ALLEGHENY WEST
THE GLOBAL METHODIST CHURCH

Aligning Minimum Salary Recommendations and Benefit Policies
A Proposal for 2025

INTRODUCTION

The Scripture tells us: “Do not muzzle an ox while it is treading out the grain,” and “The worker deserves his wages.” (I Timothy 5:18) In the Old Testament, Moses, at the Lord’s direction, made provision for the livelihood of priests to be supported by the people of God. Biblical history and common practice over centuries of faith remind us that fair and equitable compensation for clergy is the responsibility and privilege of the people of the church.

Over our first two years as a conference, we have worked to integrate churches from the former West Ohio, East Ohio, and Western Pennsylvania Annual Conferences. We sought to recognize the unique character of each respective group, while also striving to implement fair and equitable minimum salaries across our conference.

In recommending new minimum salary guidelines for 2025, this proposal aims to continue with two guiding principles:

1. No pastor transitioning to the GMC in the same or equivalent appointment (i.e., full time/part time) should experience a reduction in salary.
2. The aligning of minimum salary should be done with the recognition that some congregations will need to assume responsibility for increased salary, and the minimum salary standards should seek to minimize negative impact to congregations as much as possible.

MINIMUM SALARY CATEGORIES AND AMOUNTS IN THE GLOBAL METHODIST CHURCH

The ordering of pastoral ministry in the Global Methodist Church necessitated adjusting the categories used in ordering ministry. In the GMC associate member is no longer a category. The goal is for all clergy to become full elders or full deacons. The order of deacon is a permanent status for some, and a temporary status for those intending to be ordained elder. Licensed Local Pastor status will be granted in some cases on a transitional basis. In addition, some will be appointed as supply pastors.

The following are recommended categories of ministry for purposes of minimum salary consideration:

Elder in Full Time Appointment (Education Fully Completed) – Ordained elder and has completed the post ordination educational requirements.

Elder in Full Time Appointment (Education Partial Completion) – Ordained elder but has not completed the post ordination education requirements.

Deacon in Full Time Appointment (Education Completed) – Ordained deacon and has completed the post ordination educational requirements.

Deacon in Full Time Appointment (Education Partial Completion) – Ordained deacon but has not completed post ordination education requirements.

Transitional Licensed Local Pastor – Transferring from the United Methodist Church as a Licensed Local Pastor but has not met the qualifications for deacon or elder in the GMC.

Supply Pastor – Affirmed by the Board of Ordained Ministry to be appointed under the supervision of an elder but has not met the qualifications for deacon or elder in the GMC.

Recommended Minimum Salaries Allegheny West PAC	**2024**	**2025**	**2024/2025 Increase**
Elder Full-Time in local church Education Complete	$46,968	$48,377	$1,409
Elder Full-Time in local church Education Incomplete	$44,779	$46,122	$1,343
Deacon Full-Time in local church Education Complete	$42,591	$43,869	$1,278
Deacon Full-Time in local church Education Incomplete	$41,370	$42,611	$1,241
Transitional Licensed Local Pastor	$41,370	$42,611	$1,241
Supply Pastor	$39,140	$40,314	$1,174

The expectation is that recommended minimum salary guidelines will apply to people in full-time, three-quarter time, and one-half time appointments. Guidelines

are encouraged, but not mandatory for less than one-half time appointments. The following charts include less than full-time increments.

Recommended Minimum Salaries Allegheny West PAC 2025	**Full-Time**	**¾ Time**	**½ Time**	**¼ Time**
Elder Full-Time in local church Education Complete	$48,377	$36,283	$24,189	$12,094
Elder Full-Time in local church Education Incomplete	$46,122	$34,592	$23,061	$11,531
Deacon Full-Time in local church Education Complete	$43,869	$32,902	$21,934	$10,967
Deacon Full-Time in local church Education Incomplete	$42,611	$31,958	$21,306	$10,653
Transitional Licensed Local Pastor	$42,611	$31,958	$21,306	$10,653
Supply Pastor	$40,314	$30,236	$20,157	$10,079

RECOMMENDATIONS FOR ALIGNING FULL TIME BENEFITS WITH FULL TIME SALARY

The following benefits should be considered normative as recommendations to churches who wish to provide housing and benefits to help their pastor prosper while offering leadership and into retirement. This guidance is offered to churches who wish to have a full-time appointment.

