

1           **NB 5. Integrated Annual Ministry Agreement and**  
2  
3           **revised Guidelines for Pastors' Salaries and Benefits**  
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5       In the report of the Pastoral Compensation and Benefits Advisory Committee,  
6       the committee notes several major issues in the area of pastoral compensation.  
7       The Pastoral Compensation and Benefits Advisory Committee also lifts up the  
8       values and beliefs that undergird a framework that has the potential to re-imag-  
9       ine pastoral compensation. The Integrated Annual Ministry Agreement is the  
10      functional document that gives life to the values articulated in the committee's  
11      annual report. This agreement will replace the present Start-Up and Renewal  
12      Agreements that pastors and congregations complete each year. This document  
13      is based upon the revised *Guidelines for Pastors' Salaries and Benefits*, which is  
14      included following the Integrated Annual Ministry Agreement and will replace  
15      the current *Guidelines for Pastors' Salaries and Benefits*. The revised *Guidelines*  
16      provide detailed explanations regarding recommended benefits for pastors and  
17      how they fit together as parts of the same whole.

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19                           **Integrated Annual Ministry Agreement**

20                           ~ This agreement is to be renewed annually. ~

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22                           Pastoral Compensation and Benefits Advisory Committee

23   Office of Ministry

24   Revised & Approved: 10/19/2021

25  
26       Introduction

27       Annual Compensation Agreement for Pastor & Congregation in the Church of  
28       the Brethren

29       Annual Compensation Table

30           Glossary of Terms: Pastoral Housing

31                   Designated Housing Exclusion

32                   Congregation Does Not Provide A Parsonage

33                           Parsonage Adjustment

34                   Congregation Provides A Parsonage

35                           Fair Rental Value

36                           Housing Equity Fund

37       Annual Shared Ministry Priorities Agreement

38           Pastoral Priorities

39           Congregational Priorities

40       For Treasurers & Church Leaders

41           Glossary of Terms

42                   Pastoral Compensation

43                   Pastoral Taxation

44           IRS Form W-2

45                   Completing the Pastor's W-2

46                   W-2 Box 12 Codes

**INTRODUCTION TO THE 2022 REVIEW OF  
PASTORAL COMPENSATION AND BENEFITS PRACTICES  
IN THE CHURCH OF THE BRETHREN**

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The Pastoral Compensation and Benefits Advisory Committee is a Committee of the Annual Conference of the Church of the Brethren, and is tasked to perform a 5-year review of our compensation and benefits practices.

We came to this review knowing that 77% of our pastors are serving in less than full time or less than fully compensated roles; that our churches are growing smaller, not larger; and that our overall membership is shrinking, not growing. Other considerations included the frustrations we have heard from pastors and congregations alike about trying to meet the dollar amounts in the Minimum Cash Salary Table published by our Committee every year; the pressure to perform full-time ministry on part-time pay; and the lack of a framework that would assist our congregations to participate in ministry with our pastors.

**Knowing all this, the Committee decided to re-imagine the compensation and working relationships between pastors and congregations.**

**WE BELIEVE** *that every pastor should be compensated fairly for their time.*

We developed a Calculator, hosted by BBT, that starts with what the congregation can afford to pay, includes the costs of housing, pension, and other benefits, and calculates how many hours (based on the Minimum Cash Salary Table) of average weekly pastoral time the congregation should expect for their money.

**WE BELIEVE** *in the Priesthood of All Believers.*

In at least 77% of our congregations, average weekly pastoral time won't equal the full time standard of 44 hours per week. A critical new section of this Agreement is the "Annual Shared Ministry Priorities Agreement" that helps the congregation and the pastor figure out how and where the pastor is going to spend their time, and who (what committees or persons) and how the congregation will be responsible for the other ministry needs of the church. Specific tasks are assigned for each responsibility. We recommend that it be reviewed annually. Our hope is that this review will be used to assess what did and didn't work, where ministry needs have changed and new opportunities have emerged. We see this as a tool for shared ministry and openness to the needs of the Spirit.

**WE BELIEVE** *that ministry is enhanced* when congregations and pastors effectively navigate budget and salary conversations in ways that are life-giving and affirming for both the congregation and the pastor.

We have sought to help Treasurers (and other Church Leaders) understand pastoral compensation and taxation, and the effects of compensation decisions on pastors' taxes. To that end, we have redesigned the Annual Compensation Agreement to be easier to navigate. In addition, experience has shown us that Treas-

1 users appreciate assistance in preparing pastors' W-2s, so we have added a section  
2 with "line-by-line" and "box-by-box" instructions for filling out the W-2. We be-  
3 lieve it will be a helpful guide.

4  
5 The Committee, as constituted during this process, which began in the fall of 2018:  
6 Ms. Beth Cage, Laity (2015-2020), Chair (2018-2021) *term extended due to can-*  
7 *cancellation of 2020 Annual Conference*  
8 Mr. Ray Flagg, Laity: Calculator (2016-2021)  
9 Rev. Dan Rudy, Clergy: Researcher (2017-2022), Secretary (2019-2022)  
10 Rev. Deb Oskin, Laity, Secular Compensation Practitioner: Clergy Taxation  
11 (2018-2023), Chair (2021-2023)  
12 Rev. Dr. Terry Grove, Atlantic Southeast District Executive Minister, CODE Rep-  
13 resentative (2019-2020), until his death on December 5, 2020.  
14 Rev. Gene Hagenberger, Mid-Atlantic District Executive Minister, CODE Repre-  
15 sentative (2021-2024), filling Rev. Dr. Terry Grove's unexpired term.  
16 Mr. Art Fourman, Laity (2021-2024) *term shortened due to cancellation of 2020*  
17 *Annual Conference*  
18 Mr. Bob McMinn, Esq., Laity (2021-2025)  
19 Rev. Nancy Sollenberger Heishman, Director of the Office of Ministry (ex officio)  
20

21 **ANNUAL COMPENSATION AGREEMENT FOR PASTOR AND**  
22 **CONGREGATION IN THE CHURCH OF THE BRETHREN**

23  
24 This agreement between the \_\_\_\_\_ Church of the Brethren and  
25 \_\_\_\_\_ will begin on \_\_\_\_\_.

26  
27 **TERMS OF CALL TO SERVICE**  
28 The pastor's call is for an average of \_\_\_\_\_ hours per week. The call shall  
29 begin on \_\_\_\_\_ and will continue indefinitely, with an annual  
30 review/evaluation by the Executive Committee (or other appropriate committee)  
31 with or in consultation with the District Executive/Minister. Any changes in the  
32 terms of service will be negotiated in consultation with the District  
33 Executive/Minister and accepted by a majority vote of the Church Board and  
34 Congregation. Ninety (90) days notice shall be given in the event of a reduction  
35 in service. The "Annual Shared Ministry Priorities Agreement" shall be part of  
36 the negotiations and shall be attached to this Agreement.

37  
38 **TERMINATION OF CALL TO SERVICE**  
39 **By Pastor:** Service may be terminated by the pastor's resignation to the Church  
40 Board, giving ninety (90) days notice, after the pastor has obtained the counsel  
41 of the District Executive/Minister. A shorter or longer notice of termination by  
42 the pastor shall be negotiated with the Church Board also in consultation with  
43 the District Executive/Minister.

