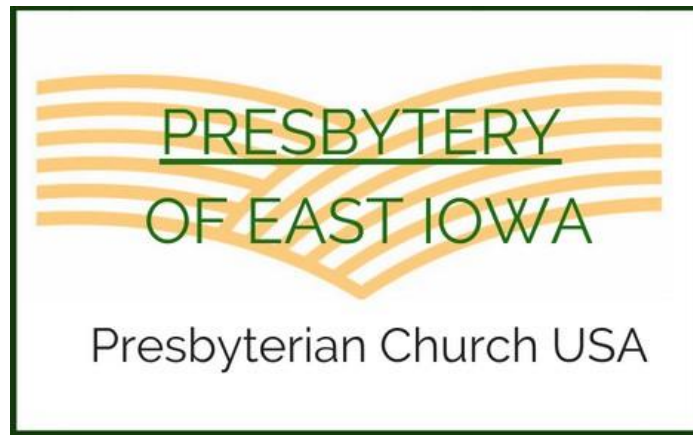


Compensation and Benefits Manual

Effective 1 January 2019

**Pastor Compensation
Pastor Benefits
Commissioned Ruling Elders
Compensation and Benefits
Sabbatical Leave Policy
Performance Reviews for Pastors and
Sessions
Leadership Review Guidelines**

Available online www.peia.org or by calling the Presbytery of East Iowa Office



Compensation and Benefits Manual

Introduction to the Manual

This manual covers the policies of the Presbytery of East Iowa regarding Pastor Compensation, Pastor Benefits, Commissioned Ruling Elder (CRE) and Ruling Elders serving as Temporary Pastors Compensation and Benefits, Sabbatical Leave Policy and Leadership Review Guidelines. Each policy is contained in a separate section of this manual.

The policies relate directly to the agreements and terms of call between churches, presbytery and pastors, co-pastors, pastors in yoked churches, associate pastors, interim pastors, and part-time pastors who are serving in churches of the Presbytery of East Iowa, and Ruling Elders who are commissioned to serve in specific churches or other validated ministries in our Presbytery or Candidates serving churches in a Temporary Pastoral Relationship

Table of Contents

Pastor Compensation Policy

Introduction	5
Basic Principles of the Pastor Compensation Policy	5
Pastor Compensation Policy	6
Compensation Structure	6
Identifying the Level of the Job Content.	7
Definition of Compensation	7
Compensation Ranges	8
Compensation in Relation to the Ranges	8
Cost-of-Living Adjustment	9
Performance Increases	9
Bonuses.	9
Application of the Policy.	10
Part-Time Defined.	11
Policy for Paying Pastors by the Hour.	11
A Parting Word.	12
Pastor Compensation Structure.	13
Pastor Benefits Policy.	14
Compensation and Benefits Policy for Commissioned Ruling Elders and Candidates Serving as Temporary Pastors	18

Introduction	18
Compensation Policy for CRE and Candidates Serving as Temporary Pastors	18
Benefits Policy for CRE and Candidates Serving as Temporary Pastors	19
Leadership Reviews	20
Compensation Structure for CRE and Candidates Serving as Temporary Pastors	20
Policy on Pastoral Sabbatical Leave (2016)	21
Rationale	21
Definitions	21
Presbytery Policy	21
Policy Rationale	21
Planning for Sabbatical Leave	22
Eligibility and Approval Process	22
Funding	23
Return to Regular Service	23
Summary of Responsibilities	24
MCC Responsibilities	24
Session Responsibilities	25
Additional Responsibilities/Information	25
Performance Reviews for Pastors and Sessions	26
Annual Pastor Review (Sample Form)	28

PASTOR COMPENSATION POLICY FOR PRESBYTERY OF EAST IOWA

Adopted Effective 1 January 1999
Revised each 1 January from 2000 through 2019

Introduction

This section of the Manual presents the Pastor Compensation Policy for the Presbytery of East Iowa. It is designed to be used to determine the initial compensation and subsequent adjustments to the compensation for pastors, copastors, pastors in yoked churches, associate pastors, intentional interim pastors, temporary pastors and part-time pastors who are serving in churches of the Presbytery of East Iowa. The term pastor, as used in this section of the Manual, is meant to include Teaching Elders serving in each of the above designations. The term Compensation as used in this Pastor Compensation Policy is defined on page 3 of this section of the Manual. The Presbytery's policy regarding pastor benefits is contained in the second section of this Manual.

