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2
3 **2019 MINIMUM FINANCIAL TERMS OF CALL**

4
5 **Including Terms of Call Calculations and Reporting**

6
7 For PASTORS, CO-PASTORS, AND ASSOCIATE PASTORS
8 and
9 CERTIFIED CHRISTIAN EDUCATORS

10
11
12 The Presbytery of the Peaks
13 of The Synod of the Mid-Atlantic
14 of The Presbyterian Church (USA)

15
16 ***Approved by Presbytery Nov. 29, 2018***

17
18 Notes:

- 19
20 1. Changes in the minimum terms for 2019 include an increase in minimum cash salary
21 (excluding housing allowance and manse rental value) from \$33,751 to \$34,426. This is
22 applicable to pastors living in a manse or living in a non-church owned residence.
- 23
24 2. For 2019 the Board of Pensions (BOP) will continue to offer one medical coverage rate
25 billed at 25% of effective salary. This provides full medical coverage for spouses and all
26 family members. The minimum basis for effective salary for medical coverage remains
27 at \$44,000 for 2019. Total 2019 BOP dues for medical, pension, and death/ disability
28 insurance will remain at 37%.
- 29
30 3. Churches must use Benefits Connect – the BOP internet on-line system - to establish
31 terms of call information for new pastors or change information for existing pastors.
- 32
33 4. **Minister mileage reimbursement rate is the IRS business mileage rate of \$.58 per**
34 **mile as of 1/1/19.**

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2019 Minimum Terms of Call Overview

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The following terms of call information has been prepared by the Committee on Ministry (COM) to assist pastors, church sessions, treasurers, and particularly Pastor Nominating Committees in the proper calculation and application of call terms principally for new pastors called to installed positions in Peaks Presbytery. These minimum terms should also be considered for non-installed pastor calls where possible including temporary pastoral calls and validated ministries.

The Committee strongly recommends that all calls should be prayerfully considered as a covenant between the pastor and church rather than a contract consisting mainly of financial standards. Please refer to the next page regarding the importance of a covenantal relationship between a pastor and their church.

In order to understand how terms of call are calculated including Board of Pension dues a complete review of the information included here is needed. Information regarding terms of call components are found in the pages 5-9 and in the examples and worksheets on pages 10-17.

Changes in the minimum terms for 2019 include an increase in minimum cash salary (excluding housing allowance and manse rental value) from \$33,751 to \$34,426. This increase of \$675 was recommended by the COM noting that, over the past twelve years minimum terms have not kept pace with inflation and also continue to be below terms offered by several comparable Presbyteries near Peaks Presbytery. The increase represents an increase of slightly less than 1% in overall costs to a church calling a pastor whose terms include pastor provided housing and slightly more than 1% in overall costs to a church calling a pastor where the church provides a manse.

For 2019 the Board of Pensions will continue to offer one medical coverage rate billed at 25% of effective salary. This provides full medical coverage for spouses and all family members. The minimum basis for effective salary for medical coverage remains at \$44,000 for 2019. For 2019 the BOP effective salary rates for pension (11%) and disability (1%) are unchanged bringing the total BOP dues to 37% of effective salary for Basic benefit coverage.

COM continues to review and approve all calls to pastors for both installed and uninstalled positions for accuracy and adequacy. This includes all new calls which are to be reviewed by COM and by the annual report of pastors in existing called positions (required in the PC USA book of order) via an annual call review with the congregation and report to the Presbytery found on pages 19-21.

Annual changes may be proposed in minimum terms by COM, however, COM suggests terms of call changes for pastors should not be dependent on these annual recommendations, regardless if an increase in the minimum terms is recommended or not. Terms of call changes for pastors are suggested based on the aforementioned covenant relationship and should reflect the growth of a pastor in serving the Lord and their congregation.

Part-time call terms provided by churches are available in calling pastors to installed calls as well as temporary, or validated ministries. Information has been provided on Part-time calls on pages 13. COM requires that all part-time calls be reviewed with COM before these terms are offered to a pastor.

127
128 **THE BASIS OF TERMS OF CALL: THE COVENANTAL RELATIONSHIP**
129

130 Why do we have Minimum Terms of Call, and why do congregations vote on Terms of Call but not on
131 other parts of the budget? The fundamental idea behind the answer to this question is the covenantal
132 relationship between the congregation and the pastor.

133 A covenant is different from a contract in that the well-being of each party is a primary concern of the
134 other party. We call marriage a covenant because the welfare of the wife is as important to the husband as his
135 own welfare and vice versa. Parties in a covenant are motivated by a genuine desire for the best for the other
136 person(s) and for their relationship.

137 By contrast, contracts are essentially arrangements between parties for the sake of mutual self-interest.
138 A buyer and seller contract for the delivery of a product, and the welfare of the seller is not a fundamental
139 concern of the buyer. The other party in a contract is a means to an end; in a covenant, each party views the
140 welfare of the other as an end in itself.

141 Pastors and congregations thrive when their relationship is understood as a covenant, not a contract. In
142 their covenant, the pastor strives for the well-being of the congregation, and the congregation strives the well-
143 being of the pastor. Each serves and provides for the other. Pastors appreciate being well-compensated, but
144 they do not seek to get as much as they possibly can from the church. Churches need to be good stewards of
145 finances, but they do not seek to pay the pastor as little as possible. And each side appreciates the mutual
146 commitment to their relationship. Thus, many non-installed pastors and congregations using a formal contract
147 nevertheless develop their financial relationship covenantally.

148 These Minimum Terms of Call have been developed in order to promote the covenantal relationship
149 between pastors and congregations. They serve to identify the best interests of both parties so that pastors
150 and congregations can have the clarity and guidance needed for healthy, long-term pastorates. Pastors are
151 like everyone else in the church – they have bills to pay and personal and familial responsibilities. They accept
152 the fact that pastoral ministry is likely to pay them a lot less than many other professions. And pastors
153 understand their church budgets, and they understand that every dollar spent on their compensation package
154 could go to another part of the life of the church. A pastor who feels well cared for by a congregation is much
155 more likely to serve more diligently and gratefully, and they are likely to serve that congregation for a longer
156 period of time. A congregation caring for its pastor is likely to feel grateful for the pastor – and thus their
157 covenant is grounded in gratitude for each other, not in resentment about the amount of money changing
158 hands.

159 Although these Minimum Terms of Call speak of dollars and complicated requirements, the Committee
160 on Ministry hopes that congregations and pastors will view them as guidelines for giving thanks to God for an
161 important, life-giving relationship.
162

163
164 **BACKGROUND FOR MINIMUM TERMS OF CALL**
165

166 1) The Presbytery of the Peaks Minimum Terms of Call procedures have been prepared to explain, in
167 some detail, most of the information required to establish threshold levels of compensation and benefits for
168 pastors and certified Christian Educators employed by churches within the Presbytery and also by the
169 Presbytery itself. The basic use of computer and internet resources is increasingly important to have timely
170 access to updates involving the terms of call, particularly the Board of Pensions medical plan, and other
171 changes that have been implemented or proposed. Sessions, treasurers, and ministers are urged to use the
172 Board of Pensions website (www.pensions.org) for detailed information and assistance regarding effective
173 salary calculations and pension dues calculations. The Peaks Presbytery website also serves as a resource:
174 <http://www.peakspresbytery.org/>. The 2019 minimum terms of call and other information can be found on the
175 presbytery website along with additional information and updates regarding terms of call.
176

177 2) The Calls and Pensions Workgroup of the Presbytery Committee on Ministry reviews the
178 Minimum Terms of Call compensation and benefits levels each year. This Workgroup researches and reviews
179 several indicators to make an annual recommendation for changes in terms of call components.
180 This includes the following: 1. Consumer Price Index (CPI) information over the most current one year
181 period. 2. Median salary data for PCUSA ministers as calculated by the Board of Pensions. 3. Average

182 annual salary of ministers in comparable Presbyteries. 4. Annual analysis of terms of call compensation and
183 benefits provided by comparable Presbyteries. 5. Other changes in terms of call including medical plan
184 benefits provided by the Board of Pensions (BOP). 6. Review of the history of increases to the minimum terms
185 of call and consideration of the frequency of increases (at least every two to three years) to keep pace with
186 inflation and also with improvements made by other presbyteries.

