2026

Susquehanna Conference
The United Methodist Church

# SALARY GUIDELINES AND PROCEDURES FOR THE STAFF/PASTOR-PARISH RELATIONS COMMITTEE

## General Policy:

**PROCESS FOR APPROVING THE SALARY PACKAGE** (¶258,2g16)

The Staff/Pastor-Parish Relations Committee shall:

- Discuss pastoral support provisions with the pastor(s).
- Report its recommendations to the Administrative Board/Council.
- Submit budget items to the Committee on Finance.
- Submit recommendation to the Charge/Church Conference for final action.

Only the Charge/Church Conference has the authority to set pastoral salaries and other pastoral support provisions.

The initiative for recommending the annual salary, benefits and travel package rests with the Staff/ Pastor-Parish Relations Committee. Annually, prior to the adoption of the budget for the new fiscal year, the Committee is to confer with the pastor(s) about all pastoral support provisions, i.e., Salary, Housing, and Continuing Education.

Pastoral support provisions should reflect the many demands the church and the community make upon the pastor and current economic factors. Consideration should be given to the rising cost of preparing to enter and retire from parish ministry. The salary support package should, above all else, reflect appreciation for the quality of the pastoral ministry and leadership provided by the pastor(s). A church is wise which pays the pastor(s) a generous salary and which makes provision for annual salary increases.

The salary is set per calendar year and remains in effect even when there is a change of pastor unless or until changed at a special charge conference meeting. The Staff/Pastor-Parish Relations Committee can discuss any need for change with the Conference Superintendent during the consultation process. The pastor's vacation year runs on the conference year of July 1-June 30.

### Instructions

**A. Charge Information:** Name and information for Staff/Pastor-Parish Relations Committee Chair.

**B. Pastor Information:**

1. Enter the name of the Pastor.
2. Check with pastor about Conference Relationship status (ex. Elder, Local Pastor, etc.)
3. Consult with the Pastor on years of service - service record in the Journal does not distinguish between full and part-time appointments.
4. Indicate if pastor is serving: full-time (1), three quarter-time (.75), half-time (.50), quarter-time (.25)
5. Health insurance is required for all full-time clergy.
    a. Each church/charge pays the designated amount for each full-time Pastor. The current blended rate is $23,536.80

b. Each full-time pastor pays the difference between the premium credit provided by the conference and the plan selected **annually during open enrollment**. This is a payroll deduction before tax.
c. In the case of clergy couples, each church/charge will pay the full amount of $23,536.80. Only one of the clergypersons will use the payroll deduction by his/her church.

**6.** Minimum Base Salary Required**:** *The minimum base salary is just that – a bare minimum to be paid to pastors. It is not the standard for setting salaries; it is the line below which salaries shall not go***. *Cost of living increases and increases for merit are strongly encouraged.***
**See table below & instructions.**

| 2027 Minimuin Salary Years of Service | Full Members & In-Service Provisionals | Associate Members | Full-Time Local Pastors |
|---|---|---|---|
| Less than 3 years | 54,812 | 52,382 | 49,957 |
| After 3 | 55,924 | 53,439 | 50,957 |
| After 6 | 57,035 | 54,426 | 51,954 |
| After 9 | 58,157 | 55,552 | 52,954 |
| After 12 | 59,263 | 56,615 | 53,963 |
| After 15 | 60,349 | 57,668 | 54,943 |

**Part-Time Local Pastors**
Compensation of all part-time pastors and less than full-time appointments shall be negotiated by the Staff/Pastor-Parish Relations Committee and the District Superintendent.

