

WORKSHEET FOR CALLS AND CONTRACTS FOR MINISTERS FOR 2020
Calls and Contract Approval Team (CCAT) of the Great Lakes City Classis

9/2019

Beginning Date for the Call or Contract: _____

Name of the Church: _____ Number of Confessing Members: _____

Name of the Minister: _____ Years of Service Since Ordination: _____

If under Call, Check *One*:

- Solo or Senior Minister
- Associate Minister

If under Contract, Check *One*

- Assistant Minister
- Specialized Transition Minister
- Other: _____

If Part-time, hours of work per week: _____ hours, and percent of full-time: _____%

Salary, Housing, and Social Security Requirements

	Description	Minimum	Actual
1.	Base Salary (from the <i>Compensation Guidelines for Ministers</i>)		
2.	Housing Allowance (at least 30% of base or Parsonage) <input type="checkbox"/> Check here if parsonage plus utilities are provided for the minister.		
3.	Total		
4.	Self-Employment Tax – Social Security (base + housing x .9235 x .0765)		
5.	Total Salary		

Required Benefits

	Description	Minimum	Actual
6.	Retirement (403b) 11% of line 3 (salary and housing); 2020 EBPH min = \$7,061.		
7.	Medical Insurance Premium for the minister and his/her immediate family <input type="checkbox"/> Check here if medical coverage thru spouse's employer-sponsored plan		
8.	Group Life Insurance and AD&D Premium (as provided by the RCA)		
9.	Long Term Disability Insurance Premium (as provided by the RCA)		
10.	Professional Development – 1/52 of line 1 above (base salary, exclude housing)		

Additional Requirements for all calls and contracts (Check Appropriate Box for each)

- Vacation Provided (Check One):
 - Minimum of Four Weeks
 - Five Weeks or More.
 - Part-time vacation (enter here): _____ Weeks
- Car Allowance for business miles (Check One):
 - IRS per mile rate - 58 cents per mile for business miles driven in 2019
 - Actual Expenses.

Optional Benefits

	Description	Amount	Actual
11.	Health Savings Account (if eligible medical plan is chosen)		
12.	Dental Insurance Coverage (including family)		
13.	Vision Insurance Coverage (including family)		
14.	Supplemental Life Insurance (employee, spouse, and/or children)		
15.	Long Term Care Insurance (including family)		
16.	Pastoral Business Expense Allowance (discretionary fund for minister)		
17.	Sabbatical Allowance		
18.	Other Allowance (cell phone, book, coaching, etc.)		

Instructions

The Calls and Contract Approval Team (CCAT) has been given the responsibility by the Great Lakes City Classis (GLCC) to review all calls and contracts (full-time and part-time) between the churches of the classis and ordained ministers. All calls and contracts should be submitted to the classis clerk along with this worksheet. The classis clerk will communicate with the CCAT to consider the provisions of the call or contract as stated on this worksheet in comparison with the requirements of the 1) RCA *Book of Church Order*, and 2) the *Compensation Guidelines for Ministers of Word and Sacrament* approved by the classis. More information is available in the BOBS *Annual Insurance and Retirement Benefits Information* for 2020 on the classis website and at <https://www.rca.org/resources/church-treasurers-and-administrators>.

All calls and contracts with ministers must meet the *Compensation Guidelines for Ministers of Word and Sacrament* approved by the classis, unless a waiver is approved by the classis CCAT. (BCO, 1.I.2.7, 1.II.12.3, 1.II.7.1.n) If a consistory and a pastor agree to less than the minimum salary or benefits, a waiver request, signed by both the pastor and a consistory representative, shall be sent to the Call and Contract Approval Team (CCAT) for Classis approval. (See the *classis waiver template*.) The classis may require that the responsibilities in the call or contract be reduced to reflect the compensation level that the church is able to pay. Waivers will be reviewed on an annual basis for all calls and contracts with ministers.

Waivers are required under two conditions: 1) for full-time calls and contracts that do not meet the Compensation Guidelines approved by the classis, 2) for all calls and contracts that do not include the payment of 11% of base salary and housing allowance to the minister's Retirement Fund and the required insurances – Medical/Health (including family), Group Life Insurance, and Long-Term Disability Insurance as stipulated by the RCA Board of Benefits Services (BOBS). A waiver form must be completed for the BOBS office (*once and done*) if requesting a waiver for retirement or insurance benefits. Find the BOBS waiver form at <https://www.rca.org/resources/church-treasurers-and-administrators>. Ministers who work 30 hours per week or more are not eligible to be exempt from retirement and insurance benefits. (BOBS 2020 Info, p. 11)

The salary, housing, arrangements for professional development, and all other benefits received by the ministers serving RCA churches must meet the terms of the original call or contract, subsequent revisions thereof, and the minimum standards of the classis. (BCO, 1.II.7.1n) The annual Constitutional Inquiry is designed to carry out this review for ministers and commissioned pastors serving under a call or contracts with regard to their compensation. Some special situations may require an additional annual review and/or renewal by the classis (for example, churches without an installed minister or organizing churches).

