



THE COMMISSION ON EQUITABLE COMPENSATION  
of The Western Pennsylvania Annual Conference  
of The United Methodist Church

The United Methodist Center - 1204 Freedom Rd. Cranberry Twp., PA 16066

Date: July 31, 2022

To: Staff/Pastor Parish Relations Committee, Pastor

Subject: **HOW TO SET YOUR PASTOR'S SALARY FOR 2023**

### INTRODUCTION

*The Book of Discipline of The United Methodist Church - 2016* (hereafter called *Discipline*) assigns the responsibility to the Staff/Pastor-Parish Relations Committee (SPPRC) to consult with the pastor and staff on matters pertaining to compensation proposals and benefits, and to make recommendations regarding such matters.

The ultimate decision on the pastor's compensation is voted on separately by the charge/church conference. (See *Discipline* - ¶ 247.13 and ¶ 252.4d)

The SPPRC should meet well before the charge/church conference to discuss the pastor's (or pastors') salary concerns. Although a church's financial concerns must be considered, they should not become the primary focus of this meeting. Instead, the focus should be upon pastoral performance, responsibilities, and faithfulness, as well as any adjustments to the compensation package necessary to reflect changes in circumstance or pastoral status. The Internal Revenue Service sets the mileage rate and the Church/Charge Conference sets the total amount for the Accountable Reimbursement Plan (ARP). After the SPPRC completes deliberation and prepares a recommendation, the recommendation should be presented to the Administrative Council/Board and should be reported to the Committee on Finance for inclusion in the budget planning process. **The Charge/Church Conference then sets the Pastor's salary**, taking into consideration these recommendations.

**Note:** Clergy Conference Relationship is indicated by the following status code (GCFA) with a ¶ indicating the referencing paragraph in the 2016 Book of Discipline:

AM ~ Associate Member [ ¶ 322, ¶ 369.1, ¶ 635.2h ]

FD ~ Deacon in Full Connection [ ¶ 328, ¶ 330, ¶ 331 ]

FE ~ Elder in Full Connection [ ¶ 335 ]

FL ~ Full Time Local Pastor [ ¶ 318.1 ]

PD ~ Provisional Deacon [ ¶ 324, ¶ 325, ¶ 331 ]

PE ~ Provisional Elder [ ¶ 324, ¶ 325 ]

## BASE CASH COMPENSATION

**Base Cash Compensation:** RS 101, as passed at the 2022 Annual Conference, increased the minimum compensation by 5.0% over the 2022 minimums. The Annual Conference has established the following base compensation requirements for 2023 for clergy and local pastors serving full time:

Associate Conference Member (AM) \$43,351  
Full Conference Member (FE and FD) \$44,723  
Provisional Member (PE & PD) \$40,768  
Full-time Local Pastors (FL) \$40,165

**In Addition:** Each local church/charge whose pastor's leadership is an expression of a faithful, fruitful, and effective ministry is encouraged to also consider a merit increase for the pastor. Consider suggestions for just compensation included in legislative item P205 from Annual Conference 2014 at:

<https://www.wpaumc.org/files/resource/journal/2014/07legislation2014.pdf>

**Multi-Point Charges:** Pastors serving multi-point charges or multiple appointments will receive a "Multiple Charge/Appointment Adjustment" of \$400 for each additional church beyond the initial church on the charge as approved at the 2019 Annual Conference in RS 306 & RS307. The Pastor will have the option of having the amount taken as salary or added to their Accountable Reimbursement Plan (ARP).

**Part-Time Pastors:** Although there is no minimum compensation for part-time pastors, charges served by less than full-time pastors are encouraged to set a salary and benefit package at a level proportionate to the workload, using the base compensation and benefit package of a full-time pastor as a guideline (according to the pastor's category).

**Cost of Living:** The January 2022 Social Security Administration's **Cost of Living Adjustment (COLA)** was set at **5.9%**, the highest increase in 40 years. The Consumer Price Index (CPI), the rise in the cost of goods and services, figured by the U.S. Department of Labor's Bureau of Labor Statistics reports that the CPI increased 9.1% for the 12-month period ending June 13, 2022 (before seasonal adjustments). For details, visit [www.bls.gov/cpi](http://www.bls.gov/cpi). This data should be considered by the Staff/Pastor Parish Relations Committee in setting the compensation of the pastor.

