

MINISTERIAL COMPENSATION POLICY

The compensation paid and/or furnished to a full time teaching elder should appear reasonable, just, and fair to the leaders of a congregation, to a majority of the members of a congregation, and to the teaching elder. Remuneration for services rendered by the teaching elder should be in line with the income levels of the area in which that service takes place. The teaching elder is a trained professional with responsibilities for which the Church has required preparation and training.

Each congregation in the Presbytery, through its Session and its teaching elder(s), should annually discuss compensation.

SECTION 1 MINIMUM EFFECTIVE SALARY

The Presbytery sets the Minimum Effective Salary requirements for teaching elders in installed positions at 80% of the Churchwide Median Salary as established annually by the Board of Pensions. Minimum Effective Salary for part time teaching elders should be pro-rated based on 80% of the Churchwide Median. These figures will be reported annually to be effective for the following calendar year. ***"Effective Salary" is defined as the combination of cash salary and housing. A full time call is defined as 35 hours per week.***

For 2024, the Churchwide Median Salary is \$67,100; **therefore the Minimum Effective Salary is \$53,680.** Exceptions may be allowed with approval of the Commission on Ministry.

Other requirements include:

- a. For installed teaching elders, full dues to the Benefits Plan of the Board of Pensions (39% of Effective Salary as defined by the Board of Pensions), in the Pastor's Participation program. Non-installed pastors, working at least 20 hours per week, may be enrolled in the Minister's Choice program, with the cost set at 10% of effective salary.
- b. Salary supplement equal to no less than 50% of the Social Security Self-Employment Tax.
- c. Four weeks or one month paid vacation inclusive of Sundays.
- d. Professional Expense Reimbursement Plan - Presbytery has approved a minimum of \$2500 for reimbursement of automobile expenses, books, continuing education and other professional expenses when substantiated to the Church Treasurer or other person designated by the session.
- e. Annual Study Leave of two weeks.
- f. Annual review of the terms of call and covenant with an evaluation of the mutual achievement of mission goals by teaching elder and session.
- g. A comprehensive evaluation of teaching elder every five years to grant a three month sabbatical from church duties after six years of continuous full time service.

SECTION 2 TAX INFORMATION

Each person's tax situation will be different, and advice should be sought from professional financial / legal counsel. Please note that it is the *responsibility of the teaching elder* to substantiate the amount and use of funds spent for housing if audited by the Internal Revenue Service.

IRS Publication 517 [<http://www.irs.gov/publications/p517/index.html>] provides information on reporting income, Social Security, expense reimbursement, housing allowances, etc.

SECTION 3 SABBATICAL POLICY

A Sabbatical has its roots in the Bible. Sabbatical means to rest or to break from work. The biblical pattern of 6 days of work and 1 day of rest served to identify the people of God. All full-time (35 hours per week or more) teaching elders in permanent, installed positions and full-time commissioned ruling elders shall be granted a compensated sabbatical of at least three months after completion of six years of continuous full-time service to a particular parish setting, and such sabbatical is part of the terms of call. This paid time away is intended for refreshment and renewal, both for the servant and for the congregation. The servant withdraws temporarily from the spiritual and emotional demands of ministry. A Sabbatical might be used to travel, pursue a passion, volunteer in a mission, study, or relax and renew. Sabbaticals can help avoid burnout and increase energy and vision for future ministry. The Committee on Ministry strongly endorses this policy for all full-time professional staff of any church. With the agreement of the session, a sabbatical may be combined with vacation and study leave. If the

teaching elder / commissioned ruling elder leaves within 12 months of completion of the sabbatical, he/ she is not eligible for severance. In churches with multiple staff, congregations may limit sabbatical leave to one staff person per year. Pastoral Nominating Committees in the presbytery are required to incorporate sabbatical leave provisions into pastoral terms of call in order for such terms to be approved by COM. Part-time installed pastors or pastors serving in temporary pastoral relationships with congregations may negotiate provisions for a sabbatical in their terms of call/contracts. The requirements of this policy go into effect upon approval by the presbytery.

Responsibilities of the Teaching Elder I Commissioned Ruling Elder

- * A minimum of six months prior to the proposed commencement of the sabbatical, bring a sabbatical proposal to the session. The proposal may include a description of the proposal, and may include the goals to be achieved, the expected results, and a personal statement as to how sabbatical leave will be beneficial to the teaching elder / CRE and to the church.
- * Make any necessary arrangements for coverage of pulpit, pastoral, and other responsibilities during sabbatical leave. In cooperation with the session, assure that pending responsibilities are brought up to date prior to departure on sabbatical leave.
- * Upon return, present an overview of the sabbatical experience with the session and the COM. Sharing of the experience with the entire congregation is strongly encouraged.

