

Penn Northeast Conference
2025 Ministerial Compensation Recommendations for Authorized Ministers

PREAMBLE

The Penn Northeast Conference of the United Church of Christ recommends these compensation recommendations for *full-time* pastoral leaders. Methods for utilizing these recommendations for less than full-time pastoral leaders are also included.

We would like you to understand that there may be different perspectives on these recommendations. One is: What can congregations afford? A second: How can we fairly compensate authorized ministers? These recommendations come from the perspective of what is fair compensation. We are aware that some congregations may not be able to compensate their leaders according to these *recommendations* but hope they prove useful to congregations when addressing compensation matters. Regardless of your perspective, it is imperative that congregations and authorized ministers have conversations about these recommendations.

These recommendations focus on the total cost of funding the position of pastor. They also include recommendations around specific parts of the package. Our recommendation is that you start with the minimum total needed to adequately fund the position, and then work with the best allocation of that total salary and benefits to meet the needs of your pastor.

Conversations on salary considerations need to be grounded in the following:

The Covenant Relationship: When a congregation calls a person to assume responsibility as pastor and teacher, it covenants with that person, with God, and with the wider congregation to care, to support and to grow in love and fairness. An annual review of what the congregation is doing, and how it compensates those who are its employees, is an important part of the covenantal relationship, and should be seen in that context.

The Concept of Stewardship: We are the stewards of God's resources as they are present in our lives and in the life of the congregation. In seeking to best use the resources entrusted to its care, a congregation should be sensitive to its own mission statement, and aware of the needs of its staff members. Being good stewards implies that we are trying to act as God wants us to. Being good stewards means struggling with issues like how God is calling us to compensate our employees, to care for our volunteers, and to participate in the wider mission and ministry of the United Church of Christ.

The Concept of Justice: The concept of justice calls us to provide fair and adequate support for those who labor in the local church. This means providing adequate salaries, uninterrupted times for rest and relaxation, and providing for the staff's continued growth. Pastors are entitled to be treated equitably for payment of services, and their working conditions should be reviewed annually.

The Covenant of Mutuality: Mutual respect, mutual dependence, cooperation, and care for the congregation and each other are all important when it comes to the sometimes difficult and uncomfortable subject of pastoral compensation. It is tempting for those congregations whose financial resources do not come close to being able to meet the Conference Guidelines to look at pastoral compensation in purely dollars and cents terms. But this can seriously damage their relationship with their pastor if the pastor feels that he/she/they has been asked to make a sacrifice for the good of the congregation, and that his/her/their needs have not been considered.

For both the congregation and the pastor, it may be helpful to look outside the compensation guidelines in order to provide a more localized sense of what is needed to live in the area. For example, consulting the salaries of

schoolteachers in the local school district who have a master's degrees is a good reference. There may also be non-salary ways to show support for the pastor. Extra vacation, sabbaticals, administrative support, and certain lay ministries can all be ways to show respect and appreciation for the pastor's contributions to the life of the congregation. These are best identified in dialogue with the pastor to identify what is the best fit.

CASH SALARY

Fair and just compensation for ministerial leadership should be reviewed by all parties involved, and to this end, Penn Northeast Conference Ministerial Compensation Recommendations for Authorized Ministers are provided. Authorized Ministers include Settled Senior or Solo Ministers, Associate and Assistant Ministers/Authorized Ministers, Interim, Transitional or Designated Ministers, and Stated Supply or Extended Supply Ministers.

The CASH SALARY is the amount of actual dollars paid to the minister. For purposes of this document, cash salary DOES include housing and utilities. Other allowances, benefits, Social Security, or reimbursable expenses are not included. The Penn Northeast Conference Ministerial Compensation Recommendations are for all authorized ministers serving in local churches and institutions.

The Penn Northeast Conference believes that the responsibilities of full-time authorized ministry are the same whether a pastor is ordained or licensed. The Federal Cost of Living (according to the Consumer Price Index) for 2024 is calculated to be an increase of 3%. In 2025, a starting cash salary for a full-time ordained authorized pastor with ministerial standing in the Penn Northeast Conference and no experience is recommended to be at least **\$80,692 or the congregation offer a minimum of a 3% increase of your congregation's 2024 level.** We understand that some of our congregations are used to paying a smaller salary for Licensed Authorized Ministers and Members in Discernment with Lay Ministerial Standing. We are recommending that we increase the percentage of salary paid to Licensed Authorized Ministers or Members in Discernment with Lay Ministerial Standing receive 90% of that offered to ordained authorized ministers or **\$72,623**. Experience and Congregational attendance and experience differentials should be added to this figure.

These figures do not reflect a church providing a parsonage. If a parsonage is provided, as is reflected in the worksheet, the cash salary should be reduced by 30%.