Basic Principles of the Pastor Compensation Policy

The Presbytery of East Iowa Compensation Handbook was adapted from the Presbyterian Church U.S.A. Churchwide Compensation Policy Guidelines (200th General Assembly, 1988). The Pastor Compensation Policy is based on principles promulgated in the Compensation Handbook.

The first two principles of compensation listed in the Compensation Handbook demonstrate the importance of adequate compensation to pastors and of employing an effective system to deliver the compensation equitably. These two principles are quoted below:

- (1) *Effective, competent staffing throughout the church is essential to the fulfillment of its mission, and adequate compensation is necessary to the attainment and maintenance of such staff.*
- (2) *The system of compensation should be fair to all...*

There are three additional principles enumerated in the Compensation Handbook that form the very basis of the Pastor Compensation Policy. The first principle is that the

level of pay should be based on the content of pastoral positions. The Compensation Handbook expresses the principle as follows:

Compensation for a position should be based on the nature, purpose, scope and responsibility of the position; the experience, knowledge, and skill required; the challenge of the work to be done and its impact on the effectiveness with which the church achieves its mission. In a shorter set of words, the pay should be based on the content of the job.

The second two principles deal with adjustments in the pastor's pay. These principles state that adjustments should include a cost-of-living component and pay for performance. Listed below are four quotes from the Compensation Handbook that express these two principles:

...adjustments [to Compensation] involve two levels. The first level is annual cost-of-living adjustments. Pastors, like other employees, should have annual cost-of-living adjustments reflecting the increased costs in the North Central Region of the country. The designation of North Central Region was changed by the Labor Department in 1998 to the Midwest Region.

The second level is meritorious adjustments that 'raise' compensation above the cost-of-living adjustment. These adjustments are given for work well done...they are raises obviously related to an objective assessment of a pastor's work.

Salary changes should be based on an annual performance review done in the context of the Session's Leadership Review.

Increases related to good performance provide opportunity for financial recognition to employees over their career.

The Compensation Handbook makes it clear that the cost-of-living adjustments are meant to be separate from any adjustments that result from the annual leadership reviews, sometimes referred to as annual performance reviews.

These are the principles upon which the Pastor Compensation Policy is based.

Pastor Compensation Policy

The Pastor Compensation Policy consists of several elements. This Manual reviews each of them. They include the criteria for measuring the terms of the pastoral job, the salary structure, the definition of salary, the two components of a salary adjustment, and who is covered by the policy.

Compensation Structure

The policy is based on a Compensation Structure consisting of eight levels, each with a Compensation Range. Each pastoral position in the Presbytery is assigned to a level according to the degree of responsibility of the position.

Identifying the Level of the Job Content

The criteria for measuring the size of the pastoral job is Average Attendance. Average Attendance is defined as the average number of adults and children attending worship services per week during the calendar year including the choir. It is a number that each church maintains, and is a simple and accurate reflection of the complexity and degree of difficulty of the job, including responsibility for the spiritual guidance of the congregation, relations with the larger community, and responsibility for money and other church assets, plus the degree of skills, experience and knowledge required for planning, organizing, budgeting, communicating, directing and supervising staff, developing and implementing programs, and motivating others, among other responsibilities. It also encompasses one of the church’s major goals, increasing attendance. Increased attendance is a reflection of participation in the life and work of the church.

Eight levels of job responsibility have been identified for the churches of the Presbytery, according to the Average Attendance of each. Analysis indicates that there is a reasonable increase in responsibility each time the Average Attendance is increased by approximately 50% from the preceding level. The chart below has been constructed on this principle. For simplicity the Average Attendance numbers have been rounded to the nearest 5 attendees. The levels by Average Attendance are as follows:

Level	1	2	3	4	5	6	7	8
Average Attendance	0-60	61-90	91-135	136-200	201-300	301-450	451-675	676-1010

Definition of Compensation

The word Compensation as used in this Policy is defined to include:

- Annual cash salary,
- Housing allowance for those pastors who do not have free use of a manse,
- Deferred compensation,
- Bonuses, unvouchered allowances, gifts from the employer,
- Other allowances to include medical deductibles, the entire amount of SECA (Self Employed Contribution Act) and Medicare allowance paid to the pastor by the church, etc., and;
- When a manse is provided by the church to the pastor, the Fair Rental Value of the manse as approved by the session and/or the congregation in consultation with the Commission on Ministry, and any utility and furnishing allowance provided by the church.

