

**Presbytery of the Miami Valley
COMMITTEE ON MINISTRY**

2012 PASTOR’S COMPENSATION RECOMMENDATION

The *Book of Order* (2011-2013) specifically addresses clergy compensation, and the responsibility for its maintenance in the following two sections:

G-2.0804 Terms of Call

The terms of call shall always meet or exceed any minimum requirement of the presbytery in effect when the call is made. The session shall review annually the minister’s terms of call and shall propose for congregational action (G-1.0501) such changes as the session deems appropriate, provided that they meet the presbytery’s minimum requirements. The call shall include participation in the benefits plan of the Presbyterian Church (U.S.A.), including both pension and medical coverage, or any successor plan approved by the General Assembly.

G-3.0307 Pastor, Counselor, and Advisor to Teaching Elders and Congregations

Presbyteries shall be open at all times to communication regarding the life and ministry of their congregations.

Each presbytery shall develop and maintain mechanisms and processes to serve as pastor and counselor to teaching elders, ruling elders commissioned to pastoral service, and certified Christian educators of the presbytery; to facilitate the relations between the presbytery and its congregations, teaching elders, ruling elders commissioned to pastoral service, and certified Christian educators; and to settle difficulties on behalf of the presbytery where possible and expedient.

The Committee on Ministry recommends to the presbytery:

- 1. The 2012 minimum Effective Salary package (salary, housing, utilities allowance, medical/dental supplement, etc.) for pastors in the Presbytery of the Miami Valley as follows:**

	2009	2010	2011	2012
<i>Plan A—no manse provided</i>				
Effective Salary	\$43,761	\$44,199	\$44,641	\$45,980
<i>Plan B—manse provided</i>				
Cash salary*	\$30,633	\$30,939	\$31,248	\$35,369
Value of Manse (BOP)*	\$13,128	\$13,260	\$13,393	\$10,611
Total Plan B	\$43,761	\$44,199	\$44,641	\$45,980

*Reflects change in calculation for 2012: BOP requires a minimum valuation of the manse at 30% “of all other compensation included in Effective Salary,” *not* of total Effective Salary, as used in previous years.

This recommendation reflects a 3% increase over 2011.

Information which was used to formulate this recommendation included:

- a. The full-time median salary* of PCUSA pastors rose 0.8% from May 2010 to May 2011, to \$53,300. The average salary increased 1.1% to \$58,515. *The average salary in the Presbytery of the Miami Valley is \$57,739.*

*Note: The Board of Pensions of the Presbyterian Church (U.S.A.) annually tabulates the median and average effective salary information reported to it for minister members of the Benefits Plan who are

serving U.S. congregations. The median salary is generally considered more representative than the average salary, since it is less influenced by the very high or very low salaries.

- b. Bureau of Labor Statistics data (www.bls.gov) reflects an increase in the Consumer Price Index-All Urban Consumers of 3.6% from June 2010 through May 2011. The energy index has increased 21.5 percent over the last 12 months, the food index has risen 3.5 percent and the index for all items less food and energy has increased 1.5 percent. All of these figures have been rising in recent months.
- c. Social Security (www.ssa.gov/cola) gave no cost-of-living adjustments for 2011 (computed in Oct 10). This represents the second year without an automatic cost-of-living adjustment since they went into effect in 1975. The Social Security Act provides that Social Security and Supplemental Security Income benefits increase automatically each year if there is an increase in the Bureau of Labor Statistics' Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of the last year to the third quarter of the current year.

2. The following standard minimum requirements apply for Pastors, Certified Christian Educators, and Commissioned Ruling Elders:

- a. **Continuing Education Reimbursement \$1055 (record as separate item)***
- b. **Vacation 4 weeks including 4 Sundays**
- c. **Study Leave 2 weeks including 2 Sundays**

***Note:** The committee recommended that this item increase from \$750 to \$1000 for 2009 and be indexed to inflation thereafter. This represents a \$35 (3.5%) increase over 2011.

The committee also reports additional information useful in preparing terms of salary packages for pastors and other church professionals:

1. Certified Christian Educators (as approved by the presbytery in November 2000):
 - a. Salary equal to the minimum effective salary (Plan A) above, pro rated as appropriate for part-time contracts
 - b. Reimbursements, vacation and study leave as above.
 - c. Additional guidelines:
 - i. Base salary plus one percent per year for each year of experience beyond five years
 - ii. Provision for medical coverage either by participation in the PC (USA) Major Medical Plan or other vehicle.
2. Commissioned Ruling Elders (approved January 2002)
 - a. Salary equal to 75% of the minimum effective salary (Plan A) above, pro rated as appropriate for part-time contracts
 - b. Reimbursements, vacation and study leave as above

- c. Medical coverage is normally obtained by the individual through their secular employment
- 3. Board of Pension dues will **increase** to **32.25%** (20.25% medical, 12% retirement, death, and disability) of effective salary for 2012. All medical dues are based on Effective Salary, with a minimum basis of 65% of the church-wide median for pastors, (\$34,645). Medical dues for part-time calls are based on the greater of a full-time (35 hr.) equivalent or the full-time minimum basis.

Note: for 2013 the Board of Pensions medical dues will also rise by three-fourths of a percentage point to 21.0% (bringing the total BOP dues to 33.0%).

- 4. To calculate Effective Salary plus other helpful information, visit the Board of Pensions web site at www.pensions.org. It is important to remember that calculating Effective Salary is not the same as calculating federal tax implications.
- 5. Pulpit Supply Honoraria – Whenever a pastor leads worship for a congregation as a visiting guest, the church shall pay mileage at the current IRS authorized rate, plus:
 - a. For churches up to 250 members - \$75
 - b. For churches over 250 members - \$100
 - c. Additional compensation of \$50 for each additional service
- 6. Session Moderator Honoraria – Moderator of churches without installed pastors shall be reimbursed mileage at the current IRS rate, plus \$35.
- 7. Travel Reimbursement – member churches should reimburse pastors, educators, and CLPs for church related travel at the current IRS rate.