

2010 TERMS OF CALL WORKSHEET

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SECTION 1: FILLING OUT THE COMPENSATION PACKAGE

1. Annual cash salary- Include only cash salary. Do not include any pre-tax deductions such as a 403(b) contribution or a flexible spending account for medical and child care expenses.
2. Housing allowance- The housing allowance may not exceed the fair rental value of the home plus furnishings and utilities. *(Please note- This guideline reflects new tax legislation, effective January 1, 2002, that replaced existing tax legislation allowing clergy to claim a non-taxable housing exclusion equal to the actual housing expenses incurred in a calendar year.)*
3. Utilities Allowance- If the church pays the minister an annual allowance for utilities, this amount should be reflected as a utility allowance on line 3. If the utilities are maintained in the church's name and paid directly by the church, check the box indicating that utilities are provided- do not put a dollar amount on line 3.
4. Medical Supplement- This is a flexible spending account for medical expenses (cafeteria plan) that allows for pre-tax deductions from the employee's salary for out of pocket medical expenses.
5. Social Security Offset (above 50%)- Ministers are responsible for a social security tax that is calculated at a rate of 14.3% of effective salary. Churches are responsible for paying to the minister at least 50% of that amount- (7.65%). Churches that pay the minister a social security offset in excess of 7.65% should report the excess amount in box 5. *(Please note- **do not** enter any amounts for social security in box 5 that are **50% or less** .*
6. Deferred Income- voluntary deductions from an employee's cash salary that are deposited into a tax deferred annuity account such as a 403(b) plan.
7. Bonuses, Unvouchered Allowances, Gifts- includes cash bonuses and gifts from the employing organization. Unvouchered allowances that are paid through *non-accountable* plans such as a car or book allowance are also included. *(Please note- this is not to be confused with an accountable reimbursement plan that provides for vouchered reimbursements of travel, continuing education, and other professional expenses. Those amounts are entered onto lines 12, 14, and 15.)*
8. Other Applicable Income- includes all items that can be considered "effective salary" for purposes of calculating the Board of Pensions dues. An extended list of these can be found in Section 2 of this document.
9. Value of Manse – The value of the manse should be at least 30% of the total of lines 1-9.
10. Effective Salary- total of items 1-9. This amount will be used to calculate Board of Pension dues.
11. Travel Reimbursement (vouchered reimbursable)- Per Committee on Ministry guidelines, all vouchered travel expenses should be paid through an Accountable Reimbursement Plan (ARP). See #15 of the instructions, *Other Vouchered/Reimbursable Expenses*.
12. Professional Development (vouchered reimbursable)- Per Committee on Ministry guidelines, all vouchered continuing education expenses should be paid through an Accountable Reimbursement Plan. (ARP). See #15 of the instructions, *Other Vouchered/Reimbursable Expenses*.

13. Social Security Offset (50% or less)- the purpose of the Social Security allowance is to provide ministers with 50% of their self-employment tax as prescribed in the *Minimum Standards of Compensation* for ministers in New Hope Presbytery. The Social Security allowance is calculated at a rate of 7.65% of the total effective salary reported in box 10 and includes annual cash salary, the value of the manse, utilities allowance, housing allowance, and shared housing equity. **The amount in box 13 is not included in the effective salary calculation.** (Please note- this is not to be confused with the Taxable Social Security (above 50%) that is referenced on line 5.)
14. Books/Other Professional Expenses- Per Committee on Ministry guidelines, all vouchered book and other professional expenses should be paid through an Accountable Reimbursement Plan. (ARP). See #15 of the instructions, *Other Vouchered/Reimbursable Expenses*.
15. Other Vouchered/Reimbursable Expenses- Per Committee on Ministry guidelines, all vouchered travel, professional development/continuing education and book/other professional expenses should be paid through an Accountable Reimbursement Plan. (ARP). **These amounts should be included on the Accountable Reimbursement Plan line on line 21 under Other Vouchered/Reimbursable Expenses.** All expenditures charged through the ARP need to be mutually agreed upon at the time of the Call/Change in Terms of Call. It is recommended that the church draft an agreement outlining the type of expenses to be included in the ARP. (A sample ARP can be obtained from the Presbytery's website- <http://www.nhpresbytery.org/pdf/Arp.pdf>.) Other vouchered expenses that are paid through an accountable plan with the exception of expenses vouchered through a flexible spending account for medical or child care expenses. An extended list of these can be found in Section 4 of this document. *Effective 01/01/10, the IRS Standard Mileage Rate is 50 cents per mile.*
16. Board of Pensions- Dues are calculated based upon the total effective salary reported in box 10. Complete dues information can be found at: <http://www.pensions.org>. Basic dues information is as follows:

