



**Presbytery of North Central California
Fair Compensation Requirements and Guidelines
Effective January 1, 2025**

In the statement "Theology of Benefits", the PC(USA) Board of Pensions provides Biblical foundations to guide decision-making and best practices in Christ's Church. A portion of the "Theology of Benefits" reads as follows:

The very character of God as revealed in the Scriptures compels those who worship and serve God to "maintain justice, and do what is right." Hence, from its inception the Church has affirmed just compensation for its servants. ...These concrete expressions of care extend God's desire for shalom and well-being, helping church servants flourish in the holy and human endeavor of ministry. As the body of Christ, we demonstrate abundant life to the world as a community of faith, hope, love, and witness. We call people to varied forms of service and covenant to support them so they may devote their best gifts and energies to the work of God's kingdom.

The Book of Order of the Presbyterian Church (U.S.A), F-1.0304 lists six Great Ends of the Church. Number six of these historic principles is "The exhibition of the Kingdom of Heaven to the world." The North Central California Presbytery's Vitality in Ministry Commission believes that these Fair Compensation Requirements and Guidelines provide a way to honor the covenant relationship between local churches and their staff. We strongly urge churches to pay medical benefits for their pastor(s) family, and half the SECA, to help church servants and their families flourish. We believe such compassionate care provides just compensation and exhibits the Kingdom of Heaven to our churches, and to the world.

Per G-2.0804...The terms of call shall always meet or exceed any minimum requirement of the presbytery. Session shall review annually the minister's terms of call and bring any proposed changes, as long as they meet the Presbytery's minimum requirement, to the congregation.

The following is the minimum compensation required for all full time (40 hours per week) called or contracted pastors, commissioned pastors, and certified Christian educators effective January 1, 2025. Part-time pastor salary compensation shall be proportional to the hours worked.

Annual Cash Salary:	\$64,200
Board of Pensions Income Protection Dues:	10% of Effective Salary
Board of Pensions Medical Dues for Installed Pastors:	16% of Effective Salary

The Pastor determines the cash salary and housing allowance split, reports it to the Clerk of Session who prepares a Housing Allowance Resolution submitted to Session for approval and signatures.

Full contribution to the Board of Pensions Congregational Pastors Package (pension, death, disability, & medical) is required by the Book of Order for all installed positions. Full contribution to the Covenant Package and/or the Congregational Pastors Package is recommended for all positions 20 hours or more a week that are likely to last over 6 months. Congregations should ensure that a pastor's family is provided medical insurance coverage, and it is **Strongly Urged** that the congregation provide compensation for that coverage. Family medical coverage is not required to be obtained through the Board of Pensions. In the event the church does not provide family coverage for a family, please include a rationale for that decision with the terms of call.

Additional considerations: In determining compensation, congregations should consider:

- Experience, additional education and training, and years in service to the church.
- The cost of living for the location in which the church is situated.
- Church size and the responsibilities of the position.

Application of these terms to situations in which a Manse is included as a part of the call must be determined in each particular situation.

Presbytery **Strongly Urges** congregations to include as a part of the terms of call to pay half of the SECA tax obligation of its Pastor. This is currently calculated as 7.65% of Annual Cash Salary. In the event the church does not include the SECA offset, please include a rationale with the terms of call.

Additional benefits (such as dental and vision insurance, deferred compensation) are not part of required minimum terms of call--but may be added by congregational action.

Annual Vacation Minimum: **4 weeks including 4 Sundays**

Annual Study Leave Minimum: **2 weeks including 2 Sundays**

For part-time pastors, the length of vacation and study leave shall be the same but the number of hours per week will be based on the percentage of appointment. Compensation time or some other arrangement can be made for study leave that is acceptable to the pastor and Session.

Both vacation and study leave allowance and time can accumulate for up to three years.

Professional expenses are reimbursable and shall be paid via vouchers as accepted by the local Session. Examples of professional expenses include mileage, training, memberships, supplies, gifts and subscriptions. Additional line-item expenses such as a cell phone can be approved by Session.

Continuing Education minimum reimbursable account: **\$1,500**

Mileage reimbursement will be based on the then-current standard IRS mileage rate.

All terms of call **are required** to include a provision for Pastoral Sabbatical Leave and Family Medical Leave which adhere to at least the minimum of the Presbytery's Sabbatical Policy and Health and Family Needs Policy. Both policies can be found on the Presbytery website under Vitality in Ministry Committee.

Fees For Occasional Pastoral Services

Pulpit Supply Honoraria and Mileage (for MWS and Ruling Elders)

At least \$200 for one service

At least \$300 for two services

Plus IRS mileage

Moderator Honoraria and Mileage

\$75 per meeting

Plus IRS mileage

Contact the NCCP Communications and Data Manager, Email cdmanager@nccpresby.org, for the current Pulpit Supply List.

Definition of Terms

Terms of Call & Contracts

Terms: congregationally approved compensation and allowances provided for installed pastors;

Contracts: Session approved compensation and allowances for temporary pastors.

Effective Salary

Effective salary is a term used by Board of Pensions. It includes any compensation received during a Benefits Plan year by a Plan member, including, but not limited to, any sums paid for housing allowance (including utilities and furnishings); 30% of all other compensation for a Manse; deferred compensation (unmatched funded or unfunded); bonuses; lump sum allowances; and other items credited to a member by an employing organization during a Plan year.

Effective salary does not include amounts received through an accountable reimbursement plan or Social Security up to 50% of a minister's Self-Employment Contribution Act (SECA) obligations.

An effective salary calculator is available at <https://www.pensions.org>.

Annual cash salary

Refers to compensation paid directly to the minister on a regular basis. Annual Cash Salary includes salary and housing elements of Effective Salary and does not include other elements of Effective Salary as defined by the Board of Pensions. Annual Cash Salary is used for the calculation of SECA.

Housing allowance

Refers to the annual costs of housing designated by the pastor in advance of payment. Utility and housing related allowance paid to pastors in Manses should be included in Effective Salary. If the Manse utilities are paid directly by the church, they are NOT included in the Effective Salary.

Manse Value

Is defined as fair rental value or the amount of rent that would be charged in the open market for similar accommodations. If a utility or other housing-related allowance is paid to the pastor, the allowance should be reported under housing allowance. The Benefits Plan provides that the Manse rental value must be at least 30% of all other compensations

Deferred Compensation

Includes tax sheltered annuities, 403(b) Plans and Retirement Savings Plans, Housing equity allowance and other forms of deferred compensation arrangements.

Bonuses, unvouchered allowances, gifts

Refers to year-end and other bonuses, unvouchered allowances, down payment grants for the purchase of a home, savings from interest-free or interest-reduced loans (not principal) and gifts paid by the employing organization.

Other allowances

All other forms of compensation not otherwise covered, including medical deductible and expense reimbursement allowance not paid through a group benefit plan, insurance premiums for additional insurance coverage provided for individual employees (group plan coverage is not included), salary reduction contribution to flexible health spending accounts, etc.

SECA, SECA Offset

SECA is the acronym for Self-Employment Contributions Act tax, primarily used for pastors and other self-employed people. It is the mandatory contribution to Social Security and Medicare, reflecting both employer and employee shares, and totals 15.3%. A church cannot pay any portion. SECA Offset is a term for the extra pay a church can give to "offset" that obligation of the pastor.

Taxation

Tax rates vary by state and type of compensation. It is recommended that a tax professional is consulted in determining whether or not income or other tax applies to a specific form of compensation