

# SUPPORTING OUR MINISTRY

NEBRASKA CONFERENCE

COMPENSATION  
GUIDELINES  
2019

*God is still speaking,*  
**UNITED CHURCH  
OF CHRIST**





# TABLE OF CONTENTS

I.	INTRODUCTION—UNDERSTANDING SUPPORT FOR MINISTRY.....	4
	A Covenant of Called Ministry .....	4
	The Financial Aspect of Ministry.....	5
	Guiding Factors .....	5
II.	CLERGY AND TAXES.....	6
	Clergy Do Pay Taxes: The Basics .....	6
	How Clergy Pay Their Taxes .....	6
	Voluntary Withholding.....	6
	Estimated Tax Payments.....	7
III.	FINANCIAL COMPENSATION .....	7
	Base Cash Salary.....	7
	2016 Salary Chart .....	7
	Housing .....	8
	Option A: Parsonage .....	8
	Housing Equity Fund .....	8
	Option B: Housing Allowance .....	8
	Social Security Offset .....	9
IV.	TIME-RELATED COMPENSATION .....	9
	Personnel Policies .....	9
	Work Week & Finding Balance .....	9
	Vacation .....	10
	Holidays.....	10
	Sick Leave .....	10
	Family Leave.....	10
	Emergency or Personal Leave.....	11
	Participation in the Wider Church .....	11
	Sabbatical Leave.....	11
V.	BENEFITS .....	11
	Health, Dental, and Vision Insurance.....	12
	Annuity.....	12
	Disability and Life Insurance .....	12
	Flexible Spending Account .....	12

VI.	REIMBURSABLE EXPENSES .....	13
	Travel.....	13
	Continuing Education.....	13
	Other Professional Expenses .....	14
	Conference and Association Involvement .....	14
	Criminal Background Check .....	14
	Moving Expenses .....	14
VII.	OTHER SUPPORT .....	14
	Worker’s Compensation .....	14
	Malpractice Insurance .....	15
	Pulpit Supply .....	15
	Death of a Minister .....	15
	Working Conditions .....	15
VIII.	OTHER STAFF AND SPECIALIZED MINISTRY .....	15
	Associate Pastors .....	15
	Interim and Intentional Interim Pastors .....	16
	Regular Supply and Pulpit Supply Pastors .....	16
	Commissioned Ministers.....	16
	Licensed Ministers .....	16
	Part-Time Employment Guidelines.....	17
IX.	WORKING TOGETHER FOR EFFECTIVE MINISTRY .....	17
	Pastoral Relations Committee .....	17
	Annual Review of Compensation.....	18
	Performance Review .....	18
	APPENDIX: How the Pastor’s Compensation Might Appear in a Local Church Budget.....	19

# 1 I. INTRODUCTION—UNDERSTANDING SUPPORT FOR MINISTRY

## 3 A COVENANT OF CALLED MINISTRY

5 Authorized ministers—ordained, licensed, and commissioned—are called and compensated for  
6 the sake of the whole church’s ministry and mission. Compensation should be understood in the  
7 context of the whole church’s ministry.

9 The church of Jesus Christ is divinely ordained to be the instrument for perpetuating Christ’s  
10 mission in and to the world. Within each local church, this is accomplished through a cooperative  
11 ministry of laity and clergy. This cooperative ministry is enhanced when the local church acts  
12 responsibly and with sensitivity in compensation and related contractual matters toward those  
13 it calls to paid positions.

15 All Christians are called to ministry and mission, beginning with their baptism. Congregations  
16 have found that trained leaders are indispensable if they are to be faithful to the gospel and to  
17 God’s mission. Educated, trained clergy help the church guard against distortions of the gospel,  
18 neglect of prayer or scripture, or misuses of religion. Studies in Bible, church history, theology,  
19 psychology, and more prepare clergy to preach and teach the gospel faithfully in changing social  
20 times. Clergy must grasp psychological, social, political, and economic realities in order to help  
21 the church hear God’s call and respond in faithful mission. Professional, full-time clergy  
22 developed because such responsibilities demanded more education and time than could be  
23 achieved by volunteers.

25 Pastors equip members for ministry through Bible study, worship, preaching, teaching,  
26 administering the sacraments, counseling, prayer, spiritual direction, conducting church  
27 business, and support at times of special personal or community need. Clergy often help families  
28 celebrate their joys and console them in their sorrows. They build deeply personal relationships  
29 with the congregations and the communities they serve. Therefore, the relationship between  
30 pastor and congregation is different from that of employer to employee. The relationship is a  
31 covenant defined by responses to God’s call. Clergy compensation needs to recognize the  
32 relationships and expectations of pastoral ministry.

34 The church also compensates leaders for the sake of and in the service of the whole church’s  
35 ministry and mission. The minister is not “hired” by a congregation to serve itself, but is called  
36 as a pastor and teacher to lead all members in proclaiming the gospel, being stewards of God’s  
37 human and material gifts, and serving God’s mission. The minister is thus a local representative  
38 of the gospel tradition and the whole church.

