

FAQS (Frequently Asked Questions) FOR PASTOR/STAFF-PARISH RELATIONS COMMITTEES

Prepared by the Cabinet¹ of the Pacific Northwest Annual Conference

INTRODUCTION

This document is intended to be of assistance to Pastor/Staff-Parish Relations Committees (P/SPRC) by setting forth some of the practices and policies of the Pacific Northwest Annual Conference which are not outlined in the United Methodist *Book of Discipline* or readily available in written form from other sources. Furthermore, it will address the practices and procedures involved in the change of a pastoral appointment. If after reading this statement or at any other time you have questions you should contact your district superintendent who will be happy to confer with you. He or she is also available to meet with your committee if that is preferred.

The responsibilities of the P/SPRC are listed in the 2016 *United Methodist Book of Discipline* in paragraph 258.2. In addition, Cokesbury publishes a helpful “Guidelines for Pastor/Staff-Parish Relations Committees” every four years to coincide with changes made by the most recent General Conference to the *Book of Discipline*. Every member of the P/SPRC should have a copy of the “Guidelines.” In the “Guidelines” is an example of a year’s agenda. Only by meeting regularly can the P/SPRC and pastor develop the partnership necessary to effectively serve the congregation.

APPOINTIVE PROCESS PRINCIPLES

Framework:

A significant responsibility of the Cabinet is to enable the ministry and mission of the congregations of the Annual Conference utilizing the itinerant appointive system creatively and faithfully. The Cabinet’s methodology follows the appointive process as described in the 2016 *Book of Discipline*, paragraphs 425-430.

Process:

1. Every appointment is made annually by the bishop and subject to annual review and evaluation.
2. Appointments shall take into account the unique needs of a charge, the community context, and also the gifts and evidence of God's grace of a particular pastor. (2016 *Book of Discipline*, paragraph 427)
3. The appointment process begins with the missional opportunities and needs of the congregation and then proceeds to finding the most appropriate pastor available for the congregation.

¹ The Cabinet is comprised of the Bishop and the six District Superintendents.

4. The Cabinet is committed to a consultative process in which it confers with the Committee on Pastor/Staff-Parish Relations and the pastor.
5. The role of the Committee on Pastor/Staff-Parish Relations is to advise the bishop of local parish concerns and needs relative to appointment-making. The committee does not choose or hire its pastor.
6. The district superintendent annually shall develop with the pastor profiles reflecting the pastor's gifts, evidence of God's grace, professional experience and expectations, and also the needs and concerns of the pastor's spouse and family. (2016 *Book of Discipline*, paragraph 427.2)
7. The district superintendent shall develop church profiles in conjunction with the pastor and the committee on Pastor/Staff-Parish Relations of all churches. These profiles will reflect the needs, characteristics, and opportunities for mission of the charge consistent with the Church's statement of purpose. (2016 *Book of Discipline*, paragraph 427.1)
8. Appointments are made without regard to race, gender, age, marital status or handicapping conditions.
9. The Cabinet treats all matters of appointment with utmost confidentiality. It is expected that pastors and spouses and members of Committees on Pastor/Staff-Parish Relations will also practice strict confidentiality.
10. When the Cabinet has determined the intended appointee, the district superintendent will meet with the Committee on Pastor/Staff-Parish Relations and the intended appointee for an introduction.
11. The final decision regarding appointments rests with the Bishop.

TIME AWAY FROM THE PARISH

Days Off

Pastors are professional people, subject to the call of God and confirmation of their worthiness by the Annual Conference. As such, hours worked and consideration for time off are not the same as might be so for persons in other occupations. Generally speaking, the average full-time pastor works well over 40 hours a week. One of the functions of the Pastor/Staff-Parish Relations Committee is to counsel with the pastor in regard to the use of time, so that the needs of the parish, a sense of fulfillment in ministry on the part of the pastor, the personal needs of the pastor and his or her family are all taken into account and brought into proper balance.

