

## 2018 COMPENSATION FORM INFORMATION

These are the instructions for completing the 2018 Compensation Form for a **2-point charge**. We have made a few improvements in the form for 2018 and hope you find it easier to complete. If you have any questions, please call your district office or Patty Chebultz at the conference office.

The first improvement we made was to add an Effective Date. Please be sure to type in the start and end date. For most, this date will January through December.

### *PART I GENERAL*

Line 1 **Pastor Name** Choose from a drop down list.

Click on the cell and a little down arrow will appear to its right. Scroll down until you find the correct pastor and click on his/her name. Lines 2, 3, and 4 will automatically calculate.

Line 5 **Charge Name** Choose from a drop down list.

Click on the cell and a little down arrow will appear to its right. Scroll down until you find the correct charge and click on it. The remainder of the section automatically calculates.

Line 8 **% Service** to each Church.

Enter % of service for church one and church two will automatically calculate. These same percentages will be used to calculate expenses for each church on lines 26 – 38.

### *PART II SALARY*

Line 10 **Base Salary Paid by Churches – Enter total amount paid by both churches**

Compensation of the pastor is the responsibility of the local church. Each Staff Parish Relations Committee should determine a fair salary for the pastor. Once the salary is set, it can only be changed by Charge or Church Conference Action and should not be decreased during the conference year.

Line 11 **Conference or District Support - Entered by the Church**

The church/charge is responsible for providing for the compensation of the pastor. In some situations, the Conference and or the district may provide additional salary support to bring the salary to the minimum level required to meet the missional needs of the Church. Any amount in this line is subject to approval by the District or the Rio Texas Conference Commission on Equitable Compensation.

Line 12 **Total Salary to Pastor from Churches + Conference/District Salary Support - Calculated Value**

Total of all salary from churches and connection sources.

Line 13 **Type of Housing Supplied by Churches to Pastor - Choose from the Drop-Down List**

Options are

- Parsonage
- Housing Allowance
- None

(None should not be chosen if the pastor is full time, unless the church provides a parsonage in which the pastor has elected not to reside.) If the pastor is married to another clergy person and is living in a parsonage supplied by the other charge, then "Parsonage" should be chosen.

Line 14 **Housing Allowance Supplied Instead of Parsonage - Enter total amount**

Enter only if Housing Allowance is chosen from the Drop-Down List in Line 12. If parsonage is not supplied, then a housing allowance should be provided for all full time appointments. The housing allowance should be adequate to provide housing in the area where church members normally live. It should not include cost of utilities.

Line 15 **Pre-tax Salary Reduction for Exclusion as Additional Housing Allowance Adopted by the Churches**

Pastors living in parsonages often have some housing expenses not provided for by the church, but which qualify under Internal Revenue Code 107 as excluded from income tax. These can include such expenses as lawn care, furniture, and light bulbs. To qualify the church must designate them as a 107 expense. Including an amount in this line qualifies as such a designation. They are not an additional expense to the church, but a reclassification of a portion of the base salary entered on line 10.

**Line 16 Pension Plan Compensation - Calculated Value**

Pension Plan Compensation is not a direct expense to the church, but is used to calculate the benefits that the pastor receives and the expense of the church/conference in providing those benefits. It is the amount in line 12 increased by the housing allowance (line 14) or 25% of line 12 to represent the value of the provided parsonage.

*PART III - HEALTH BENEFITS*

As printed in the 2016 Pre-Conference Report and announced at annual conference in 2017, the church will begin paying 100% of clergy participation in the HealthFlex Plan, by direct-bill and apportionments.

**Line 17 Clergy is eligible for HealthFlex Participation - Calculated**

A clergy is eligible for participation if they are appointed to full time service. The categories "SY", "LY", and "TBS" are not clergy and are not eligible. Those in the retired relationship are also not eligible. If the calculated value is "No", then the pastor is not eligible and all that is necessary is to verify previous entries in the spreadsheet did not leave amounts in lines 20-24.

**Line 18 HealthFlex Mandatory Coverage Exceptions - Choose from Drop-Down List**

The HealthFlex Plan requires mandatory participation of all pastors appointed full time to the local church unless one of these three exceptions exist. These exceptions are:

- 1) Spouse Exception Participate in insurance through their spouse's employer,
- 2) Military Exception Participate in insurance as former government or military employee,
- 3) Exchange Exception Participate in government subsidized exchange plan.

There are five options in the drop-down list. The first is "Not Qualified for Insurance" and the second is "No waiver" which applies to the most pastors.

