



National Capital  
PRESBYTERY  
MISSIONAL · PASTORAL · PROPHETIC

# 2018 COMPENSATION AND PERSONNEL POLICIES FOR:

CERTIFIED CHRISTIAN EDUCATORS



CERTIFIED ASSOCIATE CHRISTIAN EDUCATORS

## National Capital Presbytery

*Strengthening & Transforming Our Congregations*

11300 Rockville Pike – Suite 1009 – Rockville – MD – 20852 – Tel: 240-514-5348

[www.thepresbytery.org](http://www.thepresbytery.org)

Approved by COM August 15, 2017

**2018 COMPENSATION AND PERSONNEL POLICIES FOR  
CERTIFIED CHRISTIAN EDUCATORS AND CERTIFIED  
ASSOCIATE CHRISTIAN EDUCATORS**  
**National Capital Presbytery**

These policies have been developed as a means of providing a uniform set of compensation and personnel policies to guide the Sessions of National Capital Presbytery in their relationships with their certified educators and certified associate educators). Annual calculations of minimum compensation requirements are set out in the Appendix. An executive summary provides an overview of the required elements in the policy.

The policies were developed at the request of the Coordinating Team of Committee on Ministry by a special task force. COM reviewed and amended this policy in 2013.

In the policies the term “educator” includes all Certified Christian Educators and Certified Associate Christian Educators serving National Capital Presbytery congregations.

Where the terms “is”, “required”, “shall”, or “will” appear, this shall be understood as mandatory. Where the term “may” appears, this shall be understood as suggestive only.

In those circumstances where a congregation does not have a personnel policy or session records which specify personnel decisions and the Committee on Ministry is required to adjudicate discrepancies between the Session’s understanding and the educator’s understanding, the COM will be inclined to regard the recommendations found in this document as being operative for the particular church.

**Originally Approved June 27, 2006**  
**Update June 10 & Sept 8, 2008**  
**Updated July 1, 2009**  
**Updated June 21, 2010**  
**Updated June 29, 2011**  
**Updated June 13, 2012**  
**Amended June 13, 2013**  
**Amended January 28, 2014**  
**Updated June 23, 2014**  
**Updated September 20, 2016**  
**Updated July 15, 2017**  
**Amended September 5, 2017**

## TABLE OF CONTENTS

|  | <b>Page</b> |
|--|-------------|
| <b>I.</b> Salary.....                        | <b>6</b>    |
| <b>II.</b> Housing.....                      | <b>6</b>    |
| <b>III.</b> Relocation Assistance.....       | <b>8</b>    |
| <b>IV.</b> Professional Expenses.....        | <b>8</b>    |
| <b>V.</b> Social Security.....               | <b>8</b>    |
| <b>VI.</b> Pension-Major Medical.....        | <b>9</b>    |
| <b>VII.</b> Medical Reimbursement.....       | <b>9</b>    |
| <b>VIII.</b> Maternity-Paternity Leave.....  | <b>9</b>    |
| <b>IV.</b> Sick Leave.....                   | <b>9</b>    |
| <b>X.</b> Disability Benefits.....           | <b>10</b>   |
| <b>XI.</b> Worker’s Compensation.....        | <b>10</b>   |
| <b>XII.</b> Travel and Auto Expenses.....    | <b>10</b>   |
| <b>XIII.</b> Performance Evaluation.....     | <b>10</b>   |
| <b>XIV.</b> Study Leave.....                 | <b>11</b>   |
| <b>XV.</b> Sabbatical Leave.....             | <b>11</b>   |
| <b>XVI.</b> Vacation.....                    | <b>11</b>   |
| <b>XVII.</b> Weekly Time Off.....            | <b>12</b>   |
| <b>XVIII.</b> Holidays.....                  | <b>12</b>   |
| <b>XIX.</b> Savings Plans and Annuities..... | <b>13</b>   |
| <b>XX.</b> Appendix.....                     | <b>14</b>   |

## **INTRODUCTION**

The called relationship between educator and congregation is a unique employment situation. Presbyterian calls occur between educators and sessions who have discerned God's direction in creating a relationship of mutual ministry, and who have had that call validated and affirmed by the presbytery. Like other members of the Body of Christ, educators are called to be servants of God. God calls educators into service in a variety of settings each of which, when faithfully discerned, ought to be honored regardless of size or wealth of the congregation or specialized ministry. At the same time, faithful discernment of a call includes a practice of good stewardship of the resources of the whole of the denomination, not solely consideration of the preferences of a particular congregation. The connectional nature of Presbyterian call, and its initiation by God, preclude a purely economic or marketplace approach to the topic of compensation for educators.

