

# Cherokee Presbytery Minimum Terms of Call for Ministers, January 2011

(Unchanged from 2010)

<b>Cash Compensation</b>	Base Annual Salary	\$24,500
	Housing Allowance	11,350
	Utilities	3,500
	Total Minimum Cash Compensation	\$39,350

The above figures represent the effective salary used in figuring member dues to the Board of Pensions. The following is a quote from the Benefits and Administration Handbook for Churches and Employing Organizations of the Presbyterian Church (U.S.A.):

*Effective salary **includes** any compensation received during a Plan year by a Plan member from a church or employing organization, including – but not limited to – any sums paid for housing allowance (including utilities and furnishings), deferred compensation (funded or unfunded) credited to a Member by an employing organization during a Plan year, bonuses, lump sum allowances, etc.*

*Effective salary **does not include** amounts received for reimbursement of professional expenses through an accountable reimbursement plan or social security amounts up to fifty percent (50%) of a minister's Self-Employment Contribution Act obligations.*

*For Minister Members only, the housing allowance is calculated as follows: If a manse is provided, the amount shall be at least thirty percent (30%) of all other compensation described above. If no manse is provided, the amount shall be the actual housing allowance.*

*As a general rule, Effective Salary only relates to sums received from the church or employing organization.*

**Deferred Compensation** refers to salary reduction agreements for additional retirement savings programs. Such reductions ARE part of the minister's Effective Salary for pension purposes, but MAY NOT be reportable on the minister's Form 1040 as taxable income. Of course, the minister and employing organization should seek the advice of a qualified tax advisor.

## Benefits

Equivalent of ½ self-employment tax (effective salary X .0765)	\$ 3,010
<i>(This is reported as taxable income on the minister's W-2, thus raising the gross salary.)</i>	
Pension/Medical (effective salary X.315) (X or current)	\$12,395

The Book of Order requires that every installed pastor or associate pastor be enrolled in the Benefits Plan of the Presbyterian Church (U.S.A.) through the Board of Pensions. The Plan includes Retirement Pension, Major Medical Benefits for the minister and family, Disability and Death Benefits. The dues, paid by the calling church, are 31.5% of the Effective Salary.

<b>Professional Expenses</b>	Automobile Expense	\$3,500
	Continuing Education and Books	800

1. A church may provide an automobile for the minister's use with an allowance for maintenance and operation of the vehicle. As an alternative, the church may provide a travel expense fund of at least \$3,500 paid at the standard mileage rate (\$.50 per mile) (or current) for documented professional travel. If the church reimburses the minister for actual expenses incurred, there are no tax implications for the minister. If the church pays travel allowance to the minister on a regular basis, the money must be reported as taxable income and the minister must report his/her mileage to the IRS.

2. Ministers need both regular rest and opportunities to continue growing professionally to serve the growing needs of the congregation. For this reason, the pastor should be allowed four (4) weeks of paid vacation annually and two (2) weeks annually for **continuing education and books** with a minimum of \$800 to help offset the educational costs.

3. Churches are responsible for **moving expenses** for the minister's household and professional items to the field of each new call. A calling church may, in consultation with the minister, place financial limits on moving expenses.

<b>Total Minimum Compensation</b>	<b>\$59,055</b>
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