

Dear Friends and Colleagues,

As churches begin to prepare their budgets for 2019, we are pleased to provide you with the Changes in Terms of Call for next year. There will soon be forms on the Presbytery's website to assist you in calculating the terms for 2019 at <http://www.gracepresbytery.org/congregation-resources/documents-and-forms/committee-on-ministry/>. The titles have changed to match the new terminology from the Board of Pensions. There will be forms for New Installed Ministers (Teaching Elders) or Certified Christian Educators (Form A), Annual Reports for Installed Ministers (Teaching Elders) or Certified Christian Educators (Form B), New Temporary Positions (Form C) and Changes/Extensions for Temporary Positions (Form D).

It is important to remember that the church was expected to update their employer agreement with the Board of Pensions by October 12 for employees and teaching elders in temporary positions. If you have not yet done so, please do so immediately. The agreement will detail coverage available to them during the annual enrollment period of October 29 to November 16, 2018.

CHURCHES WITH TEACHING ELDERS IN CALLED AND INSTALLED POSITIONS.

1. **The minimum Terms of Call in Grace Presbytery in 2019** for a Teaching Elder serving as a Pastor, Co-Pastor, Associate Pastor, Designated Pastor or Certified Christian Educator in a full-time position will be **\$47,300**.
2. In **2019**, the Pastor's Participation Plan provides benefits for installed pastors without regard to number of hours worked. It includes the same Defined Pension Benefits, Death and Disability, and Preferred Provider Organization (PPO) Medical benefits as pastors have had in the past.
3. Effective January 1, 2019, the **dues payable** to the Board of Pensions **will remain 37%** of Total Effective Salary for everyone. Thus at Presbytery minimum, a congregation will pay \$17,501 in BOP Dues for a total of \$64,801 in salary and dues.
4. Congregations are **encouraged to reimburse the pastor at up to 7.65% of Effective Salary as a Social Security Offset (Line 9 on each form)**. Amounts paid by congregations in excess of 7.65% are reported on **Line 7** of each form and increases the Total Effective Salary and the amount of BOP dues that are payable.
5. The **IRS auto reimbursement rate is subject to change. Please use the current rate as found at www.irs.gov for 2019**. Auto expenses must be accountable reimbursements which means that the minister turns in receipts and/or mileage monthly to be paid. If the church pays a flat amount each month, it must be included in Effective Salary, is taxable income, and is subject to BOP dues.
6. The presbytery's minimum for **Continuing Education and Professional Expenses** remains at \$1,000.
7. **Vacation and Continuing Education Leave** remain at 4 weeks and 2 weeks respectively including 4 and 2 Sundays.

CHURCHES CONTRACTING WITH TEACHING ELDERS FOR TEMPORARY POSITIONS.

1. **The minimum contractual salary in Grace Presbytery in 2019** for a Teaching Elder or Certified Christian Educator in a **full-time position is \$47,300**.

2. **Churches engaging in any contractual relationship are not required** to pay Board of Pensions dues. However, they are encouraged to do so. If they opt to pay dues for Pastor's Participation, these are calculated at 37% of Total Effective Salary for a full-time contract.
3. Churches can also **choose to offer benefits from a menu of options** including: Medical (PPO or EPO), Retirement (Defined Benefit Pension or RSP-Retirement Savings Plan with voluntary contributions) and Death & Disability (with or without the DB Pension). There are also optional benefits including Dental and Supplemental Death & Disability. For Medical and RSP, there are no minimum hours. For all other benefits, the plan does require a working hour minimum of 20 hours per week.
4. If a church contracts with a pastor who is **Honorably Retired** and that person **works 20 hours or more per week BOP dues are required and calculated at 12% of Effective Salary**. If the contract is less than 20 hours per week no dues are required.
5. Board of Pensions dues for a contracted employee working less than 35 hours per week will now have a minimum dues structure. This replaces the complicated formula called the FTE (**full time equivalent**).
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7. The rates and minimums for **reimbursable expenses** are listed in #'s 5, 6, & 7 above.
8. Before any congregation can initiate or renew a contract, **supporting financial information** must be submitted to Comoffice@gracepresbytery.org show sustaining financial viability. Typically, a session-approved budget or record of other assets will suffice as documentation.

When a congregation submits its Annual Report (**Forms A, B, C, or, D**) supporting financial information must be provided to show ability to pay the benefits disclosed. Typically, a session approved budget or record of other assets will suffice as documentation.

If you have any comments, concerns or questions please feel free to contact us or any member of the Compensation and Pension Sub-Committee.

Sincerely,

Rev. D. Don R Hogg

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