40 Compensation should be consistent with the values faith affirms. It should honor experience,  
41 education, and responsibilities. It should meet genuine needs and be reviewed annually to  
42 respond to changing personal or economic conditions. It should be generous, just, and equitable.

44 **THE FINANCIAL ASPECT OF MINISTRY**

45

46 Few among us like to talk about money, and ministers will sometimes find it especially difficult  
47 to approach these topics with their local churches. People rarely answer the call to pastoral  
48 ministry in order to become wealthy, yet the compensation package is very important to the  
49 church and to professional ministers. Candidates for pastoral positions pay attention to the  
50 salary offered and to the history of pastoral compensation in a local church profile.

51

52 One of the chief causes of anxiety among members of the clergy is concern for adequately  
53 providing for themselves and their families. Pastors too often feel they have no bargaining  
54 power and that the only way they can increase their compensation is to move on to another  
55 church or job.

56

57 Satisfaction with compensation is one factor in feeling good about one's work and, thus, often  
58 leads to better performance of that work.

59

60 In order for a church to attract and retain qualified, competent, gifted, caring pastoral leadership  
61 which will enhance the spiritual life of the congregation it will have to offer a financial package  
62 that is attractive and a salary consistent with the wider community.

63

64 **GUIDING FACTORS**

65

66 In the United Church of Christ, final salary decisions are made by the local churches in negotiation  
67 with their ministers. These guidelines are designed to assist churches and pastors in  
68 strengthening their ministries

69

70 In establishing these guidelines, we have been mindful of the following and recommend them to  
71 our churches as guiding factors in making these decisions:

72

73 • **Justice:** Justice demands that all should be treated equitably in matters of compensation.  
74 As the church admonishes the world to pay workers fairly, it cannot maintain inadequate  
75 levels of compensation for its own employees. A congregation should be fair in  
76 compensation with its ministers regardless of race, gender, disability, sexual orientation,  
77 or social status.

78 • **Local Economics:** Compensation should be comparable to that of the other professions  
79 in the community requiring similar education and experience. A minister's standard of  
80 living should not be less than those among whom she/he is called to serve.

81 • **Stewardship:** A local church should be responsible in raising and allocating funds. Trust  
82 and open communication about the resources and needs of all parties is essential to  
83 sustain a covenant relationship. Congregations which struggle to meet these guidelines  
84 are encouraged to consider alternative forms of ministry and/or alternative forms of  
85 compensation (such as extra days off).

86 • **Pastoral Care:** Just as every good pastor goes out of his/her way to provide effective and  
87 sensitive care to those in the congregation, so the congregation must understand their

88 responsibility toward the pastor and the pastor’s family. One way to evidence that care  
89 is through the compensation package.

- 90 • **Factors Affecting Compensation:** Congregations should honor the experience,  
91 education, responsibilities, and changing personal and economic conditions of authorized  
92 ministers. Some clergy will be making payments on educational loans acquired during  
93 their time of post-graduate study in seminary. Also, performance and achievement of  
94 congregational goals should be considered during the annual compensation review.

95  
96 The elements described below, including salary, housing, benefits, and paid time off, together  
97 comprise an adequate and fair compensation package.

## 98 99 **II. CLERGY AND TAXES**

### 100 101 **CLERGY DO PAY TAXES: THE BASICS**

102  
103 Yes, pastors do pay taxes. Pastors are not exempt from paying income tax. They are taxed at the  
104 same percentages as the rest of the population. Pastors are also responsible for paying Social  
105 Security Tax. Because pastors are considered self-employed for Social Security Tax purposes,  
106 they sustain the burden of paying the entire tax at the highest rate (currently 15.3% of the  
107 combined total of cash salary and housing).

108  
109 Although a properly approved housing allowance (or fair rental value of the parsonage) is not  
110 subject to income tax, it is subject to Social Security Tax. Even when a church agrees to pay half  
111 of the pastor’s Social Security Tax, as happens with other types of church and secular employees,  
112 that amount itself is considered taxable for both income and Social Security Taxes.

113  
114 Because of the complexities inherent in the taxing of clergy, a church should plan a carefully  
115 organized compensation package, one that takes into consideration the sizable financial impact  
116 that taxes make upon pastors. The church should work with the pastor to allocate a salary and  
117 benefits package that minimizes tax liability. In this way a church becomes a well-informed  
118 steward of its resources and demonstrates genuine care for its pastor.

119  
120 The Pension Board prepares resources for churches and ministers to assist with tax preparation.  
121 These include *Tax Guide for Ministers* and *Federal Reporting Requirements for Churches*. These  
122 are available directly from the Pension Board and on their website at <https://ext.pbucc.org/>.

