

2018 Guidelines for Local Church Personnel and Search Committees for Authorized Ministers and Professional Expense Reimbursement

Presented by the Clergy Leadership Development Ministry Council of the MACUCC

INTRODUCTION

For many years, it has been the practice of the Annual Meeting to vote clergy compensation guidelines every year. The Guidelines are developed and proposed by the Clergy Leadership Ministry Council. Two years ago, a question came to this Council from the Annual Meeting Planning Committee: “Do we really need to vote these guidelines every year?”

The Council determined, after some consideration, that a vote is necessary only when the Council proposes substantive changes to clergy compensation (beyond annual cost-of-living adjustments), or paradigmatic shift changes to clergy compensation methodology.

PROPOSED VOTE

Therefore, the Clergy Leadership Ministry Council recommended to the 217th Annual Meeting and approved the following by vote:

The 217th Annual Meeting adopted the Clergy Compensation Guidelines as printed in the Advance Materials. These Guidelines shall remain in effect, with annual cost-of-living adjustments as recommended by the Clergy Leadership Council, until such time as the Annual Meeting adopts new Clergy Compensation Guidelines.

PROPOSED GUIDELINES

The 217th Annual Meeting of the Massachusetts Conference of the United Church of Christ, seeking to balance the growth, vitality and financial sustainability of its churches with the fair and appropriate compensation of its authorized ministers, recommended that all congregations meet the goals as outlined in these *Compensation Guidelines for Authorized Ministers*. The guidelines apply to all people serving in authorized ministries of the church, including full-time and part-time solo, senior, associate and assistant pastors, both settled and interim, as well as licensed and commissioned ministers.

The primary operating principle for these guidelines is fair and just compensation for all authorized ministers. Authorized ministers serving our churches should be able to earn enough income, which includes base salary and housing, to live in the community they serve. This, however, does not obligate congregations to cover the necessary income in its entirety. When congregations cannot pay their authorized ministers according to the guidelines, the minister’s service to the church should be adjusted accordingly to allow them to find other work to supplement their income. The guideline figures presented in these tables represent an average across the Conference drawn from data from congregations and reported to the national offices. The data were evenly distributed with more than 40% of our congregations reporting. Local economic conditions will vary and thus,

these figures should be adjusted up or down depending upon local income data, such as that reported by the U. S. Census or the Massachusetts Department of Revenue. Median household income for Massachusetts in 2016 was \$75,297 as reported by the U. S. Census.

These guidelines reflect a congregation's average size of participation in the faith development opportunities it offers each week. These will include all worship services and educational opportunities, such as Bible study and regular mission and outreach activities. These guidelines also should encourage clergy and congregations to think of compensation in terms of ranges based upon the skills and talent pastors bring to complement the ministries of their congregations. They intend to foster a constructive dialogue between clergy and congregation to shape their shared ministry. This dialogue should reflect the scope of ministry which includes: congregation size, ministry tasks, congregational resources, the pastor's skills and expertise, and any exceptional conditions facing the congregation's current ministry.

The tables below reflect the scope of ministry and the experience and skills of the pastor. These ranges reflect conference-wide compensation data reported to the national offices of the United Church of Christ.

- Tables A and B present ranges for **Base Salary and Housing**, with and without a parsonage. To this amount, the following components would be added:
 - **SECA Allowance** – 7.65% of total salary basis (base salary plus housing or fair rental value of the parsonage)
 - **Home Equity Allowance** for those in a parsonage – 1.5% of average home value
 - **Pension Contribution** – 14% of salary basis
 - **Life Insurance and Disability Income Plan** – 1.5% of salary basis
 - **Health, Dental, and Vision Insurance**

The Conference recommends that all ministers, whether full-time or part-time, should have health insurance for themselves and their families. If a congregation can afford to cover a minister's health insurance needs, it should do so. However, when a congregation cannot, it should provide an addition to the salary to enable the minister to afford health insurance coverage. The minimum for this addition should be based upon the current UCC health insurance rates for Plan A for a single minister 41 years old or older. This would be pro-rated based upon the number of hours.

- In addition to this compensation, we recommend an Accountable Reimbursement Plan to cover ministry-related expenses incurred by the minister, including:
 - **Mileage reimbursement** – for use of a personal car at current IRS rate plus tolls and parking, or an automobile provided by the church.
 - **Professional expenses** – the Conference recommends a minimum of at least \$1,000 per year for other travel, meetings, books, professional subscriptions and other business expenses allowed by the IRS.
 - **Continuing education time and expense** – the Conference recommends a minimum of \$500 for participation in a clergy community of practice as well as workshops, trainings and retreats, supervision or mentoring.
- An additional benefit the church should offer is a **Health Flexible Spending Account** which is at no extra cost to the church.
- Note: **Accountable Reimbursement Plans** are not included in the tables as they are not taxable and thus are not considered as clergy compensation.