2010 Dues Information
Effective January 1, medical dues for members working 35 hours per week or more will be calculated upon 19.5% of the greater of the minister's effective salary or \$33,930 . For members working less than 35 hours per week, medical dues of 19.5% will be calculated upon the greater of the equivalent full-time effective salary or the minimum participation basis of \$33,930 . Please note: Retired ministers engaged in post-retirement service do not pay medical dues.
<i>Equivalent Full-Time Effective Salary</i> is calculated as follows: 1. multiply the annual salary by 35. 2. divide the result by the hours worked per week.
Medical dues are capped at 19.5% of \$104,400 .
Pension dues are calculated upon 12% of the minister's effective salary or \$13,050, whichever is greater. <i>This rule also applies to ministers engaged in post-retirement service.</i>
Pension dues are capped at 12% of \$245,000 .

17. Paid Vacation Leave- paid vacation is provided to the minister. The Presbytery's *Minimum Compensation Standards for Ministers* currently call for four weeks paid vacation.
18. Paid Continuing Education Leave- paid continuing education leave is provided to the minister. The Presbytery's *Minimum Compensation Standards for Ministers* currently call for two weeks paid vacation.
19. Moving Expenses- the cost of moving the minister is provided by the church issuing the Call.
20. Total Compensation Package- total of lines 1-9 and 11-16.

21. List of Other Applicable Income and Other Vouchered Reimbursable Expenses: (a more comprehensive listing can be found under *Section 2- Definition of Effective Salary*.)

- Shared housing equity- the purpose of a shared housing equity is to compensate ministers living in a manse for the loss in equity appreciation they would otherwise realize as homeowners.
- Flexible Spending Acct. for Child Care Expenses- This is a flexible spending account for child care expenses (cafeteria plan) that allows for pre-tax deductions from the employee's salary for out of pocket child care expenses.

SECTION 2. DEFINITION OF EFFECTIVE SALARY

Effective Salary is any compensation paid to an employee by the employing organization that is subject to Board of Pensions dues. The more common examples of compensation are listed below. For a complete listing you may visit the Board of Pensions website at <http://www.pensions.org/library/publications/publications/pln-103.pdf> and view a copy of the Understanding Effective Salary booklet.

Are the following types of compensation included in effective salary?

Form of Payment	Yes	No
Annual Cash Salary	Full amount of cash salary	
Book Allowance	Paid through a <i>non-accountable reimbursement plan</i>	Paid through an <i>accountable reimbursement plan</i>
Bonuses	Adjustments to the effective salary are made when bonuses are paid to the employee	
Car Allowance	Paid through a <i>non-accountable reimbursement plan</i>	Paid through an <i>accountable reimbursement plan</i>
Co-Insurance Payments and Deductible Reimbursements	Co-insurance and deductible payments are made through a flexible spending account.	Co-insurance and deductible amounts are paid or reimbursed as part of an employing organization group coverage.
Continuing Education	Paid through a <i>non-accountable reimbursement plan</i>	Paid through an <i>accountable reimbursement plan</i>
Deferred Compensation	Voluntary deductions for 403(b) and other types of annuity arrangements	
Housing Allowance	Allowances given for housing-related expenses and appurtenances	
Insurance Premiums	Premiums for <i>individual policies</i> and <i>optional benefits</i> under the Board of Pensions Plan	Group coverage provided by an employing organization, including the Board of Pensions plan
Manse Value	Manse value calculated at a rate of at least 30% of of all other compensation included in effective salary	
Social Security Reimbursement	Social security reimbursements for <i>more than 50%</i> of the social security obligation	Social security reimbursements for <i>50% or less</i> of the social security obligation
Shared Housing Equity	Compensates ministers living in a manse for the loss in equity appreciation they would otherwise realize as homeowners.	
Tax Deferred Annuity	Pre-tax contribution by the employee to a 403(b) or other tax deferred account	
Utilities Allowance	Utility allowance is paid directly to the minister	Utilities are maintained in the name of the church and paid directly by the church

