

Approved, June 25, 2022

COMMITTEE ON MINISTRY
The Presbytery of Long Island

2023 COMPENSATION PROGRAM FOR PASTORS WITH MANSES

(Includes proposed changes to become effective for existing calls and contracts, January 1, 2023; for new calls and contracts, October 1, 2022)

1. Cash Aggregate

Defined as the total of the cash salary, including the manse allowance, plus the amount put into the defined contribution plan, or 403 (b) (see #4B below).

The Manse Allowance

- Defined as that portion of the cash salary that the pastor reasonably expects to spend from his/her own resources on the home, including furnishings.
- Must be designated by the session in advance of when expended, not retroactively. May be adjusted during the year, in advance of increased expenditures, keeping the total aggregate the same.
- Accurate records and documentation of amounts must be kept by the pastor. Unused portion should be reported by the pastor as income.
- Not subject to income tax, but subject to SECA tax and Pastor's Participation Plan or Minister's Choice Plan dues (see p. 4).

The minimum cash aggregate shall be \$54,675.

- The minimum cash aggregate shall be increased one-half of one percent for each year since a pastor's ordination, up to 30 years.
- The minimum cash aggregate shall be increased by \$2,000 for churches with 151-350 members, \$4,000 for churches with 351-500 members, and \$6,000 for churches with over 500 members.

It is recommended that all existing calls that exceed this minimum be increased at least 5.1% for 2023.

2. Free Use of Manse

Annual fair rental value.

Not subject to income tax, but subject to SECA tax and Pastor's Participation Plan or Minister's Choice Plan dues.

3. Full Utilities

Heat, electricity, and water must be provided by the church. Others may be provided, but are not required. Utilities paid directly by the church are not subject to income tax or Pastor's Participation Plan or Minister's Choice Plan dues, but are subject to SECA tax. Use approximate annual cost. Other utilities paid by the pastor should be included in the Manse Allowance.

4. Retirement Benefits

A. Traditional Defined Benefit Plan

Dues are **8.5%** of Effective Salary (= #1, #2, + #4B) (see p.4).

Required for all installed pastors, as part of Pastor's Participation Plan.

Required for all Interim and Designated Pastors under Pastor's Participation Plan unless there is comparable coverage from another source.

Available for all other pastors working 20 hours/week or more under Pastor's Participation Plan or Minister's Choice Plan.

B. Defined Contribution (Retirement Savings) Plan

403 (b) can be tax-deferred or not (Roth option).

At least \$1,000 required for all full-time installed, Interim, and Designated pastors living in manses.

Contributions may be made by church or pastor or both. Please identify the source and the amount of the contribution(s).

Many investment options available through Fidelity.

May not be subject to income tax or SECA Tax, but subject to Pastor's Participation Plan or Minister's Choice Plan dues.

Available to all others with no requirement for minimum hours worked.

5. Death and Disability Benefits

1% of Effective Salary – **2.5%** if pension benefit #4A is not provided – included in Pastor's Participation Plan and Minister's Choice Plan.

Required for all installed pastors, as part of Pastor's Participation Plan.

Required for all Interim and Designated Pastors under Pastor's Participation Plan or Minister's Choice Plan unless there is comparable coverage from another source.

Available for all other pastors working 20 hours/week or more under either Pastor's Participation Plan or Minister's Choice Plan or alone for 2.5%.

Long-term Disability Plan is available separately.

6. Temporary Disability Plan

0.5% of Effective Salary. Benefit covering disability from 14 up to 90 days before other coverage is effective. Included in both Pastor's Participation Plan and Minister's Choice Plan.

Also available separately.

7. Medical Insurance

Traditional PPO as part of Pastor's Participation Plan.

Dues are **29%** of Effective Salary and cover member and all eligible family members.

Required for all installed pastors under Pastor's Participation Plan.

Required for all Interim and Designated pastors and their eligible dependents, unless they have comparable coverage from another source.

Optional for all others working 20 hours/week or more.

Non-contributory. Church must pay entire cost.

8. Additional Insurance

Thoughtful and thorough consideration of additional forms of insurance available – term life insurance, dental insurance, supplemental death benefit, supplemental disability benefit, and vision eyewear benefit. Premiums are **not** subject to dues under the Pastor's Participation Plan and the Minister's Choice Plan unless it is provided by an entity other than the Board of Pensions.