HOUSING

It is anticipated that housing will be part of any Full-Time pastoral appointment.

If a PARSONAGE is PROVIDED the church or charge will provide a description of the property including the number of bedrooms and bathrooms. A description of potential accessibility concerns should also be noted. Digital pictures of the property would be helpful. Zillow may be able to provide additional descriptive information in some cases.

It is the expectation that the church/charge is responsible for normal upkeep, taxes and utilities, air conditioning (either central or window units), internet, basic TV service, refrigerator, stove, microwave, dishwasher, washer and dryer. The church might consider renting a house that meets the needs of the pastor. **If the pastor will have pets in the parsonage, a covenant of responsibility will be signed as provided by the Presiding Elder.**

OR

An alternative to a Parsonage is to provide the pastor a HOUSING ALLOWANCE

For a full time appointment the allowance should be at least 25% of the minimum salary (as per Cabinet Recommendation). Congregations are encouraged, when setting the housing allowance, to take economic conditions and market rates for housing in the local area into consideration.

When receiving housing allowance, pastors are responsible for upkeep, utilities and taxes.

Housing Allowance/Housing Exclusion explanation attached. Please note that the main difference between Housing allowance (a payment by the church) is different from the Housing Exclusion (a tax benefit with no payment by the church).*

PASTOR HOUSING LOAN GUIDELINES

The cabinet of the Allegheny West Annual Conference of the Global Methodist Church suggests
the following guidelines for any church providing a non-subsidized loan to a pastor for the
purpose of purchasing a house:

- The amount of the loan is recommended to be twenty percent (20%) of the cost of the house, with a cap of $50,000. If the circumstances of the church and the community warrant a greater amount, a proposal must be presented to the cabinet for review and approval.
- All pastor housing loans must be presented to the Cabinet for review and approval.
- The loan agreement must be confirmed by a charge conference and with the full knowledge of the leadership of the charge.
- Terms of repayment should be clearly explained and agreed upon by both the church and the pastor. Specific elements that should be clarified include:

- When the loan is to be repaid. We highly recommend this to be within ninety (90) days of the conclusion of the ministry.
- The interest associated with the loan. While a no-interest loan is acceptable during the active ministry of the pastor, an interest schedule should be described for the proceeding time after the minister's departure.
- Whether the loan will be repaid in a lump sum or in installments. Our recommendation is that the loan should be repaid in a lump sum within ninety (90) days of the conclusion of ministry. This and any other terms need to be clearly defined in the contract with the pastor.
- In the event of premature death, a clause should be included regarding the responsibility of the heirs and / or antecedents of the minister to be responsible for the repayment of the loan.

- In lieu of a parsonage, funds repaid to the church must be put into a bank account allocated exclusively for future housing of clergy, if there is not an immediate need. These would be the funds available for the next pastor, or to be a down-payment on a parsonage. As such, these funds are encouraged to be used for clergy housing needs. All funds related to parsonages shall be used in accordance with paragraph 912.9g.

These recommendations are not meant to be an exhaustive list, but rather a starting point for churches to begin discussion. A contract should be established that all ministers in perpetuity will adhere to (as long as the church can support this procedure), and we highly recommend that a lawyer review the contractual agreement. Churches would be well-served to have a meeting of the trustees, finance, and administrative board or council along with the SPRC for the purpose of putting this contract together, with due consideration as to whether the church would be better served to purchase a parsonage.
All agreements should comprehensively describe the nature of this loan. (I.e., no aspect of the loan contract should be left to a verbal agreement in conjunction with a signed document.)

PENSION

Churches do not contribute to a defined benefit plan but contribute to a defined contribution plan:

ELIGIBILITY

Upon appointment of at least 50% time, a clergy person is immediately eligible to participate in the Guidestone pension plan.

CONTRIBUTIONS

Beginning on the first of the month following your entry into the plan, the GMC church contributes 5% of the plan compensation to Guidestone. The clergy person CAN choose to contribute additional funds if they desire. The local church is expected to match up to an additional 5%. For example, if the clergy person contributes 5% of their plan compensation, the church will contribute an additional 5% to that plan as well. The church should budget 10% of salary for their maximum pension responsibility each year. All contributions are 100% vested.

