

Maine Conference

United Church of Christ



**Clergy Compensation Guidelines
(Revised)**

Maine Conference of the United Church of Christ

1 Weston Court, Suite 104,

Augusta, Maine 04330

(207) 622-3100

1-800-244-0937

TABLE OF CONTENTS

INTRODUCTION.....	3
FAITH FOUNDATIONS	3
TYPES OF AUTHORIZED MINISTERS	4
COMPENSATION.....	5
PASTOR AS EMPLOYEE	7
COMPENSATION BY ROLE	8-9
HOUSING	10-13
REVIEW AND RENEWAL OF COMPENSATION	13
BENEFITS & INSURANCE.....	14-16
SABBATICAL AND LEAVE.....	17-18
PROFESSIONAL EXPENSES.....	18-19
CLERGY UNITS.....	20-21
APPENDICES	
APPENDIX A: PARTNERS IN AUTHORIZED MINISTRY	22-23

INTRODUCTION

For a church to attract (and retain) qualified, competent, gifted, caring pastoral leadership which will enhance the spiritual life of the congregation, it will have to offer more than good potluck suppers and people in the pews. Its financial package must be attractive and offer a salary consistent with the community and the experience of the pastor.

It is understood that each local congregation creates its compensation package based upon the realities of its situation. While no one can dictate what an individual UCC congregation must pay its Authorized Minister(s), the Maine Conference of the United Church of Christ believes these are appropriate compensation standards for ordained Authorized Ministers in the Maine Conference.

We are aware that some congregations in the Maine Conference cannot devote sufficient financial resources to call full-time ordained leadership. However, as a matter of justice, rather than expecting full-time work for part-time pay, these churches are advised to consult with their Associate Conference Minister about alternative models for leadership and compensation thereof. Part-time ministry, bi-vocational ministry, or, in some cases, licensed ministry, may be healthier for smaller churches to consider. Nevertheless, even when a pastor is employed at less than full-time, the compensation should still be proportional to that of a full-time position. In this document, a full-time position is one in which the pastor averages 45-50 hours of work per week.

FAITH FOUNDATIONS

1. **Covenant Relationship:** We are a church based in covenant. When a church calls a pastor, it covenants to compensate fairly, and the pastor covenants to serve faithfully. Remuneration is a covenant creation and renewal and should be entered into from that perspective.
2. **Stewardship:** We are accountable for the wise use of the church's resources, both human and material. Therefore, a local church should be intentional both in the raising of and expenditure of funds.

3. **Christian Love and Candor:** Because the connection between pastor and people is a sacred trust, open, caring, healthy relationships are essential for the well-being of the local church. Salary negotiations, new and annual, should be carried out with candor, clarity, and loving, supportive, mutual respect. As Christians, we are called to compensate all persons fairly, regardless of age, gender, race, sexual orientation, disabilities, marital or family status.
4. **Issues of Justice:** Jesus observed that the “laborer deserves to be paid” (Luke 10:7). Fair compensation for service rendered is not an optional amenity; it is a matter of fairness and justice.
5. **Principles of Pastoral Care:** Just as every good pastor goes out of his/her way to provide effective and sensitive care to those in his/her congregation, so the congregation must understand that they have a pastoral responsibility toward and for their pastor. One way to evidence that care is through providing sufficiently generous compensation that the pastor need not be unduly troubled by the challenge of “making ends meet.”

TYPES OF AUTHORIZED MINISTERS

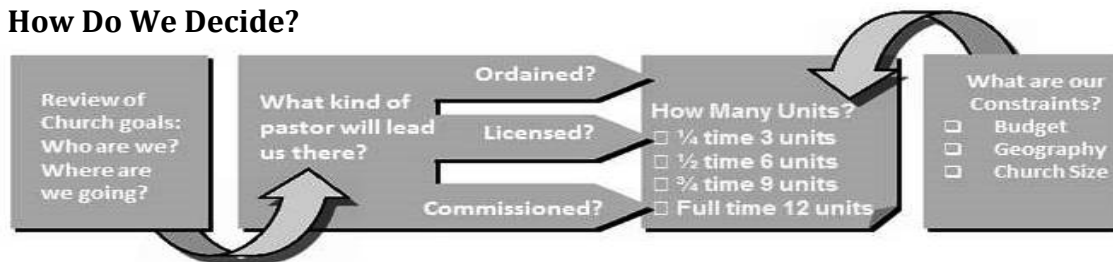
In the United Church of Christ, an Authorized Minister is a person who has been granted ecclesiastical authority by an association through the rite of ordination, commissioning or licensing.

1. An **ordained minister** has a Master of Divinity from an accredited theological school and is recognized through the rite of ordination to preach and teach the gospel, to administer the sacraments and rites of the church, and to exercise pastoral care and leadership. In addition, a candidate for ordination must complete at least one unit of Clinical Pastoral Education (CPE), offered outside and separate from the school curriculum.
2. A **commissioned minister** is a layperson who is authorized to perform specific church-related ministry which is recognized by that Association but does not require ordination or licensure. Typically, commissioned ministers do not perform

sacramental ministry but are engaged in ministries (e.g. education, music, nursing) that the denomination values as part of its mission and ministry. The authorization is not site-specific. Generally, they have a college degree plus specialized training in a specific area of ministry not requiring ordination.