**Line 19 Pastor's HealthFlex Benefit Coverage - Pastor Chooses from Drop-Down List**

Options are:

- (1) Clergy Only
- (2) Clergy & Spouse
- (3) Clergy & Family
- (4) Insurance Not to Be Provided

**Line 20 Amount to be Billed to Churches - Calculated value**

The conference apportioned support for the HealthFlex Plan is not shown. The amount calculated is the remainder that is the premium cost to the churches and the pastor. This amount includes a "Church Election" with may be determined to be paid in full or in part by the churches with the remainder being withheld from the pastor's salary.

**Line 21 Church's Minimum HealthFlex Premium Responsibility - Calculated**

If the pastor is eligible to participate, the church/charge is responsible for paying \$6,996 of the premium cost. If the churches were in the Rio Grande Conference in 2014, then this amount is being paid from Rio Grande Legacy funds in 2018.

**Line 22 Church Election - Calculated Value**

Church Election is equal to the amount billed to the church less the Church's Minimum Premium Responsibility (Lines 20 less line 21). This is the portion of the premium which the church/charge can elect to pay in whole or in part with the remainder withheld from the pastor's salary.

**Line 23 Portion of Line 22 that is elected as a church responsibility – Total for both churches**

Enter the amount in the field which the churches elect to treat as a local church benefit cost. The remainder is the responsibility of the pastor and the church(es) withholds the remainder from the pastor's salary and remits on a monthly basis to the Rio Texas Conference.

**Line 24 Church's Total HealthFlex Cost For This Pastor - Calculated Value**

Line 21 + line 23. If the church is a legacy church of the Río Grande Conference, the Church's Minimum Cost (line 21) will be paid by RGC Benefit Legacy Funds.

#### PART IV - ACCOUNTABLE REIMBURSEMENT PLAN

##### Line 25 Accountable Reimbursement Plan – Total for both churches

It is recommended that this amount be equal to at least 13% of the total of the Pastor's Base Salary plus any Conference or District support.

#### PART V - RECAP OF CHURCH COST

These lines recap the church/charge's compensation costs related to this pastor. They include Pension and Benefit Costs that are directly billed to the local church. They do not include the cost of parsonage utilities or utilities for pastors with housing allowances which are not considered as compensation by the Rio Texas Conference and which should be paid by the church or reimbursed to the pastor.

If the church is a legacy church of the Rio Grande Conference, then the amount that are paid by Rio Grande Legacy Funds restricted for Benefits is shown and the amount is subtracted from the church's total expense.

<i>Comprehensive Protection Plan (CPP)</i>	<i>3% of Line 16</i>
<i>Clergy retirement Security program (CRSP) defined benefit</i>	<i>\$5,525</i>
<i>Clergy Retirement Security Program (CRSP) defined contribution</i>	<i>3% of line 16</i>
<i>For Part-Time Clergy ONLY – UMPIP Church Contribution</i>	<i>9% of line 16</i>

#### Distribution of Cost of Pastor Compensation by Church

This section divides the expenses between the churches on the charge. If all expenses are to be divided using the % entered on line 8, enter Yes in the green box. If some or all of the expenses will be divided using a different %, enter No in the green box. If you entered "no" in the green box, you must enter a % for church one in each green box for lines 26 – 35. The % for church two will automatically calculate. As you enter the %, you will see the Expense for each church change to show the amount for each church.

#### PAYROLL CONSIDERATIONS

The pastor may elect to have salary withheld to participate in other benefit plans offered through the Rio Texas Conference. These include a pretax "cafeteria plan" (DCR and HRA), a retirement saving plan called UMPIP, and a voluntary life insurance plan. The monthly invoice for benefits include these amounts. Usually the plan enrollment is in November/December for the coming year. The Pastor must copy the Church Treasurer on any enrollment form, and the local church should verify each monthly invoice to determine that the payroll is correctly handled.

#### MINIMUM SALARY

Each Church/Charge is responsible for their own pastor's compensation.

Full or Probationary Member	\$40,000
Associate Member	\$37,000
Full Time Local Pastor	\$34,000

- The Base Salary is increased by a bonus for the number of years served under appointment -\$75 for each year completed after 2nd year with a limit of \$1,425,
- Then it is increased by a bonus for multiple point charges - \$200 for 2nd church in charge and \$100 for each additional church in the charge,
- The Minimum salary is adjusted by the percentage of full time if the pastor is appointed to less than full time service.

#### APPRECIATION

Special appreciation is expressed to Rev. Martin Newmann who has worked diligently in the creation of these forms. However, any deficiency is not Rev. Newmann's responsibility. That belongs solely to the Conference Office.