

Connecticut Conference

*Pastor's
Compensation
Guidelines
2009*



**CONNECTICUT CONFERENCE
PASTOR’S COMPENSATION GUIDELINES FOR 2009**

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I. INTRODUCTION

Few among us like to talk about money—especially when it comes to how much we pay our pastoral staff. People rarely answer the call to pastoral ministry in order to become wealthy, yet the compensation package is very important both to the church and professional pastors. Candidates for pastoral positions pay attention to the salary offered in the *Employment Opportunities* listing and to the history of pastoral compensation in a local church profile. The bottom line can make or break a church—literally and figuratively.

In order for a church to **attract** (and **retain**) qualified, competent, gifted, caring pastoral leadership which will enhance the spiritual life of the congregation it will have to offer more than good pot luck suppers and people in the pews. Its financial package must be attractive and offer a salary consistent with the community. There are a number of factors that pastors take into account—salary, benefits, housing, professional expenses, continuing education and vacation. All of these will be described in this document.

This document is designed to be a *guide* for churches as they attempt to put together compensation goals for a pastor or to update a pastor's compensation package. It is understood that each local congregation creates its compensation package based upon the realities of its situation. While no one can dictate what an individual UCC congregation must pay its pastor(s), what is set forth here are what the Connecticut Conference of the United Church of Christ Board of Directors believes are the appropriate compensation standards for ordained pastors in the Connecticut Conference. We trust that this booklet will provide useful data and insight to churches as they undertake the process of creating a financial package for their pastors.

II. BASIC ASSUMPTIONS

Compensation packages for pastors need to be reviewed and updated annually. Again, if a church wishes to attract and retain quality pastoral leadership, then an annual review of the compensation package is essential. We trust that churches will, in fairness to themselves and their pastors, not simply gloss over this review but will take the task seriously and prayerfully.

Likewise, we believe that the pastor's professional performance within the social, economic and spiritual context of the community is an important part of this annual review. A review of professional performance should include evaluations of the performance of the congregation as well.

The guidelines presented here offer compensation goals for full time and part time ordained ministers. These range from the size of the congregation to the years of experience of the pastor.

We are aware that there may be congregations in the Connecticut Conference that cannot meet these compensation goals today. However, we believe that these are compensation goals toward which churches should aspire. If they are not feasible in your setting we encourage you to be creative in an attempt to adequately compensate your pastor(s). Some churches are yoked and share the cost of a pastor. Others have offered the pastor extra days off so that the pastor can supplement his or her income from other work. If your church finds itself in need of help in

finding ways to reach toward these compensation goals, we suggest you contact your Regional Minister or the Associate Conference Minister for Clergy Concerns.

III. HOW TO BEGIN: Who Does It?

It is a common practice that determination of pastors' compensation is carried out by a particular group within the church such as a Personnel Committee, Board of Deacons or Trustees, or a Pastoral Relations Committee. **(Note: While there are Pastoral Relations Committees that do make compensation recommendations we believe that there may be a potential conflict between the supportive, communicative role to which most are charged, and that of compensation review.)** Some churches may choose to create an ad-hoc committee to conduct the annual review and make the recommendations.

However this group is established, its task needs to be taken seriously, thoughtfully and prayerfully. We urge that it not become "just one more responsibility" for a committee already burdened with other tasks. Members should be fair-minded people of good will with a good understanding of and a strong commitment to the church and its ministry, who together are demographically representative of the congregation.

IV. GATHERING LOCAL COMPENSATION DATA

In addition to the information presented in this document the assigned committee can begin by gathering information about salaries and benefits for professional positions in the community. Compensation packages for principals and teachers in community public schools are public information. Likewise compensation figures for social work supervisors, hospital administrators, and other similar positions can be helpful for comparison. In each case we suggest that the request for information include the benefits, not just the cash salary.

V. ELEMENTS OF MINISTERIAL COMPENSATION

We urge all churches to use the salary guidelines offered in this document and to do the careful research that will enable them to set their pastoral compensation according to a scale commensurate with that of local professionals in other, comparable fields. We have in mind particularly those professions requiring post-graduate training such as school superintendents, secondary and intermediate school principals, secondary and intermediate school teachers, some government administrators, engineers and other professionals in administrative positions.

A. Pastor as W-2 Employee

Most pastors should report their federal income taxes as employees, since (a) the value of various fringe benefits will be non-taxable (as described in the sections that follow), (b) audit risk is much lower, (c) reporting as an employee avoids the additional taxes and penalties that often are assessed against pastors who are reclassified as employees by the IRS, (d) the IRS considers most pastors to be employees, and (e) most pastors are employees under the "common law employee" test used by the IRS.

While most pastors are employees for federal income tax reporting purposes, all pastors are self-employed for Social Security and Medicare purposes with respect to services performed in the exercise of ministry (they have a “dual tax status”).

