

Reformed Church in America
Classis of the Southwest
Salary Policy and Guidelines 2023-2024

Policy:

1. Salaries must be practical and fair. Salaries should provide sufficient support to assure that financial problems do not interfere with a Pastor's effort to serve. Salaries should support the financial needs of the Pastor and his/her family.
2. The performance requirement of the BOOK OF CHURCH ORDER (BCO) shall be conscientiously pursued on a yearly basis. All consistories are encouraged to establish goals jointly with their pastors; periodically review the progress toward meeting these goals; and annually evaluate pastoral performance based on the jointly established goals.
3. Classis may allow for a Tent-making model of ministry. The compensation package must be approved by the Church Health Team and agreed to by the Pastor and Consistory.
4. A salary waiver request must be forwarded to and approved by the Church Health Team prior to the start of the salary year for situations where a Pastor and Consistory agree to less than minimum salary. A schedule for return to minimum guidelines must be provided with each waiver request. If either the Pastor or Consistory does not sign the waiver request, the other party retains the right to present such waivers to the Church Health Team for their consideration and report to Classis.
5. The Classis compensation guideline for Pulpit supply is \$200 for each occurrence. Compensation for support of additional activities shall be as agreed to by the parties concerned.

Salary Guidelines:

1. For full time ordained ministers serving as senior or sole Pastors. (Years of service means years in the active ministry.)

YEARS	MINIMUM
0-1	\$36,918
3	\$38,517
5	\$40,237
7	\$41,848
9	\$42,628
11	\$43,770
13	\$44,565
15	\$45,503
17	\$46,669
19	\$46,669
21	\$46,669
23	\$46,669
25	\$46,669
26 & Over	\$47,780

2. For full-time ordained ministers serving on staff as associate or assistant pastors, use "Salary Guidelines" Item 1 minus (-) 15%.
3. Part-time associate or assistant pastors or staff persons should be compensated as determined by the local consistory. The compensation should be based on "Salary Guidelines" Item 1 minus (-) 15% adjusted for the hours served.
4. The salary guidelines take the following factors into consideration; size of congregation, size of church staff, financial ability of the congregation, education and performance level of the pastor.

SECA: In addition to the base salaries and allowances, pastors shall be reimbursed for one-half of the Social Security and Medicare taxes. This is calculated by increasing the base salary and allowances by 7.65%.

Housing: A rent free parsonage *OR* housing allowance shall be provided by the church. The housing allowance amount shall be consistent with the guidelines set forth in *Internal Revenue Service Publication 517* and shall be agreed to and documented in consistory or executive committee minutes prior to the beginning of the tax year.

Utilities: Utilities shall be either directly paid by the church *OR* as part of the above housing allowance.

Insurance: Medical Insurance shall be provided as indicated in Formulary # 5 and as required by the RCA Book of Church Order. (Part 1.1.2, Section 7)

Retirement: For pastors serving under a call the church shall pay the full contributions into the RCA 403b Tax Deferred Investment Program as indicated in Formulary #5 and as required by the RCA Book of Church Order. (Part 1.1.2, Section 7). Use one of the following formulas to calculate the amount:

- a) If housing and utility allowance are provided, the employer contribution amount is 11% of base salary plus the housing and utility allowances (.11 x base + housing and utility allowances).
- b) If a free parsonage is provided the employer contribution amount is 11% of the base salary plus 40% of base salary (.11 x [base + {.4 x base}]).
- c) The employer contribution for full time pastors will be equal to or greater than the minimum EBPH contribution required by the BCO. **For 2023, the minimum EBPH contribution is \$7,734.** The minimum employer contribution paid, for part time pastors, will be equal to 11% of the salary plus allowances.

Continuing Education (Study Leave): The church shall annually provide its pastor a minimum of one week and a stipend equal to not less than the equivalent of 1/52 of the minimum cash salary established by classis for a study program mutually agreed upon by the pastor and the consistory for professional development, for each year in service to the congregation. This time and money may be accumulated to a maximum equivalent of four years of service. Maximum accrual of time and funds shall be as agreed to by the parties concerned.

Vacation: The church shall provide each pastor four weeks of paid vacation each year, pro-rated for partial years and part time pastors. Unused vacation time can accrue with a maximum carry over of one year's vacation.

Auto Expenses: Automobile expenses incurred performing church duties shall be reimbursed. The reimbursement method can be by allowance or mileage method as agreed by the parties concerned. The recommended monthly allowance is \$300.00. The recommended mileage rate while performing assigned Classis duties and consistent with IRS guidelines. Recent IRS rulings suggest it is prudent to keep a mileage diary regardless of the mileage compensation method selected.

Accountability Plan (AP): If a pastor chooses to have an AP then the church advances a predetermined amount each pay period and requires the pastor to account (with an account book, expense report, diary or similar statement) for expenses paid or incurred in the connection with the performance of services as its employee. The pastor must also provide the church with receipts to substantiate all lodging regardless of amount and other expenses of \$75 or more. You must then return any unspent or unsubstantiated allowance to the church at least quarterly. Amounts paid under an AP are completely excludable from your income; they don't appear on your W-2 as income.