187
188 3) Ministers' minimum cash compensation was revised in 2013 from \$30,620 (as it was from 2009
189 through 2012) to \$32,000. In 2014 the minimum terms were not revised. In 2015 the minimum cash terms
190 were again increased from \$32,000 to \$32,675. In 2016 minimum cash terms were not revised. In 2017 the
191 minimum csh terms were increased from \$32,675 to \$33,213. In 2018 the minimum csh terms were increased
192 from \$33,213 to \$33,751. **Including SECA allowance but excluding housing allowance the 2019**
193 **minimum financial terms are proposed increased by \$675 from \$33,751 to \$34,426 for churches**
194 **providing a manse or for churches without a manse where pastors provide their housing.** These
195 minimum terms of call also include housing, benefits and other expenses paid for by the church. Certified
196 Christian Educator's minimum compensation is to remain at \$38,500 again for 2019. This is expected to be
197 commensurate with that of similarly educated professional teachers and ministers residing in the vicinity of the
198 calling church.

199
200 It is important to have ministers and educators with skills, training and dedication to ministry serving the
201 churches within the presbytery. As one part of the process to ensure this availability and in line with the Book
202 of Order (G-2.0804 and G3.0303c), the Presbytery of the Peaks annually establishes minimum financial terms
203 of call between churches and ministers and between churches and Certified Christian Educators. With
204 increased experience, more effective ministry and/or greater responsibility, it is appropriate for compensation
205 to exceed the minimum.

206
207 The minimum is the same for each ordained and installed minister or associate minister. The minimum for a
208 Certified Christian Educator necessarily reflects the lay status of the educator both in respect of church law and
209 civil law. The Certified Christian Educator minimum is intended to approximate the minimum for ordained
210 clergy. Please refer to the Board of Pension's booklet *Understanding Effective Salary* and the Board's website
211 www.pensions.org for information and help regarding calculations of BOP dues.

212 **REVIEW PROCEDURE**

213
214 The Book of Order (G-2.0804; G-3.0303c) states that the terms of call shall meet or exceed any minimum
215 requirement of the Presbytery. It specifies the call of a pastor, an associate pastor, or certified Christian
216 educator shall be approved by the presbytery. The church (by action of the congregation), the pastor, and the
217 associate pastor may later request approval of changes in the terms of call. Likewise, in the case of a certified
218 Christian educator the church (by action of the session) or the certified Christian educator may request
219 changes in the terms of call. In both cases presbytery action is necessary before changes are finalized. All
220 changes to pastors terms of call that result in changes to the Board of Pensions (BOP) effective salary must be
221 submitted to BOP via the Benefits Connect website. The standard effective date to report changes to the BOP
222 is January 1 of each year. January 1 is also the date that Board of Pensions implements any annual changes
223 to the medical and pension dues. **Important Note: Pastors called to a new church must have their terms of call**
224 **submitted to the BOP within the first 30 days of employment.**

225
226 **All calls from churches to pastors or associate pastors in the Presbytery of the Peaks shall include the**
227 **requirement that the financial terms of call be reviewed annually by the congregation.** Terms of call for
228 Certified Christian Educators should be reviewed annually by the session. The minimum financial terms of call
229 are for full-time Ministers of the Word and Sacrament or Certified Christian Educators. Part-Time calls may be
230 considered and are discussed in more detail in a following section on page 8. Also refer to the Board of
231 Pension's *Understanding Effective Salary* for part-time ministers working 20 or more hours a week, but fewer
232 than 35 hours a week. (35 hours per week is considered full time by the BOP.)
233 Within 30 days after the congregation (in the case of a minister) or the session (in the case of a certified
234 Christian educator), acts on the terms of call the clerk of session and the minister must submit a copy of form
235 (2019 Annual Review of Financial Terms of Call) shown on page 17-19 to the Committee on Ministry for
236 review. (This may be accomplished through a fillable reporting form available on the Peaks Presbytery website

237 via e-mail or through a hard-copy of the form via the postal service. Refer to the last paragraph on this page
238 for instructions.) In turn, the Committee on Ministry shall review the terms and forward its recommendation to
239 Presbytery for action. When requested terms fall below the minimum, the Committee on Ministry will consult
240 with the church and the minister or educator. In the event that consultation does not result in conformity to the
241 minimum, the terms of call, noting the reasons for exception, will be reported to Presbytery for approval or
242 other action.

243
244 The Presbytery of the Peaks elects to approve terms for all existing calls at its Spring meeting in May and has
245 instructed the Committee on Ministry to report the details of all calls in effect at that time. Changes following
246 this approval by Presbytery of the Peaks require special action by the presbytery.

247
248 In addition within 30 days after the congregation, (or session in the case of a certified Christian educator), has
249 approved the change in call must be submitted to the Board of Pensions via the on-line Benefits Connect
250 website. The Benefits Connect website may be accessed through the Board of Pensions webpage at
251 www.pensions.org. Churches are required to access Benefits Connect and establish an on-line account.
252 Instructions are provided on the website, however, the Board of Pensions offers personal telephone assistance
253 via the toll free number 800 (773-7752). BoardLink is an additional, optional website offered by the Board of
254 Pensions which accepts on-line billing payments. Terms of Call Changes are also to be reported to
255 presbytery's Committee on Ministry via the 3-page Terms of Call report included on pages 17-19 of this 2019
256 Minimum Terms of Call document. This report may be accessed on the Presbytery Website
257 (www.peakspresbytery.org) and submitted via e-mail to the Presbytery of the Peaks office to Julie Dyke, office
258 secretary at julie.dyke@peakspresbytery.org. The report may alternatively be submitted and mailed via the
259 postal service to the Peaks Presbytery office addressed to:

260
261
262 **PRESBYTERY OF THE PEAKS**
263 **Attention: Committee on Ministry**
264 **108 MELINDA DRIVE**
265 **LYNCHBURG, VA 24502**
266

267
268 **PRESBYTERY OF THE PEAKS POLICY ON FINANCIAL TERMS OF CALL**

269 The Board of Pensions (BOP) utilizes the term **effective salary** to provide a basis to calculate the dues which
270 churches are required to pay to provide medical coverage and for pension and disability benefits for pastors in
271 the Presbyterian Church (USA). Please refer to the Board of Pensions pamphlet Understanding Effective
272 Salary available on the BOP website (www.pensions.org) and on Benefits Connect website for more detailed
273 information explaining types of compensation included or not included in BOP effective salary. Benefits
274 Connect also includes the ELearning Module – Effective Salary: Why it is so important to Get it Right.
275 **The following four basic components of terms of call items are included in calculations of effective**
276 **salary for Board of Pension purposes.**

- 277
- 278 1) **Annual Base Cash Salary** - considerations should include experience, skills, responsibilities,
279 effectiveness, cost of living (as measured by the Consumer Price Index), and the presbytery minimums.
 - 280
 - 281 2) **Housing (Manse Rental Value + Utilities Allowance or Housing + Utilities Allowance)** - Adequate
282 housing is defined as a church owned manse or a housing allowance for the pastor to provide housing - in
283 either case providing a home to the minister equivalent to the average home in the church community.
284 **Manse Rental Value** is utilized in the Terms of Call Calculation to represent the cash benefit to the pastor
285 living in a church manse or other church owned property. For minimum terms it is calculated at a
286 minimum of 30% of base cash salary. For terms that include other items of effective salary, such as dental
287 insurance, deferred compensation, etc., these items are to be included in the Manse Rental Value
288 Calculations. If the church pays directly utilities costs and repairs to utility companies and contractors (not
289 as an allowance), such utilities costs may not be included in Effective Salary.
290 A **Housing Allowance** and optional additional Utilities Allowance are provided for pastors who are solely
291 responsible for their housing. Minimum housing allowance consideration should include the cost of a
292 lease; or the cost of mortgage principal and interest, taxes, insurance and house maintenance; as well as
293 utilities and furnishings allowances. It is not intended for the minimum allowance to result in home
294 ownership at no cost to the minister.