### 123 124 **HOW CLERGY PAY THEIR TAXES**

#### 125 126 **Voluntary Withholding**

127 A church and its pastor (who reports her/his income taxes as an employee) can voluntarily agree  
128 to subject the pastor’s compensation to income tax withholding. Some pastors find voluntary  
129 withholding attractive because it avoids the additional work and discipline associated with the  
130 estimated tax payment procedure. Pastors who elect to enter into a voluntary withholding  
131 arrangement with their church need only file an [IRS Form W-4](#) (Employee’s Withholding

132 Allowance Certificate) with the church. The filing of this form is deemed to be a request for  
 133 voluntary withholding. This arrangement may be terminated at any time by either the church or  
 134 pastor individually, or by mutual consent of both. Of course, a voluntary withholding  
 135 arrangement will affect the church's quarterly IRS Form 941.

136

137 **Estimated Tax Payments**

138 Unless they elect voluntary withholding, pastors must prepay their income taxes and self-  
 139 employment taxes using the IRS estimated tax procedures.

140

141 **III. FINANCIAL COMPENSATION**

142

143 **BASE CASH SALARY**

144

145 Salary is determined by considering the responsibilities of the position, levels of education, years  
 146 of experience, and the needs of the person. The base salary should be comparable to that of  
 147 other professions in the community requiring similar education and experience. The  
 148 accompanying chart reflects the **minimum** recommendation as determined by church  
 149 membership and the years of experience in ordained ministry. Congregations are encouraged to  
 150 add merit increases for special and unique skills, accomplishments, and training, as well as for  
 151 academic work beyond the Master of Divinity.

152

153 **2019 SALARY MINIMUM GUIDELINES**  
 154 **FOR FULL-TIME, ORDAINED CLERGY**

155 Based upon no Cost of Living Increase

156

<b>CHURCH MEMBERSHIP</b>	<b>1-150</b>	<b>151-300</b>	<b>301-450</b>	<b>451+</b>
<b>YEARS OF EXPERIENCE</b>				
0-3 Years	\$31,508+	\$33,371+	\$35,072+	\$35,395+
4-7 Years	\$33,050+	\$35,072+	\$36,813+	\$37,148+
8-11 Years	\$34,751+	\$36,813+	\$38,637+	\$38,982+
12-15 Years	\$36,458+	\$38,637+	\$40,543+	\$40,927+
16-19 Years	\$39,901+	\$40,543+	\$42,597+	\$42,978+
20+ Years	\$40,182+	\$42,597+	\$44,696+	\$54,567+

157

158 For information on how to calculate salaries for part-time, licensed, associate or other forms of  
 159 ministry, turn to pages 15-17.

160



161 **HOUSING**

162

163 A second, major portion of a pastor's compensation is housing, which is provided either in the  
164 form of the rent-free use of a church owned house (parsonage) or as a housing allowance.  
165 Various options for housing should be considered as part of the call agreement and may be  
166 renegotiated as required. The amount of total compensation designated for housing must be  
167 established in advance by vote of the church or official governing body and reported in writing  
168 to the pastor.

169

170 It is important for the church and minister to understand that the value of the parsonage or the  
171 amount paid as housing allowance is not taxable for the purposes of income tax and should not  
172 be included in box 1 of form W-2. However, the value of the parsonage or the housing allowance  
173 paid is taxable for the purposes of Social Security.

174

175 **Option A: Parsonage**

176 When a parsonage is provided, it should be well maintained and compare with the average  
177 housing in the church membership and community. The church should provide all the major  
178 appliances. The church pays for all utilities, except personal long distance phone calls.

179

180 Since pastors are considered self-employed, they must pay Social Security Tax on the value of the  
181 parsonage. That value is calculated at 30% of Base Salary.

182

183 For tax purposes, pastors can deduct the cost of purchasing furnishings from Base Salary,  
184 provided that amount is stipulated by vote of the church or official governing body as a portion  
185 of the housing allowance before payment at that adjusted salary level begins.

186

187 **Housing Equity Fund**

188 Some congregations offer to contribute to a tax-sheltered equity fund to compensate for a  
189 pastor's loss of equity by living in a parsonage. An equity benefit is not a housing allowance.

190

191 Pastors living in a parsonage are unable to accumulate equity. After a lifetime spent in  
192 parsonages, the family may have no assets with which to provide housing. At death, disability,  
193 or retirement, the pastor's family may not have needed assets. A housing equity fund is a fair  
194 and just way for pastors living in a parsonage to accumulate equity.

195

196 The fund would accumulate according to the specific agreement during the active service of the  
197 pastor. A housing equity fund is a form of deferred compensation and not a qualified retirement  
198 plan. Distributions from the fund to the pastor are subject to taxes at the time of distribution.  
199 We strongly suggest that this fund be created in consultation with a qualified tax attorney or  
200 certified financial planner to assure that the agreement conforms to the IRS requirements.

