**CENTRAL FLORIDA PRESBYTERY**

 **TERMS OF CALL EXPLANATION SHEET**

 **For churches providing a manse (CFP-0104, CFP-0157)**

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| TOC Form Number | Applicability |
| CFP-0104 | Change in terms - manse |
| CFP-0156 | New Calls (Installed) |

**COMPENSATION:**

Line 1 Annual Cash Salary - This is considered the "base salary".

Line 2a Utilities Allowance (paid to minister) - This is money paid to the minister to cover manse utilities; it is treated as income for tax purposes and is part of Effective Salary.

Line 2b Utilities Allowance (paid by church) - If a minister lives in a manse and the utility services are maintained in the church’s name and paid for directly by the church, then the value of those services is not included in effective salary. It is included on this line for church budgeting purposes.

Line 2c Furnishings/Tenant Insurance - This line item is for any additional allowance provided by the church for manse furnishings or the cost of tenant’s insurance. It is part of effective salary.

 Line 3 Social Security Enrollment: Please answer Yes or No. If the minister has taken the option to not enroll in the Social Security program, the form required by the Board of Pensions must be submitted to the Committee on Ministry. If this is the case, it is not a requirement for the church to pay this item for any other use. However, the church may provide this amount for other somewhat comparable investments/insurance if it desires.

Line 3a If Yes: SECA Tax Allowance in Excess of 7.65% of line 9 - This item is **optional**. Only monies paid in excess of 7.65% of line 9 need to be entered on line 3a. The amount is included in Effective Salary. It does not affect line 12 (employer portion of SECA) but does affect benefit dues.

Line 3b If No: Allowance in place of SECA. This item is **optional**.

Line 4 Manse Equity Fund - (minimum $1,000) - Sums paid or contributed by an employing organization to a taxable account on behalf of a member residing in a manse to compensate for equity which the member forgoes by not owning his or her own residence. Note: If the money is paid into a tax-deferred plan, then the amount goes on line 6 so that it is not included in SECA calculations.

Other Income - This includes all other forms of compensation not covered in lines above.

Line 5a Medical Deductible and expense reimbursement allowances not paid through a group benefit plan. (See line 16 for explanation of group plans.)

Line 5b Other compensation, such as insurance premiums for additional coverage provided for individual employees (premiums for group plan coverage are not included), or auto allowance granted as part of salary (not reimbursed).

Line 6 Contributions to tax-deferred plans - Refers to any deferred income or tax shelter device used to benefit the minister. This includes elective employee contributions and church contributions paid for the employee. It does NOT include employer matching contributions to the PCUSA 403(b)(9) Retirement Savings Plan (see Item 13.) This amount is part of effective salary, but is exempt from SECA tax.

Line 7 Subtotal (for calculating minimum manse value) - Add lines 1, 2a, 2c, 3a, 3b, 4, 5a, 5b, and 6.

Line 8 Manse Value - Rental value of manse, which must be a minimum 30% of all other compensation included in effective salary (line 7).

 Reference: Board of Pensions brochure, Understanding Effective Salary:

 <http://www.pensions.org/file/what-we-offer/benefits-guidance/forms-documents/Documents/pln-103.pdf/>

 Total of Salary (line 1) and Manse Value (line 8) must be **$64,640** or more.

Line 9 **Effective Salary** is the amount on which the Benefits Plan dues is figured. It is calculated by adding lines 7 and 8. Effective Salary must be at least **$48,132**.

 Reference: Board of Pensions brochure, Understanding Effective Salary:

 <http://www.pensions.org/file/what-we-offer/benefits-guidance/forms-documents/Documents/pln-103.pdf/>

**Benefit Plan Dues**

The church pays all benefits for the **installed** minister.

Note 1: Part time employees should contact the Board of Pensions or the Committee on Ministry for correct calculation of benefits dues, or use the Board of Pensions Dues Calculator at

<http://www.pensions.org/what-we-offer/employer-guidance/calculators>

Note 2: Post-retirement dues are 12% of effective salary.

Line 10a Pastor Pension and Death Benefit Dues - This amount is 10% of effective salary (line 9), broken up as follows: Pension-8.5%; Death & Long-Term Disability-1%; Temporary Disability-0.5%

Line 10b Pastor Medical Dues - This amount is 29% of effective salary.

**SECA Calculations**

Churches are strongly encouraged to provide tax-advantaged plans for their ministers. A minister participating in such a plan funds it by pre-tax deductions from salary, and those deductions are excluded from SECA. For more information on tax-advantaged plans, please see the Board of Pensions resource page below, or contact the Committee on Ministry.