B. Voluntary Withholding

A church and its pastor (who reports his or her income taxes as an employee) can voluntarily agree to subject the pastor’s compensation to income tax withholding. Some pastors find voluntary withholding attractive because it avoids the additional work and discipline associated with the estimated tax payment procedure. Pastors who elect to enter into a voluntary withholding arrangement with their church need only file an IRS Form W-4 (Employee’s Withholding Allowance Certificate) with the church. The filing of this form is deemed to be a request for voluntary withholding. This arrangement may be terminated at any time by either the church or pastor individually, or by mutual consent of both. Of course, a voluntary withholding arrangement will affect the church’s quarterly IRS Form 941.

C. Estimated Tax Payments

Unless they elect voluntary withholding, pastors must prepay their income taxes and self-employment taxes using the IRS estimated tax procedures.

D. Salary and Housing Guidelines

1. Solo or Senior Pastors

Salary and housing includes the actual amount of dollars paid to the minister **when the church does not provide a parsonage**. Salary and housing do not include benefits, SECA offset or reimbursable expenses. The chart below offers the range of recommended salary and housing amounts as a goal or target for fulltime pastors. A salary survey found in Appendix I of this document reports the high, low, average and median salaries projected for 2008 as reported by Connecticut Conference congregations.

Membership Range	Up to 200	201-350	351-500
Salary Range (0 years experience)	\$29,914-\$45,814	\$45,920-\$55,884	\$55,937-\$63,834
Salary Range (15 years experience)	\$41,914-\$57,814	\$57,920-\$67,884	\$67,937-\$75,834
Salary Range (30 years experience)	\$53,914-\$69,814	\$69,920-\$79,884	\$79,937-\$87,834
Membership Range	501-650	651-800	801-1000+
Salary Range (0 years experience)	\$63,887-\$71,784	\$71,837-\$79,734	\$79,787-\$90,334
Salary Range (15 years experience)	\$75,887-\$83,784	\$83,837-\$91,734	\$91,787-\$102,334
Salary Range (30 years experience)	\$87,887-\$95,784	\$95,837-\$103,734	\$103,787-\$114,334

The following formula is used to calculate the salary and housing ranges:

Base Salary and Housing	\$24,614
Base Salary and Housing Supplement	\$53 per member for the first 240 members to a maximum of \$12,720
Experience Supplement	Years experience x \$800
Membership Supplement	\$53 per member

For instance, the recommended salary and housing for a pastor with 15 years of experience serving a congregation with 200 members would be:

Base Salary and Housing	\$24,614	\$24,614
Base Salary and Housing Supplement	\$53 per member for the first 240 members to a maximum of \$12,720	\$10,600
Experience Supplement	Years experience x \$800	\$12,000
Membership Supplement	\$53 per member	\$10,600
	Total Salary and Housing	\$57,814

In another example, the recommended salary and housing for a pastor with 15 years of experience serving a congregation with 800 members would be:

Base Salary	\$24,614	\$24,614
Base Salary and Housing Supplement	\$53 per member for the first 240 members to a maximum of \$12,720	\$12,720
Experience Supplement	Years experience x \$800	\$12,000
Membership Supplement	\$53 per member	\$42,400
	Total Salary and Housing	\$91,734

A spreadsheet that may be used to calculate the recommended salary and housing is available online at the Connecticut Conference website www.ctucc.org.

2. A Note Concerning the Experience Supplement

Experienced pastors bring a level of skill to pastoral ministry for which they should be compensated. It is also true, however, that many pastors who have entered ministry as a second career bring a wealth of experience and skill to pastoral ministry gained in previous work. It is recommended that other professional experience be included as a factor in calculating the experience supplement for second career pastors.

3. Associate Pastors

It is recommended that the salary and housing for associate pastors should fall between 70 and 85% of the recommended salary for a senior pastor **with equivalent years of experience**. In deciding the appropriate percentage, not only should the church consider the years of experience,

but also the scope and level of responsibilities handled by the associate minister.

4. Allocation of Salary and Housing When a Pastor Owns Her or His Own Home

Home ownership is advantageous because it allows a pastor to build equity in real property. For married or partnered pastors with children, equity is especially important when it comes time to finance a child's college education or to buy a permanent retirement home, and home ownership ensures that a minister's spouse/partner and family will have a home and a community in the event of a minister's untimely death. Many churches have found that with the capital realized from the sale of an existing parsonage they can loan their pastor funds for a down payment on a home or can use the income from the rental of an existing parsonage to provide their pastor(s) with a housing allowance.

A pastor does not have to pay income taxes on the portion of the salary and housing specifically designated as housing allowance, **but the housing allowance must be included in calculating self-employment taxes.** The Internal Revenue Service allows the housing allowance to be the lesser of:

1. The fair rental value of the **furnished** home plus utilities
2. The amount actually expended to provide a home
3. The amount officially designated by the church.