It is important for clergy to have a regular time away each week. Each clergy is encouraged to establish a schedule that includes at least one day a week, and preferably two, in which the clergy is not involved in the duties of clergy. Such days off should be scheduled so that the congregation and the staff will know when such days are to occur.

Sometimes a pastor wishes to participate in continuing education in the formal setting of a seminary or university on an on-going basis, without having this count as the study leave. We generally assume that a person can handle 3-credit hours per semester without interfering with their parish or other responsibilities. **Beyond this it is something which needs to be negotiated with the P/SPRC and the district superintendent.**

Because full-time parish ministry is essentially a seven day a week, 24 hours a day responsibility, pastors in full-time parish appointments may not be employed elsewhere. Exceptions may be made for certain teaching responsibilities and chaplaincies. All exceptions must be approved by the local church P/SPRC and the district superintendent.

Vacation

All clergy shall have four weeks of vacation time (including 4 Sundays) in each annual conference year (July 1 through June 30). Vacation time should be scheduled during periods of the local church program year when the pastor's absence will be least disruptive. Unused vacation time does not accrue from year to year.

The pastor in consultation with the Pastor/Staff-Parish Relations Committee is responsible for securing coverage for pastoral care and for preaching while he or she is on vacation.

There is often confusion over the matter of vacations when pastors are newly appointed. Although vacations may be taken at any time after consultation with the P/SPRC, they are usually taken during the summer months. Accordingly, since our appointments become effective on the 1st of July, the pastor coming to a new appointment is entitled to his or her annual one month's vacation within the next twelve months. It should be noted that unused vacation time is not normally carried over from year to year. Requests for exceptions should be discussed with the P/SPRC and the district superintendent. In addition, the church does not pay the departing pastor for any unused vacation.

Continuing Education & Spiritual Renewal Leave

In accordance with ¶350.2 of the 2016 Book of Discipline, each full-time clergy shall have at least one week in each annual conference year for a program of continuing education and spiritual growth. The Pacific Northwest Annual Conference has agreed to increase this amount to two weeks per clergy. Once per quadrennium each full-time clergy shall have at least one month for a program of continuing education and spiritual growth. These times of continuing education are not to be considered as vacation time.

Sabbatical

The Discipline (paragraph 351) provides that an associate or full member of the annual conference is eligible for a full year of sabbatical for travel, study or other justifiable reason after having completed six years of service in an appointment (part-time service must be the equivalent of six full-time years). Application for a sabbatical should be made well in advance to the Conference Board of Ordained Ministry after consultation with the district superintendent. The appointment to

sabbatical leave is made by the bishop. Sabbatical years usually begin and end with the Conference year. Pastors can not return to the appointment they were in prior to the sabbatical year.

Illness of the Pastor

In the event of extended pastoral illness, the district superintendent will work with the congregation as to the best method of caring for the pastor's needs as well as the on-going needs of the local church. The parish is expected to continue to provide clergy compensation, benefits, and pulpit supply until otherwise agreed to by all parties and the superintendent. If there are circumstances which make this impractical for the parish, the district superintendent will negotiate with the parish regarding the payment of these costs.

The district superintendent shall support the ongoing ministry of the parish and interpret to the P/SPRC and the congregation expectations around recovery time, the coverage for pulpit and pastoral care needs of the parish, and the financial obligations of the parish and/or Conference.

The district superintendent shall insure that ongoing pastoral care is provided to the clergy person and family.

Maternity and Paternity Leave

Maternity or paternity leave is available to any local pastor, provisional member, associate member, or clergy member in full connection who requests it at the birth or arrival of a child into the home for purposes of adoption. Requests for leave should be filed with the committee on pastor-parish relations after consulting with the district superintendent at least ninety days prior to its beginning to allow adequate pastoral care for the churches involved to be developed. The first eight weeks of leave are paid while the final four are unpaid.

