



Presbytery of Baltimore Policy on Pastoral Compensation

TERMS OF CALL

All pastoral calls approved by the Presbytery must **be consistent with the values and requirements of the Pension Plan of the PCUSA and conform** to the *Presbytery's Factoring Guide for Professional Positions* for determining minimum compensation. Each of these separately and together insure adequate and just compensation and the benefits necessary for the well-being of the pastor and pastor's family.

The *Policy on Pastoral Compensation* and the *Factoring Guide* apply to all installed and temporary ministers of Word and Sacrament and to Certified and Associate Certified Educators serving in the Presbytery of Baltimore except as noted.

For purposes of calculating salary ranges the Presbytery will use a minimum salary [BO G-2.1103b, G-2.0804] for a fully qualified professional (factor of 520) representing an effective salary that is at least 80% of the moderate standard of living for a family of four in our areaⁱ. Salary adjustments will be based on the average of the Consumer Price Index for all urban consumers and all wage earners for the region defined by the U. S. Bureau of Labor Statistics to include Baltimore and surrounding areas for the latest of the months of May, June, or July of the prior yearⁱⁱ.

For tax purposes, ministers are considered self-employed. The Self-Employed Contributions Act (SECA) requires self-employed workers to contribute tax equivalent to both the employee and employer portions of the Federal Insurance Contributions Act (FICA) tax, which funds Social Security and Medicare. Because ministers must pay the full amount of these taxes, a church shall provide a reimbursement for a portion of it. Such an amount would equal the amount that would have been paid if the church were required to pay the employer's share. The amount will be separately itemized and be included in the Terms of Call. However, it will neither be included in effective salary as defined by the Board of Pensions nor be used to meet the minimum salary requirements of the Presbytery of Baltimore. *The SECA reimbursement is taxable income for the minister and included as salary on the W-2 tax form each year.*

If a pastor has opted not to be covered by Social Security, the church may provide for an amount that would be equal to the amount of FICA taxes that would have been paid if the church were required to pay the employer's share. Such pay will be deposited in a retirement account by the church. The amount will be separately itemized and be included in the Terms of Call. However, it will neither be included in effective salary as defined by the Board of Pensions nor be used to meet the minimum salary requirements of the Presbytery of Baltimore. Neither the Church nor

the Presbytery will be held liable should the minister later seek redress because he or she feels that his or her retirement or disability benefits are inadequate due to his or her non-participation in Social Security.

Clergy Couples. A clergy couple sharing the equivalent of one full-time pastoral position may be called as co-pastors and compensated at the sole pastor minimum. The couple will be splitting both the compensation and benefits package based on one position.

Part-time and Tentmaking Pastorates. The position of pastor is to be considered full-time unless otherwise approved by the session and the Presbytery. The Presbytery will determine if the compensation package offered by the church meets the minimum requirements according to the percentage of time worked. Pastors wishing to supplement their income by working outside the church must have approval of the session

Exceptional Cases. If a church is unable to compensate its pastor at the required levels, or if the required level is greater than 50% of the income of the church, the church should consult with the COM, which may recommend an exception to the compensation requirements, which must be approved by the Presbytery.

BENEFITS

BENEFITS (2025 only)

PCUSA Benefits Plan. All pastoral calls and contract positions approved by the Presbytery must provide for participation in the Benefits Plan of the PCUSA, unless granted an exception by the COM. The Benefits Plan provides income protection through the Pension Plan and death and disability benefits. The Congregational Pastors Package also provides Medical Insurance benefits for the pastor. This benefits package is required for all installed pastors and is normative for all temporary pastors working a minimum of 20 hours a week with a contract term of six months or longer. Any exceptions must be approved by the Commission on Ministry.

Spousal and Dependent Medical Benefits. The Benefits Plan of the PCUSA provides for optional medical benefits for family members. For pastors needing spousal and dependent medical benefits the Transitional Pastors Package shall be the normative/default method of providing family medical benefits in 2025, (spouse only or children only benefits may be purchased separately through the Plan if appropriate.) If a pastor and congregation mutually agree that comparable dependent benefits can be provided through alternative sources such as a spouse's workplace benefits, or the open market through the Affordable Care Act Exchanges, proof of such coverage must be provided before the COM will approve the 2025 compensation package.

In no case will the COM approve a compensation package that does not guarantee family medical benefits at a level comparable to what is offered by the Benefits Plan of the PCUSA.

