



# MAUMEE VALLEY PRESBYTERY

## 2025 Minimum Compensation Standards

(For Ministers, CREs, and CCEs)

### Background/Rationale

5 Significant changes are coming for how minimum compensation will be set. Previously, minimums were set based on set minimums in certain categories, the chief of which was Total Effective Salary (Cash Salary + Housing + Deferred Compensation).

10 On September 17, 2024, the Presbytery voted to shift toward minimum standards **based on the Total Cost to the Congregation**. There are two reasons for this change. 1) “Total Effective Salary” is a Board of Pensions created standard that frequently caused confusion while neither accurately reflecting the pastor’s taxable income nor the true impact on the congregation’s budget. Indeed, the focus on Total Effective Salary often led sessions to under-budget the compensation packages they authorized PNCs to offer. 2) The other reason for this shift is that in 2025 the Board of Pensions is significantly restructuring how medical benefits are offered. 15 This includes new packages, more flexibility, and in many cases dependent coverage that is optional. The increased complexity of this structure presents challenges for presbyteries to utilize past minimum standards when compensation packages will increasingly not be standard.

20 It is our hope that basing compensation standards on the cost to the congregation will increase transparency and clarity in budgeting.

In Maumee Valley, our previous policy calculated minimums utilizing 80% of the churchwide median salary numbers as determined by the Board of Pensions from the previous calendar year. While the new policy below does away with that formula, it will still be used as an instrument to help Leadership Commission determine future “Total Cost” recommendations (i.e. a living wage in NW Ohio or SE Michigan + benefits). 25

### Minimums in 2024 and Into 2025/26

30 **In 2025, Maumee Valley Presbytery’s Minimum Compensation Standards will be set based on the Total Cost to the Congregation: \$78,100 for full-time minimum terms of call in 2025, \$81,400 in 2026** (numbers calculated based on the medians from BOP).

35 Additionally:

- 1) Pastors currently enrolled (enrolled before 12/31/2024) in the Pastor’s Participation Plan shall be enrolled in the Transitional Pastor’s Plan for the year 2025 *unless the pastor chooses otherwise*. (Dues = 43% of Total Effective Salary)

40 2) Congregations made a commitment and shall retain the effective salary of their pastor,  
keeping commitments to the promises made to the pastor when calling them.

In establishing minimum compensation standards Maumee Valley Presbytery affirms the following values and calls upon its member congregations to do the same:

- 45 ☩ That pastors' compensation should keep pace with the cost of living in this area, so that they can afford to work and live here
- ☩ That all pastors and their families should have access to quality health care
- ☩ That pastors and congregations should be given maximum flexibility to negotiate compensation packages that work for them so long as the first two values are upheld when
- 50 doing so.

### **2025 Minimum Compensation Standards**

55 All Pastors working **full-time** (40 hours/week) in a congregation of Maumee Valley Presbytery shall have a salary and benefits package with a **total cost to the congregation of no less than \$78,100** inclusive of salary, housing, deferred compensation, pension, medical coverage, SECA offset, professional reimbursements, and any other benefits extended to the pastor. At a minimum, this compensation package shall include:

- 60 ☩ PPO medical coverage for the pastor through the Board of Pensions
- ☩ Up to twelve weeks paid family medical leave in keeping with G-2.0804 and the policies of Maumee Valley Presbytery, approved Feb 2019.

The compensation package for any pastor working at least 20 hours/week shall include:

- 65 ☩ Participation in the pension plan of the Presbyterian Church (U.S.A.)
- ☩ 4 weeks of vacation (inclusive of four Sundays)
- ☩ 2 weeks of continuing education leave (inclusive of two Sundays)

70 The compensation packages for pastors who are working part-time shall be prorated according to the number of hours worked. Churches are encouraged to weigh the reality of disproportionately higher costs for benefits, and that a half-time position may be more than 50% of the full-time minimum listed above. Vacation and Continuing Education are not normally prorated for part-time positions.

75 The Leadership Commission will review and make recommendations for minimum compensation standards for 2026 and 2027, the remaining years of the Transitional Medical Plan through the Board of Pensions, as real numbers become available.

80 For some pastors and congregations, the Transitional Plan will help ease the burden by stepping up the real cost over three years.

For other pastors, there will be an advantage to immediately switching to the new Congregational Pastors Plan in 2025. Please note that once a pastor opts out of the Transitional Plan, it will no longer be an option for future years. For this reason, pastors should carefully consider if they expect to have a major life event like getting married or the introduction of a child to the household in the next three years. To avoid forcing the pastor to disclose relationship and reproductive issues to their congregation, it is the policy of Maumee Valley Presbytery that the pastor has the right to choose to stay in the Transitional Plan and does not need to provide an explanation for that decision.