295 An explanation of IRS rules regarding housing allowances follows:

296 All pastor housing allowances should be designated in advance. It is suggested that the housing
297 allowance be approved by the session and documented in the session minutes in December of each
298 year prior to the mandatory presentation of all call terms at a congregational meeting.

299 IRS rules, updated in 2002, govern clergy housing allowances. Briefly a housing allowance only
300 applies to the primary residence of the pastor and it should be set high enough to cover all costs of
301 providing the primary residence within the limits of IRS housing allowance rules.

302 IRS General Rule (2002) states that the Housing Allowance limit is the lesser of:

- 303 1. Fair Rental Value, furnished, plus appurtenances, including actual cost of utilities
- 304 2. Employer confirmation of pastor designated amount in advance of payment, or
- 305 3. Amount that is actually spent to provide the primary residence

306 **Note: It is important that the Session document the pastor's elected housing allowance for**
307 **2019 by December 31, 2018 to comply with IRS regulations and avoid potential problems if an**
308 **audit is conducted by the IRS. This documentation needs to be completed each year and**
309 **included in the Session Meeting minutes by the Clerk of Session for all installed pastors and**
310 **Certified Ruling Elders claiming a housing allowance in their terms of call.**

- 311 3) **Deferred Compensation** - Deferred Compensation includes amounts paid by the church on behalf of the
312 minister into a 403(b)9 Retirement Savings Account with the Board of Pensions under a Salary Reduction
313 Agreement or similar program. If used to provide for equity escrow funding it must be included in Effective
314 Salary. See the Presbytery Equity Escrow Plan on page 10 for an alternative that is to be utilized for all
315 pastors living in church manses. Deferred Compensation under a Salary Reduction Agreement is reported
316 on year-end W-2 forms. But it is not included as wages on the W-2 form.

- 4) **Expenses** - All non-formal group insurance premiums paid by the church on behalf of the minister are considered part of Effective Salary and are subject to Board of Pensions required dues. That includes dental, life, and long-term care insurance. Salary reductions for Flexible Spending Accounts are likewise subject to Board of Pensions required dues. The only exception is the cost of the insurance provided a minister under a formal group plan the church maintains for all employees.

Tax favored Plans should be considered for Out-of-Pocket Expenses for Pastors

Two basic plan types can be established: Both require formal plan documents. Examples may be found on the Board of Pensions website. Legal advise is recommended to set-up either plan.

- i. Flexible Spending Accounts (FSA) may be utilized for medical expenses, dependent care expenses, etc.
- ii. Healthcare Reimbursement Accounts (HRA) may also be established. These are normally employer funded.

These plans are included in effective salary for BOP benefit calculations but are not subject to self-employment (SECA) or federal income taxes. As a result, significant tax savings can be realized for the pastor in SECA and federal income taxes and also the church will pay a smaller SECA allowance.

The Board of Pensions website includes slide presentations and several information pieces which may be downloaded that provide detailed informaion on setting up these plans. These may be found on the website home page under the Available Resources tab – Tax Advantaged Plans.

The following items must be addressed but are not included in calculations of BOP Effective Salary for Board of Pension (BOP) purposes.

1. **Self-Employment Contributions Act Reimbursement** - The Board of Pensions allows exclusion from the Effective Salary up to 50% of the minister's total self-employment tax expense (**SECA@50%**) for the year. Ministers serving full-time who receive less than the median effective salary in the denomination (\$58,000 for the year 2019) will receive pension credits as though they were earning the median effective salary. Hence it is clearly in the best interest of both the church and the minister who receives less than the median effective salary that a 50% SECA reimbursement be specified in the terms of call.

Important Notes + Exceptions: **Note 1. SECA@50% is not reported to the Board of Pensions** and it is not included to report pastors terms of call to the Board of Pensions online through **Benefits Connect**. (NOTE -SECA is shown on the reporting form with a Question Mark ? - clicking on the ? reveals that this SECA is for reporting SECA paid in excess of 50% SECA>50%) **Note 2. Any amount in excess of the 50% exclusion must be reported as compensation included in Effective Salary.** All amounts specified as a SECA reimbursement are to be included with the Annual Cash Salary when preparing the year-end W-2 forms. Please refer to IRS publications 517 Social Security and other information for Clergy and IRS publication 1828 Tax Guide for Churches and Religious Organizations. **Note 3:** Most pastors elect to participate in the federal SECA program, however, it is acceptable for pastors to **opt-out of SECA**. The PC(USA) encourages and endorses participation in the SECA program but pastors are not required to participate. Pastors opting out of SECA do not include it in their terms of call.

Self-employment (SECA) allowance calculations - SECA basis: Sample SECA calculations are shown with the Notes Regarding Sample Calculations on page 12. All cash salary received and housing are included in the basis for SECA calculations. SECA basis does not include reimbursed professional expenses, retirement savings (403(b)), flexible spending accounts, and other accounted, reimbursed expenses. Dental insurance and other supplemental insurance paid for the pastor by the church are included in the SECA basis and BOP effective salary. Note: SECA calculations for these 2019 terms of call are based on a straightforward calculation of ½ of 15.3 % (7.65%) of the SECA basis. This is the normal calculation procedure utilized by the great majority of Presbyteries and by accountants, financial advisors and other tax professionals. (This "normal" calculation of SECA takes into account the SECA offset allowance calculation applied to a pastor's income of 92.35%. For more information consult your pastor or their accountant or tax professional.) An alternative calculation of SECA which uses a tax on tax approach was advocated in the 2014 terms of call. This method may also be utilized for SECA calculations, however, it tends to overstate the SECA taxes due. Either method is acceptable by the

371 Presbytery and the Board of Pensions and SECA @ 50% is not included in Board of Pensions Effective
372 Salary in any case.
373

374 **2. BOP Basic Benefits Plan** – The minimum premium for basic benefits in the Traditional Plan is
375 established by the Board of Pensions and covers the minister’s pension, death and disability insurance,
376 and healthcare benefits for the minister, spouse and children. **For 2019 this will continue to be 11%**
377 **for pension, and 1% for death & disability insurance applied to the BOP effective salary. For**
378 **2019 the rate for basic medical premiums providing pastor and spouse / family coverage**
379 **remains at 25%. The Total Basic Benefits Plan Premium that churches are required to pay is**
380 **therefore now 37% of annual BOP effective salary for 2019** (subject to the minimum BOP effective
381 basis for medical coverage and pension, death/disability insurance).

382 **Basic Benefits coverage provided through the Board of Pensions continues to be mandatory for all**
383 **churches to pay for all installed pastors regardless if their call is for a full-time or part-time**
384 **position.**
385

386 **The minimum basis for participation in healthcare coverage remains at \$44,000 in annual effective**
387 **salary for 2019. (However, healthcare coverage remains available through the BOP for ministers**
388 **and other church employees receiving less than \$44,000.) The minimum salary participation basis**
389 **for pension and death & disability coverages is \$14,500 for 2019.**
390

391 **3. Allowances** – Sufficient funds must be made available in the church budget to reimburse the minister
392 for church-related costs he/she may incur in fulfillment of their call.
393

394 **4. POP Equity Escrow** – The Presbytery of the Peaks (POP) has authorized the establishment by a
395 particular church of an escrow equity account independent of the plan offered by the BOP. This
396 provides a means to compensate a minister living in a manse for the implied equity lost by living in a
397 manse versus his/her owned home. For 2019 the minimum equity escrow required by Peaks
398 Presbytery is to remain at \$1,200 annually. See the Presbytery of Peaks (POP) Equity Escrow Plan on
399 page 9.

400 **Note: 1.** Again it is emphasized that due to the unique characteristics of the POP Equity Plan it is **not**
401 **included** in effective salary calculations or in calculation of the manse rental value for a minister’s
402 terms of call.

403 **Note: 2.** Other optional (Non- POP) equity plan payments for ministers are included in annual effective
404 salary and would also be included in calculations of manse rental value.

