Salary is what your pastor is paid for his/her work/ministry among you. It is not to include any professional expenses such as travel, continuing education, books, subscriptions or the like. Minimum salaries are listed below. The 2017 Journal contains information in the statistical tables on salaries paid by churches of similar size and circumstance. The Staff Parish Relations Committee should prayerfully consider a fair compensation related to your clergy’s ministry responsibilities.

Minimum Salaries

The Equitable Salary (Minimum Salary) amounts below are established according to the pastor’s Conference relationship status and were adopted by the recent Annual Conference.

<table>
<thead>
<tr>
<th>MINIMUM SALARY</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Connection</td>
<td>$42,600</td>
<td>$43,500</td>
</tr>
<tr>
<td>Provisional Members</td>
<td>$40,300</td>
<td>$41,100</td>
</tr>
<tr>
<td>Associate Members</td>
<td>$39,100</td>
<td>$39,900</td>
</tr>
<tr>
<td>Local Pastor with M. Div. or five years of Course of Study</td>
<td>$37,900</td>
<td>$38,700</td>
</tr>
<tr>
<td>Local Pastor with less than five years of Course of Study</td>
<td>$36,900</td>
<td>$37,700</td>
</tr>
</tbody>
</table>

Accountable Reimbursement Accounts (ARAs) can be designated for travel, continuing education, books, subscriptions, and/or office supplies, etc. In short, any expense of doing ministry for the church can be included. A formal resolution specifying the amount and purpose of the ARA must be passed by the Charge Conference or the Administrative Council/Board, a copy of which should be on file in the church office. The clergy should also have a copy. An ARA worksheet is available (see Form 5a) to help write this resolution.

Payment from the ARA is received by the clergy when he/she presents receipts or other satisfactory documentation for expenses incurred which are covered by the ARA. Unused portions of the ARA are not to be given to the clergy. *To do so violates the tax free requirements set by IRS, and makes the entire ARA taxable income.* Unused amounts can be held over to the following budget year. ARAs are not compensation. Housing allowance, medical expense, and dependent care expense are not to be included in an ARA. Reimbursement for the cost of travel for professional reasons is not compensation. *Travel should be budgeted to cover the best estimate of actual expenses and included in an Accountable Reimbursement Account (ARA).* Business travel expenses paid through an ARA plan are not reported on the clergy’s Form W-2, and are thus not taxable. Giving the pastor a monthly dollar amount that does not require documentation of mileage is not allowed. Monthly business travel allowances for which the clergy does not have to account are treated by IRS as taxable income and reported on Form W-2. Amounts so designated will be treated as Salary by the Florida Conference.

Continuing Education should be budgeted as an accountable reimbursement account. It is recommended that it be included in the ARA with other business expenses. It is possible to set
up a separate line item for CE. An amount should be set that allows the clergy the opportunity to nurture himself/herself spiritually and sharpen pastoral skills and abilities through seminars and workshops, etc.

**To access complete details** regarding benefits available for your clergy, go to [www.flumc.org](http://www.flumc.org) Administration Tab, select “Human Resources/Benefits and Retirement” link at left, select “Resources for Clergy”.

**Medical Insurance Support**
As of January 1, 2017 the Conference sponsored health plan for clergy ended. Currently, the church must offer a health insurance plan or increase the pastor’s 2018 annual salary by the amount below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single clergy</td>
<td>$10,000</td>
</tr>
<tr>
<td>Clergy plus one dependent (child or spouse)</td>
<td>$13,000</td>
</tr>
<tr>
<td>Family (3 or more)</td>
<td>$16,000</td>
</tr>
</tbody>
</table>

This new criteria applies to all full-time clergy, including deacons, appointed to a local church, mission, District or Conference staff. Full-time is defined as a base salary at or above 100% of the minimum according to the clergy’s Conference relationship (Full Connection, Provisional, Local Pastor, etc.) Participants **not eligible** for additional compensation in lieu of health insurance are part-time local pastors, supply pastors, retired pastors and those pastors appointed to extension ministries.

It is the clergy member’s choice to accept the insurance plan offered by the church or decline their health plan and request the additional compensation.

There are a few special considerations for clergy couples. Clergy couples, serving separate appointments, will have a choice of coverage offered by the local church(s) they serve or they can accept the appropriate additional compensation to purchase insurance.

Clergy couples who have dependents will be classified as a family for benefit purposes. As such, clergy couples (either two party or families) must make election decisions for the family unit. Depending on the election the couple chooses, it is expected that each church will designate how they will share this expense for the family and document it on the pastor’s compensation forms for both clergy members.

