**Instructions for Annual Report of Financial Terms of Call-2026**

**Base Cash Salary**- Does not include the 50% SECA reimbursement. COM Proposed cost of living increase is 3%.

**Manse Rental Value**- is 30% of the Base Cash Salary, **plus Equity Escrow** and other compensation, if provided.

**Housing Allowance**-May not exceed the fair rental value of the home plus furnishings and utilities. The minimum suggested amount is $12,000 including utilities. To satisfy IRS requirements, minister housing allowance for the next year should be approved by the Session at the November/December Session meeting (i.e. 2026 housing should be approved at November/December 2025 session meeting).

**Utility and Furnishing Allowance**-If the church pays the minister an annual allowance for utilities, this amount should be reflected as a utility allowance on line 4. It the utilities are maintained in the church’s name and paid directly by the church, do not put a dollar amount on line 4.

**Other Compensation-** Include items such as Social Security reimbursements for **more than** 7.65% share of the social security obligation. Cell phone allowances, if a nonaccountable plan are included as other compensation, as well as 403(b) contributions by the church, if not a part of a matching contribution to the voluntary RSP program.

Dental and vision eyewear **would not be included** if paid by the church for all employees in the Employer Group that includes the minister under the Board of Pension Employer Agreement.

**Shared Housing Equity Escrow** The purpose of the shared housing equity is to compensate ministers living in a manse for the loss in equity appreciation they would otherwise realize as homeowners. **This amount is included in effective salary. The Presbytery minimum required is $1,200 per year.**

**Effective Salary**-Effective salary is any compensation paid to a minister by the church that is subject to Board of Pensions dues. **(Note: Effective salary does not include the Social Security Reimbursement of 7.65%)** See page 3 for a list of common examples of compensation. For a complete listing visit the Board of Pensions website at [www.pensions.org](http://www.pensions.org) and view the copy of the Understanding Effective Salary booklet.

**Social Security Reimbursement 7.65%-** The purpose of the Social Security allowance is to provide ministers with the Church’s share (7.65%) of their self employment tax. The Social Security allowance is calculated at a rate of 7.65% of the total Effective Salary reported on line 7 and includes annual cash salary, the value of the manse, utilities allowance, housing allowance, other compensation and shared housing equity. **The amount on line 8 is not included in effective salary.**

**Board of Pensions Basic Package** -The rate for the Congregational Pastors Participation plan in 2026 is **27.5%** of effective salary. The breakdown of the cost of coverage is: Medical at 17.5% of effective salary, Pension at 8.5% of effective salary; Short Term Disability at .5% of effective salary and Long Term Disability and death at 1% of effective salary**. Medical coverage for the Pastor’s children, spouse or family is available at specified dollar amounts.**

The rate for the Transitional Pastors Package pin 2026 is **47%** of effective salary. The breakdown of cost is: Medical at 37% of effective salary, Pension at 8.5% of effective salary; Short Term Disability at .5% of effective salary and Long Term Disability and death at 1% of effective salary**.**

**Continuing Education-** Expenses for continuing education would include books, periodicals, training events to maintain competence and to develop and grow in skills for the current ministry. These expenses are vouchered as a part of an accountable reimbursement plan.

**Travel Expenses**-Mileage reimbursement is paid at the IRS Business Mileage reimbursement rate for the year. The 2026 rate is set by the IRS in mid-December. The 2025 rate is 70 cents.

1. **Paid Study Leave**- Paid continuing education leave is provided to the minister. The Presbytery Minimum Terms of Call require two weeks paid continuing education leave.
2. **Paid Vacation Leave**- Paid vacation is provided to the minister. The Presbytery’s Minimum Terms of Call require four weeks paid vacation.
3. **Moving Expenses**- The cost of moving the minister is provided by the church issuing the call. **Moving expenses must be reported on the minister’s W-2 in box 1 as income**. The moving expenses are not included as part of the effective salary for Board of Pensions dues.
4. **Sabbatical Leave**- It is recommended that churches give pastors who have completed six years of credited service in one ministry within the Presbytery of the Peaks a compensated Sabbatical Leave of no less than two months. The full Sabbatical Leave policy is on the Presbytery of the Peaks website: (<https://www.peakspresbytery.org/wp-content/uploads/2013/02/Sabbatical-Leave-Policy.pdf>)
5. **Family Leave**- The minimum terms of call shall include provision for twelve weeks paid parental leave following the birth or adoption of a child.

Parental leave may be used consecutively or intermittently. During parental leave, the pastor will continue to receive all benefits in their terms of call, including dues paid to and benefits provided by the Board of Pensions. The use of vacation time is not required but may be used to extend leave time at the discretion of the pastor. Following parental leave, the pastor shall be entitled to return to the same position with the same title, terms of call, hours worked and job description.