405 **5. Moving Expense** - This only applies to a minister newly moving to the field. (not included in Eff. Salary)
406

407 **6. Sabbatical Leave** is negotiable under guidelines provided by Peaks Presbytery (refer to page 25) or
408 other appropriate terms. Suggested to be utilized after six years of pastoral service,
409

410 **7. Automobile Costs** - The Minister is considered to be on call to members of the congregation at all
411 times except when on vacation or engaged in personal business. The operation of an automobile is
412 considered necessary to carry out ministry. The cost of ownership, maintenance and operation shall be
413 defrayed by the church during the periods the minister is engaged in ministry with the church. As a
414 minimum, one of the following methods of defraying costs shall be selected by the congregation:
415

416 **AU1** - Church ownership or lease of the vehicle and church defrayment of actual costs of maintenance
417 and operation.

418 **AU2** - Minister ownership or lease of vehicle and the annual Internal Revenue Service approved
419 reimbursement – effective January 1, 2019 subject to increase/decrease at any time by the federal
420 government. **The 2019 reimbursement rate is \$.58 per mile.**

421 **AU3** - Any other plan agreed upon by the church and the minister requires approval by the Committee
422 on Ministry. This includes capping of accountable reimbursements at less than 12,000 miles per year.

423
424 8. **Continuing Education Costs** - Continuing education of the professional leadership using data and
425 inspiration obtained from books, periodicals, and training events is necessary to maintain competence and
426 to develop and grow in skills for the current ministry. Books and periodicals purchased under this plan are
427 the property of the minister or educator. When funds are required for a continuing education event, the
428 minister or educator shall ask the session or agency to approve the course of study or training, which
429 approval should be recorded in the minutes of the session. Expenses appropriate for the event are tuition,
430 books, and materials. Travel, lodging and meals for the person attending the event may also be included.
431 Work toward a degree is not required. Work ordinarily is done at an accredited school, seminary or church
432 training event or conference. Work can be in a multiple student or independent course. Work is suggested
433 under the supervision of a recognized educator. It is appropriate for any unused funds to accumulate up to
434 three years.

435
436 As a minimum, one of the following methods of defraying expenses shall be selected by the congregation
437 (in the case of a minister) or the session (in the case of a certified Christian educator):

438 CE1 - Reimbursing expenses as agreed upon by the session. This must meet a minimum of at least
439 \$1,200.

440 CE2 - Other plans proposed by the church and approved by the Committee on Ministry for a specific
441 ministry.

442
443 9. **Study Leave** – Two weeks paid study leave is required by Peaks Presbytery. This is provided in
444 conjunction with the above continuing education requirement. Study leave is ordinarily intended for
445 attendance at an accredited school, seminary, or church training event or conference. It is not provided
446 as an extension of a regular vacation.

447
448 The pastor is expected to share the results of the study leave with the congregation, and the pastor is
449 expected to report the program(s) of study to the Committee on Ministry as part of the annual Terms of Call
450 report.

451
452 10. **Vacation** – Four weeks of paid vacation is required by Peaks Presbytery.

453
454 11. **Sick Leave** - During periods of Sunday absence because of sickness, it is suggested the church
455 continue to provide normal compensation. Time lost because of illness should not be taken from time
456 for vacation or study leave. When it is determined an illness will be prolonged (more than 6 weeks), the
457 Committee on Ministry, the session, and the minister (if able) should consult as to what additional
458 measures should be undertaken.

459
460 12. **Family Leave** – Family leave is negotiable under guidelines provided by Peaks Presbytery (refer to
461 page 23) or other appropriate terms.

462 **CERTIFIED CHRISTIAN EDUCATORS**

463
464 The minimum cash salary recommended by Peaks Presbytery for a certified Christian educator is \$38,500.
465 This is equivalent to that of a newly ordained minister or other teaching professionals with a masters degree in
466 the area covered by the presbytery. In general certified Christian educators should receive benefits similar to
467 that of a minister. (Note: The \$38,500 minimum is somewhat higher than the 2019 minimum cash salary for
468 an installed pastor of \$33,751 for churches providing a manse or without a manse. since, in addition to this,
469 1. pastors receive a housing allowance (suggested at \$12,000 or more) if they do not live in a church manse or
470 2. pastors living in a church supplied manse receive the additional benefit of a manse rental value of \$9,394 or
471 more.

472 The website <http://www.presbyterianmission.org/ministries/ministers/just-compensation/> contains more
473 information about how to determine an appropriate salary for a Christian educator. This website contains, at
474 the bottom of the page, a very comprehensive and helpful four page document that is available to download:
475 [Suggested Compensation for Establishing an Educator's Salary.](#)

476
477 **The Presbytery of the Peaks (POP) EQUITY ESCROW PLAN**
478

479 **Note: For 2019 the minimum equity escrow required by Peaks Presbytery remains at \$1,200 annually.**

480 Funds accumulated and disbursed in strict accordance with The POP Equity Escrow Plan have been
481 determined not to be subject to Board of Pensions' dues and are **not included in effective salary**
482 **calculations** or included in manse rental value calculations.
483

484 Purpose
485

486 The purpose of the Equity Escrow Plan is to provide a means to accumulate money which a local church, who
487 provides a church-owned manse for housing its minister or associate minister, can give to that minister or
488 associate minister when the minister must later provide his or her own housing. The plan is designed to avoid
489 tax consequences to the minister until the funds are disbursed. **Please note: under this plan the minister**
490 **does not have a legally enforceable right to the deferred sums at any time in the future.**
491

492 Source of Funds
493

494 The Equity Escrow Plan (hereinafter called "The Plan") of a particular church shall be funded by regular
495 monthly or quarterly deposits during the time that the church provides a church-owned manse for housing its
496 minister or associate minister and has a minister or associate minister in residence. The funds shall be
497 invested regularly in separate income-producing accounts identified as equity escrow for the current minister
498 and each former minister.
499

500 Administration
501

502 The Plan of a particular church shall be administered by whomever the church selects, i.e., the Session, the
503 Diaconate, the Trustees, or other agency.
504

505 Funds shall be disbursed by the vote of the administering agency when a current or previous minister or
506 associate minister, who was in residence in the church-owned manse during the funding of The Plan, is
507 required to provide housing for himself or herself. Amounts disbursed from The Plan shall equal the funds
508 invested during the time of residence of the minister or associate minister at the particular church, together with
509 the income accumulated during and following the period of residence on that portion of the funds to be
510 disbursed.
511

512
513 NOTE: Funds accumulated and disbursed in strict accordance with The Plan have been determined not to be
514 subject to Board of Pensions' dues.
515

516 In the event that the minister or associate minister shall be released from the exercise of ordained ministry or
517 removed from office in the Presbyterian Church (USA), the funds in The Plan together with income generated
518 by the funds associated with the minister's or associate minister's residence, shall remain the property of the
519 particular church.
520

521 In the event of death of the minister or associate minister, the funds in The Plan together with income
522 generated by the funds associated with that minister's or associate minister's residence, shall remain the
523 property of the particular church. It is suggested that, in such case, if there is a surviving spouse who was
524 married to the minister at the time of residence, the particular church give the escrow account to the spouse.
525

SAMPLE CALCULATION
Presbytery of the Peaks

2019 Minimum Terms of Call Summary

For Full-time installed Pastors, Co-Pastors, and Associate Pastors

	With Manse	Without Manse
Base Cash Salary	\$31,312	\$31,127
SECA @50% (Self Employment Allowance) (7.65% of Base Salary + housing/manse value + other compensation if provided) (not used to determine Effective Salary for Board of Pensions)	\$ 3,114	\$ 3,299
Subtotal - <u>Minimum Cash Salary</u> (Salary reported to IRS)	\$34,426*	\$34,426*
Manse Rental Value* (At least 30% of Base Cash Salary +other compensation if provided)	\$ 9,394*	XXXXXXX
Housing Allowance (Adequate for area. e.g. \$12,000 per year or \$1,000 per month including utilities)	XXXXXXX	\$12,000
Utilities & Furnishings Allowance	-0-	-0-
<i>Minimum Effective Salary</i> (Base Salary + Manse Rental Value or Housing Allowance + other compensation, if provided)	<i>\$40,706</i>	<i>\$43,127</i>
Board of Pensions – Basic Benefits* including Medical, Pension, Death + Disability Insurance		
Basic Medical Coverage (\$44,000 min. basis)	\$11,000	\$11,000
Pension / Death + Disability Insurance	\$ 4,885	\$ 5,175
Subtotal – BOP Basic Benefits	\$15,885	\$16,175
POP - Equity Escrow (if manse is provided)	\$ 1,200*	XXXXXXX
Continuing Education	\$ 1,200*	\$ 1,200*
Travel Expenses* (Reimbursed at IRS rate – currently 58 cents per mile)*		
Paid Study Leave	2 weeks annually*	
Paid Vacation	4 weeks annually*	
Moving Expenses	Paid	
Sabbatical Leave	Negotiable	
Family Leave	Negotiable	

***Required amounts/terms by Presbytery of the Peaks**

Churches are encouraged to provide optional benefits not shown here including a separate utility allowance, dental, life and long-term care insurance, deferred compensation, flexible spending accounts, etc. Each of these optional forms of compensation is included in Board of Pensions effective salary.

