settled minister AND the transition work needed by the congregation. Their compensation should reflect their role within the congregation.

Stated Supply or Extended Supply Ministers

The compensation for Stated Supply or Extended Supply Ministers should be calculated based on these compensation recommendations. A full-time minister serving as a Stated or Extended Supply Minister performs all the duties of a full-time minister and their compensation should reflect their role within the congregation.

Pulpit or Sunday Supply Ministers

The compensation for Pulpit or Sunday Supply Ministers should be \$150 for one service or \$250 for two services, plus mileage expenses.

B. HOUSING

Parsonage Provided – If the congregation provides a parsonage, full utility costs should be provided. Authorized ministers living in a parsonage are advised to designate a portion of their cash salary as a “furnishings allowance.” To the extent that it is used to pay for parsonage related expenses, this allowance is not subject to income taxes. This allowance is normally between 3% and 10% of the salary. The minister should notify the congregation’s governing board, for their annual approval, the designated furnishing allowance.

Equity Allowance – A congregation that provides its minister with a parsonage may want to consider establishing a housing equity fund that would be payable upon retirement or at some other time in the future. The fund would accumulate according to the specific agreement during the active service of the minister and then be available in a variety of payment options.

The Penn Northeast Conference does not play a role in such plans other than suggesting the use of pooled income of funds as the repository for Housing Equity Funds in United Church Funds.

Housing Allowance – The minister should notify the congregation’s governing board, for their annual approval, the designated housing allowance percentage. The minister should submit this request and the minutes of the governing board reflect their approval on an annual basis.

C. REIMBURSED EXPENSES

Professional Expenses – Congregations are expected to reimburse all professional expenses of authorized ministers. These may include FBI fingerprinting, PA Mandatory Reporting Education, and subsequent Criminal Background Checks.

Automobile – Automobile Expense is a church business expense and should be compensated fully. Compensation may take one of several forms.

- a. Per mile allowance (as allowed by IRS recommendations)
- b. Provision of an automobile and payment of all expenses for congregation use.
(Note that annual lump sum payments are now considered taxable income by IRS. Congregations should check current IRS law. Information about current automobile expenses can be found at www.irs.gov web site.)

Conference Wider Church Expense – Conference, wider church, and business-related expenses incurred should be paid by the congregation in full.

Moving Expenses – Initial moving expenses should be paid in full by the congregation calling an authorized minister. This is a church expense and shall not be considered as salary.

Background Check – When an authorized minister prepares a profile, the authorized minister must pay for a background check before that profile can be circulated. When an authorized minister is called to a new setting, the local congregation is expected to pay the full cost of that background check to the newly called minister.

D. BENEFITS

Social Security Offset – It is recommended the church or employer contribute (“offset”) half the amount the minister must pay, through the Self Employment Tax, for Social Security and Medicare. As of February 1, 2013, the Self Employment Tax is 15.3%, therefore the congregation “offset” is 7.65% of the salary and housing allowance. (All employers are already required to make this contribution for their regular employees. See IRS Notice 1036.)

Group Health, Dental, and Vision Insurance – Congregations are expected to pay the premium in full. (Congregations are encouraged to use the UCC Health Insurance plan whenever possible.) If the minister chooses to participate in another health insurance plan, the congregation pays the insurance premiums directly to the covering insurance provider. Rates for UCC Health Insurance are available from the UCC Pension Board (www.pbucc.org).

When possible, we recommend the congregation offer medical benefits at the Plan A level. However, if the cost is prohibitive for a congregation, they may negotiate the Plan B or C coverage with the authorized minister having the option to make up the difference. We DO NOT recommend that authorized ministers leave the UCC Medical Plan.

Medicare – At age 65, when a minister goes on Medicare, the local congregation is encouraged to pick up the cost of a Medicare Supplement Plan, which can be covered by the sharply lower premium of health insurance. The minister and their family will determine the Medicare Supplemental Plan that is appropriate for them. The local congregation is not responsible for the selection of the plan.

Life Insurance and Disability Income Benefit Plan – A UCC disability income and life insurance program should be provided at 1.5% of Salary “Basis.” Salary basis equals the cash base salary plus housing allowance or 130% of cash base if a parsonage is provided.

The congregation will be responsible for the first 30 days of salary, housing, and benefits. The member must contact MetLife to apply for Short Term Disability and when approved the member will receive (beginning with day 31) a weekly check which is 60% of the salary basis (cash plus housing allowance). The maximum duration of Short-Term Disability is 22 weeks. During this time the congregation continues to pay Annuity Plan contributions, premiums for the Life Insurance and Disability Income Benefit Plan, and the UCC Health/Dental Benefit Plans. **Salary should not be paid** while the member is on Short Term Disability. If salary is paid, it reduces the benefit payable dollar-for-dollar.

Retirement Annuity – Annuity should be paid at 14% of the cash salary and the housing allowance to the UCC Pension Board. If a parsonage is provided, 30% of the total cash salary should be added for the basis upon which the annuity is paid. Additional contributions may be made if desired.

