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Date: July 14, 2022

To: Staff/Pastor Parish Relations Committee

Subject: Guidelines for Clergy Compensation for 2023

Grace and Peace to you today!

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 2023.

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 2023. To assist you with this responsibility, I would like to share with you relevant information that was approved at Annual Conference.

Pastors have shown great dexterity in adapting to new situations; the ending pandemic, denominational and societal concerns and the needs of your local community. While appreciation cannot be measured monetarily, compensation is one way in which we express our gratitude especially in these inflationary times. Thank you for considering a fair and reasonable compensation for the 2023 calendar year.

Here are the minimum compensation recommendations made by the Commission on Equitable Compensation at the 2022 Annual Conference. The salary increase is 2% (\$947) for minimum salary, for the year 2023. Please note that that the minimum vouchered travel allowance has increased to \$5,000 for 2023.

Salary

Pastors Under Full-Time Appointment

Minimum Salary \$48,320

Vouchered Travel (minimum) \$5,000

Vouchered Utilities to be paid in full

Student Pastors*

Minimum Salary \$31,408 (65% of full-time minimum salary)

*Per *The Book of Discipline* ¶118.3, Student Pastors are defined as persons enrolled in seminary in a conference other than the conference in which they are certified candidates AND appointed to a local church located in a conference other than the conference in which they are certified.

The Commission on Equitable Compensation encourages local churches to do all they can to care for all who attend seminary and pastor, those who are candidates of the NC Conference as well as candidates of other conferences.

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 \$5,000 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 \$.625 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 2023 is \$80,035. The range for 2023 housing allowances is \$16,007 - \$32,014.

Health and Life Insurance

The local church and each insured clergy pay portions of the insurance. Enrollment is mandatory with the option to waive contingent upon compliance with documentation as set forth by Wespeth. The church portion, effective Jan. 1, 2023, will be \$1,368.06 per month. The annual rate is \$16,416.72, which is a *decrease* for local churches over the 2022 insurance cost.

Adopted at the 2022 Annual Conference, our Conference will now use the HealthFlex plan administered by Wespeth Benefits and Investments. There are six medical plan offerings, three dental plan offerings, and three vision plan offerings from which participants may choose the plan that best suits their needs and budget.

More information on the plan offerings and cost for clergy can be found on the [Treasurer's Office Insurance webpage](#).

Effective January 1, 2023, to be eligible for Conference health insurance plans, clergy must be serving at least a half time appointment. The eligibility for clergy to participate in the Conference life insurance plans will be the same in 2023 as it is now: serving at least a half time appointment, working at least 30 hours per week, and making at least half of minimum full-time salary (\$24,160 in 2023).

For those eligible for Conference life insurance, the rate for 2023 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.

Email the Benefits Team at benefitsteam@nccumc.org for other questions regarding insurance benefits.

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 full or part-time 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

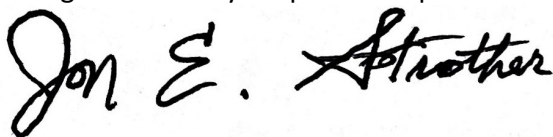
On August 1, 2022, the Clergy Compensation Worksheet will be on the Conference Online Data Collection website (nccumc.org > Resources Menu > Online Data Collection) for your computation of the pension-related benefits you will pay for your pastor.

- Effective January 1, 2023, some pastors' personal contributions to the United Methodist Personal Investment Plan (UMPIP) will be increased automatically by 1% over the 2022 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, 2023 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, 2023 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 12, 2022, will be used to update the participant's pension records and the church's January 2023 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 or benefitsteam@nccumc.org 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 your partnership in ministry,

A handwritten signature in black ink that reads "Jon E. Astor". The signature is written in a cursive, flowing style.

Sound District Superintendent
North Carolina Conference of The United Methodist Church