However, there are many situations where clergy couples serve multiple employers. For details on how churches should cooperatively administer these benefits visit our website [www.flumc.org/hr](http://www.flumc.org/hr). Select the 2017 Health Initiative icon to review the FAQ’s for clergy couples.

The additional salary is taxable income to the clergy member. However, clergy receiving increased compensation can reduce the tax impact of this compensation by enrolling in a high-deductible health plan, setting up a health savings account with a bank, and making contributions to the account which can be deducted (line 25 of the 2015 Form 1040) on the clergy’s tax return.
If you plan to request the additional compensation in lieu of insurance, the amount of your 2018 annual salary must be correctly listed on the 2018 Appointed Clergy’s Compensation form. You must make an election to either accept the health insurance plan offered by the local church (if available) or request the additional compensation by indicating the amount on the pastor’s compensation form.

If a clergy’s full-time appointment is shared between churches, the District Supervisor must approve the cost-sharing arrangement of the health supplement.

It’s important that church leaders and their clergy discuss this new arrangement and ask for a covenant or agreement as to the purpose of any additional compensation paid in lieu of health insurance. The additional compensation (if elected) is to be used specifically for the purchase of health insurance. While the local church cannot require clergy to show proof of insurance it is expected clergy will exercise sound judgement and secure adequate health insurance for themselves and their families.

**Pension**
The Clergy Retirement Security Program (CRSP) became effective January 1, 2007 for eligible clergy and provides a pension at retirement. The core program consists of separate defined benefit and defined contribution components. The plan was approved May 6 at the 2004 General Conference of The United Methodist Church and is the official pension plan of The United Methodist Church for all eligible clergy.

Details regarding CRSP are available at [www.flumc.org](http://www.flumc.org) click the Administration tab and Human Resources. Additional details regarding CRSP can be obtained from the Wespath website at [www.wespath.org](http://www.wespath.org).

The amount each church will be billed for CRSP in 2018 will be calculated as: 15% of the clergy’s salary plus housing allowance. For clergy with a parsonage, calculate 25% of the clergy’s salary to get the value of the parsonage for pension purposes. The two added together will be considered as the clergy’s total compensation for calculating pension contribution.

If Housing Allowance: (Salary + Housing Allowance) X 15% = CRSP billing amount  
If Parsonage: Salary X 1.25 X 15% = CRSP billing amount  
**Note:** The additional compensation for the health supplement is not included in the pension calculation.

**CRSP:** The Clergy Retirement Security Program (CRSP) is a retirement program providing lifetime income and account flexibility designed for those who serve God as clergy in The United Methodist Church. You are eligible to participate in the CRSP if you are a clergy member or local pastor under Episcopal appointment serving at least half-time. Clergy appointments serving one-quarter time are no longer eligible to earn CRSP benefits based on an amendment to the Plan approved at the 2012 General Conference. The CRSP has two components: a **Defined Benefit** component and a **Defined Contribution** component.

The **Defined Benefit** component helps provide financial security with monthly retirement income for life. It’s called a defined benefit plan because the amount of your benefit is defined in advance by a formula that includes the Denominational Average Compensation (DAC) and
your years of credited service. As your years of credited service to the Church grows, so will the amount of your monthly benefit.

You cannot outlive or run out of monthly Defined Benefit retirement benefits. They are not tied to how well you save, invest or grow your investments, unlike a Defined Contribution plan or other personal savings plan. You can estimate your monthly benefit using the Wespath pension projection calculator on their website at www.wespath.org through the Online Account Services Information System (OASIS).

The following calculation shows how the monthly benefit is determined:

\[ 1.25\% \times \text{DAC} \times \text{years of credit in the CRSP plan} \div 12 \text{ months} \]

Based on an amendment to the CRSP Plan approved at the 2012 General Conference, the multiplier reduced from 1.25\% to 1\% for years of service accrued after January 1, 2014. The prior CRSP benefit formula of 1.25\% will remain effective for all covered service prior to January 1, 2014.

The **Defined Contribution** component provides flexibility with a personal account balance that's established for you. Every month the annual conference contributes 3\% of your plan compensation to your Defined Contribution retirement account. Beginning January 1, 2014, 2\% of compensation will go into the defined contribution account. To receive the other 1\%, the clergy person must contribute matching funds of at least 1\% of their total plan compensation into the UMPIP. Otherwise they forfeit the remaining 1\%.

The CRSP plan provides the flexibility for you to grow your account balance by choosing from a variety of investment funds. Your Defined Contribution account balance increases or decreases depending on the performance of the investments you choose. When you retire, you will have access to 100\% of your Defined Contribution account balance.