**CENTRAL FLORIDA PRESBYTERY**

**Installed Pastors, Associate Pastors, and Co-Pastors**

**TERMS OF CALL EXPLANATION SHEET**

**For churches providing a housing allowance (CFP-0103, CFP-0156)**

|  |  |
| --- | --- |
| TOC Form Number | Applicability |
| CFP-0156 | New Calls (Installed) |
| CFP-0103 | Change in terms - housing allowance |

**For Part-time pastors, please enter the number of hours per week in the space provided. This figure is needed to compute benefit dues (lines 9a, 9b, and 9d).**

**COMPENSATION:**

Line 1 Annual Cash Salary - This is considered the "base salary".

Line 2 Housing Allowance - Money paid to a minister to purchase, maintain, and operate a home, normally considered to be no less than homes of median value to the congregation served. The amount declared by the minister as housing allowance may not exceed actual expenses or the fair rental value of the home, whichever amount is less.

Line 3 Utilities Allowance - It is customary for the church to pay for the utilities of the minister living in the *church manse*, except for personal long-distance telephone calls. Churches *not* providing a manse may wish to contribute to utilities expenses as well.

 Line 4 Social Security: Please answer Yes or No. If the minister has taken the option to not enroll in the Social Security program, the form required by the Board of Pensions must be submitted to the Committee on Ministry. If this is the case, it is not a requirement for the church to pay this item for any other use. However, the church may provide this amount for other somewhat comparable investments/insurance if it desires.

Line 4a If Yes: SECA (Social Security) Tax Allowance in Excess of 7.65% of line 6 - This item is **optional**. Only monies paid in excess of 7.65% of line 6 need to be entered on line 4a. The amount is included in Effective Salary. It does not affect line 10 (employer portion of SECA), but does affect benefit dues.

Line 4b If No: Allowance in place of SECA. This item is **optional**. (See Line 4.)

Other Income - This includes all other forms of compensation not covered in the lines above.

Line 5a Other (optional medical, dental) - Medical Deductible and expense reimbursement allowances not paid through a group benefit plan. (See line 16 for explanation of group plans.

Line 5b Other, continued - other compensation, such as Insurance Premiums for additional insurance coverage provided for individual employees (premiums for group plan coverage are not included), or auto allowance granted as part of salary (not reimbursed).

Line 5c (NEW CALLS ONLY) A change to US tax laws in 2018 require that moving expenses associated with relocating a pastor, co-pastor or associate pastor to a new call must be reported as income on the employee’s W-2. This change results in an increase in the employee’s income and the church’s SECA liability

Line 6 Sub-total for SECA tax (paid by employer) - Add lines 1-5c.

Line 7 Contributions to tax-deferred plans - Refers to any deferred income or tax shelter device used to benefit the minister. It includes elective employee contributions and church contributions paid for the employee. This amount is part of effective salary but is exempt from SECA tax. It does NOT include employer matching contributions to the PCUSA 403(b)(9) Retirement Savings Plan (see Line 11).

Line 8 **Effective Salary** is the amount on which the Benefits Plan dues are figured. It is calculated by adding lines 6 and 7. Effective Salary must be at least **$48,132.**

 Reference: Board of Pensions brochure, Understanding Effective Salary:

 <http://www.pensions.org/file/what-we-offer/benefits-guidance/forms-documents/Documents/pln-103.pdf/>

**Benefit Plan Dues (Lines 9a – 9b)**

The church pays all benefits for the **installed** minister.  Medical coverage for the minister’s family (spouse, children) is included.

Note 1: Part time employees should contact the Board of Pensions or the Committee on Ministry for correct calculation of benefits dues, or use the Board of Pensions Dues Calculator at

<http://www.pensions.org/what-we-offer/employer-guidance/calculators>

Note 2: Post-retirement dues are 12% of effective salary.

Line 9a Pastor Pension and Death Benefit Dues - This amount is 10% of effective salary (line 8), broken up as follows: Pension-8.5%; Death & Long-Term Disability-1%; Temporary Disability-0.5%

Line 9b Medical Dues - This amount is 29% of effective salary (line 8).

**SECA Calculations**

Churches are strongly encouraged to provide tax-advantaged plans for their ministers. A minister participating in such a plan allows pre-tax deductions from salary, and those deductions are excluded from SECA. Health and dependent care FSAs can be established. For more information on tax-advantaged plans, please see the Board of Pensions resource page below, or contact the Committee on Ministry.