9. SECA Tax Reimbursement (self-employment tax or social security)

Approximately one-half of the pastor's SECA Tax obligation, or 7.65% of #1 + #2 + #3 above. It is subject to income tax and SECA tax, but not subject to dues under the Pastor's Participation Plan or the Minister's Choice Plan. It should be included on the W-2 form. If the pastor has requested voluntary withholding, it may be paid along with the cash salary. If the pastor pays taxes with quarterly estimates, it may be paid quarterly in advance of when those payments are due.

10. Automobile Expense Reimbursement

Reimbursement of actual mileage on church business at the IRS standard mileage rate for 2023, under an accountable reimbursement plan.

11. Pastoral Ministry Expense Reimbursement

A \$500 minimum for expenses in the pastoral ministry -- such as books, journals, vestments, entertainment, cell 'phone -- under an accountable reimbursement plan.

12. Continuing Education Expense Reimbursement

\$1,750 minimum. Can be accumulated for up to three years. Actual use or accumulation to be approved by session in advance and report received afterward. Under an accountable reimbursement plan.

13. Vacation

30 days, including 5 Sundays. After 10 years in current position, 37 days, including 6 Sundays.

14. Continuing Education Time

14 days, including 2 Sundays. Can be accumulated up to 42 days by agreement with session in advance. See Presbytery policy.

15. Maternity/Paternity Leave

Twelve weeks/four weeks respectively.

16. Moving Expenses

(New calls and contracts only.) Full, reasonable.

EXPLANATIONS

Effective Salary

A Board of Pensions definition for the total of cash salary and manse allowance (#1), tax-deferred investment (#4B), and the annual fair rental value of the manse (#2).

Pastor's Participation Plan

Total cost **39%**.

Includes Defined Benefit Pension Plan (**8.5%**) (#4A), Death and Disability Plan (**1%**) (#5), Temporary Disability Plan (**0.5%**) (#6) and Medical PPO covering the entire family up to age 26 (**29%**) (#7).

Also includes, at no extra cost, access to the Employee Assistance Program, CREDO, Sabbath Support Grants, and Healthy Pastors Healthy Congregations.

Required for all installed pastors.

Required for all Interim and Designated Pastors who don't have comparable coverage from another source.

Available for all pastors working 20 hours /week or more.

Minister's Choice Plan

Total Cost **10%**.

Includes Defined Benefit Pension Plan (**8.5%**) (#4A), Death and Disability Plan (**1%**) (#5), and Temporary Disability Plan (**0.5%**) (#6).

Also includes, at no extra cost, access to the Employee Assistance Program, CREDO, Sabbath Support Grants, and Healthy Pastors Healthy Congregations.

Available to all pastors working 20 hours/week or more.

Approved, June 25, 2022

COMMITTEE ON MINISTRY
The Presbytery of Long Island

2023 COMPENSATION PROGRAM FOR PASTORS WITH
HOUSING ALLOWANCES

(Includes proposed changes to become effective for existing calls and contracts,
January 1, 2023; for new calls and contracts, October 1, 2022)

1. Cash Aggregate

Defined as the total of the cash salary, including the housing allowance, plus the amount put into the defined contribution plan, or 403 (b) (see #2B below).

The Housing Allowance

- Defined as that portion of the cash salary that the pastor reasonably expects to spend on the home, such as for rent, mortgage, property taxes, insurance, utilities, maintenance, and furnishings.
- Must be designated by the session in advance of when expended, not retroactively. May be adjusted during the year, in advance of increased expenditures, keeping the total aggregate the same.
- Accurate records and documentation of amounts must be kept by the pastor. Unused portion should be reported by the pastor as income.
- Not subject to income tax, but subject to SECA tax and Pastor's Participation Plan or Minister's Choice Plan dues (see p. 4).

The minimum cash aggregate shall be \$81,905.

- The minimum cash aggregate shall be increased one-half of one percent for each year since a pastor's ordination, up to 30 years.
- The minimum cash aggregate shall be increased by \$2,000 for churches with 151-350 members, \$4,000 for churches with 351-500 members, and \$6,000 for churches with over 500 members.

It is recommended that all existing calls that exceed this minimum be increased at least 5.1% for 2023.

2. Retirement Benefits

A. Traditional Defined Benefit Plan

Dues are **8.5%** of Effective Salary (= #1 + #2B) (see p. 4).

Required for all installed pastors, as part of Pastor's Participation Plan.

Required for all Interim and Designated Pastors under Pastor's Participation Plan or Minister's Choice Plan unless there is comparable coverage from another source.

Available for all other pastors working 20 hours/week or more under Pastor's Participation Plan or Minister's Choice Plan.

Housing Allowance, p. 2

2. Retirement Benefits (continued)

B. Defined Contribution (Retirement Savings) Plan

403 (b) can be tax-deferred or not (Roth option).