44  
45 **By Congregation:** Service may be terminated with ninety (90) days notice by  
46 the Congregation after obtaining the counsel of the District Executive/Minister.

The pastor may be counseled to resign by the District Executive/Minister and/or the Executive Committee (or other appropriate committee). As a last resort, if the Church Board decides that the matter should be put before the Congregation, the service of the pastor may be terminated, unless the Congregation votes by a two-thirds majority to retain the services of the pastor.

**By District Ministry Commission:** Under extenuating circumstances, the District Ministry Commission is given the responsibility for considering termination of the pastor's service.

### FINANCIAL TERMS

Figures in the following section are annualized and should be pro-rated for the remainder of the current budget year. Future changes in compensation and benefits shall reflect a mutually negotiated agreement between the pastor and the Executive Committee (or other appropriate committee focusing on pastoral relations and responsible to the Church Board), and accepted by a majority vote of the Church Board and Congregation. Ninety (90) days notice shall be given in the event of a reduction in service. Major changes to this Agreement shall be made in consultation with the District Executive/Minister.

### PASTOR'S AGREEMENT

As part of my employment, I reaffirm my covenant as a credentialed Minister in the Church of the Brethren, and will uphold the "Code of Ethics for Ministerial Leaders" as adopted by the Church of the Brethren Annual Conference. I recognize and accept the authority of District and Denomination, being at all times subject to its discipline and governance. I will transfer my letter of membership at the time of installation or before.

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Pastor \_\_\_\_\_ Date \_\_\_\_\_

### CONGREGATION'S AGREEMENT

I, the Board Chair, acknowledge the Congregation's responsibility to uphold and periodically review the Annual Conference "Congregational Ethics" paper. I also acknowledge that it is my responsibility to place a signed copy of this Agreement in a secure file in the Church Office, communicate its existence and location to my successor(s), and distribute copies to those Officers identified below.

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Board Chair \_\_\_\_\_ Date \_\_\_\_\_

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District Executive/Minister \_\_\_\_\_ Date \_\_\_\_\_  
(only necessary for initial agreement or for significant changes)

Copies: District Executive/Minister, Pastor, Board Chair, Treasurer, Church Clerk  
~ This agreement is to be renewed annually. ~

1 The following "Annual Compensation Table" shall be completed annually,  
 2 and a copy shall be submitted to the District Office.

3  
 4 Consult "Guidelines for Pastors' Salaries and Benefits"  
 5 [www.brethren.org/ministryoffice](http://www.brethren.org/ministryoffice) for assistance in  
 6 completing all sections of this Agreement.  
 7  
 8

<b>ANNUAL COMPENSATION TABLE</b>		
ITEM	CONGREGATION	PASTOR
<b>SALARY</b>		
1 <b>Negotiated Cash Salary</b> (from Minimum Cash Salary Table or Pastoral Compensation Calculator)		
<b>HOUSING (complete EITHER 2 or 3)</b>		
2 <b>PARSONAGE PROVIDED</b>		
2a Fair Rental Value (FRV) of Parsonage		
2b Housing Equity Fund Contribution (1% of Parsonage Fair Market/Sale Value)		
2c Pastor's Housing Exclusion (from 1 above)		
3 <b>PARSONAGE NOT PROVIDED</b>		
3a Parsonage Adjustment (from Calculator)		
3b Pastor's Housing Exclusion (from 1 above)		
<b>TOTAL SALARY AND HOUSING:</b>		
<b>BENEFITS</b>		
4 <b>PENSION CONTRIBUTIONS</b>		
4a Pastor's Contribution (at least 4%)		
4b Congregation's Contribution (11%)		
4c Church Worker's Assistance Plan (1%)		
5 <b>MEDICAL INSURANCE</b>		
5a Medical Insurance (Congregation pays 2/3)		
6 <b>DISABILITY INSURANCE</b>		
6a Short Term Disability		
6b Long Term Disability		
7 <b>ELECTIVE INSURANCE</b>		
7a Dental Insurance		
7b Vision Insurance		
7c Accident Insurance		
7d Basic Life Insurance		
8 <b>WORKER'S COMPENSATION</b>		
9 <b>MOVING EXPENSES</b>		
The congregation will pay the pastor's mutually negotiated moving expenses.		
<b>TOTAL BENEFITS:</b>		

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 40  
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<b>ANNUAL COMPENSATION TABLE</b>		
		CONGREGATION
<b>ACCOUNTABLE REIMBURSEMENT PLAN FOR PASTOR'S EXPENSES</b>		
10	Travel and Mileage	
11	Annual Conference and District Conference	
12	Continuing Education Expenses	
13	Sabbath Rest	
14	Professional Expenses	
<b>TOTAL ACCOUNTABLE REIMBURSEMENT PLAN:</b>		
<b>PASTOR'S TIME OFF</b>		
15	<b>CALCULATED AVERAGE MINISTRY HOURS</b> Enter the number of hours from the Pastoral Compensation Calculator. (Note: 44 Weekly Ministry Hours is considered full-time.)	Ministry Hours:
16	<b>WEEKLY TIME OFF</b> <b>Full-time Pastor</b> shall have at least one and one-half regular days free of congregational responsibilities (barring crisis needs). <b>Part-time Pastor</b> shall have a specific number of hours free of congregational responsibilities, barring crisis needs, as defined by agreement.	Regular Day(s) Off:
17	<b>VACATION WORK WEEKS OFF</b> Pastor's Years of service have earned pastor a specified number of work weeks of vacation annually. (3 weeks annually for years of service 0-3; 4 weeks annually for years 4-20; 5 weeks annually for years beyond 20.)	Vacation Weeks:
18	<b>HOLIDAYS OFF</b> Ten (10) holidays can be used as additional paid days off, subject to the pastor's discretion.	
19	<b>CONTINUING EDUCATION DAYS OFF</b> Annual Conference Guidelines for Continuing Education recommend at least seven (7) days per calendar year, including not more than one Sunday.	
20	<b>SPECIAL CIRCUMSTANCES DAYS (SCD) OFF</b> Pastor has accumulated a specified number of paid days for Special Circumstances from prior service. (A detailed explanation of Special Circumstances Days is found in the Appendix of the "Guidelines for Pastors' Salaries and Benefits" document.) Pastor begins each calendar year with no less than thirty-two (32) SCD. Ten (10) SCD are added at the beginning of each succeeding calendar year, up to ninety (90) SCD total. Congregation is not required to pay any accrued SCD after the pastor's service is ended.	SCD Accrued as of start date:

## GLOSSARY OF TERMS

### PASTORAL HOUSING

*The congregation is expected to provide a home for the pastor and their family.*

#### I. DESIGNATED HOUSING EXCLUSION

The **Designated Housing Exclusion** (also known as the **Housing Allowance**) is the amount the pastor designates from their Cash Salary to be used to provide the items (e.g., utilities, furnishings, household items, etc.) which make the home livable. Think of this amount as providing the "stuff" which goes into the "building" to make it a home.