All congregations are urged to strive toward meeting these recommendations by incrementally increasing salaries over the long term until recommendations are met.

A minister serving a church that pays less than the minimum cash salary, however, is encouraged to negotiate an arrangement with the church which will allow the pastor to acquire supplemental income, or the church may offer additional vacation time.

Additional Factors to Consider

a. Experience

Because of the value of experience, an experience differential should be added to the starting salary for each year of ordained ministry and service in the local setting of the United Church of Christ. Local settings that have yet to meet the recommendations are encouraged to be in conversation with the Conference Minister to explore possibilities. Please refer to the Compensation Worksheet to make these additions.

Experience Differentials	
1-15 years full-time experience	add \$750 per year
16 and over full-time experience	add \$100 per year

b. *Worship attendance of Congregation, History, and Location*

Because of history, location, additional resources, and church budget, some churches can pay higher salaries. With increased worship attendance for a church, there are increased responsibilities and workload. The following scale is to be used for adding to the annual starting salary figure:

Average Attendance at Worship for the past 18 months	
100-150, add	\$ 500
151- 250, add	\$1,000
251- 400, add	\$1,500
Over 401, add	\$2,000+

Part-time Authorized Ministers

In the case of a part-time authorized minister, the total full-time compensation should be calculated and then multiplied by the part-time percentage to determine the salary package, e.g., a half-time minister anticipated to work 22-25 hours per week would be computed by totaling the salary and housing for a full-time authorized minister and multiplying that figure by 50%. In the cases of part-time authorized ministers, the total compensation may be divided into salary, benefits, and housing in a manner desired by the authorized minister in agreement with the church leadership.

It is important to stress that a part-time minister is not someone who works full time for part-time pay, but a minister who actually only works part-time. Please refer to the Call Agreement workbook, provided by the national setting of the United Church of Christ for the expectations and work hours suggested for part-time ministers. To expect full-time work for part-time pay is a justice issue.

Pulpit or Sunday Supply Ministers

The compensation for Pulpit or Sunday Supply Ministers should be \$250 for one service or \$350 for two services, plus mileage expenses.

HOUSING

PARSONAGE PROVIDED – If the church provides a parsonage, full utility costs should be provided. Authorized ministers living in a parsonage are advised to designate a portion of their cash salary as a “furnishings allowance.” To the extent that it is used to pay for parsonage related expenses, this allowance is not subject to income taxes. This allowance is normally between 3% and 10% of the salary. The minister should notify the church’s governing board, for their annual approval, the designated furnishing allowance.

HOUSING EQUITY OFFSET – If a parsonage is provided, the church may consider offering a Housing Equity Offset to ensure that the Minister is able to build up equity. This amount is taxable to the Minister. Recommended guidelines are 1.5% of the average home value. The Housing Equity Offset should not be calculated into the Salary Basis upon which other benefits are determined. Church should consult a tax advisor prior to establishing any account for an equity allowance to ensure compliance with IRS rules on nonqualified deferred compensation plans.

HOUSING ALLOWANCE – The minister should notify the church’s governing board, for their annual approval, the designated housing allowance percentage. The minister should submit this request and the minutes of the governing board reflect their approval on an annual basis.

REIMBURSED EXPENSES

PROFESSIONAL EXPENSES – Churches are expected to reimburse all professional expenses of authorized ministers. These may include FBI fingerprinting, PA Mandatory Reporting Education, and subsequent Criminal Background Checks.

BUSINESS TRAVEL EXPENSES

Automobile Expense

Is considered a church business expense and should be compensated fully. Compensation may take one of several forms.

- a. Per mile allowance (as allowed by IRS recommendations)
- b. Provision of an automobile and payment of all expenses for church use
(Note that annual lump sum payments are now considered taxable income by IRS. Churches should check current IRS law. Information about current automobile expenses can be found at www.irs.gov web site.)

Alternative Transportation:

The Americans with Disabilities Act requires support for those who are unable to provide their own transportation. Additionally, some pastors work in areas where there is a need for them to use public or other transportation to perform their professional duties. In those instances where a pastor is not driving their personal automobile, a transportation allowance should be created for the payment of these charges, based on the actual mileage/usage costs.

CONFERENCE/WIDER CHURCH EXPENSE – Conference, wider church, and business-related expenses incurred should be paid by the church in full.

RELOCATION EXPENSES – Initial moving expenses should be paid in full by the congregation calling an authorized minister. This is a church expense and shall not be considered as salary.

BACKGROUND CHECK – When an authorized minister prepares a profile, the authorized minister must pay for a background check before that profile can be circulated. When an authorized minister is called to a new setting, the local church is expected to pay the full cost of that background check to the newly called minister.