3. A **licensed minister** is one who has been recognized and authorized to perform specific duties in a designated local church. A license is granted by the association for one year at a time and the association assumes supervisory responsibility.

How Do We Decide?



COMPENSATION

Compensation should be fair and just, taking into consideration the size of the church and the clergy person's experience, skills, and education. Other practical factors that churches must consider are their income and their geographical setting.

We believe that the Authorized Minister's professional performance within the social, economic, and spiritual context of the community is an important part of an annual review, which should also include a review of the congregation's support for the ministry goals of the church and its minister, as well as the congregation's participation in working toward the ministry goals.

Clergy should be full participants in discernment and discussion around their compensation. Pastors have a right and, indeed, an obligation to share with an appropriate designated body whatever concerns, hopes and needs they may have with regard to compensation. Even in a situation where resources are limited and the church is unable to

pay what it should, the fact that the pastor is consulted is important for clergy morale and open communication. Negotiations with the pastor or pastors each year should begin several months before the next year's budget is drafted. Recommendations for changes in compensation can then be brought forward for inclusion in the budget-building process.

CONSIDERATIONS

1. **Size of the church.** These guidelines recognize that church size may make a difference in a church's ability to compensate and in the expectations the church places on its pastor.
2. **Experience and skills of the pastor.** Generally, pastors who have served in ministry for several years will have more skills and experience. It is appropriate that such be recognized with higher compensation.
3. **Cost of living.** Congregations should increase pastoral salaries annually to keep up with the cost of living. The COLA annual percentage can be found at <http://www.bis.gov>.

LOCAL COMPENSATION DATA

We urge all churches to use the salary guidelines offered in this document and to do the careful research that will enable them to set their pastoral compensation according to a scale commensurate with that of local professionals in comparable secular fields. We particularly have in mind here those professions that require post-graduate training. In addition to the information presented in this document, the assigned committee is encouraged to gather information about salaries and benefits commensurate with other professional positions in the wider community in which the church resides. Compensation packages for school principals, social work supervisors, and hospital administrators can be useful for comparison. In addition, it is helpful to know the recommendations of other denominations in your area. All requests for information should include cash salary, housing, and benefits.

PASTOR AS EMPLOYEE

While the Internal Revenue Service considers most pastors to be employees for federal income tax reporting, all pastors are considered self-employed by the Social Security Administration with respect to services performed in the exercise of ministry

Dual-Tax Status: Authorized ministers have a “dual tax status,” which means they are considered by IRS as:

1. Employees for federal income tax reporting purposes, AND
2. Self-employed for Social Security purposes with respect to services performed in the exercise of ministry.

In this dual tax status circumstance, authorized ministers must pay all their own self-employment taxes (SECA). This is in contrast to the more common Social Security tax obligation of other workers whose employers pay 50% of Social Security (FICA) and Medicare taxes and the employee pays the other 50%. Authorized ministers must pay all of these taxes because of their dual tax status.

We recommend that congregations include in the salary package a “SECA Offset” to compensate for this added tax burden. Such an “offset” is paid directly to the Authorized Minister and is reportable as taxable income. We recommend that churches offset 50% of the SECA taxes, which is identical to the rate churches pay for their lay employees.

Additionally, authorized ministers are encouraged to make:

1. **Voluntary Withholding:** A church and its Authorized Minister (who reports his or her income taxes as an employee) can voluntarily agree to subject the Authorized Minister’s compensation to income tax withholding. Some Authorized Ministers find voluntary withholding attractive because it avoids the additional work and discipline associated with the estimated tax payment procedure. Authorized Ministers who elect to enter into a voluntary withholding arrangement with their church need only file an IRS Form W-4 (Employee’s Withholding Allowance Certificate) with the church. The filing of this form is deemed to be a request for

voluntary withholding. This arrangement may be terminated at any time by either the church or Authorized Minister individually, or by mutual consent of both. Of course, a voluntary withholding arrangement will affect the church's quarterly IRS Form 941.

2. **Estimated Tax Payment:** Unless they elect voluntary withholding, Authorized Ministers must prepay their income taxes and self-employment taxes using the IRS estimated tax procedure.

For additional information consult the UCC Pension Boards annual tax guide, which can be found at www.pbucc.org.

