



FAIR COMPENSATION GUIDELINES

2023

A Workbook of the Presbytery of Eastern Virginia that includes:
Guidelines for Fair Compensation
Minimum Compensation expectations and requirements
Worksheets for developing Ministerial Compensation

PRESBYTERY of EASTERN VIRGINIA

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Overview, Introduction and Guiding Principles

1. These guidelines are provided by the Presbytery of Eastern Virginia (PEVA) as an aide in determining fair and equitable compensation for Ministers of the Word and Sacrament, Commissioned Pastors, and Certified Christian Educators.
2. These guidelines are established with the understanding that compensation should be reasonable, just, and fair to all church staff and the congregation they serve.
3. These guidelines are to be used whenever a pastoral call form, temporary relationship agreement, or transitional pastoral covenant is negotiated.
4. For the peace, unity and effectiveness of the body of Christ, acceptance of these guidelines is essential as church staff and congregations work together to carry out the Great Ends of the church. Each congregation in PEVA, through its Session, will enter dialogue with their church staff so that the concerns of each can be shared and fair compensation can be established.

Terms and General Information

1. *Cash Salary* – compensation (not including Housing Allowance, Manse Value, Utilities Supplement, or other Benefits) paid to the member. It does include employee contributions to 403(b) plans and tax-sheltered annuity plans.
2. *Housing Allowance* – an amount paid to the member for housing, utilities and/or furnishing allowances in lieu of a Manse.
3. *Manse and Manse Allowance* – a physical home, utilities, and furnishing allowance provided by the church to the member.
4. *Self-Employed Contributions (SECA)* – 50% of Social Security fees paid by the church to the member, determined by multiplying the Cash Salary and Housing Allowance by 7.65%.
5. *Total Effective Salary* – Cash Salary (including employee contributions to 403(b)(9) plans, tax-sheltered annuity plans, and salary reduction contributions); Housing allowance or Manse value, and SECA in excess of 7.65%.
6. *Board of Pensions Dues* – the amount paid by the church which provides Health, Pension, Death and Disability benefits to the member. Dues are determined by a percentage (39%) of the Total Effective Salary for members in the Pastors' Participation Plan. For Pastors, Commissioned Pastors, and Certified Christian Educator's enrolled in the BOP Menu Plan, dues are calculated by the BOP annually for particular benefits.
7. *Continuing Education* – the amount paid by the church for vouchered educational expenses including but not limited to courses, conferences, and independent study expenses. A minimum of two (2) weeks (14 days including 2 Sundays) annually. Continuing Education days may accumulate up to three (3) years.
8. *Professional Expenses* – the amount paid to the member for vouchered work-related expenses agreed upon by the member and the church.
9. *Mileage Reimbursement* – a vouchered amount paid directly to the member at the current IRS mileage rate or higher.
10. *Optional Benefits* – benefits (including but not limited to Dental Insurance, Term Life Insurance, Retirement Savings Plans) that are not required by PEVA but have been negotiated with the church staff person.
11. *Minimum Compensation* – the Base Salary and terms a church is required to offer a member as set by the Commission on Ministry.
12. *Experience Factor* – experience, additional education and training, and years in service to the church should be considered by each church in determining the annual salary and housing offered to church staff.
13. *Demographic Considerations* – cost of living of the location in which the church is situated should be considered by each church in determining the compensation offered to church staff.
14. *Vacation* – four (4) weeks (20 days plus weekends) for personal use including four (4) Sundays annually (28 days total). Scheduled days off should not be deducted as vacation days.
15. *Sabbatical Leave* – approved three (3) months of paid time away from the church in accordance with PEVA policy. Sabbatical Leave is normally taken after the first six to seven (6-7) years of a member's service to the church of call.

16. *Weekend Equivalent*– two (2) days every seven (7) days provided to the member, not including Sunday.

Planning Fair Compensation

Minimum Compensation - All Calls to full time ministerial services must meet or exceed these minimums. Part-time installed and temporary relationships of 20 hours or more shall also be subject to proportional minimum standards. Compensation includes salary, housing and utilities (or the value of housing and utilities when a Manse is provided by the church), and such portions of the Self-Employed Contributions (SECA) that is not otherwise paid by the congregation.

For 2023, the Full-time Minimum Compensation:

A. Total Effective Salary	\$49,907.00
B. Board of Pension Dues – 39% of Total Effective Salary	\$19,464.00
C. SECA – 7.65% of Cash Salary and Housing Allowance	\$3,818.00
D. Continuing Education – 2 weeks and \$1,000.00 annually	\$1,000.00
E. Professional Expenses	\$3,000.00
F. Mileage – vouchered at current IRS rate	
G. Vacation – 4 weeks, including 4 Sundays	

Optional Benefits - Churches may offer Optional Benefits on their own or through the Board of Pensions. Such Optional Benefits may include: Dental Insurance, Term Life Insurance, contributions to a Retirement Savings Plan, an additional or members portion of SECA (in effect, 15% total). Such Optional Benefits are included in determining a member's Total Effective Salary (and are a cost to the church) but may not be taxable to the member. Unvouchered allowances, bonuses and gifts paid by or through the employing organization are included in Total Effective Salary.

Note: When optional benefits, reimbursed expenses, and other terms exceed the minimum requirements, the excess may be used to determine if the total annual compensation meets the Minimum Expectations.

Additional Considerations - In determining salary and other compensation congregations should take into account:

- Experience, additional education and training, and years in service to the church.
- The cost of living for the location in which the church is situated.
- Church size and the responsibilities of the position.

