

PRESBYTERY OF WEST VIRGINIA - PC(USA)

Pastoral Call

For Churches Providing Manses

References: *Book of Order*, Sections G-1.05 G-2.08 & G-3.0303

The following documents by the West Virginia Presbytery (<http://www.wvpresbytery.org/documents/>) are hereby incorporated by reference:

- **Minimum Pastor Compensation - Current Year Version**
- **Part Time Pastor Salary Worksheet – Excel & PDF**
- **Leave Policy**
- **EEO Policy**
- **Accountable Reimbursement Policy**
- **Auto Use Policy**
- **Continuing Ed Study Leave Policy**
- **Covenant of Enduring Ministry**
- **Sabbatical Leave Policy**
- **Manse Equity Policy**
- **Sexual Misconduct Prevention Policy**

A. GENERAL:

1. A draft copy of the call form should be completed and brought to the Committee on Ministry meeting when representatives of the pastor nominating committee and the pastor-nominee meet with that group.
2. Two other copies of the call form should be completed in "final form" for the congregational meeting when the congregation votes on the call. To assist the congregation in understanding the terms of the call, the pastor nominating committee may want to make sufficient copies of the completed form to distribute at the congregational meeting. There is space for those so authorized by the congregation to sign the call at the close of the congregational meeting. Often the congregation will authorize the members of the pastor nominating committee to be the persons to sign. The moderator then signs at the bottom of the first page. The candidate initials and signs at the bottom of the second page signifying his or her agreement to attend Sexual Harassment Training and agreement to the terms of the call.
3. Immediately after the congregational meeting, and after signatures are in place on the front page of two copies of the call, the calls with any attachments should be sent for further processing to the Stated Clerk of the Presbytery of West Virginia, 520 Second Avenue, South Charleston, WV 25303.
4. If you wish, as a courtesy you may make a copy of the call as approved and send it directly to the minister or candidate whom you are calling. However, he or she will receive the "official" copy through presbytery channels. Further, the clerk of session likely will want to keep an unofficial copy on hand until the official copy, with additional signatures on the back, is returned.
5. What follows is a "check list" to be used in completing the parts of the call.

B. Fill in blanks with basic information at top of page (name and location of church, name of person being called, effective date).

- Strike out "(part time)" if the call is to full time work; or, strike out "full time" if it's a part time call.
- Strike out the titles that do not apply (pastor, co-pastor, associate pastor.)

C. Items #1 through 15 comprise the terms of the call. Figures should meet or exceed the current minimum compensation guidelines of Presbytery;

- Benefits (items #6-11 and 14)
- Professional expenses or provisions (items #12,13 & 15)

1. *Cash Salary.* The minimum in Presbytery's guidelines for 2016 is \$31,666. A dollar amount should be designated for Internal Revenue Service housing allowance, to be used by the minister for various costs for providing a home. Such designation takes advantage of a tax break which the IRS code provides for ministers at no additional cost to the

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church. The amount so designated should be the best estimate of actual costs that will be incurred, liberally enough estimated that the tax benefits can be enjoyed and not lost because of an underestimate; but the estimate should be reality based. (Note also item #5, below.)

2. *Free use of the Manse.* Self-explanatory.

Manse Equity Fund Required. Churches are required to set aside a minimum of \$500 per year in a tax-deferred account for the minister. (This is to address the problem of ministers who live in church-owned housing. They do not acquire any equity in a home.)

3. *Utilities.* Some churches pay all utility bills (electric power, gas, water, sanitary fee, basic telephone service, garbage collection, sometimes basic television cable). In such instances, the estimated annual amount for utilities should be inserted after "a".

•Other churches reimburse the minister for the cost of utilities. In such cases, line "b" should be used, with the word "Allowance" struck out and the estimated amount inserted.

•Still other churches pay an allowance for utilities to the minister. Those churches should put the amount of the allowance after line "b", with the word "Reimbursement" struck out. Beginning in 2016, \$3,200 is Presbytery's minimum in cases of an allowance for utilities.