Session Responsibilities

- * Review the sabbatical proposal with the teaching elder / CRE and negotiate any necessary clarifications or changes.
- * Communicate to the congregation the importance and value to the church of the sabbatical leave.
- * Continue terms of call / financial commitments to the teaching elder / CRE during sabbatical leave.
- * Receive from the teaching elder / CRE the written overview of the sabbatical experience upon his/her return.
- * Set aside funds annually to accumulate toward the sabbatical year. For example, if a congregation determines that the cost of providing a sabbatical for its teaching elder / CRE will be \$3,000 - \$5,000, the congregation would write \$500 - \$834 into its annual budget to accrue to the Sabbatical year.

COM Responsibilities

- * Serve as mediator in any concerns of the session or the teaching elder / CRE with respect to the sabbatical, making sure the agreement is being met.
- * Appoint a moderator for the session for the duration of the sabbatical.
- * Provide human and financial resources as needed.

SECTION 4

MINISTERIAL COMPENSATION FOR PULPIT SUPPLY

The Commission on Ministry recommends pulpit supply at \$150 per Sunday, with mileage (at the current IRS rate) negotiated in advance.

Congregations may vary from this guideline only in extraordinary circumstances (i.e. multiple worship services, congregation size, etc.) and with prior negotiation with the teaching elder.

SECTION 5

CALCULATING COMPENSATION AND BOARD OF PENSIONS DUES

The Board of Pensions website provides information on the Board's dues for medical, death and disability, pensions, and optional benefits. The Board also provides a calculator for effective salary as well as a calculator for dues. These calculators can be found at <http://www.pensions.org/what-we-offer/employer-guidance/calculators>.

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Call Form (Initial)

The _____ Presbyterian Church of (Location) _____ Tennessee, belonging to The Presbytery of Middle Tennessee, being well satisfied with your qualifications for ministry and confident that we have been led to you by the Holy Spirit as one whose service will be profitable to the spiritual interests of our church and fruitful for the Kingdom of our Lord, earnestly and solemnly calls you,

(Name)

to undertake the office of pastor (associate pastor) of this congregation, promising you in the discharge of your duty all proper support, encouragement, and allegiance in the Lord.

That you may be free to devote yourself full time (part time) to the ministry of the Word and Sacrament among us, we promise and obligate ourselves to pay you the following (those agreed upon are to be filled in):

- Annual salary \$ _____ (in regular monthly or semi-monthly payments)
- Use of the manse \$ _____
- Housing allowance \$ _____
- Utilities allowance \$ _____
- Other medical insurance \$ _____
- Professional expenses \$ _____ (includes: automobile, continuing education, books, and personal business expenses)
- Social Security Tax \$ _____
- Other (specify) \$ _____
- Moving costs \$ _____

Vacation of (time period) _____ Continuing Education (time period) _____

and we will pay regularly in advance to the board responsible for benefits a sum equal to that requisite percent of your salary which may be fixed by the General Assembly of the Presbyterian Church (U.S.A.) for participation in the Benefits Plan of the Presbyterian Church (U.S.A.), including both pension and medical coverage, or any successor plan approved by the General Assembly, during the time of your being and continuing in the pastoral relationship set forth in this call to this church. We further promise and obligate ourselves to review with you annually the adequacy of this compensation, and to conduct a comprehensive evaluation of ministry every five years to grant a three month sabbatical from church duties after six years of continuous full time service. In testimony whereof we have subscribed our names this _____ day of _____, A.D. _____

(Signatures)

Having moderated the congregational meeting which extended this call for ministerial services, I do certify that the call has been made in all respect according to the rules laid down in the Form of Government, and that the persons who signed the foregoing call were authorized to do so by vote of the congregation.

(Signed) _____
Moderator of the Congregational Meeting

GUIDELINES REGARDING DISSOLUTION AND
SEVERANCE AGREEMENTS
FOR INSTALLED PASTORAL RELATIONSHIPS

Preamble

In recognition that there is a need for an orderly transition that is compassionate and equitable for the teaching elder and to the church when pastoral relationships end, the following guidelines are to be utilized. Regardless of the nature of the dissolution, the chair of the Commission on Ministry and/or the Executive Presbyter should be contacted as soon as possible to offer advice, guidance and assistance.