Salaries and benefits must be practical and fair. A salary should assure sufficient support so that financial problems do not interfere with a pastor's best work. The salary scale in the *Compensation Guidelines for Ministers of Word and Sacrament* is a minimum standard only. In addition to meeting this standard, the workload, outstanding job performance, and special needs of the pastor should be considered in the process of choosing a salary amount and benefits. For example, the medical plan for the minister should be chosen after considering the health conditions of the minister and his/her family.

Use the first column on the worksheet to list the minimum standards; use the second column to list the actual amounts for the minister. The amounts in the second column may be prorated for part-time calls or contracts.

Church Name and Confessing Members

On top of the worksheet, list the legal name of the church and the number of confessing members reported on the last Consistorial Report filed with the classis. (Ask the church secretary for the number or go to: rca.org/stats.) The salary scale in the *Compensation Guidelines for Ministers of Word and Sacrament* uses the number of confessing members as one of the factors in setting the level of salary.

Minister Name and Years of Service Since Ordination

List the number of full years of service since ordination on the date that the call or contract will begin, not including years after ordination when the minister was not serving in a ministry approved by a classis or other denomination. The salary scale in the *Compensation Guidelines for Ministers of Word and Sacrament* uses years of service since ordination as a minister as one of the factors in setting the level of salary.

Minister Classifications

Ministers serving churches fall under two classifications. Ministers who receive a call approved by the classis and are installed in a local church at a classis meeting form one group. Ministers who serve churches under an approved contract form another. Installed ministers are further divided into two classifications: 1) solo or senior ministers, and 2) associate ministers. Ministers who serve churches under contract are divided into two classifications: 1) ministers serving a church without an installed minister on a temporary basis (may be named specialized transition ministers), and 2) assistant ministers serving on staff in a church. (BCO, 1.II.7.4-6, 1.II.7.9, 1.I.2.8) See the *Comparison Chart of Installed Ministers and Those Serving Under Contract in the RCA* to explore the differences between calls and contracts.

Part-Time Designation

If the call or contract is for a part-time position, please state hours per week and the percent of full-time work and insert the prorated amount in the right column of the worksheet. The percentage will be used to prorate the salary and benefits, and the hours per week will be used to determine eligibility for insurance benefits. For life, LTD, and medical insurance, the BOBS defines full-time as anyone working a minimum of 30 hours per week or more. Churches should use 40 hours per week as the base for considering the percentage of full-time work. Part-time calls and contracts are not fully bound by the compensation guidelines because such agreements can vary significantly. The use of the salary table on a pro-rated basis is helpful and advised. It is not necessary to apply for a waiver for a part-time call or contract that does not meet the prorated amount for salary, housing, and social security payments. Approval of the call or contract is all that is necessary. However, a waiver is required for any call or contract that does not include retirement (see #6 below) and insurance for those working part-time or full-time (see #7, 8, and 9 below).

Beginning Date

The *Compensation Guidelines for Ministers of Word and Sacrament* are approved for use on a calendar basis. The salary and benefits must comply with the guidelines for the current calendar year.

Additional Notes (following the line numbers in the worksheet chart)

- 1. Base Salary.** The salary table in the *Compensation Guidelines for Ministers of Word and Sacrament* is based on years of service since ordination and the number of confessing members of the church. Churches with staff ministries may use the first column (0-200 members) as a minimum for paying the salary of Associate or Assistant Pastors.
- 2. Housing Allowance.** The consistory is required to provide the pastor with free use of a parsonage including all utilities, or a housing allowance which equals at least 30% of the base salary. Section 107 of the Internal Revenue Code permits an ordained minister to exclude from taxable income a properly designated housing allowance provided by the church to the extent that the housing allowance represents compensation for ministerial services, is used to pay housing expenses, and does not exceed the fair rental value of the home when it is furnished, plus utilities. The amount designated for the housing allowance and reported to the IRS may be adjusted to take advantage of IRS guidelines, as long as total amount in line 3 meets or exceeds the base salary plus 30% for housing formula. The housing allowance designation must be recorded in the consistory minutes before the beginning of each year. Check the box if a parsonage plus utilities are provided for the minister. If a parsonage is

provided, an amount from the base salary may be designated as a furnishings allowance. (See the BOBS Annual Insurance and Retirement Benefits Information, pages 3-6 for examples.)

