

COMMITTEE ON MINISTRY

2017 PASTORS' COMPENSATION RECOMMENDATION

The *Book of Order* (2015-2017) specifically addresses minister compensation and the responsibility for its maintenance in the following two sections:

G-2.0804 Terms of Call

The terms of call shall always meet or exceed any minimum requirement of the presbytery in effect when the call is made. The session shall review annually the minister's terms of call and shall propose for congregational action (G- 1.0501) such changes as the session deems appropriate, provided that they meet the presbytery's minimum requirements. The call shall include participation in the benefits plan of the Presbyterian Church (U.S.A.), including both pension and medical coverage, or any successor plan approved by the General Assembly.

G-3.0307 Pastor, Counselor, and Advisor to Teaching Elders and Congregations

Presbyteries shall be open at all times to communication regarding the life and ministry of their congregations. Each presbytery shall develop and maintain mechanisms and processes to serve as pastor and counselor to teaching elders, ruling elders commissioned to pastoral service, and certified Christian educators of the presbytery; to facilitate the relations between the presbytery and its congregations, teaching elders, ruling elders commissioned to pastoral service, and certified Christian educators; and to settle difficulties on behalf of the presbytery where possible and expedient.

The Committee on Ministry recommends to the Presbytery:

1. The 2017 minimum Effective Salary package (salary, housing, utilities allowance, medical/dental supplement, etc.) for pastors in the Presbytery of the Miami Valley as follows:

	2014	2015	2016	2017
Plan A (no manse)				
Effective Salary	\$48,306	\$48,789	\$49,276	\$50,262
Plan B (manse)				
Cash salary*	\$37,159	\$37,530	\$37,905	\$38,663
Manse Value*	\$11,147	\$11,259	\$11,371	\$11,589
Total Plan B	\$48,306	\$48,789	\$49,276	\$50,252

*Reflects a change in calculation established in 2012 by the Board of Pensions of the Presbyterian Church (U.S.A.), requiring a minimum of valuation of the manse at 30 percent "of all other compensation included in Effective Salary," not of total Effective Salary.

This recommendation reflects a 2.0% increase over 2016.

Information which was used to formulate this recommendation included the following:

- The full-time median salary* of PC(USA) pastors rose 2.0 percent from May 2015 to May 2016 to \$57,300. The average salary increased 1.2 percent to \$62,103. For Installed Pastors, the average salary in the Presbytery of the Miami Valley is \$65,400, with a median salary of \$58,800.

Note: The Board of Pensions of the Presbyterian Church (U.S.A.) annually tabulates the median and average Effective Salary information reported to it for minister members of the Benefits Plan who are serving U.S. congregations. The median salary is generally considered more representative than the average salary, since it is less influenced by the very-high or very-low salaries.

b. Bureau of Labor Statistics data (www.bls.gov) reflects an increase in the Consumer Price Index for All Urban Consumers (CPI-U) 1.0 percent from June 2015 through June 2016. The energy index has fallen 9.4 percent over the last 12 months; the food index has risen 0.3 percent; and the index for all items less food and energy has increased 2.3 percent.

c. Social Security (www.ssa.gov/cola) announced no cost-of-living adjustment (COLA) for 2016 (computed in October 2015). This follows a 2014 increase of 1.7 percent in 2015. The Social Security Act provides that Social Security and Supplemental Security Income benefits increase automatically each year if there is an increase in the Bureau of Labor Statistics' Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of the last year to the third quarter of the current year.

2. The following standard minimum requirements apply for Pastors, Certified Christian Educators (CCEs), and Commissioned Ruling Elders (CREs):

- a. Continuing Education Reimbursement: \$1,150 (indexed to inflation; record as a separate item)
- b. Vacation: Four weeks including four Sundays
- c. Study Leave: Two weeks including two Sundays

The committee also reports additional information useful in preparing terms of salary packages for pastors and other church professionals:

1. Certified Christian Educators (as approved by the Presbytery in November 2000)
 - a. Salary equal to the minimum Effective Salary (Plan A) above, *pro-rated* as appropriate for part-time contracts.
 - b. Reimbursements, vacation, and study leave as above.
 - c. Additional guidelines:
 - (1). Base salary plus one percent per year for each year of experience beyond five years.
 - (2). Provision for medical coverage either by participation in the PC(USA) Major Medical Plan or other vehicle.
2. Commissioned Ruling Elders (as approved by the Presbytery in January 2002)
 - a. Salary equal to 75 percent of the minimum Effective Salary (Plan A) above, *pro-rated* as appropriate for part-time contracts.
 - b. Reimbursements, vacation, and study leave as above.
 - c. Medical coverage is normally obtained by the individual through his/her secular employment.
3. For the *Traditional BOP Plan* members with **no dependent coverage** the rate is **35.0 percent** (23.0 percent for medical; 12.0 percent for retirement, death, and

disability) of Effective Salary for 2017; for BOP members with **dependent coverage** the rate will be **36.5 percent** (24.5 percent for medical; 12.0 percent for retirement, death, and disability) of Effective Salary for 2017. All medical dues are based on Effective Salary of \$42,000. While some part-time, and temporary pastoral relationships may participate in the *Traditional BOP Plan*, there may be other options for pension, disability and medical coverage through the new Benefit Redesign Plan of the BOP. Information is available on the BOP website.

4. To calculate Effective Salary plus other helpful information, visit the Board of Pensions web site at www.pensions.org. It is important to remember that calculating Effective Salary is not the same as calculating Federal tax implications.

5. **Pulpit Supply Honoraria.** When a pastor leads worship for a congregation as a visiting guest, the church shall pay mileage at the current IRS authorized rate plus the following:

- a. For churches up to 250 members: \$75
- b. For churches over 250 members: \$100
- c. Additional compensation of \$50 for each additional service.

6. **Session Moderator Honoraria.** The Moderator for churches without installed pastors shall be reimbursed mileage at the current IRS rate plus \$35.

7. **Travel Reimbursement.** Member churches should reimburse pastors, Certified Christian Educators, and Commissioned Ruling Elders for church-related travel at the current IRS rate.