In any instance, the housing allowance cannot be more than the reasonable pay for ministerial services. For the housing allowance to be exempt from federal income taxes, the amount of the housing allowance must be designated in advance in the church budget, and formally be approved by the official church board annually. The action must be recorded in official minutes and retained in the church files. The pastor must be able to show that his/her actual housing costs (e.g. rent or mortgage payments, property taxes, property insurance, utilities, furnishing costs, and maintenance) do in fact equal or exceed the housing allowance. Any amount of the allowance that is not actually spent on housing must be reported as taxable income by the pastor on his/her income tax return.

In addition to the above considerations, the housing allowance cannot exceed the reasonable pay for your services. A housing allowance may equal 100% of cash compensation, but the larger the housing allowance as a percent of salary, the more likely that other tax and benefit problems arise—specifically for pension and tax sheltered contributions. If you have any questions, please call the Associate Conference Minister for Clergy Concerns at the Conference office.

5. When the Church Provides a Parsonage

Generally it is recommended that the cost of housing not exceed 30% of total income. Therefore, if a parsonage is provided, the total salary and housing may be reduced by 30% to reflect the income normally spent on housing. Such an adjustment also reflects the fact that pension contributions are normally based on 130% of total salary for ministers living in parsonages (see below). For instance, the recommended salary for a pastor living in a parsonage with 15 years of experience serving a congregation with 800 members would be:

Base Salary	\$24,614	\$24,614
Base Salary and Housing Supplement	\$53 per member for the first 240 members to a maximum of \$12,720	\$12,720
Experience Supplement	Years experience x \$800	\$12,000
Membership Supplement	\$53 per member	\$42,400
Value of Parsonage	30% of total Salary and Housing	-\$27,520
	Total Salary	\$64,214

When a parsonage is provided, it should be attractive, conveniently arranged and well maintained. It should have adequate sleeping quarters, plus a guestroom and a study where the pastor can retreat from family activities, unless adequate office and study facilities are provided in the church itself. Along with the parsonage, the church may pay directly for parsonage utilities (heat, light, water, refuse service, local phone service, etc.) or provide a parsonage allowance to the pastor for those expenses. If the church provides a parsonage allowance, the amount must be designated in advance in the church budget, and formally be approved by the official church board annually. The action must be recorded in official minutes and retained in the church files. The pastor must be able to show that his/her actual maintenance costs (e.g. property insurance, utilities, furnishing costs, and maintenance) do in fact equal or exceed the parsonage allowance. For federal income tax purposes a minister can exclude from gross income the fair rental value of the furnished parsonage, including utilities, as part of his or her earnings. However, the exclusion cannot be more than the reasonable pay for services. A minister can also exclude any designated parsonage allowance, up to the actual cost incurred. For self-employment tax purposes, a minister must report the fair rental value of a parsonage and the parsonage allowance (including an amount the church pays directly for utilities). See IRS Publication 517 *Social Security and Other Information for Members of the Clergy and Other Religious Workers* available online at <http://www.irs.gov/publications/p517/ar02.html#d0e410> for more information.

6. Equity Fund

A church that provides its pastor with a parsonage may want to consider establishing a housing equity fund that would be payable upon retirement or at some other time in the future. The fund would accumulate according to the specific agreement during the active service of the pastor and then be available in a variety of payment options.

The Connecticut Conference does not play a role in such plans other than to provide the option of investing the funds as a separate account owned by the local church in the Consolidated Trust Fund. If you are interested in this investment option or have other procedural questions regarding housing equity accounts, please contact the Associate Conference Minister for Endowment Ministries.

There are two pooled income funds that can serve as the repository for Housing Equity Funds:

The Consolidated Trust Fund (administered by the Missionary Society of Connecticut) and The United Church Foundation (administered by the UCC Pension Boards).

7. Cost of Living Adjustments (COLA)

Congregations should increase their pastors' salaries annually to keep up with the increasing cost of living. The cost of living adjustment annual percentage can be found at <http://www.bls.gov>.

8. Merit Increases

While we understand that congregations are not always able to increase their pastors' salaries as much as they would like, we strongly encourage them to give their pastors salary increases in addition to COLA based on performance as finances allow.

E. Part Time Solo, Senior and Associate Pastors

Compensation

Part time pastors should be compensated based on the number of *units* worked. A unit is defined as a morning, afternoon or evening worked encompassing a 3-4 hour time period. This time designation is useful for pastors since they are often called upon to work during any time period during the day. A full time pastor is generally called upon to work 12 four-hour units per week. We recommend that the compensation for part time pastors be determined on the basis of the number of units worked. The compensation for each unit should be determined based on a percentage of the full time salary for a pastor with equivalent years of experience. Therefore the formula for determining the minimum basic cash salary for a part time pastor or associate pastor should be determined using the following formula:

Minimum salary and housing (determined using the formula above)
divided by 624
multiplied by the number of units worked per year

For instance, a solo pastor with 15 years experience serving a congregation with 200 members working fulltime (624 units) would receive salary and housing of \$92.65 per unit or \$57,814 per year. If that pastor worked a ½ time schedule s/he would generally work at least 6 units per week and receive a *minimum* starting salary of \$28,907 per year, **including housing**.

