

In order to properly consider the matters that come before the Committee, please take note: the Committee meets on the second Thursday of the month; therefore, all terms of call, contracts, MDPs, commissions to install, and other documents for consideration must be emailed to Kim Stroupe kims@shenpres.org by noon on the first Thursday of the month. **PLEASE DO NOT MAIL THE CONTRACT**

COVENANT PASTORAL CONTRACT WORKSHEET
Presbytery of Shenandoah

*Note: A Covenant Pastor or Associate Pastor Contract is a three-way contract between a Session, Teaching Elder **or** Candidate certified ready to receive a call by a CPM, and the COM. It is appropriate for a Session to contract with a Covenant Pastor or Associate Pastor for services needed for an indeterminate period. With this in mind, Sessions are encouraged to adhere to the spirit of the requirements for an installed Pastor, and requirements for the Covenant Pastor contract exceed those of a Temporary Pastor. This worksheet is provided to assist church Sessions to that end. Contracts shall be reviewed annually by the Session and renewals are subject to annual approval by COM.*

_____ **Line 1: Annual Cash Salary** – This is the actual cash amount of compensation paid to the pastor annually. It does not include any reimbursement for expenses or compensation for housing. See [Salary Guidelines](#) for additional information to determine cash salary. This is part of Board of Pensions total effective salary and part of the pastor’s compensation package.

Line 2: Housing Allowance – Enter here the amount paid to the pastor to provide for housing in one of the following two ways:

_____ **a.:** To provide for personally-owned housing – This amount shall not exceed the lesser of the actual cost to maintain a home (including mortgage payments, utilities, and furnishings) or the fair rental value of the home plus utilities and furnishings. IRS regulations should be consulted but, generally speaking, any household expense is considered furnishings with the exceptions of food and maid service. This is part of Board of Pensions total effective salary and part of the pastor’s compensation package.

OR

_____ **b.:** When a manse is provided, utilities and furnishings allowances, if paid directly TO THE PASTOR, are included in effective salary. (If utilities and furnishings are paid for directly by the church, see line #8.)

_____ **Line 3: Other** – Enter here any additional compensation (such as dental unless all employees receive dental) considered part of effective salary. (see *Understanding Effective Salary* published by the Board of Pensions link found on worksheet page 3) This amount is part of the pastor’s compensation package.

_____ **Line 4: Additional SECA** – Enter here any amount over 50% of the pastor’s SECA liability if offered. Under the terms of the Self-Employment Contributions Act (SECA), teaching elders are considered self-employed for social security tax purposes (they are considered employees for income tax purposes). A teaching elder’s SECA liability is estimated by adding lines 1 and 2 and multiplying by 15.3% (Teaching elders should consult their CPA or attorney for more precise calculations). Our presbytery compensation standards require that churches reimburse teaching elders for the portion of their SECA tax liability that would have been paid by the employer (the church) if the teaching elder were a regular employee. For calculation of this amount, see the instructions for Line 13 below. Reimbursement of 50% of SECA liability is not part of Board of Pensions total effective salary. However if the church wishes to provide more than 50% of the teaching elder’s SECA liability, the amount over 50% is included in Board of Pensions total effective salary and is part of the teaching elder’s compensation package.

_____ **Line 5: Deferred Income** – This would include such items as the equity fund,

annuities, retirement savings accounts, etc. List any such annual contributions made by the church on behalf of the teaching elder here. This is part of Board of Pensions total effective salary and part of the teaching elder's compensation package. See [Salary Guidelines](#) for additional information concerning the required equity fund for teaching elders living in manses.

_____ **Line 6: Use of Manse** – If the church owns a manse that is provided to the minister for housing, enter a minimum of 30% of the sums of lines 1, 2b, 3, 4, and 5 on this line. This figure, while not part of the total compensation package of the teaching elder, is used to calculate the teaching elder's total effective salary for Board of Pensions purposes. See [Salary Guidelines](#) for additional information concerning use of manses.

_____ **Line 7: Total Effective Salary** – Enter here the sum of lines 1, 2a or 2c, and 3-6. This figure is the total effective salary on which you will calculate the cost of participation in the Board of Pensions medical and pension program.