201

202 **Option B: Housing Allowance**

203 If the church does not provide a parsonage, a housing allowance should be calculated and paid  
204 based on the median price of owner-occupied housing in the church's own community. This will

205 allow for the minister to rent or purchase a home. The housing allowance is paid in addition to  
206 the Base Cash Salary.

207  
208 The amount of total compensation designated for a housing allowance may vary from year to  
209 year depending upon the minister's housing costs and tax situation. The amount designated for  
210 a housing allowance must be established in advance by vote of the church or official governing  
211 body and reported in writing to the pastor before payment at that level begins.

212  
213 Some congregations provide a loan at low or no interest to assist their pastor in purchasing a  
214 home. Such a written contract must be clear to all parties.

#### 215 216 **SOCIAL SECURITY OFFSET**

217  
218 It is important to understand the "dual-status" of the professional clergy. For purposes of income  
219 tax, the minister is an employee whose cash salary is reported on IRS form W-2. For purposes of  
220 Social Security, however, the minister is considered self-employed and must pay self-  
221 employment tax at the rate of 15.3% of cash salary plus housing allowance or the value of a  
222 parsonage.

223  
224 Congregations should budget an amount equal to at least an employer's portion, or 7.65% of cash  
225 salary plus housing, as a Social Security reimbursement. For purposes of income tax reporting,  
226 the offset is additional compensation and must be included in cash salary on form W-2.

#### 227 228 **IV. TIME-RELATED COMPENSATION**

##### 229 230 **PERSONNEL POLICIES**

231  
232 Personnel policies governing days off, vacations, holidays, and leave for clergy and lay employees  
233 should be developed by each congregation. Such policies are wise to anticipate special situations  
234 or needs such as illness, personal emergencies, and the birth or adoption of a child. Personnel  
235 policies regarding such needs can avoid confusion and avert tensions in the relationship.

##### 236 237 **WORK WEEK & FINDING BALANCE**

238  
239 Pastors want to be available to the members of the congregations they serve, and members of  
240 the congregation expect their pastor to be available in times of need. Responsibilities often  
241 require work on evenings and weekends. Yet not all weeks are equally busy or demanding, and  
242 pastor's work schedules are often flexible as a result. A typical full-time pastor's week may vary  
243 from 40 hours of work to as much as 80 hours of work. This can place a burden upon the pastor's  
244 family and personal life.

245  
246 Ministers are encouraged to be faithful and professional in carrying out their work. Vital, faithful  
247 ministry may at times require extra work.

248

249 Ministers are also encouraged to be faithful to themselves and their families. Ministry requires  
250 a balance of time spent in the church's ministry and time spent with family and friends—a  
251 balance of work and recreation, a balance of exercising the body and the mind, a balance of care  
252 of others and care for the self.

253  
254 Congregations are encouraged to support their pastors in their work and in their time off, helping  
255 to create the proper balance. The church should also be a witness to other employers in the  
256 community of how to create a healthy work-life balance.

257  
258 The equivalent of two days off per week is recommended. Minister's schedules often require  
259 flexibility in how this is taken. At least one full day off should be regularly scheduled and the  
260 minister should not be contacted on that day except for emergencies.

261  
262 **VACATION**

263  
264 Pastors should receive at least four weeks of annual paid vacation. This vacation time does not  
265 include denominational meetings or professional training. Pastors should also receive an  
266 additional 2 weekends off in the course of a year.

267  
268 **HOLIDAYS**

269  
270 Paid holidays should at least include New Year's Day, Memorial Day, Independence Day, Labor  
271 Day, Thanksgiving, the Friday after Thanksgiving, and Christmas. When these occur on a Sunday,  
272 another day should be taken as the holiday.

273  
274 **SICK LEAVE**

275  
276 Full-time employees accrue one 8-hour day for each full month worked (maximum of twelve 8-  
277 hour days per year), to be used as sick leave. Unused sick leave may be earned up to a maximum  
278 accumulation of twenty-four (24) 8-hour days. Less than full-time employees should accrue sick  
279 leave at a rate based upon the percentage of time they are employed. For example, someone  
280 working half-time (50%) would accrue 4 hours of sick leave (or one half-day) each full month  
281 worked.

282  
283 In case of long term disability, the congregation is expected to sustain full salary and benefits  
284 through the first 90 days of confirmed disability, after which disability insurance benefits apply.

285  
286 **FAMILY LEAVE**

287  
288 Provisions should be made, at the time of the birth or adoption of a child or serious illness of a  
289 dependent, for a pastor (male or female) to be granted six weeks family leave, with full salary  
290 and benefits, with the possibility that an additional unpaid leave of up to six weeks may be  
291 negotiated.