Time Considerations

- The **work schedule** of a full-time local pastor is an average of 35-50 hours per week with no more than 3 evenings in a given week and 2 regular days off per week.
- **Paid Holidays** according to church personnel policy.
- **Vacation Time** – Four weeks paid vacation per year.
- **Continuing Education Leave** – Two weeks, including weekends, per year.
- **Sabbatical Leave** – Three months paid full-time sabbatical leave every 5-7 years in addition to the expenses for substitute pastoral coverage during that time.
- **Sick Time** according to church personnel policy, but at least two weeks per year.
- **Parental Leave**, for Birth or Adoption – Twelve weeks paid (by church and/or disability plan) and up to six months of unpaid leave.
- **Personal/Compassionate Leave** as needed for bereavement or family celebrations.
- **Military Leave** – Those who serve in the military reserves or National Guard receive compensation for each day of mandatory mobilization up to 30 days a year. Should mobilization extend beyond 30 days, the local pastor will go on unpaid leave.

The following tables are based upon the following:

- Weekly Participation – the average number of people who participate each week in various faith development experiences in the church
- Clergy experience – relevant professional experience from ministry and other professions pertinent to the church, including supervisory experience
- Full-time is an average 35-50 hour work week, including four weeks for vacation, and two weeks of continuing education leave

Using these tables: The Conference encourages clergy and congregations to consider compensation based upon relevant experience and competency as follows:

- Low – Base training and education with minimal related professional experience.
- Mid – Demonstrates consistent, successful performance in all areas of the job.
- High – Performs job responsibilities independently and in a highly effective manner; may demonstrate unique knowledge or skill; is often a resource to others.

Associate pastors should be paid 80% of a full-time senior pastor with similar professional experience and demonstrated skills.

Table A. Base Salary with Parsonage			
Weekly Participation	Low	Mid	High
0 - 75	\$31,058 - \$39,668	\$35,363 - \$43,973	\$39,668 - \$48,175
75 - 110	\$37,208 - \$47,458	\$42,333 - \$52,480	\$47,458 - \$57,503
110 - 190	\$43,050 - \$54,940	\$48,995 - \$60,783	\$57,940 - \$66,728
Above 190	\$64,985 - \$82,820	\$73,903 - \$91,738	\$82,820 - \$100,655

Note: The above table assumes the parsonage is furnished plus all utilities are paid by the church.

Table B: Cash and Housing Allowance Range			
Weekly Participation	Low	Mid	High
0- 75	\$47,150 - \$60,116	\$53,608 - \$66,625	\$60,116 - \$73,083
75 - 110	\$56,375 - \$71,853	\$64,063 - \$79,540	\$71,853 - \$87,125
110 - 190	\$65,293 - \$83,230	\$74,210 - \$92,148	\$83,230 - \$101,168
Above 190	\$98,400 - \$125,460	\$111,930 - \$138,990	\$125,460 - \$152,520

How to Apply these Guidelines:

Step 1: Choose either **Table A** or **Table B** based on the housing/parsonage situation for your pastor.

Step 2: Select the appropriate row in the chart that best describes your church's **weekly attendance** at various faith development offerings/meetings. (Weekly attendance would include the numbers for those involved in worship service(s), bible studies, programs, committee meetings, etc.)

Step 3: Select the appropriate column by considering the level of professional experience, including performance, skills, responsibilities, and effectiveness of your pastor's work. For ministers answering an initial call, relevant professional and supervisory experience should be considered. For ministers who have served more than one year in their position, this should be determined based on a formal annual evaluation.

Step 4: Using the Total Salary Basis agreed to, determine the amounts to be allocated to Housing Allowance or Parsonage Allowance based on the reasonable needs of the minister. (This does not increase the cost to the church, but it benefits the clergy tax liability.)

Final Word:

Congregations will pay clergy what they can afford. Compare that amount to the amount in your appropriate range within the table, keeping in mind that the pastor should be able to live comfortably in the community where the church is located and in a manner consistent with the majority of the congregation's members. Churches who cannot afford this should consider employing a part-time pastor, thus allowing the pastor to work part-time at another job to supplement their income.

References:

- 1 Due to the federal tax code, clergy taxes are complex. The handbook will cover the lion's share of the questions for churches and clergy. However, a complete reference is the **Church and Clergy Tax Guide** by Richard Hammar. It is revised annually to correlate to the current tax code.
- 2 Based upon the 2018 Health Insurance rates published by the UCC Pension Board for one adult age 41 or older, Category "A" that amount is \$11,628. The complete table is on the website at [UCC Pension Board Health and Dental Insurance Rates](#).
- 3 An accountable reimbursement plan is not considered income and is administered by the church. While a part-time pastor may do fewer visits and thus may not need as much money in the plan for auto mileage as a full-time pastor, that pastor could incur the same expenses for conferences, meetings, meeting travel and expenses, books, and continuing education.