

DISTRICT OFFICE
Rev. H. Gray Southern
District Superintendent

Claire Cox-Woodlief
Assistant to the DS

ADDRESS
700 Waterfield Ridge Place
Garner, NC 27529

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

WEB
capitaldistrictnc.org

Date: August 15, 2017

To: Staff/Pastor Parish Relations Committees

Subject: Guidelines for Clergy Compensation for 2018 *(updated with Life Insurance rate increase information at the bottom of page 2)*

Grace and Peace to you today!

Thank you for the leadership that you offer as chair of the Staff/Parish Relations Committee. 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 2018.

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 2018. To assist you with this responsibility, I would like to share with you relevant information that was approved at Annual Conference.

I know that you are thankful for your pastor's leadership and service in your congregation and community. While appreciation cannot be measured monetarily, compensation is one way in which we express our gratitude. As you consider a fair and reasonable increase for the 2018 calendar year, it is my hope that you will keep your pastor and your pastor's family in prayer and generously recommend a cost of living increase for the 2018 calendar year.

These are the minimum compensation recommendations made by the Commission on Equitable Compensation at the 2017 Annual Conference:

Salary

Pastors Under Full-Time Appointment

Minimum Salary	\$ 44,686
Vouchered Travel (minimum)	\$ 4,000
Vouchered Utilities	to be paid in full

Student Pastors (Local Pastors or Conference Members)

Student Pastor Salary	\$ 29,046
-----------------------	-----------

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 \$.53.5 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 2018 is \$73,650. The range for 2018 housing allowances is \$14,730 - \$29,460.

Health and Life Insurance

The local church and each insured clergy pay portions of the insurance. The church portion, effective Jan. 1, 2018, will be \$1,158.53 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 clergyperson and should be withheld from salary on a pre-tax basis.

The personal portions of insurance will be Single Base-- \$188.62, Buy-Up--\$218.93; Parent/Child Base--\$349.14, Buy-Up--\$405.24; and Family Base--\$480.54, Buy-Up--\$557.77.

The premium for the optional dental coverage will be \$35.10 for single coverage, \$63.08 for parent-child, and \$99.10 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 (\$22,343.00) and working at least 30 hours per week.

For those eligible for Conference life insurance, the rate for 2018 will increase to \$16.50 for single coverage and \$20.75 for family coverage. Life insurance coverage includes \$25,000 coverage on the subscriber and \$10,000 coverage on each eligible dependent. Basic life insurance is paid by the church. (This paragraph added 8/15/17)

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 full 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.

Part-time pastors under appointment shall receive vacation time per calendar year in ¼ increments according to their salary structure.

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, 2017, the Clergy Compensation Worksheet will be available on the Conference website (www.nccumc.org) on the Conference Online Data Collection site for your computation of the benefit you will pay for your pastor.

The North Carolina Conference values the future financial security of its members. To make saving for retirement easier, the NC Conference has added two automatic features to the United Methodist Personal Investment Plan (UMPIP) – automatic enrollment and automatic escalation. Please see the attached Initial Notice for details. Here are the highlights affecting your pastor's 2018 Contribution to PIP form and paycheck withholdings:

- Effective January 1, 2018, Covered Plan Participants are automatically enrolled in UMPIP and participants' personal contributions are made at a default contribution rate of 5% of plan compensation on a before-tax basis.
- The 2018 Contribution to PIP form on the Online Data Collection System has been pre-populated with this automatic enrollment and default contribution rate.
- All participants retain complete control over their personal contributions. To make an election different from the default described above, simply complete the online Contribution to PIP form with the preferred election. The data entered on the form when the system is locked on December 11, 2017, will be used to update the participant's pension records and the church's January 2018 pension bill.
- Paycheck withholdings should be adjusted in January according to the Contribution to PIP form which the pastor is to provide to the church treasurer/payroll processor as printed from the Online Data Collection System at Charge Conference time.
- Retired and Interim Supply pastors are not eligible for the UMPIP and therefore this notice does not apply to this group of pastors.

Contact the Conference Benefits Office at [1-800-849-4433](tel: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,

A handwritten signature in black ink that reads "H. Gray Southern". The signature is written in a cursive, flowing style. The first letter "H" is large and prominent. The name "Gray" is written in a smaller, more compact cursive, and "Southern" follows in a similar style, ending with a long, sweeping tail.

Capital District Superintendent
North Carolina Conference of The United Methodist Church