In cases where benefits are purchased through alternative means the pastor's effective salary must be increased to accommodate the additional cost. (This is a taxable event, and it is highly recommended that the advice of an accountant or tax attorney be sought). **The COM will not**

approve any alternative method of providing family medical benefits if the cost would result in a net decrease in effective salary.

Congregations are urged to provide Vision and Dental Benefits for pastors and families as well as medical benefits.

Supplementary Benefits. All installed and temporary (a minimum of 20 hours/week) pastoral terms of compensation approved by the Presbytery, including all changes in call, must additionally provide:

Automobile mileage vouchered and at the current IRS rate.

At least four full weeks, including four Sundays, **vacation** per year.

Reasonable **moving expenses** to the field. *This amount is taxable for the pastor.*

Continuing Education. All pastoral calls approved by the Presbytery, including all changes in call, must provide for at least two weeks study leave. The COM will provide and publish *Guidelines for Continuing Education* as part of its manual.

Sabbatical Leaves. Sessions are encouraged to grant sabbatical leaves when appropriate. *The COM maintains a policy on sabbatical guidelines.*

Sick Leave. Leave for reasons of the pastor's own health should be negotiated with the Session on an as needed basis, guided by the General Assembly personnel policy of 10 days per year. It is suggested that unused sick leave can be accumulated up to 90 days. Extended medical leave should be negotiated in conversation with the Board of Pensions and its temporary disability benefits. The COM may be consulted for advice.

Paid Family Medical Leave. Terms of call for all installed pastoral positions must provide up to 12 weeks of Paid Family Medical Leave per year [G-2.0804], with as much advance notice as possible. Paid Leave may be used -- in accordance with need -- consecutively or intermittently. Types of Family Medical Leave include:

- Following the birth, fostering or adoption of a child
- In order to provide care to an ill or disabled family member
- To heal following a loss or tragic event

Family is defined as:

- Parent or Legal Guardian
- Stepparent
- Person who acted "In Lieu of Parent"
- Parent-in-Law
- Sibling
- Spouse or Partner
- Child(ren)/stepchild(ren)
- Grandparent
- Grandchild
- Other relatives residing in the same household

All leaves provided by this compensation policy must be taken with the consent of the session and such consent be recorded in the session minutes. When possible, pastors are encouraged to anticipate leave with sensitivity around the needs of the church/entity/body, including but not limited to temporary replacement and fulfillment of duties.

During Paid Leave, the pastor will continue to receive all benefits in their terms of call, including dues paid to and benefits provided by the Board of Pensions.

Following the period of Paid Leave, the pastor shall be entitled to return to the same position with the same title, terms of call, hours worked, and job description.

Pastors in temporary positions (Interim, Transitional and Temporary Supply) and Certified Educators. Such positions are established with contracts for a specific period of time. It is assumed they may receive family medical leave as described above; however it must be approved by the COM as well as the church session. Contract renewal at the end of the contract period is not guaranteed.

LOANS

All loans to pastors by congregations shall be considered a term of call. The congregation and the COM on behalf of the presbytery must approve each such individual loan. Loans made to assist the pastor in obtaining or maintaining a home shall be recorded as a second mortgage or as a shared equity arrangement between the pastor and the congregation and so recorded in the mortgage. The COM strongly recommends consultation with a lawyer and/or accountant, for tax and legal implications, before finalizing such loans.

AMENDING THIS POLICY

The Compensation Plan, by its adoption here, becomes a policy of this Presbytery, and may be amended by majority vote of those present and voting at a Presbytery meeting. This Plan will incorporate recommendations for the compensation of all professionals in the Presbytery and its particular churches.

¹ The initial salary was set using information from the U.S. Government Bureau of Labor Statistics. The BLS no longer provides this data. We have been adjusting the basic salary using the Consumer Price Index every year.

² The factoring system was initially the United Presbyterian Compensation Plan, approved by the 188th General Assembly of the United Presbyterian-Church (USA) (1976), and amended by this Presbytery, including the salary adjustment figures based on the average of the Consumer Price Index for all urban consumers and for all wage earners, both for the Washington-Baltimore region. We used the CPI for July of the prior year until 2018, when the Bureau of Labor Statistics changed the areas and the months. They now do the CPI for Washington-Arlington-Alexandria for the odd numbered months and for Baltimore-Columbia-Towson for the even numbered months. In 2018 COM chose to use Baltimore-Columbia-Towson and to change from July to June. That meant that for 2019 we did an 11-month comparison (June 2018 to July 2017).