

INTRODUCTION

Foundation

In preparation for revising the Minimum Terms of Call for Sheppards and Lapsley, the Commission on Ministry was mindful of the sacred obligations of each congregation to care for their pastor(s) and the duty of the Presbytery, through the COM, to review and consent to all Terms of Call within our bounds. Among those obligations and duties, the following best illustrate the rationale for revision:

- The obligation of each congregation to provide “all proper support, encouragement and allegiance in the Lord”² so that their pastor(s) may concentrate on their ministry.
- The unified voice of a congregation as they “promise to pay [the pastor] fairly and provide for their welfare...” and “to stand by them in trouble and share their joys.”³
- The duty of Presbytery (through COM) that “terms of call shall always meet or exceed any minimum requirement of the presbytery in effect when the call is made.”⁴

Three-way Contract

The terms of pastoral call to a church require the approval of the congregation calling, the minister being called, and the Presbytery (through its Commission on Ministry). Once established, any change in the terms of call likewise requires the approval of all three parties.

Annual review by Session

“The Session shall review annually the minister’s terms of call and shall propose for congregational action (BO G-1.0501) such changes as the session deems appropriate, provided that they meet the Presbytery’s minimum requirements.”³ Any reduction in effective salary must receive approval of the Commission on Ministry before payments are changed and must also be approved by the Presbytery with the Annual Approval of Terms of Call. Bonuses and gifts paid by the church exceeding 20% of effective salary must receive prior approval by the presbytery.

Annual cost of living consideration

In keeping with the annual review, sessions are urged to consider both merit increases and annual cost of living adjustments, mindful that less than the COLA represents a reduction of salary in terms of buying power.

Board of Pensions consideration

2025 brings new coverage options for medical coverage with potential impact to pastor, pastor’s family, and the church. In revising the Minimum Terms of Call, the Commission on Ministry has considered the possible impact of these changes and weighed them against our Foundational Obligations.

¹ Approved by Sheppards and Lapsley at its stated meeting, February 20, 2025

² Sheppards and Lapsley 2019 Pastoral Call Form

³ PCUSA Book of Order, W-4.0404c1

⁴ PCUSA Book of Order, G-2.0804

MINIMUM TERMS OF CALL FOR FULL TIME MINISTERS

“The terms of call shall always meet or exceed any minimum requirement of the Presbytery in effect when the call is made.” (BO G-2.0804)

Minimum CASH and EFFECTIVE salary

The minimum terms of Pastor’s Annual Cash Salary plus Pastor’s Housing Allowance (if any), for all new, installed calls and all revised calls shall be ***no less than \$46,000***. Please review the Effective Salary Worksheet when calculating compensation for a specific pastor’s terms of call.

Required components of compensation

The pastoral compensation and benefits package ***shall include at a minimum all of the following components:***

1. Pastor’s Cash Salary
2. Pastor’s Housing Allowance, if selected by the pastor
(The sum of #1 and #2 being no less than \$46,000.)
3. Board of Pensions Dues for Pension, Death and Disability, and 100% of the medical premium of the pastor. (The dues for 2025 equal 26% of effective salary.)
4. The calling church shall ensure that the pastor’s spouse, children, or family [spouse + children] are covered by medical insurance.⁵ If the calling church does not provide said insurance, an explanation of how the pastor’s family is covered by medical insurance shall be included as part of the Terms of Call.
5. \$4,000 per year Accountable Reimbursement Plan for Professional Expenses such as mileage & travel expenses, continuing education, books

Additional (non-mandatory) components of compensation

The minimum pastoral salary, compensation, and benefits package ***may include some or all of the following:***

1. SECA (Employer pays first 7.65% of Total Effective Salary. If employer pays more, the additional amount is taxable to the employee as part of cash salary)
2. Accountable Auto Expense Reimbursement Account, miles driven reimbursable per mile using current IRS guidelines
3. Moving Expenses (Please note that moving expenses are taxable by the federal government as part of the pastor’s salary)
4. 403(b) Non-profit Retirement Savings Account with or without employer matching
5. Health Care Flexible Spending Accounts
6. Dental Insurance
7. Vision Insurance

(The above list is not meant to be an exhaustive list of possible ways to compensate your pastor. Some of these components may be taxable to the pastor.)

⁵ See “Medical Insurance” in the Call Terminology section

Minimum TOTAL COST of compensation package

The total of all salary, compensation, and benefits components negotiated between the pastor and the congregation ***shall total no less than \$63,000***. This is greater than the sum of the minimum components. The congregation and pastor should work together to ensure that the overall minimum requirement is met in a fashion mutually beneficial to both parties.