During the leave time, pastoral responsibility for the church or churches involved will be handled through consultation with the committee on pastor-parish relations of the local church or churches and the district superintendent.

Ministries Beyond the Local Church

The United Methodist Church is a connectional church, and every pastor is a member of the Annual Conference rather than a local church. In addition to responsibilities to the local church, it is expected that every pastor will carry his or her fair share of responsibilities within the connection. This includes activities at the district, annual conference, and general church levels in addition to local ecumenical and civic responsibilities. Time spent in these endeavors is not considered time off or time apart from work. These are part of the regular duties of the pastor and include attendance at meetings, workshops, counseling in our summer camp programs, and participating as leader or participant in other workshops and retreats. Part of the responsibility of the P/SPRC is to counsel with the pastor and develop a plan to promote a balanced ministry for the church, connection and community. The committee should take into account that from time to time a particular pastor might be more heavily involved in Annual Conference committees or boards, general church or district activities than at other times. We try to provide for this by rotation in office and limiting the time a person will serve as chairperson of a given committee.

EVALUATION OF THE PASTOR

Pastoral evaluation is the responsibility of the Pastor/Staff-Parish Relations Committee and should be conducted every year and forwarded to the district superintendent's office. Instruments to assist in evaluation are available from the district superintendents. In all cases, it is imperative that evaluation of the pastor be done in the context of the church's faithfulness in ministry.

SALARY

As you will see from Paragraph 258.2g(16) of *the Book of Discipline 2016*, the P/SPRC is charged with making annual recommendations to the Church Council for the pastor(s)' salary and other matters of compensation and support, reporting budget items to the committee on finance. The Pacific Northwest Annual Conference has established a minimum salary for which a full-time pastor is to be paid each year. It should be noted that this salary is not intended to be a standard salary, but rather a minimum. Where a local church is unable to pay the equitable salary, then, in consultation with the district superintendent, the Conference may be requested to supplement the salary. The decision to support full-time pastoral leadership resides with the Bishop and Cabinet.

Churches that are financially able are urged and encouraged to pay salaries commensurate with the professional training and experience of their pastors and in keeping with salaries paid similar professionals including other clergy in their community. It is a matter of justice, fairness and respect.

It is Pacific Northwest Annual Conference policy to include in total cash salary all remuneration provided by the local church such as cash allowances to cover Social Security, annuity payments, additional health/life insurance, child care, housing exclusion (utilities and furnishing), scholarship for children, bonuses for vacation, etc. If full time, the total cash salary must be at least the minimum salary of the conference. Eligible clergy per denomination and conference rules are provided retirement, disability/death benefits and health insurance subsidy if full time. Fringe benefits provided are not part of the pastoral compensation package and should be established in a separate section of church budget.

Although not a part of salary, churches are expected to pay the entire amount of their apportionments in order to maintain full time pastoral leadership. Accordingly, all apportionments must be paid before giving raises in salary to pastors who are being paid more than the conference minimum.

Non-Salary Reimbursements

The *Book of Discipline 2016* in paragraph 258.2g(8) also requires churches to establish means to compensate pastors for their professional responsibilities. This amount includes reimbursement for automobile mileage expenses (these are established annually by the IRS – consult the IRS web-site for the most recent figure – www.irs.gov for “standard mileage rate for business miles”, continuing education and spiritual growth expenses, books and journal subscriptions, registration fees for annual conference, denominational meetings and other costs attendant to pastoral ministry.

Churches should also be mindful of the extra costs to pastors who serve more than one church and/or who participate in the denominational Course of Study and share them to the fullest extent

possible. Consult with your superintendent as to the most appropriate amount for your local church if you have any questions.

Office expenses (stationery, telephone, computer systems and supplies, postage, etc.) are to be provided for in the church's budget and not as part of the pastor's professional reimbursement account.

