

**THE PRESBYTERY OF THE PEAKS –ANNUAL REVIEW AND (Page 1 of 2)  
ANNUAL REPORT OF FINANCIAL TERMS OF PASTORS' CALLS FOR 2024**

The Session of \_\_\_\_\_ Presbyterian Church of Town/City \_\_\_\_\_ has made an annual review of the Minister's Cash Payments, Deferred Compensation, Benefits, and Professional Expenses, and the congregation has voted to request the Presbytery of the Peaks to approve the following terms of call for

\_\_\_\_\_. Terms include a minimum of 4 weeks paid vacation, 2 weeks paid study leave, 8 weeks paid family leave.  
(Minister's Name)

These terms of call were reviewed at a Congregational Meeting on \_\_\_\_\_.

MINISTER \_\_\_\_\_  
(signature)

CLERK OF SESSION \_\_\_\_\_  
(signature)

Date \_\_\_\_\_

Date \_\_\_\_\_

Pastor/ Teaching Elder Call Type

Solo pastor \_\_\_\_ Head of church staff \_\_\_\_ Associate Pastor \_\_\_\_ Presbytery Employee \_\_\_\_

Campus Ministry \_\_\_\_ Yoked with Church \_\_\_\_\_ Other \_\_\_\_\_

Full Time Call \_\_\_\_ # of hours per week \_\_\_\_\_ (35 hours is considered full-time by the Board of Pensions)

Part-time Call \_\_\_\_ # of hours per week \_\_\_\_\_ ( 20 hours minimum required to qualify for BOP basic benefits)

**Terms of Call Financial Information**

	<u>With Manse</u>	<u>Without Manse</u>
1. Base Cash Salary	\$ _____	\$ _____
2. Manse Rental Value (Equal 30% of Base Salary, Equity Escrow, Utility/Furnishing Allowance & other Compensation)	\$ _____	N/A
3. Housing Allowance	N/A	\$ _____
4. Utilities & Furnishings Allowance	\$ _____	\$ _____
5. Other Compensation (Detail below)	\$ _____	\$ _____
6. Shared Housing Equity Escrow (Manse)	\$ _____	N/A
<b>Total Effective Salary</b>	<b>\$ _____</b>	<b>\$ _____</b>
7. SECA @7.65% of Effective Salary (Self Employment Allowance)	\$ _____	\$ _____
8. <b>Board of Pensions (Effective Salary of \$44,000 or more)</b>		
<b>A. Medical Coverage</b> (29% of effective salary)	\$ _____	\$ _____
<b>B. Short Term Disability</b>		

(.5% of effective salary)	\$ _____	\$ _____
<b>C. Long Term Disability/Death</b> (1% of effective salary)	\$ _____	\$ _____
<b>D. Pension</b> (8.5% of effective salary)	\$ _____	\$ _____
<b>TOTAL BOARD OF PENSIONS</b>	\$ _____	\$ _____

**Board of Pensions (Effective Salary less than \$44,000)**

<b>E. Medical Coverage</b> <b>(Flat rate of \$11,500)</b>	\$ _____	\$ _____
<b>F. Short Term Disability</b> (.5% of effective salary)	\$ _____	\$ _____
<b>G. Long Term Disability/Death</b> (1% of effective salary)	\$ _____	\$ _____
<b>H. Pension</b> (8.5% of effective salary)	\$ _____	\$ _____
<b>TOTAL BOARD OF PENSIONS</b>	\$ _____	\$ _____

**OTHER COMPENSATION INCLUDED IN EFFECTIVE SALARY (See pg 4 Notes #5):**

Church Contribution to 403B _____	Cell Phone _____ <i>(nonaccountable Plan)</i>
SECA Above 7.65% _____	Other Benefits _____

**Other Compensation (Not Included in Effective Salary)**

Dental _____	Vision Eyewear _____
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**PROFESSIONAL EXPENSES**

**Travel/Auto Expense:** \$ \_\_\_\_\_

**Continuing Education Expense:** \$ \_\_\_\_\_

**Please Submit to the Presbytery Office within 30 days of the Congregational Meeting**

This report may be accessed on the Presbytery Website ([www.peakspresbytery.org](http://www.peakspresbytery.org)) and submitted via e-mail to [julie@peakspresbytery.org](mailto:julie@peakspresbytery.org). The report may also be mailed to the Peaks Presbytery office, addressed to: Presbytery of the Peaks, Committee on Ministry, PO Box 2519, Forest, VA 24551. Any questions regarding Ministers Terms of Call can be directed to Robin Padgett at the Presbytery office by e-mail to [robin@peakspresbytery.org](mailto:robin@peakspresbytery.org) or telephone at 1-888-557-3257.