1 The congregation must approve this designation in writing before the first Housing  
2 Exclusion payment is made. This amount should be reviewed each year, and  
3 can be changed throughout the year upon the pastor's request with the congrega-  
4 tion's written approval.

5  
6 A Designated Housing Exclusion should be requested by every pastor, re-  
7 gardless of whether they are living in a parsonage or in their own home. It  
8 can be up to 100% of the pastor's Cash Salary. There is no liability to the congrega-  
9 tion if the pastor does not spend this money on housing.

10  
11 It is the responsibility of the pastor to prove their housing expenses on their personal  
12 income tax return. The Designated Housing Exclusion amount, provided  
13 it was spent on housing, is exempt from federal income tax but is subject to self-  
14 employment tax. The officially designated amount should be entered on the  
15 pastor's W-2 in Box 14.

## 16 17 **II. CONGREGATION DOES NOT PROVIDE A PARSONAGE**

18 A. The Parsonage Adjustment Amount is the cash amount **added** to the "Minimum  
19 Cash Salary Table for Pastors" to allow the pastor to secure housing.  
20 This amount is added to the Cash Salary for every pastor whose congrega-  
21 tion does not provide a parsonage.

22  
23 The amount added is equal to the average annual cost of renting a 3-bed-  
24 room home in the congregation's zip code. The pastor will owe self-employ-  
25 ment taxes on the Parsonage Adjustment Amount. This amount is also used  
26 in calculating Pension and Disability Insurances.

27  
28 This amount is added to the Designated Housing Exclusion (or "Housing  
29 Allowance") and entered on the pastor's W-2 in Box 14.

## 30 31 **III. CONGREGATION PROVIDES A PARSONAGE**

32 A. The Fair Rental Value of the Parsonage is the amount of money that the  
33 congregation could reasonably expect to receive annually if it used the par-  
34 sonage as a rental home.

35 To calculate this amount, take into consideration:

- 36 • the actual condition of the parsonage;
- 37 • the location of the parsonage; and
- 38 • the actual cost of any utilities paid by the congregation on the pastor's  
39 behalf.

40  
41 (Asking a Realtor for help is a very good idea. Zillow.com overestimates both  
42 the sale and rental values, and does not assess the actual condition of the  
43 building.)

44  
45 The Fair Rental Value (or FRV) of the parsonage affects the pastor's taxes:  
46 the pastor must pay self-employment taxes on the annual FRV amount, as

well as on the pastor's cash salary. The FRV of the parsonage is also used in calculating the pastor's Pension contributions and Short and Long-Disability Insurances.

**B. Housing Equity Fund**

Pastors living in parsonages lack the ability to acquire equity in a home, and after leaving the parsonage often have difficulty purchasing their first home. To help provide this equity, the congregation contributes 1% of the Fair Market or Sale Value of the parsonage to the pastor's Housing Equity Fund. Since 1975, the Housing Equity Fund has been held in a taxable mutual fund account for the pastor, jointly owned with the Church of the Brethren Inc.

**ANNUAL SHARED MINISTRY PRIORITIES AGREEMENT**

The "Annual Shared Ministry Priorities Agreement" shall be completed annually.

This document is a companion to the "Annual Compensation Agreement" and the "Annual Compensation Table."

**INSTRUCTIONS:**

1. Identify Pastoral Priorities and rank them.
  - If less than 40% time, choose up to 3 Pastoral Priorities
  - If 40-70% time, choose 4-5 Pastoral Priorities
  - If more than 70% time, choose 6-7 Pastoral Priorities
2. Identify Congregational Priorities and rank them.

PASTOR			CONGREGATION	
Priorities	Rank	% of Time	Priorities	Rank

***Shared Ministry Priorities may include:***

Crisis Pastoral Care; Denominational Work; Discipleship; District Work; Ecumenical Activities; Evangelism; Leadership Development; Ministry in Community; Music Ministry; Organizational Leadership / Administration; Pastoral Care; Preaching; Relating to Various Age Groups within the Church; Teaching; Visitation; Working with Groups; Worship Leadership; Other (specify)



1 This Agreement of Shared Ministry Priorities has been agreed to on this date by:

2

3

4 \_\_\_\_\_  
Pastor Date

5

6 \_\_\_\_\_  
Board Chair Date

7

8 \_\_\_\_\_  
District Executive/Minister Date

9 *(only necessary for initial agreement or for significant changes)*

10

11 Copies: District Executive/Minister, Pastor, Board Chair, Treasurer, Church Clerk

12 ~ This agreement is to be renewed annually. ~

13

### 14 ANNUAL AGREEMENT OF SHARED MINISTRY PRIORITIES

15

#### 16 Pastoral Priorities

17

#### 18 INSTRUCTIONS:

19 Describe Pastoral Priorities in rank order.

- 20 • Enter the percentage of average weekly time expected to be spent on each
- 21 Priority.
- 22 • List at least three specific tasks to be completed for each Priority.

23

#### 24 FIRST PASTORAL PRIORITY

25 Description:

26 Percent of Average Weekly Time:

27 Specific Tasks:

- 28 •
- 29 •
- 30 •

31

#### 32 SECOND PASTORAL PRIORITY

33 Description:

34 Percent of Average Weekly Time:

35 Specific Tasks:

- 36 •
- 37 •
- 38 •

39

#### 40 THIRD PASTORAL PRIORITY

41 Description:

42 Percent of Average Weekly Time:

43 Specific Tasks:

- 44 •
- 45 •
- 46 •

FOURTH PASTORAL PRIORITY	1
Description:	2
Percent of Average Weekly Time:	3
Specific Tasks:	4
•	5
•	6
•	7
	8
FIFTH PASTORAL PRIORITY	9
Description:	10
Percent of Average Weekly Time:	11
Specific Tasks:	12
•	13
•	14
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SIXTH PASTORAL PRIORITY	17
Description:	18
Percent of Average Weekly Time:	19
Specific Tasks:	20
•	21
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SEVENTH PASTORAL PRIORITY	25
Description:	26
Percent of Average Weekly Time:	27
Specific Tasks:	28
•	29
•	30
•	31
	32
ANNUAL AGREEMENT OF SHARED MINISTRY PRIORITIES	33
	34
<b>Congregational Priorities</b>	35
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INSTRUCTIONS:	37
	38
Describe Congregational Priorities in rank order.	39
• Enter the group within the Congregation responsible for each Priority.	40
• List at least three specific tasks to be completed for each Priority.	41
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1 FIRST CONGREGATIONAL PRIORITY

2 Description:  
3 Responsible Party:  
4 Specific Tasks:

- 5 •
- 6 •
- 7 •

8  
9 SECOND CONGREGATIONAL PRIORITY

10 Description:  
11 Responsible Party:  
12 Specific Tasks:

- 13 •
- 14 •
- 15 •

16  
17 THIRD CONGREGATIONAL PRIORITY

18 Description:  
19 Responsible Party:  
20 Specific Tasks:

- 21 •
- 22 •
- 23 •

24 (Add additional sheets if needed.)