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### **Compensation Package Recommendations**

While these terms of call leave much of the details of compensation packages up to pastors and congregations to negotiate, Maumee Valley Presbytery very strongly encourages congregations offer:

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100 **⌘** A SECA<sup>1</sup> Offset of 7.65% of the Total Effective Salary even at the cost of reducing the pastor's salary by 7.65% to accomplish this. Doing this will keep the take-home pay and tax burden of the pastor the same. However, doing so will also reduce the dues that the congregation pays to Board of Pensions since the Board of Pensions does not consider SECA Offsets that cover up to the first 50% of the tax burden in determining Total Effective Salary. Doing this in the above example would reduce the total Board of Pensions cost to from \$21,1197.28 to \$19,575.65 for a total savings of \$1,621.59 which could be used to provide other benefits to the pastor.

105 **⌘** Matching contributions to a 403(b)(9) plan for the pastor. The Board of Pensions does not consider matched contributions to be part of total effective salary so this can also be used to reduce the total dues paid to the Board of Pensions. Congregations already making unmatched contributions could shift this to a matched contribution and realize a discount of Board of Pensions dues while the same total contribution is made.

110 **⌘** An Accountable Reimbursement Plan which may be used to reimburse business-related expenses including mileage (at the applicable IRS rate), professional expenses such as memberships, books, the cost of continuing education (travel, lodging, and registration), cell phone, meals, etc. when receipts are submitted to the Treasurer.

115 **⌘** Section 125 Plans to help pastors use pre-tax dollars to pay for medical and dependent childcare costs. Maumee Valley Presbytery offers this at no cost to its churches, and has hired a Third Party Administrator to manage the Plan. Visit [maumeevp.org/documents-forms](http://maumeevp.org/documents-forms) for more details.

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<sup>1</sup> Because the tax code considers pastors to be self-employed, they pay for Social Security and Medicare under the Self Employment Contributions Act (SECA) instead of the Federal Insurance Contributions Act (FICA). This means that pastors pay the full 15.3% of the tax rather than the employer paying 7.65% and the employee paying 7.65%. Many congregations pay the pastor a SECA Offset to help cover the cost of these taxes in the same way that they do for the other people employed at the church. The Board of Pensions has structured dues calculations to encourage congregations to do this.

✦ Continuing Education Leave and funds should rollover from year-to-year for up to 3 years (usually six weeks) unless a higher maximum is set by the congregation.

✦ The Board of Pensions has a dues calculator and full explanations of the various plans like the Covenant Package, Congregational Pastors Package, and Transitional Pastor’s Participation.

120 Visit [pensions.org](https://pensions.org) for details or call MVP’s Church Consultant Rev. Luke Choi for a one-on-one consultation – 609-575-6321 or [LChoi@pensions.org](mailto:LChoi@pensions.org)

✦ Adoption of Maumee Valley Presbytery’s recommended Sabbatical Leave Policy.

Maumee Valley Presbytery strongly discourages congregations from:

125 ✦ Instituting cost sharing for spouse, child, or family medical coverage. While the new Board of Pensions structure permits this (and Maumee Valley Presbytery does not prohibit it), it would be more tax advantageous to the pastor for salary to be reduced and the church to pay the full cost. The church will also see a cost savings as the pastor’s Total Effective Salary would be reduced thereby reducing the dues paid to the Board of Pensions.

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Other Considerations:

✦ Congregations that give extra weeks of vacation or continuing education leave may count those weeks as part of the Total Cost to the Congregation at the rate of 1.9% of the Total Effective Salary.

135 ✦ Pastors with access to other medical benefits (Tri-Care from military service, coverage through a spouse’s plan, eligibility for Medicare) should consult with the Leadership Commission to receive permission to adjust minimum standards accordingly.

140 ✦ The Board of Pensions has shared that it is working towards extending eligibility for Medicare Part B in 2026 to provide additional flexibility for working pastors of retirement age and eligible spouses of pastors.

✦ Congregations that are providing a manse as part of compensation should draft a manse use agreement with the pastor clearly stating the rights and responsibilities of both the pastor and the congregation. The value of the manse in the terms of call should be expressed as the fair rental value of the manse determined through appropriate means. Per the rules of the Board of Pensions, the value of the manse must be at least 30% of the Total Effective Salary

145 ✦ Unspent reimbursements may roll over from year-to-year with the permission of the session.