Benefits

F. Pension

1. Annuity Fund

The current pension plan provided by the UCC is an excellent one offering several investment funds and the option for the pastor to add his/her own tax sheltered contributions to save for retirement. We strongly encourage each congregation to participate in this plan. The recommended level of participation is 14% of the "Salary Basis," defined as follows:

When rent-free use of a parsonage is provided:

“SALARY BASIS” = Basic cash salary + (30% of Basic Cash Salary) or, simply 130% of Basic Cash Salary.

When a housing allowance is provided:

“SALARY BASIS” = Salary and Housing.

Contributions to the Pension Fund are not limited to 14%. However, federal law provides that contributions to a tax-sheltered annuity are limited to 25% of taxable compensation (the wages reported on the W-2 for the clergy person). Beyond twenty-five percent, contributions are taxable to the participant.

Money paid by the church for tax-sheltered annuities is not reported as current income for tax purposes (subject to the limit discussed above), but will be taxed when it is withdrawn, which is normally after retirement.

2. 403b Plan Deduction

A pastor is encouraged to provide their own savings for their retirement, in addition to contributions to an annuity fund provided by the church through a pension plan. One good way to accumulate savings for retirement is a 403b plan, which is a retirement plan for college, civil government, not-for-profit and church employees. The plan allows participants to set aside money on a pre-tax basis through a salary reduction agreement with their employer. The employee can usually select from a list of investment alternatives. The invested money grows tax-deferred until retirement. The money is taxed as ordinary income when withdrawn. IRS Publication 571 (available at <http://www.irs.gov/publications/p571/index.html>) contains specific requirements for 403b plans. Contact a financial advisor for more information.

G. Life Insurance & Disability Income Benefit

UCC congregations are encouraged to provide the UCC Pension Boards’ Life Insurance and Disability Income Benefit Plan for their pastors, which includes life insurance, short-term disability insurance and long-term disability insurance. The premium is 1.5% of the “Salary Basis” (see above). The formula below presents the method of calculating the annual premium for the Life Insurance and Disability Income Benefit Plan:

H. Health/Dental Benefits

1. Health Insurance

Group health insurance for pastors is provided by the UCC Pension Boards. We recommend that churches pay the full annual premium for family coverage. The UCC Medical Benefits Plan offers portability to pastors and their dependents if they remain in the plan when they change positions. Please note: UCC pastors and their dependents must enroll in the UCC Medical Benefits Plan within the first 90 days of initial eligibility. If they do not enroll in the Plan during

the initial eligibility period, or if they leave the plan at a later date, evidence of good health must be provided to enroll. Plan participation may be denied on health status after the first 90 days of eligibility.

2. Dental Insurance

Dental insurance is also part of compensation. A group policy is provided to churches by the Pension Boards. It is available only to persons in the UCC Medical Benefits Plan. We recommend that churches pay the full annual premium for family coverage.

3. Flexible Spending Account Plan

Through the Pension Boards, local churches participating in the UCC Medical Benefit Plan may establish a Flexible Spending Account for clergy. Aside from a modest initial set-up fee, making this Account available does not have a cost to the local church as it is funded by the clergy person's voluntary salary redirection into the Account. The Account provides participants with tax-savings related to medical deductibles, copays and dependent care expenses and is an attractive addition to a compensation arrangement.

Complete information on all the UCC pension and insurance programs is available from:

The Pension Boards, United Church of Christ
475 Riverside Drive, 10th Floor
New York, NY 10115
800-642-6543
<http://www.pbucc.org>

I. Self-Employment Taxes ("SECA")

Pastors have a "dual tax status." Pastors are considered by IRS as:

1. employees for federal income tax reporting purposes, and
2. self-employed for Social Security purposes with respect to services performed in the exercise of ministry.

In this dual tax status circumstance, pastors must pay all their own self-employment taxes ("SECA"). This is in contrast to the more common Social Security tax obligation of other workers whose employers pay 50% of Social Security ("FICA") and Medicare taxes and the employee pays the other 50%. Pastors must pay all of these taxes because of their dual tax status. The SECA and Medicare tax rate for ordained clergy in 2009 is 15.30%.

We recommend that congregations include in the salary package a "SECA Offset" to compensate for this added tax burden. Such an "offset" is paid directly to the pastor and is reportable as taxable income to the pastor. We recommend that churches offset 50% of the SECA taxes, which is identical to the rate churches pay for their lay employees.