4. *Supplement for Social Security Tax.* This item is an amount paid to the minister to help offset the fact that the minister, with rare exception, must pay self-employment tax of 15.3% rather than the 7.65% "FICA" tax paid by an employee. Presbytery recommends that the amount of the offset be 1/2 of the amount the minister must pay in self-employment tax. In order to cover 1/2 of the payment, the amount would need to be calculated at a rate of 8.28% (the net result of adding 1/2 of 15.3%, or 7.65%, to the algebraic "reciprocal" of 7.65%; this complicated formula takes into account the fact that the minister must pay taxes on the offset itself). The figure should be calculated as 8.28% of the cash salary plus the fair rental value of the manse plus the amount paid for utilities for the year (or the utilities allowance or reimbursement). (Deferred compensation is not included.) There should be some specific basis for determining the fair rental value of the manse, in order that an accurate figure can be used and in order for the minister to be able to substantiate the figure given on an income tax return if the Internal Revenue Service does an audit. A figure given by a professional appraiser should be sufficient.

For example: a minister compensated at Presbytery's minimum level lives rent free in a manse which a professional appraiser has valued at \$8,911 per year, and the utilities will cost \$3,200 for the year. The social security offset would be based upon a figure of \$31,666 (salary) + \$8,911 (rental value of manse) + \$3,200 (utilities) = \$43,777. 8.28% of \$43,777 = \$3,624.74.

Formula to be used:

Cash Salary:	_____
Fair Rental Value of Manse:	_____
Utilities reimbursement/allowance:	_____
Sum of above items:	_____
Multiply sum by .0828:	x _____ .0828
Social Security Offset:	_____

5. *Other compensation:* Any other compensation (not including items classified as "benefits" or "expenses") should be listed. Perhaps the thing which would be the most frequent item to be listed on this line would be "Deferred Compensation". Sometimes, ministers will prefer that some part of their compensation be deferred, through an amount which will be paid into an IRA (individual retirement account), a TSA (tax sheltered annuity), a retirement savings plan, or some other approved plan for deferred compensation. Any such amount to be paid into a deferred compensation plan should be reflected in this line with explanation. If a minister elects a reduction in salary in order for part of salary to be paid to a deferred compensation plan, *the line 1 figure should reflect the reduction.*

For example: A minister is offered a salary of \$31,666, but wants to put \$100 per month (\$1,200 annually) into the retirement saving plan of the Presbyterian Church (U.S.A.) Board of Pensions. In this case, line 1 should be \$30,466 and line 5 should reflect "Payment to Retirement Saving Plan, Board of Pensions: \$1,200".

6. *Vacation.* Self-explanatory.

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7. *Leave.* A minimum of 12 days sick leave credited at the beginning of each year, and a minimum of 2 months parental leave if applicable. (see "Leave Policy" on website: wvpresbytery.org under documents/policies.)

8. *Sabbatical Leave.* After the completion of at least seven (7) consecutive years of employment within the particular congregation/validated ministry four months paid Sabbatical Leave. (see "Sabbatical Leave" wvpresbytery.org under documents/policies).

9. *Study Leave.* Presbytery's guidelines call for the minister and session to plan together for use of study leave in such a way that the time in study will be to the benefit of the church. Some churches permit time as well as funds (line 13) to be accumulated up to and including three years, with agreement of the session; such a provision, if made, should be included in item #15.

10. *Moving Expenses.* Self-explanatory.

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11 *Dues, Board of Pensions Benefits Plan.* The Benefits Plan of the Board of Pensions combines dues for pension and medical coverage. For 2016, dues are 35.5% (member only) 36.5% (member and family) of "Effective Salary". Effective salary is any compensation received from the church, including Cash Salary (line 1) + Deferred Compensation, if any (line 5) + utilities allowance or reimbursement (line 3b) + manse value + possible other items. Effective Salary does not include social security reimbursement amounts up to 50% of a minister's Self Employment Contribution Act obligations; but if the church reimburses for more than 50%, any amount in excess of 50% must be included as part of Effective Salary. For purposes of calculating Board of Pensions dues, manse value is 30% of the sum of Cash Salary (line 1) + Deferred Compensation, if any (line 5) + utilities allowance or reimbursement (line 3b) + social security supplement in excess of 50% of estimated tax + possible other items. If the utilities are in the church's name and paid for directly by the church, the value of utilities is *not* included in effective salary. Effective Salary does not include amounts received for reimbursement of professional expenses through an accountable reimbursement plan; however, if the minister is given an allowance for professional expenses (such as continuing education, automobile expenses, or books and journals) for which he or she has no obligation to account, that amount is included in Effective Salary.