_____ **Line 8: Fair rental value of the manse, including utilities and furnishings paid directly by the church.** If a pastor lives in a manse and the utility services are maintained in the church's name and paid for directly by the church, the value of those services is NOT included in effective salary.

_____ **Line 9: Reimbursable Business and Professional Expenses:** An accountable plan specifying which expenses shall be reimbursed and what supporting documentation is required for reimbursement (see IRS Regulations). Such expense reimbursement plans shall include at least the following:

- a. Automobile expenses. Can be handled in either of the following ways:
 - 1) reimbursement to the minister for miles traveled in the exercise of professional responsibilities at the IRS rate-per-mile or,
 - 2) direct reimbursement of actual expenses.

Either method requires vouchers for expenses to be approved for reimbursement and a record of business and total miles driven.

- b. Books and subscriptions for business and professional purposes.
- c. Other expenses as are deemed necessary to the work of the pastor.

_____ **Line 10: Continuing Education Allowance** – Enter the amount provided to reimburse the minister for continuing education (seminars, classes, etc.). See [Salary Guidelines](#) for additional information.

_____ **Line 11: Total Expenses** – Enter the total of lines 9a-c and 10.

_____ **Line 12: Major Medical** – Enter the total amount paid for by the church. PPO Coverage through the Congregational Pastor's Package starts at 17.5% of total effective salary (line 7). Please see the most recent Board of Pensions plan details for additional levels of coverage. This figure is paid to the Board of Pensions annually. If the Covenant Pastor and/or dependents will be covered through another plan provider, include the amount the congregation will contribute to those costs.

_____ **Line 13: Pension and Disability** – Enter the result of line 7 multiplied by 10%. This figure represents the cost of participation in the pension and disability program for either the Covenant Package or Congregational Pastor's Package. This figure is paid to the Board of Pensions.

_____ **Line 14: Required SECA** – As indicated above (line 4), our presbytery compensation standards require that churches reimburse teaching elders for 50% of their total SECA liability. Enter on this line the sum of line 1 and line 2a or line 1 and line 2b and/or line 8 multiplied by 7.65%.

_____ **Line 15: Other benefits** – (see *Understanding Effective Salary* published by the

Board of Pensions link found below)

_____ **Line 16: Total Benefits** – Enter the total of lines 12-15.

_____ **Line 17: Total Compensation** – Enter the total of lines 1, 2a or 2b, 3-5, 11, and 16.

Vacation and Study Leave – Enter the number of weeks of vacation and study leave with full compensation provided. Our presbytery standards require a minimum of four weeks vacation and two weeks study leave each year.

Family Medical Leave - The Book of Order (G-2.0804) provides for up to twelve weeks of paid Family Medical Leave for all installed pastors.

Sabbatical Leave – The presbytery requires that all pastoral calls include provision for a sabbatical leave for teaching elders after they have served six years in their present call. Covenant Pastors shall be entitled to the same sabbatical leave after six years of service to a single congregation, and this should be included in the contract renewal during the applicable contract year.

UNDERSTANDING EFFECTIVE SALARY booklet:

<https://pensions.org/file/what-we-offer/benefits-guidance/forms-documents/Documents/pln-103.pdf/>

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**FOR THE SAKE OF UNIFORMITY AND ACCURACY,
WE ASK YOU TO NOT CHANGE THIS FORM IN ANY WAY**

PRESBYTERY OF SHENANDOAH – P.C.(U.S.A.)

FORM OF CONTRACT

COVENANT PASTORAL RELATIONSHIPS

The Session of the _____ Presbyterian Church being fully satisfied with your ministerial qualifications to lead and assist us in the fulfillment of our corporate and individual ministries, hereby contracts with you, _____, according to the *Book of Order* G-2.0504b, to become (check one of the following):

- Covenant Pastor
- Covenant Associate Pastor

from _____, 20__ to _____, 20__, **not to exceed 36 months**. Contracts exceeding 12 months shall be reviewed annually by the Session for equitable compensation, including changes in cost of living. If the contract expectations remain the same **and** there is not a net financial decrease in the terms of the contract, the Session shall report to the COM that it has reviewed the contract as required, along with any change(s) in compensation. Any substantive changes, including changes in responsibilities or expectations, number of hours anticipated, and any net reduction in the compensation package, will be treated as a new contract requiring COM approval.

