

## Setting the Pastoral Compensation for 2021

Per the *Book of Discipline*, the staff/pastor-parish relations committee recommends the compensation to the church council for affirmation and then to the charge/church conference for approval.

The primary task of the S/PPRC is to provide a climate of trust and frank discussion in a supportive atmosphere. It is most important to make objective and responsible decisions.

The following factors should not be considered in discussions about the assigned/appointed person's base compensation/salary, nor should they impact the base compensation/salary:

- travel and professional expenses
- gender/ethnicity of assigned/appointed person
- employment/income of the assigned/appointed person's spouse

Please note that an increase in salary that does not exceed the increase in cost of living is not a raise.

Below is other information that the committee may find helpful in the process.

### Conference Standards for Clergy Support

*(based on GP Plan of Organization 2013, updated from GP Annual Conference 2014, and clarified in 2017)*

1. All people appointed by the bishop to serve full-time in a church or charge (i.e., licensed local pastors, associate members, commissioned elders or deacons as provisional members, ordained deacons or elders as full members of the conference or other Methodist denominations, and those retaining membership in another denomination while being officially recognized by our conference) shall have the right to receive no less than minimum base compensation as established below.
2. All ordained elders, provisional elders, and associate members appointed by the bishop to less-than-full-time service shall receive compensation in proportion to minimum according to the quarter increments of their service.
3. The church or charge to which a clergy person is appointed is required to provide minimum base compensation at a new level on January 1 of the year following the clergy person's completion of course of study, seminary or conference membership. A church or charge may move to a new level of compensation at mid-year by a vote of its charge conference.
4. In addition to minimum base compensation, each charge is required to:
  - reimburse actual mileage incurred in pastoral duties according to the voucher system at the standard Internal Revenue Service rate

*Note: Miles driven for district or conference work are not the responsibility of the local church.*

  - pay the church's share of pension and the health insurance allowance/premium (whichever is in effect by the conference)
  - provide a parsonage that meets minimum standards or an adequate housing allowance (as defined in the conference parsonage standards)
  - cover all office expenses, including Internet
  - reimburse/pay continuing education and professional expenses
5. All people shall receive a minimum of four weeks of vacation (28 days, including 4 Sundays).  
*Please refer to the GP Vacation Policy ([www.greatplainsumc.org/lctdetail/vacation-policy-for-pastors-5137177](http://www.greatplainsumc.org/lctdetail/vacation-policy-for-pastors-5137177)) for further information.*
6. All people shall be given the appropriate amount of time to complete required education (e.g., seminary, course of study, certified lay ministry classes) or continuing education. This time is not considered as vacation. The charge will pay for the pulpit supply, as needed, during this time. Additional time may be negotiated between the pastor and pastor/staff-parish relations committee in consultation with the district superintendent.

Please refer to the GP Continuing Education Policy ([www.greatplainsumc.org/lctdetail/continuing-education-policy-4952936](http://www.greatplainsumc.org/lctdetail/continuing-education-policy-4952936)) for further information.

7. The minimum base compensation (salary plus utilities) for 2021 is as follows:
  - Full-time local pastor           \$37,617
  - Associate member               \$40,051
  - Provisional member           \$42,486
  - Full member                     \$44,921
8. Compensation for assigned lay persons, certified lay ministers, part-time local pastors, and retired clergy is negotiated by the district superintendent, the assigned/appointed person and the staff/pastor-parish relations committee.
9. Compensation for members of other denominations (not yet officially recognized by our conference and thus considered as lay persons) is negotiated by the district superintendent, the pastor and the staff/pastor-parish relations committee, taking into consideration the education and credentials of the pastor and the minimum base compensation schedule.

## **Housing Resolution**

Each church should have a *signed and filed* housing resolution to cover the amount designated by the pastor for housing expenses and the amount offered to pastor as a housing allowance in lieu of parsonage. This document is now part of the compensation form.

## **Accountable Reimbursement Plan**

It is highly encouraged that each church establish an “accountable reimbursement plan” for the assigned/appointed person’s travel, continuing education, and other professional expenses, because cash allowances are subject to both income tax and social security tax while reimbursed expenses are exempt for tax purposes.

Appropriate reimbursable expenses include continuing education and spiritual formation events approved by the staff/pastor-parish relations committee; travel fares, lodging and meals while on work for the local church (e.g., annual conference, district meetings); office supplies and postage; office equipment, computer software; books, subscriptions, and periodicals; professional dues; religious materials, and vestments.

There are three rules to remember:

1. An accountable reimbursement plan must be established in advance.
2. Payment is made only to reimburse a documented expense. In other words, paying the same amount for travel or for continuing education each month is a cash allowance and subject to taxation.
3. The funds budgeted for an accountable reimbursement plan are used or lost. Any unused balance is forfeited by the pastor as these are church funds and not clergy compensation. If the church grants any portion of the reimbursement account without a documented expense to the pastor, the plan is invalidated and all previous reimbursements in the year become taxable income.

More information (Q&A and templates) is available at [www.greatplainsumc.org/chargeconferenceresources](http://www.greatplainsumc.org/chargeconferenceresources).

## **Other Notes**

- Health insurance allowance is \$15,850.
- For pension, CRSP is remaining the same and CPP is remaining the same (by action of the Great Plains Annual Conference).