Charts are available on GMC FAQ website as well.

HEALTH CARE

Churches with Full Time pastors are required to participate in Guidestone's Health Plans with four exceptions:

1. Clergy who are bi-vocational or retired from another profession and have coverage through a current employer (not the church they are serving) or a previous employer (e.g., a teacher or Federal employee.)
2. Coverage through the spouse's employer;
3. Coverage through military insurance (like TriCare);
4. Coverage through Medicare or Medicaid.

Pastors who qualify for exception and would like to opt out must apply for exception with Guidestone (contact information still forthcoming). If the exception is granted, the church pays no health insurance assessment to the GM Church.

Cost for the congregation will vary depending on the family status of their pastor. These rates are the same regardless of which plan the pastor chooses and are set for 2025: Individual coverage is $875; Participant + 1 dependent is $1,650; Family coverage is $2,250. These are monthly rates.

Churches are encouraged to keep their options open for pastors who could bring much to their ministry even though the health benefit may be higher cost. It is well advised to include a range for providing health care coverage in the total package offered.

Coverage is optional for pastors appointed ¾ time or less and for lay employees who work at least 30 hours per week.

Direct questions to the GM Church's Transitional Benefits Officer, Rick Van Giesen, at rvangiesen@globalmethodist.org.

PHONE

Service will be paid by the church. The choice between Landline or Cell will be the pastor's decision.

VACATION, CONTINUING EDUCATION, AND MISSION PARTICIPATION POLICIES

(Approved/Added by Conference Council, September 12, 2023)

Introduction

Serving in the ministry of Jesus Christ is an immense privilege and weighty responsibility. Those serving as pastors and in other places of ministry in the Allegheny West Annual Conference, need to be supported with ample vacation time for personal and family relationship, relaxation and renewal. Ministry requires continuing growth spiritually, as well as in the knowledge and skills needed for effective leadership in the congregations served. Continuing education provides opportunity for this continuing growth.

Policy

Elders, Deacons, Transitional Licensed Pastors, and Supply Pastors serving a charge, church, or conference position under episcopal appointment – whether full or part time – shall be entitled to the following vacation, continuing education and mission service leave policy, including:

- A Minimum of Thirty Working Days Paid Vacation including four Sundays annually.
- A Minimum of Seven Days Paid Time Away annually for Continuing Education related to ministry. Continuing Education shall not be considered vacation. The pastor shall report to the Pastor Parish Relations Committee (or its equivalent) the Continuing Education engaged in the previous year.
- A Minimum of Seven Days Paid Time Away for participation in a mission beyond the local parish. Mission service beyond the local church shall not be considered vacation.

Certified Lay Ministers serving on a continuing salaried basis under episcopal assignment, and those serving under Presiding Elder Assignment on a continuing salaried basis, shall be entitled to the same policies regarding vacation continuing education and mission service.

Scheduling of Vacation, Continuing Education and mission service beyond the local parish shall be taken in consultation with the Church/Charge Pastor Parish Relations Committee, or the Leadership Team. The pastor and/ the Pastor Parish Relations Committee shall work cooperatively to ensure that pulpit supply and pastoral emergencies are covered during the pastor's vacation or other time away.

MOVING EXPENSES

Due to the expense of moving, it is recommended that churches budget moving expenses for a self- pack move for their incoming pastor. The pastor is responsible for packing and unpacking. The church/charge is responsible for a professional moving for loading the packed items and unloading them at the new location. The pastor shall provide two estimates to the receiving church and work with the local church leadership to determine which bid is selected.

Compensation Package Worksheet

Salary _____

Housing Parsonage (yes/no) _____

Or

Housing Allowance _____

Pension (*Maximum 10%) of Salary plus Housing* Allowance *or* Exclusion _____

_____

Health Care Set Amount _____

Or

Range _____

$875, $1,650, or $2,250 per month

Phone Service _____

The church may have other benefits to offer which may be listed here:

_____

_____

_____

Total Package Offered by _____ GMC _____

***EXPLANATION OF HOUSING ALLOWANCE, HOUSING EXCLUSION**

A licensed, commissioned, or ordained minister who performs ministerial services as an employee may be able to exclude from gross income the fair rental value of a home provided as part of compensation (a parsonage) or a housing allowance provided as compensation if it is used to rent or otherwise provide a home.

