

# Clergy Compensation Guidelines

## 2010 Process for Establishing Compensation for Ordained Ministers within the Ohio Conference, United Church of Christ

### A. CASH SALARY

**Fair and just compensation for ministerial leadership should be reviewed by all parties involved, and to this end, Clergy Compensation Guidelines of the Ohio Conference are provided. The CASH SALARY is the amount of actual dollars paid to the minister. Cash salary DOES NOT include housing, utilities, allowances, benefits, Social Security or reimbursable expenses.**

1. In 2010, a starting cash salary for a full time, newly ordained pastor with ministerial standing in the United Church of Christ is recommended at \$29,472.\*

The cash salary, cash income, of \$29,472 is seen as the minimum for all full-time pastorates. All churches are urged to strive toward meeting these guidelines by incrementally increasing income over the long term until guidelines are met. Ministers serving churches that pay less than the minimum Cash Salary, however, are encouraged to negotiate an arrangement with their church which will allow them to acquire supplemental income.

#### 2. *Factor 1: Experience*

Because of the value of experience, \$800 should be added to the starting salary of \$29,472 for each year of ordained ministry, with a cap at 17 years,\*\* regardless where the pastor has served. Thus, a church that calls a pastor with 15 years of experience would add \$12,000 to the starting salary. Churches who have yet to meet the guidelines are encouraged to be in conversation with the Association to explore possibilities.

#### *Factor 2: Size of church, history and location*

Because of history and location, additional resources and church budget, some churches are able to pay larger salaries. The following scale may be used for adding to the starting figure:

Average Attendance at worship	
75-125, add	\$1,000-2,100
125-225, add	\$2,100-3,150
225-350, add	\$3,150-4,200
Over 351, add	\$5,500+

\* Approved by the 2008 Ohio Conference Annual Gathering. May be subject to approval by association(s).

\*\*Amended (17-year cap added) by Ohio Conference Board of Directors, September 2008.

2010 Guidelines, unchanged from 2009, approved at Annual Gathering, July 2009.

## **B. HOUSING**

**PARSONAGE PROVIDED** – If the church provides a parsonage, full utility costs should be provided. You may also wish to explore tax benefits available in parsonage furnishings plus housing allowance features.

**EQUITY ALLOWANCE** – A church that provides its pastor 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 pastor and then be available in a variety of payment options

The Ohio Conference does not play a role in such plans other than suggesting use of pooled income of funds as the repository for Housing Equity Funds in the United Church Foundation, which is administered by the UCC Pension Boards.

**HOUSING ALLOWANCE** – If the church provides a housing allowance, the allowance should be the equivalent of the fair rental value of reasonable and appropriately furnished (including utilities) housing in that community. This is in addition to base salary.

## **C. REIMBURSED EXPENSES**

**PROFESSIONAL EXPENSES** – Churches are expected to reimburse all professional expenses of ordained ministers.

**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 guidelines)
- b. Provision of an automobile and payment of all expenses for church use.  
*(Note that annual lump sum payments are now considered taxable income by IRS. Churches should check current IRS law. Information about current automobile expenses can be found at [www.irs.gov](http://www.irs.gov) web site.)*

**BUSINESS** – Association, Conference, and parish business. These expenses should be paid by the church in full.

**MOVING EXPENSES** – Moving expenses should be paid in full by the church calling an ordained minister.

**BACKGROUND CHECK** – When a clergy prepares a profile, the clergy must pay for a background check before that profile can be circulated. When a pastor is called to a new setting, the local church is expected to pay the full cost of that background check to the newly called pastor.

## **D. BENEFITS**

**SOCIAL SECURITY OFFSET** – The Social Security Administration designates ordained ministers as “self employed” persons who contribute at a rate of 15.3% in 2008. Churches are encouraged to pay the pastor an employer portion of this annual tax at 7.65% (Salary and housing is to be used as the basis).

**GROUP HEALTH AND DENTAL INSURANCE** – Churches are expected to pay the premium in full. (Congregations are encouraged to use the UCC Health Insurance plans.)

