

2024 Process for Establishing Compensation for Authorized Ordained Ministers within the Penn Central Conference, United Church of Christ

A. CASH SALARY

These guidelines of the Penn Central Conference are provided for your consideration in order to provide a fair and just compensation for ministerial leadership.

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 2024, a minimum starting cash salary for a full time, newly ordained pastor with ministerial standing in the United Church of Christ is recommended at \$41,387. This number reflects a **7% increase from the 2023** guidelines.

The cash salary of \$41,387 is the minimum for all full-time pastorates. All congregations are urged to call their new pastors at that number, and congregations with a settled pastor are urged to strive toward meeting these guidelines by increasing income until guidelines are met.

2. *Factor 1: Experience*

Because of the value of experience, at least \$850 should be added to the starting salary of \$41,387 for each year of ordained ministry up to 15 years, regardless of where the pastor has served. Thus, a congregation that calls a pastor with 15 years of experience would add \$12,750 to the starting salary. The congregation may elect to consider additional years of experience in its calculation of this factor.

Factor 2: Size of congregation, history and location

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

Membership	
201 – 300, add	\$1,450 – 2,150
301 – 400, add	\$2,150 – 3,200
401 – 500, add	\$3,200 – 4,250
Over 500, add	\$5,550+

Some churches may consider number of active church members.

Factor 3: Merit Increase

A merit increase is a desirable tool to enhance the tenure of a pastor. We recognize that not all congregations can offer merit increases, but we encourage those who are able to consider doing so.

3. If you are genuinely unable to meet the minimum cash compensation for the size of congregation and years of experience we urge you to consider additional benefits such as additional vacation, additional contributions to annuity, and/or contributions to an equity fund. Congregations that pay less than the minimum cash salary should consider their position part-time, and adjust the workload accordingly (See Section on Part-Time Minister).
4. In considering compensation for a licensed minister, a congregation should consider the amount of training and experience the person has acquired.

B. HOUSING

PARSONAGE PROVIDED – If the congregation provides a parsonage, full utility costs should be provided. You may also wish to explore tax benefits available in offering your pastor a housing allowance for the purpose of furnishing the parsonage. If the congregation prefers that their pastor live in a parsonage, it is wise to offer an equity allowance held in escrow for a future home purchase.

HOUSING ALLOWANCE – If the congregation 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, or no less than 30% of base salary. This is in addition to base salary. (30% of the base salary is \$12,416 for a total salary + housing of \$53,803.)

C. REIMBURSED EXPENSES

AUTOMOBILE – Automobile Expense is a church business expense and should be compensated fully. Compensation may take one of several forms.

- a. Mileage reimburse at IRS guidelines for the current year. To get the current year mileage rate go to <https://www.irs.gov/tax-professionals/standard-mileage-rates> . *(Note that lump sum mileage allowance payments are considered taxable income by IRS).*
- b. Provision of an automobile and payment of all expenses for church use.

BUSINESS – Congregations are expected to reimburse all professional expenses of authorized ministers for Association, Conference, and parish business. These expenses should be paid in full by the congregation.

MOVING EXPENSES – Moving expenses should be paid in full by the congregation calling an authorized minister. These expenses should include food and hotel for the pastor’s family on the move. The IRS allows **17.0** cents per mile for moving.

D. BENEFITS

SOCIAL SECURITY OFFSET – The Social Security Administration designates ordained ministers as “self employed” persons who contribute at a rate of 15.3%.

Congregations are encouraged to pay the pastor an employer portion of this annual tax (Salary and housing is to be used as the basis), or 7.65%.

GROUP HEALTH AND DENTAL INSURANCE – Congregations are expected to pay the premium in full. Congregations are encouraged to use the UCC Health Insurance plans. This helps to insure continuity of insurance when ministers change congregations. When providing the UCC Health Plan, it is assumed that the church will provide Plan A. If not, that needs to be specified in the Call Agreement. For further information visit www.pbucc.org.

Through the Pension Boards, local congregations participating in the UCC Health Benefit Plans may establish a Flexible Spending Account for clergy. Aside from a modest initial set-up fee, making this account available does not have a cost to the local congregation as it is funded by the clergy person’s voluntary salary redirection into the Account. The Account provides participants with tax-savings related to medical deductibles, co-pays and dependent care expenses and is an attractive addition to a compensation arrangement.

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 30% of cash base if parsonage is provided.

With the support of the Disability benefits, the obligations to disabled clergy are shared.

	Local Church	Disability Plan
Initial period of 30 days	Local church continues compensation and benefit payments.	Disability Plan has no payments.
31 st day through 22 weeks	Local church does not pay compensation, but does continue payments for benefits.	Disability Plan pays 60% of compensation when combined with Social Security disability or other disability payments.
After 22 weeks	Local church has no further obligation.	Disability Plan pays 60% of compensation when combined with Social Security disability or other disability income payments. If clergy is participating in the UCC Health Benefits Plan, Disability Plan will pay premiums. If clergy is participating in the Annuity Plan for the UCC, Disability will make annuity contributions of 7% of compensation.

PENSION – Pension 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.

DAYS OFF – The congregation should encourage their pastor to take two full days off per week.

EDUCATIONAL MATERIALS AND CONTINUING EDUCATION – Congregations are encouraged to provide time and financial assistance for study and continuing education for their pastor. This is an opportunity for the minister to focus on expanding their knowledge, skills, or spirituality as a minister. This may include such things as classes, workshops, spiritual retreats or focused reading days. Seven to ten days annually (other than vacation) is customary. It is recommended that continuing education days be taken during a particular year. If they are to be carried over, this is done following an agreement with the consistory/council. Days are usually pro-rated based on months of service in the calendar year. An annual budget line item of \$500 to \$1,500 assists with the costs of continuing education and resources. The congregation should pay for their pastor to attend the Clergy Sabbath.