BENEFITS

SOCIAL SECURITY OFFSET –It is recommended the church or employer contribute (“offset”) half the amount the minister must pay, through the Self Employment Tax, for Social Security and Medicare. Currently, the Self Employment Tax is 15.3%, therefore the church “offset” is 7.65% of the salary and housing allowance. (All employers are already required to make this contribution for their regular employees. See IRS Notice 1036.)

GROUP HEALTH, VISION AND DENTAL INSURANCE – Churches are expected to pay the full annual premium for the authorized minister and eligible immediate family members in the UCC Medical and Dental as well as the vision plan. (Churches are encouraged to use the UCC Health Insurance plans whenever possible.) If the minister chooses to participate in another health insurance plan, the church pays the insurance premiums

directly to the covering insurance provider. Rates for UCC Health Insurance are available from the UCC Pension Board website on their “rate locator” tab.

When possible, we recommend the church offer benefits at the Plan A level for the medical benefits. However, if that is cost prohibitive for a church, they may negotiate the Plan B or C coverage with the authorized minister having the option to make up the difference. We DO NOT recommend that authorized ministers leave the UCC Medical Plan.

MEDICARE – At age 65, when a minister goes on Medicare, the local church is encouraged to pick up the cost of a Medicare Supplement Plan. The minister and his/her/their family will determine the Medicare Supplemental Plan that is appropriate for them. The local church is not responsible for the selection of the plan. (Remaining family members under the age of 65 are still covered by the Plan A UCC Insurance or whatever plan was originally negotiated.)

LIFE INSURANCE AND DISABILITY INCOME BENEFIT PLAN – A UCC disability income and life insurance program should be provided at 1.5% of Salary “Basis.” Salary basis equals the cash base salary plus housing allowance or 130% of cash base if a parsonage is provided.

In the case of a pastor’s disability, the church will be responsible for the first 30 days of salary, housing and benefits. The member must contact the UCC Pension Boards to apply for Short Term Disability and if approved, the member will receive (beginning with day 31) a weekly check that is 60% of the salary basis (cash plus housing allowance). The maximum duration of Short-Term Disability is 22 weeks. During this time the church continues to pay Annuity Plan contributions, and premiums for the Life Insurance and Disability Income Benefit Plan, and the UCC Health/Dental Benefit Plans. **Salary should not be paid** while the member is on Short Term Disability. If salary is paid, it reduces the benefit payable dollar-for-dollar.

RETIREMENT ANNUITY – Annuity should be paid at 14% of the Cash Salary and the Housing amount to the UCC Pension Board. If a parsonage is provided, 30% of the total cash salary should be added for the basis upon which the annuity is paid. Additional contributions may be made if desired.

MEDICAL FLEXIBLE SPENDING ACCOUNT PLAN – Churches are encouraged to set up a Medical Flexible Spending Account Plan through the UCC Pension Boards. After an initial cost of setting up the plan, there is no expense to the church but a tax advantage for the minister.

MALPRACTICE INSURANCE – The UCC Insurance Board (www.InsuranceBoard.org) covers the minister for malpractice insurance. If the local church does not have UCC insurance plan, malpractice insurance is to be provided to the minister.

EDUCATIONAL MATERIALS AND CONTINUING EDUCATION – Churches are encouraged to provide time and financial assistance for study and continuing education for their minister, with a minimum of two weeks annually (this time is not counted as vacation but is in addition to vacation leave). The annual budget line item should be a minimum of \$500 annually to assist with the costs of continuing education and resources.

COMMUNITIES OF PRACTICE OR PASTORAL EXCELLENCE GROUP – Churches are encouraged to pay the annual costs of the authorized minister’s participation in a community of practice or pastoral excellence group.

PARENTAL LEAVE – Parental leave should be provided with full salary and benefits up to eight weeks following the birth/adoption of a child. An authorized minister who is the parent of a newborn and/or newly adopted child or who is pregnant, or a single parent may take, in addition to the paid leave, up to three months' total leave, the last month of which is either accrued vacation time or leave without pay.

COMPASSIONATE LEAVE – Allowance must be made for the authorized minister to be with her/his immediate family at times of special celebration such as weddings or graduations and at times of personal emergency or unusual family responsibility. Paid personal leaves would normally be limited to a period of 5-7 days per incident, except where compassion dictates further extension. These days are not accruable.

SICK LEAVE – Sick leave should be granted to authorized ministers for personal illness or the illness of a dependent family member as defined by the local church governing board. It is recommended that one sick day for each month of the year, which can be accrued up to 30 days, with full salary, housing, and benefits.

JURY DUTY

In accordance with State law, an employee must be allowed the necessary time off if summoned for jury duty. Authorized Ministers or employees are expected to return to their normal duties if they are excused from jury duty during their regular working hours.