Compensation does not include:

- Continuing education,
- Auto expense when (a) vouchered at an amount not in excess of the IRS mileage rate, or (b) when related to a church-owned car with full expenses,
- Business and professional expenses,

- Group plan for medical deductible, coinsurance and dental premiums,
- Other vouchered allowances,
- Board of Pensions premiums for pension, medical, life and disability benefits.

Compensation Ranges

Each level in the structure has a Compensation Range. Each range has a midpoint, a minimum and a maximum. The midpoint of each range is approximately 11.2% higher than the midpoint of the preceding range. Each range is fairly wide to accommodate a wide variation of performance levels. The minimum is 80% of the midpoint and the maximum is 120% of the midpoint. The total range is 50% wide from the bottom to the top. The ranges overlap considerably so an exceptional performance in a smaller church can result in as high, or higher, a pay level as average performance in a larger church.

Compensation in Relation to the Ranges

The midpoint of each range is defined as the level of Compensation that is appropriate for a pastor who is performing the job in a completely satisfactory manner. It can also be viewed as the level of pay that is appropriate for a pastor who meets expectations of performance. From a practical stand point, each church will define the term, “completely satisfactory” or “meets expectations” for itself. It does not mean that a pastor must satisfy all of the members in the congregation all of the time. That would be a nearly impossible task. The terms are most easily defined in churches that have expectations, or goals for performance, that have been discussed and agreed upon between the pastor and the session.

The area between the minimum and the maximum is the range within which a pastor would normally be paid. Payment for a pastor should not be below the minimum, except in unusual circumstances. Cases where a congregation is paying, or intends to pay, a pastor below the minimum are to be discussed with the Ministers and Congregations Commission so if exceptions are warranted, they can be made. The Pastor Compensation Policy is not intended to prevent a church from paying a pastor above the top of the range. There may be cases where a congregation wishes to do that.

In most cases the area between the minimum and midpoint would be used for pastors who have been recently called and are progressing in performance to doing the job in a completely satisfactory manner. For example, a pastor could be called at, or just above, the minimum and progress to the midpoint over a period of time; probably not more than 5 years, unless there is a performance issue.

Payment between the midpoint and the maximum is for performance above satisfactory, or for pastors who exceed expectations.

Cost-of-Living Adjustment

The Presbytery will normally recommend that pastors receive an annual adjustment to keep them even with the cost-of-living and will provide the appropriate percentage. It is important to remember that if a church does not provide a pastor a cost-of-living increase in years when living costs go up, that pastor's buying power will be reduced.

Each year the Presbytery normally consults compensation surveys to determine changes in compensation made by other churches in the North Central Region and adjusts the Presbyter's Compensation Ranges effective each January accordingly. The resulting change in the Ranges may be different than the Cost-of-Living adjustment. Therefore, it can't be assumed that giving a pastor the cost-of-living increase will keep him or her in the same relative position within the Compensation Range. For example, if a pastor's performance is meeting expectations and is being paid at the midpoint of the Range in the current year, he or she must receive an adjustment that is equal to the increase in the Compensation Range in January of the next year in order to keep him or her paid at the midpoint of the revised Range.

Performance Increases

The Pastor Compensation Policy also focuses on performance. Presbytery policy calls for performance reviews to be conducted annually with each pastor. That review is an opportunity for the session, and/or its appointed committee, to discuss the performance of the pastor(s) in its church. This can best be accomplished with each pastor if performance is measured in relation to previously agreed upon expectations and/or goals.

Performance should be reflected in the pay increase given to the pastor. If the pastor is being paid at the level in the salary range that fully reflects his or her performance, then only a cost-of-living adjustment would be indicated. However, if the pastor's position in the range is below his or her level of performance then an increase percentage above the cost-of-living percentage should be given. If the level of pay is higher in the range than would be indicated by the performance, then the cost-of-living adjustment percentage could be reduced or eliminated. This would not reduce the pastor's Compensation but would lower it in relation to the range as it is revised each January. The effect would be to more nearly equate the level of pay within the range to the level of performance. Regardless of what level of increase is provided there should be a verbal and written review of performance with all pastors within each church accompanied by a discussion of the adjustment to be given.