## **BASIC CONSIDERATIONS**

“The Presbytery shall establish minimum requirements for compensation and benefits for Certified Christian Educators and Certified Associate Christian Educators and shall provide access to the area of presbytery that oversees ministry.” (G-2.1103b)

- 1) The church needs to recognize that the typical Presbyterian educator has completed training equivalent to other professional graduate degrees.
- 2) Many educators come from graduate school carrying heavy tuition indebtedness. In such circumstance committees calling educators should discuss with them the implication for repaying these loans and how that fits into proposed salaries.
- 3) Sessions of our Presbytery should recognize that the cost of living in National Capital Presbytery is among the highest in the nation.
- 4) Sessions must stress the importance of adequate stewardship by all members of the church to sustain a fair salary for the educator. They should not make the certified educator carry the burden of poor congregational stewardship.
- 5) Educators affirm that their calls are calls to service and not for financial gain. There is a balance that educators and churches must maintain between what is needed for the educator to work in the ministry of the church, and what the local church can support.
- 6) The goal of the Presbytery policy is to provide every educator with an adequate salary by which they can live in this area and be able to retire after 40 years of service to the church with adequate resources to see them to their life's end. These salary requirements are designed to place particular rules in place which will accomplish this particular goal.

Other creative approaches can certainly be considered for approval by the Committee on Ministry, however ordinarily the Committee on Ministry will follow these particular standards and will not approve salary packages that do not minimally meet these standards.

## I. SALARY

The minimum salary for educators working full time (40-50 hours a week) is 61.6% of the church-wide median effective salary as computed by the Board of Pensions plus an amount equal to the housing requirement for pastors. The median effective salary as calculated by the Board of Pensions can be found at: <http://www.pensions.org>.

To understand the Board of Pensions definition of “effective salary” refer to “Understanding Effective Salary” at:

<http://www.pensions.org/AvailableResources/BookletsandPublications/Documents/pln-103.pdf#search=effective%20salary>

***Rationale:*** The church-wide median effective salary includes housing which is computed by the Board of Pension formulas to be **30%** of the salary. National Capital Presbytery’s minimum cash salary is **80%** of the church-wide median effective salary less housing. This is, in effect, **61.6% of the church-wide median effective salary including housing**. See Item 3 in the Appendix for a step-by-step guide to this calculation.

### GUIDELINES FOR SALARY LEVELS

- 1) Each year (usually at the June Presbytery meeting) the Presbytery establishes a minimum salary level for all full-time educators. No salary shall be below this level. These standards shall be posted on the Presbytery website and updated annually (see Appendix for annual changes).
- 2) Annually the Presbytery approves changes in every educator’s terms of call and publishes a compensation report on pastor/educator salaries within the Presbytery.
- 3) Part-time educator compensation shall be proportional to the hours worked, based upon a 40-50-hour work week.
- 4) Normally church professionals, such as educators, work 40-50 hours per week. If more time is required in a given week, additional time off may be taken during the following week. For the health and well-being of both the educator and the congregation, attention shall be given to a proper work-life balance.

### TAX REPORTING REQUIREMENTS

Educators are salaried employees of the church, and the church withholds FICA and taxes as required by law.

## II. HOUSING

The goal of a housing amount is to provide (a) a means for adequate housing for the particular educator and (b) sufficient resources whereby the educator may be able to own a home (not necessarily in this area) after 40 years of service. Such arrangements should be designed for maximum tax advantage available to the educator. An Educator’s terms of call will combine the salary and housing in a single line item as the church will pay FICA and withhold taxes on this entire amount. That single salary line item in an educator’s terms of call shall be the sum of the salary and housing amount designated in this document.