Note: SECA is shown for ministers electing to participate in Social Security. SECA is calculated at one-half of the self-employment rate of 15.3%. This is 7.65% of Minimum Cash Salary plus Manse rental value or Housing Allowance plus other types of compensation, if provided. The above Sample Calculation shows SECA as a portion of the Minimum Cash Salary. It is encouraged for SECA to be calculated and paid in addition to the respective Minimum Cash Salaries of \$34,426 for churches providing a manse or \$34,426 without a manse.

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SAMPLE CALCULATION
Presbytery of the Peaks
2019 Minimum Terms of Call Summary
For Certified Christian Educators

Minimum Cash Salary	\$38, 500*
(This is also the Effective Salary for BOP calculations)	
Federal Employment Taxes (FICA + Medicare)	\$ 2,945
(7.65% of Base Salary – paid by church)	
Subtotal	\$40,731
Board of Pensions Basic Benefits	
Medical Coverage for Educator*	\$11,000
Pension / Death + Disability Insurance	<u>\$ 4,620</u>
Subtotal – BOP Benefits	\$15,620
Continuing Education	\$ 1,200*
Travel Expenses*	
(Reimbursed at IRS business mileage rate of 58 cents per mile)	
Paid Study Leave	2 weeks annually*
Paid Vacation	4 weeks annually*
Moving Expenses	Paid
Sabbatical Leave	Negotiable
Family Leave	Negotiable

***Required minimum amounts by Presbytery of the Peaks**
(Churches are encouraged to provide other expenses not shown here including a separate utility allowance, dental, life and long-term care insurance, deferred compensation. etc.)

604 Notes Regarding Sample Calculations
605 **Presbytery of the Peaks -2019 Minimum Terms of Call**

606 **For Pastors, Co-Pastors and Associate Pastors:**

607 Self-Employment Tax mandated by the Federal Government to participate in the Social Security Program continues to be
608 15.3% of Minimum Cash salary plus Manse rental value or Housing Allowance. SECA@50% which the majority of
609 churches should pay is calculated at one-half of this or 7.65%. *Exception: Churches with Pastors who have elected to*
610 *Opt out of the Social Security Program do not pay SECA.* Notes: Board of Pensions - Pension/Disability Insurance and
611 Major Medical dues require a minimum participation based on effective salary. For 2019 these are \$14,500 for Pension
612 and death/disability coverage and \$44,000 for basic medical coverage. For 2019 BOP basic medical coverage continues
613 to include the pastor, spouse and family. Pastor only basic medical coverage option was discontinued in 2017.
614

615 **Formulas used to Calculate SECA and BOP church dues for Pastors providing their housing**

616
617 **SECA** = .0765 X (Base Cash Salary + Housing Allowance) = .0765 X (\$31,127 + \$12,000)
618 = .0765 X \$42,500 = **\$3,299**

619 Note: The Board of Pensions allows SECA to be removed from compensation to determine the annual effective salary.

620 **Annual BOP Effective Salary** = Base Salary + Housing Allowance = \$31,127 + \$12,000 = **\$43,127**

621 Since this is below the 2019 minimum basis of \$44,000 for basic medical coverage:

622 Church dues for BOP medical coverage = \$44,000 X 25% = \$11,000

623 The annual BOP effective salary is then used as to calculate:

624 Church dues for BOP pension + death & disability insurance = \$43,127 X 12% = \$ 5,175

625 **Total church dues for BOP Basic benefits coverage = \$16,100**

626
627 **Formulas used to Calculate SECA and BOP payments for Pastors with a Manse**

628 The Board of Pensions requires that Manse Rental Value must be calculated at a minimum of 30% of the Base Cash
629 Salary (including other types of additional cash compensation, if provided.) (Important Note: According to the BOP,
630 other benefits are also included in this calculation including dental insurance, optional equity plan payments, etc. The
631 Presbytery of Peaks (manse) equity plan is **not** included.)

632 *Note ; The following example calculation is for 2019 minimum terms and other similar call terms only*

633 Manse Rental Value (MRV) = Base Cash Salary X .3 = \$31,312 X .3 = \$9,394

634 **SECA** = .0765 X (Base Cash Salary + Manse Rental Value (MRV)) = .0765 X (\$31,312 + \$9,394)
635 = .0765 X \$39,907 = **\$3,114**

636 **Annual BOP Effective Salary** = Base Salary + Manse Rental Value = \$30,608 + \$9,209 = **\$40,706**

637 Since this is below the 2019 minimum basis of \$44,000 for basic medical coverage

638 Church dues for BOP medical coverage = \$44,000 X 25% = \$11,000

639 The annual BOP effective salary is then used as to calculate:

640 Church dues for BOP pension + death & disability insurance = \$40,706 X 12% = \$ 4,885

641 **Total church dues for BOP basic benefits coverage = \$15,885**

642
643 **For Certified Christian Educators:**

644 Note: Federal Employment Taxes apply at employer rate of 7.65 % for FICA and medicare and the employee withholding
645 rate for these is also 7.65% for 2019.

646 BOP payments on effective salary of **\$38,5000** are: Medical coverage @ \$44,000 X 25% = \$11,000

647 For pension + death & disability = \$38,500 X 12% = \$ 4,620

648 Total = \$15,620

PART-TIME CALL CONSIDERATIONS

Part-time positions will be calculated on a ratio of hours worked versus 35 hours which is considered full time by the Board of Pensions. Also 20 hours per week are required as a minimum to qualify for BOP benefits. The Committee on Ministry should be consulted regarding all part-time calls for installed pastors for approval before these are offered. Part-time calls of less than 20 hours are not recommended. Note: Changes to existing full-time terms of call to a part-time call are not recommended by the Presbytery. The Committee on Ministry is to be consulted prior to any of these type changes which must also be approved by the Presbytery.

Pension/Disability and Major Medical dues require a minimum participation based on effective salary. For 2019 these are \$14,500 for Pension and death/disability coverage and \$44,000 for basic medical coverage.

Requirements for Part-time (installed) Pastors:

1. Medical and Pension/Disability dues are required.
2. Vacation of 4 weeks paid and Study Leave of 2 weeks paid are required
3. Travel and Professional Expenses to be included
4. Part-time calls must be for 20 hours or more as Medical and Pension dues require a minimum 20-hour work week.

Requirements for Part-time (non-installed) Covenants:

1. BOP Medical and Pension dues are optional, not required.
2. BOP Medical and Pension dues, if provided, require a minimum 20-hour work week.

35 hours per week is considered full-time by the Board of Pensions.

The minimum salary requirement is pro-rated for employees working fewer than 35 hours a week.

**Medical Plan and Pension/Disability + Death Insurance dues for members scheduled to work fewer than 35 hours a week are based on the full-time equivalent salary. (How to calculate this figure is shown below)

Calculating full time equivalent salary for medical plan dues: for persons working less than full-time (35 hours per week)

Divide the current year's BOP effective salary basis by actual hours a week worked

Multiply the result by 35 hours

Part-time - ¾ or 75% call terms based on 2019 Peaks Presbytery minimum for a pastor living in a non-church owned residence.