COMPENSATION

1. **Senior Pastors:** The basic cash salary is the amount of actual dollars paid to the minister. Cash salary does not include housing, utilities, allowances, benefits, Social Security, or reimbursable expenses.
2. **Associate Pastors:** The recommended salary for Associate Clergy is 85-90% of Senior Pastors for comparable experience and education. The expectation is that this figure would be at least equivalent to the salary of pastors of churches with fewer than 200 members, i.e., at the level of the average elementary teacher's salary. The special ministry of a clergy associate should be highly valued and compensated equitably.
3. **Part Time Senior and Associate Pastors:** The basic cash salary for part-time pastors should be determined as a percentage of the full-time package.
 - a. Example: A church with 100 members and a parsonage hires a part-time minister with 5 years of ministerial experience for halftime. The recommended cash minimum salary is $\$38,041 \times (50\%)$ or $\$19,020.50$
4. **Interim and Intentional Interim Pastors:** The interim minister will serve a church during situations that demand specialized skills, training and responsibilities. A full-time interim minister should receive the equivalent to the previous minister's salary

along with all the housing and benefits that the previous minister received. It is recommended, however, that consideration be given to compensating the interim pastor at a higher level to help stretch the congregation toward adequate compensation for the next settled pastor, which in all likelihood is going to be considerably higher than their previous pastor.

5. **Short-term Pulpit Supply Pastors:** Where a congregation needs only worship leadership, a pulpit supply pastor may be contracted for one or more consecutive Sundays. The recommended per-service compensation is \$150, plus travel expenses at the current IRS rate.
6. **Commissioned Ministers:** For Commissioned Ministers, compensation should reflect experience, education, and special training. It is suggested that commissioned ministers be compensated at 60% of the guidelines for base salary and housing. Full-time service should include all the benefits recommended below.
7. **Licensed Ministers:** For Licensed Ministers, compensation should address fairly the minister's needs in relation to the time, training, and responsibilities required by the position. Churches should consider 80% of the recommended guidelines for base salary and housing, considering also average compensation and benefits received in the community.

SALARY GUIDELINES

1. All of an Authorized Minister's compensation is unique and is recognized so by the IRS.
2. Authorized Minister Salary Basis includes cash salary and housing (either a parsonage or a housing allowance).
3. Benefits are in addition to base salary and housing.
4. Base salary does not include housing, benefits, SECA (Self Employment Taxes) offset, or reimbursable expenses. The chart below offers a recommended base salary as a goal or target for full-time Authorized Ministers.

Note Concerning the Experience Supplement

Experienced Authorized Ministers bring a level of skill to pastoral ministry for which they

should be compensated. It is also true, however, that many Authorized Ministers who have entered ministry as a second career bring a wealth of experience and skill to ministry gained in previous work. It is recommended that other professional experience be included as a factor in calculating the experience supplement for second career Authorized Ministers.

HOUSING

A second, major portion of a pastor's compensation is housing, provided either in the form of a housing allowance or the rent-free use of a church-owned house.

1. **Housing Allowance:** Home ownership is important to many clergy because it allows them to build equity in real property and gain annual appreciation. This equity is then available for use as collateral for loans or as payment toward retirement housing. Home ownership also insures that a pastor's family will have a home in the event of a pastor's untimely death.

The housing allowance should be a cash package sufficient to allow the authorized ministers to buy or rent, furnish, and maintain a median-priced home in the church's community. The median-price range for a home in Maine varies considerably from place to place. Information for particular communities can be found by contacting a local real estate agent.

The minimum housing allowance should be 1% per month of the value of a median-priced home in the community. This figure covers the costs for a 30-year fixed rate mortgage at 5% interest, with a 5% down payment, along with other associated housing costs: furnishing, property taxes, maintenance, and insurance.

- a. *Example – If a median priced 3-bedroom home in a community is \$200,000, the church's minimum cash package for housing would be \$2,000 per month or \$24,000 per year.*
- b. *If a median priced 3 bedroom home is \$275,000, the church's minimum cash package for housing would be \$2,750 per month or \$33,000 per year.*

Several factors must be taken into consideration, by both the pastor and the congregation, when a housing allowance is provided:

- The IRS states that the maximum amount of housing allowance which clergy may receive and exclude is the lesser of:
 1. The fair rental value of the furnished home plus utilities
 2. The amount actually expended to provide a home
 3. The amount officially designated by the church.
- For the actual amount of the housing allowance to qualify by IRS standards as tax-free income, it must be clearly designated by church vote as a housing allowance and be formally approved annually by the appropriate church board prior to the beginning of payments. This approval must be recorded in official minutes and retained in the church files. Also, a pastor must keep records such that she or he can show that the actual housing costs equal the entire housing allowance.
- Any amount of the allowance that is not actually spent on housing is taxable income for the pastor.
- A housing allowance is fully taxable for Social Security purposes.
- A housing allowance can be spent on any items required to provide a home, such as the monthly mortgage payment (interest and principal), taxes, insurance, furniture, furnishings, home repairs, furniture, new appliances, yard care, mowing, snow removal, and all utilities.

2. Congregational Loans: Many churches have found that with the capital realized from the sale of an existing parsonage, they can loan their pastor funds for a down payment on a home. If such a sale is not possible, the income from the rental of an existing parsonage can provide the pastor with a housing allowance.