## Instructions to Minimum Financial Terms of Call

1. **Base Cash Salary**- Does not include the 50% SECA reimbursement. COM Proposed salary increase is %.
2. **Manse Rental Value**- is 30% of the Base Cash Salary, **plus Equity Escrow** and other compensation, if provided.
3. **Housing Allowance**-May not exceed the fair rental value of the home plus furnishings and utilities. The minimum suggested amount is \$12,000 including utilities. To satisfy IRS requirements, minister housing allowance for the next year should be approved by the Session at the November/December Session meeting (i.e. 2024 housing should be approved at November/December 2023 session meeting).
4. **Utility and Furnishing Allowance**-If the church pays the minister an annual allowance for utilities, this amount should be reflected as a utility allowance on line 4. If the utilities are maintained in the church's name and paid directly by the church, do not put a dollar amount on line 4.
5. **Other Compensation**- Include items such as Social Security reimbursements for **more than** 7.65% share of the social security obligation. Cell phone allowances, if a nonaccountable plan are included as other compensation, as well as 403(b) contributions by the church, if not a part of a matching contribution to the voluntary RSP program.

Dental and vision eyewear **would not be included** if paid by the church for all employees in the Employer Group that includes the minister under the Board of Pension Employer Agreement.

6. **Shared Housing Equity Escrow** The purpose of the shared housing equity is to compensate ministers living in a manse for the loss in equity appreciation they would otherwise realize as homeowners. **This amount is included in effective salary. The Presbytery minimum required is \$1,200 per year.**
7. **Effective Salary**-Effective salary is any compensation paid to a minister by the church that is subject to Board of Pensions dues. **(Note: Effective salary does not include the Social Security Reimbursement of 7.65%)** See page 3 for a list of common examples of compensation. For a complete listing visit the Board of Pensions website at <http://www.pensions.org/library/publications/publications/pln-103.pdf> and view the copy of the Understanding Effective Salary booklet.
8. **Social Security Reimbursement 7.65%**- The purpose of the Social Security allowance is to provide ministers with the Church's share (7.65%) of their self employment tax. The Social Security allowance is calculated at a rate of 7.65% of the total Effective Salary reported on line 7 and includes annual cash salary, the value of the manse, utilities allowance, housing allowance, other compensation and shared housing equity. **The amount on line 8 is not included in effective salary.**
9. **Board of Pensions Basic Package** -The rate for the basic Pastors Participation plan in 2024 is **39%** of effective salary. The breakdown of the cost of coverage is: Medical at 29% of effective salary, Pension at 8.5% of effective salary; Short Term Disability at .5% of effective salary and Long Term Disability and death at 1% of effective salary.

**Note: A special dues plan is applicable for churches with ministers whose salary does not meet the \$44,000 minimum. The medical dues for a church in this situation will be \$11,500, Pension at 8.5% of effective**

salary; Short Term Disability at .5% of effective salary and Long Term Disability and death at 1% of effective salary.

10. **Continuing Education**- Expenses for continuing education would include books, periodicals, training events to maintain competence and to develop and grow in skills for the current ministry. These expenses are vouchered as a part of an accountable reimbursement plan.
11. **Travel Expenses**- Mileage reimbursement is paid at the IRS Business Mileage reimbursement rate for the year. The 2024 rate is set by the IRS in mid-December. The 2023 rate is 65.5 cents.
12. **Paid Study Leave**- Paid continuing education leave is provided to the minister. The Presbytery Minimum Terms of Call require two weeks paid continuing education leave.
13. **Paid Vacation Leave**- Paid vacation is provided to the minister. The Presbytery's Minimum Terms of Call require four weeks paid vacation.
14. **Moving Expenses**- The cost of moving the minister is provided by the church issuing the call. **Moving expense must be reported on the minister's W-2 in box 1 as income.** The moving expenses are not included as part of the effective salary for Board of Pensions dues.
15. **Sabbatical Leave**- It is recommended that churches give pastors who have completed six years of credited service in one ministry within the Presbytery of the Peaks a compensated Sabbatical Leave of no less than two months. The full Sabbatical Leave policy is on the Presbytery of the Peaks website:  
(<https://www.peakspresbytery.org/wp-content/uploads/2013/02/Sabbatical-Leave-Policy.pdf>)
16. **Family Leave**- The minimum terms of call shall include provision for eight weeks paid parental leave following the birth or adoption of a child.

