

# 2020 Minimum Terms of Call

Pastor's annual minimum compensation: (called "effective salary"):

Cash Salary and Housing: **\$43,500**

Pastor and Session agree to split between cash salary and housing allowance: reviewed by session and changes approved by congregation.

---

Benefits based on a percentage of effective salary *paid by the congregation to the Board of Pensions*:  
This figure includes: Major Medical, Death and Disability and Pension (currently 37% of effective salary for enrolled clergy)

---

Annual Vacation: **4 weeks**

---

Annual Study Leave: **2 weeks**

Minimum Continuing Education Vouchered Expense: **\$1250.00**

*(Both annual study leave and CE expense may be accumulated up to three years)*

---

Vouchered Expenses including mileage and other professional expenses to be negotiated before issuing Call. **To Be Negotiated**

---

Below are the IRS rates for 2020

The Internal Revenue Service (IRS) has [issued](#) the 2019 standard mileage rates. Beginning on January 1, 2020, the standard mileage rates for the use of a car, van, pickup or panel truck will be:

- 57.5 cents per mile for business miles driven (up from 54.5 cents in 2018)
- 17 cents per mile driven for medical or moving purposes (up from 18 cents in 2018)
- 14 cents per mile driven in service of charitable organizations (currently fixed by Congress)

**PLEASE NOTE THAT THIS CAN CHANGE DURING THE YEAR**

---

Presbytery **Strongly** urges congregations to include as a part of the terms of Call paying half of the SECA tax obligation of its Minister: *(That is calculated at 7.65% of the whole of effective salary, cash salary plus housing.)*

---

*In 2004 the Presbytery voted that new Calls beginning in January 2005 **are required** to include a provision for Pastoral Renewal Leave. Revisions of existing calls were strongly encouraged to include a provision for Pastoral Renewal Leave.*

*NB: Additional benefits (like dental insurance, deferred compensation) are not displayed because they are not part of required minimum terms of call --but may be added by congregational action. Application of these terms to situations in which a manse is included as a part of the Call must be worked out in each particular situation.*

## Definitions & Cautions

### **Terms of Call**

are the congregationally approved compensation and allowances provided for your pastor.

### **Effective Salary**

Effective salary includes any compensation received during a Benefits Plan year by a Plan member, including, but not limited to, any sums paid for housing allowance (including utilities and furnishings); 30% of all other compensation for a manse; deferred compensation (funded or unfunded); bonuses; lump sum allowances; and other items credited to a member by an employing organization during a Plan year.

Effective salary does not include amounts received through an accountable reimbursement plan or Social Security up to 50% of a minister's Self-Employment Contribution Act (SECA) obligations.

The manse value included in effective salary must be at least 30% of all other compensation.

### **Annual cash salary**

refers to compensation paid directly to the minister on a regular basis.

### **Housing allowance**

refers to the annual costs of housing designated by the session in advance of payment. Utility and housing related allowance paid to ministers in manses should be included in Effective Salary. If the manse utilities are paid directly by the church, they are NOT included in the Effective Salary.

### **Manse Value**

is fair rental value, the amount of rent that would be charged in the open market for similar accommodations. If a utility or other housing-related allowance is paid to the minister, the allowance should be reported under housing allowance. The Benefits Plan provides that the manse rental value must be at least 30% of all other compensations

### **Deferred Compensation**

includes tax sheltered annuities, 403(b) Plans and Retirement Savings Plans, Housing equity allowance and other forms of deferred compensation arrangements.

### **Bonuses, unvouchered allowances, gifts**

refers to year-end and other bonuses, unvouchered allowances, down payment grants for the purchase of a home, savings from interest-free or interest-reduced loans (not principal) and gifts paid by the employing organization.

### **Other allowances**

includes all other forms of compensation not otherwise covered, including medical deductible and expense reimbursement allowance not paid through a group benefit plan, insurance premiums for additional insurance coverage provided for individual employees (group plan coverage is not included), salary reduction contribution to flexible health spending accounts, etc.

### **SECA**

in excess of 50% - many churches reimburse their pastor for a portion of their self-employment taxes. For the Board's purposes, 50% or less is not included in the Effective Salary. If the church reimburses a pastor for SECA at a rate higher than 50% of the tax, that portion greater than the 50% must be included in the total for Effective Salary

### **Continuing Education, automobile expense, and business and professional expenses**

the best way to pay these expenses is to reimburse as the amount is spent and vouchered for payment by the pastor. If these categories of allowances are simply paid as a set amount on a regular basis, that amount would be included in Effective Salary.