- 1) In the case of an educator living in a manse with paid utilities, the church shall (a) place funds in a separate fund (deferred equity allowance, 403b, etc.) an amount of 1/40<sup>th</sup> of the “median house cost” or (b) pay the educator additional salary if the educator has a long term housing plan. The “median house cost” is established to be latest quarterly reported US median sales price of existing single-family homes for metropolitan areas as calculated by the National Association of Realtors. This information is available at <http://www.realtor.org>

OR

- 2) In the case of an educator not living in a manse, the church shall pay the educator a housing amount
  - i. equal to or exceeding the median fair market rent as calculated by HUD for a three-bedroom intermediate rent for the Washington-Arlington-Alexandria, DC- VA-MD HUD Metro FMR Area. The HUD calculated Fair Market Rent for three bedrooms can be found at <http://www.huduser.org>
  - ii. Utilities at 25% of this HUD FMR for three bedrooms.

Creative housing alternatives such as equity sharing or investments are possible to help an educator afford to live in the area. The only requirement in this regard is that the risk and the reward of such arrangements be proportionately shared between the educator and the congregation or calling agency in the judgment of the Committee on Ministry. All equity sharing, investment agreements or other agreements related to housing are subject to the approval of the Committee on Ministry. Contact the Presbytery office for help with these matters.

The Presbytery has prepared a Microsoft worksheet for calculating salary and comparing to minimum standards. This worksheet is available upon request by email attachment. Contact Colette Ramm at: [cramm@thepresbytery.org](mailto:cramm@thepresbytery.org).

#### **IMPORTANT CONSIDERATIONS**

- 1) The Session’s Personnel Committee needs to recognize that the housing costs in the Washington, DC, metro area are among the highest in the nation, both for rental and purchase.
- 2) There is great value in having the educator living within and identifying with the same parish community in which most of the members live. The Session's Personnel Committee needs to think through carefully the question of what is equitable for an educator and family to live within the geographical parish area.
- 3) Most housing costs now consume more than 40% of the total family income.
- 4) If the church provides a manse, it shall be in good repair and large enough for the
- 5) educator's family needs. There should be a committee of the Session to work with the educator to see that the manse is well maintained.
- 6) If a manse is provided, the Board of Pensions requires an amount be added to effective salary for the calculation of dues. This is normally calculated at 30% of cash salary though a higher percentage may be indicated in this presbytery.

### **III. RELOCATION ASSISTANCE**

The National Capital Presbytery requires congregations to pay the cost of all actual moving expenses (item “1.a.” below). The Presbytery recommends congregations extend reimbursement for items 1. b, c, d and 2. a, b, c, d below.

#### **NON-TAXABLE REIMBURSEMENTS**

- a. moving costs up to a limit of 12,000 pounds of packing and crating household goods and personal effects
- b. in-transit insurance
- c. temporary storage up to a limit of one year
- d. moving costs for one personal car

#### **TAXABLE REIMBURSEMENTS**

- a. house hunting travel expenses for the pastor and spouse (or partner) (one round trip covering a period not to exceed 5 days) including lodging and meals
- b. transfer travel expenses for final trip of the family (based on air travel)
- c. temporary housing expenses at the new location (not to exceed 30 days)
- d. If the church reimburses the pastor for the cost of selling old residence, cost of buying or leasing new residence and/or terminating old lease (up to \$4,000), it is a taxable reimbursement.

The expenses noted in “2d” above include attorney’s fees, escrow fees, appraisal fees, real estate agent’s commissions, title costs, and “points” paid for service other than interest.

### **IV. PROFESSIONAL EXPENSES**

Many educators experience professional costs other than car expenses and study leave expenses. Sessions may want to establish a separate "professional expense" category which could include such items as:

- 1) Attendance at Presbytery, Synod, General Assembly,
- 2) Attendance at professional conferences and continuing education events,
- 3) Books and professional journals which are used as essential tools for ministry,
- 4) Administrative costs for such items as meetings, special retreats and personnel expenses for the staff when involved in carrying out their duties.

Congregations may choose to combine Continuing Education, Professional Expenses and Travel expenses into one-line item or in separate line items. IRS regulations require that these expenses be vouchered for reimbursement. Any expenses that are not vouchered are subject to taxation.

