

Date: October 5, 2023

Dear Colleagues in Ministry,

As we prepare to move into 2024, the following is information and instruction about Changes in Terms of Call for next year. There soon will be forms on the Presbytery's website to assist you in calculating the terms for 2024 at <https://www.gracepresbytery.org/resources/documents/>

Form A is for *installed* positions for Ministers or Certified Christian Educators.

Form B is for *temporary, non-installed* positions (such as stated supply or interim pastors).

2024 Minimum Salaries: Full-time is \$55,168. Part-time is determined by % of hours expected per week to a 40 hour week and then applied to \$55,168.

Regarding Board of Pensions dues: Rather than try to calculate dues based upon 39%, please use the calculator at the Board of Pensions site (the link is given on both Form A and B). For more information on benefits see enclosed "Benefits Package" sheet. For churches contracting with pastors in temporary, *non-installed* positions, please be aware of the option of *Minister's Choice*. This recently enacted program provides a possible way for churches to provide benefits for such positions, including part-time (see information below, on Form B, Line 14, and on the enclosed "2023 Benefits Packages" sheet).

FOR CHURCHES WITH TEACHING ELDERS IN CALLED AND INSTALLED POSITIONS (FORM A).

1. 2024 minimum salary for full-time is \$55,168. Pastors are encouraged to determine a set amount each for **Salary and Housing Allowance (Lines 1 and 2)** as part of terms approved by congregational vote.
2. Congregations are encouraged to reimburse staff 7.65% of **Total Compensation Subject to SECA (Line 6)** as a **Social Security Offset (Line 11)**. Amounts paid by congregations in excess of 7.65% are reported on **Line 9, Excess Social Security Offset** which *increases* the Total Effective Salary and the amount of BOP dues.
3. **Auto expenses (Line 12)** must be "accountable reimbursements" requiring the minister to submit mileage each month to be reimbursed at the established IRS rate (found at www.irs.gov). If the church pays a flat amount each month, it must be included in Effective Salary on line 4, making it taxable income, and included in BOP dues calculation.
4. The presbytery's minimum for **Continuing Education (Line 13a)** is \$1,500 and \$500 for **Professional Expenses (Line 13b)**.
5. To get accurate numbers for **Board of Pensions dues (Line 14)** use the Pastor's Participation Dues Calculator found at <https://www.pensions.org/calc/dues>.
6. **Study Leave (Line 19) and Vacation (Line 20) minimums** remain at 2 weeks (including 2 Sundays) and 4 weeks (including 4 Sundays) respectively.

FOR CHURCHES CONTRACTING WITH TEACHING ELDERS FOR TEMPORARY POSITIONS (FORM B).

1. See minimum salary info above. Also, for terms pertaining to Lines 1-13, see items #1-4 above.
2. Churches engaging in any contractual relationship (i.e. non-installed) are not required to pay Board of Pensions dues. However, they are encouraged to do so. If they opt to pay dues for Pastor's Participation, refer to the calculator at <https://www.pensions.org/calc/dues>.
3. Churches can also choose to offer benefits through *Minister's Choice* which includes: Defined Benefit Pension, Death and Disability, Temporary Disability, and the Employee Assistance Plan. Churches also may choose to include additional benefits such as Dental, Vision and Retirement Savings Plan (A Medical Plan is also available but requires a minimum of 20 hours per week). Refer to the enclosed

sheet “2023 Benefits Packages” for more information or contact the Board of Pensions at 800-773-7752. Churches contracting for temporary positions are *encouraged* to consider benefits through Minister’s Choice. There are *significant savings* for churches in doing so while also providing benefits to pastors.

Go to {<https://www.pensions.org/calc/dues/MinistersChoice> } to calculate the dues on Minister’s Choice benefits.

4. If a church contracts with a pastor who is Honorably Retired, and that person works 20 hours or more per week, **post retirement service dues are required and calculated at 12% of Effective Salary**. If the contract is less than 20 hours per week no dues are required.
5. The rates and minimums for **reimbursable expenses (Lines 12, 13a and 13b)** are listed in #4 of “Installed Positions; for **Study Leave (Line 19) and Vacation (Line 20)** see #6 above.
6. Before any congregation can initiate or renew a contract for a temporary position, supporting financial information must be submitted to show sustaining financial viability. Typically, a session-approved budget or record of other assets suffices as documentation.

Please note that review and approval of a pastor’s terms of call need to happen *annually* whether or not changes are made to the terms. Submitted terms of call should include the date and vote of the meeting (see letter F of Form A and letter H of Form B). When a congregation submits its Terms of Call please also submit a copy of the minutes of the Congregational meeting (for Form A) or the Session meeting (for Form B) approving the terms. Additionally, supporting financial information must be provided to inform the Committee on Ministry (COM) of ability to pay the benefits disclosed. Typically, a Session approved budget or record of other assets suffice as documentation.

If a congregation feels unable to meet minimum requirements, they may request an exception from COM by submitting a letter explaining their request to the Moderator of COM, with copies to the General Presbyter and the pastor.

If you have any comments, concerns or questions please feel free to contact COM or any member of the Compensation and Pension Sub-Committee.

Sincerely,

Rev. Dr. Michael Waschevski
Rev. Ashley Drake Mertz, LMFT
Co-Moderators, COM

The Members of the Compensation and Pension Sub-Committee are:

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