



**MINISTRY COMPENSATION**  
**101**



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**AGENDA** 

- About Pension Fund
- Compensation and Benefits for Ministers
- Minister's Housing Exclusion
- Sample Compensation Budget

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**WHY PENSION FUND** 

- Serving all who serve in the Stone-Campbell/Restoration Movement including spouses.
  - Churches
  - Schools, colleges, universities, and seminaries
  - Benevolent care facilities
- Over 13,000 members with more than \$3 billion in assets
- Pension Fund gives back more than \$1.8 million per year through our various programs




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## COMPENSATION FOR MINISTERS

- Remember: Ministers don't work a typical 40-hour week
- Moving? Check the cost of living in your new city: "Cost of Living" Calculator at [bankrate.com](http://bankrate.com)

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## MINISTER'S COMPENSATION AND EXPENSES

- Cash compensation (salary and housing)
- Benefits
- Reimbursed Business Expenses



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## ELEMENTS OF CASH COMPENSATION

- Salary
- Housing/Parsonage Allowance
- Social Security Offset (7.65% of above items)

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### IS THE MINISTER A CHURCH EMPLOYEE OR SELF-EMPLOYED?

The answer is both!

- Pastor is a **church employee** for income tax purposes
- Pastor is **self-employed** for Social Security/Medicare purposes
- Pastors must pay the full **15.3% SS** tax themselves (for other employees this is split 50/50 with employer)
- A **social security offset** helps the minister with this tax



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### HOUSING ALLOWANCE

- Ministers can determine allowance to be any amount (up to 100% of salary)
- Must be officially approved by leaders and documented in advance
- Up to the minister to maintain expense records and declare appropriate amount to IRS

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### FOR THE HOUSING EXCLUSION, MINISTERS CAN CLAIM THE LESSER OF:

- The official amount declared by the church; or
- The actual amount spent on eligible housing expenses; or
- The fair-rental value of the furnished home, plus utilities.



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**BENEFITS FOR MINISTERS  
– THE BASICS**

- Retirement contributions
- Healthcare Stipend (or healthcare premium reimbursement if only one employee working 25+ hrs/wk)
- Vacation, Sickness, Parental Leave
- Time for Continuing Education
- Provision for Sabbatical

**NOTE:** Time to attend camps/mission trips/meetings is work time and shouldn't be counted as "vacation."

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**REIMBURSABLE  
BUSINESS EXPENSES**

- Auto allowance or mileage reimbursement
- Cell Phone Expense
- Books, subscriptions, digital content
- Retreats, Conventions, Minister Meetings
- Business-related Meals ("hospitality")
- Continuing Education fees and travel
- Supplies



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**QUESTIONS FOR THE  
MINISTER TO CONSIDER**

- What's the community cost of living?
- Will the salary allow for student loan payments?
- How will I know if I'm meeting expectations?

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### SAMPLE COMPENSATION & BENEFITS

 Budget Item	 Amount
<b>Salary</b>	
Minister's Salary & Housing	\$55,735
Minister's Social Security Offset	\$4,265
<b>Total Cash Compensation</b>	<b>\$60,000</b>
<b>Benefits</b>	
Retirement (including death & disability insurance)	\$8,400
Health Insurance	\$12,000
Savings for Sabbatical	\$1,000
<b>Total Benefits</b>	<b>\$21,400</b>

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### SAMPLE BUSINESS EXPENSES

 Budget Item	 Amount
<b>Business Expenses</b>	
Auto Allowance (reimbursed at IRS mileage rates)	\$1,700
Books, Subscriptions, Digital Content	\$300
Continuing Education	\$1,000
Hospitality	\$500
Conventions & Meetings	\$1,500
<b>Total Business Expenses</b>	<b>\$5,000</b>

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### RESOURCES GUIDE:

You can find the following resources on the Pension Fund website under Guides & Factsheets:

- Ministers' Tax Guide
- Ministers' Compensation Whitepaper
- Churches Guide for Calling a Pastor



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## LET'S CONTINUE THE DISCUSSION

Make an appointment later today to meet with a Pension Fund staff person to answer specific questions you may have.

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