3. **Total.** Payments to the Retirement Fund are based on this amount. (See #6 below.)
4. **Self-Employment Tax – Social Security.** The Social Security adjustment is added because ministers are required to pay the full Self-Employment tax and churches usually do not pay the employer portion of this tax. The amount on this line is one half of the rate payable by a self-employed person. The formula in the Schedule SE tax form is $(\text{base} + \text{housing}) \times .9235 \times .0765$. When a parsonage is provided, the 30% for housing allowance formula is used to calculate the Self-Employment Tax addition to income. If a pastor has elected not to be part of the Social Security system, an equal allowance is to be made for another retirement program. The consistory shall require evidence that this other retirement program has benefits comparable to Social Security benefits including Medicare premiums.
5. **Total Salary.** This is the total of the cash salary received by the minister.
6. **Retirement.** Contributions must be made to the RCA Retirement Plan as required in the call form and the RCA retirement plan document. Contributions must be made for all ministers (no matter the number of hours worked per week) of at least the rate of 11% of base salary + housing allowance (line 3) plus any taxable compensation for ministers who are purchasing their own medical insurance. For full-time ministers, the contribution to the Plan must meet or exceed the EBPH level set by the Board of Benefits Services. (*BCO*, 1.II.12.3) The EBPH annual amount for 2020 is \$7,061. See the *BOBS Annual Insurance and Retirement Benefits Information* for more information.
7. **Medical Insurance.** The consistory must cover the cost of the premiums paid for medical insurance for the minister and his/her immediate family. Such medical insurance coverage shall meet or exceed the minimum standards stipulated by the Board of Benefits Services. Churches can provide insurance through a group plan (such as the RBA) or through the marketplace. When a high deductible health plan is chosen, consideration should be given to using all or part of the savings in premium to establish a Health Savings Account for the minister. If not electing to offer a group medical insurance plan, the church must reimburse the minister for the cost of the premiums paid for medical insurance for the minister and his/her immediate family. Any reimbursements to a pastor for medical insurance that is purchased through a private insurance company or through the marketplace is considered taxable income. The medical coverage requirement may be waived if family coverage is provided through a spouse's employer-sponsored group plan. (*If provided, check the box on the worksheet.*) If working less than 20 hours per week, medical insurance is not required, since employees working less than 20 hours per week are not eligible for the RCA medical insurance plan.
Group medical insurance is available for all ministers through the Reformed Benefits Association (RBA). The RBA is a nonprofit corporation established by the Reformed Church in America and the Christian Reformed Church in North America. In 2020, the RBA will offer three medical insurance plans. The minimum standard of coverage established by the Board of Benefits Services will be met by offering coverage that approximates the consumer plan, as offered by the RBA. The consumer plan carries a coinsurance of 80 percent, an individual deductible of \$3,000, and a family deductible of \$6,000. The maximum, in-network, out-of-pocket cost is \$6,750 for an individual and \$13,500 for a family. Coverage is 80 percent after the deductible has been met and until the out-of-pocket maximum has been reached. Once the out-of-pocket maximum has been met, the plan covers 100 percent of eligible medical expenses. See the *BOBS Insurance Guide* for more information.
The Call Form (Formulary 5) in the *BCO* requires that the consistory compensate a minister for any medical premium costs incurred by his/her immediate family if they elect medical coverage through the spouse's employer-sponsored group plan, up to the premium cost of the Reformed Benefits Association plan meeting the minimum standards stipulated for the year compensated. (See *MGS 2018, CO 18-3, pp. 261–262* and the *BOBS booklet*.)