292

293 **EMERGENCY OR PERSONAL LEAVE**

294

295 Allowance should be made for the pastor to be with her or his immediate family at times of  
296 special celebration, such as weddings or graduations, and at times of personal sorrow such as  
297 illness or death. Also, the pastor may have times of personal emergency or unusual family  
298 responsibility. Congregations should identify a number of personal leave days. From 3-7 per  
299 year are recommended. These do not accrue.

300

301 **PARTICIPATION IN THE WIDER CHURCH**

302

303 Churches are in ministry beyond the limits of their community. Therefore, Pastors are expected  
304 to attend official Conference and Association meetings to maintain their ministerial standing. A  
305 pastor should be encouraged also to serve in wider ministry settings - in the Association, camp,  
306 Conference, or national settings. Such service, in appropriate amounts, should be considered  
307 part of the congregation's and person's ministry. The Conference asks congregations to  
308 encourage their pastors to offer one week's service per year at Kamp Kaleo as a counselor or  
309 director. Such wider service is neither time off nor vacation. Expenses not reimbursed by the  
310 wider ministry setting should be reimbursed by the local church.

311

312 **SABBATICAL LEAVE**

313

314 Sabbatical leaves encourage longer pastorates and give both pastor and congregation new  
315 appreciation and fresh energy for their covenant in ministry. At the end of each five years of full-  
316 time ministry, the pastor shall be granted three months' sabbatical/education leave with full  
317 salary (in addition to vacation) for a program of spiritual and intellectual refreshment, for a  
318 refresher course or courses of study or educational travel mutually agreeable to both the pastor  
319 and official board. During such sabbatical/educational leave, the church should agree to  
320 underwrite the cost of pastoral services. It is understood that the pastor shall remain as pastor  
321 for at least one more year of service following a sabbatical/educational leave or repay the church  
322 the salary for the time taken as leave. Congregations can prepare for that expense by adding  
323 annually to an escrow account for that purpose. Lay persons also can be prepared to lead  
324 worship and carry responsibilities for visitation, community leadership, and other regular  
325 pastoral duties.

326

327 **V. BENEFITS**

328

329 Benefits are those items other than base salary and housing that are considered part of the  
330 compensation package. They are the congregation's responsibility in providing adequate and  
331 just support of their pastor or leader. These include health and dental benefits, annuity, long  
332 term disability, and group life insurance. The Pension Boards of the United Church of Christ offers  
333 the following benefit plans to pastors with standing and lay persons employed at least 20 hours  
334 per week.

335

336 **HEALTH, DENTAL, AND VISION INSURANCE**

337

338 The United Church of Christ offers a Health Benefits Plan which includes hearing, a Dental  
339 Benefits Plan, and a Vision Plan. These are self-insurance programs providing comprehensive  
340 health and dental benefits that clergy and their families retain if they move from one state to  
341 another. Premiums are based on health care costs in the insured's particular zip code. The  
342 church should pay the entire premium for family coverage unless only single coverage is needed.

343

344 In 2017, an annual premium for single coverage is \$489 dental and \$9,840 health (for non-  
345 Medicare standard rates for members age 41 and over – Plan A); family coverage (2 adults, 2  
346 children) is \$1,080 dental and \$21,021 health (for non-Medicare standard rates for members age  
347 41 and over – Plan A.)

348

349 Once included in a Plan, clergy and their families are insured for life as long as premiums are paid.  
350 No plan is immune from the national problem of escalating health care costs. Your Conference  
351 office or the Pension Board will help if you have questions about this plan.

352

353 **ANNUITY**

354

355 The Pension Boards of the United Church of Christ administer an annuity fund for pastors and lay  
356 workers. This tax-sheltered fund is very carefully invested to provide maximum benefits at  
357 retirement. Annuity payments are calculated at 14% of the total of cash salary and housing.  
358 When a parsonage is used, the value of that housing is calculated as 30% of the cash salary. Thus  
359 the annuity payment for a pastor living in a parsonage would equal 14% x 130% of the cash salary.  
360 When a housing allowance is paid, annuity is calculated at 14% of the total of base salary plus  
361 actual housing allowance.

362

363 Additional tax-sheltered payments may be made by agreement of the church, the pastor, and the  
364 Pension Boards.

365

366 **DISABILITY AND LIFE INSURANCE**

367

368 Congregations should also provide for disability and life insurance through the UCC Pension  
369 Boards Plan. The United Church of Christ Life Insurance and Disability Income Benefit Plan is  
370 designed to support UCC employees in performing their ministries for the church. The Plan  
371 provides benefits in the event of death or disability. The Plan is provided through a group  
372 insurance contract issued by the Metropolitan Life Insurance Company. The cost is 1.5% of the  
373 total of cash salary plus housing. Contact the Conference Office or the Pension Boards for further  
374 details.