ANNUAL MEETING ATTENDANCE AND EXPENSES - Attendance at the Conference Annual Meeting is a requirement for all ordained and licensed ministers serving congregations. Therefore, it is appropriate for the congregation to include the costs for attending the meeting in its budget. Pastors, of course, should be allowed time to attend the meeting, and provision should be made for pulpit coverage for that Sunday by a visiting pastor or a lay member.

PARENTAL LEAVE – Maternity/paternity/single parent leave with pay up to twelve weeks may be taken. An authorized 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 additional months leave without pay.

SICK LEAVE – Sick leave should be granted to ordained staff for personal illness or the illness of a dependent family member, with a recommendation of at least eight days. Sick leave is most often articulated in Personnel Policies. Days are cumulative year to year.

SABBATICAL LEAVE – Sabbatical Leave for clergy for the purpose of spiritual and/or intellectual enrichment is commonly offered after five years or more full time service. The norm for sabbatical leave is three months. We suggest that the congregation escrow annually an amount equal to 20% of the pastor's compensation to be used for the costs of supply or interim.

VACATION – Vacation time should be a minimum of four weeks per year, including four Sundays. Service to national, Conference and Association programming (including camping and sabbatical leave) should not be construed as vacation time. Pastoral schedules are unpredictable and often include holidays. Pastors are often called to respond to crises 24/7. They need at least four weeks for annual vacation. Pastors with significant experience may be given increased vacation. Vacation is usually not cumulative year to

year unless an exception is made by the consistory/council. It is usually pro-rated based on months of service in the calendar year.

OUTDOOR MINISTRY LEADERSHIP – Each local congregation is encouraged to allow its pastor to serve in wider church outdoor ministry leadership, one week each year. This is not to be considered vacation or continuing education time.

GENERAL SYNOD/ REGIONAL OR NATIONAL YOUTH EVENT – Each local congregation is encouraged to allow time away for attendance at General Synod or for denominational youth gathering. This is not to be considered vacation or continuing education time, especially in the case of being nominated as a delegate to General Synod or serving in leadership at the youth gathering.

WIDER CHURCH LEADERSHIP – Clergy are sometimes invited to serve on wider church and institutional boards or speak at wider church events. Congregations are encouraged to allow time for attendance at these type events. It should not to be considered as vacation or continuing education time.

WORKER’S COMPENSATION – Pennsylvania State law requires congregations to cover their pastors with workers compensation.

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. The Conference recommends a figure between 65% and 90% of the senior pastor’s salary and housing, but *commensurate with conference minimum guidelines plus experience*.

Program and office support staff should receive fair and equitable salaries and benefits in accordance with their responsibilities, training and experience. Support staff are eligible to participate in UCC health and pension plans, and we encourage consideration of this.

PART-TIME MINISTER

In some cases, a pastor is employed for less than full time. As a way of arriving at a just level of compensation, we recommend the following procedure:

1. Using the compensation worksheet, determine what the budget would be for this position (years of service, size of congregation, plus pension, health insurance, disability, continuing education, social security, etc.).
2. Multiply that budget figure by the percentage of time you have agreed to designate for this particular position. (Example: If this is a half-time position, multiply the budget above by .5)
3. The pastor should choose how the budget will be allocated to provide the best options for that person’s tax status, insurance needs, etc. (Example: The person

may choose to designate a substantial portion as housing allowance since that is a tax-deductible item for clergy)

4. It is important that pastor and congregation negotiate in advance what “part-time” means. This becomes part of the Call Agreement. For example, a part-time pastor may or may not preach every week. He or she may do calling, but not attend meetings, etc.

PERSONNEL POLICY

Every church should have a personnel policy for all employees of the congregation. This is especially important for churches with multiple staff to ensure fairness. The Penn Central Conference Office can supply your church with a sample policy for a congregation if needed.

PASTOR–PARISH RELATIONS

Every church should also have a pastor–parish team or committee whose purpose is to provide support for the pastor and interpretation to the congregation.

PASTORAL SERVICES

Contracted pastoral services should be paid at the rate of \$30 per hour, plus mileage (travel time included).

SUPPLY PREACHING

Recognizing the variety of church size and budgets, as well as the depth and breadth of experience among supply pastors, the recommended pay for a supply pastor is \$175-\$200 per Sunday (multiple services may be higher) plus the IRS mileage reimbursement.

TAX ISSUES

Information about clergy and tax issues can be found on the UCC Pension web site at www.pbucc.org.

**Clergy Compensation Guidelines
2024 Worksheet**

CASH SALARY	MINIMUM	\$41,387
EXPERIENCE \$850 per year up to 15 years*		
MEMBERSHIP: Active Participation 201 – 300, add \$1,450 – 2,150 301 – 400, add \$2,150 – 3,200 401 – 500, add \$3,200 – 4,250 Over 500, add \$5,550+		
Merit Increase		
(A) TOTAL CASH SALARY		
If you cannot meet this figure, what % of time will your pastor work?		
(B) HOUSING or PARSONAGE VALUE**		
TOTAL CASH & HOUSING TO PASTOR (A+B)		
REIMBURSED EXPENSES		
Automobile	Mileage at IRS Guideline	
Continuing Education		
Business (meetings, meals, etc.)		
BENEFITS		
Social Security offset (.0765)		
Pension (14% of cash & housing)		
Health and Dental		
Life and Disability Insurance (1.5% of cash and housing)		
If necessary, what benefits can you increase in lieu of cash compensation?		

*Beyond 15 years we encourage you to negotiate an appropriate figure for experience with your pastor.

**Parsonage value is figured at 30% of base salary.

Bd. of Directors Approved 08/19/2023