✦ When a pastor is engaged in Shared Ministry (serving more than one PCUSA congregation simultaneously), the compensation of all congregations served will be added together to determine if the minimum standard has been met. When the Board of Pensions Shared Ministry Grant is received, that value of that shall be counted as part of the Total Cost to the Congregation for the purpose of determining if the minimum standard has been met.

150 ✦ The above minimums and standards are considered minimums for first call/no experience pastors, and cost of living adjustments and pay raises for additional experience/education/certifications are expected.

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**Compensation Standards for Commissioned Ruling Elders (CRE) and Certified Christian Educators (CCE) Serving Churches**

160 Minimum Compensation Standards for full-time Commissioned Ruling Elders (CREs) and  
Certified Christian Educators (CCE) will be based on the Total Cost to the Congregation: 80% of  
the Minimum Compensation Standard for Ministers, or \$62,480 for full-time in 2025, and  
\$65,120 in 2026.

⌘ The presbytery strongly recommends enrolling CREs and CCEs in the Covenant Package,  
which includes Pension accrual and other benefits.

165 ⌘ The church must assess and address health care needs and options for CREs and CCEs (please  
note that CREs are eligible for the Congregational Pastors Package).

⌘ CREs are eligible for housing allowance.

170 ⌘ The Presbytery requires including 12-week family leave, 4 weeks Vacation (not prorated for  
part-time), 2 weeks Continuing Education (not prorated for part-time), and strongly  
recommends utilizing many of the other considerations/recommendations listed above for  
pastors [i.e. Professional Reimbursable Accounts, sabbatical, 403(b)(9) matching contributions,  
FSA/HSA or HRA, etc].

**2025 Maumee Valley Presbytery Minimum Terms of Call Worksheet  
(for Congregational Pastors Package)**

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\_\_\_\_\_ Salary

+ \_\_\_\_\_ Housing Allowance (if selected by the pastor) / or Manse Value

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+ \_\_\_\_\_ 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.)

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= \_\_\_\_\_ TOTAL EFFECTIVE SALARY

CONGREGATIONAL PASTORS BOARD OF PENSIONS DUES (includes major medical dues for the pastor only (16% of effective salary); plus defined benefits pension dues, death and disability dues (10% of effective salary)

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+ \_\_\_\_\_ 26% of Total Effective Salary in 2025

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OTHER COMPENSATION(S)

+ \_\_\_\_\_ Board of Pensions 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.

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

+ \_\_\_\_\_ Continuing Education Reimbursable Account (It is strongly recommended this be at least \$1,500)

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+ \_\_\_\_\_ Professional / Auto Reimbursement Account (Travel, Books, Cell, Technology, Online Subscriptions, etc. Travel/mileage calculated at IRS reimbursable rates)

+ \_\_\_\_\_ Moving Expenses (Please note moving expenses are taxable by the federal government as part of the pastor's salary, and impact SECA paid by pastor)

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= \_\_\_\_\_ TOTAL PASTORAL COMPENSATION PACKAGE COST TO CONGREGATION. THIS TOTAL MUST TOTAL AT LEAST \$78,100

215 **2025 Maumee Valley Presbytery Minimum Terms of Call Worksheet  
(for Transitional Pastor’s Participation)**

\_\_\_\_\_ Salary

220 + \_\_\_\_\_ Housing Allowance (if selected by the pastor) / or Manse Value

+ \_\_\_\_\_ Other Reportable Income \*\*

225 + \_\_\_\_\_ 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.)

= \_\_\_\_\_ TOTAL EFFECTIVE SALARY

230 TRANSITIONAL PASTOR’S PARTICIPATION BOARD OF PENSIONS DUES (includes major medical dues for the pastor and any dependents (33% of effective salary); plus defined benefits pension dues, death and disability dues (10% of effective salary)

235 + \_\_\_\_\_ 43% of Total Effective Salary in 2025

OTHER COMPENSATION(S)

240 + \_\_\_\_\_ Board of Pensions 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)

245 + \_\_\_\_\_ Continuing Education Reimbursable Account (It is strongly recommended this be at least \$1,500)

+ \_\_\_\_\_ Professional / Auto Reimbursement Account (Travel, Books, Cell, Technology, Online Subscriptions, etc. Travel/mileage calculated at IRS reimbursable rates)

250 + \_\_\_\_\_ Moving Expenses (Please note moving expenses are taxable by the federal government as part of the pastor’s salary, and impact SECA paid by pastor)

255 = \_\_\_\_\_ TOTAL PASTORAL COMPENSATION PACKAGE COST TO CONGREGATION. THIS TOTAL MUST TOTAL AT LEAST \$78,100