8. **Group Life Insurance and AD&D Premium.** RCA ministers who enroll in medical insurance through the RBA will also be enrolled in the RBA basic life plan. If working at least 30 hours per week, the insurance pays up to \$175,000 for Life or AD&D. Go to: <http://reformedbenefits.org> for the premium sheet. For life and LTD insurance purchased through the Board of Benefits Services, part-time is defined as those working a minimum of 17.5 hours but not more than 29 hours per week. Eligible RCA ministers who work a minimum of 17.5 hours per week will be enrolled in the LTD insurance program administered by BOBS. In addition, RCA ministers who do not enroll in medical insurance through the RBA and who work a minimum of 17.5 hours per week will be enrolled in the group life insurance plan provided by BOBS. The consistory must cover the cost of the premiums.
9. **Long Term Disability Insurance Premium.** Long Term Disability coverage is provided for ministers through the RCA Board of Benefit Services, since the Reformed Benefits Association does not offer LTD insurance. The consistory must cover the cost of the premiums for ministers working 17.5 or more hours per week. If working less than 17.5 hours per week, long-term disability insurance is not required, since employees working less than 17.5 hours per week are not eligible for insurance. More information about the life and LTD insurance programs offered through the Board of Benefits Services (BOBS) can be found at www.rca.org/ltd-and-group-life.
10. **Professional Development.** As required in the call form of the *BCO*, a minimum of one week with a stipend equal to not less than 1/52 of the annual minimum base salary (before adjusting the housing allowance) shall be granted each year for professional development. For those working part-time, this amount may be prorated as long as the stipend is equal to not less than 1/52 of the annual base salary (excluding housing allowance). By mutual agreement, this time and money may be accumulated up to a maximum equivalent of four years of service. The program of study must be approved by the consistory and should be mutually beneficial to the church and the pastor. This provision is not a personal savings account for the pastor and the balance is not paid when employment ends.

Vacation. The Compensation Guidelines for Ministers of Word and Sacrament require that the consistory grant a minimum of 4 weeks (including 4 Sundays) of paid vacation time each year to any minister working full-time. One week of vacation may be carried over to the next year, unless consistory has approved a greater amount of vacation carryover. To encourage the health and well-being of ministers and their families, the consistory should encourage ministers to use their vacation each year. (The number of weeks of vacation given to a minister recognizes the fact that ministers serving churches are required to work on weekends [Sundays] and many holidays.) The consistory may also develop a policy regarding the number of paid holidays granted each year and how that time away may be shifted when work is required on a holiday. For ministers working part-time, the amount of paid vacation is flexible. If granting a number of weeks, the amount of payment for one week of vacation should be based on the number of contracted hours the minister would normally work in one week. The consistory may want to consider granting four weeks of prorated paid vacation.

Car Allowance. The Compensation Guidelines state that the “Car Allowance is not a Compensation Provision, but a ‘cost of doing business’ expense incurred by the pastor on behalf of the church. Use of the pastor’s personal car for ministry purposes shall be reimbursed to the pastor either at the IRS per mile rate or for actual expenses, whichever is more equitable in the situation, as agreed upon by pastor and consistory. (Note: Per IRS rules, one round trip commute each day is not a reimbursable expense.)” For the minister’s car allowance to meet this classis requirement and the requirements of the IRS for accountable reimbursement plans, the minister must substantiate car expenses to the church, and reimbursements must not exceed the expenses incurred. Using accountable plans, ministers may exclude all reimbursed expenses from their taxable income.

Payments to ministers for car expenses under a nonaccountable plan are considered wages and are subject to income and self-employment tax. For example, a \$5,000 nonaccountable mileage benefit

for a married person filing jointly could result in additional \$765 in Self Employment tax and an additional \$1,100 in income taxes. The \$5,000 reimbursement benefit is reduced to \$3,135. Please consult your tax advisor or printed tax guides for ministers to become familiar with all the rules for accountable car allowance plans. A short guide written by Conrad Teitell is sent to ministers each year by the General Synod. A comprehensive Church and Clergy Tax Guide is published by Richard Hammer each year.

11. **Health Savings Account.** When a high deductible health plan is chosen, consideration should be given to using all or part of the savings in premium to establish a Health Savings Account for the minister. An employee may also make pre-tax salary deduction contributions to an HSA up to the annual maximum for an individual or family. In 2020, the HSA maximums will be \$3,550 for a single person and \$7,100 for two or more persons. Those over age 55 are allowed a “catch-up” contribution of \$1,000 annually. An employee may not contribute to an HSA if he or she is over 65 and enrolled in Medicare.
12. **Dental Insurance Coverage.** Dental insurance for the minister and his/her immediate family may be provided through the Reformed Benefits Association (when medical insurance is purchased) or another insurance carrier.
13. **Vision Insurance Coverage.** Vision insurance for the minister and his/her immediate family may be provided through the Reformed Benefits Association (when medical insurance is purchased) or another insurance carrier.
14. **Supplemental Life Insurance.** Supplemental life insurance for the minister and his/her spouse and children may be provided through the Reformed Benefits Association (when medical insurance is purchased) or another insurance carrier.
15. **Long Term Care Insurance.** Long Term Care insurance for the minister and his/her spouse and children may be provided through an insurance carrier other than the Reformed Benefits Association.
16. **Pastoral Business Expense Allowance.** The church may establish a fund to reimburse ministers directly for any qualified business expense. Such reimbursements are not taxable income. Although all business purchases made for the church should be reimbursed, designating a discretionary fund for the pastor provides some freedom in deciding when and how to use that fund.
17. **Sabbatical Allowance.** It is recommended that a consistory adopt a policy of granting their pastors at least a six-week sabbatical at full salary after each seven years of service with that congregation. The sabbatical shall be scheduled at a time mutually agreed upon by the consistory and the pastor. The plan for the sabbatical shall be approved by the consistory with the clear intention that the sabbatical benefit both the pastor and the church. Compensation provisions shall continue to be paid during the sabbatical period.
18. **Other.** Other allowances may be provided, such as a cell phone allowance, a book allowance, etc.