When a church makes a loan to the pastor (always as a legal transaction) to help finance a home, there are several payback options to be considered:

- a second mortgage with monthly payments of principal and interest,
- a second mortgage with monthly payments of interest only, the principal to be paid when the pastoral relationship is concluded,
- a shared equity arrangement in which the appreciated value of the home at the time of the sale is divided between the pastor and the parish, proportional to their respective investments in the property.

4. **Parsonage:** When the use of a parsonage is provided, it should be attractive, conveniently arranged, well maintained, and on a par with an average home in the community. It should have adequate sleeping quarters, plus a guest room and a study where the Authorized Minister can retreat from social activities, unless adequate office and study facilities are provided in the church itself. The church is expected to provide all parsonage utilities (heat, light, water, refuse service, local phone calls, etc).

Pastors who live in parsonages have the benefit of being able to tax exempt household costs through a budgeted *parsonage allowance*. The allowance may be used to purchase furniture, carpets, window coverings, furnishings, and household cleaning supplies. The church's official board should vote annually, before the ensuing year begins, what part of the pastor's salary is to be treated as a parsonage allowance and include this figure in the official records. Any unused allowance is taxable income; any over-expenditure of the allowance is not deductible. The parsonage allowance is fully taxable for Social Security purposes.

5. **Equity Allowance:** An equity allowance is not a housing allowance. The two different types of allowances should not be confused. For a pastor living in a parsonage, an equity allowance is part of fair and just compensation.

Given that a parsonage is an asset to the church, there is a need to enable parsonage dwellers to accumulate some equity that can eventually be used to provide housing,

either owned or rented. After a lifetime in parsonages, a family may have few assets with which to provide housing at death, disability, or retirement.

The mechanics for funding an equity allowance should be as simple as possible. A written statement outlining a plan, the funding, and specific procedure is crucial. The minister can invest this allowance in her or his Annuity Fund account with the Pension Boards or any Tax Sheltered Annuity (TSA). It is strongly recommended that provision for an equity allowance be made in consultation with a qualified tax attorney or certified financial planner to assure that the plan conforms to the requirements of the IRS.

Some congregations base the allowance on how much the parsonage has increased in value during the past year and contribute that annually to the equity allowance (ie., a 2% increase in value on a \$125,000 parsonage would be \$2,500). Other churches contribute a percentage of salary, such as 7.5%, as an equity allowance.

The important consideration is that the pastor be allowed growth of equity, given that the parsonage is a material asset to the church, not to the pastor.

When a pastor moves, it will be necessary to change the depository of such set-aside funds, but the fund and restrictions on its use be continued.

REVIEW AND RENEWAL OF COMPENSATION

1. **Cost of Living Increase:** The cost of goods and services rises nearly every year and clergy compensation should be adjusted accordingly. Otherwise, simply maintaining the authorized minister's salary will reduce the pastor's purchasing ability. We suggest that you adjust your pastor's specific salary based on performance and the cost-of-living index (COLA).

2. **Presenting the Pastor's Compensation in the Church Budget:** Given that people inevitably make comparisons between their own earnings and those of the pastor, thought needs to be given to the way this information is presented in the church budget. In view of this, we recommend that a budget format be used which clearly distinguishes between those line items which are in the category of "salary" and those which are employer costs. In the case of a pastor, it is reasonable to include both cash salary and a housing allowance or provided parsonage as salary items, comparable to what a layperson's salary would include.
3. **Employer Expenses:** We recommend that all other compensation items be listed as "employer expenses," because they are the equivalent of items regarded that way outside the church. Retirement and health plans are fringe benefits that other employees also receive. A Social Security allowance is equivalent to the employer's share paid on behalf of other employees. Auto and other expense allowances also have their equivalents in the secular world, where they are regarded as basic costs of doing business.

BENEFITS

The various benefit plans of the UCC are designed to assist in financial security during years of ministry and years of retirement. The terms of the benefit plans are not easily summarized and the following comments are not the full and official plan. For a more complete explanation of the plans, please consult the Pension Boards. You may reach them at 1-800-642-6543, Option 6 or visit their web page at www.pbucc.org.

1. **Annuity:** Quarterly contributions to the Annuity Fund are a part of the standard benefit package for UCC clergy. The annuity payments are made by the local church directly to The Pension Boards of the United Church of Christ. The Annuity Fund is an IRS 403(b) tax-sheltered annuity, which means payments to the fund are not taxable until the benefits are received after retirement. By resolution of General Synod, the standard formula for calculating the annual church contribution to a pastor's annuity is an amount equal to 14% of 130% of the salary if a parsonage is

provided. If a parsonage is not provided, the amount contributed is equal to 14% of the cash salary plus housing allowance. In some specific situations, however, where a pastor's compensation package is heavily weighted toward a housing allowance, a tax accountant should be consulted to assure that the annuity payment does not exceed the maximum percent of taxable compensation allowed by the IRS for contribution to a 403(b) tax sheltered annuity. A percentage higher than 14% may be agreed upon by the church, the pastor, and the Pension Boards, within IRS limits.