NOTE: The SECA tax is calculated on cash salary plus housing allowance or fair rental value of the parsonage. In computing the Social Security tax on Schedule SE of Form 1040, pastors who live in a church-owned parsonage must include the fair rental value of the parsonage as income. The fair rental value of a parsonage is a question of fact to be determined in each case on the particular circumstances. Consult your tax preparer for assistance with fair rental of the parsonage if it is applicable to you or see IRS Publication 517 as referenced above.

J. Professional Expenses

Each local church must decide what type of professional expenses best support the ministries of their congregation, and how they will be funded. While it is important to remember that these expenses undergird the pastoral leadership offered, these items are considered church related business expenses and are not part of a pastor's compensation package. These resources will assist the pastor in fulfilling covenantal expectations with the wider church, maintaining collegial relationships, staying connected with the denomination and its activities, developing new and varied skills, and remaining creative and excited about new opportunities for ministry.

The church is strongly urged to adopt an "Accountable Reimbursement Plan" (acceptable to the IRS—see IRS Publication 1828, "Tax Guide for Churches and Religious Organizations," available at <http://www.irs.gov/pub/irs-pdf/p1828.pdf>) as a means of reimbursing pastors for professional expenses they incur on behalf of the congregation. The plan must be adopted in advance of the start of the fiscal year. These expenses may be for: transportation, overnight travel (including lodging and meals), entertainment, books, subscriptions, education, vestments and professional dues. The adoption of such a plan relieves the pastor of complicated tax reporting of such payments from a non-accountable plan. Under the accountable expense plan, the pastor provides the church with detailed documentation of the above items. Assuming that the nature and level of expenses falls within IRS guidelines, the reimbursement is not included as taxable income. The church must retain the documentation for seven years for audit purposes.

A non-accountable plan puts responsibility for tax treatment on the pastor. Typically, the church agrees to a level periodic travel and/or expense allowance, paid to the pastor as taxable income and included on the W-2 Form. The pastor is then responsible for her/his business expenses and for retaining the documentation. For a pastor who does not itemize deductions, this increases the tax liability. Consult a tax professional for guidance.

1. Travel

The costs of transportation incurred by the pastor in relation to pastoral duties should be considered annually. Reimbursement for automobile travel should be at the allowable rate by the IRS. The IRS mileage reimbursement rate for 2009 is \$0.55 per mile. Additional information can be found in IRS Publication 463 available at <http://www.irs.gov/pub/irs-pdf/p463.pdf>. It is necessary for the pastor to provide to the church a daily record of trips taken, briefly noting the purpose of such trips, the distance traveled, and other expenses incurred including tolls and parking fees. Other transportation costs (airline, taxi, train e.g.) should also be reimbursed. Expense vouchers should be submitted on a regular basis.

2. Meetings

The church should pay for its pastor to attend the meetings, conferences and gatherings of the Association, Conference and, when appropriate, the national setting of the UCC. In addition, some allowance should be made for the pastor's expenses while participating in ecumenical activities.

3. Other Professional Expenses

The costs of subscriptions to religious journals, entertaining guests of the church, the cleaning or purchasing of vestments to be worn in worship, and professional dues are all legitimate professional expenses and should not be taken from salary compensation. Upon written and timely account of these expenditures, they should be reimbursed by the church.

K. Vacation/Leave

Pastors should receive at least one month's annual paid vacation. Churches may want to increase vacation time after five years of service, e.g., one week for every 5 years served.

In addition, congregations are encouraged to provide one weekend off each quarter for their pastor(s).

NOTE: A week at Silver Lake as chaplain, dean or camp counselor should not to be considered vacation time for the pastor. This practice is true of the Connecticut Conference in relation to its employees. Copies of the Connecticut Conference Employee Handbook are available upon request to the Associate Conference Minister for Clergy Concerns.

L. Sick And Compassionate Leaves

1. Sick Leave

During periods of temporary illness, salary and benefits normally continue. Congregations and pastors will want to develop a clear mutual understanding of the meaning of "temporary illness" that will complement the provisions of the Life Insurance and Disability Income Benefit Plan.

It is recommended that pastors be provided with a sick/personal time benefit. A possible benefit level is 10 days per year. If pastors do not use this time, it could be "banked" up to a maximum of 30 workdays for use in the event of a disability. The disability should be documented by a written request that includes medical verification of the disability (in excess of five days) and would include an indication of the anticipated "return-to-work" date. Banked personal/sick leave time can be utilized to continue compensation. Note: The UCC Life Insurance and Disability Income Benefit Plan includes coverage for short-term disability after a 30-day waiting period.

2. Compassionate Leave.

A compassionate leave could also be considered to address the circumstance when something out of the ordinary happens, such as the death of a family member, sickness or a personal crisis.

Thirty to ninety days is recommended with the approval of the appropriate church body.