SABBATICAL LEAVE – When a minister is called, arrangements for a 3-month sabbatical after each five (5) years of full-time pastoral service or a 2-month sabbatical after each five (5) years of part-time service, with full pay and benefits should be made. It is recommended that the church establish a separate account to prepare for church and/or pastoral sabbatical leave expenses and contribute to it annually.

During the time of sabbatical all salary, housing and benefits are paid to the minister. Planning needs to take place to assure the expenses of the church and minister, for pastoral coverage for the congregation during the sabbatical, and the minister's sabbatical expenses are met. Then at the time of sabbatical leave, funds will be available to cover the cost of the interim.

Upon return, the sabbatical experiences should be shared with the congregation. It is assumed that the minister will return to the present pastorate for at least one year after sabbatical leave.

PAID VACATION – Paid vacation time should be a minimum of one month per year, including four Sundays. Additional weeks of vacation should be negotiated following every five-year period of service in that church, or if an increase in salary is not offered. It is the responsibility of the congregation to fill the pulpit during vacation time.

DAYS OFF – On average a full-time authorized minister serving as a local church pastor is encouraged to limit evenings (counseling, meetings) to three or less per week. Ministers are encouraged to take at least two full days off per week. Sunday is a workday for ministers.

COLLEGIAL TIME – Retreats, ministerial meetings, support groups, mission trips, continuing education, church camp, and sabbatical leave are not to be construed as vacation time for an authorized minister. Authorized ministers are expected to participate in the work of the wider church in the Conference and national settings, which is not vacation time.

In instances of the current Minister's Death

In cases of the death of an authorized minister, actively serving, the congregation should provide salary, housing, and benefits to the family of the deceased for a period of three months. Use of the parsonage and moving expenses are negotiable based on the ability of the congregation to provide such support. Congregations are encouraged to consult Conference Staff when determining this benefit.

MULTIPLE STAFF AND SUPPORT STAFF PERSONNEL

All conditions described in this document pertaining to ordained senior ministers pertain equally to ordained associate, assistant ministers, and licensed ministers. Appropriate compensation for associate, assistant or licensed ministers may vary due to the scope of their responsibilities, ministerial training, and experience. No ordained minister should be expected to serve for less than the minimum Penn Northeast Conference recommended salary.

Program and office support staff should receive fair and equitable salaries and benefits in accordance with their responsibilities, training, and experience.

PERSONNEL POLICY

Every church should have a personnel policy for all employees of the church. The Penn Northeast Conference office can supply your church with a sample policy for a church if needed.

COPYRIGHT AGREEMENT

The default under the law is that works prepared by a pastor within the scope of their employment (called "works for hire" in copyright law) – such as sermons and liturgies – become the property of the church. By including the following copyright agreement language, a church gives up those rights but has a license to use the copyrighted works with the consent of the minister.

Church and minister acknowledge that sermons and other original written and spoken theological reflections authored by minister (collectively, "the works") are ecclesiastical events and moments which are the product of deeply personal spiritual reflection, prayer and discernment by minister. Church and minister agree that regardless of when and where such reflection, prayer, discernment and preparation of the works, occurs, whether or not on church premises or using church facilities and whether or not during regular church hours of operation, the content of such works remain personal to minister, with minister retaining all ownership, copyright, and other legal interests in such works and having unfettered discretion to reprise or republish such works for other purposes and at other times, and to alone have claim to any financial benefits that may attend thereto. Church and minister do not intend for this acknowledgment and agreement to constitute the conveyance by church to minister of either a taxable or tax-free excess benefit, but rather to reflect the ecclesiastical reality of the formation and ownership of these works. In consideration of minister's employment by church, minister hereby grants to church an irrevocable, non-exclusive, worldwide, sublicensable, transferable and royalty-free license to use, reproduce, distribute, create derivative works of, publicly perform and publicly display such works (whether solely or jointly with others) in any media now known or hereafter known. Such license shall continue in effect (I) while minister is employed by church and (II) thereafter, with the consent of minister, which consent of minister will not be unreasonably withheld or delayed. In no event shall use of such works by church be for purposes of its commercial gain; provided, that any such use in the ordinary course of church's stewardship campaign shall not be considered a prohibited use for commercial gain. Church and minister agree at this time to amend the terms of the agreement regarding such works at any time and in any manner as

minister in her sole discretion deems advisable to better and more fully reflect the intent of the parties expressed herein.

BEGINNING THE NEW YEAR

It is recommended that at the beginning of each new year with the governing board of your congregation and pastoral relations committee, *The Ordained Minister's Code* be read aloud. It is further recommended *The Local Congregation in Relation to its Pastor* also be read aloud. Reading these documents will demonstrate the seriousness of this covenant commitment between the pastor and the congregation, and the congregation and the pastor. For some this will be new information. For others, this will be a reminder of the covenant commitment made when your pastor was called to serve your local congregation.

August 6, 2024