<http://www.pensions.org/what-we-offer/tax-advantaged-accounts>

Line 10a Optional pre-tax salary reduction - health FSA - If the minister participates in a health FSA, then enter the amount of salary reduction on this line. The maximum allowable deduction is $3,200.

Line 10b Optional pre-tax salary reduction - dependent care FSA - If the minister participates in a dependent care FSA, then enter the amount of salary reduction on this line. The maximum allowable deduction is $5,000.

Line 10 Employer’s portion of SECA tax - It is a Presbytery requirement for churches to pay the amount representing the employer's portion of the Self-Employed Contributions Act Tax toward the pastor's self-employment contributions. This sum is 7.65% of salary, housing, utilities, and other taxable income (Line 6 less lines 4a, 10a, 10b) and is entered on line 10. It is not included in Effective Salary because it is a church expense, not income for the minister. If the church pays **more than** 7.65% of taxable income to SECA, the additional amount is taxable income and must go on line 4a, but does not change the calculation for line 10. (If line 4 is “No”, then Line 10 is 0.)

 Reference: Page 7 of Board of Pensions brochure, Understanding Effective Salary,

 <http://www.pensions.org/file/what-we-offer/benefits-guidance/forms-documents/Documents/pln-103.pdf/>

Line 11 Other Deferred Income – Employer contributions to the PCUSA 403(b)(9) Retirement Savings Plan administered by the Board of Pensions to match elective contributions by employees.

Line12 Total Compensation - Enter the total of lines 8, 9a, 9b, 10, and 11.

**REIMBURSED EXPENSES/ALLOWANCES:**

The church should review these figures to determine if they are adequate for its minister/ministers. To meet IRS guidelines, these items should be reimbursed through an accountable reimbursement plan.

Line 13 Auto/Travel - This item covers all expenses for maintaining a car to carry on pastoral duties and any other necessary travel expenses.

Line 14 Continuing Education/Professional Development - This item covers professional education that will enhance the ministry of a minister in the church being served. It should be planned through dialogue with the session's personnel committee and approved by the session for the enrichment of the church through the new or increased skills of the minister. In addition to the budgeted dollar amount, a two-week time allotment is provided for study. Both time and money are accumulative up to three years.

Line 15 Books/Professional Resources - This cover books, magazines, periodicals, and CDs/DVDs which are specifically related to the professional practice of ministry.

Line 16 Group Medical and Insurance

 A “group plan” covering medical deductibles, coinsurance, or dental premiums refers to a supplemental medical plan offered by the church to cover its employees' additional medical expenses. If offered as a group plan (i.e. to all employees), qualifying expenses can be paid by the church and excluded from the minister's gross wages for Federal income and Social Security tax purposes. If the expenses are reimbursed through a discretionary means and are not offered to all employees, then they constitute an allowance that is subject to income and Social Security taxes, are included in Effective Salary, and must reported on line 5a.

Other Reimbursed Expenses

Line 17a Professional Expenses Allowance is for the pastor's vocation-related and "out of pocket" miscellaneous ministerial expenses, cell phone charges reimbursed by the church, etc.

Line 17b Other – Identify any other reimbursed expenses or allowances.

Line 18 Total Reimbursed Expenses/Allowances – Add lines 13-17b.

**GRAND TOTAL**

Line 19 Grand Total Compensation and Expenses - Total of lines 12 and 18.

**PLEASE NOTE THE FOLLOWING ADDITIONAL ITEMS:**

A. All calls include a minimum of one month of annual paid vacation.

B. All calls include a minimum of two weeks paid annual study leave - may be accumulated up to three years (6 weeks). Each minister who has served for seven years is eligible for a three-month sabbatical study leave. The Committee on Ministry (COM) and session both approve requests for a sabbatical, and COM works with pastors to find grants to assist in deferring the cost.

C. An annual review is to be made by session of the terms of call for installed pastors (*Book of Order* G-2.0804) with consideration of an adjustment according to the Consumer Price Index (CPI) as determined by Presbytery, and reported to the congregation for its action (G-1.0503).

 D. Female ministers are granted paid maternity leave of up to eight (8) weeks. Male ministers are granted paid paternity leave of up to three (3) weeks.

E. New for 2024: All installed calls must include a minimum of 12 weeks paid family medical leave (G-2.0804)

F. All calls must meet or exceed the minimums as outlined. Any exceptions must be granted by Presbytery.

G. The *Book of Order* requires Presbytery to establish minimum compensation standards for pastoral calls (G-3.0303c.) Your annual Request for Approval of Changes in Terms of Call, whether changes are made or not, helps Presbytery carry out that responsibility. All Requests will be reported to Presbytery.