TYPES OF DISSOLUTIONS OF PASTORAL RELATIONSHIPS

1. **Ordinary Resignations.** An ordinary separation is when a teaching elder accepts another call to ministry, decides to leave the ministry, or retires. Such resignations require a written notice to the session, an affirmative vote of the Commission on Ministry, and an affirmative vote of the congregation. *The teaching elder will be paid the cash equivalent of his/her unused earned vacation (but not study leave) at the date of dissolution.*

2. **Resignations not Ordinary.** Such resignations can become necessary when conflicts arise within the congregation that are focused on the teaching elder even though the teaching elder has served the congregation honorably and in good faith. If the teaching elder has had insufficient time to seek a new call and will be unemployed when the pastoral relationship ends, the following guidelines for severance shall be considered:

Less than two years:	one month compensation plus moving expenses
Between two and four years:	two to three months compensation
Between five and eight years:	four to six months compensation
Above eight years:	seven to 10 months compensation

The teaching elder will also be compensated for any unused vacation time. A formal Severance Agreement will be entered into following the guidelines below.

3. **Resignation and Transfer to Another Denomination.** When a teaching elder who is pastoring a church considers leaving the Presbyterian Church (U.S.A.) for another denomination, it is expected that he/she will be in conversation with the Executive Presbyter and the chair of Commission on Ministry as he/she is going through the discernment process. This can be a time of great confusion for the church and warrants handling with grace and dignity. When a final decision is reached, the teaching elder should notify the Executive Presbyter and the chair of COM *prior to notification to the session and church* so that a representative of the presbytery can be present. The pastor's resignation is effective when the session is notified of his/her decision. The teaching elder will be entitled to compensation for any unused vacation time, but not study leave, and is not entitled to any severance. The COM will help the session obtain pulpit supply by providing names of qualified individuals and will appoint a temporary moderator for the session until more permanent arrangements, i.e. an interim, etc., can be made. If the teaching elder is occupying a manse, arrangements should be made to move as soon as possible; but no later than a month after the resignation.

4. **Death or Disability of a Teaching Elder.** It is recognized that the Board of Pensions has benefits which will become effective at the death or disability of a teaching elder. Should the teaching elder be utilizing a manse at the time of death or disability, that benefit should be continued by the church for a minimum of three months.

5. **Elimination of a Pastoral Position.** The elimination of an installed pastoral position can come about by virtue of a budget retrenchment, or as a result of other circumstances involving no fault of the teaching elder. This type of separation is at the discretion of the session and the congregation with the approval of the Presbytery through the Commission on Ministry. The session must notify in writing the Commission on Ministry after first consulting with the teaching elder. Recognizing that the teaching elder may have had insufficient time to seek a new call, it is appropriate for a congregation to enter into a Severance Agreement with the teaching elder for a period of six months.
6. **Separation for Cause** can come about for
 - a. unsatisfactory performance,
 - b. abuse or misconduct,
 - c. insubordination to proper church authority,
 - d. neglect in the care and use of church property or funds, or
 - e. conduct inconsistent with Presbytery standards.

Such cause must be clearly documented and thoroughly substantiated beyond a reasonable doubt. Under such circumstances, a teaching elder will be paid for any unused vacation but will not receive a Severance Agreement and compensation.

SEVERANCE AGREEMENTS

Guided by these guidelines of the Presbytery, and in conformity with same, the teaching elder and session will negotiate a dissolution and severance agreement for the installed pastoral relationship. Before becoming final, the agreement must be reduced to writing, approved by the teaching elder and session, approved by the Commission on Ministry, approved by the congregation (members of which must be furnished copies of the dissolution agreement no later than the date of first call for the congregational meeting at which the dissolution of call and the written agreement is to be considered), and the dissolution and written severance agreement must be approved by Presbytery through the Commission Ministry.

The dissolution of pastoral relationship agreement shall contain:

- a. The reason for the dissolution.
- b. All financial agreements including but not limited to: salary continuation, benefits continuation, loan repayment or shared equity arrangement (where applicable), compensation for unused earned annual leave provision, use of office, equipment, etc., and terms and time limits on physical presence.
- c. The agreement shall specify that if a teaching elder finds full-time employment prior to the end of the term of the agreement that the church's financial obligations end as of the date said full-time employment begins. Part-time employment will result in appropriate pro-rated adjustments in financial payments.

In cases where an agreement for the dissolution of the installed pastoral relationship agreement is not reached, an Administrative Commission may be elected and empowered to establish the terms of separation.

The Presbytery will not assume financial liability for such agreements. However, financial arrangements may be conducted through the Presbytery Office after the teaching elder's departure from the church. The church will make the agreed payments to the Presbytery at least seven days prior to the respective due dates for said payments to the former teaching elder, and the Presbytery will make the respective payment to the former teaching elder after receipt of payments from the church. This is intended to prevent unnecessary contact between the former teaching elder and the church.