



The Commission on Equitable Compensation

Western Pennsylvania Conference, The United Methodist Church

The United Methodist Center
1204 Freedom Road, P.O. Box 5002, Cranberry Township, PA 16066-0002

®

July 31, 2019

To: The Staff-Pastor-Parish Relations Committee (Copy sent to pastor)

From: Commission on Equitable Compensation and the Cabinet

Subject: HOW TO SET YOUR PASTOR'S SALARY FOR 2020

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) salary concerns. The primary focus of this meeting should not be the limited church resources, but rather issues of pastoral performance and accomplishments, as well as necessary adjustments to the compensation package to reflect changes in travel expenses (Accountable Reimbursement Plan – ARP), inflation, health insurance deductible, etc. The Internal Revenue Service sets the mileage rate and the Church/Charge Conference sets the total amount for the ARP. After the SPPRC completes deliberation and a recommendation is prepared, it 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 whereas abbreviations for Clergy Conference Relationship is indicated by the following status code (GCFA) with a ¶ indicating the referencing paragraph in the 2016 Book of Discipline:

FE ~ Elder in Full Connection [¶ 335]

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

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

PE ~ Provisional Elder [¶ 324, ¶ 325]

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

FL ~ Full Time Local Pastor [¶ 318.1]

BASE CASH COMPENSATION

Base Cash Compensation: The Annual Conference has established the following base compensation requirements for **2020** for pastors serving full time. RS 306, as passed at the 2019 Annual Conference, is an increase in the minimum compensation of the 2019 minimums by 1.5%:

Full Conference Member (FE and FD)	\$42,593
Associate Conference Member (AM)	\$41,287
Provisional Member (PE & PD)	\$38,827
Full-time Local Pastors (FL)	\$38,252

For Those Above Minimum Salary: It is recommended that each local church/charge whose pastoral compensation is above the minimum salary **consider extending a 3% increase** to their pastor for the year 2020, and look at suggestions for just compensation included in legislative item P205 from Annual Conference 2014 at www.wpaumc.org/AC2014

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.

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: As per the request of the Annual Conference, the **Cost of Living** (CPI) figure is noted below. To arrive at a percentage of increase/decrease for the Cost of Living go to www.bls.gov/cpi, the U.S. Department of Labor's Bureau of Labor Statistics website. The CPI increased from 251.134 to 256.143 for the 12-month period ending June 30th, 2019 (before seasonal adjustments), according to the Bureau of Labor Statistics' as of June 30th, 2019. This equals a 1.96% increase rounded up before seasonal adjustments.

The **Average (Mean) Base Cash Compensation** and the **Median Base Cash Compensation** for Fulltime Local Pastor (FL), Associate Conference Member (AM), Provisional Member (PE), and Full Conference Member (FE) in Western PA Conference, based on fulltime at minimum salary or higher for 2019 are:

	FL	AM	PE	FE
Average (Mean) Base Cash Compensation:	\$41,756	\$47,902	\$40,398	\$55,502
Median Base Cash Compensation:	\$39,983	\$47,000	\$39,477	\$52,779

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

Overall Average for full time clergy **\$52,739** Overall Median for full time clergy **\$49,633**

ACCOUNTABLE REIMBURSEMENT ACCOUNT

The following resolution was passed at the 1996 Annual Conference and affirmed at 2019 Annual Conference in RS307:

BE IT RESOLVED, that each charge shall construct an ACCOUNTABLE REIMBURSEMENT ACCOUNT. This account will include line items such as travel, continuing education, books, etc. This account will be strictly administered through a voucher system and the pastor will receive reimbursement only upon presentation of a voucher or receipts for applicable expenditures.

BE IT FURTHER RESOLVED that the Accountable Reimbursement Account is to be treated as a separate line item, distinct from cash salary. The account is to be set at a minimum of \$5,000 per full-time pastor for the year 2020. At the pastor's option for each additional church after the initial church on a multi-point charge or other multiple appointment an additional \$400 shall be added to the Accountable Reimbursement Account in lieu of the \$400 cash salary for each additional church. However, due to the individual charge circumstance, the amount may be set higher. Please review **RS 306 & RS307** as passed at the 2019 Annual Conference. Furthermore, mileage reimbursement is set at the per mile rate established by the I.R.S.

NOTE: Please refer to the annual document published by the General Council on Finance and Administration, titled "Accountable Reimbursement Policies." This document will give you the guidelines for establishing and maintaining accountable reimbursement accounts. This document can be downloaded at www.gcfa.org/resources.

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" as noted in **RS 308 CLERGY HOUSING ALLOWANCE RESOLUTION** as approved at 2019 Annual Conference 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 CEU (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 Nov 1st, 2019 to receive funding for the six-month period from Jan through June, 2020. There is a May 1st, 2020 deadline for July through Dec, 2020 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 any questions you may have.



Corben M. Russell, Chairperson
Commission on Equitable Compensation
(724) 601-6161
corbenbrendapearl@yahoo.com



Rev. Pat Lenox
Dean of Cabinet
(814) 945-6975
Kane.District@wpaumc.org