25  
26 **FOR TREASURERS & CHURCH LEADERS**  
27 **GLOSSARY OF TERMS**

28  
29 **I. PASTORAL COMPENSATION**

30 Includes the following items, where they are reported on IRS Form W-2, and  
31 which federal taxes apply:

- 32 • Negotiated Cash Salary: (subtract Designated Housing Exclusion Amount)  
33 W-2 Box 1; subject to federal income & self-employment taxes
- 34 • Designated Housing Exclusion: W-2 Box 14; subject to self-employment taxes
- 35 • Fair Rental Value of the Parsonage: W-2 Box 14; subject to self-employment taxes
- 36 • Parsonage Adjustment Amount: W-2 Box 14; subject to self-employment taxes

37  
38 **II. PASTORAL TAXATION**

39 Pastors are not self-employed, but are rather common-law employees of the  
40 congregation who are exempt from FICA (Federal Insurance Contributions Act)  
41 but are subject to SECA (Self Employment Contributions Act).

42  
43 Employers of pastors are prohibited from withholding FICA (Social Security &  
44 Medicare) taxes for them, as they do for their non-pastor employees. Thus, pas-  
45 tors are required to pay self-employment taxes on all income earned as pastors.  
46 Employers of pastors may, however, withhold federal (and state and local, if re-

quired) income taxes for the pastor so that the pastor does not have to make estimated tax payments.

**Types of Taxes**

- Federal Income Tax
- FICA Taxes are taxes on Social Security and Medicare income, and are paid half by the employer and half by the employee through employer withholding.
- Self-Employment Taxes are essentially both halves of FICA taxes. They accomplish the same result: full payment of taxes due for Social Security and Medicare for the pastor.

States and municipalities vary on whether they tax housing exclusions and parsonage adjustments. Please consult with a knowledgeable clergy tax professional.

**IRS FORM W-2**

IRS operates a centralized call site to answer questions about reporting information on W-2 forms. If you have any questions about completing a Form W-2, call the IRS at 1-866-455-7438 Monday through Friday, 8:30am through 4:30pm Eastern time.

Social Security operates a Business Services Online Portal for Employers where you can electronically file Forms W-2 and W-3 (total of all Forms W-2) for free: [www.ssa.gov/bsowelcome.htm](http://www.ssa.gov/bsowelcome.htm)

a Employee's social security number		Safe, accurate, FAST! Use		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
b Employer identification number (EIN)		1 Wages, tips, other compensation	2 Federal income tax withheld		
c Employer's name, address, and ZIP code		3 Social security wages	4 Social security tax withheld		
		5 Medicare wages and tips	6 Medicare tax withheld		
		7 Social security tips	8 Allocated tips		
d Control number		9	10 Dependent care benefits		
e Employee's first name and initial Last name Suff.		11 Nonqualified plans		12a See instructions for box 12	
		13 Statutory employee <input type="checkbox"/>	Retirement plan <input type="checkbox"/>	Third-party sick pay <input type="checkbox"/>	12b
		14 Other		12c	
				12d	
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
f Employee's address and ZIP code				20 Locality name	

Form **W-2** Wage and Tax Statement **2021** Department of the Treasury—Internal Revenue Service  
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
 This information is being furnished to the Internal Revenue Service.

**COMPLETING THE PASTOR'S W-2**

IRS FORM W-2 BOX NUMBERS	COLUMNS: CONGREGATION <sup>C</sup> PASTOR <sup>P</sup>
Box 1: Wages, tips, other compensation	( 1 <sup>C</sup> + 9 <sup>C</sup> ) MINUS ( 2c <sup>P</sup> + 3a <sup>C</sup> + 3b <sup>P</sup> + 4a <sup>P</sup> + 5a <sup>P</sup> + 6a <sup>P</sup> + 6b <sup>P</sup> + 7a <sup>P</sup> + 7b <sup>P</sup> + 7c <sup>P</sup> + 7d <sup>P</sup> )
Box 2: Federal income tax withheld	**see note below**
Box 3: Social security wages	Leave blank
Box 4: Social security tax withheld	Leave blank; **see note below**
Box 5: Medicare wages and tips	Leave blank
Box 6: Medicare tax withheld	Leave blank; **see note below**
Box 7: Social security tips	Leave blank
Box 8: Allocated tips	Leave blank
Box 9: Verification code	
Box 10: Dependent care benefits	
Box 11: Nonqualified plans	
Box 12: Codes	4a <sup>P</sup> (label "Code E") (complete list of Box 12 codes attached)
Box 13: (Checkboxes) Statutory employee, Retirement plan, Third-party sick pay	If 4a <sup>P</sup> , check the box labeled "Retirement plan"
Box 14: Other	2a <sup>C</sup> (label "Parsonage FRV" or "PAR FRV") 2c <sup>P</sup> , 3a <sup>P</sup> (label "Housing Exclusion" or "HOU EXCL") 3a <sup>C</sup> (label "Parsonage Adjustment" or "PAR ADJ")
Box 15: State	Abbreviation for the congregation's state
Box 16: State wages, tips, etc.	Varies by state (check your state law)
Box 17: State income tax	Varies by state (check your state law)
Box 18: Local wages, tips, etc.	Varies by locality (check your local law)
Box 19: Local income tax	Varies by locality (check your local law)
Box 20: Locality name	Name or abbreviation of locality (check your local law)

**\*\* BOX 2 NOTE:**

- Congregations are not required to withhold federal income taxes for their pastors. However, they may do so if requested by their pastor.
- Using Form W-4, the pastor can request that the congregation withholds enough federal income tax to effectively pay the pastor's entire Self-Employment Tax. This would allow the pastor to avoid paying estimated taxes throughout the year.
- We *strongly recommend* that congregations and pastors contact a tax professional to help calculate the total withholding amount that would meet this goal.

**\*\* BOXES 4 & 6 NOTE:**

- Congregations are prohibited by law from withholding Social Security and Medicare (FICA) taxes from their pastor's income. **These boxes must be empty.**