Refer to example #4 included in this 2019 Minimum Financial Terms of Call document

Effective salary for ¾ Call = \$43,127 X .75 = \$32,345 Work hours = 35 X .75 = 26.25 hours per week

\$32,345/26.25 hours per week = \$1,232.19

Full-time equivalent effective salary = \$1,232.19 X 35 hours per week = \$43,127

In this example the calculated full-time equivalent salary of \$43,127 falls below the 2019 medical minimum basis of \$44,000, therefore basic medical plan dues would be based on \$44,000.

For BOP pastor and family medical coverage (required for installed positions) this is \$44,000 X 25% = \$11,000

However, **Pension/Disability + Death Insurance dues** (minimum basis for 2019 is \$14,500) would be based on the effective salary for ¾ call of \$32,345 which is \$32,345 x 12% = \$3,881.

Total BOP basic benefits plan dues paid by the church is therefore \$11,000 + \$3,881 = \$14,881

The Benefits Administrative Handbook, published by the Board of Pensions (BOP) of the Presbyterian Church (U.S.A.), provides detailed information on BOP Effective Salary and other related topics. It may be downloaded from the website or ordered from the Board of Pensions of the Presbyterian Church (U.S.A.) at 1-800-773-7752. The Board of Pensions website at www.pensions.org also includes a basic medical plan + pension/disability dues calculator which can be utilized to make part-time call calculations. Please call the Presbytery Office and request consultation with a representative of the Committee on Ministry if you have any questions.

2019 WORKSHEET - #1 - FOR CALCULATING FINANCIAL TERMS OF CALL
PASTORS, CO-PASTORS, AND ASSOCIATE PASTORS
For Churches providing a manse or other living quarters

The following items* are included in effective salary according to Board of Pension requirements. The superscripts¹⁻¹⁶ refer to Presbtery of the Peaks Policy on Financial Terms of Call explanations found on pages 5-8 of the 2019 Minimum Financial Terms of Call document

Cash & Deferred Payments

Annual Base Cash Salary*¹ _____
 50% of SECA reimbursement(Not included in effective salary)⁴ _____
 >50% of SECA reimbursement(included in effective salary)*⁴ _____
 Deferred Compensation*³ _____
 Sub-Total - Cash Salary (must equal or exceed \$33,751 minimum) _____

Other BOP Effective Salary⁵

Utilities / Furnishings Allowance (paid to minister)*² _____
 Expense allowances paid for by church*⁷ _____
 Insurance paid for by church (BOP dental, etc.)* _____
 Section 125 Flexible Spending Account* _____
 Other* _____
 (Refer to BOP effective salary manual)
 Sub-Total – Other Effective Salary _____

Subtotal – Above BOP Effective Salary Components* – Less Manse Rental Value _____

Manse Rental Value*²

(Calculated at a minimum of 30% of above effective salary components)

BOP Effective Salary (Cash + Manse rental value + Other eff. Salary)⁶ _____

Board of Pension Basic Benefits⁶ (Note: The minimum annual effective salary basis for 2019 for medical coverages is \$44,000 and for pension / death + disability insurance coverages is \$14,500)

Church dues for BOP medical coverage⁶ (25% of Effec. Salary) _____
 BOP Pension/ Death + Disability Insurance (12% of Effec. Salary) _____
 Subtotal – BOP Benefits _____

Other Benefits

POP Equity Escrow Plan⁸ (Minimum \$ 1,200) _____
 Vacation¹⁴ (Minimum 4 weeks) _____
 Study Leave¹⁵ (Minimum 2 weeks) _____
 Moving expense⁹ _____
 Family Leave¹⁶ (6-8 weeks suggested) _____
 Sabbatical¹⁰ _____
 Utilities expenses for manse paid by church (not to minister) _____
 Other _____
 Subtotal Other Benefits _____

Professional Reimbursements

Auto expense¹¹ _____
 Continuing Education expense – minimum \$1,200¹² _____
 Other _____ Cell Phone, etc. (Optional) _____

Total Cost to Church _____

**2019 WORKSHEET # 2 - FOR CALCULATING FINANCIAL TERMS OF CALL
PASTORS, CO-PASTORS, AND ASSOCIATE PASTORS**
For Pastor provided housing

The following items* are included in effective salary according to Board of Pension requirements.
The superscripts¹⁻¹⁶ refer to Presbytery of the Peaks Policy on Financial Terms of Call explanations found on pages 5-8 of the 2019 Minimum Financial Terms of Call document

Cash & Deferred Payments

Annual Base Cash Salary* ¹	_____	
SECA @50% reimbursement (Not included in effective salary) ⁴	_____	
>50% SECA reimbursement (Included in effective salary)* ⁴	_____	
Deferred Compensation* ³	_____	
Sub-Total (must equal or exceed \$34,426)		_____

Housing Allowance (Must be adequate*)²

Utilities & Furnishings Allowance* ²	_____	
Sub-Total Housing (\$12,000 is suggested minimum)		_____

Other Disbursements⁵

Expense allowances paid for by church* ⁷	_____	
Insurance paid for by church (BOP dental ins., etc.)*	_____	
Section 125 Flexible Spending Account*	_____	
Other * _____	_____	
Sub-Total		_____

Total Annual BOP Effective Salary (Cash + Housing + Other)⁶ _____

Board of Pension Basic Benefits⁶ (Note: The minimum effective salary basis for 2019 for medical coverages is \$44,000 and for pension / death + disability insurance coverages is \$14,500)

Church dues for BOP medical coverage (25% of Effec. Salary) ⁶	_____	
Pension / Death and Disability Insurance (12% of Effec. Salary) ⁶	_____	
Subtotal – BOP Basic Benefits		_____

Other Benefits

Vacation ¹⁴	(Minimum 4 weeks)	_____
Study Leave ¹³	(Minimum 2 weeks)	_____
Moving expense ⁹		_____
Family Leave ¹⁶	(6-8 weeks suggested)	_____
Sabbatical ¹⁰		_____
Other		_____
Total		_____

Professional Reimbursements

Auto expense ¹¹		_____
Continuing Education expense ¹²		_____
Other – Cell Phone, etc.	(Optional)	_____
Other _____	(Optional)	_____

Total Cost to Church _____

REPORTS TO PRESBYTERY AND BOARD OF PENSIONS

All calls from churches to pastors or associate pastors in the Presbytery of the Peaks shall include the requirement that the financial terms of call be reviewed annually by the congregation. This review is to be done annually regardless if any change has been made in the pastors terms. A properly called congregational meeting must be held each year to review an installed pastor or associate pastors terms of call. This is to be done regardless if any changes are made in the terms of call. (Terms of call for Certified Christian Educators should be reviewed annually by the session.)

Within 30 days after the congregation, (or session in the case of a certified Christian educator), has approved a change in call terms, terms of call changes are submitted to the Board of Pensions via the on-line Benefits Connect website. The Benefits Connect website may be accessed through the Board of Pensions webpage at www.pensions.org. Churches are required to access Benefits Connect and establish an on-line account. Instructions are provided on the website, however, the Board of Pensions offers personal telephone assistance via the toll free number 800 (773-7752). BoardLink is an additional, optional website offered by the Board of Pensions which accepts on-line billing payments. Terms of Call Changes are also to be reported to presbytery's Committee on Ministry via the 3-page Terms of Call report included on pages 17-19 of this 2019 Minimum Terms of Call document. This report may be accessed on the Presbytery Website (www.peaks-presbytery.org) and submitted via e-mail to the Presbytery of the Peaks office to Julie Dyke, administrative support at julie.dyke@peaks-presbytery.org. The report may alternatively be mailed via the postal service to the Peaks Presbytery office addressed to: Presbytery of the Peaks, Committee on Ministry, 108 Melinda Drive; Lynchburg, VA 24502

Amounts reported to the Board of Pensions should be consistent with those reported to the Presbytery of the Peaks. Also the importance of accurate reporting of terms of call informaton to the Board of Pensions cannot be over-emphasized. Under reporting of total effective salary will result in significant effects on pastors pension benefits. Over reporting of total effective salary will result in overstatement of board of pension payments for basic benefits coverage which causes the church to significantly overpay for these BOP benefits.

Terms of Call Reports submitted to the Presbytery are reviewed for accuracy by representatives of the Committee on Ministry. The Board of Pensions does not assume responsibility for such review and may accept incorrect information. It should also be understood that the Board of Pensions will not provide information on individual terms of call for pastors to the Presbytery. The only manner for the call terms to be reviewed are through submission of an annual report to the Presbytery.