2. Health and Dental Insurance:

- a. Group Health Insurance for pastors, provided to churches by The Pension Boards, offers portability to pastors who serve UCC settings. This becomes important when the pastor or a member of his or her family has a medical condition that could jeopardize the ability to provide evidence of insurability with a new health carrier at the time of relocation. Premiums are determined yearly, based on experience across the United Church of Christ of the prior year. Churches pay the full premium of this plan.
- b. Dental Insurance is also part of compensation. A group policy, provided to churches by The Pension Boards, is available to members enrolled in the health insurance plan. Churches pay the full premium of this plan.
- c. Through the Pension Boards, local churches participating in the UCC Health Benefit Plans may establish a Flexible Spending Account. Please see below for a more comprehensive description of this benefit.

3. Life Insurance and Disability Income Plan: This plan, offered through The Pension Boards of the United Church of Christ, is vitally important coverage that protects the pastor and church by providing disability income and term life insurance for the pastor. The premium is 1.5% of the total amount of cash salary and housing. The Plan has three parts:

- a. Life insurance

- b. Short-term disability insurance that can replace a portion of income for up to five months
 - c. Long-term disability insurance that can replace a portion of income when a disability continues beyond six months.
4. **Medicare:** It is recommended that when a pastor reaches the age of eligibility and is not retired, the church assumes the cost of the Medicare Supplement Plan.
5. **Social Security:** Clergy, considered as self-employed for Social Security purposes, must pay the current 15.3% (Schedule SE) on the cash salary plus housing allowance or fair market rental value of the parsonage. Because this is not matched by any employer, churches are urged to contribute 7.65% of the pastor's salary plus housing allowance (or 7.65% of 130% of base salary if a parsonage is provided) for Social Security, as it must do for regular FICA employees. The difference is that this is paid directly to the pastor and considered as a Social Security Allowance or Offset. This is taxable income which must be included with taxable wages on the pastor's W-2 form and reported on a pastor's tax return.
6. **Tax-Sheltered Annuity:** Ministers are reminded that as employees of a religious institution, they are eligible for certain tax-deferred income through a Tax-Sheltered Annuity as defined by the Internal Revenue Code. Churches whose pastors wish to participate in a TSA are encouraged to cooperate, as compliance entails no additional cost to the church.
7. **Worker's Compensation:** Churches are required by law to provide worker's compensation coverage for all employees, including clergy.
8. **Flexible Spending Accounts:** There will be a tax savings for the pastor if a Flexible Spending Account is established into which the authorized minister may deposit pre-tax deductions from his/her salary. The amount designated does not add to the

pastor's compensation expense for the church. Upon presentation of proper documentation for certain medical and dependent care expenses, those amounts are reimbursed to the minister tax-free. Following a modest set-up fee, the UCC Pension Boards will administer such a plan at no monthly cost for participants in the UCC Health Benefits Plan. As an alternative, the local church may administer such a plan itself, but must be careful to follow all the pertinent regulations.

9. Holiday and Vacation Time: Usual holidays (or compensation time) and at least four weeks paid vacation per year. The pastor shall have freedom from all pastoral responsibilities during this time. Churches may want to increase vacation time after five years of service, e.g. one week for every 5 years served.

10. Continuing Education Leave: Continual study is a necessity for effective ordained Christian ministry. Periods of study leave from two to four weeks annually are important to the improvement of the quality of pastoral service and are a good investment by the congregation. Some authorized ministers may choose to use this leave "a day at a time" in order to pursue an advanced degree, or may want to use this in conjunction with sabbatical time for the same reason. It's helpful if the authorized minister and the appropriate body in the church can negotiate the most effective way of using continuing education time.

11. Sabbatical Time and Expense: It is recommended that a three-month sabbatical leave be provided to Authorized Ministers for every five years of service. Churches are advised to save for this expense in their operating budget over the five-year period. It is a professional expectation that a minister will remain in the employment of the local church granting the sabbatical for at least one year after the end of the sabbatical period.

12. Sick Leave: Paid sick time accumulates at a rate of one day per month up to thirty days. Sick time beyond thirty days should be treated as short-term disability and

paid at half of the cash compensation rate. Short-term disability will continue for 22 weeks at which time, if the pastor is still disabled, the pastor will be eligible for long-term disability. During the 30-day waiting period and the 22 weeks of short-term disability, the church would be expected to pay health, dental, annuity, and insurance contributions. Parsonage use should be continued for at least three months and thereafter be negotiated.

13. Parental Leave, Including for Adoption. Provisions should be made for clergy, male and female, to have at least six weeks of leave at full salary and benefits at the birth or adoption of a child. However, congregations are highly encouraged to grant up to 12 weeks of leave to allow for family bonding and the emotional wellbeing of the Authorized Minister. In all instances, flexibility should be allowed for up to six months during this important time of family adjustment and change. Leave should not be truncated for a part-time employees, as the amount of bonding a child needs is not a function of whether the parent is a part- or full-time employee.