Health Insurance

The annual mandatory funding of health insurance direct billed to local churches (salary paying unit) for each appointed full-time pastor. In 2016 a new health plan for non-Medicare participants called HealthFlex Exchange began. Participants are given choice between six medical/pharmacy, three dental and three vision plans. The pastors will be given a defined contribution sum of money to be used to purchase the elected health benefits. A defined contribution amount is 50% larger for those clergy that cover their family (3 or more covered) through HealthFlex Exchange. If the defined contribution amount is lower than the cost of plans selected, the salary paying unit will be charged the difference to be paid through salary reduction from pastor. If the defined contribution exceeds the cost of plans selected the balance will be added to either their health reimbursement or health savings account. The defined contribution is funded by the local church's mandatory charge and the conference board of pensions.

Pension

Pastors of the Pacific Northwest Annual Conference are covered by one or two pension programs, depending on whether they are appointed full or part-time. Each is administered by Wespath, formerly the General Board of Pensions and Health Benefits, in Glenview, Illinois. The Clergy Retirement Security Plan (CRSP) is provided to full-time appointed pastors. It includes two components: Defined Contribution (DC) and a Defined Benefit (DB). The DC component requires that each church contribute 3% of the pastor's plan compensation. For the pastor to receive the full 3% they must contribute at least 1% through a salary reduction to the United Methodist Personal Investment Plan (UMPIP). Defined Benefit with an annual cost determined annually by actuaries at the Wespath Benefits and Investments to fund the benefit at retirement of 1% times Denominational Average Compensation (DAC) times years of service under CRSP began in 2014. The conference board of pensions pays about 8% of the DB cost.

For eligible part-time appointments a defined contribution program is provided through UMPIP. If appointed $\frac{1}{2}$ or $\frac{3}{4}$ time the cost is 8% of plan compensation. There is a 2% match if the pastor contributes at least 2% to UMPIP. For $\frac{1}{4}$ time appointment there is a base contribution of 6% with a 2% match if pastor contribute at least 2% to UMPIP. This retirement benefit is mandatory for all ordained, provisional, associate and deacons but optional for part-time local pastors.

In addition, the Comprehensive Protection Plan (CPP), with disability and death benefits is only available to full-time appointment pastors beginning in 2017. For part-time ordained, provisional, associates and deacon there is coverage provided through UMLife Options.

In addition to paying federal income taxes on their salaries, pastors are also required to pay self-employed taxes for both Social Security and Medicare programs. This means the pastor pays the employer's as well as the employee's portion of the tax. For social security earnings computation, the pastor includes taxable salary, honoraria, plus the fair rental value of the parsonage or the amount of housing allowance plus the amount for utilities/furnishing through housing exclusion.

Please note: If your appointed pastor is a layperson (Certified Lay Minister or Lay Person Assigned), the church is required to withhold Social Security taxes as they would any other lay employee.

United Methodist Personal Investment Plan (UMPIP)

UMPIP is an Internal Revenue Code section 403(b) voluntary retirement savings plan designed to supplement ones employer-sponsored pension plan. UMPIP is administered by the Wespath but billed and collected through the annual conference. Any before-tax contribution to UMPIP by pastor is reduced from the income used to determine their self employment ~~tax~~ earnings. There is also a Roth option available.

Parsonage (Housing)

While every full time pastoral appointment is made by the bishop, each church is expected to provide its pastor with a parsonage. If a church does not own a parsonage, it is expected that an appropriate housing allowance will be given. For the exact nature of the parsonage requirement please see the document "Parsonage Standards" below. In addition, Section 107 of the IRS Code of 1986 provides benefits to clergy whose churches designate a portion of compensation as "parsonage or housing exclusion." It is expected that local church trustees and P/SPRCs will inspect the parsonages specifically to determine security concerns. If necessary, they should provide/install dead-bolt locks, security systems or other security measures. Pastors should note that local church insurance policies do not cover the pastor's personal goods -pastors will need to secure their own policies for their furniture, clothing, etc.