Confirmation of the BOP effective salary and BOP dues actually being paid needs to be done by the church minister, clerk, treasurer or administrator when the Presbytery reporting form is prepared. The Presbytery also can not make corrections to a pastor's terms of call, this must be done by the pastor and church involved by contacting and advising the Board of Pensions. The Board of Pensions will make corrections for errors in call terms for only the previous calendar year. It does not make any corrections for errors that have preceded this.

As previously noted, these reports should be submitted within 30 days of approval by the congregation (or the session in the case of certified Christian educators). All Terms of Call changes should be submitted to the Board of Pensions via the Benefits Connect website as soon as possible but no later than February 1, 2019. The annual terms of call report for the Committee on Ministry should be submitted no later than February 15, 2019. The COM will review all church submitted reports and compile a summary report and recommendations to the Presbytery of the Peaks in May 2019.

875 **THE PRESBYTERY OF THE PEAKS –ANNUAL REVIEW AND (Page 1 of 3)**

876 **ANNUAL REPORT OF FINANCIAL TERMS OF PASTORS' CALLS FOR 2019**

877 The Presbytery Committee on Ministry requests the use of this reporting form for all installed pastors terms of call for
878 2019. This includes all new calls to pastors. Annual Reports are requested by COM regardless of changes to existing call
879 terms. All call terms changes that result in changes to Board of Pension (BOP) effective salary and therefore dues for
880 BOP Basic Benefits must be submitted to the BOP via the Benefits Connect website. Please complete all three pages of
881 this report including all requested information and submit to the Presbytery of the Peaks via the fillable form posted on the
882 Presbytery website (www.peakspresbytery.org) to the email address on page 3 or mail via the postal service to Presbytery
883 of the Peaks office address shown on page 3.

884
885 The Session of _____ Presbyterian Church of Town/City _____
886 has made an annual review of the Minister's Cash Payments, Deferred Compensation, Benefits, and Professional
887 Expenses, and the congregation has voted to request the Presbytery of the Peaks to approve the following terms of call for
888 _____.
889 Terms include a minimum of 4 weeks paid vacation and 2 weeks paid study leave.
890 (Minister's Name)

891
892 These terms of call were reviewed at a Congregational Meeting on _____.

893
894 MINISTER _____ CLERK OF SESSION _____
895 (signature) (signature)
896 Date _____ Date _____

897
898 Pastor/ Teaching Elder Call Type

899 Solo pastor ____ Head of church staff ____ Associate Pastor ____ Presbytery Employee ____

900 Campus Ministry ____ Yoked with Church _____ Other _____

901
902 Full Time Call ____ # of hours per week _____ (35 hours is considered full-time by the Board of Pensions)

903
904 Part-time Call ____ # of hours per week _____ (20 hours minimum required to qualify for BOP basic benefits)

905
906
907
908 Contact Information: Requested to expedite resolution of questions about the following call terms

909
910 Church Office phone # _____ Pastor phone # _____ E-Mail _____

911
912 Other Contact Names _____ Phone # _____ E-Mail _____
913 (Office Manager, Treasurer, etc -Optional)

914
915
916 **2019 TERMS OF CALL REPORT**

917
918 Based on the 2018 Effective Salary the 2019 Effective Salary represents:

919
920 Unchanged (No increase or decrease) _____ Increase \$ _____ % _____ Decrease \$ _____ % _____

921
922 BALANCE AS OF DECEMBER 31, 2018, OF THE CHURCH'S POP ESCROW EQUITY PLAN FOR THIS

923 MINISTER: (This applies only to ministers living in church-owned property.) \$ _____

924
925 IF THIS IS A PART-TIME CALL, PLEASE INDICATE THE PERCENT OF TIME INVOLVED: ____%

926 BUDGETED HOURS INVOLVED: _____ (Note: 35 hrs. / week is full time according to the Board of Pensions)

984 Pastor Name _____ Church _____

985
986
987 **PROFESSIONAL EXPENSES**

988 **Auto Expense:**

989 Circle the method used for defraying expenses. See page 6 – Automobile Costs - of the 2019 Terms of Call
990 document for descriptions of each method. AU 1 AU 2 *AU 3

991 NOTE: *AU 3 requires prior approval of the Committee on Ministry and, if not accountable, will become part of
992 Effective Salary, hence incurring additional dues to the Board of Pensions. If you are using *AU 3, please describe the
993 plan, including the amount of any allowance for which the minister is not accountable. If accountable reimbursements are
994 capped at less than 12,000 miles, please indicate the amount of the cap and the reason for the cap.

995 _____
996 _____

997
998 **Continuing Education Expense:**

999 Circle the method used for defraying expenses. See page 7 – Continuing Education – of the 2019 Terms of Call
1000 document for descriptions of each method. CE 1 *CE 2

1001 NOTE: *CE 2 should have been approved at the time of the initial call, but if not accountable, will become part of
1002 Effective Salary, hence incurring additional dues to the Board of Pensions. If you are using *CE 2, please describe the
1003 plan, including the amount of any allowance for which the minister is not accountable:

1004 _____
1005 _____

1006
1007 **Continuing Education Reporting:** (Requested for Use by the Committee on Ministry)

1008 Please share with the Committee on Ministry how Continuing Education time was used during the year prior to
1009 this “Annual Report of Financial Terms of Call”. This information will help us in leadership development for
1010 pastors and Certified Christian Educators in the Presbytery.

1011 _____
1012 _____
1013 _____

1014
1015 PLEASE READ CAREFULLY THE ENTIRE 2019 MINIMUM FINANCIAL TERMS OF CALL DOCUMENT. THIS
1016 DOCUMENT SHOULD ANSWER MOST OF YOUR QUESTIONS AS TO WHAT IS INCLUDED IN “BOP EFFECTIVE
1017 SALARY” AS WELL AS MANY OTHER TERMS OF CALL QUESTIONS.

1018
1019 **Please Submit to the Presbytery Office within 30 days of the Congregational Meeting**

1020
1021
1022 This report may be accessed on the Presbytery Website (www.peakspresbytery.org) and
1023 submitted via e-mail to the Presbytery of the Peaks office to Julie Dyke, administrative support,
1024 at julie.dyke@peakspresbytery.org. The report may alternatively be mailed via the postal
1025 service to the Peaks Presbytery office addressed to: Presbytery of the Peaks, Committee on
1026 Ministry, 108 Melinda Drive; Lynchburg, VA 24502

THE PRESBYTERY OF THE PEAKS
2019 ANNUAL REVIEW OF FINANCIAL TERMS OF CALL
FOR CERTIFIED CHRISTIAN EDUCATORS

The Session of _____ Presbyterian Church has made an annual review of the Certified Christian Educator's Cash Salary, Deferred Compensation, Benefits, and Professional Expenses, and has voted to request Presbytery

to approve the following terms of call for _____. Terms include 4 weeks paid vacation and 2 weeks paid study leave. (Educator's Name)

CERTIFIED CHRISTIAN EDUCATOR _____
(Signature)

CLERK OF SESSION _____ Date _____
(Signature)

IF THIS IS A PART-TIME CALL, PLEASE INDICATE THE PERCENT OF TIME INVOLVED: _____%
Note: 35 hrs is considered full time by BOP
BUDGETED HOURS INVOLVED: _____%

ANNUAL CASH SALARY \$ _____

DEFERRED COMPENSATION
*Board of Pensions 403(b) Retirement Savings \$ _____
*Other: _____ \$ _____

TOTAL CASH & DEFERRED COMPENSATION \$ _____

BENEFITS
Board of Pensions -Pension / Disability / Medical \$ _____ (BOP affiliated plan)
Other Annuity / Disability \$ _____
Other Medical \$ _____
Group Term Life Insurance \$ _____
Moving Expense to the Field \$ _____
Long-Term Care Insurance \$ _____
Section 125 Flexible Spending Account \$ _____
Other: _____ \$ _____
TOTAL BENEFITS: \$ _____

PROFESSIONAL EXPENSES

Are automobile expenses reimbursed according to an accountable reimbursement plan at the IRS approved rate?
Please circle: YES NO

Are continuing education expenses reimbursed upon session approval in an accountable fashion?
Please circle: YES NO

Contact Name _____ Phone # _____

Please provide a Contact Name and Phone # above for the church for COM, if there are questions about this call.