14. Personal/Compassionate Leave: Allowance should be made for the pastor to be with his or her immediate family at times of special celebrations such as weddings or graduations and at times of personal emergency or unusual family responsibility. Paid personal leave would normally be limited to a period of five to seven days per year, except where compassion dictates further extension.

15. Death: In case of clergy death, churches should provide salary, housing and all benefits to the spouse or partner and family for three months. This includes continued use of the parsonage and other expenses, such as moving, should be considered on an individual basis in consultation with conference, regional or association staff.

Professional Expenses

Pastoral expenses undergird the pastoral leadership offered and are considered church

related business expenses and are not part of an authorized minister's compensation package. These resources will assist the authorized minister in fulfilling conventional expectations with the wider church, maintaining collegial relationships, staying connected with the denomination and its activities, developing new and varied skills, and remaining creative and excited about new opportunities for ministry.

- **Travel:** The cost of transportation incurred by the authorized minister in relation to pastoral duties should be considered annually. Reimbursement for automobile travel should be at the allowable rate by the IRS. Information regarding the current reimbursement rate can be found in IRS Publication 463. It is necessary for the Authorized Minister to provide to the church a daily record of trips taken, briefly noting the purpose of such trips, the distance traveled, and other expenses incurred including tolls and parking fees. Other transportation costs (airline, taxi, train) should be also be reimbursed. Expense vouchers should be submitted on a monthly basis.
- **Meetings:** The church should pay for its authorized minister to attend the meetings, conferences and gatherings of the Association, Conference, and Pastoral Excellence programs. As participation in national church events is part of the Authorized Minister's covenantal relationship with the denomination, coverage of those events is also encouraged.
- **Other Professional Expenses:** The costs of subscription to religious journals, entertaining guests of the church, cleaning or purchasing of vestments to be worn in worship, and professional dues are all legitimate professional expenses and should not be taken from salary compensation. Upon written and timely account of these expenditures, they should be reimbursed by the church.

Clergy Units

It is difficult to define the time constraints of a church's pastor. In hindsight, a pastor

can look at the day's schedule and see an hour and a half for a meeting, a twenty-minute phone conversation, and the travel time in-between. But planning for a pastor's day cannot be done in hours and minutes because each day is one of interruption, emergency, and happenstance. The best way to plan and account for time and tasks is in units. A unit is basically a four hour chunk of time: morning, afternoon, or evening. When we talk about a full-time clergy position, we generally talk about a 12 unit week (roughly 48 hours). Less than full time positions are described likewise: $\frac{3}{4}$ time is 9 units (36 hours), $\frac{1}{2}$ time is 6 units (24 hours) and a $\frac{1}{4}$ pastor would serve 3 units (12 a week). The following suggests unit assignments for the most common clergy responsibilities:

Worship Preparation	2-4 units	Sermon writing, gathering/writing the service, choosing hymns, recruiting additional worship leaders/musicians
Sunday Worship/Coffee Hour	1 unit	Pre-worship set-up, conducting the service, attending/visiting at coffee hour
Visitation of those in need (shut-ins, hospitalized, etc.)	2-3 units	Travel to and from homes, hospitals, and nursing homes, time with parishioner, time with family
Administration	1-2 units	Office tasks (especially when there is no secretary or volunteer) includes opening and distributing mail, listening to and returning phone messages and miscellaneous typing, photocopying and mailing as needed by the church
Meetings	2-3 units	Working with chairs of various church committees in preparing agendas and goals, attendance at church committee meetings, attendance at Council/leadership group

UCC Association, Conference, etc.	1-2 units	Attendance at Association and Conference annual meetings, Bible Studies or other discussion groups, work on a committee at either level to increase church's view of the larger church as well as offer collegial support for clergy
Counseling, Weddings, Funerals	1 unit	One-on-one visits with parishioners based on their own needs and journey, pre-marital counseling and planning with members getting married, and visits with family to aid in the grieving as well as plan the service for members who have died. Because clergy are usually paid additionally for "outside" (non-member) weddings and funerals, the planning and carrying out of these events is not included in this unit.
Preparing and Teaching Bible Study	1-2 units	As pastor and teacher of the congregation, clergy plan Bible Study with either purchased curriculum or one of their own design and teach either a weekly or seasonally based study
Communication-bulletin/newsletter	1-2 units	Preparation of the worship bulletin; writing and editing of the church newsletter, including typing, photocopying, and mailing; preparation and maintenance of church's website, Facebook page, or email distribution list
Community Presence	1 unit	Involvement in community as a pastor, including work with organizations without a pastoral presence on staff (jail, police department, fire department; work on boards and committees of community outreach programs sourced outside of the church)

APPENDIX 1**The Local Church in Relation to its Pastor**

(from the Manual on the Ministry, book 1, "Partners in Authorizing Ministry", pp. 20-21)

THE MINISTRY

This local church recognizes itself as a part of the people of God and fulfills its purpose as it becomes a community for ministry and mission. We recognize our pastor as a person called by God who has attained particular skill and competence in leading our local church in fulfilling its mission and ministry. We have called our pastor to preach and teach the gospel, to administer the sacraments and rites of the Church, and to exercise pastoral care and leadership. As we expect the pastor to be responsible in preaching and teaching the gospel and in administering the sacraments and rites, so will we be responsible for receiving and heeding the Word of God that comes through the Authorized Minister of the gospel and the celebration of the Authorized Minister and for responding to the pastoral care and leadership offered.