<http://www.pensions.org/what-we-offer/tax-advantaged-accounts>

Line 11a Optional pre-tax salary reduction - health FSA - If the minister participates in a health FSA, then the amount of salary reduction goes on this line. The maximum allowable deduction is $3,200.

Line 11b Optional pre-tax salary reduction - dependent care FSA - If the minister participates in a dependent care FSA, then the amount of salary reduction goes here, up to a maximum of $5,000.

Line 12 Employer’s portion of SECA tax - It is a Presbytery requirement for churches to pay the amount representing the employer's portion of the Self-Employed Contributions Act Tax toward the pastor's self-employment contributions. This sum is 7.65% of salary, housing, utilities, and other taxable income (Line 9 with lines 3a, 6, 11a, and 11b excluded) and is entered on line 12. It is not included in Effective Salary because it is a church expense, not income for the minister. If the church pays **more than** 7.65% to SECA, the additional amount is taxable income and must go on line 3a but does not change the calculation for line 12. (If line 3 is “No”, then Line 12 is 0.)

 Reference: Page 7 of Board of Pensions brochure, Understanding Effective Salary,

 <http://www.pensions.org/file/what-we-offer/benefits-guidance/forms-documents/Documents/pln-103.pdf/>

Line 13 Other Deferred Income – Employer contributions to the PCUSA 403(b)(9) Retirement Savings Plan administered by the Board of Pensions to match elective contributions by employees.

Line 14 Total Compensation - Enter the total of lines 2b, 9, 10a, 10b, 10d, 12, and13.

**REIMBURSED EXPENSES/ALLOWANCES:**

NOTE THAT MINIMUMS FOR REIMBURSED EXPENSES HAVE NOT BEEN INCREASED. The church should review these figures to determine if they are adequate for its minister/ministers. To meet IRS guidelines, these items should be reimbursed through an accountable reimbursement plan.

Line 15 Auto/Travel - This item is to cover all expenses for maintaining a car to carry on pastoral duties and any other necessary travel expenses.

Line 16 Continuing Education/Professional Development - This item is to cover professional education that will enhance the ministry of a minister in the church being served. It should be developed through dialogue with the session's personnel committee and approved by the session for the enrichment of the church through the new or increased skills of the minister. In addition to the budgeted dollar amount, a two-week time allotment is given for study. Both time and money are accumulative up to three years.

Line 17 Books/Professional Resources - To cover books, magazines, periodicals, and CDs/DVDs which are specifically related to the professional practice of ministry.

Line 18 Group Medical and Insurance

 A “group plan” covering medical deductibles, coinsurance, dental premiums refers to a supplemental medical plan offered by the church to cover its employees' additional medical expenses. If offered as a group plan (i.e. to all employees), qualifying expenses can be paid by the church and excluded from the minister's gross wages for Federal income and Social Security tax purposes. If the expenses are reimbursed through a discretionary means and are not offered to all employees, then they constitute an allowance that is subject to income and Social Security taxes, are included in Effective Salary, and must reported on line 5a.

Other Reimbursed Expenses

Line 19a Professional Expenses Allowance is for the pastor's vocation-related and "out of pocket" miscellaneous ministerial expenses, cell phone charges reimbursed by the church, etc.

Line 19b Other – Identify any other reimbursed expenses or allowances.

Line 20 Total Reimbursed Expenses/Allowances – Add lines 15-19b.

**GRAND TOTAL**

Line 21 Grand Total Compensation and Expenses - Total of lines 14 and 20.

**PLEASE NOTE THE FOLLOWING ADDITIONAL ITEMS:**

A. All calls include a minimum of one month of annual paid vacation.

B. All calls include a minimum of two weeks paid annual study leave - may be accumulated up to three years (6 weeks). Each minister who has served for seven years is eligible for a three-month sabbatical study leave. The Committee on Ministry (COM) and session both approve requests for a sabbatical, and COM works with pastors to find grants to assist in deferring the cost.

C. Annual review by session is to be made of terms of call (*Book of Order* G-2.0804) with consideration of an adjustment according to the Consumer Price Index (CPI) as determined by Presbytery and reported to the congregation for its action (G-1.0503).

 D. Female ministers are granted paid maternity leave of up to eight (8) weeks. Male ministers are granted paid paternity leave of up to three (3) weeks.

E. New in 2024: All installed calls must include a minimum of 12 weeks paid family medical leave per G-2.0804)

F. All calls must meet or exceed the minimums as outlined. Any exceptions must be granted by Presbytery.

G. The *Book of Order* requires Presbytery to establish minimum compensation standards for pastoral calls (G-3.0303c.) Your annual Request for Approval of Changes in Terms of Call, whether changes are made or not, helps Presbytery carry out that responsibility. All Requests will be reported to Presbytery.