**C. Negotiated Base Compensation & Social Security Offset**

1. This is the negotiated base salary.
2. Social Security Offset: In addition to the base salary paid to each full-time pastor, an amount equal to ½ the current Self Employment tax rate – as determined by the IRS – shall be paid by the local church to offset the difference between self-employed and employee Social Security tax rates. All pastors are encouraged to participate *in the Social Security Program.* ***This amount is only available for those participating in the Social Security program.***

**Formula** _____ (Negotiated Base Salary – Line C.1 for 2027)

X .0765 (7.65%)

= _____ (Soc. Sec. Tax Offset [enter in line C.2 of worksheet])

3. **TOTAL SALARY** (Sum of Negotiated Base Salary & Social Security Offset)

**D. Housing**

- *A parsonage shall be provided for the appointed pastor and his/her family and furnished according to the standard adopted at the 2020 Annual Conference of the Susquehanna Conference (pp.231-239 of the 2020 Journal of the Susquehanna Conference).*

- *Utilities, which include gas, electricity, TV antenna or initial basic cable/satellite installation (monthly bill is the responsibility of the pastor unless the charge specifically agrees to provide this), high speed internet (if internet is provided in the pastor's office in the church, the pastor will be responsible for the home internet unless otherwise negotiated with the charge), water, sewer rental, basic private telephone equipment and bill (not personal long distance charges), heat, refuse collection, smoke and carbon monoxide detectors, shall be furnished by and paid by the local charge. Refer to the Parsonage inspection form for additional Parsonage Guidelines.*
- *A parsonage is the norm. Alternate arrangements not already existing, such as rental or housing allowance, must be negotiated with the Conference Superintendent.*

**E. Retirement Contribution:** *Local charge contributions to the pastor's retirement are based on negotiated salary, plus Social Security Offset, plus Housing Amount.*

1. Enter the Total Salary (line C.3)
2. Housing Amount: If a parsonage is provided, enter line E.1; if housing allowance is provided enter the actual housing allowance on E.2
3. Add lines F.1 and F. 2 for the Contribution Base for Retirement.
4. The Pay Dependent Contribution is a maximum of 7% of the Contribution Base.
5. The Flat Dollar Contribution is $1,800.00 multiplied by the appointment level (B.4) of full-time, three-quarter or half-time.
6. The retirement contribution for the charge is the total on F 6.
   *There are NO retirement contributions paid by the church for retired or one-quarter time clergy.
7. This section is for budgeting purposes and is not voted on. The figures and percentages are set by the General Board of Pensions.

**F. Additional Pastoral Reimbursements:**

**1.** More info about ARP can also be found at http://www.gcfa.org/tax-packet. Accountable Reimbursement Plans (A.R.P.) have very specific I.R.S. requirements. With an A.R.P., resolutions are adopted by the church council for a calendar year and all future years unless specifically revoked or superseded. The church pastor (or other employee(s) will be reimbursed for ordinary and necessary business expenses incurred in the performance of his or her responsibilities when he/she substantiates the amount, business purpose, date, and place of the expense. This substantiation must be provided to the chair of the Staff/Pastor-Paish Relations committee (or church treasurer) within sixty (60) days of incurring the expense. The individual must return to the church any amounts received in excess of the substantiated expenses within one hundred twenty (120) days of receipt. The church will not report any properly substantiated reimbursement payments as income on any Form W-2. The church may wish to designate certain items which it elects to have covered by this policy, such as travel, continuing education, attendance at annual conference, books, subscriptions, work supplies, vestments, etc. There may be a cap or dollar amount on the total reimbursable business expenses that will be paid, for example: "The reimbursement amount shall be no more than _____." The church may also want to require pre-approvals by the treasurer or S/PPRC chair of business expenses in excess of $ 500 (or any other amount deemed appropriate). These additional requirements should be included in the policy. The specifics of each policy should be reviewed by each church and minister considering their specific concerns. If legal or tax advice is required, the services of a competent professional advisor should be sought. ***Under no circumstances should the treasurer pay the ARP without receipts or documentation.***

**2. Travel:** *Travel provisions shall be made for all full-time pastors and student pastors, and shall be considered as part of the local church/charge budget under administrative expenses. The local church/charge, after consultation with the pastor, shall select one of the following options to insure adequate travel provisions for its pastor while involved in church business. See IRS Publication 463 for details on allowed expenses or consult a tax professional.*

**Option 1**: The local church/charge shall rent or purchase a vehicle for the pastor and shall be responsible for all ownership and operating costs of the vehicle. Ownership costs shall include gasoline, oil, tires, maintenance and repair of the vehicle. It shall be understood that the vehicle is to be available to the pastor at all times, with the cost of personal use being reimbursed at current Internal Revenue Service rates.