### **V. SOCIAL SECURITY**

An educator’s FICA is paid by the employing agency which deducts the employee portion of FICA and adds to it the employer’s portion of FICA and sends these funds directly to the IRS and reports such on the educator’s W-2.

## VI. PENSION-MAJOR MEDICAL

Medical and Pension benefits for educators should be provided at a level comparable to that of the Board of Pension plan unless the educator has similar or better coverage through another source.

The Session shall remit monthly to the Board of Pensions the required dues based upon the following:

- a. -----→ *Annual Cash Salary*
- b. -----→ *Deferred Compensation*
- c. -----→ *Bonuses, Unvouchered Allowances, Gifts from Employer*
- d. -----→ *Other Allowances (e.g., medical deductibles, SECA allowances in excess of 50% of estimated obligation, etc.)*
- e. -----→ *Manse amount (must be at least 30% of lines a-f)*

These items are defined carefully on the Board of Pension instructions.

([www.pensions.org](http://www.pensions.org))

Failure to make the required payment seriously jeopardizes the pastor's retirement benefits. Aid-receiving churches which are in arrears two quarters or more, will have pension dues deducted from their monthly check.

The percentage of dues paid on the educator's total salary is established by the Board of Pensions.

All local churches, educators and pastors should have a copy of the **Terms of the Benefits Plan of the Presbyterian Church (USA)**. This may be secured from the Board of Pensions.

Educators are reminded that a Board of Pensions Service/Salary Change form (ENR-100) be completed any time there is a change in the terms of call.

## VII. MEDICAL REIMBURSEMENT (CAFETERIA 125 PLANS)

Because the Major Medical Plan of the Board of Pensions does not fully reimburse a pastor for medical expenses, many churches have established a medical reimbursement fund upon which the pastors and their families/partners may draw each year. (Referred to as a "Cafeteria 125 fund," some IRS rules apply.) If a church wishes to follow this practice, the amount of the fund shall be established annually, as a part of the annual compensation review. The fund shall be used only for the same type of deductibles which are covered by the Major Medical Plan of the Board of Pensions and other qualified medical and child care uses defined by IRS rules.

## VIII. MATERNITY-PATERNITY LEAVE

In addition to other benefits, a session is encouraged to consider the inclusion of maternity and/or paternity leave in their personnel policies for all staff. Churches are required to address whether or not Maternity/ Paternity benefits are included in the church's Personnel Policies or in Session minutes. Churches can consult the National Capital Presbytery Personnel Policies if they care to see a sample policy in this regard.

## IX. SICK LEAVE

The congregation shall provide at least 12 days of sick leave annually which can be accumulated up to 90 days total. Ordinarily, earned-but-not-used sick leave is forfeited at employment termination without compensation.



## **X. DISABILITY BENEFITS**

If an educator remains disabled by illness or injury after exhausting all accumulated paid sick leave benefits, the educator will also be entitled to the following:

- 1) An educator is eligible for disability benefits as a participating member of the Benefits Plan of the Presbyterian Church (USA). Disability benefits commence after 90 days of disability. See [www.pensions.org](http://www.pensions.org). Disability benefits (Board of Pensions and Social Security together) equal 60% of the educator's effective salary on the date disability began.
- 2) Churches are responsible for the educator's compensation for the first 90 days of disability. This should include pay for unused sick leave.
- 3) Refer to a particular state's disability statutes to ensure compliance.
- 4) For current information on disability benefits, contact the Board of Pensions area representative.

## **XI. WORKER'S COMPENSATION**

Consult local regulations regarding requirements in this regard.

## **XII. TRAVEL AND AUTO EXPENSES**

An educator's work includes much travel for hospital and home visitations, as well as travel for governing body responsibilities. These travel costs shall be reimbursed as part of the contract with the educator. Auto expenses are not to be added to the W-2 form if the reimbursement is done in accordance with an accountable reimbursement plan, but each educator must account to the church for travel expenses.

Auto expenses are constantly increasing and such reimbursements should reflect this. It is recommended that the current I.R.S. mileage rate be established as the amount reimbursed. Reimbursement in excess of the I.R.S. mileage rate, must be added to the educator's W-2 as additional compensation.