Normally, such leave does not accrue and is not payable if unused.

3. Parental Leave

Paid maternity leaves for a minimum of six weeks up to a maximum of three months should be provided to female pastors. Male or female pastors may be granted childcare leave for up to six weeks for the purpose of caring for a newborn or seriously ill dependent. Employees adopting a child may be granted a child care leave for the purpose of receiving the child into their immediate family.

M. Continuing Education & Sabbatical Leave

Continual study is a necessity for effective ordained Christian ministry. Pastors need time for professional development. Periods of study leave of from two to four weeks annually are important to the improvement of the quality of pastoral service and are a good investment by the congregation. Continuing education units (CEU's) provide a recognized measure of professional development and efforts.

Some pastors may choose to use this a day at a time in order to pursue an advanced degree, or may want to use this in conjunction with sabbatical time for the same reason. It's helpful if the pastors and the appropriate body in the church can negotiate the most effective way of using continuing education time.

Sabbatical leave for an extended period of study or renewal is also part of the pastor's continuing development. The usual provision for sabbatical leave is three to six months for every four to six years of continuing service. Timing and financial responsibilities can be arranged in a number of ways. Careful planning is required on the part of both congregation and pastors.

Some pastors have concluded that six months after six years is too long a time to be away from the congregation and/or six years is too long a stretch to go between sabbaticals. Other options include:

Sabbatical time of two or three months, plus vacation, after three years of continuous ministry;

Taking some sabbatical time every year, usually during the summer in conjunction with vacation. In this case, the pastor is usually gone for two months.

Pastors are encouraged to participate financially by setting aside funds in advance to cover a part of the cost of the travel or training during sabbatical time. Congregations are encouraged to build up reserve funds to meet the cost of ministerial services during the absence of their regular pastor, and to budget for these expenses in the year of their pastor's sabbatical. Churches have

two components of expense for pastoral leadership during the pastor's sabbatical leave, 1) the cost of the pastor's salary during the sabbatical leave and 2) the cost of an individual to provide these services to the congregation during the time the pastor is away on the sabbatical.

When sabbatical leave is negotiated with the pastor, it is important to make sure a line item for this expense appears in annual budgets in advance of the year when the sabbatical will occur. Congregations that make no provisions ahead of time will discover that they are in difficult financial straits in the year that the sabbatical actually occurs.

VI. INTERIM MINISTRY

The time between settled pastors presents unique challenges and opportunities for the local church. Churches that take advantage of this time for renewal, have found that the church is stronger and healthier as a result. The success of the next settled pastorate is also affected by the way in which the church moves through the interim time. It is for this reason that the Connecticut Conference strongly recommends the calling of an interim pastor.

An interim pastor is an ordained clergyperson who performs the same pastoral duties as a settled pastor. In addition, the interim pastor assists the church in engaging the unique tasks of the "in-between time." The calling of an interim pastor is an investment in the future health of the church. Churches are encouraged to avoid the temptation to save money by hiring an interim for fewer hours than the previous pastor worked or "getting by" with a supply preacher.

A. *Salary and Benefits*

The salary and benefits package offered the interim pastor should be consistent with current compensation guidelines for settled pastors, including pension, health and disability insurance and continuing education. The package should be comparable to what the church expects to pay its next settled pastor and no less than that which was offered to the previous one. If the position is part-time, all benefits should be pro-rated.

B. *Housing*

Whether or not housing is provided should be negotiated with the interim pastor. Some interims are happy to live in the parsonage; others own their own homes. If the interim is commuting a long distance, some provision for housing on evenings when she/he must work late or in inclement weather is often appreciated. If housing is not provided, please remember that a housing allowance should be provided.

C. *Health and Dental Insurance*

If the church does not need to provide health and dental insurance because the interim is already covered by another insurance program, the church is encouraged to contribute an equal amount to the Connecticut Conference Interim Pastors' Health Insurance Fund. This fund was established to help interim ministers pay premiums during the time in between pastorates.

D. Mileage

Mileage should be reimbursed at the current IRS rate. The interim pastor may prefer either a travel allowance or reimbursement upon presenting a monthly statement of miles traveled. Because interims often travel long distances from home, this mileage is also reimbursed but is considered taxable income unless the position is less than one year and outside the interim's "tax home." More information is available in IRS Publication 463 available at <http://www.irs.gov/pub/irs-pdf/p463.pdf> or consult a tax advisor for details.

E. Business and Professional Expenses

All business and professional expenses are to be reimbursed.

F. Vacation

Vacation is earned based on one paid week of vacation per three months of service. Payment for unused vacation at the conclusion of the interim should be negotiated. In addition, if it is the practice of the church to offer additional time off (after major holidays, quarterly Sunday off, etc) this practice should be continued.