375

376 **FLEXIBLE SPENDING ACCOUNT**

377

378 Through the Pension Boards, local churches participating in the UCC Health Benefit Plan may  
379 establish a Flexible Spending Account for clergy and lay employees. Aside from a modest initial

380 set-up fee, making this account available does not have a cost to the local church as it is funded  
381 by the clergy person's or employees voluntary salary redirection into the account. The account  
382 provides participants with tax-savings related to medical deductibles, co-pays, and dependent  
383 care expenses and is an attractive complement to a minister's compensation arrangement.  
384

385 Alternately, an official action by the appropriate church governing body may allocate a fund from  
386 which the pastor can draw for reimbursement for such items as incurred medical expenses and  
387 child care expenses. It cannot be paid as salary or as a hedge against setting aside an unrealistic  
388 amount. Be sure to ask for competent professional advice to insure compliance with current tax  
389 regulations.  
390

## 391 **VI. REIMBURSABLE EXPENSES**

392  
393 Reimbursable expenses are those costs, reimbursable to the minister, which are incurred in the  
394 performance of duties and on behalf of the church. They are not part of the person's  
395 compensation. They are business expenses for which the congregation is responsible. The IRS  
396 considers the following to be reimbursable expenses:  
397

### 398 **TRAVEL**

399  
400 The Internal Revenue Service establishes a maximum allowable rate for deducting business travel  
401 mileage. The rate includes the full costs of auto depreciation, insurance, maintenance and  
402 operation as a per mile cost. It is recommended that churches reimburse pastors for actual  
403 mileage logged in the performance of the ministry at the IRS allowable rate or other negotiated  
404 rate. It is **not** recommended that a monthly flat rate travel allowance be paid.  
405

### 406 **CONTINUING EDUCATION**

407  
408 Vital congregational life and embodiment of the ministry of all the baptized compel continuous  
409 learning. This is true for the laity and clergy. The practices of ministerial leadership are constantly  
410 changing, therefore continuous professional development among clergy and laity should be the  
411 norm as we seek to grow as disciples of Jesus Christ. Continuous professional development  
412 believes God is Still Speaking, and that there is always more to learn about God, God's call on our  
413 hearts, and God's plan for achieving God's reign on earth. We urge each congregation to  
414 prayerfully examine how continuous professional development is currently supported in their  
415 setting, and to covenant together toward implementing a plan for continuous professional  
416 development that will enrich our clergy, the local church, and the wider church.  
417

418 Ministers and congregational leadership should work together to develop and approve a  
419 mutually beneficial continuing education plan. This should include each of the following:

- 420 • Continuing education leave of two weeks each year, with an amount budgeted to cover a  
421 major portion of the expenses for tuition, travel, housing and meals that might be  
422 involved. This does not count as vacation time or days off.

- 423 • On-going participation in the Clergy Learning Group and other opportunities for collegial  
424 support and learning.  
425 • Participation in the activities of the Association and Conference.  
426 • Opportunities for spiritual retreat.  
427 • Opportunities for strategic planning and visioning of the congregation’s mission. This  
428 might include individual time for the minister, time with the church staff, or time with  
429 congregational leaders.

430

431 **OTHER PROFESSIONAL EXPENSES**

432

433 The church may budget an amount for annual professional expenses such as:

- 434 • Professional journals, books, or periodicals  
435 • Hosting or entertaining church leaders, members, or guests  
436 • Dues to professional organizations  
437 • Cost of participation in the program activities of the church

438

439 **CONFERENCE AND ASSOCIATION INVOLVEMENT**

440

441 Pastors are expected to attend official Conference and Association meetings. Expenses not  
442 reimbursed by the wider ministry setting should be reimbursed by the local church.

443

444 **CRIMINAL BACKGROUND CHECK**

445

446 All persons seeking to circulate a ministerial profile in the United Church of Christ are required to  
447 pay for a national criminal background check. The local church is to reimburse this fee (\$160)  
448 when a pastor is called.

449

450 **MOVING EXPENSES**

451

452 When a congregation calls a new pastor, it is expected that they will pay for moving the pastor  
453 and family.

454

455 **VII. OTHER SUPPORT**

456

457 **WORKER’S COMPENSATION**

458

459 Churches are required by Nebraska law to provide worker’s compensation insurance for all  
460 employees including clergy. The United Church Insurance Program offers this coverage at  
461 competitive rates.

462

463 **MALPRACTICE INSURANCE**

464

465 Each church should purchase malpractice insurance to protect both the church and the staff in  
466 the event of a lawsuit. Congregations insured through the UCC Conference’s Insurance Program  
467 have that coverage.

468

469 **PULPIT SUPPLY**

470

471 During periods of scheduled absence of the pastor, such as the Sundays of scheduled vacation,  
472 Conference Annual Meeting, continuing education, sick leave or other approved personal leave,  
473 the payment of pulpit supply preachers is the responsibility of the church. See Section VIII, "Other  
474 Staff and Specialized Ministry" for suggestions of compensation for this service.