**The Average (Mean) Base Cash Compensation and the Median Base Cash Compensation** for Full-time Local Pastor (FL), Associate Conference Member (AM), Provisional Member (PE), and Full Conference Member (FE) in the Western PA Conference, based on full-time at minimum salary or higher for 2022, are:

	AM	FE	FL	PE
Average (Mean) Base Cash Compensation:	\$47,797	\$59,048	\$44,427	\$42,682
Median Base Cash Compensation:	\$46,418	\$56,232	\$44,374	\$40,500

**Overall Mean & Median Base Cash Compensation for all full-time clergy:**

Overall Average for full time clergy \$56,021      Overall Median for full time clergy \$52,010

## ACCOUNTABLE REIMBURSEMENT ACCOUNT

The following resolution, RS 102 was passed at the 2022 Annual Conference regarding the local church/charge accountable reimbursement responsibilities:

### RS 102 ACCOUNTABLE REIMBURSEMENT ACCOUNT

WHEREAS the Commission on Equitable Compensation has been given the task of recommending to the annual conference standards of pastoral support and the pastoral support package,

WHEREAS the pastoral support packages include an amount for Accountable Reimbursement expenses,

WHEREAS the Staff/Pastor Parish Relations Committee in each local church is responsible for submitting to their respective charge conference a pastoral support package,

WHEREAS the Accountable Reimbursement Account maximum has remained unchanged since 2009 and gasoline prices in western Pennsylvania are at a all-time high,

WHEREAS an increased Account Reimbursement Account will allow pastors increased flexibility in visiting and serving their congregations,

THEREFORE BE IT RESOLVED that each charge shall continue to maintain an Accountable Reimbursement Account for its Pastor(s) from which will be reimbursed expenses such as travel, continuing education, books, etc.. Reimbursement will occur upon presentation of vouchers or receipts for legally reimbursable expenses, as the Internal Revenue Service defines them,

BE IT FURTHER RESOLVED that **Accountable Reimbursement Account shall be established at no less than \$6,000 per full time pastor** for the year 2023. The Accountable Reimbursement Account shall be treated as a separate line item distinct from cash salary. Charges may set eh amount for the account at a higher level if circumstances of the charge warrant such an increase. Mileage shall be reimbursed at the rate established by the Internal Revenue Service.

Note: Please refer to the annual document published by the General Council on Finance and Administration titled "Tax Information." This will give you the complete guidelines for establishing and maintaining an accountable reimbursement account. This document can be downloaded at [www.gcfa.org](http://www.gcfa.org).

Douglas Myers, Commission on Equitable Compensation

## HOUSING EXCLUSION

For income tax purposes, the Administrative Council\Board of each charge should designate a portion of the pastor's salary as a "housing exclusion" to the extent that is used for the cost of utilities, furniture, equipment, and other appurtenance in connection with the parsonage, not otherwise provided. This satisfies Section 107, Internal Revenue Code. This action must be taken each year to be applicable to the next calendar year for income tax purposes. Thus the exact amount of the housing allowance must be approved in writing before the beginning of each calendar year. Housing allowance for a change made during the calendar year must be approved at the start of a new appointment. **The recommended housing exclusion is \$10,000.**

## VACATION POLICY

A. "The pastor will have two days per week for self, family and Sabbath. (Please Note: The Western Pennsylvania Annual Conference of the United Methodist Church Cabinet defines full-time as 50 hours of work per week for the purposes of making appointments.)"

B. Every pastor shall receive a minimum of four paid vacation weeks each year. Full-time pastors with 25 or more years of service will receive five paid vacation weeks each year.

1. Vacation time shall be based on the Annual Conference appointment year: July 1 to June 30 and taken during that period.
2. Vacation time should be scheduled during periods of the local church program year when the pastor's absence will be least disruptive.
3. One week of service as a volunteer in the Camping Program of the Conference is expected of our pastors; this time shall not be considered vacation time by the charge.
4. Continuing education is not to be considered vacation time within the guidelines established by the district superintendent.

## CONTINUING EDUCATION UNITS

Please note also the Continuing Education and Spiritual Formation Covenant for faithful, effective, and fruitful ministry. All full-time pastors are to engage in 4 Continuing Education Units of training each year.

## REQUEST FOR SALARY SUPPORT

Any full-time pastor under appointment whose charge is unable to meet salary expenses may be eligible to receive a grant for Equitable Compensation through the Commission on Equitable Compensation (CEC). The chairperson of the Staff/Pastor Parish Relations Committee should notify the District Superintendent if this need exists. After consultation with your committee, the District Superintendent will provide you with an application to be completed and filed with the Superintendent and the (CEC) by Oct 15<sup>th</sup> 2022 to receive funding for the six-month period from January through June, 2022. There is an April 15<sup>th</sup>, 2023 deadline for July through December, 2023 time period.

May the Lord give you guidance as you do the important work of the SPPRC. The Commission on Equitable Compensation and your District Superintendent are available to help you with the questions you may have.



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