G. Transitional Income

The practice of intentional interim ministry is a demanding one that sometimes involves gaps of several months between calls. A provision for transitional income is one way to encourage skilled pastors to consider interim ministry.

A typical package might include one month's salary, one month's sabbatical and the payment of the next quarter's health insurance premium. This package should be in addition to the amount negotiated in the compensation package.

When the interim pastor is assured that her/his needs will be met, she/he is free to put the needs of the church in transition first. Providing for some income between interim calls also encourages experienced interim pastors to take time to prepare themselves spiritually and physically for the next interim pastorate.

H. Interview Expenses

Reimbursement for expenses related to the initial interview should be paid by the church. Mileage is the most common expense, but it is gracious to offer a meal if the candidate must travel during mealtimes. If other expenses related to the interview (such as lodging) are incurred by the candidate, these should be reimbursed as well. The general rule of thumb is that the interim pastor candidate should be treated in the same manner as a candidate for the settled position.

I. Intentional Interim Pastors

Some interim pastors are called intentional interim pastors. An intentional interim minister is a specialist who has received training beyond a seminary degree in the skills necessary to lead churches in transition or crisis. Intentional interim pastors are committed to the principles and practice of interim ministry. Your Regional Minister can provide you with the names of intentional interim pastors.

VII. RESOURCES

The attached appendixes provide contact information regarding compensation issues—see Appendix I. Appendix II contains address, phone, and fax numbers to contact the Pension Boards or the Connecticut Conference. Appendix III and IV provide summary information on financial assistance for pastors with ministerial standing in the Connecticut Conference and their families.

APPENDIX I: 2009 CLERGY SALARY SUMMARY

The 2009 salary summary is based on the reports we received from Connecticut UCC churches. The figures reflect cash salary and housing only. The figures do not include the standard benefits recommended by the Conference, i.e. health insurance, annuity, disability, Social Security, etc. Questions: Rev. Dr. Ron Brown, Associate Conference Minister for Clergy Concerns, at 860-761-7107 or toll free in CT 866-376-2822, Ext. 107; email ronb@ctucc.org.

Membership	# of Churches Reporting Full Time Pastor	#of Churches Reporting Part Time Pastor	Total # of churches this size in CT Conference	% Reporting
100 or less	6	17	43	53%
101-200	18	8	52	50%
201-350	30	3	56	59%
351-500	25		38	66%
501-650	13		22	59%
651-800	10		14	71%
801-1000	7		10	70%
1000+	4		9	44%

Membership	# of Churches Reporting	FULL TIME PASTOR			
		Low	Average	Median	High
100 or less	6	\$36,000.00	\$51,176.20	\$49,836.00	\$71,760.04
101-200	18	\$38,500.00	\$54,574.03	\$53,815.50	\$88,353.00
201-350	30	\$28,402.00	\$53,488.15	\$52,964.09	\$73,960.00
351-500	25	\$52,658.00	\$70,798.76	\$68,185.00	\$114,315.00
501-650	13	\$61,200.00	\$82,295.62	\$78,518.00	\$117,440.00
651-800	9	\$53,625.00	\$88,569.89	\$79,238.00	\$167,425.00
801-1000	7	\$74,487.00	\$90,065.43	\$92,185.00	\$104,830.00
1000+	4	\$68,862.00	\$118,709.25	\$114,426.50	\$177,122.00

Membership	# of Churches Reporting	PART TIME PASTOR			
		Low	Average	Median	High
100 or less	17	\$2,250.00	\$21,107.08	\$18,333.30	\$49,725.00
101-200	8	\$23,343.00	\$36,908.77	\$36,016.50	\$62,000.00
201-350	3	\$27,200.00	\$37,020.00	\$35,325.00	\$48,535.00
351-500					
501-650					
651-800					
801-1000					
1000+					

Membership	# of Churches Reporting	FULL TIME ASSOCIATE PASTOR			
		Low	Average	Median	High
100 or less					
101-200					
201-350					
351-500	2	\$54,580.00	\$55,993.00	\$55,993.00	\$57,406.00
501-650	3	\$43,482.00	\$49,634.67	\$46,300.00	\$59,122.00
651-800	5	\$39,220.00	\$48,327.16	\$47,723.80	\$62,869.00
801-1000	4	\$52,490.00	\$63,708.00	\$58,513.00	\$85,316.00
1000+	6	\$54,481.00	\$72,755.17	\$63,454.50	\$111,626.00

Membership	# of Churches Reporting	PART TIME ASSOCIATE PASTOR			
		Low	Average	Median	High
100 or less					
101-200	1		\$22,173.00		
201-350	2	\$8,930.25	\$13,710.63	\$13,710.63	\$18,491.00
351-500	4	\$19,958.00	\$24,722.50	\$24,136.00	\$30,660.00
501-650	5	\$8,414.00	\$29,248.00	\$31,708.59	\$42,230.00
651-800	3	\$22,037.00	\$27,833.00	\$29,942.00	\$31,520.00
801-1000	3	\$25,137.00	\$32,608.00	\$31,777.00	\$40,910.00
1000+	2	\$40,600.00	\$66,181.00	\$66,181.00	\$91,762.00