Medical Flexible Spending Account Plan – Congregations are encouraged to set up a Medical Flexible Spending Account Plan either through the UCC Pension Boards or managed in the local church. After an initial cost of setting up the plan, there is no expense to the church but a considerable tax advantage for the minister.

Malpractice Insurance – The UCC Insurance Board (www.InsuranceBoard.org) covers the minister's malpractice insurance. If the local congregation does not have the UCC Insurance Plan, malpractice insurance is to be provided to the minister.

Educational Materials and Continuing Education – Congregations are encouraged to provide time and financial assistance for study and continuing education for their minister, with a minimum of two weeks annually (this time is not counted as vacation but is in addition to vacation leave). The annual budget line item should be a minimum of \$500 annually, to assist with the costs of continuing education and resources.

Communities of Practice or Pastoral Excellence Group – Congregations are encouraged to pay the annual costs of the authorized minister's participation in a community of practice or pastoral excellence group.

Parental Leave – Maternity/single parent leave with pay up to eight weeks and paternity leave following the birth/adoption of a child with full salary and benefits should be provided. An authorized minister who is the parent of a newborn and/or newly adopted child or who is pregnant, or a single parent may take, in addition to the paid leave, up to three months total leave, the last month of which is either accrued vacation time or leave without pay.

Compassionate Leave – Allowance must be made for the authorized minister to be with her/his immediate family at times of special celebration such as weddings or graduations and at times of personal emergency or unusual family responsibility. Paid personal leaves would normally be limited to a period of 5-7 days per incident, except where compassion dictates further extension. These days are not accruable.

Sick Leave – Sick leave should be granted to authorized ministers for personal illness or the illness of a dependent family member as defined by the local congregation governing board. It is recommended that one sick day for each month of the year, which can be accrued up to 30 days, with full salary, housing, and benefits.

Jury Duty – In accordance with State law, an employee must be allowed the necessary time off if summoned for jury duty. Authorized Ministers or employees are expected to return to their normal duties if they are excused from jury duty during their regular working hours.

Sabbatical Leave – When a minister is called, arrangements for a three-month sabbatical after each five years of full-time pastoral service or a two-month sabbatical after each five years of part-time service, with full pay and benefits should be made. It is recommended that the congregation establish a separate account to prepare for congregational and/or pastoral sabbatical leave expenses and contribute to it annually.

During the time of sabbatical all salary, housing, and benefits are paid to the minister. Planning needs to take place to assure the expenses of the congregation and minister for pastoral coverage for the congregation during the sabbatical and the minister's sabbatical expenses are met. Then at the time of sabbatical leave, funds will be available to cover the cost of the interim.

Upon return, the sabbatical experiences should be shared with the congregation. It is assumed that the minister will return to the present pastorate for at least one year after sabbatical leave.

Paid Vacation – Paid Vacation time should be a minimum of one month per year, including four Sundays. Additional weeks of vacation should be negotiated following every five-year period of service in that church. It is the responsibility of the congregation to fill the pulpit during vacation time.

Days Off – On average a full-time authorized minister serving as a local church minister is encouraged to limit evenings (counseling, meetings) to three or less per week. Ministers are encouraged to take at least two full days off per week. Sunday is a workday for ministers.

Collegial Time – Authorized Minister retreats, ministerial meetings, support groups, mission trips, continuing education, church camp, and sabbatical leave are not to be construed as vacation time. Authorized ministers are expected to participate in the work of the wider church in the conference and national settings, which is not vacation time.

Workers Compensation – Congregations are encouraged to cover their ministerial staff with Workers Compensation Insurance as they are required to do by state law for lay employees.

In Instances of the Current Minister's Death – In cases of the death of an authorized minister, actively serving, the congregation should provide salary, housing, and benefits to the family of the deceased for a period of three months. Use of the parsonage and moving expenses are negotiable based on the ability of the congregation to provide such support. Congregations are encouraged to consult Conference Staff when determining this benefit.

MULTIPLE STAFF AND SUPPORT STAFF PERSONNEL

All conditions described in this document pertaining to ordained senior ministers pertain equally to ordained associate, assistant ministers, and licensed ministers. Appropriate compensation for associate, assistant or licensed ministers may vary due to the scope of their responsibilities, ministerial training, and experience. No ordained minister should be expected to serve for less than the minimum Penn Northeast Conference recommended salary.

Program and office support staff should receive fair and equitable salaries and benefits in accordance with their responsibilities, training, and experience.

PERSONNEL POLICY

Every congregation should have a personnel policy for all employees of the congregation. The Penn Northeast Conference Office can supply a sample policy.

BEGINNING THE NEW YEAR

It is recommended that at the beginning of each new year with the governing board of your congregation and pastoral relations committee, *The Ordained Minister's Code* be read aloud. It is further recommended *The Local Congregation in Relation to its Pastor* also be read aloud. Reading these documents will demonstrate the seriousness of this covenant commitment between the minister and the congregation, and the congregation and the minister. For some, this will be new information. For others, this will be a reminder of the covenant commitment made when your minister was called to serve your local congregation.

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