475

476 **DEATH OF A MINISTER**

477

478 In case of the minister’s death, churches should provide salary, housing, and benefits to the  
479 spouse, partner, and/or family for three months. Further provisions may be made upon mutual  
480 agreement between the church and the family of the deceased, in close consultation with the  
481 Conference Minister.

482

483 **WORKING CONDITIONS**

484

485 The church should provide competent support, especially for office tasks and building  
486 maintenance. In providing office space at the church or parsonage, consideration should be given  
487 for the minister’s need for technology, accessibility, privacy, and the ability to work without  
488 interruption. Safe church policies and practices should be a priority for both the minister and the  
489 church.

490

491 **VIII. OTHER STAFF AND SPECIALIZED MINISTRY**

492

493 No ordained pastor should be expected to serve full time for less than the minimum  
494 compensation guidelines outlined above. While compensation for Commissioned or Licensed  
495 Pastors may not meet the same guidelines as for ordained pastors, it yet must be fair and  
496 adequate compensation for the responsibilities involved.

497

498 **ASSOCIATE PASTORS**

499

500 Conditions described in this document pertaining to ordained pastors also apply to ordained  
501 Associate/Assistant ministers. While salaries vary with responsibilities, experience, and  
502 training, no full-time minister should be expected to serve for less than the minimum  
503 Conference recommended salary, housing, and benefits.

504



505 **INTERIM AND INTENTIONAL INTERIM PASTORS**

506

507 An interim pastor is a pastor specially trained to serve churches experiencing the transition  
508 between their former pastor's departure and the calling of a new pastor. Because this interim  
509 period is such an important time for a congregation to work on issues of change and  
510 development, an interim pastor needs special skills and training. A full-time interim pastor  
511 should receive compensation that meets the above guidelines and be **at least equal** to the pay  
512 received by the previous pastor.

513

514 An "intentional interim pastor" is a pastor contracted to serve a church during a stipulated  
515 transition period in order to help that congregation meet particular goals before calling a new,  
516 permanent pastor. An intentional interim pastor helps the church identify those important  
517 goals and set objectives for the interim period, which may be one to two years. Compensation  
518 for this specialist in interim ministry should be at least at the same level as the last full time  
519 pastor's but may need to be higher to adequately compensate for the interim's unique skills or  
520 to stretch the congregation toward more adequate compensation for a newly called pastor.

521

522 **REGULAR SUPPLY AND PULPIT SUPPLY PASTORS**

523

524 A congregation desiring full or part time pastoral leadership during an interim or sabbatical  
525 period, but which is not intending to deal with particular changes or developments during that  
526 period, may contract for the services of a regular supply pastor. A regular supply pastor would  
527 assist the congregation in maintaining their ministries and programs. Compensation for regular  
528 supply pastors should meet the above guidelines, using the part time formula when the contract  
529 involves less than full time service.

530

531 Where a congregation needs only worship leadership, a pulpit supply pastor may be contracted  
532 for one or more consecutive weeks. Compensation of a **minimum** of \$100 per worship service,  
533 **plus** travel expenses, is a fairly standard amount for that limited service.

534

535 Should church or pastor decide to cancel, the person providing pulpit supply should be  
536 reimbursed for time and effort already spent in preparation.

537

538 **COMMISSIONED MINISTERS**

539

540 Commissioned ministers are lay persons normally with a college degree plus specialized training  
541 in a specific area of ministry not requiring ordination, such as Christian education, music ministry,  
542 administration, or outdoor ministry. Compensation should again reflect experience, education  
543 and special training. Full time service should include all the benefits recommended above.

544

545 **LICENSED MINISTERS**

546

547 Licensed Ministers are lay persons who have received special training to preach and lead worship  
548 in settings where an ordained pastor is not available or is inaccessible. Compensation should

549 address fairly the minister's needs in relation to the amount of time and responsibilities required  
550 by the position. **Full-time** licensed lay ministers should be compensated at the **minimum** rate of  
551 80% of recommended guidelines for ordained clergy.

552

### 553 **PART-TIME EMPLOYMENT GUIDELINES**

554

555 Congregations who call pastors to less than full time service can determine the recommended  
556 equivalent base salary using the same chart on page 7 by calculating base salary as a percentage  
557 of the standard 40 hour work week. Pastors employed 20 hours or more per week should receive  
558 housing and all benefits listed above. Pastors and lay ministers employed less than 20 hours per  
559 week may negotiate for housing and benefits. **Formula:** Hours divided by 40 times full-time  
560 salary = part-time salary.