**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.

With the support of the Short-term Disability Plan, the church will be responsible only for the first month of full salary and housing and 40% of salary and housing for months two through six. The remainder of salary and housing will be covered by the short-term disability policy. Long-term disability coverage begins after six months, and the church has no further financial responsibility.

**ANNUITY** – Annuity should be paid at 14% of Cash Salary and the Housing amount 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.

**FLEXIBLE SPENDING ACCOUNT PLAN** – Churches are encouraged to set up a 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 pastor.

**EDUCATIONAL MATERIALS AND CONTINUING EDUCATION** – Churches are encouraged to provide time and financial assistance for study and continuing education for their pastor, with a minimum of two weeks annually (other than vacation) and an annual budget line item of 1% of the annual salary and housing to assist with the costs of continuing education and resources.

**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. An ordained 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 pastor to be with his other 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 year, except where compassion dictates further extension. These days are not accruable.

**SICK LEAVE** – Sick leave may be granted to ordained staff for personal illness or the illness of a dependent family member as defined by the local church 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.

**SABBATICAL LEAVE** – Sabbatical Leave for clergy for the purpose of spiritual and/or intellectual enrichment is possible after three years of full time service within current ministry setting. One month is earned after three years, two months after four years, to a maximum of three months after five years. During the time of sabbatical all salary, housing and benefits are paid to the pastor. Attention needs to be given to the expense of the congregation and pastor, for pastoral coverage for the church during the sabbatical and the pastor’s sabbatical expenses.

**VACATION** – Vacation time should be a minimum of one month per year, including four Sundays, and an additional week for every five years served in that local church.

**DAYS OFF** – On average a pastor works 45-55 hours per week. Congregations and pastors are encouraged to limit evenings (counseling, meetings) to three or less per week. Pastors are encouraged to take at least one-full-day per week. Sunday is a work day for pastors.

**ANNUAL HEALTH EXAM** – Congregations in general and pastoral relation committees in particular are encouraged to have their pastor have an annual physical exam, which is covered by the UCC Health Plan.

**MEDICARE** – At age 65, when a pastor goes on Medicare, the local church is encouraged to pick up the cost of a Medicare Supplement Plan, which can be covered by the sharply lower premium of health insurance.

**MALPRACTICE INSURANCE** – The UCC insurance plan covers the pastor for malpractice insurance. If the local church does not have UCC insurance plan, malpractice insurance is to be provided to the pastor.

**COLLEGIAL TIME** – Clergy retreats, ministerial meetings, support groups, mission trips, church camp, and sabbatical leave are not to be construed as vacation time. Ordained ministers are expected to participate in the work of the wider church in the association, conference and national settings, which is not vacation time.

**WORKER'S COMPENSATION** – Congregations are encouraged to cover their pastoral staff with Workers Compensation Insurance as they are required to do by state law for lay employees.

## **MULTIPLE STAFF AND SUPPORT STAFF PERSONNEL**

All conditions described in this document pertaining to ordained senior ministers pertain equally to ordained associate or assistant ministers. Appropriate compensation for associate or assistant 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 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 church should have a personnel policy for all employees of the congregation. The Ohio Conference office can supply your church with a sample policy for a congregation if needed.

## **BEGINNING THE NEW YEAR**

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

**Clergy Compensation Guidelines  
2009 Worksheet**

<b>Cash Salary</b>		\$29,472.00
<b>Experience</b> \$800.00 per year, with a cap at 17 years	\$800.00 x	
<b>Size of Worshipping Congregation</b> 75-125, add \$1,000-2,100 125-225, add \$2,100-3,150 225-350, add \$3,150-4,200 Over 351, add \$5,500+		
Merit Increase		
(A) TOTAL CASH SALARY		
(B) HOUSING		
<b>Total Cash &amp; Housing to Pastor [A + B]</b>		
<b>Reimbursed Expenses</b>		
Automobile	Mileage at IRS Guidelines	
Business (meetings, meals, etc.)		
<b>Benefits</b>		
Social Security offset		
Pension (14% of cash salary and housing)		
Health and Dental		
Life and Disability Insurance (1.5% of cash salary and housing or 1.5% of 130% of cash salary if parsonage provided)		
Continuing Education		
<b>Total Package</b>		