2023 Minimum Terms of Call
Presbytery of Eastern Virginia

	<u>Full-time</u>	<u>¾ time</u>	<u>Half-Time</u>
Cash Salary	\$39,925	\$29,944	\$19,962
Housing Allowance or Manse Value*	\$9,982	\$7,487	\$4,991
Sub-Total	\$49,907	\$37,431	\$24,953
Medical (27%) **†	\$13,475	\$11,500	\$11,500
Pension/Death/ Disability (12.0%)***	\$5,989	\$4,492	\$2,995
Total Board of Pension	\$19,464	\$15,992	\$14,495
SECA	\$3,818	\$2,864	\$1,910
Automobile/mileage & Misc. Professional	\$3,000	\$2,250	\$1,500
Study Leave/ Professional Development	\$1,000	\$750	\$500
Total Expense Reimbursement	\$4,000	\$3,000	\$2,000
Package Total	\$77,189	\$59,286	\$43,808
Vacation Time	4 weeks	4 weeks	4 weeks
Study Leave Time	2 weeks	2 weeks	2 weeks

*Manse value is the greater of fair market rental or 30% of all other compensation included in effective salary as defined by the Board of Pensions.

The minimum salary participation for medical dues in 2023 is \$47,000, a fixed amount.

*** **The minimum salary participation basis for pension and death and disability for 2023 is \$16,200 25% of the church-wide median salary of \$ 64,800.

† Healthcare dues for members working less than 35 hours a week are based on the greater of the equivalent full-time effective salary or the minimum participation basis of \$38,000. Full-time equivalent = salary x 35 divided by actual hours per week. Full-time equivalent for Presbytery's part-time minimum terms are less than the minimum participation. For Pastors, Commissioned Pastors and Certified Christian Educator's enrolled in the BOP Minister's Choice or Menu Plan, dues are calculated by the BOP annually for particular benefits.

†Note: a week is considered 5 days plus a 2-day weekend. PEVA policy requires a minimum of 4 Sundays for vacation. Study leave/continuing education time is two weeks or 14 days, ordinarily including 2 Sundays.

**Minister of the Word and Sacrament
Minimum Compensation**

Calculating Minimum Compensation with Housing allowance or Manse

The 2023 Presbytery minimum Total Effective Salary based on full-time service is \$49,907.00 for pastors in installed or temporary relationships.

Calculating the Total Effective Salary requires determining the type of housing provided by the church and the appropriate amount to be designated as housing or manse allowance:

- A. Housing Allowance: if the church does not provide a Manse, the Total Effective Salary shall not be less than \$49,907.00 including salary and housing allowance. Pastor's shall be consulted each year about the amount to be designated for housing allowance.

- B. Manse: if the church provides a Manse but NOT Utilities, the Total Effective Salary of \$49,907.00 shall include:
 - a. Annual Cash Salary \$39,925.00
 - b. Manse allowance for maintaining the manse, including utilities and other expenses such as insurance, lawn care, furnishings (with pastor input on amount designated).
 - c. Minimum Manse value of at least 30% of the total of salary,
 - d. Employer contributions to 403b, SECA in excess of 50 %, and allowances such as a flexible spending account (FSA) for medical or dependent care.

- C. Manse and Utilities: if the church provides a Manse and Utilities, the Total Effective Salary of \$49,907.00 shall include:
 - a. Annual Cash Salary \$39,925.00
 - b. Manse allowance for expenses in maintaining the manse other than covered utilities, such as insurance, lawn care, furnishings (with pastor input on amount designated).
 - c. Minimum Manse value of at least 30% of the total of salary
 - d. Employer contributions to 403b, SECA in excess of 50 %, and allowances such as flexible spending account (FSA) for medical or dependent care.

Determine which category your church falls into and use the next page ("Cost to the Church Worksheet") to calculate the Ministers' compensation and cost to the church.

**Cost to the Church Worksheet
For Teaching Elders
(Head of Staff, Solo, Associate)**

1. Total Effective Salary – Use A or B or C below, depending on your church situation, to determine Cash Salary and Housing Costs. Then, if applicable, use D and/or E to calculate Total Effective Salary.

A. No Manse or Utilities are offered.

1. Cash Salary is \$ _____
 2. Housing Allowance is \$ _____
 (add lines A.1 & A.2) \$ _____

B. A Manse is provided but NOT Utilities

1. Cash Salary is \$ _____
 2. Manse Value is \$ _____
 3. Utilities Supplement \$ _____
 (add lines B.1 & B.2 & B.3) \$ _____

C. A Manse is provided WITH Utilities

1. Cash Salary is \$ _____
 2. Manse Value is \$ _____
 (add lines C.1 & C.2) \$ _____

D. **Bonuses, Gifts, Unvouchered Professional Expense Allowance** \$ _____

E. **Optional Benefits** (Optional Medical/Dental Benefits...) \$ _____

TOTAL ALL LINES: \$ _____

2. Board of Pension Dues – (Multiply the Total Effective Salary above by 39% unless using the Minister’s Choice menu plan¹) \$ _____

3. SECA \$ _____
 (Multiply the Cash Salary and Housing Allowance above by 7.65%)

4. Continuing Education \$ _____

5. Professional Expense and Mileage Reimbursement (vouchered) \$ _____

6. Other Benefits \$ _____

TOTAL COST TO THE CHURCH (add all amounts lines 1 through 6) \$ _____

Vacation _____ Weeks Annually

Study Leave _____ Weeks Annually

Cost to Church Workbook For Commissioned Pastor

A Commissioned Pastor is a Ruling Elder in the PC (USA) who is granted a local commission by the Presbytery to lead worship, preach the gospel, watch over the people, and provide for their nurture and service. Compensation should be negotiated between the Commissioned Pastor and the Session. A Covenant shall outline the details of the negotiated compensation and must be approved by the Commission on Ministry for approval. Sample Covenants are available through the Presbytery office.