**Option 2**: The local church/charge shall pay its pastor an annual amount of at least $1,700 for ownership costs and reimburse the pastor for operating costs at a minimum of 14 cents per mile, which is the current IRS RATE, both payable at least monthly upon submission of travel vouchers. The $1,700 will be considered as salary for tax purposes.

**Option 3**: The local church/charge shall reimburse its pastor for ***documented*** business mileage at the IRS rate, as defined by current IRS regulations. This can be included in an Accountable Reimbursement Plan (ARP).

*Travel expenses for pastors in less than full-time appointments shall be negotiated between the District Superintendent and the Staff/Pastor-Parish Relations Committee.*

**3. Continuing Education:**

*The United Methodist Church has made continuing education mandatory for every pastor*. Therefore, continuing education shall be provided for all full-time and part-time pastors under appointment. It shall be cumulative and used only during the current assignment. It shall be payable upon submission of vouchers. It shall be payable at the minimum rate of full-time $750 per year and part-time $500 per year. Other educational assistance may be available through the Board of Ordained Ministry.

| | | 2026 *(current year)* | 2027 *(next year)* |
|---|---|---|---|
| a. | Amount budgeted but unspent in prior years of the current appointment | | |
| b. | Amount budgeted for 2026*(current year)* | | |
| c. | Amount available in 2026*(current year)* (Add a and b) | | |
| d. | Less amount expended or planned for expenditure in 2026 *(current year)* | | |
| e. | Amount unspent from prior year and current year budgets and available for2027 *(next year)* (Subtract d from c) | | |
| f. | Amount budgeted for 2027 *(next year)* (for minimum see information above) | | |
| g. | **Total budgeted for 2027** *(next year)* (Add e and f) | | |

*One of the greatest needs of the pastor is to continue education throughout the years of ministry. Developing skills, learning new techniques, keeping abreast of what's happening in the church – are all necessary to equip pastors for effective ministry. The time spent in continuing Education is not to be considered vacation time. See ¶351.2, Book of Discipline 2020/2024*

**G. Charge Conference Action Relative to Pastor's Tax Reports**

1. Each pastor shall report the fair rental value of the parsonage as income for Social Security purposes. The fair rental value shall be negotiated by the pastor and the Staff/Pastor-Parish Relations Committee and approved by the Charge Conference. Per IRS rules, it must reflect a rental value comparable to other similar homes in the area.

2. Each charge is encouraged to designate, each year, at the Charge Conference, a portion of the pastor's cash salary as a parsonage exclusion allowance for use as the pastor sees fit for purchase of furnishings for the charge-owned parsonage.

**H. Other Considerations**

1. **Vacation and Time Away from the Parish:**

- Vacation time shall be granted based on the conference year (July 1 to June 30) and negotiated with the Staff/Pastor-Parish Relations Committee.

  All those under appointment, no matter their status or appointment level, will have 4 weeks of vacation, including 4 Sundays. It is recommended that those in ministry over 20 years receive a 5th week of vacation.

  Pulpit supply during vacation periods shall be arranged by the Staff/Pastor-Parish Relations Committee and paid for by the local church.

- All Staff/Pastor-Parish Relations Committees shall encourage their pastors to take a minimum of one day off per week.
- Some involvement of pastors in ministries beyond the local church is expected as an aspect of our connectional ministry: e.g., evangelistic missions, camping programs, work camps, etc. Such time is not to be considered as vacation. However, the extent of such involvement is to be negotiated by pastors and Staff/Pastor-Parish Relations Committee. Additional negotiated items shall be attached to the worksheet.

- Staff/Pastor-Parish Relations Committees are encouraged to pay special attention to the recommendations of the Board of Ordained Ministry on Study Leave, Sabbatical Leaves and Short-Term Educational Opportunities. *See ¶350, 351, 352. The Book of Discipline 2020/2024*.