<p><b>W-2 BOX 12 CODES</b></p> <p>Code must be entered as a Capital Letter.</p>
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A	Uncollected social security or RRTA tax on tips. Include this tax on Form 1040 Schedule 4 line 58.	4
B	Uncollected Medicare tax on tips. Include this tax on Form 1040 Schedule 4 line 58.	5
C	Taxable costs of group-term life insurance over \$50,000. Included in W-2 boxes 1, 3 (up to Social Security wage base), and box 5.	6
D	Elective deferral under a 401(k) cash or arrangement plan. This includes a SIMPLE 401(k) arrangement.	7
E	Elective deferrals under a Section 403(b) salary reduction agreement.	8
F	Elective deferrals under a Section 408(k)(6) salary reduction SEP.	9
G	Elective deferrals and employer contributions (including non-elective deferrals) to a Section 457(b) deferred compensation plan.	10
H	Elective deferrals to a Section 501(c)(18)(D) tax-exempt organization plan.	11
J	Nontaxable sick pay. Information only, not included in W-2 boxes 1, 3, or 5.	12
K	20% excise tax on excess golden parachute payments.	13
L	Substantiated employee business expense reimbursements (nontaxable).	14
M	Uncollected Social Security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (former employees only).	15
N	Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (former employees only).	16
P	Excludable moving expense reimbursements paid directly to a member of the U.S. Armed Forces (not included in Boxes 1, 3, or 5).	17
Q	Nontaxable combat pay. See the instructions for Form 1040 or Form 1040A for details on reporting this amount.	18
R	Employer contributions to your Archer medical savings account (MSA). Report on Form 8853: Archer MSAs and Long-Term Care Insurance Contracts.	19
S	Employee salary reduction contributions under a Section 408(p) SIMPLE (not included in Box 1).	20
T	Adoption benefits (not included in Box 1). Complete Form 8839: Qualified Adoption Expenses, to compute any taxable and nontaxable amounts.	21
V	Income from exercise of non-statutory stock option(s). Included in Boxes 1, 3 (up to Social Security wage base), and 5. See Publication 525: Taxable and Nontaxable Income, for reporting requirements.	22
W	Employer contributions (including amounts the employee elected to contribute using a Section 125 cafeteria plan) to your health savings account (HSA).	23
Y	Deferrals under a Section 409A nonqualified deferred compensation plan.	24
Z	Income under a nonqualified deferred compensation plan that fails to satisfy Section 409A. This amount is also included in Box 1 and is subject to an additional 20% tax plus interest. See Form 1040 instructions for more information.	25
AA	Designated Roth contribution under a 401(k) plan.	26
BB	Designated Roth contributions under a 403(b) plan.	27
CC	For employer use only.	28
DD	Cost of employer-sponsored health coverage.	29
EE	Designated Roth contributions under a governmental 457(b) plan. This amount doesn't apply to contributions under a tax-exempt organization Section 457(b) plan.	30
FF	Permitted benefits under a qualified small employer health reimbursement arrangement (QSEHRA).	31
GG	Income from qualified equity grants under section 83(i).	32
HH	Aggregate deferrals under section 83(i) elections as of the close of the calendar year.	33
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**Church of the Brethren**  
**Guidelines For Pastors' Salaries And Benefits**  
Pastoral Compensation and Benefits Advisory Committee  
and the Office of Ministry

Approved 07/1999	Revised 10/2007	Revised 06/2019
Revised 01/2000	Revised 10/2009	Revised 10/2021
Revised 10/2002	Revised 10/2010	
Revised 10/2003	Revised 06/2017	

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**I. INTRODUCTION**

The congregation designates a group (executive committee, ministry committee, or other group) to negotiate a fair and equitable compensation package with their pastor(s). Since that designated group varies in different settings, this document will simply refer to **the congregation**.

These guidelines are recommendations for negotiation between the pastor(s) and the congregation, with the assistance of a District Executive/Minister (or designee). These guidelines are applicable to all compensated pastors, regardless of full-time or part-time status. This document provides uniform procedures for determining fair compensation across the denomination.

If congregations find it impossible to meet the guidelines or to provide benefits, there is an ethical obligation to discuss the reasons and their implications with the pastor and to plan in good faith to meet the recommended scale and benefits as soon as possible. If, in the midst of open and honest discussion, it is clear that scale and benefits are beyond reach, the job description should be immediately adjusted to match salary and benefits with expectations and time requirements. (*“Congregational Ethics Polity in the Church of the Brethren,” approved by 2014 Annual Conference*)

Recognizing the challenge felt by congregations unable to meet the guidelines or provide benefits, the Pastoral Compensation and Benefits Advisory Committee has created a Pastoral Compensation Calculator that starts with the amount the congregation can afford—instead of the Minimum Cash Salary Table—and figures the amount of the pastor’s professional time that the congregation can afford while still meeting the guidelines for Pastor’s Salaries and Benefits.

The Minimum Cash Salary Table, the Integrated Annual Ministry Agreement, and a link to the Pastoral Compensation Calculator will be sent to District Executives/Ministers and made available following Annual Conference each year at [brethren.org/ministryoffice](http://brethren.org/ministryoffice).

District Executives/Ministers are always available as consultants in the pastor/congregation relationship, and should participate at least once every three (3) years in the review of pastoral performance.

## II. COMPENSATION

### A. Cash Salary

There is one base factor as a beginning point in the Minimum Cash Salary Table for Pastors; this factor is adjusted annually. The adjusted figures and Minimum Cash Salary Table will be furnished after Annual Conference each year by the Director of Ministry and may be found at [brethren.org/ministry-office](http://brethren.org/ministry-office).

#### 1. Education

The Minimum Cash Salary Table for Pastors assumes the Master of Divinity degree as the standard educational level for pastors. However, in recognition of the variety of educational levels for many who are approved for ministry, two additional columns are shown. It is assumed that individuals in these categories have had educational programs for



1 ministry approved by their District Ministry Commission and/or District  
2 Board; approved programs include Training in Ministry Program (TRIM),  
3 Education for Shared Ministry (EFSM), and district-administered Acad-  
4 emy Certified Training Systems (ACTS).

5  
6 **2. Experience**

7 Experience differential is computed up to thirty (30) years of experience.  
8 Larger increases are given in the beginning years of a pastor's career than  
9 in the later years. After thirty (30) years, the congregation and pastor(s)  
10 need to negotiate a yearly increment that reflects cost of living and addi-  
11 tional experience.

12  
13 **3. Social Security & Medicare**

14 Pastors are not self-employed, but are rather common-law employees of  
15 the congregation who are exempt by law from the Federal Insurance Con-  
16 tributions Act (FICA, the system where the employer and employee each  
17 pay half of the full contributions for Social Security and Medicare). In-  
18 stead, pastors are subject to the Self Employment Contributions Act  
19 (SECA, where the worker pays the full contributions for Social Security  
20 and Medicare themselves). The Minimum Cash Salary Table for Pastors  
21 is built on that understanding.

22  
23 **B. Housing**

24 Congregations are expected to provide a home for the pastor and their family.

25  
26 **1. Congregations with Parsonages**

27 Congregations with parsonages are expected to contribute annually one  
28 percent (1%) of the fair market/sale value of the parsonage to the Church  
29 of the Brethren, Inc. Housing Equity Fund in the name of the pastor to  
30 meet long-term housing needs. It is not a savings account. Information  
31 is available from the Director of Ministry, Church of the Brethren General  
32 Offices, 1451 Dundee Avenue, Elgin, IL 60120.

33  
34 Pastors who live in parsonages should declare a housing exclusion from  
35 their salary for utilities and other household expenses. This action should  
36 be recorded in the board minutes.

37  
38 **2. Congregations without Parsonages**

39 For congregations without parsonages, a parsonage adjustment that is in-  
40 dexed to the fair rental value of a three bedroom home in the zip code  
41 where the congregation is located shall be provided, in addition to the  
42 salary, and is considered part of the pastor's total income. Total income  
43 is also used for computing pension, long-term disability, and SECA. The  
44 Pastoral Compensation Calculator gets this number from the most recent  
45 figures published from the Department of Housing and Urban Develop-  
46 ment (HUD).