As mentioned above in "Professional Expenses", Travel expenses, Continuing Education Expenses and Professional expenses may be combined into the same line item in the church's budget or as separate line items.

## **XIII. PERFORMANCE EVALUATION**

Every educator shall have an annual performance review with the Head of Staff, Session itself or the Session's Personnel Committee as determined by its Personnel Policies.

The Session is also required by the **Book of Order** (G-2.0804) to review the adequacy of the pastor(s) salary. The Presbytery likewise requires such for an educator. It is recommended this be done at a time separate from the performance review with several months between the two evaluations.

Such evaluations should be supportive and encouraging to help the effectiveness of the pastor. Criticism should be constructive. It is to be remembered that people function better under proper encouragement. The Committee on Ministry stands ready to aid any session in this regard.

Each church shall have a current job description for each educator, against which the educator may be evaluated for work completed and effectiveness of her/his ministry.

Evaluation tools may be secured from the Presbytery office.

#### **XIV. STUDY LEAVE**

A study leave of at least two weeks per year (14 days including normal days off – see appendix for calculation examples) shall be provided for all full-time educators as part of the terms of Call. This includes two Sundays. Normally the study leave should be taken each year. The study leave may be accrued up to six weeks (three years). Unused study leave funds may be accumulated up to three years. Contact the Presbytery office or see the appendix for the minimum study leave allowance.

The purpose of the study leave is to enhance the professional abilities of the educator which shall be mutually beneficial to both the educator and the church. The goal is for self-development in the work of ministry and not for vacation, recreation, or leisure. Study leave should equip an educator for the work not only in the local church, but the whole Church. Hence a study leave may have immediate and direct relevance broader than the current pastoral position.

Each educator shall present the plans and rationale for each study leave to the Session for discussion, approval, and the timing of the leave.

In the event of termination of service, any accumulated study leave time and allowance shall be forfeited. Pay in lieu of this study leave will not be provided.

A written report of each study leave shall be given to the Session at the next meeting following the conclusion of the study leave.

Provision must be made in planning the study leave to cover the educator's work during the absence.

#### **XV. SABBATICAL LEAVE**

To enable educators to devote significant time to their spiritual, technical or professional development, sabbatical leave may be granted within the following guidelines:

- 1) Ordinarily, the educator must have completed six (6) years of credited service in the local church, with the sabbatical leave to be taken in the seventh year of ministry. At the discretion of the session, sabbatical leave may be granted earlier.
- 2) At least six years must have elapsed since any previous extended sabbatical leave.
- 3) A written plan with identified goals must be approved by the Session and by the Presbytery Committee on Ministry. This must be done long enough in advance so that budget and staff needs will be met.
- 4) Ordinarily the length of sabbatical leave will be three (3) months. Earned vacation within a particular year or accumulated study leave from previous years can be added to the sabbatical time with the approval of the session.
- 5) The local church may but is not required to be financially responsible for the educator's expenses of sabbatical leave to a degree greater than the standard and accrued professional allowances.

#### **XVI. VACATION**

- 1) A vacation with pay is provided for all educators. It is a necessary time of rest, refreshment, and relaxation for health and work performance.
- 2) It is the responsibility of the Personnel Committee and the educator to see that vacation time is used annually in order to have an effective ministry.
- 3) Vacation is to be kept separate from study leave, attendance at conferences, or weekly days off and sabbatical leave.

- 4) Educators are encouraged to take vacation in a large enough block of time (at least one week) for the refreshment which is necessary for effective renewal.
- 5) Educators in National Capital Presbytery shall have as part of their Call at least four weeks of vacation. This is to be defined as four times the number of working days in a standard work week. This includes four Sundays. (see appendix for example calculations)
- 6) The church is encouraged to provide one personal weekend in addition to the annual vacation.
- 7) The church shall be financially responsible for coverage of all professional functions.
- 8) The Presbytery encourages that up to but no more than 10 days of vacation time be rolled from one year into the next calendar year. The annual refreshment from vacation comes only if the educator takes the vacation regularly. Excessive accumulation of vacation time does not provide for that regular refreshment. Unused vacation benefits are payable in full to the date of the dissolution of the call.

