The Presbytery of DONEGAL

Terms of Call for 2026

BACKGROUND AND CONTEXT FOR RECOMMENDED ACTIONS

The Connecting Our Ministries Commission (COM) recognizes that our sessions value justice for pastoral compensation and appropriate stewardship for church finances. Because compensation for staff is a major part of a congregation's budget, these values can be complex to bring together well. COM is committed to working with pastors, sessions, and congregations to figure out the best solutions possible in each situation.

Each year, COM sets minimum terms of call for pastors based on a full-time, installed pastoral position. COM also provides sessions with a recommended salary percentage increase for pastors whose compensation is above the Presbytery minimum. Both the minimum effective salary and the recommended increase for pastors reflect the anticipated Cost of Living Increase (COLA) set by the Social Security Administration for the coming year. This COLA is often used as a benchmark for anticipating an appropriate cost of living increase for employers across the United States. Based on economic forecasts, it is probable that the COLA for Social Security will be between 2.5% and 2.75% in 2026.

COM also recognizes that sessions face a challenging environment in terms of budgeting. We recognize that rising costs in all areas of life affect both pastors and congregations. In addition, there have been significant changes to the structure of medical benefits offered through the Board of Pensions. This year's recommendation takes these dynamics into account in attempting to balance just compensation for pastors with the economic realities of congregations.

EFFECTIVE SALARY FOR 2026

- **A mandated 2% increase in the minimum effective salary.** For pastors with salary & housing allowance (not in a manse), **the 2026 minimum effective salary is $67,200.** The Social Security offset is paid upon this amount, as well as Board of Pension dues in installed positions and retirement/medical contributions for those in covenant positions. Please note that this is the *MINIMUM* amount for an entry-level pastor. Housing costs are a major factor in determining living costs. COM recommends a substantive conversation about housing costs in the particular location of the congregation and what is financially necessary for housing.
- **For pastors who live in a church-owned manse,** the Board of Pensions requires that the manse value be at least 30% of the total Effective Salary. The manse value is then part of the effective salary and is used to calculate Board of Pension dues for those in installed positions and retirement/medical contributions for those in contract positions.

- **A recommended 2% increase in effective salary for those above minimum.** COM recognizes that the cost of living increases annually and encourages congregations to work with pastors for sustainable compensation.
- For all pastors whose **compensation remains at Presbytery minimum after the first year of service, COM highly recommends an additional increase above the minimum percentage each year. This is known as a Longevity Step Increase or a Merit Increase. This is a concrete way to recognize the pastor's job performance.** Specific amounts depend upon experience and the compensation ability of the congregation. COM is available to help with this conversation.
- **Other ways to show appreciation:** There are many creative ways to show appreciation for pastoral work beyond salary increases. These might include pastor appreciation events, one-time bonuses (these must be reported to the Board of Pensions), increasing vacation time and continuing education time, and increasing continuing education funds available for the pastor.

BENEFITS FOR 2026

- **The 2026 Annual Review of Compensation forms** will be available beginning in mid-October to calculate all aspects of compensation. Board of Pension dues can be calculated once the amount of Effective Salary is determined. In 2026, Board of Pensions dues for Pension (8.5%), Death/Disability (1%), and Temporary Disability (.5%) remain the same. For Medical Dues, there are several packages, depending upon the level of medical coverage needed by the member and any spouse or children. More information on dues packages is available here: https://seasonofrebuilding.pensions.org/selecting-2026-benefits/2026-dues-packages
- All those **currently serving with the Transitional Pastor's Participation plan (TPP)** as part of their terms of call for 2025 must be enrolled in the TPP for 2026, unless a shift to the Congregational Pastor Leader Package (CPP) is advantageous to both pastor and congregation. All installed pastors not enrolled in the TPP must be enrolled in the Congregational Pastoral Leader Package (CPP), in which case coverage for the pastor is required. COM advocates for the provision of coverage for spouse and children, if applicable, and if coverage is not also available through a spouse.
- **For Non-Installed Pastors – such as Transitional Pastors or Covenant Pastors – and for Commissioned Ruling Elder Pastors (CRES),** the minimum required medical contribution is 10% of the Effective Salary, and the required retirement contribution is 10%. Death and Disability Insurance is also required and may be purchased from the Board of Pensions at a very reasonable cost. If the pastor does not need medical reimbursement, then that amount may be applied to retirement savings. For those in a less than half-time position, benefits are encouraged but not required. Because of the flexibility available in non-installed pastoral positions, COM approves these individually, based upon conversations with the pastor and session. See Varieties of Pastoral Positions in the Presbytery of Donegal on the Presbytery's website. www.donegalpby.org/info-resources/documents-forms/com-documents-forms/

- **Non-Installed Pastors (over half-time)** are eligible for the Board of Pensions' Covenant Package. Its cost is 10% of the Effective Salary, and it includes the Pension Plan, the Death and Disability Plan, and the Temporary Disability Plan (as well as access to assistance and education programs). COM encourages sessions to consider the BoP Covenant Package for covenant positions.
- Because developing compensation and benefits packages for pastors continues to get more complicated, with more variables, all pastors and their sessions are provided with individualized Terms of Call forms annually for the specifics of their pastoral position. Consultations with COM representatives is available upon request by the pastor or session representatives. COM encourages pastors and sessions to allow enough time to address all variables well before enrollment deadlines.

PROFESSIONAL EXPENSES

- **Mileage Reimbursement:** Pastors are reimbursed at the IRS standard mileage rate for all miles driven on behalf of the church, except for commute mileage from the pastor's home to the church. Sessions should budget this expense based on expected mileage. If expenses for mileage and travel authorized by the session exceed the budgeted amount, submitted expenses must continue to be paid.
- **Continuing Education:** a minimum of $1,000 and a minimum of 2 weeks (defined as fourteen days, including 2 Sundays). Both the continuing education time and the Con Ed allowance are cumulative for three years, and both use and carryover must be documented in the minutes of the session. This figure is not taxable to the minister and is not part of the Effective Salary for Board of Pension purposes.
- **Vacation:** A minimum of one month (defined as thirty days, including four Sundays). The session is free to define one month as thirty-one days.
- **Technology Expenses:** Sessions have two choices for technology access for pastors. They may provide cell phones and internet access as part of the church expense budget. Otherwise, a Technology Allowance of a minimum of $600 annually is required if the session expects to be able to contact the pastor electronically (via email or cell phone) when the pastor is not in the church office. This allowance may be used for mobile phone expenses, internet service expenses, or a combination of both and is generally paid on a pro-rated monthly basis.
- **Professional Expense Allowance:** While a professional expense allowance is not mandatory, most churches find it useful to provide an allowance to the pastor for expenses such as coffee or lunch with parishioners.
- **Book Allowance:** Some churches provide an additional allowance for books and subscriptions to their pastors, in addition to the Continuing Education allowance.

QUESTIONS? We know these calculations are increasingly complex. In many cases, determining salary is different for IRS and Board of Pension purposes. Please contact the Presbytery Office to be routed for individual assistance as needed.