

COM Approval: _____

Date: _____

Washington Presbytery
TEACHING ELDER- CALLED & INSTALLED
TERMS OF CALL WORKSHEET FOR 2025

Please return to the Committee on Ministry as soon as congregational approval has been given.

TEACHING ELDER NAME: _____ CHURCH NAME: _____

DATE CONGREGATION APPROVED CHANGES IN TERMS OF CALL: _____ EFFECTIVE DATE: _____

TEACHING ELDER SIGNATURE _____

CHURCH REP. SIGNATURE _____

A. CHANGES IN FINANCIAL COMPENSATION INCLUDED IN EFFECTIVE SALARY Lines 1-9 are compensation considered as part of Effective Salary for calculating Board of Pensions Benefits Plan dues. For more detail, consult the booklet, *Understanding Effective Salary* distributed to pastors and churches by the Board of Pensions.

20242025\$ _____ \$ _____ **1. Annual Cash Salary**\$ _____ \$ _____ **2. Housing Allowance (NOT CHURCH OWNED MANSE AMOUNT)**

Those with church owned manses report on line 9. While not taxable as federal income, housing allowances are currently reported on the W-2 for state tax and social security tax liabilities. It is the obligation of the minister to report any unused housing allowance as additional income subject to federal income tax. (See IRS Publication 517)

\$ _____ \$ _____ **3. Utility and Furnishing Allowances**

Do not include an amount here if manse utilities are both in the name of and paid directly by the church – these may be included in line 9 below. Cash allowances paid to the minister for manse utilities or furnishings are reported on this line. Ministers with a housing allowance should note that utilities and furnishings are allowable expenses in providing a home, and, for tax benefits, may wish to have such amounts included in their housing allowance rather than as a separate Utility/Furnishing line item.

\$ _____ \$ _____ **4. Medical Supplement**

This line includes reimbursement for medical expenses such as co-payments and deductibles. (If a church has a [Section 125] group plan to reimburse all employees for such expenses, that should be reported on line 12f.)

\$ _____ \$ _____ **5. Social Security (Required) (Above 50%)**

While any allowance given to a minister for his or her SECA tax is taxable income, only the amount which exceeds 50% of his or her SECA tax is included in calculating Effective Salary. The initial 50% should be reported on line 12c. (see note under Line 12c.) *If any full-time pastor is not participating in Social Security, the church shall contribute the employer's portion of SECA to a retirement fund for that pastor.*

\$ _____ \$ _____ **6. Deferred Income**

This could include Retirement Savings accounts, annuities, 403(b), etc. See Line 11c.

\$ _____ \$ _____ **7. Bonuses, Unvouchered Allowances, Gifts**

If an unvouchered allowance is paid for auto, study leave, book or business expenses it is reported on this line, as well as bonuses and gifts. See note (*) below Line 12f about allowances and benefits of using accountable reimbursement plans.

\$ _____ \$ _____ **8. Other Applicable Income** (See Board of Pensions Info in Section B)

\$ _____ \$ _____ **9. Manse Amount (NOT HOUSING ALLOWANCE)**

Those with housing allowances report on Line 2. For ministers provided a manse, this line must be at least 30% of the sum of Lines 1,2,3,6,7,8. This is not a cash amount the minister receives, but the estimated "manse value" used to calculate effective salary and SECA tax obligations. If manse utilities are both in the name of, and paid by, the church then such an allowance may be added to reach the 30% figure.

\$ _____ \$ _____ **10. TOTAL EFFECTIVE SALARY (Sum of Lines 1-9)**

B. CHANGES IN BOARD OF PENSIONS BENEFITS: For more detail, consult the booklet, Understanding Effective Salary distributed to pastors and churches by the Board of Pensions or go to www.pensions.org

Teaching elders (working 20 or more hours a week) in an installed pastoral relationship with a church must be offered participation in the PC(USA) Board of Pensions plan (G-2.0804). Under the Plan, the church must make available, at no cost, the Plan's pension benefits, temporary disability coverage, death and disability coverage, employee assistance plan, and pastor's medical coverage under the Plan's options. Please see the several helps available online at pensions.org. Since this form is for our called and installed pastors, we presume your familiarity with those options and their costs to the church (Board of Pensions calls these costs "dues"). Please call or e-mail the Washington Presbytery Office if you have questions.

2024

2025

\$ _____ \$ _____ **11.a Benefits Plan Dues – Medical**

See the variety of benefits available at www.pensions.org and enter your dues for Medical on the line. Member only coverage at 16% of effective salary subject to minimum and maximum dues.

Optional dependent coverage dues costs may be paid by the church, the member, or a combination of church and member. For the Transitional Pastor's Participation option with noncontributory dependent coverage, dues is 33% of effective salary.