SECTION 3. 2010 MINIMUM STANDARDS OF COMPENSATION

WITH MANSE

1.	Annual Cash Salary + Utilities Allowance + Taxable Medical Supplement+Deferred Income+ Unvouchered Allowances + Other Applicable Income.....	\$25,548
2.	MANSE VALUE ⁽²⁾ (Manse value is based upon a minimum of 30% of the total effective salary: Annual cash salary + Utilities Allowance + Taxable Medical Supplement + Deferred Income+ Unvouchered Allowances + Other Applicable Income.)	7,654
3.	Social Security Offset..... (7.65% of all effective salary ⁽³⁾ including manse value, utilities allowance, taxable medical supplement, deferred income, unvouchered allowance, and other applicable income)	2,596
4.	Shared Housing Equity.....	730
5.	Board of Pensions Benefits Plan..... (Computed on the basis of effective salary at the following rate: Medical: \$33,930 * 19.5%= \$6,616 + Pension: \$33,930 * 12%= \$4,072 (Refer to instructions for minimum and maximum dues information)	10,688
6.	Accountable Reimbursement Plan (ARP).....	3,000
7.	Vacation.....	four weeks
8.	Continuing Education.....	two weeks
	Total	<u>50,214</u>

WITHOUT MANSE

1.	Annual Cash Salary + Housing ⁽²⁾ + Taxable Medical Supplement+Deferred Income+ Unvouchered Allowances + Other Applicable Income ⁽²⁾ (The amount designated for the housing allowance may not exceed the fair rental value of the home plus furnishings and utilities.)	\$33,930
2.	Social Security Offset..... (7.65% of all effective salary ⁽³⁾ including housing, utilities allowance, taxable medical supplement, deferred income, unvouchered allowance, and other applicable income)	2,596
3.	Board of Pensions Benefits Plan..... (Computed on the basis of effective salary at the following rate: Medical: \$33,930 * 19.5%= \$6,616 + Pension: \$33,930 * 12%= \$4,072 (Refer to instructions for minimum and maximum dues information)	10,688
4.	Accountable Reimbursement Plan (ARP).....	3,000
5.	Vacation.....	four weeks
6.	Continuing Education.....	two weeks
	Total	<u>50,214</u>

(1) **Minimum Compensation Standards for Ministers-** Minimum compensation is the minimum amount that a starting pastor should receive and does not take into account the pastor's education, experience, proficiency, abilities or needs beyond those required for ordination. G-14.0507e.

Extended Study (Sabbatical) Leave- it is recommended that churches give pastors and educators who have completed five years of credited service at his/her current church or field a maximum of four months extended study leave. This leave may be taken in conjunction with earned vacation leave but may not be combined with annual study leave. A detailed description of this policy may be obtained at the presbytery's web site <http://www.nhpresbytery.org> in the Forms and Publications section

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	Salary & Benefits	Minimum	Maximum
1.	Annual Cash Salary	\$	\$
2.	Housing Allowance	\$	\$
3.	Utilities Allowance - or - <input type="checkbox"/> provided	\$	\$
4.	Medical Supplement (flexible spending account for medical expenses)	\$	\$
5.	Social Security Offset (above 50%)	\$	\$
6.	Deferred Income (Annuity, Life, Retirement Savings, etc.)	\$	\$
7.	Bonuses, Unvouchered Allowances, Gifts	\$	\$
8.	Other Applicable Income (see line #21) ⁽¹⁾	\$	\$
9.	Manse (must be at least 30% of the total of the preceding items for BOP members who qualify for the IRS housing allowance exclusion)	\$	\$
10.	Total Effective Salary	\$	\$
11.	Travel Reimbursement (vouchered reimbursable)		
12.	Professional development (vouchered reimbursable)		
13.	Social Security Offset (50% or less)		\$
14.	Books/Other Professional Expenses		
15.	Other Vouchered/Reimbursable Expenses (see line #21) ⁽¹⁾		\$
16.	Board of Pensions Dues		\$
17.	Paid vacation leave of _____ weeks annually.		
18.	Paid continuing education leave of _____ weeks annually.		
19.	Moving Expenses Provided		
20.	Total Compensation Package		\$

(1) 21. List of Other Applicable Income and Other Vouchered Reimbursable Expenses:
(see #8 and #15 of the instructions for additional information on other income and expenses.)

Other Applicable Income		Other Vouchered/Reimbursable Expenses	
Shared Housing Equity	\$	Accountable Reimbursement Plan	\$
Flexible Spending Acct. for Child Care Exp.	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
Total Appl. Income (place total on line 8)	\$	Total Vouchered Exp. (place total on line 15)	\$

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