For example: Using the illustration quoted in the paragraph just above in the explanation of line 4, in that instance the salary is \$31,666; social security tax reimbursement is at the 50% rate; there is no deferred compensation; and utilities allowance is \$3,200. Manse value would be 30% of salary + utilities allowance, or \$10,610.00. The dues would be 36.5% of \$31,666 + \$10,610 + \$500 = \$45,976; 36.5% of \$45,976 = \$16,781.

Formulas to be used are as follows:

Step 1 -- calculate the manse value figure to be used:

Cash salary:	_____
Utilities reimbursement/allowance:	_____
Deferred Compensation:	_____
Other items*	_____
Sum of above items:	_____
Multiply sum by .30	x _____ .30
Manse value:	_____

Step 2 -- compute dues for Board of Pensions:

Cash salary:	_____
Manse value (from step 1):	_____
Utilities reimbursement/allowance:	_____
Deferred Compensation:	_____
Other items*	_____
Sum of above items:	_____
Multiply sum by .35 or .365	x _____ .35 or 36.5
Board of Pensions dues:	_____

*"Other items" would include:

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- Social Security reimbursement in excess of 50%
- Professional expense allowances for which minister is not obligated to account

Accountable Reimbursement Policy: In order for the church and the pastor to be in compliance with Internal Revenue Service regulations, it is important for the session to adopt an "Accountable Reimbursement Policy for Pastoral Expenses". Through such a policy the church and the pastor are covered with regard to reimbursement for travel, continuing education, and other work-related professional expenses (items 10-12). The model or suggested policy which is attached to these guidelines was developed by a presbytery stated clerk and has the approval of a specialist in clergy taxes. A session could use this model policy (with appropriate modifications) as is or could develop its own policy, but in all events a session should approve an Accountable Reimbursement Policy for the protection of both the pastor and the church.

12. *Auto Expenses.* Presbytery recommends and urges that churches reimburse pastors for using their private automobile in the work of the church at the rate currently allowable by the Internal Revenue Service. The 2009 rate is 55¢ per mile. Reimbursement for tolls and parking fees is in addition.

•An alternative is for the church to work out an arrangement for providing an automobile for the minister's professional use (such as, for instance, the church purchasing and owning an auto for the minister's use, or an individual or a car dealer providing an auto for the minister's use at no cost). Such an arrangement could be noted in item #12 or #13.

•The estimated cost to the church should be indicated at the end of line 10.

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13. *Continuing Education Funds.* \$1,000 is the minimum dollar amount in Presbytery's Requirements for 2009.

14. *Other.* Such items as cost of materials and supplies, or entertainment expenses, could be included in this item.

15. *Other Benefits or Provisions.* The *Book of Order* requires that the call specify "all and only those allowances and amounts which are undertaken as part of the call." Thus any other provisions of the call need to be listed here. For example, occasionally a call is to a "designated pastor"; that fact, with the duration of the term, needs to be indicated in this line. Again, some churches and ministers agree to add dental insurance coverage, or make provision for "covering the gaps" of the deductible amounts in the major medical coverage of the Board of Pensions Benefits Plan. Or perhaps additional life insurance is going to be provided. If the space provided is not sufficient, a page can be attached.

D. In some cases, one or more of four additional considerations need to be reflected in the call, either under item #15 or on an attached page. These provisions are covered in G-2.07, G-2.08 and G-3.303 of the *Book of Order*.

1. "If the minister is obligated to fulfill military commitments during a period of pastoral service, an agreement between the minister and the calling agency may be added to the terms of call for that obligation and potential mobilization of the minister, and become an element in the terms of call when approved by presbytery."

2. "If the call is for less than full time, the precise terms of the covenant shall be indicated."

3. "Every call to a candidate [for the ministry, not yet ordained] shall be accompanied by a description of the presbytery's plan for the integration of new ministers into the life and work of presbytery."

4. If the church is going to receive financial assistance from Presbytery or some other source, please attach a statement of the source and anticipated amount of support each year.

E. Presbytery encourages (but does not require) all churches to include the "Principle of An Enduring Ministry Together" as part of its call to ministers. In some cases, it may be inappropriate to include this statement -- such as, for example, the infrequent occasion when the call is to a "designated pastor" for a term of service of less than five years.

F. If you need assistance, feel free to contact the office of presbytery at 304-744-7634.