



More Than The Minimum

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SOLT COM/CPM Gathering

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Agenda

- Introductions
- What are terms of call?
- How have they changed?
- Creative solutions for the future
- Resources
- Questions and discussion



Typical Approach to Terms of Call

- Terms are required for installed pastors
- May have similar form and process for other pastors (temporary supply, commissioned pastors)
 - Covers salary, housing, reimbursable expenses, medical/pensions, vacation, and other benefits.
- Presbyteries set minimum for various components




Components of Terms of Call (part 1)

- Cash Salary = Compensation for the minister's work
 - Appears on paystubs
 - Shown in Box 1 of the W-2
- Housing Allowance = Options for housing allowance or church-provided housing.
 - Should show on paystubs
 - Shown on Box 14 of the W-2
- Cash Salary + Housing Allowance = Effective Salary



Components of Terms of Call (part 2)

- Reimbursable Expenses
- Business Expenses: Costs directly related to ministry
 - Milage for travel (excludes commuting)
 - Entertainment
 - See IRS publication 353 for guidelines
- Continuing Education: Cost for learning
 - Some congregations allow these to accrue
- Employer must have reimbursement process



Components of Terms of Call (part 3)

- Vacation: Time off
 - Note if that includes Sundays
 - Look at church policies to see how vacation is earned
- Continuing Education: Time off for learning opportunities
 - Some congregations allow days to accrue



Components of Terms of Call (part 4)

- SECA supplement
 - Up to 50% of SECA paid as cash
 - Should be separate line item on paychecks
 - Added to cash salary for Box 1 of W-2
 - Over 50% is included in effective salary



Components of Terms of Call (part 5)

- Medical / Pension Through Board of Pensions
 - Medical for installed pastor required by BOO
 - Now more complicated
 - Transitional Plan is 43% of effective salary for 2025
- Congregational Pastor Plan
 - Medical for pastor is 16% of effective salary
 - Pensions is 10% of effective salary
 - Coverage for spouse is \$11,000
 - Coverage for dependents is \$8,950



Components of Terms of Call (part 6)

- 403B Contributions
 - Can be match of employee contribution or not
 - There are limits
 - Shows on W-2 Box 12
- Medical savings plans
 - HRA, HSA, FSA
 - These are super complicated, be careful
- Dental
- Vision



Components of Terms of Call (part 7)

- Less common terms
 - Moving expenses
 - Cell phone
 - Car allowance
 - Home equity payment
- Non-financial terms
 - Extra time off like service to the broader church



Innovative Approaches to TOC

- ▶ Churches and pastors are being more creative
- ▶ Start with cost of total package
 - ▶ Includes cash salary, housing allowance, medical and pension for pastor
 - ▶ And possible others, like reimbursement
- ▶ Payment for other healthcare options
- ▶ What have you seen?



Resources

- <https://www.pensions.org/file/what-we-offer/benefits-guidance/forms-documents/Documents/pln-103.pdf/>
- <https://www.pensions.org/your-path-to-wholeness/lifelong-learning/e-learning>