

Reformed Church In America

Classis of The Southwest

Salary Policy and Guidelines – 2014 -2015

Policy:

1. Salaries must be practical and fair. Salaries should provide sufficient support to assure that financial problems do not interfere with a Pastor's effort to serve. Salaries should support the financial needs of the Pastor and his/her family.

2. The performance requirement of the BOOK OF CHURCH ORDER (Part II, Article 7, Section 1f & 1g) shall be conscientiously pursued on a yearly basis. All consistories are encouraged to establish goals jointly with their pastors, periodically review the progress toward meeting these goals and annually evaluate pastoral performance based on the jointly established goals.

3. Classis may allow for a Tent-making model of ministry. The compensation package must be approved by the Church Health Team and agreed to by the Pastor and Consistory.

4. A salary waiver request must be forwarded to and approved by the Church Health Team prior to the start of the salary year for situations where a Pastor and Consistory agree to less than minimum salary. A schedule for return to minimum guidelines must be provided with each waiver request.

If either the Pastor or Consistory does not sign the waiver request, the other party retains the right to present such waivers to the Church Health Team for their consideration and report to Classis.

5. The Classis compensation guideline for Pulpit supply is \$100 for each occurrence. Compensation for support of additional activities shall be as agreed to by the parties concerned.

Salary Guidelines:

1. For full time Ordained Word & Sacrament or Commissioned ministers serving as senior or sole Pastors.

(Years of service means years in the active ministry)

<u>YEARS</u>	<u>MINIMUM</u>
0-1	\$31,652
3	\$33,020
5	\$34,495
7	\$35,875
9	\$36,545
11	\$37,525
13	\$38,204
15	\$39,010
17 & over	\$40,010

2. For full time ordained ministers serving on staff as associate or assistant pastors use the item 1 guidelines minus (-) 15%.

3. Part time associate or assistant pastors or staff persons should be compensated as determined by the local consistory. The compensation should not exceed the Item 1 schedule minus (-) 15% adjusted for the hours served.

4. The salary guidelines take the following factors into consideration; size of congregation, size of church staff, financial ability of the congregation, education and performance level of the pastor.

FICA: In addition to the base salaries shown in the item 1 schedule, pastors shall be reimbursed for one-half of the Social Security and Medicare taxes. This shall be calculated by taking 7.65% of the base salary.

Housing: A rent free parsonage OR housing allowance shall be provided by the church. The housing allowance amount shall also be consistent with the guidelines set forth in Internal Revenue Service Publication 517 and shall be agreed to and documented in consistory or executive committee minutes prior to the beginning of the tax year.

Utilities: Utilities shall be either directly paid by the church OR as part of the above housing allowance.

Insurance: The cost of Medical Insurance shall be a part of the compensation package as required by the RCA Book of Church Order.

Pension: The church shall pay the full RCA Pension Program costs. Use one of the following formula to calculate the amount: If housing and utility allowance are provided the pension amount is 11% of base salary plus the housing and utility allowances (.11 x base + housing and utility allowances). If a free parsonage is provided the pension amount is 11% of the base salary plus 40% of base salary (.11 x [base + {.4 x base}]). The minimum pension amount paid will be equal to the minimum contribution required by the RCA.

Continuing Education: The church shall annually give its pastor a one week study leave for a study program mutually agreed by the pastor and the consistory and the greater of \$400.00 or 1/52 of salary. Up to Four weeks of unused study leave may be accrued. Maximum accrual of time and funds shall be as agreed to by the parties concerned.

Vacation: The church shall provide each pastor four weeks of paid vacation each year, pro-rated for partial years. Unused vacation time can accrue with a maximum carry over of four weeks (one years vacation).

Auto Expenses: Automobile expenses incurred performing church duties shall be reimbursed. The reimbursement method can be by allowance or mileage method as agreed by the parties concerned. The recommended monthly allowance is \$300.00. The recommended mileage rate while performing assigned Classis duties and consistent with IRS guidelines.

Recent IRS rulings suggest it is prudent to keep a mileage diary regardless of the mileage compensation method selected.

5. IRS guidelines indicate form W-2 should be used for income reporting.