Bonuses

Some churches may wish to provide their pastor with a bonus in lieu of or in addition to an increase in salary. This may be done on the authority of the session. This may be accomplished either by a direct payment from the church or by collecting donations from the congregation and forwarding the proceeds to the pastor. In either case the resulting bonus is taxable to the pastor (including SECA and Medicare) and should be reported on the pastor's W2.

The bonus is considered an addition to Effective Salary and is reportable to the Board of Pensions. It is also considered an addition to salary by the Presbytery and must be reported on the annual form on Changes in the Terms of Call. This form is a convenient way of collecting the information, however, the bonus is not considered to be a change in the terms of call and does not require approval by the congregation as a change in the terms of call would.

In some cases, individual members of the congregation may gift money, or other valuables, to the pastor without involving the church. In this case the amount gifted may not be filed as a charitable donation on the member's tax return and payment of taxes, SECA and Medicare is the sole responsibility of the pastor.

Application of the Policy

The Policy should be applied to pastors as follows:

- *Heads-of-Staff and Churches with a Single Pastor:* The Average Attendance should be used to determine the appropriate Compensation Level for the pastor.
- *Yoked Churches:* In the case of a pastor responsible for more than one church, the Average Attendance of all the churches he or she services should be added together, and the resulting number used to determine the appropriate range within the structure.
- *Co-Pastors:* In cases where two or more pastors are serving a church as co-pastors, the Average Attendance should be used to determine the appropriate level for each co-pastor. In such cases each co-pastor may be full-time or part-time, depending on the number of hours required to fulfill the requirements of the position.
- *Associate Pastors:* Associate pastors have a number of varied responsibilities within our presbytery. The relationship between the size of the associate pastors' job and the size of the head-of-staff job is not necessarily the same from one church to the next. Each church with associate pastors should analyze the job performed by its associate pastor(s) in relationship to the level of its head-of-staff and assign an appropriate Compensation Level accordingly. That level should not be below Compensation Level 2, however.
- *Intentional Interim Pastors:* The average attendance of the church to be served should be used to determine the applicable Compensation Level for an interim pastor, and salary adjustments after the first year should be based on changes in the Compensation Level, normally made effective each January 1, and performance, if not otherwise stipulated in the interim contract. The beginning salary will probably be the result of negotiation

between the church and the prospective applicant. It is anticipated that applicants for interim positions will be experienced and qualified pastors. It is also anticipated that in the foreseeable future there will be more positions available than applicants to fill them. Based on these two assumptions, it would be reasonable for the starting effective salary to be at or near the midpoint of the applicable Compensation Level. The initial effective salary may vary from the midpoint, however, depending on how well qualified the applicant actually is to function as an interim pastor in the particular church, and the current availability of qualified candidates. The ability of the church to pay must be strongly considered in making any offer during negotiations.

- *Part-Time Positions:* Some pastoral positions have been classified as being part-time. In such cases the level of the position should be determined as if it were a full-time position and the salary adjusted for the actual percentage of time the pastor is expected to work.
- *Pastors Paid on an Hourly Basis:* See the policy titled “Pastors Paid on an Hourly Basis” on the following page.

Part-Time Defined

There have been cases where the percentage of part time work would seem unrealistic. For example, a 90% call probably ends up with the pastor working fulltime for 90% pay. Normally, part-time calls should be for only one of the following percentages of a full-time call based on a 6-day week:

Percent of Full-Time Call	25%	33%	50%	66.7%	75%
Number of Days	1 1/2	2	3	4	4 1/2

Presbytery’s Commission on Ministry should be consulted in cases where some other percentage of a full-time call would be preferred.

Policy for Paying Pastors by the Hour

- **Conditions under which a church may pay a pastor by the hour**

Churches and pastors may agree that the pastor will be paid on an hourly basis under the following conditions:

1. The position is a part-time position equaling 15 hours or less.
 2. The position is not one that is mandated for Board of Pensions dues. 3
No housing allowance is involved in the contract.
 4. The method of time keeping is agreed on by the pastor, Session, and COM 5.
- All minimum reimbursable amounts for mileage, continuing education, and professional reimbursement apply.

- **How to calculate the hourly rate**

The minimum hourly rate shall be no less than the Minimum Salary of the salary level applicable for the church as determined by the church's average attendance divided by 40 hours per week. The hourly rate paid to the pastor above that minimum will be as negotiated between the parties and approved by the Commission on Ministry.