561

#### 562 **Example 1:**

563 The congregation considers the position to be half time, or 20 hours per week. According to the  
564 pastor's experience and church size the chart on page 7 indicates the recommended minimum  
565 base salary is \$31,508. The recommended salary for the part time position would be determined:

566

567  $20 \text{ hours per week divided by } 40 \text{ equals } .5 \text{ times } \$31,508 = \$15,754$

568

#### 569 **Example 2:**

570 The congregation wishes to add an additional part time position to the existing full time pastor  
571 position. The new responsibilities would require an estimated 30 hours per week. According to  
572 the pastor's experience and church size the chart on page 7 indicates the recommended  
573 minimum base salary is \$31,508. The recommended salary for the part time position would be  
574 determined:

575

576  $30 \text{ hours per week divided by } 40 \text{ equals } .75 \text{ times } \$31,508 = \$23,631$

577

## 578 **IX. WORKING TOGETHER FOR EFFECTIVE MINISTRY**

579

580 The covenant that binds a pastor and congregation in mutual ministry and mission needs to be  
581 nurtured, strengthened, and sometimes renewed. Here are some specific ways that can be done.

582

### 583 **PASTORAL RELATIONS COMMITTEE**

584

585 A small committee of three to seven persons is given the specific job of nurturing the pastor and  
586 spouse. The committee should also nurture the relationship between the pastor and the  
587 congregation and work at clarifying the role of the pastor. Such care can build the trust and  
588 communication necessary to deal effectively with inevitable tensions or conflicts that arise.  
589 Guidelines for such a Committee can be found in the booklet, "[The Pastoral Relations](#)  
590 [Committee](#)," available from United Church Resources or the Nebraska Conference office.

591

592 **ANNUAL REVIEW OF COMPENSATION**

593

594 An important task for the church board or appropriate committee is an annual review of the  
595 pastor's compensation. The review is to be an open and caring conversation allowing the pastor  
596 to express changing needs or expectations. An annual increase of base salary reflecting any  
597 increase in the cost of living should be considered. Compensation does reflect the congregation's  
598 intentions to take seriously their own calling. Additional salary increases reflecting meritorious  
599 service or increased responsibilities affirms the mutual covenant between pastor and  
600 congregation. Increases in pastoral compensation should be advocated by a member of the  
601 Pastoral Relations Committee; a pastor should not be put in a position of defending her/his own  
602 compensation.

603

604 **PERFORMANCE REVIEW**

605

606 Any planned review of pastoral performance needs to be done at a time sufficiently distant from  
607 annual compensation review to avoid linking the two. Performance review should be undertaken  
608 only when its purpose is clear and only if there are not immediate tensions in the relationship  
609 between pastor and congregation. Such purposes might be to clarify congregational goals and  
610 objectives, to assess the pastor's use of time in relation to those objectives, to identify unmet  
611 needs, or to identify skills that need further development. Review of the congregation's  
612 performance is as important as review of the pastor's. After all, the ministry and mission belong  
613 to both. Deficiencies in performance by one party can seriously impede effectiveness by the  
614 other. Instruments are available from United Church Resources.

615

## HOW THE PASTOR'S COMPENSATION MIGHT APPEAR IN A LOCAL CHURCH BUDGET

This sample church line item budget illustrates how compensation can be presented to communicate clearly the components of compensation, its distinction from reimbursable expenses, and the scope of the church's responsibilities in adequately supporting the ministry.

### COMPENSATION (sample)

	Parsonage Provided	Housing Allowance
Cash Salary	\$31,508	\$31,508
Parsonage Value (30% of Cash Salary)	9,452	
Housing Allowance		10,000
Social Security Reimbursement (7.65% of Salary plus Housing)	3,133	3,175
<b>Total Compensation</b>	<b>\$44,093</b>	<b>\$44,683</b>

### BENEFITS

Health Insurance for 2 adults (non-Medicare Plan A)	\$17,904	\$17,904
Dental	945	945
Vision Care	183	183
Annuity (14% total of base cash salary plus housing)	5,734	5,811
Life & Disability Income Insurance (1.5% of Salary plus Housing)	614	623
<b>Total Benefits</b>	<b>\$25,380</b>	<b>\$25,466</b>

### REIMBURSABLE EXPENSES

Travel (6,000 miles at IRS rate of .54 cents/mile in 2016)	\$3,240	\$3,240
Continuing Education	1,500	1,500
Professional Expenses	500	500
Meeting Expenses (Conference, Association, other)	500	500
<b>Total Reimbursable Expenses</b>	<b>\$5,950</b>	<b>\$5,950</b>

<b>TOTAL COMPENSATION PACKAGE</b>	<b>\$75,423</b>	<b>\$76,099</b>
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### SOME ADDITIONAL EXPENSES

#### SUPPORTING THE MINISTRY

Pulpit Supply Preacher (6 Sundays, plus mileage)	\$1,500	\$1,500
Worker's Compensation Insurance (.0057) of salary and housing	\$233	\$237
<b>Total Expenses Supporting the Ministry</b>	<b>\$1733</b>	<b>\$1737</b>

*Further information regarding all Health, Dental and Vision Benefits may be found on the Pension Boards' website: [www.pbucc.org](http://www.pbucc.org), or speak with a Member Services Representative at (800) 642-6543, Option 6.*