ADDITIONAL required minimum benefits

The following shall be part of each pastor's terms of call:

- Four (4) weeks vacation (inclusive of 4 Sundays) per year
- Two (2) weeks continuing education leave (inclusive of 2 Sundays) per year
- 12-weeks parental leave per presbytery Parental Leave policy
- Sabbatical Leave per presbytery sabbatical leave policy

WORKSHEETS

Please use the following worksheets to assist you:

- [Presbytery of Sheppards and Lapsley Minimum Terms of Call Worksheet \(2025\)](#)
- [Effective Salary Worksheet](#)

CALL TERMINOLOGY

Anti-racism Training

All Ministers of the Word and Sacrament who are serving as pastors of a congregation are required to participate in a training program organized by the Anti-racism Committee at least once every three years. Additional information may be found in the Presbytery of Sheppards and Lapsley Policy on Racism and Training Prepared by the Anti-Racism Committee.

Board of Pensions Dues

“The call shall include participation in the benefits plan of the Presbyterian Church (USA), including both pension and medical coverage” (BO G-2.0804). The 2025 BOP dues for pastor only (not including spouse, children, or family coverage) are 26% of the total effective salary.

Continuing Education and Study Leave

Two weeks shall be allowed each year in the terms of call for continuing education or independent study provided it is used for that purpose. It is not to be regarded as additional vacation.

Healthy Boundaries Training

Healthy boundaries training is required every three years for all minister members of the presbytery.

Housing Allowance

In lieu of a manse, the call shall include a housing allowance sufficient to provide a home. To satisfy IRS requirements, any portion of the salary designated as housing allowance must be approved by the congregation prior to payment. To facilitate this requirement, sessions should take action on any proposed change in the housing allowance prior to the end of the tax year.

Medical Insurance

Medical insurance (or health insurance) is insurance that satisfies the Minimum Essential Coverage requirements of the Affordable Care Act.

Moving Expenses

The calling Church pays for or reimburses pastor for reasonable moving expenses incurred.

Parental and Family Leave

Guidance on parental and family leave can be found in the following policy on the Presbytery web site: Presbytery of Sheppards and Lapsley Parental and Family Leave Recommendations for Ministers of Word and Sacrament, Commissioned Ruling Elders, Certified Christian Educators.

Professional Expenses

While specific amounts may be part of the call, it is advantageous to the pastor to have this in a designated “Accountable Reimbursement Plan” whereby the minister is reimbursed for substantiated documented expenses (auto, travel, continuing education events, books, etc.). These expenses are thereby not included in reportable income for IRS purposes. A minimum allocated by the church should be \$4,000.

Sabbatical

A Sabbatical Leave of at least three months after six years of service to an individual church is recommended and must be considered as part of the pastor's annual review of terms of call. Any congregation unable to implement a Sabbatical Leave plan within the guidelines of the Presbytery policy shall provide a written rationale to the COM along with the present terms of call.

Sick Leave

For his or her own care and that of others, the pastor is not expected to work when sick. Illness lasting more than a week shall be considered by the Personnel Committee, and any recommendations referred to the Session for information and/or action.

Social Security⁶

The call shall include a reimbursement of at least 50% of the SECA obligation.

Vacation

The call shall include four weeks of vacation each year (initially prorated in the first year of employment based on the beginning of service).

⁶ Ministers called by congregations are considered by the IRS to be "employees" for federal income tax purposes but "self-employed" for purposes of social security taxation and are required to pay quarterly estimated Federal income taxes and SECA taxes. Hence ministers pay the full 15.3% for social security coverage. Since employed persons pay only one-half of that, the policy of Presbytery is to include a reimbursement by the church of half (7.65%) of the SECA tax in the terms of call.

OTHER CONCERNS

Extra time away

Pastor's time away beyond vacation and study leave is to be determined by agreement between the session and the minister.

Presbytery participation and relationship

Pastors are presbyters, and vow to "be active in government and discipline, serving in the councils of the church," to "be a friend among ... colleagues in ministry, working with them, subject to the ordering of God's Word and Spirit." (BO W-4.003i, W-4.003e)

Part Time Pastors

The salary of part time pastors working at least 20 hours per week is prorated accordingly. Vacation and study leave remain the same as for full time pastors. For Board of Pension dues for a part time installed pastor, consult the presbytery Stated Clerk.

Temporary Pastors

Temporary pastors working less than 20 hours per week are not covered by the Board of Pensions, and are paid in accordance with hours worked. Those working at least 20 hours per week may be provided benefits through the Board of Pensions.