PARTNERSHIP IN MINISTRY

We believe that the ministry and mission of the Church are given to all baptized Christians. We will nurture and join our gifts for ministry with those of the pastor in the Church and in the world. In all matters pertaining to the life, organization, and mission of this local church, we will work cooperatively and collegially with the pastor. We recognize that our church and our pastor are part of the larger faith community that is the United Church of Christ, and we will be and will support our pastor in being responsible participants in our Association, the Conference, and the United Church of Christ. We recognize that our church and our pastor are part of the Church Universal, and we will be and will support our pastor in being responsible participants in ecumenical activities in order to strengthen the unity, witness, and mission of the Church everywhere.

THE ETHICS OF MINISTRY

We will regard all persons with equal respect and concern and will support and expect our pastor to minister impartially. We will not discriminate against any person, group or organization on the basis of race, gender, age, sexual orientation, faith, nationality, ethnicity, marital status, or physical, mental, or emotional disability. We recognize that we have called our pastor as the pastoral leader of this local church, and we will not invite other pastors to provide pastoral services within this church or to members of this church without our pastor's consent. We recognize and respect that our pastor receives confidential and privileged communication. We will establish policies regarding baptism, communion, marriages, funerals, and the use of church facilities and personnel in consultation with our pastor and will honor them.

We respect the privacy of the Authorized Minister their family's right to time together without interruption. We do not expect the Authorized Minister to assume roles of leadership or levels of involvement beyond the Authorized Minister wishes. We recognize that conflict or tension between our pastor and the local church can arise. Should divisive tensions threaten our life together, we will seek the counsel of the Conference or Association Minister or the Association Committee on the Ministry.

COMMITMENTS IN MINISTRY

We recognize the many and diverse expectations we have of our pastor, and we will offer our support through prayer, encouragement, and partnership in the ministry of this church. We recognize our responsibility to provide our pastor with adequate compensation and benefits. We will make these decisions in consultation with our pastor and in light of the compensation guidelines established by our Conference. We will provide for an annual review of compensation that considers effectiveness, cost of living, ministerial competence, and years of service. We recognize our pastor's need for physical and spiritual renewal, and we will provide adequate time and resources for study, devotion, leisure, vacation, and sabbatical. Relying on the grace of God, we will lead lives worthy of the calling to which we have been called.

AT-A-GLANCE MAINE AUTHORIZED MINISTERS' COMPENSATION GUIDELINES

Renewal Information for churches 2016–2017

INTRODUCTION

This document is designed to be an at-a-glance guide to basic principles for clergy compensation as well as a guide for churches as they attempt to update or renew an Authorized Minister's compensation package. For more information on salary, housing, or benefits, please see the latest [Clergy Compensation Guidelines](#) or contact the Maine Conference, UCC Office at 1.800.244.0937.

There should be an agreement between the church and the Authorized Minister that an annual review of salary and benefits will take place. Annual performance review is also recommended to encourage common understanding of the needs of the community and the church and to stimulate the ordained minister's growth and development.

I. SALARY GUIDELINES

- Authorized minister compensation is unique and is recognized so by the IRS. For more information, pastors and churches can refer to the Pension Boards of the United Church of Christ [Tax Resources for UCC Employees and Employers](#), especially the current year's Tax Guide for Ministers.
- Authorized minister Salary Basis includes cash salary and housing (either a parsonage or a housing allowance).
- Benefits are in addition to base salary and housing.
- We recommend an annual adjustment of salary basis based on experience, COLA, and merit, as well as any necessary housing adjustments.
- Those serving in associate, commissioned, and licensed ministries may use 85-90% of the base salary for their church size and experience as a base.

Suggested Minimum Salary with a Parsonage

Church Members	1-4 Years	5-8 Years	9-12 Years	13-16 Years
<100	\$33,916	\$36,461	\$39,006	\$41,549
100–150	\$35,557	\$39,462	\$43,366	\$47,273

151–250	\$38,519	\$42,489	\$46,458	\$50,429
251–400	\$41,485	\$48,488	\$55,489	\$62,492
401–500	\$44,473	\$52,245	\$60,019	\$67,791

Suggested Minimum Salary With Housing Allowance

Church Members	1-4 Years	5-8 Years	9-12 Years	13-16 Years
<100	\$44,090	\$47,399	\$50,707	\$54,011
100–150	\$46,223	\$51,300	\$56,376	\$61,454
151–250	\$50,075	\$55,236	\$60,397	\$65,556
251–400	\$53,930	\$63,034	\$72,135	\$81,239
401–500	\$57,815	\$67,918	\$78,023	\$88,128

For every 100 members over 500, an additional \$2500 should be added to the salary base.