## **XVII. WEEKLY TIME OFF**

- 1) Educators are expected to take at least one full, uninterrupted day off each week.
- 2) When there has been an unusually heavy week, educators are encouraged to take an extra day off during the next week to compensate. This is not considered vacation day.
- 3) The Committee on Ministry of the Presbytery considers a normal educator's week to be 40-50 hours.

## **XVIII. HOLIDAYS**

- 1) Churches shall provide the following paid holidays:
  - ✓ *New Year's Day*
  - ✓ *Martin Luther King, Jr. Birthday*
  - ✓ *President's Day*
  - ✓ *Easter Monday*
  - ✓ *Memorial Day*
  - ✓ *Independence Day*
  - ✓ *Labor Day*
  - ✓ *Thanksgiving Day and the following Friday*
  - ✓ *Christmas Day and the day after*
- 2) If an educator works on a designated holiday, another day shall be recognized as a day off.
- 3) When a holiday falls on a Saturday or Sunday, it shall be observed as a holiday on the nearest Friday or Monday respectively.
- 4) When a holiday occurs on a educator's day off, it may be observed either the day before or the day following.

## **XIX. SAVINGS PLANS AND ANNUITIES**

The local church and educator may wish to enter into some type of arrangement whereby money is withheld from the educator's salary and placed into a tax deferred savings plan.

There are various tax-sheltered plans and annuities which are available for such purposes. The Board of Pensions has established a 403b with Fidelity. Another plan has been designated by the Internal Revenue Service as a "Tax-sheltered Annuity Program for Employees of Public Schools and Certain Tax-exempt Organizations. "Educators are encouraged to consult with tax and investment professionals. Tax code provisions of any such plan must be closely followed by the Session and the educator.

## XX. APPENDIX

These calculations will change from year to year and sometimes from quarter to quarter depending on the formulas employed. The formulas stay the same, the raw data referenced will change. This raw data was last researched and entered on June 30, 2017. A summary of the compensation data for use in terms of call that take effect in 2018 is attached. Please contact Colette Ramm at [cramm@thepresbytery.org](mailto:cramm@thepresbytery.org) for the spreadsheet.

- 1) **The median effective salary** as calculated by the Board of Pensions can be found at: <http://www.pensions.org>. The church-wide median effective salary, announced for 2018 on June 15, 2017 has been established by the Board of Pensions at \$58,000. The minimum fulltime salary in National Capital Presbytery is \$35,728.
- 2) To calculate the Presbytery's minimum salary figure from the churchwide median effective salary:
  - a. Start with the median effective salary which for 2018 is \$58,000. This figure represents the middle salary and housing amount paid to pastors of Presbyterian churches nationwide.
  - b. Multiply the median effective salary by .77 to remove housing expenses as calculated by the Board of Pensions. Salary alone would then be \$44,660.
  - c. The minimum cash salary for National Capital Presbytery has been set at 80% of this figure. Multiply the median effective salary reduced by housing (\$44,660) by .80 to calculate the Presbytery's minimum cash salary.
  - d. The 77% and the 80% calculations together amount to 61.6% of the median effective salary (without housing).
  - e.  $\$58,000 \times .77 = \$44,660$   
 $\$44,660 \times .80 = \$35,728$   
 $\$58,000 \times .616 = \$35,728$
- 3) **The Presbytery** provides congregations with annual guidance concerning increases in the financial terms of call. This advice usually comes in the form of a percentage increase which is linked to the increase in cost of living (see #8 below). The cost of living is a good benchmark, but should not be used as the sole factor. Other considerations such as experience, length of service, and ratios to other staff members might also be considered. Use of an across the board percentage increase as the sole factor in determining salary increases leads to widening gaps between members of the pastoral staff, between pastoral staff and educators, and between professional staff and support staff which may not be intentional, faithful, or helpful. One possibility to consider is to give across-the-board fixed-cash amount as raises acknowledging that a dollar for one person buys the same thing as a dollar for another. Another possibility is to give a combination of a fixed-dollar amount and a percentage-of-salary amount together as the annual raise.
- 4) **The "median house cost"** is established to be latest quarterly reported US median sales price of existing single-family homes for metropolitan areas as calculated by the National Association of Realtors. This information is available at <http://www.realtor.org>. The fourth quarter preliminary 2016 data places this figure at \$232,200, 1/40<sup>th</sup> of which is \$5,805.