EXPECTATIONS:

During this time, we expect you to perform the following services (circle all that apply, and attach additional pages if necessary):

1. Conduct worship at the following hours and on the following Sundays:

2. Fulfill the following pastoral duties:

3. Assist the Session in planning, organizing, and carrying out programs of nurture, fellowship, service, stewardship, leadership training, and

4. Other responsibilities:

During this time, we the Session, will meet the following expectations:

The Session estimates that fulfilling these duties will require _____ hours per week.

The Session will maintain its individual and corporate duties in the government and discipline of the congregation and oversight of the church's spiritual interests.

COMPENSATION:

The Session promises and obligates itself to provide you with the following:

A. Personal Compensation

- 1. Annual Cash Salary _____
- 2. Housing Allowance
 - a. Personally owned housing _____
 - b. When a manse is provided, the utilities and furnishings allowance that is paid for DIRECTLY TO THE PASTOR _____
(If utilities & furnishings are paid directly by the church, see line #8)
- 3. Other _____
- 4. ADDITIONAL SECA (above 50% required) _____
- 5. Deferred income (includes housing equity when in a manse) _____
- 6. Use of manse (Board of Pensions purposes - 30% of lines 1, 2b, 3, 4, and 5) _____
- 7. **TOTAL EFFECTIVE SALARY** (add lines 1, 2a or 2b, and 3-6) _____
- 8. Fair rental value of the manse including utilities and furnishings allowance that is paid for DIRECTLY BY THE CHURCH _____

B. Expenses

- 9. Reimbursable Business and Professional Expenses
 - a. Automobile expenses _____
 - b. Books and subscriptions _____
 - c. Other expenses _____
- 10. Continuing Education Allowance _____
- 11. **TOTAL EXPENSES** (total of lines 9a-c and 10) _____

C. Required Benefits (20 or more hours per week)

- 12. Major Medical (see worksheet) _____
- 13. Pension and Disability (10% of line 7) _____
- 14. REQUIRED SECA (7.65% of lines 1 and 2a OR lines 1 and 2b and/or 8) _____
- 15. OTHER BENEFITS (Do not include dental or vision. Use line #3) _____
- 16. **TOTAL BENEFITS** (total of line 12-15) _____
- 17. **TOTAL COMPENSATION** (total of lines 1, 2a or 2b, 3-5, 11, and 16) _____

D. Vacation, Leave, and Other

Moving expenses to the field as negotiated. Yes _____ No _____

Four weeks annual paid vacation, including four Sundays.

Two weeks annual study leave with pay, including two Sundays.

REVIEW OF THE TERMS OF THE CONTRACT:

This contract was agreed upon by the Session meeting on _____, 20____.

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Clerk of Session

Date

Covenant Pastor

Date

One copy of the Form of Contract should be filed with the Session’s minutes; one copy forwarded to the contracted person; and one copy to the Committee on Ministry at kims@shenpres.org

A Covenant Pastoral Contract may terminated by either party. When termination is initiated by the Session, a minimum of 90 days’ notice OR 90 days of compensation continuation from the date of termination is required. The COM encourages the Session to consider an appropriate extension of salary and benefits, in consultation with the COM, beyond 90 days, to consider factors such as tenure of service and particular circumstances. Vacation and study leave, if accrued, to be paid in full at the time of termination of work.

Approved by the Committee on Ministry

Date

GENERAL INFORMATION

“When a congregation does not have a pastor, or while the pastor is unable to perform her or his duties, the Session, with the approval of presbytery, may obtain the services of a teaching elder, candidate, or ruling elder in a temporary pastoral relationship.” *Book of Order* G-2.0504b. “Titles and terms of service for temporary relationships shall be determined by the presbytery.”

For specific information, please consult the following: *Book of Order* G-2.0504.