1. Experience

Cash salary should be adjusted annually to account for years of experience:

Note: It is recommended that each minister would receive at least a \$400 per year increase based on experience beyond 16 years.

2. Cost of Living Adjustment (COLA)

We recommend a Salary Basis (cash + Housing Allowance) percentage increase based on the cost of living adjustment annual percentage (which can be found at [The Social Security Administration site.](#)) The salary bases noted on this sheet represent an estimated COLA increase of 1.7% for 2015.

3. Merit Increases

While we understand that congregations are not always able to increase their Authorized Minister's salaries as much as they would like, **we strongly encourage them to give their Authorized Minister's salary increases in addition to Cost of Living based on performance.**

4. Housing

If housing compensation changes (e.g. parsonage is bought or sold), then refer to Authorized Ministers Compensation Guidelines. If you have any questions, please call the Maine Conference, UCC office at 1.800.244.0937.

5. Part-Time Ministry

Part-time ministers should receive salaries proportional to the commitment of their work week. For example: A **1/2 time** pastor with **5-8 years of experience** serving a church with **<100 members** and receiving a **housing allowance** is recommended a cash basis salary minimum of **\$23,235**.

II. BENEFITS

Churches are encouraged to provide full benefits to Authorized Ministers: Pension Boards Annuity Fund, Life and Disability Insurance, Health (Dental and Vision) Insurance, and Professional Expenses. Some of these benefits are based on the Salary Basis. Information on these benefits can be found at [Pension Boards' website](#), or at 1.800.642.6543.

If there are significant changes to existing benefits or if benefits are being added, then please refer to Authorized Ministers Compensation Guidelines for more information. Further, churches should regularly review the following items:

1. Professional Expenses

Professional expenses (car or travel allowance, UCC and continuing education conferences, books, etc.) should be reviewed annually to determine whether budgeted compensation for professional expenses is adequate.

2. Continuing Education

Continual study is a necessity for effective ordained Christian ministry. Authorized Ministers need time for professional development. Periods of study leave of two weeks annually are important to the improvement of the quality of ministerial service and are a good investment by the congregation.

Some Authorized Ministers may choose to use this leave "a day at a time" in order to pursue an advanced degree, or may want to use this in conjunction with sabbatical time for the same reason. It's helpful if the Authorized Minister and the appropriate body in the church can negotiate the most effective way of using continuing education time.

3. Vacation/Leave

Authorized Ministers should receive at least four weeks of annual paid vacation (including four weekends). Churches should increase vacation one week for every 5 years served. Sick Leave: accrued sick days should be documented annually (recommendation is 10 sick days which, if not used, can be “banked” up to a maximum of 30 days).

4. Parental / Family Care / Bereavement Leave

Provisions should be made for clergy, male and female, at the birth or adoption of a child, for a minimum leave of six weeks at full salary and benefits. However, congregations are highly encouraged to grant up to 12 weeks of leave to allow for family bonding and the emotional wellbeing of the authorized minister. In all instances, flexibility should be allowed for up to six months during this important time of family adjustment and change. Leave should not be truncated for a part-time employees as the amount of bonding a child needs is not a function of whether the parent is a part- or full-time employee. In the event of a death in the authorized minister’s family, congregations are encouraged to offer as much time as would be compassionate.

5. Sabbatical Leave

Sabbatical leave and upcoming Sabbatical plans should be discussed annually. After a period of five years of service, a sabbatical leave of at least three months should be given for additional study.

CONCLUSION

The Spiritual Life Commission hopes these guides will prompt meaningful conversations between lay leaders and authorized ministers as we seek to minister with and to each other in honesty, justice, and compassion. We hope live into the faith and community we have received which has given us this guide for ministry and life together:

We have gifts that differ according to the grace given to us: prophecy, in proportion to faith; ministry, in ministering; the teacher, in teaching; the exhorter, in exhortation; the giver, in generosity; the leader, in diligence; the compassionate, in cheerfulness. Let love be genuine; hate what is evil, hold fast to what is good; love one another with mutual affection; outdo one another in showing honor. Do not lag in zeal, be ardent in spirit, serve the Lord. Rejoice in hope, be patient in suffering, persevere in prayer. Contribute to the needs of the saints; extend hospitality to strangers. Bless those who persecute you; bless and do not curse them. Rejoice with those who rejoice, weep with those who weep. Live in harmony with one another; do not be haughty, but associate with the lowly; do not claim to be wiser than you are. Do not repay anyone evil for evil, but take thought for what is noble in the sight of all. If it is possible, so far as it depends on you, live peaceably with all. - Romans 12:6-18