- 5) The HUD calculated **Fair Market Rent** for three bedrooms can be found at: <http://www.huduser.org> The 2017 data places this figure at \$1,437 a month. The Utility allowance (25%) is then \$359 a month.
- 6) **Vacation:** Vacation is four weeks. This includes four Sundays. The church is encouraged to provide one personal weekend in addition to the annual vacation.
- 7) **Study leave:** Study leave is two weeks. This includes two Sundays. The minimum study leave and book allowance for pastors is \$1,000 annually.
- 8) **The Cost of Living Index:** The “cost of living” is based on the percentage increase or decrease in the consumer price index, using data from the U.S. Bureau of Labor Statistics. (<http://data.bls.gov>). The Committee on Ministry calculates changes in the cost of living using data on the “Consumer Price Index for Urban Wage Earners and Clerical Workers” in the “Washington Baltimore” area. The difference between the January factors for the current and the previous year is divided by the January factor of the previous year. The Presbytery recommends that congregations adjust salary packages by this calculated cost of living percentage change. For 2018, the recommended increase is 1.9%. This was calculated by comparing the January 2016 factor of 155.251 and the January 2017 factor of 158.176, yielding a difference of 2.9250. 2.9250 divided by 155.251 yields a percentage change of (0.01884), which is rounded to 1.9%.
- 9) **Tax resources**
  - a. Internal Revenue Service Publication 517, *Social Security and Other Information for Members of the Clergy and Religious Workers* Available at <http://www.irs.gov/pub/irs-pdf/p517.pdf>
  - b. Internal Revenue Service Publication 17, *Your Federal Income Tax For Individuals* Available at <http://www.irs.gov/pub/irs-pdf/p17.pdf>
  - c. Internal Revenue Service, *Tax Guide for Churches and Religious Organizations* <http://www.irs.gov/pub/irs-pdf/p1828.pdf>

# 2018 COMPENSATION INFORMATION

## National Capital Presbytery

In 2006, National Capital Presbytery adopted its Compensation and Personnel Policies for Certified Christian Educators and Certified Associate Christian Educators (the Policy). The full text of the Policy is available on the Presbytery website ([www.thepresbytery.org](http://www.thepresbytery.org)). However, certain elements of the Policy change annually and these changes affect terms of call. The key changes are described below as guidance to churches developing or reviewing terms of call. For further information, please contact Colette Ramm at [cramm@thepresbytery.org](mailto:cramm@thepresbytery.org) or call 240-514-5351

### Annual Cost of Living Adjustment

The Presbytery provides congregations with a suggested percentage increase in the financial terms of call based on the increase in cost of living. For 2018 the cost of living percentage increase is 1.9%. This increase is applied to the total of the cash salary and housing allowance. While the cost of living is a good benchmark, it should not be used as the sole factor. Other considerations such as experience, length of service, and ratios to other staff members might also be considered. See Section XIX.3 of the Policy for further discussion.

### Equity Allowance

Pastors living in church owned manses shall receive an equity allowance. The minimum equity allowance for 2018 is \$5,805. For further information on paying equity allowances, please contact Colette Ramm at [cramm@thepresbytery.org](mailto:cramm@thepresbytery.org).

### Minimum Effective Salary for Board of Pensions\*

The Policy establishes a minimum effective salary for pastors. For terms of call in calendar year 2018 (Jan. 1 – Dec. 31, 2018), the minimum effective salary is:

Educators renting or buying homes: ..... **\$70,228.0**

### Total Minimum Compensation

The total minimum compensation (which includes the required Board of Pensions Dues and FICA) for a pastor in calendar year 2018 is:

|                         |                    |
|-------------------------|--------------------|
| Salary and Housing..... | \$70,228.00        |
| BOP Dues.....           | \$25,984.36        |
|                         | <b>\$96,212.36</b> |

\* For information on salary calculations for pastors living in manses contact Wilson Gunn at [wgunn@thepresbytery.org](mailto:wgunn@thepresbytery.org), 240-514- 5350.