Reference: www.irs.gov/taxtopics/tc417

Housing Allowance

- A Housing Allowance is an amount paid directly by a church to a pastor in lieu of a parsonage in addition to their salary to cover housing expenses.
- Housing Allowances are not subject to Federal or State taxes as long the full amount can be proven to be spent.
- Pastors are responsible for proving how much is actually spent on housing expenses. If they do not have receipts to prove the expenses then they are required to add the amount to their taxable income.
- The full amount of a Housing Allowance is subject to Self-Employment tax.

Housing Exclusion

- A Housing Exclusion is available whether a pastor has a parsonage, a Housing Allowance, or neither.
- A Housing Exclusion is an amount that the pastor can elect out of their salary to cover housing expenses. This is not subject to taxes as long as there are clear receipts for the purchases.
- The Housing Exclusion must be approved by the church prior to the year of use and cannot be modified mid-year.
- If your housing allowance and/or housing exclusion exceeds the lesser of your
    A. the approved Housing Allowance and/or Housing Exclusion, or
    B. the fair Market rental value of the home, or
    C. your actual expenses directly relating to providing the home, you must include the amount of the excess as additional taxable income.

NOTE: It is generally better to overestimate your Housing Allowance/Housing Exclusion total of your projected needs for the coming year. If you estimate too little, you can make mid-year changes but the timing is critical in looking ahead. If you

overestimate you just report it as income and pay the taxes on those excess funds in your tax filing.

HOW DOES A CHURCH LEGALLY SET OUR PASTOR'S HOUSING EXCLUSION?

by Jeff Pospisil • July 8, 2022

The Housing Exclusion is a tax benefit that allows clergy to write off unreimbursed housing-related expenses for income tax purposes The Housing Exclusion just saves the pastor money without costing the church.

Here's the steps:

1. Estimate High: It's up to the pastor to come up with the amount. Make a budget or estimate of what you think your unreimbursed housing expenses will be. I would then increase it by probably 25%. *While there's no penalty for setting the Housing Exclusion too high, the penalty for setting it too low is having to pay more than your fair share of taxes.* Typically the Housing Exclusion is an annual amount so, if you are starting in July, you need to double that amount.
2. Work Ahead: A Housing Exclusion needs to be approved before it's paid out (i.e., before the first paycheck that it applies to). It can never be set retroactively.
3. Get it Approved: You need some official body in the church to approve the Housing Exclusion. This could be the Board, at the annual meeting, or the Staff-Pastor Relations Committee.
4. Get it in Writing: It must be in writing as well. You need something to show to your tax preparer and, if need be, the IRS. This could be a resolution signed by the Secretary and Chair or the minutes.

Remember, you can't set a Housing Exclusion retroactively but you can adjust it midyear. So, imagine you set a Housing Exclusion of $5,000 to start the year, but later plan on upgrading your family room with a new sectional, TV, and surround sound with estimated cost of $4,000. If you're planning this purchase in April, have your Board approve a new Housing Exclusion of at least $10,000.

For Jan – Mar, you have a Housing Exclusion of $1,250 (5,000 x 25%). For Apr – Dec, you would have $7,500 (10,000 x 75%). *If you jump the gun and make the purchase in March before the change in Housing Exclusion, you would only be able to write*

off $1,250 instead of the full $4,000. This difference in timing would cost you easily an extra $550 in taxes.

ALLOWED HOUSING EXPENSES

Mortgage principal and interest payments

Mortgage down payment and closing costs or home purchase price

Rent

Real estate taxes

Homeowners or renters insurance

Homeowners association dues

Condo fees

Home improvements

Structural maintenance and repairs (roof, paint, deck)

Upkeep of the home and its contents

Utilities: heating, electricity, water, sewer, garbage, gas, basic home telephone, internet

Cable TV

Furniture (purchase, repair, and replacement)

Appliances (purchase, repair, and replacement)

Dishes and cookware

Decorating items such as pictures, rugs, mirrors, curtains

Bedspreads, sheets, and towels

Yard care tools: lawnmower, shovel, fertilizer. etc.

Yard services: snow removal, tree trimming, landscaping and gardening

Pest control

Cleaning supplies, paint, and light bulbs