Please Return to the Presbytery Office within 30 days of Session Approval

COMMITTEE ON MINISTRY
PRESBYTERY OF THE PEAKS
108 MELINDA DRIVE
LYNCHBURG, VA 24502

1083 **Terms of Call - Required Reporting and Suggested Record Keeping**

1084

1085

1086

1087

1088 **Reporting method**

Responsible Parties / Distribution

1089

1090

1091 Presbytery – Annual Review

1092 of Financial Terms of Call

Prepared by: Minister & Clerk of Session and/or
Church Treasurer or Administrator

1093

1094 Original: Committee on Ministry,
1095 Presbytery of the Peaks
1096 Send fillable form on Presbytery website
1097 Via e-mail to the attention of
1098 JulieDyke@peakspresbytery.org
1099 Or mail via postal service

1100

1101 Copies: Session minutes
1102 Church’s permanent files
1103 Minister’s personal file

1104

1105

1106

1107 Board of Pensions - Benefits Connect

1108 Service/Salary Change

Prepared by: Minister or authorized church
representative

1109

1110 Submitted to: Board of Pensions (PCUSA)
1111 Via Benefits Connect – on-line reporting system

1112

1113

1114 Copies Authorized church representative’s file
1115 Minister’s personal file

1116

1117

1118 **Note: The above forms must be submitted within 30 days of approval by the**

1119 **congregation (or session in the case of educators).**

1120

1121

1122 All new calls and call changes for pastors are to reported to the BOP via the **Benefits Connect** website

1123
1124 **Presbytery of the Peaks**
1125 **Family Leave Guidelines**
1126

1127 **GUIDELINES:**
1128

1129 The following guidelines are recommended to the Presbytery of the Peaks by the Committee on
1130 Ministry to aid in negotiation between sessions and pastors and church professionals when a leave is
1131 necessary. Family leave is suggested in times of death in the immediate family of the pastor, of serious
1132 illness of the pastor, or of a child, spouse, parent or parent-in-law of the pastor, or in the event of the
1133 birth or adoption of a child or foster child. The negotiated leave should be incorporated into the terms
1134 of the call.
1135

1136 **TIME AND DURATION OF FAMILY LEAVE:**
1137

- 1138 1. The duration and time of the family leave should be mutually agreed upon between the pastor
1139 and the session.
1140
- 1141 2. Suggested duration:
1142 Death leave to be agreed upon between the pastor and session
1143 Birth or adoption of a child--6-8 weeks
1144 Serious illness--8-12 weeks
1145 Sick leave—12-14 days paid sick leave per year, cumulative 2-3 years
1146 (If a pastor needs more or less time, the session is encouraged to be flexible.)
1147

1148 **COMPENSATION DURING LEAVE:**

- 1149 1. Sessions are urged to grant full salary and benefits for the entire leave. If a leave
1150 extends beyond 12 weeks, then other salary options can be negotiated as well
1151 (e.g. 50%, 60% or 75% for 90-180 days, dissolution of the pastoral relationship if
1152 pastoral illness or disability goes beyond 180 days).
1153
- 1154 2. The pastor should be relieved of all pastoral duties during the duration of the leave.
1155
- 1156 3. If a leave extends beyond the recommended time frame due to medical complications,
1157 application can be made to the Board of Pensions for disability income. Churches are
1158 encouraged to be supportive in every way when such a situation arises.
1159
- 1160 4. The Committee on Ministry shall be informed when the family leave option is
1161 exercised by a pastor.
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1169
Sabbatical Leaves
Committee on Ministry

1170 **The Committee on Ministry recommends to churches and other ministries that Ministers**
1171 **of the Word and Sacraments and full-time Christian Educators be granted a**
1172 **compensated Sabbatical Leave of no less than two months after the completion of six**
1173 **continuous years in one ministry within the Presbytery of the Peaks.**

1174
1175 Sabbatical Leave is an extension of the Biblical concept of renewal through the Sabbath day
1176 and Sabbath year. In the Sabbath year, the land was allowed to lie fallow to replenish itself.
1177 Scripture also abounds with illustrations of God's leaders (Moses, Elijah, John the Baptist,
1178 Paul, and Jesus) spending significant time in rest, solitude, and reflection for continuation of
1179 ministry. Jesus spent 40 days in preparation for his ministry and other times away in prayer
1180 and rest. Ministers bear the burdens, the anguish, the pain and hurt of their parishioners on a
1181 24 hour basis. As a result, many, if not all, experience symptoms of emotional distress, stress
1182 related illnesses, and burnout adversely affecting the minister's personal, family, and parish
1183 life, and greatly diminishing effectiveness and personal well-being. Sabbatical Leave is time
1184 for the minister to refresh, nourish, and replenish body, mind and soul for ministry. It is a time
1185 of rest, travel, study, & re-creation, a time away from the responsibilities of pastoral ministry. A
1186 renewed and refreshed pastor would be expected to bring new energy and insight to the life of
1187 the congregation.

1188
1189 Sabbatical Leave is also for the congregation. It is an opportunity for the congregation to
1190 reflect on the whole nature and meaning of ministry and the place of the congregation in that
1191 ministry; to renew and strengthen congregational lay leadership; and to continue to grow in
1192 faith.

1193
1194 A minister or educator on sabbatical leave would receive compensation, including salary and
1195 benefits. While it is not vacation, vacation time and study leave may be attached to the
1196 sabbatical, as agreed. It is not a time for a minister or staff person to seek a new call. The
1197 minister or staff person would be expected to stay in the present position for at least a year
1198 after the sabbatical. The Session or other governing body and the minister or educator would
1199 work together to plan for the leave time, including purposes of the leave, interim arrangements,
1200 in consultation with the Committee on Ministry, division of responsibilities during the leave, and
1201 planning for re-entry, which may include sharing of learnings and benefits to future ministry
1202 together. Congregations are encouraged to set aside funds each year so that resources are
1203 available during the time of Sabbatical Leave.

1204
1205 Presbytery strongly encourages that a Sabbatical Leave be part of the initial Terms of Call for
1206 a minister or full-time educator beginning a new ministry within the Presbytery of the Peaks, in
1207 consultation with the Committee on Ministry. In the event the Sabbatical Leave was not part of
1208 the initial terms of call, the minister or full-time educator and Session are urged to work with
1209 the Committee on Ministry of presbytery on a proposal for Sabbatical Leave, which would be a
1210 part of the subsequent Terms of Call to be approved by the congregation. The congregation
1211 should have at least six months notice prior to the beginning of a Sabbatical Leave.
1212

1213 The following two Committee on Ministry recommendations are included in the 2019 minimum
1214 financial terms of call for information purposes.

1215

1216 **Remuneration of Pastors and Certified Ruling Elders for Pulpit Supply**

1217

1218 The Committee on Ministry recommends that pulpit supply remuneration for pastors
1219 or Certified Ruling Elders be \$150 and additionally that travel mileage to and from the church
1220 be reimbursed at the present IRS rate of 54.5 cents per mile (effective January 1, 2018, but
1221 subject to change by the IRS for 2019)

1222

1223

1224 **Remuneration of Pastors serving as Session Moderators**

1225

1226 The Committee on Ministry assigns moderators to churches without installed pastoral
1227 leadership. In many cases active pastors serve other churches as session moderators as well
1228 as honorably retired pastors. The Committee on Ministry arranges and approves all moderator
1229 assignments to pastors in good standing with the Presbyterian Church (USA). Certified Ruling
1230 elders presently may moderate a church session only if they are installed to serve that church.
1231 The Committee on Ministry recommends that active or retired pastors serving as session
1232 moderator of a church where they are not installed be remunerated at a suggested level of \$50
1233 per session meeting and additionally that travel mileage to and from the church be reimbursed
1234 at the present IRS rate (Currently 54.5 cents per mile as of January 2018. The IRS may revise
1235 this rate in January 2019.).

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