Ministerial Couples: It is recommended that the consistory of a church served by a ministerial couple be sensitive to the possibility that a shared parsonage benefit or housing allowance can decrease those pastors' retirement and social security payments thus placing them at a disadvantage when they retire. Those consistories are urged to consider paying more than the minimum retirement and/or social security benefit.

Church Growth and Revitalization: Special consideration is recommended for those pastors who have led their congregations to start significant new worship services, worship sites or ministries resulting in new conversions to Christ and new ministry leaders. It is suggested that the consistory consider an annual merit increase above the appropriate step in the chart (or above the current salary if already above the minimum annual base salary).

Below is an example of a completed worksheet using the 2020 Compensation Guidelines for Ministers of Word and Sacrament.

EXAMPLE WORKSHEET FOR CALLS AND CONTRACTS FOR MINISTERS – 2020

The example below is for a church of 180 confessing members extending a call or contract to a minister. In this example, the minister has had six (6) years of service since ordination. **Col. 1** lists the minimum for a full-time position, including the 2019 RBA premium for medical insurance plan for an employee + family = \$1,934.60 per month. **Col. 2** assumes that this minister is working at 60 percent of full-time, or 24 hours per week. The medical insurance premium is prorated in Col 2, but other insurance premiums are included in full. The minister and consistory have a number of choices, including the reduction of base salary to cover the full cost of the insurance, and the payment of medical premiums directly to the minister as an addition to salary.

Salary, Housing, and Social Security Requirements

		Col. 1	Col. 2
	Description	Minimum	Actual
1.	Base Salary (from the Compensation Guidelines for Ministers)	\$ 47,087	\$28,252
2.	Housing Allowance (30% of base or Parsonage) <input type="checkbox"/> Check here if parsonage plus utilities are provided for the minister.	\$14,126	\$8,476
3.	Total	\$61,213	\$36,728
4.	Self-Employment Tax – Social Security (base + housing x .9235 x .0765)	\$4,325	\$2,595
5.	Total Salary	\$65,538	\$39,323

Required Benefits

	Description	Minimum	Actual
6.	Retirement (403b) 11% of line 3 (salary and housing). EBPH min = \$7,061.	\$ 6,946	\$ 4,040
7.	Medical Insurance Premium. For the minister and his/her immediate family. <input type="checkbox"/> Check here if medical coverage thru spouse's employer-sponsored plan	\$23,215	\$13,929
8.	Group Life Insurance and AD&D Premium – \$46.50 per month for 2019	\$ 558	\$ 558
9.	Long Term Disability Insurance Premium – 39 cents per \$100 of line 3	\$ 238	\$ 234
10.	Professional Development – 1/52 of line 1 (base salary, excluding housing)	\$ 906	\$ 543

Additional Requirements for all calls and contracts (Check Appropriate Box for each)

- Vacation Provided (Check One):
 - Minimum of Four Weeks
 - Five Weeks or More.
 - Part-time vacation (enter here): _____ Weeks
- Car Allowance for business miles (Check One):
 - IRS per mile rate - 58 cents per mile for business miles driven in 2019 (2020 rate TBA)
 - Actual Expenses.

Optional Benefits

	Description	Amount	Actual
11.	Health Savings Account (if eligible medical plan is chosen) Up to \$7,100 / family		\$3,375
12.	Dental Insurance Coverage (including family)		\$1,620
13.	Vision Insurance Coverage (including family)		\$ 216
14.	Supplemental Life Insurance (employee, spouse, and/or children)		
15.	Long Term Care Insurance (including family)		
16.	Pastoral Business Expense Allowance (discretionary fund)		\$ 500
17.	Sabbatical Allowance		
18.	Other (cell phone, book, etc.)		\$ 240