

PRESBYTERY OF MINNESOTA VALLEYS  
COMPENSATION POLICY 2024

Policies and procedures of the Presbytery of Minnesota Valleys are to assist sessions in their responsibility as employers. All policies will be guided by the Presbytery of Minnesota Valleys, the Board of Pensions information, and the Book of Order.

This policy uses the Church-wide Median Annual Effective Salary for Ministers of the Word and Sacrament/Teaching Elders in determining a process for minimum compensation. The Median Annual Effective Salary for Ministers of the Word and Sacrament/teaching elders serving in full-time positions in 2024 (as reported to the Board of Pensions) is \$ \$67,100.00 for cash salary and housing.

Commissioned Pastors/Commissioned ruling elder minimums continue to be 75% of the teaching elder minimums shown below.

Exceptions to this policy shall be approved by the Commission on Leadership annually.

Years of Ordained Service	% Below Church wide Median	Total Compensation	*Cash Salary (div by 1.3) When a manse is provided
None	10.00%	\$60,390	\$46,454
One	9.00%	\$61,061	\$46,970
Two	8.00%	\$61,732	\$47,486
Three	7.00%	\$62,403	\$48,002
Four	6.00%	\$63,074	\$48,518
Five	5.00%	\$63,745	\$49,035
Six	4.00%	\$64,416	\$49,551
Seven	3.00%	\$65,087	\$50,067
Eight	2.00%	\$65,758	\$50,583
Nine	1.00%	\$66,429	\$51,099
Ten	0.00%	\$67,100	\$51,615

Full time Ministers of the Word and Sacrament/Teaching Elders - In addition to cash salary Ministers of the Word and Sacrament are to be provided with housing (either a manse or a housing allowance), full pension benefits, an auto expense reimbursement (reimbursed at the IRS rate), and four weeks of vacation including four Sundays. Also, they shall receive a continuing education allowance, two weeks of continuing education time including two Sundays which are cumulative over three years *and a 12 week Family Medical Leave*. Professional expense, Social Security offset, annuities, medical reimbursement deductible and other expense related accounts are all negotiable. All such items (except vacation time) are forfeited if unused prior to the dissolution of the pastoral relationship.

Part-time Ministers of the Word and Sacrament and Commissioned Pastors – In addition to cash salary, these pastoral leaders are to be provided with housing (either a manse or a housing allowance), an auto expense reimbursement (reimbursed at the IRS rate) and four weeks of vacation including four Sundays. If the Pastoral Leader is part time and providing part time worship leadership, then the vacation time can be negotiated. Also, they shall receive a continuing education allowance and two weeks continuing education time including two Sundays which are cumulative over three years. *After one year of service, they are eligible for the 12 Week Family Medical Leave.*

Participation in the Board of Pensions, Professional expense, Social Security offset, annuities, medical reimbursement deductible and other expense related accounts are all negotiable

### Definition/Explanation

- The annual terms of call (including cash salary, housing and all reimbursables) shall be approved by the congregation (for called/installed Teaching Elders) and the Session (for Temporary Pastors (Stated Supply, interim, CREs, etc.) before a **change** in the terms of call. The new terms of call must be approved before the pastoral leader is paid for the first time. If there are no changes to the terms of call, a congregational meeting is not necessary
- Housing Allowance –
  - ⊖ Housing plus utilities must be in accordance with guidelines used by the Board of Pensions to compute effective salary.
  - ⊖ When the church does not provide a manse, the pastoral leader may designate any appropriate amount of cash salary with confirming action by the session prior to January 1. This amount must be recorded in the Session minutes.
  - ⊖ When a manse is provided the pastoral leader may designate from the cash salary a furnishing and household expense allowance. This amount must be recorded in the Session minutes.
  - ⊖ The housing allowance is based on the out-of-pocket cost of providing a home and furnishing the home. It includes mortgage payments, home insurance, rent, utilities, furnishings, and property maintenance supplies. The Internal Revenue Code of 2002 and Congress have placed a three-part test for limiting the housing allowance exclusion. The lesser of:
    - The amount designated by the council (session) **or**
    - The amount actually spent to provide primary residence **or**
    - The fair market rental value, furnished, including appurtenances & actual utilities cost.
- Continuing education - minimum of \$1250.00 per year, plus two weeks (including two Sundays, available January 1). This is a vouchered expense. Continuing education benefits (both time and money) are cumulative for three years. Continuing education time and expense must be approved by the Session. Thus, it is recorded in the Session minutes. At the time of termination of employment (either voluntary or involuntary) a teaching elder/commissioned ruling elder shall have no claim for pay in lieu of unused continuing education time or expense.
- Auto expenses - vouchered monthly at the current IRS allowance
- Vacation
  1. Called/installed pastors will receive four weeks (including four Sundays) per year, available January 1st.
  2. Temporary pastors (i.e., interim, stated supply, CREs) will receive four weeks of vacation (including four Sundays) during their first year of employment as defined by their contract start date. If the contract is extended beyond a year, temporary pastors will receive one week of vacation (including one Sunday) for every three-month extension. Temporary pastors may reserve up to two weeks of paid vacation time to use after the end of their contract. This arrangement must be stated in the terms of the contract. Payment for this reserved vacation time will be made at the time the contract is ended.

- 12 Week paid Family Medical Leave (G-2.0804)- shall be accessed for the following reasons: health issues of the pastor, parental leave following birth or adoption, health issues of the pastor's immediate family (partner/spouse, child, parent) and for bereavement of the pastor's immediate family. This leave is available each calendar year and the time shall be recorded in the Session minutes.
  - Ministers of the Word and Sacrament enrolled in the pension and death disability portion of the Board of Pensions shall be paid full salary and Board of Pension dues by the congregation for up to 90 days of disability. Beginning with day 91, teaching elders may be placed on disability through the Board of Pensions.
- Full time shall be defined as 40 - 45 hours per week. Part time parameters are as follows:
  - ¼ time = 10 – 12 hours per week: provides a weekly sermon and monthly moderating of Session and Congregational meetings
  - ½ time = 20 – 22 hours per week: in addition to above, provides a few hours for other ministry
  - ¾ time = 30 -33 hours per week: in addition to above , provides additional time for another ministry
- Pastoral Leaders are encouraged to take two days off per week, with at least one full, uninterrupted day off per week. When there has been an unusually heavy work week, Pastoral Leaders are encouraged to take an extra day off as negotiated with the Session. This is not considered a vacation day. This shall be recorded in the Session minutes.

#### Other Suggested Guidelines

- Sabbatical Leave: After six years of service to a particular church, Presbytery recommends sessions of congregations grant at least three months of a compensated sabbatical to their Pastoral Leader to be spiritually, emotionally, and physically renewed through continuing education and spiritual reflection. Refer to the Presbytery's Sabbatical Leave policy in the Commission on Leadership manual.
- Professional Expenses – negotiated between the pastoral leader and the Session; such as books, periodicals, newspapers, meals, and lodging while on church business, cell phones, computers, and other tax approved professional expenses. The Professional expenses must be clearly defined in the Session minutes. The suggested minimum is \$500.
- Churches are strongly encouraged to provide for a SECA allowance.
- Benefits in excess of required can be counted towards presbytery required minimums including extra continuing education compensation and/or time, extra vacation time
- Board of Pensions 403b accounts could be used to save for future housing for those who live in a manse or for bonuses. Church paid 403b benefits are excluded from Board of Pension effective salary IF it is matching an employee contribution withheld from cash salary. Paid as an employee benefit without employee contribution, it is part of effective salary.