Cost of living and performance increases will be calculated by applying the percentage of the increase by the hourly rate in effect at the time of the increase.

The compensation policies presented in the Compensation and Benefits Manual apply to churches that pay their pastors by the hour the same as if they paid a salary.

A pastor engaged in the ministry of a church is not subject to the Fair Labor Standards Act.

- **Time Off**

A pastor paid by the hour will be paid only for hours actually worked and will not be paid for time off, including vacation, unless paid time off is negotiated between the pastor and the session and approved by COM. If time off is negotiated, such agreement will include how the payment will be calculated.

A Parting Word

The success of each local church depends on the quality, dynamics, and focus of the partnership of lay volunteers and pastors. Adequate and equitable compensation is essential to attracting and retaining competent, dedicated individuals to assure the quality of the professional members of the team. Properly utilized, the Pastor Compensation Policy can substantially increase each church's ability to attract and retain the right pastor(s) for the team.

A clear set of agreed upon expectations for performance for all members of the team is essential to pointing the direction for the church and meeting its objectives. The Presbytery's Commission on Ministry stands ready to work with individual churches to implement and administer the Pastor Compensation Policy; to aid in the process of developing clear expectations for all members of the partnership, along with the church as a whole; and the process of conducting the Annual Leadership Review.

PASTOR COMPENSATION STRUCTURE

Effective January 1, 2019

Level	Average Attendance	2019 Structure		
		Min	Mid	Max
1	0-60	\$46,816	\$58,520	\$70,224
2	61-90	\$53,806	\$66,358	\$79,630
3	91-135	\$59,020	\$73,775	\$88,530
4	136-200	\$65,611	\$82,014	\$98,417
5	201-300	\$72,939	\$91,173	\$109,409
6	301-450	\$81,085	\$101,357	\$121,628
7	451-675	\$90,144	\$112,679	\$135,215
8	676-1010	\$100,214	\$125,268	\$150,321

PASTOR BENEFITS POLICY FOR PRESBYTERY OF EAST IOWA

Adopted Effective 1 January 1999
Revised each 1 January from 2000 through 2019

Benefits constitute a large percentage of the total remuneration of a pastor and are, therefore, vitally important in the relationship between a pastor and the congregation. This section presents the Pastor Benefits Policy of East Iowa Presbytery.

The policy of the presbytery is that pastors with a full-time call shall receive benefits equal to, or greater than, the levels listed below. The value of the benefits will be prorated for pastors with a part-time call of 20 hours per week or more, unless otherwise specified. The elapsed time off for vacation, study leave, maternity leave and paternity leave is as stated below and is the same regardless of whether the pastor is full-time or part-time.

All Teaching Elders in called and installed positions shall receive benefits as members in “The Benefit Plan of the Presbyterian Church (U.S.A.)” under the Pastor’s Participation coverage. Dues are a percentage of effective salary. The church is responsible for the entire payment of the dues. The four core benefit plans in “The Benefit Plan of the Presbyterian Church (U.S.A.)” and dues for each as a percent of effective salary for 2018 are as follows: Pensions 11%; Death and Disability 1%; and Medical 25% for a total of 37% of Effective Salary. The total is subject to a minimum amount. All eligible family members are automatically covered under the Medical Plan.

Pastors with a call or contract of less than 20 hours per week may negotiate participation in “The Benefit Plan of the Presbyterian Church (U.S.A.)” with the church. In such cases the pastor and church may negotiate that the church will pay for any one or more of the above benefits without paying for the remaining benefits of The Benefit Plan as described above. For example, the pastor and church may agree that the church pay the cost of the Medical and not the other three benefits. This is possible because the Board of Pensions allows a pastor who serves less than 20 hours per week to subscribe to one or more of the benefits without subscribing to all four of them.

Teaching Elders Other Than Called and Installed /CREs Contracted 20 hours per Week or More

Teaching Elders serving as temporary pastors or intentional interim pastors with a contract of 20 hours per week or more are eligible to participate in either “The Benefit Plan of the Presbyterian Church (U.S.A.)” in the same way as Teaching Elders in called and installed positions as stated above, or they may elect coverage in one or more of the individual benefit plans offered in the Menu of Options by the

Board of Pensions. These core options include Pension, Death and Disability, and Medical.