Parental leave may be used consecutively or intermittently. During parental leave, the pastor will continue to receive all benefits in their terms of call, including dues paid to and benefits provided by the Board of Pensions. The use of vacation time is not required but may be used to extend leave time at the discretion of the pastor. Following parental leave, the pastor shall be entitled to return to the same position with the same title, terms of call, hours worked and job description.

## 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
<b>Annual Cash Salary</b>	Full amount of cash salary	
<b>Book Allowance</b>	Paid through a <i>non-accountable reimbursement plan</i>	Paid through an <i>accountable reimbursement plan</i>
<b>Bonuses</b>	Adjustments to the effective salary are made when bonuses are paid to the employee	
<b>Car Allowance</b>	Paid through a <i>non-accountable reimbursement plan</i>	Paid through an <i>accountable reimbursement plan</i>
<b>Co-Insurance Payments and Deductible Reimbursements</b>	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.
<b>Continuing Education</b>	Paid through a <i>non-accountable reimbursement plan</i>	Paid through an <i>accountable reimbursement plan</i>
<b>Deferred Compensation</b>	Voluntary deductions for 403(b) and other types of annuity arrangements	
<b>Housing Allowance</b>	Allowances given for housing-related expenses and appurtenances	
<b>Insurance Premiums</b>	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
<b>Manse Value</b>	Manse value calculated at a rate of at least 30% of all other compensation included in effective salary	
<b>Social Security Reimbursement</b>	Social security reimbursements <b>for more than 7.65% share</b> of the social security obligation	Social security reimbursements for <b>7.65% or less</b> of the share of social security obligation
<b>Shared Housing Equity</b>	Compensates ministers living in a manse for the loss in equity appreciation they would otherwise realize as homeowners.	
<b>Tax Deferred Annuity</b>	Pre-tax contribution by the employee to a 403(b) or other tax deferred account	
<b>Utilities Allowance</b>	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. MINIMUM STANDARDS OF COMPENSATION FOR 2024-3% salary increase**

WITH MANSE

1. Annual Cash Salary + Utilities Allowance + Other Applicable Income	\$34,763
2. Manse Value (Manse value is based upon a minimum of 30% of the total effective salary: Annual cash salary + Utilities Allowance + Other Applicable Income.)	10,789
3. Shared Housing Equity	1,200
4. Social Security Offset (7.65% of effective salary including manse value, utilities allowance, shared housing equity and other applicable income)	3,577
5. Board of Pensions Benefits Plan..... (Computed on the basis of 39% of Effective Salary for 2024)	18,233
6. Moving Expense	
7. Continuing Education Expense	1,200
8. Vacation	Four weeks
9. Continuing Education	Two weeks
10. Travel Expenses-mileage reimbursed at IRS business mile rate	
11. Family Leave- 8 weeks family leave upon the birth or adoption of a child.	
<b>Total</b>	<b>\$69,762</b>

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WITHOUT MANSE

1. Annual Cash Salary + Housing+ Other Applicable Income (The amount designated for the housing allowance may not exceed the fair rental value of the home plus furnishings and utilities.)	\$47,670
2. Social Security Offset (7.65% of effective salary including housing, utilities allowance, other applicable income)	3,647
3. Board of Pensions Benefits Plan (Computed on the basis of 39% of Effective Salary for 2024)	18,591
4. Moving Expense	
5. Continuing Education Expense	1,200
6. Vacation	Four weeks
7. Continuing education	Two weeks
8. Travel Expenses-mileage reimbursed at IRS business mile rate	
9. Family Leave- 8 weeks family leave upon the birth or adoption of a child.	
<b>Total</b>	<b>\$71,108</b>

**Sabbatical Leave-** it is recommended that churches give pastors and educators who have completed six years in one service in Peaks Presbytery paid study leave for no less than two months.