

FAQ's about Minimum Terms of Call for the Presbytery of Susquehanna Valley

- **How are pastors paid in our Presbytery?**
 - All pastors (Teaching Elders and Certified Ruling Elders) are paid by the congregation in which they serve, from that congregations financial resources
- **What is included in a pastor's terms of call?**
 - Components of the terms of call for a full time installed pastor are: cash salary, housing allowance (or use of the manse), Social Security offset, Board of Pensions benefits (medical, pension, death & disability), reimbursable account for continuing education
 - There are additional benefits through the Board of Pensions and others that can be negotiated into the terms of call by the pastor and congregation.
- **Why are there two categories for determining Terms of Call in our Presbytery?**
 - Some of our congregations provide a manse for the pastor to live in and so their terms of call are different in that the Fair Market Rental Value of the manse is calculated separately from the cash portion of their salary. Pastors living in or renting their own house receive a cash salary only. Each year they designate what portion of that cash salary will be categorized as housing allowance for tax purposes.
- **What does "Manse Value" mean?**
 - This is the Fair Market Rental Value of the manse. The Board of Pensions calculates this at a minimum of 30% of the Cash Salary for a pastor living in a manse. It is important to remember that the Manse Value is not paid to the pastor, it is merely a value used in determining what the dues for the Board of Pensions will be and for calculating tax implications for the pastor.

- **What is Total Effective Salary (TES)?**
 - TES is the combination of Cash salary and housing (allowance or manse value).
- **Why are the TES minimums for Manse and Housing Allowance different in our Presbytery?**
 - Currently the Manse TES minimum is \$5,660 less than the Housing TES minimum. The discrepancy between them has been noted in the past by the Presbytery Assembly to be a problem that needed to be rectified. Historically, the Manse TES being less than the Housing TES was not a problem because cost of living was so low, that pastors living in a manse were able to still save a portion of their salary to purchase their own house in a next call or at retirement. This is no longer the case. Pastors with a housing allowance have equity in their own house that pastors living in a manse are unable to match.
- **Why do the minimum total effective salaries need to be equalized?**
 - The Total Effective Salary Minimums should be the same for all full time installed pastors in the Presbytery. When they are different, the Presbytery is establishing two classes of pastors, in which those with a manse are valued financially as “less-than” those with a housing allowance. The majority of (if not all) Presbyteries in the PC(USA) have equal TES minimums for their pastors.
- **How many churches will this adjustment affect?**
 - The Presbytery of Susquehanna Valley currently has 12 congregations that maintain a manse. Not all of these manses are used to house the current pastor. There are only a few of the congregations that currently pay their pastor a total effective salary that is less than the Housing Allowance minimum TES.

- **What is the dollar amount impact for Manse TES minimums?**
 - If the Assembly approves the 5-year plan, the cash salary for Manse TES will increase \$850 in addition to the standard cost of living raise. At the end of the 5 years it will be a raise of \$4751 compared to the salary if we make no steps to equalize the Total Effective Salaries.

- **What about churches that can't afford these changes?**
 - There are some congregations that maintain manses that might feel they can't afford these changes to the minimum TES. This is one reason why the Committee on Ministry is proposing a 5-year process for creating equality between the two TES. There are many churches, those with manses and those without, that are struggling financially at this time or anticipate doing so in the future. If a congregation thinks that this slight increase to allow all of our pastors in the Presbytery to be paid a minimum equal salary is going to be burdensome, there might need to be a greater conversation of financial stability and a discussion as to whether a full time pastor is a continued possibility.

- **What about utilities for manses?**
 - The Presbytery of Susquehanna Valley requires all congregations to pay the utilities for the pastor that resides in the manse. This includes electricity, water, heat/fuel, sewage, garbage and local phone. These payments are in addition to the cash salary provided.

- **What are the Board of Pensions Dues for 2016?**
 - Medical
 - 23% for Members only
 - 24.5% for Member and Family

- Medical dues have a minimum and maximum total effective salary participation level. This means that even if the pastor's total effective salary is less than the minimum, medical dues will be paid at the minimum rate.
 - Minimum \$44,000
 - Maximum \$124,000
- Pension – 11%
- Death and Disability – 1%

Helpful Resources

- Board of Pensions website - www.pensions.org
 - Dues Calculator - <http://www.pensions.org/availableresources/calculatorsandmodelingtools/pages/dues-calculator.aspx>
 - Treasurer and Administrators Guides - <http://www.pensions.org/MembersAndEmployers/TreasurersandAdministrators/Pages/default.aspx>
- Presbytery
 - COM Terms of Call and Pensions Liaison – Rev. Sarah Hooker
 - COM Liaison for your congregation
 - Stated Clerk – Rev. James Martin
- Congregations with manses are welcome to move their own minimum salary considerations toward equaling the housing allowance at a faster pace than the Presbytery minimums if they wish. Calculations have been made for a 3-year plan and for an immediate implementation for 2016, accessible in the documents links. Remember that for a full time minister you are not allowed to pay your pastor under the minimum requirements of the Presbytery.
 - 3-year plan – https://drive.google.com/file/d/0Bwd_GLV5Pe5NbIVwak11dktlQWc/view?usp=sharing
 - Immediate - https://drive.google.com/file/d/0Bwd_GLV5Pe5NU2QtX21rdUxWcVU/view?usp=sharing