\$ _____ \$ _____ **11.b Benefits Plan Dues – Pension/Disability**

See the variety of benefits available at www.pensions.org and enter your dues for Pension on the line. 10% of effective salary. Includes pension, death and disability, temporary disability, and employee assistance.

\$ _____ \$ _____ **11.c Retirement Savings Plan (optional)**

Teaching Elders are to be given opportunity to participate in the optional Retirement Savings Plan (see "Retirement Savings Plan" at pensions.org). If there is a Retirement Savings Plan arrangement between church and pastor, please show it here and include it on number 6 above.

\$ _____ \$ _____ **11.d Dental and/or Vision (optional)**

Cost may be paid by the church, the member, or a combination of church and member.

Churches and Teaching Elders are required to log onto the Benefits Connect portal at pensions.org to make coverage selections. You are also urged to spend time reviewing and understanding the various options available, in order to help control costs while still supporting the community nature of the Benefits Plan.

C. CHANGES IN FINANCIAL COMPENSATION NOT INCLUDED IN EFFECTIVE SALARY

Lines 12a-12f are compensation **not** considered as part of Effective Salary for calculating Board of Pensions Benefits Plan dues. For more detail, consult the booklet, Understanding Effective Salary distributed to pastors and churches by the Board of Pensions.

| <u>2024</u> | <u>2025</u> | |
|-------------|-------------|---|
| \$ _____ | \$ _____ | 12a. Travel Reimbursement* This usually will be a per mile reimbursement which will be paid as vouchered by the minister. |
| \$ _____ | \$ _____ | 12b. Professional Development reimbursements* This line should contain the amount the church agrees to reimburse the minister for actual continuing education expenses when they are vouchered under an accountable reimbursement plan. See note (*) below Line 12f about allowances and accountable reimbursement plans. |
| \$ _____ | \$ _____ | 12c. 50% SECA (Social Security) Offset For income tax purposes, ministers are considered employees; for Social Security purposes, ministers are considered self-employed. As a result, ministers pay the SECA tax at a rate of 15.3%. While any allowance the church provides for SECA is taxable income for ministers, the church does not pay Benefits Plan Dues for amounts up to the first 50% of the minister's estimated SECA obligation. Any allowance over this 50% figure is to be reported on line 5. |
| \$ _____ | \$ _____ | 12d. Books/ Other Professional Expenses* This could be for business meals, books, subscriptions, supplies, etc. Once again, these must be actual expenses and be vouchered by the minister for reimbursement. |
| \$ _____ | \$ _____ | 12e. Other vouchered reimbursements* |
| \$ _____ | \$ _____ | 12f. Group plan for deductibles, coinsurance, dental MOST CHURCHES DO NOT QUALIFY FOR THIS. Please note in the "Understanding Effective Salary" booklet that this must be a qualifying, formal group plan offered to all employees. Most churches do not have an established (Section 125) plan and should therefore include any reimbursements for deductibles and co-payments on line 8. |

* Generally speaking, if something is called an "allowance" a set amount is paid to an employee for which the employer does not require substantiation or a voucher. This has implications for both Benefit Plan dues and for taxes. For the benefit of both the pastor and church, expenses for continuing education, books, subscriptions, automobile expenses, business expenses, etc. should be set up as "accountable reimbursement plans" in which vouchers are submitted for reimbursement. While a church will want to put a total annual amount for such plans into the church's annual budget, any maximums set for such accountable reimbursement plans could be misinterpreted as "allowances." Of course, there should be an understanding between the church and pastor as to what are reasonable and allowable expenses.

D. CHANGES IN NON-FINANCIAL BENEFITS (vacation, study leave time, etc.) LIST HERE:

Pastors shall receive:

- 4 weeks vacation time (to include four Sundays) (part-time included)
- 2 weeks study leave (six weeks may be accumulated by arrangement) (part-time included).
- Minimum of 12 weeks family medical leave (FMLA).

E. REFERENCE: 2025 MINIMUM TERMS OF CALL

Ordained ministers:

Full-time called and installed teaching elders:

| | |
|---|----------|
| Without a manse | \$61,903 |
| With a manse (utilities paid by pastor) | \$49,473 |
| With a manse (utilities paid by church) | \$43,674 |

Temporary supply teaching elders:

Same as above. Part-time calculated as percentage based on contractual hours.

Commissioned Ruling Elders (CREs): \$49,522, based on percentage of contracted hours.

Certified Christian Educators (CCEs): \$55,713, based on percentage of contracted hours.

Additional recommended terms of call for pastoral relationships shall be considered when bringing forth a Terms of Call:

- Recommended Professional development allowance of \$1,000.
- Recommended Professional Travel Allowance of \$2,400, or reimbursement at the Federal Rate.