Pulpit Supply Recommendations

Persons serving in a pulpit supply relationship are paid an honorarium of at least \$175 per Sunday plus mileage at the current IRS rate. A Presbytery appointed Session Moderator should be paid \$50 per stated meeting. Mileage at the current IRS rate should also be paid if the Moderator travels to the location for Session meeting only.

Termination

Procedure

"An installed pastoral relationship may be dissolved only by the presbytery. Whether the teaching elder, the congregation, or the presbytery initiates the proceedings for dissolution of the relationship, there shall always be a meeting of the congregation to consider the matter and to consent, or decline to consent to dissolution." (BO G-2.09)

Severance provisions

When the congregation initiates the termination, the pastor, congregation and Presbytery will negotiate a severance agreement consisting of three to six months continuation of the terms of call in effect at the time of dissolution of the pastoral relationship. If the pastor begins a new call the severance pay may cease.

PCUSA Resources

The Board of Pensions provides multiple resources at [pensions.org](https://www.pcusa.org/pensions.org)

SHEPPARDS AND LAPSLEY MINIMUM TERMS OF CALL WORKSHEET (2025)

MINIMUM CASH AND EFFECTIVE SALARY

_____ Salary

+ _____ Housing Allowance (if selected by the pastor).

Salary + housing allowance shall be no less than \$46,000 annually.

+ _____ Other Reportable Income *

+ _____ SECA – Should typically be \$0, unless employer pays more than 50% of SECA. Please see SECA line under other compensation**. (Total IRS rate is 15.3%. Church shall pay first 7.65% for employee. If church pays second half of 15.3%, then that half is reportable as income on this line.)

A. = _____ **TOTAL EFFECTIVE SALARY (shall be no less than \$46,000)**

CONGREGATIONAL PASTORS BOARD OF PENSIONS DUES (includes major medical dues for the pastor only; defined benefits pension dues, death and disability dues)

B. + _____ **26% of Total Effective Salary in 2025**

OTHER COMPENSATION(S)

+ _____ Board of Pensions (or other insurer) major medical premiums for pastor's spouse, children, or family (spouse + children). This figure is the *congregation's portion* of additional major medical coverage premiums, if selected.

+ _____ SECA** (Employer pays first 7.65% of Total Effective Salary)

+ \$4,000 Accountable Reimbursement Plan for Professional expenses such as mileage, travel, continuing education, or books (\$4,000 is the presbytery minimum.)

+ _____ Auto Expense Accountable Reimbursement Account, miles driven reimbursable per mile using current IRS guidelines

+ _____ Moving Expenses (Please note moving expenses are taxable by the federal government as part of the pastor's salary)*

C. = _____ **OTHER COMPENSATIONS TOTAL (exclude any values already included in "Other Reportable Income" as part of Minimum and Cash Effective Salary above)**

TOTAL PASTORAL COMPENSATION

= _____ **A + B + C. This must total at least \$63,000**

EFFECTIVE SALARY WORKSHEET

This worksheet is a guide to determining effective salary for Benefits Plan purposes. It may be helpful in submitting salary changes through Benefits Connect. The worksheet is for effective salary only and is not intended to provide Social Security or income tax advice. For income tax information, please refer to Internal Revenue Service publications or seek the advice of a competent tax adviser.

COMPENSATION INCLUDED IN EFFECTIVE SALARY

1	\$	Annual gross cash salary, not excluding employee contributions to 403(b)(9) plans, tax-sheltered annuity plans, and salary reduction contributions to FSAs, HRAs, and cafeteria plans.
2	\$	Housing, utility, and furnishings allowances.
3	\$	Employer contributions to 403(b)(9) plans, tax-sheltered annuity plans, and equity allowances.
4	\$	Bonuses, overtime pay, unvouchered professional expense allowances, gifts from employer, and manse equity allowances (unless contributed to a qualified deferred compensation program). Include year-end or other bonuses, unvouchered allowances (e.g., expenses that are not paid through an accountable reimbursement plan), down payment grants for purchase of a home, savings from interest-free or interest-reduced loans (not loan principal), and gifts paid by the employer. (Gifts received directly from private donors or honoraria are not included.)
5	\$	Any allowance provided to reimburse SECA tax obligations in excess of 50 percent of the minister's SECA tax obligation.
6	\$	Other allowances, including all forms of compensation not otherwise covered on Lines 1-5, such as medical deductible and medical expense reimbursement allowances not paid through a group benefit plan; medical insurance premiums for medical insurance coverage provided for pastor's spouse, children, or family (spouse + children).
7	\$	Manse amount (must be at least 30 percent of lines 1-6 for members residing in employer-provided housing).
8	\$	Total effective salary (sum of lines 1-7). Dues are computed and benefits are determined based on this amount.