The pastor should designate a portion of their salary, via written approval by the church board (or an equivalent body), as a housing exclusion. The housing exclusion is allowed by the IRS to include the costs for rent, purchase, and living in the home. This includes the cost of the mortgage payments, utilities, furnishings, appliances, repairs and maintenance, and other household expenses.

### C. Pension

Participation in a pension plan assures our pastors and families of the church's support in retirement years. Congregations in the Church of the Brethren are expected to contribute to a pension plan. The Church of the Brethren Benefit Trust (BBT) operates the denomination's pension plan.

Brethren Benefit Trust (BBT) pension figures are determined by adding to the cash salary one of the following:

- Annual fair rental value of the parsonage; or
- Parsonage adjustment amount

Of that figure, congregations pay 12 percent (11 percent to the pastor's account, and 1 percent to the Church Workers Assistance Plan), and pastors pay 4 percent at the beginning of the month or quarter (depending on the method elected) directly to the Brethren Benefit Trust (BBT). Pastors may make additional contributions to the Pension Plan. Information about the Pension Plan and Tax Deferred Annuity option can be obtained directly from Brethren Benefit Trust, 1505 Dundee Avenue, Elgin, IL 60120.

If a congregation and pastor select a pension plan other than Brethren Benefit Trust (BBT), they are expected to use the same standards to calculate the pastor's pension benefit.

### D. Insurance

#### 1. Medical Insurance

Medical insurance coverage for the pastor and family are valued and important components of the pastoral benefits package. The pastor(s) and the congregation should participate in a medical insurance plan that provides just and equitable insurance coverage. The plan shall be mutually agreed upon by the pastor and congregation.

The following minimum standards apply to medical insurance benefits:

- All medical insurance plans shall comply with the minimum essential coverage standards (MEC) set by the Patient Protection and Affordable Care Act of 2010.
- Premiums are expected to be divided on a 2:1 ratio between the congregation and the pastor(s).
- The congregation is responsible for paying 100% of the additional cost if a pastor/congregation elects to insure the pastor under the spouse's plan.

- 1           • Congregations/pastor(s) who select a high deductible plan (eligible  
2           for a Health Savings Account) will include a contribution to the Health  
3           Savings Account from the congregation on behalf of the pastor. The  
4           minimum contribution is \$1,000 for family medical plans and \$500  
5           for individual plans.  
6

7           In addition:

- 8           • Congregations that elect to discontinue offering health insurance as a  
9           covered benefit (so that their pastor can qualify for an individual plan  
10          through the Health Insurance Marketplace) shall offer supplemental  
11          income over and above the base cash salary that shall approximate the  
12          cost that the congregation would have paid for its share of health in-  
13          surance.  
14          • If, for any reason, the pastor and congregation agree that the pastor  
15          will maintain health insurance at the pastor's expense, the congrega-  
16          tion will increase base salary in an amount designed to acknowledge  
17          the cost shift from congregation to pastor. This increase should ap-  
18          proximate the cost savings to the congregation and also include com-  
19          pensation for any increased deductible or co-pay or other elements of  
20          risk incurred by the pastor.  
21          • This increase in base salary cannot be designated anywhere as being  
22          for medical or health insurance (e.g., not in the minutes, not in a line  
23          item in the congregation's budget, etc.); it's against the law for an em-  
24          ployer to tell an employee what the employee must use the employee's  
25          wages for.  
26

27           2. Other Highly Recommended Insurance

28           The following coverage and standards should also be included (available  
29           through BBT):

- 30           • Short Term Disability  
31           • Long Term Disability  
32           • Term Life Insurance – \$50,000  
33

34           3. Other Available Insurance

35           The following coverage is also available upon negotiation and can be in-  
36           cluded (available through BBT):

- 37           • Dental Insurance  
38           • Vision Insurance  
39           • Accident Insurance  
40

41           **E. Regular Time Off**

42           Full-time pastor(s) shall have at least one and one-half (1½) regular days  
43           free of free of congregational responsibilities, barring for crisis ministries.  
44

45           Part-time pastor(s) shall have a specific number of hours free of congrega-  
46           tional responsibilities, barring crisis needs, as defined by agreement.

Pastor(s) years of service have earned the pastor(s) a specified number of work weeks of vacation annually. Vacation time shall be taken at a time mutually agreed upon by the pastor(s) and the congregation.

- Three (3) weeks for the first three (3) years of service;
- Four (4) weeks for years four-twenty (4-20); and
- Five (5) weeks after twenty (20) years.

Ten (10) mutually-agreed upon holidays can be used as additional paid days off, subject to the pastor’s discretion.

**F. Special Circumstances Days** (see the Appendix at the end of this document for the “Special Circumstances Days Policy in Detail with Examples”)

Special Circumstances Days are the manner by which pastors accrue days for paid time off due to maternity/paternity leave, sickness or injury of self or family member, death in the family, or other crisis. The number of days accumulated by the pastor should be indicated on the Integrated Annual Ministry Agreement so that the pastor and congregation are in agreement on the available days at the start of each year. Additionally, the pastor should report monthly on any Special Circumstances Days used during the prior month and the remaining balance of days available.

A pastor shall be granted thirty-two (32) days the first year of pastoral service, and then ten (10) days for each succeeding year, accumulating to a total of not more than ninety (90) days. When a pastor finishes a year with fewer than twenty-two (22) days remaining, the following year will begin with the pastor restored to thirty-two (32) days. The balance of days remaining moves with a pastor from one congregation to the next. The congregation is not required or expected to pay out any unused Special Circumstances Days at the end of a pastor’s service in their congregation, or upon retirement.

This is a very brief description of the Special Circumstances Days policy. For the “Special Circumstances Days Policy in Detail with Examples” of how it can be used either as a stand-alone benefit, or together with Short- and Long-Term Disability Insurance claims, please consult the Appendix at the end of this document.

**G. Parental Leave**

It is the intention of this policy to encourage congregations to be as generous as possible toward ministers who are parents. While not all employers in our society provide the support needed by young parents, the church has an obligation to model care, solidarity, and encouragement in responding to the challenges that young ministerial families face. This policy is recommended as a minimum. Congregations are welcome to go beyond these recommendations in caring for their pastoral families.

1 This policy applies to set-apart ministers, whether serving full-time or part-  
2 time. The policy applies generally after an adoption, the placement of a fos-  
3 ter child, and for paternity or maternity needs. The minister should make  
4 every effort to provide 30 days notice or as much notice as practicable if the  
5 leave is not foreseeable.

6  
7 Documentation of the request and the days used should be provided to the  
8 congregational leadership team. Leave requests will be evaluated according  
9 to the pastoral agreement and should comply with all applicable federal  
10 and state laws.

11  
12 A healthy birth without infant or maternal complications generally requires  
13 at least 6 weeks recovery for the minister who gives birth. We recommend  
14 that the 6 weeks be covered by a combination of Special Circumstances Days  
15 and a Short-Term Disability policy. For a more detailed explanation of how  
16 these benefits work together, consult the "Special Circumstances Days Policy  
17 in Detail with Examples" Appendix. When infant or maternal complications  
18 occur, we pray the congregation will work closely with the minister to ensure  
19 the health of the pastoral family.