Contributions may be made by church or pastor or both. Please identify the source and the amount of the contribution(s).

Many investment options available through Fidelity.

May not be subject to income tax or SECA Tax, but subject to Pastor's Participation Plan and Minister's Choice Plan dues.

Available to all others with no requirement for minimum hours worked.

3. Death and Disability Benefits

1% of Effective Salary – **2.5%** if pension benefit #2A is not provided – included in Pastor's Participation Plan and Minister's Choice Plan.

Required for all installed pastors, as part of Pastor's Participation Plan.

Required for all Interim and Designated Pastors under Pastor's Participation Plan or Minister's Choice Plan unless there is comparable coverage from another source.

Available for all other pastors working 20 hours/week or more under either Pastor's Participation Plan or Minister's Choice Plan or alone for 2.5%.

Long-term Disability Plan is available separately.

4. Temporary Disability Plan

0.5% of Effective Salary. Benefit covering disability from 14 up to 90 days before other coverage is effective. Included in both Pastor's Participation Plan and Minister's Choice Plan.

Also available separately.

5. Medical Insurance

Traditional PPO as part of Pastor's Participation Plan.

Dues are **29%** of Effective Salary and cover member and all eligible family members.

Required for all installed pastors under Pastor's Participation Plan.

Required for all Interim and Designated pastors and their eligible dependents, unless they have comparable coverage from another source.

Optional for all others working 20 hours/week or more.

Non-contributory. Church must pay entire cost.

6. Additional Insurance

Thoughtful and thorough consideration of additional forms of insurance available – term life insurance, dental insurance, supplemental death benefit, supplemental disability benefit, and vision eyewear benefit. Premiums are **not** subject to dues under the Pastor's Participation Plan and the Minister's Choice Plan unless it is provided by an entity other than the Board of Pensions.

Housing Allowance, p. 3

7. SECA Tax Reimbursement (self-employment tax or social security)

Approximately one-half of the pastor's SECA Tax obligation, or 7.65% of #1 above. It is subject to income tax and SECA tax, but not subject to dues under the Pastor's Participation Plan or the Minister's Choice Plan. It should be included on the W-2 form. If the pastor has requested voluntary withholding, it may be paid along with the cash salary. If the pastor pays taxes with quarterly estimates, it may be paid quarterly in advance of when those payments are due.

8. Automobile Expense Reimbursement

Reimbursement of actual mileage on church business at the IRS standard mileage rate for 2023, under an accountable reimbursement plan.

9. Pastoral Ministry Expense Reimbursement

A \$500 minimum for expenses in the pastoral ministry -- such as books, journals, vestments, entertainment, cell 'phone -- under an accountable reimbursement plan.

10. Continuing Education Expense Reimbursement

\$1,750 minimum. Can be accumulated for up to three years. Actual use or accumulation to be approved by session in advance and report received afterward. Under an accountable reimbursement plan.

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30 days, including 5 Sundays. After 10 years in current position, 37 days, including 6 Sundays.

12. Continuing Education Time

14 days, including 2 Sundays. Can be accumulated up to 42 days by agreement with session in advance. See Presbytery policy.

13. Maternity/Paternity Leave

Twelve weeks/four weeks respectively.

14. Moving Expenses

(New calls and contracts only.) Full, reasonable.

EXPLANATIONS

Effective Salary

A Board of Pensions definition for the total of cash salary and housing allowance (#1) and the tax-deferred investment (#2B),

Pastor's Participation Plan

Total cost **39%**

Includes Defined Benefit Pension Plan (**8.5%**) (#2A), Death and Disability Plan (**1%**) (#3), Temporary Disability Plan (**0.5%**) (#4) and Medical PPO covering the entire family up to age 26 (**29%**) (#5).

Also includes, at no extra cost, access to the Employee Assistance Program, CREDO, Sabbath Support Grants, and Healthy Pastors Healthy Congregations.

Required for all installed pastors.

Required for all Interim and Designated Pastors who don't have comparable coverage from another source.

Available to all pastors working 20 hours /week or more.

Minister's Choice Plan

Total Cost **10%**.

Includes Defined Benefit Pension Plan (**8.5%**) (#2A), Death and Disability Plan (**1%**) (#3), and Temporary Disability Plan (**0.5%**) (#4).

Also includes, at no extra cost, access to the Employee Assistance Program, CREDO, Sabbath Support Grants, and Healthy Pastors Healthy Congregations.

Available to all pastors working 20 hours/week or more.

