

**Minimum Terms of Call for 2011
Adopted by Presbytery on September 28, 2010**

NOTE: Pastor and treasurer are to report to the Board of Pensions any changes in the Total Effective Salary within 30 days after the change (normally by January 31st) on the Board's form ENR-111.

The increase in 2011 Minimum Terms of Call is the raise in the Social Security Allowance, from being based only on the cash salary, to being based on salary, housing, etc. ("net self-employment earnings"³). For 2010 the allowance was at least \$2,352, for 2011 it is at least \$3,211.

Note: Amounts in Lines 1-5 can be adjusted as long as Line 7 does not go below the minimum.

| | Manse | No Manse |
|--|-----------------|-----------------------|
| 1. Cash Salary (including <i>employee</i> contributions to 403(b)(9) plans, tax-sheltered annuities, salary reduction contributions to flexible health spending accounts and cafeteria plans) | \$30,750 | \$30,750 |
| 2. Cash Housing, utility and furnishings Allowance | \$0 | \$11,225 ¹ |
| 3. Church contributions to 403(b)(9) plans, tax-sheltered annuities, and equity allowances | optional | optional |
| 4. Bonuses, unvouchered expenses (including travel), gifts from church, etc. | optional | optional |
| 5. Other allowances (all other compensation not in Lines 1-4, including insurance premiums for additional insurance coverage for individual employees, Self-Employment Tax allowance in excess of 50% of estimated tax obligation, etc.) | optional | optional |
| 6. Manse amount (non-cash) – at least 30% of Lines 1-5 if living in a manse | \$9,225 | ----- |
| 7. Total Effective Salary (sum of Lines 1-6) | \$39,975 | \$41,975 |

**The Following Items are not included in Total Effective Salary
but still REQUIRED in all Terms of Call**

- | | | |
|---|----------|----------|
| 9. Benefits Plan Dues (31.5% of Line 7) ² | \$12,592 | \$13,222 |
| 10. Self-Employment Tax Allowance of 7.65% of "net self-employment earnings" ³ , but never more than 50% of estimated tax obligation, for pastors who are part of the Social Security program. On a call at the minimum terms, this will be about \$3,211. | | |
| 11. Accountable reimbursement plans (vouchered church business expenses): | | |
| a. \$1,200 - Continuing Education Allowance (can accumulate up to three years) | | |
| b. Mileage Allowance – use of personal automobile reimbursed at the IRS-allowed rate (\$0.55 for 2009), plus other appropriate transportation expenses | | |
| c. Business and professional expense allowances (specify each allowance by name and amount, i.e. books and subscriptions, computer and Internet, professional expenses) | | |
| 12. Other vouchered allowances (specify each allowance by name and amount) | | |
| 13. Spiritual Retreat time: one week including one Sunday | | |
| 14. Vacation time: one month including four Sundays | | |
| 15. Continuing Education time: two weeks including two Sundays (can accumulate up to three years) | | |
| 16. Moving Allowance (for installed pastors): actual moving expenses at beginning of a new call | | |

The Board of Pensions' booklet *Understanding Effective Salary* has more information: www.pensions.org.

Benefits Plan Dues for the Board of Pensions are based on the following percentages of a pastor's Total Effective Salary (Line 7 above):

| | |
|-------------------|-----------|
| Medical insurance | 19.5% |
| Retirement | 11% |
| Death Benefits | <u>1%</u> |
| Total | 31.5% |

¹ An estimate, and includes \$2,000 for utilities allowance

² Actual Benefits Plan Dues will depend on how a pastor's Terms of Call are reported. Churches may pay more if incorrectly reporting Terms of Call. See *Understanding Effective Salary*: www.pensions.org.

³ Net self-employment earnings generally include cash salary, plus rental value of manse (including utilities paid by church) or cash housing allowance, self-employment tax allowance, less church contributions and some personal contributions to a tax-sheltered annuity plan. See your tax advisor for your personal computation.