APPENDIX II: CONFERENCE STAFF
AVAILABLE TO ADDRESS COMPENSATION ISSUES:

AT THE UNITED CHURCH CENTER, 125 SHERMAN ST., HARTFORD, CT 06105

ASSOCIATE CONFERENCE MINISTER FOR CLERGY CONCERNS:

The Rev. Dr. Ronald Brown

Phone: 860-761-7107, or toll free in Connecticut: 866-367-2822, extension 107

Fax: 860-231-8111

Email: ronb@ctucc.org

REGIONAL MINISTERS:

Fairfield County Regional Office, vacant

Fairfield East & Fairfield West Associations

The Rev. Michael Ciba, **Valley Northwest Regional Office**, 860-274-6727,

michaelc@ctucc.org

Litchfield North, Litchfield South, and Naugatuck Valley Associations

89 Grandview Avenue, Watertown, CT 06795

The Rev. Dr. Michael Penn-Strah, **South Central Regional Office**, 203-389-1193

mikeps@ctucc.org

Central, Middlesex, & New Haven Associations & New Haven East Consociation

5 Meeting House Lane, Woodbridge, CT 06525

Eastern Regional Office, vacant

New London, Tolland, & Windham Associations

The Rev. Ineke Mitchell, **North Central Regional Minister**, 860-693-4473, inekem@ctucc.org

Farmington Valley, Hartford, Hartford East Associations

105 Bahre Corner Road, Canton, CT 06019

APPENDIX III: USEFUL ADDRESSES

The Pension Boards, United Church of Christ
475 Riverside Drive, Room 1020
New York, NY 10115
TOLL FREE 1-800-642-6543

FAX 212-729-2701

WEBSITE: <http://www.pbucc.org>
EMAIL: info@pbucc.org

The Connecticut Conference of the United Church of Christ
125 Sherman Street, Hartford, CT 06105
TOLL FREE 866-367-2822

FAX 860-231-8111

WEBSITE: <http://www.ctucc.org>
EMAIL: info@ctucc.org

APPENDIX IV: AID AVAILABLE FOR PASTORS & THEIR FAMILIES

History and Purpose of the Fund for Ministers

On June 28, 1867, the Trustees of the Fund for the Aid of Disabled Ministers and Needy Widows and Orphans of Ministers was chartered: "The said corporation shall be purely a benevolent institution for the purpose of securing and applying offerings from churches and individuals for the aid of infirm or disabled clergy who have at some time ministered to Congregational Churches in this State and are connected with the district Associations of Congregational ministers represented in the General Association of Connecticut; and for the aid of the destitute widows and orphans of clergymen, who at the date of their death, were connected with any Consociation or Association of Congregational Churches and ministers of this State."

This fund is administered by a board of trustees. The financial resources of the fund are distributed by the Ministerial Aid Committee, which reviews applications for assistance.

The following forms of aid are available through the fund:

1. Emergency Grants

Emergency grants may be given to ministers or other eligible persons for such grants under the charter of the fund. The committee is authorized to make such grants up to \$1,500 for any one family in a calendar year.

2. Regular Grants

Continuing grants are given to qualifying retired or disabled clergy, their spouses/partners, and/or widows, up to \$500 per month. Amounts beyond this limit require specific approval of the executive committee of the Trustees of the Fund for Ministers.

3. Health Insurance Premium Subsidy

Persons who retire after serving fifteen years in the Connecticut Conference or the last 10 consecutive years in the Conference can receive a health insurance premium subsidy. This subsidy applies to health insurance premiums for the annuitant and their spouse/partner, if any.

4. Housing Resources

The Trustees offer housing grants through its Robbins Memorial Fund to help retired clergy or their surviving spouses/partners with rent or mortgage payments. These grants are limited to \$500 per month and are administered like the Regular Grants (Item 2 above). Please call the Associate Conference Minister for Clergy Concerns at 860-761-7107.

5. Procedure for Procuring Aid

Application for grants is made to the Ministerial Aid Committee through the Associate Conference Minister for Clergy Concerns. Arrangements for Health Insurance premium gifts are made directly with the Associate Conference Minister for Clergy Concerns. For more information call the Conference office.

APPENDIX V: ADDITIONAL RESOURCES

Beardsley Fund

There is a small fund available to provide scholarship aid for the children of clergy who are seeking higher education. The amount of money awarded in any given year depends upon the number of applicants and the amount of money available in the fund. Generally, we have about \$2,000 a year to distribute. Applications can be made by writing to the Conference. Requests need to be in by the first of June, and awards are made in August.