

EMC Pastors Salary and Benefits Guidelines

The following guidelines are intended for all pastors within a church. In the case of a part-time pastor an annual salary should be calculated and then pro-rated for the appropriate percentage of hours worked.

The following numbers reflect the 2012 guidelines. Please refer to the updated worksheets provided by the Conference for current amounts.

A. Salary

1. *Base salary*

The annual base salary is \$24,200 excluding housing costs.

2. *Housing costs*

In order to take the cost of living differences of different locations into consideration, the cost of renting an average three bedroom bungalow, with a garage, in a pleasant neighborhood near the church should be added to the base salary.

3. *Increments for church size*

The Senior Pastor should be paid \$18.00 per "cared for" adult in the church (consider Sunday morning service attendance as well as membership). In rare situations this increment could be shared with the associate pastor(s).

4. *Experience*

Add \$850.00 per year of experience, for a maximum of 15 increments.

5. *Education*

Add \$1100.00 for a bachelor's degree and an additional \$1650.00 for a master's degree. For a second bachelor's degree add \$550.00, and for a second master's degree add \$825.00. Other forms of education which would be beneficial to ministry, besides specifically Bible education, should be given consideration for compensation.

B. Benefits

1. *Mileage*

Travel between the pastor's residence and the church cannot be part of the tax-free mileage reimbursement. The church is encouraged to pay the pastor a tax-free reimbursement for mileage driven for the ministry. In 2012 the Canada Revenue Agency allows a tax-free mileage reimbursement of up to 53 cents per km for the first 5000 km and 47 cents per km for additional kms per year. These amounts are updated annually.

2. *Pension*

We strongly recommend that churches participate in the EMC administered Pension Plan. For 2005 the contribution rates are 5% of gross salary (including housing allowance) by both the employer and employee (for a total of 10%). We recommend this in light of the Canada Pension Plan (CPP) and Old Age Security (OAS) benefits being inadequate to provide for a retiree's needs.

3. *Group insurance*
Participation in the basic plan offered by the conference covering long term disability, life insurance, and accidental death and dismemberment, should be strongly recommended on a cost shared basis. Long term disability premiums must be paid for by the *employee* and not the employer. Participation in the enhanced plan, which includes extended health and dental coverage, should be encouraged on a cost shared basis or offered to pastors at their own cost if not cost shared. When costs are shared both employee and employer should pay 50% of the cost of the plan.
4. *Entertainment expenses*
Should be budgeted annually and reimbursed upon monthly claims supported by receipts. An unsubstantiated entertainment allowance must be reported as a taxable benefit according to the Canada Revenue Agency. The church should consider reimbursement for the cost of groceries for in-home meals provided by the pastor and their spouse in the course of their ministry.
5. *Professional development*
Congregations should support their pastor in terms of professional development. Pastors should be expected to spend at least one week each year in formal study on paid time. Tuition, study materials, plus mileage, should be paid for by the church.
6. *Vacation pay*
Pastors should be granted three weeks of paid vacation per year; four weeks per year after five years of service.
7. *Sabbatical leave*
Wherever possible pastors should be granted sabbatical leave in accordance with the conference policy.

C. Other Considerations

1. *Role of the pastor's spouse*
The expectations of the Pastor's spouse needs to be communicated clearly at the time of hiring.
2. *Part-time pastors*
Churches with part-time pastors will need to determine how to apply these guidelines to their situation.
3. *Termination*
Pastors whose employment is terminated without notice should be paid full salary at two weeks per year of service.
4. *Salary reviews and increases*
Pastoral staff salaries should be reviewed annually by the local church and the base salary and increment amounts increased by the amount of the Consumer's Price Index (CPI). A more comprehensive review of salary guidelines will be conducted by the Conference every five years.
5. *Annual performance evaluations*
These should be conducted thoroughly, sensitively and objectively in order to avoid any misunderstanding between the pastor and the congregation. See the EMC Church and Pastor Evaluation policy for more detailed guidelines.
6. *Canada Revenue Agency*
It is recommended that churches and pastors take advantage of tax concessions allowed by Canada Revenue Agency for pastors, especially the clergy residence reduction.

EMC Church Governance

Pastors Employment Covenant Checklist

Remuneration

- base salary (excluding housing allowance)
- housing allowance
- increments for church size
- increments for experience
- increments for education

Benefits

- Conference Pension Plan
- Group Insurance Plan
 - mandatory base plan
 - optional comprehensive plan
- paid vacation

Reimbursement of expenses

- mileage
- entertainment
 - in-home meals
- professional development

Other issues to address

- full-time or part-time position
- clergy residence tax benefit
- annual salary reviews
- sabbatical/study leave
- expectations of spouse
 - babysitting reimbursement
- professional development expectations
- annual performance evaluations
- sick leave
- severance pay policy