20  
21 We further encourage congregations to grant non-child-bearing new parents  
22 four (4) weeks leave, to be covered by Special Circumstances Days or the  
23 minister's vacation. In the event of a co-pastor (spousal) ministry team, we  
24 recommend that conversations take place with the District Executive and  
25 congregational leadership to negotiate the details of how the leave will be  
26 taken. The leave may be taken concurrently or consecutively within the team,  
27 but it is definitely a matter to be negotiated in advance, if at all possible.

### 28 29 **III. PASTOR-RELATED EXPENSES**

#### 30 31 **A. Travel**

32 The congregation should assume the cost of travel for congregational respon-  
33 sibilities by reimbursing the pastor(s) for the use of a personal car. Mileage  
34 records should be kept and reported by an accountable plan at the IRS standard  
35 business mileage rate. If the congregation chooses to lease or purchase a vehicle  
36 for the pastor's use, they should comply with all applicable IRS regulations.

#### 37 38 **B. Annual/District Conferences**

39 The congregation should expect both Annual and District Conference atten-  
40 dance by the pastor(s) and provide for the expenses and the time to do so.

#### 41 42 **C. Continuing Education**

43 The "Guidelines for Continuing Education" adopted by the 2002 Annual  
44 Conference says, "Formal education does not complete one's learning and  
45 preparation for ministerial leadership. Education is a lifelong process."  
46 These guidelines encourage congregations to:

- Incorporate at least seven (7) days a year in the pastor’s schedule for continuing education. This should be planned so that the pastor is not away for more than one Sunday during the seven days; and
  - Assist with appropriate financial support by creating a continuing education account in the annual budget or a special reserve fund, whereby both the congregation and the pastoral leader can save for the future.
- (See “2002 Statement, Guidelines for Continuing Education”  
at [www.brethren.org/ac/statements](http://www.brethren.org/ac/statements))

**D. Sabbath Rest**

The “Guidelines for Sabbath Rest” adopted by the 2002 Annual Conference says, “The purpose of sabbath rest is for renewal of body, mind, and soul. It is an important component in long term planning and implementation of new ministries for growing pastors and missional congregations. A sabbath rest requires careful planning, and the goal is for it to be beneficial to both pastor and congregation.

The pastor may be granted a sabbath rest following four, five, six, or seven years of continuous ministry in the same congregation. The pastor’s salary and benefits will continue during the sabbath rest. The congregation will provide for the ministry of the congregation while the pastor is away.

The sabbath rest is for:

- three (3) weeks after four years
- five (5) weeks after five years
- seven (7) weeks after six years
- nine (9) weeks after seven years

In addition, the pastor is entitled to his or her normal vacation annually. In many cases, the pastor may want to combine sabbath rest and vacation into one total period of time away.

Multi-vocational leaders are also eligible for a sabbath rest. While it may be more difficult for these pastors and their congregations to agree on a sabbath rest, it is well worth the effort. Their sabbath rest will need to take into account the congregational/pastoral agreement, and be prorated to satisfy the agreement.

The pastor is expected to remain with the congregation for at least one year following a sabbath rest.” (See “2002 Statement, Guidelines for Sabbath Rest (Sabbatical)” at [www.brethren.org/ac/statements](http://www.brethren.org/ac/statements))

**E. Professional Expenses**

Expenses related to the pastor’s duties should be reimbursed according to an accountable plan.

1 **IV. MOVING EXPENSES**

2

3 The congregation will pay for the expenses of moving the pastor/pastoral family  
4 as mutually negotiated.

5

6 **V. WORKERS COMPENSATION**

7

8 Congregations should participate in state workers compensation plans even  
9 where it is optional for churches.

10

11 **VI. CONNECTIONAL MINISTRIES & RELATIONSHIPS**

12

13 The set-apart ministry is a calling of and for the whole church.

14

15 While little direct expense is involved, it is important that both the pastor(s)  
16 and the congregation discuss and agree on the number and types of ministry  
17 involvements beyond the immediate parish. Such ministries should include  
18 leadership roles in Annual Conference, denominational, or district activities,  
19 camping programs, ecumenical organizations, and community involvements.

20

21 Special attention and support should be given by the congregation and the pastor  
22 to paying attention to nurturing peer relationships beyond the congregation,  
23 locally, district-wide, and denominationally. The well-being of the pastor (and  
24 pastoral family) depends upon the development and nurture of support groups  
25 and mentoring relationships between and among pastoral colleagues.

26

27 **VII. ANNUAL REVIEW & EVALUATION**

28

29 It is important for the pastor(s) and executive committee (or ministry committee)  
30 to negotiate a job description and to evaluate pastoral performance annually. This  
31 should be done as a shared review of the congregation's mission and ministry using  
32 the Shared Ministry Priorities section of the Integrated Annual Ministry Agreement.

33

34 **VIII. AUTHORITY FOR MINISTRY**

35

36 The authority for credentialing granted by the Annual Conference rests with the  
37 District Board. Therefore, all credentialed ministers in the Church of the Brethren  
38 are granted their authority by their District Boards upon recommendation of  
39 their District Ministry Commissions. Persons who are not credentialed in the  
40 Church of the Brethren need approval by the District Board to serve as pastors.  
41 All credentialed ministers are accountable to their districts for their ministry.

42

43 *"Guidelines for Pastors' Salaries and Benefits" was revised by the Pastoral*  
44 *Compensation & Benefits Advisory Committee (PC&BAC) in consultation*  
45 *with the Office of Ministry and the Council of District Executives (CODE)*

46

*Revision date: 10/19/2021*

APPENDIX

Special Circumstances Days Policy In Detail With Examples

This Special Circumstances Days Policy describes the manner by which pastors accrue days for paid time off due to maternity/paternity leave, sickness or injury of self or family member, death in the family, or other crisis. The number of days accumulated by the pastor should be indicated on the Integrated Annual Ministry Agreement so that the pastor and congregation are in agreement on the available days. Additionally, the pastor should report to the appropriate committee monthly on any Special Circumstances Days used during the prior month and the remaining balance of days available.

This Special Circumstances Days Policy relates only to those District installed pastors who receive financial compensation for their work. Those pastors serving a congregation as volunteers or in the plural non-salaried ministry should work with congregational leadership to establish appropriate understandings for time away from pastoral work for special circumstances like those outlined above. Additionally, these pastors do not have the option to purchase Short or Long Term Disability Insurance.

**How days are accumulated** — A pastor shall be granted thirty-two (32) days<sup>1</sup> the first year of pastoral service, and then ten (10) additional days at the beginning of each calendar year, accumulating to a total of not more than ninety (90) days. When a pastor finishes a year with fewer than twenty-two (22) days remaining, the following calendar year will begin with the pastor restored to thirty-two (32) days. The balance of days remaining moves with a pastor from one congregation to the next. The congregation is not required or expected to pay out any unused Special Circumstances Days at the end of a pastor’s service in their congregation or upon retirement.

