

Date: July 18, 2020

DISTRICT OFFICE
Rev. Jon E. Strother
District Superintendent

To: Staff/Pastor Parish Relations Committee

Ashley Kennedy
Administrative Assistant
to the District Superintendent

Subject: Guidelines for Clergy Compensation for 2021

ADDRESS
700 Waterfield Ridge Place
Garner, NC 27529

Grace and Peace to you today!

PHONE
(919) 779-9435
(888) 661-4941 TF
(919) 882-8460 FAX

Thank you for the leadership that you offer as chair of the Staff/Parish Relations Committee. In this challenging time of the pandemic, your support of ministry has been crucial for effectively working alongside the pastor to ensure strength in ministry. Very soon the Charge Conference season will be here. I am grateful for the prayerful consideration your Committee will give to the compensation of your pastor for 2021.

WEB
sounddistrictnc.org

It is your responsibility as chair of the Staff/Parish Relations Committee to lead your committee through the process of making the recommendation to your Charge Conference for clergy compensation for 2021. To assist you with this responsibility, I would like to share with you relevant information that was approved at Annual Conference.

While there are challenges and opportunities every year, this year's pandemic has created a great deal of dexterity in the work of all pastors. Adapting to new ways of providing pastoral care and worship experiences has been demanding and stressful for pastors. I am confident that you are grateful for the ways in which your pastor has responded to the needs of your community of faith. While appreciation cannot be measured monetarily, compensation is one way in which we express our gratitude. Thank you for considering a fair and reasonable compensation for the 2021 calendar year.

These are the minimum compensation recommendations made by the Commission on Equitable Compensation at the 2020 Annual Conference. The amount remains the same as was recommended at the 2019 Annual Conference:

Salary

Pastors Under Full-Time Appointment

Minimum Salary	\$ 46,627
Vouchered Travel (minimum)	\$ 4,000
Vouchered Utilities	to be paid in full

Student Pastors (Local Pastors or Conference Members)

Student Pastor Salary	\$ 30,308
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Vouchered Utilities

It is expected that each local charge would provide for utility expenses for parsonages. Utilities have been defined, in guidance from the Internal Revenue Service, to be electricity, heat, water/sewer, trash pick-up, local telephone, cable and internet access expenses. In order to increase accountability surrounding utility payments for the parsonage and to help ease transitions during appointment changes, the local church shall pay utilities directly to the utilities companies instead of through unvouchered allowances to the pastors. Expenses such as cell phone can be included if there is mutual agreement between the SPPRC and clergy. The vouchered amount recorded in your church's budget for this allowance should be entered into the vouchered utilities line on the Clergy Compensation Worksheet, in the Conference Online Data Collection system.

Vouchered Travel Expense

Although travel is reimbursed by the local charge as an item of pastoral expense, it is expected that each local charge would provide at least \$4,000 for vouchered travel expense.

Pastors are required to submit a travel log with purpose of church related trip and mileage for reimbursement. Only the amount of mileage submitted may be reimbursed based on the current IRS approved mileage rate of \$.575 per mile. The IRS issues the current rate in January of each year. (Do not reimburse mileage without documentation.)

Housing Allowance

Churches/charges providing a housing allowance in lieu of a parsonage should follow the Conference requirement, paying no less than 20% and not more than 40% of the Conference Average Compensation (CAC), which for 2021 is \$77,555. The range for 2021 housing allowances is \$15,511- \$31,022.

Health and Life Insurance

The local church and each insured clergy pay portions of the insurance. The church portion, effective Jan. 1, 2021, will be \$1,397.85 per month. Buy-up plan benefits for additional health coverage as well as dental benefits will be optional. The cost of these optional benefits is billed as the responsibility of the clergy person and should be withheld from salary on a pre-tax basis.

The monthly personal portions of insurance will be Single Base-- \$227.59, Buy-Up--\$264.16; Parent/Child Base-- \$421.26, Buy-Up--\$488.95; and Family Base--\$579.81, Buy-Up--\$672.35.

The monthly premium for the optional dental coverage will be \$39.40 for single coverage, \$70.81 for parent-child, and \$111.03 for family.

To be eligible for Conference life and health insurance plans, clergy must be serving at least a ½ time appointment, making at least ½ of minimum salary (\$23,314.00) and working at least 30 hours per week.

For those eligible for Conference life insurance, the rate for 2021 is \$16.50 for single coverage and \$20.75 for family coverage. Life Insurance coverage includes \$25,000 coverage on subscriber and \$10,000 coverage on each eligible dependent. Basic life insurance is paid by the church.

Call the Conference Benefits Office at the United Methodist Building (800-849-4433) or visit (<http://nccumc.org/treasurer/insurance/>) for other questions regarding insurance benefits, rate changes and wellness plans.

Vacation Recommendation

The North Carolina Conference honors God’s guidance for Sabbath rest for all people. For pastors, vacation and time off is defined as annual leave and weekly time off “which is completely distinct from any other occasions in which the pastor is out of the parish”. Clergy members of the Annual Conference under appointment to local congregations shall receive one full month of vacation per calendar year. Vacation time shall include 4 Sundays per year and shall be negotiated between the pastor and the S/PPR Committee and may be taken in either segments adding up to one full month or as a whole.

Personal Time-Off Recommendation

Clergy members of the Annual Conference, under full-time appointment, shall receive at least one personal day off per week. Changes to a set personal day off shall be allowed due to unforeseen circumstances that may arise. This time shall be carefully respected and guarded by the district superintendent and the congregation.

Pension

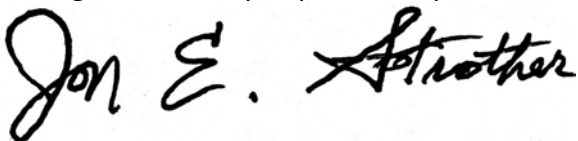
On August 1, 2020, the Clergy Compensation Worksheet will be on the Conference Online Data Collection website (nccumc.org > Resources Menu > Online Resources Menu > Online Data Collection) for your computation of the pension-related benefits you will pay for your pastor.

- Effective January 1, 2021, some pastors’ personal contributions to the United Methodist Personal Investment Plan (UMPIP) will be increased automatically by 1% over the 2020 personal contribution, according to the auto-escalation feature of this plan.
- All participants retain complete control over their personal contributions at all times. It is each pastor's responsibility to review their UMPIP Detail Record dated January 1, 2021 to verify it matches their intended choices regarding the amount, tax basis and application of auto-escalation. To make an election different from the information seen, the pastor simply edits the UMPIP Detail Record dated January 1, 2021 on the Online Data Collection System with their preferred amount, tax basis and application of auto-escalation which they want to take effect on that date.
- The data entered on the form when the system is locked on December 14, 2020, will be used to update the participant's pension records and the church's January 2021 pension bill. Church treasurers should verify that all their pastor's personal contributions listed on the Clergy Compensation Worksheet are accurately deducted from the pastor's paycheck starting in January each year.

Contact the Conference Benefits Office at 1-800-849-4433 with any questions.

I will be praying for your committee during this time of reflection and planning for a new year. May the presence of the Holy Spirit guide and bless your efforts as you serve Christ and those who lead as clergy in Christ’s church.

With gratitude for you partnership in ministry,



Sound District Superintendent
North Carolina Conference of The United Methodist Church