Pastors are also reminded that the equivalent rental value of the parsonage plus costs for utilities/furnishing and any other housing allowance must be reported as income on Schedule SE of the Internal Revenue Service tax report. However, this amount is not included as income as wages or salaries on Form 1040. Not included in box 1 of w-2 form that pastors receive from local church.

Parsonage Standards

If a congregation has a parsonage, it must meet the standards outlined by the annual conference. Parsonage standards for the Pacific Northwest Annual Conference can be found on the conference website (pnwumc.org) on the Treasurer's Office Downloads page and is titled "Ministerial Housing Policy and Standards."

Housing Allowance Exclusion for Pastors

The “Clergy Housing Allowance Exclusion” (sometimes referred to as parsonage allowance, furniture and furnishings allowance, etc.) is a way in which clergy who live in parsonages can receive the benefits of an IRS approved income tax exclusion for housing costs they pay. Section 107 of the IRS Code of 1986 states that a pastor’s gross income does not include the amount paid “as part of compensation, to the extent used to rent or provide a home.” This includes, but is not limited to: tenant insurance; furniture, appliances (TV, VCR, etc.), repairs to same, decorating accessories (drapes, pictures, linens, lamps, etc.), lawn care, snow removal, tools, plants, etc.

To take advantage of this provision the allowance must be established in advance. It is not possible to create this relationship retroactively. A resolution by the church’s council declaring a portion of the pastor’s compensation to be an “allowance for housing/furnishing” is necessary. Many churches adopt such a resolution at the time of approving the pastor’s salary for the coming year as a matter of routine. In addition, to qualify for the housing exclusion the funds must actually be expended for the intended purpose; unused amounts are taxable as ordinary income. As an exclusion (as opposed to a deduction) the allowance for housing/furnishings should NOT be reported as income on a church- provided W-2 or a 1099. Although it is not necessary to provide church treasurers with receipts or other proof, pastors should keep careful records of all housing/furnishing expenditures should they be audited. In spite of the fact that such an allowance is excluded from income for income tax purposes it is subject to self employment tax.

Pastors are wise to consult tax experts regarding the limits of this exclusion. A conservative rule is that this annual housing exclusion allowance should not exceed the fair rental value of all furnishings in the parsonage unless higher costs are expected for that year.

LIABILITY AND PROFESSIONAL MALPRACTICE INSURANCE

Directors’ and Officers’ liability insurance protects the church, its pastor and officers. Professional malpractice insurance protects the church’s pastor in the event of an accusation arising from the conduct of ministry. Both policies are included in the Pacific Northwest Annual Conference Insurance Program. If a church is not enrolled in the conference insurance program, these provisions should be added.

OTHER CHURCH STAFF

Secretaries, administrative assistants, education directors, choir directors, organists, custodians, and other paid church employees are part of the ministry of the church and should be paid just compensation and benefits. Attention should be paid to the following:

- **Social Security:** Churches are required by federal law to pay Social Security for employees other than clergy.
- **Allowance for Cost of Living:** If possible, cost of living salary increases should be given in addition to merit increases. Check with local businesses, the Chamber of

Commerce or the American Management Association for fair salary guidelines for support staff.

- **Retirement:** Many church employees have no retirement benefits. Consideration should be given to establishing a tax-sheltered retirement account for employees who have worked for a period of years. Retirement plans for local church employees are available through the General Board of Pensions and Health Benefits. For information call: 847.869.4550.
- **Continuing Education:** Lay employees of the church, as well as clergy, need opportunities to learn to serve better. All continuing education proposals must be approved by the church's Committee on Pastor/Staff-Parish Relations.

WORKERS' COMPENSATION

Churches are required by Washington and Idaho state law to provide worker's compensation for all church employees. While the pastor is appointed by the bishop, he/she is considered a church employee for W-2 (income form) and worker's compensation purposes.