**How days are counted when used** — If a pastor is unable to work during the course of a week due to any of the reasons for which Special Circumstances Days are designated, and is unable to make up missed work time during the same week, the pastor should count one day for each day not worked. If a pastor is full-time and misses an entire week, that would count as five (5) days. If a pastor is part-time and misses an entire week, that would count as the number of days missed that the part-time arrangement expects per week (i.e., 1/2 time would be three (3) days, 40% would be two (2) days, 3/4 time would be four (4) days.) While a full-time pastor is considered free from work responsibilities 1 1/2 days per week, the work week will be counted as five days for Special Circumstances purposes. In all cases, days are only counted as whole days.

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1. Initial days have been increased to 32 days in order to provide enough days at the start of employment or a new calendar year to ensure the pastor would have sufficient days to cover time for a significant health emergency with Short Term Disability and Long Term Disability benefits in place. All Short Term Disability & Long Term Disability policies referenced here are provided by Brethren Benefit Trust.



1 ***How days are counted when used with Short Term Disability Insurance*** —  
2 Short Term Disability Insurance is one of the expected benefits that churches  
3 will provide to all compensated pastors working at least sixteen (16) hours a  
4 week. When a pastor has an illness or injury that qualifies for Short Term Dis-  
5 ability, after fourteen (14) calendar days, the Short Term Disability insurance  
6 will begin to cover 60% of the pastor’s pay. The pastor would use 10 Special Cir-  
7 cumstances Days to cover the two calendar weeks, and be paid by the church  
8 for the time off before qualifying for Short Term Disability Coverage. Once the  
9 Short Term Disability claim is approved by the insurer<sup>2</sup>, the pastor will use the  
10 number of Special Circumstances Days needed to be paid the forty (40) percent  
11 balance of the pastor’s salary. If a pastor is more than half-time—up to full-  
12 time—this would be two (2) Special Circumstances Days per week. If a pastor  
13 is half-time or less, this would be one (1) Special Circumstances Day per week.  
14 A more-than-half-time and up-to-full-time pastor would use no more than 32  
15 Special Circumstances Days if they are out in one 91-day stretch of Short Term  
16 Disability (as this reflects the cost to the congregation to keep the salary of the  
17 pastor whole). In order to fulfill the compensation expectations of the Integrated  
18 Annual Ministry Agreement, pastors are encouraged to use available Special Cir-  
19 cumstances Days during this time on Short Term Disability leave.

20  
21 ***How days are counted when pastor does not have Short Term Disability Insur-***  
22 ***ance*** — If a pastor has an extended illness or injury but does not have Short  
23 Term Disability Insurance coverage in place, days are counted in the same man-  
24 ner as if the time missed was for a shorter-term illness or injury, caring for sick  
25 family members, or for a death in the family. If the pastor has Long Term Dis-  
26 ability Insurance coverage, the pastor would need to be off with the illness for  
27 91 consecutive calendar days for that coverage to begin. For example, a full-time  
28 pastor would use 65 Special Circumstances Days to receive pay for the time away  
29 from work, and a half-time pastor would use 39 days to receive pay. It is likely  
30 that the pastor will use more days getting to LTD coverage as they might have  
31 some smaller amount of time off work prior to beginning the 91 consecutive  
32 day qualifying period for Long Term Disability.

33  
34 ***How days are counted when used with Long Term Disability Insurance*** — Long  
35 Term Disability Insurance is one of the expected benefits that churches will pro-  
36 vide to all compensated pastors working at least sixteen (16) hours per week.  
37 Long Term Disability coverage could begin after a pastor has been off from work  
38 due to a disability for 91 consecutive calendar days. This coverage will pay sixty-  
39 six and  $\frac{2}{3}$  (66.67)% of salary and housing for the pastor. When a pastor is on  
40 Long Term Disability *there is no expectation* of the congregation to pay an addi-  
41 tional portion of salary, even if the pastor has Special Circumstances Days re-  
42 maining that the pastor might like to use.

43  
44 If it seems likely that a pastor will enter Long Term Disability, the pastor and  
45

---

46 2. Contact Brethren Benefit Trust to file a claim if an illness may qualify for Short Term  
Disability coverage. The claim must be approved by the insurer before payments will begin.

congregation should consult with their District Executive Minister around questions of continuation of call in these circumstances. If a pastor's call is terminated by the congregation while the pastor is on Long Term Disability, the congregation is responsible for paying the 1/3 of salary not covered by insurance for the 90 day contractual obligation. Special Circumstances Days will not be deducted in this situation.

### Some examples for counting Special Circumstances Days

1) A pastor (full- or part-time) is sick (or caring for a sick family member) during the week and misses a meeting, but plans the worship service and preaches on Sunday, and does other work around the illness — 0 Special Circumstances Days used.

2) A pastor's mother dies and the pastor takes three weeks to go for the funeral, work on the estate, and grieve — for a full-time pastor, 15 Special Circumstances Days used (3 weeks x 5 days per week); for a half-time pastor, 9 Special Circumstances Days used (3 weeks x 3 days per week).

3) A full-time (or more-than-half-time) pastor gets ill and misses 2 weeks, returns to work for 2 weeks, and then has surgery and misses 10 weeks of work. The pastor has Short Term Disability insurance. The Special Circumstances days used would be — 10 days for the first two weeks, 10 days for the first two weeks of the 10 weeks missed until Short Term Disability begins, 16 days for eight weeks while on Short Term Disability insurance<sup>3</sup> — total of 36 Special Circumstances days used, presuming the pastor has accrued that many days.

4) A full-time (or more-than-half-time) pastor gives birth to a child. Pregnancy qualifies for Short Term Disability coverage, but not Long Term coverage. The pastor plans to take a four month (17 week) maternity leave. Short Term Disability may provide coverage for up to 13 weeks<sup>4</sup>, 11 weeks of which may be paid following the two week qualification period. The Special Circumstances days used (if 13 weeks of time off is approved by doctor and insurer) would be — 10 days for the first two of 13 weeks, 22 days for the remaining 11 weeks on Short Term Disability, 20 days for four additional weeks off after Short Term Disability — total of 52 Special Circumstances Days used, presuming the pastor has accrued that many days.

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3. Days covered by Short Term Disability insurance are dependent upon approval of the insurer in consultation with the pastor's doctor. Time indicated in these examples may or may not be the amount that a doctor and the insurance provider will cover with Short Term Disability insurance.

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1 5) A full-time pastor without Short Term Disability insurance but with Long  
2 Term Disability Insurance gets ill and misses two weeks, then returns to  
3 work for a month, misses three weeks, returns to work for two weeks, misses  
4 three weeks, works for two weeks, and is then out, and after 91 days goes  
5 on long term disability. The Special Circumstances days used would be —  
6 first two weeks is 10 days, then three weeks is 15 days, next three weeks is  
7 15 days, then they use as many days as they have available (but it's not pos-  
8 sible to have more than 50 remaining), then no pay from that point until  
9 Long Term Disability Insurance begins (minimum of 40 days up to a max-  
10 imum available of 90 days).

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12 6) *Additional examples will be added for paternity leave and adoption leave when*  
13 *a policy around these items is established.*

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15 "Special Circumstances Days Policy in Detail with Examples"  
16 was created by the Pastoral Compensation & Benefits Advisory  
17 Committee (PC&BAC) and the Council of District Executives (CODE)

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