PASTORAL TRANSITIONS

Announcement of the intended new appointment is made in both churches at the same time. The date for this announcement is coordinated by the district superintendent. The Pastor/Staff-Parish Relations Committee has the responsibility of teaching the congregation about the issues of pastoral leadership. This is particularly important during the time of transition. An article or series of articles in the church newsletter alerting the members of the congregation to the emotions and issues of a pastoral transition may be helpful. For example, there is a grief process on the part of both the clergy and the members of the congregation losing its pastor. This is true even if the pastor-parish relationship has been less than ideal. Accordingly, in the time between the announcement of leaving and the actual leaving, the transition and its issues need to be talked about openly. Clergy should not put off saying goodbye. Clergy should not act as if nothing has changed. Something is changing in the clergy's life and something is changing in the congregation's life. This needs to be acknowledged and worked through.

A congregation-wide farewell event needs to be held. This can be close to the time of the actual move. However, this is not the only time that goodbyes are expressed. In addition a "ritual of transition" during Sunday worship can be helpful to all concerned. If the departing clergy is retiring or going to another vocation or a ministry other than pastoral, both the outgoing and the incoming pastors can be present for such a ritual.

Of course, the grieving process does not end with the actual departure of the pastor. The grieving continues and affects the development of relationships with the new pastor. Moreover, the new pastor is also grieving her or his loss of a congregational family. Both the congregation and the pastor need to be aware that these dynamics are at work.

When pastoral transitions take place there may also be transitions in the leadership of the congregation. Most of these transitions are the result of the conscious or unconscious decision of laity to step back from responsibility in the congregation.

In sum, pastors have different styles of leadership and congregations have different personalities. Pastors and Pastor/Staff-Parish Relation Committees need to be aware that these are normal issues of transition. Above all, remember: The new pastor is not expected to be a clone of the former pastor.

The Pacific Northwest Conference offers training for clergy and lay persons to assist them with pastoral transitions. Your district superintendent will provide you with information about these events which are highly recommended for the congregation and mandatory for the clergy.

The outgoing pastor and the Committee on Pastor-Parish Relations have the responsibility to inform the congregation of ethical considerations about the transition: the former pastor can no longer be their pastor; that friendships may be continued but discussion about church life is not appropriate. Events which cause the most misunderstanding are funerals and weddings. Church members need to be told that former pastors may return for funerals and weddings and other functions only at the invitation of the current pastor who must be consulted first. When former pastors are invited to participate in such events, they do so in an assisting role. Not least, it is expected that parishioners will not follow the former pastor for counseling or other pastoral functions.

Practical Issues of the Transition

- The date of official transition is 1 July.
- Salary, pension, reimbursement is paid through the month of June by the sending church.
- Health Benefits continue the same from pastor to pastor.
- Churches and pastors should aim for the actual move to be accomplished, ideally, by the end of the first week in July. Moving dates need to be closely monitored so that a pastor can move as soon as the parsonage they are moving to is vacant. This will speed up the process behind each pastor as the line of moves can be lengthy.
- In most cases, redecorating needs to be done after the move, even though this can be inconvenient. For our process to work, moves cannot be held up by painting, etc. In the event that major work must be done on a parsonage to make it livable, temporary living arrangements for the pastor and family must be made.
- The cost of the move is paid for by the receiving church. The Annual Conference has a policy of reimbursement based on the distance of the move. Information and reimbursement forms can be found on the pnwumc.org treasurer's page or by calling the conference office.
- Conference policy entitles clergy to the moving of their furniture and household belongings by professional movers. Packing or the cost of packing is a responsibility of the clergy.
- The parsonage is the property of the church, but it is the home of the pastor and her or his family. Accordingly, the tastes and wishes of the parsonage family should be considered in choosing decorations and/or replacement of required furnishings and appliances.
- If damage has occurred in the parsonage which is beyond normal wear and tear, the parsonage family is responsible for repairing or paying for the necessary repair. If necessary, the district superintendent should be called on to negotiate disagreements.
- A caring way to send your pastoral family off is to help with the cleaning and preparation of the parsonage for the next family.