CREs commissioned with a contract of 20 hours per week or more are not eligible for the "The Benefit Plan of the Presbyterian Church (U.S.A.)." They are eligible for coverage in one or more of the individual benefit plans offered in the Menu of Options by the Board of Pensions.

The Session and the Teaching Elder/CRE may agree that the Teaching Elder/CRE will not be covered by any benefits through the Board of Pensions.

The decision among the above options is negotiable between the church Session and the Teaching Elder/CRE. These options are detailed below:

- If the decision is to cover the Teaching Elder under the "The Benefit Plan of the Presbyterian Church (U.S.A.);" the administration will be the same as for a called and 13 installed pastors. The dues will be a percent of effective salary paid entirely by the church with no cost-sharing with the Teaching Elder, and all eligible family members will be automatically covered under the Medical Plan.
- Alternatively, the Teaching Elder/CRE and the Session may agree that the Teaching Elder/CRE will be covered under one or more of the core benefits in the Menu of Options without the requirement that they be covered by any of the other options. These options are Pension, Death and Disability and Medical.

If the Death and Disability option is chosen as a standalone product from the Menu of Options without the Pension Benefit, the dues are 2.5% of effective salary; if the Death and Disability option is chosen with the Pension Benefit, dues are 1%. Dues for Pension whether as a standalone or combined with Death and Disability are 11%. Both of these core benefits are payable by the church with no cost-sharing with the pastor.

If the Medical Plan is selected there are four options available for coverage: 1) member only, 2) member plus spouse, 3) member plus children, or 4) member plus family. The church must contribute a minimum of 50% of dues for the coverage options agreed upon, with the cost of dues priced by the Board for the individual church based on its location and the age of the Teaching Elder/CRE. The church may contribute more than this minimum.

In all cases the dues for the benefit Plans from the Menu of Options will be paid to the Board of Pensions by the church and the Teaching Elder/CRE's agreed upon share for Medical dues, if any, will be paid to the church through a pre-tax reduction of the Teaching Elder's/CRE's salary.

- The third option is that the Session and the Teaching Elder/CRE agree that no benefits will be provided.

If it is agreed that the temporary pastor or intentional interim pastor or CRE will not receive health care benefits from the Board of Pensions, the Presbytery strongly encourages the individual to obtain coverage from another source, such as the health care policy of the spouse's employer.

Teaching Elders Other Than Called and Installed Contracted Less Than 20 hours/Week

Teaching Elders serving as temporary pastors or intentional interim pastors with a contract of less than 20 hours per week are not eligible for coverage under the Pension Plan or the Death and Disability Plans, however, they are eligible for Medical coverage under the Menu of Options pricing.

In such cases the pastor and church may negotiate that the pastor will be covered by the Medical Plan, under one of the four options available for coverage: 1) member only, 2) member plus spouse, 3) member plus children, or 4) member plus family. The cost of the dues for the benefits the pastor is to receive may be paid entirely by the church or may be shared between the pastor and the church with the church paying a minimum of 50% of the cost, with 14 the cost of dues priced by the Board for the individual church based on its location and the age of the Teaching Elder. The church may contribute more than this minimum. The Medical dues will be paid to the Board of Pensions by the church and the Teaching Elder's agreed upon share of the Medical dues, if any, will be paid to the church through a pre-tax reduction of the Teaching Elder's salary.

CREs commissioned with a contract of less than 20 hours per week are not eligible for any of the four benefits under the Menu of Options. The Presbytery strongly encourages the CREs to obtain coverage, especially medical, from another source, such as the health care policy of the spouse's employer.

If it is agreed that the temporary pastor or intentional interim pastor will not receive health care benefits from the Board of Pensions, the Presbytery strongly encourages the pastor to obtain coverage from another source, such as the health care policy of the spouse's employer.

Other Optional Benefits

Regardless of the above paragraphs, all Teaching Elders and CREs will be offered other optional benefits provided by the Board of Pensions, including Dental, Group Life Coverage, and the Retirement Savings Plan. These will be offered to Teaching Elders or CREs, with no requirement that the church contribute towards these optional benefits, although a church may choose to do so.

- Four weeks' vacation. It is the policy of the Presbytery of East Iowa that the number of vacation days in a week is equal to number of days in the pastor's work week. For example, if the pastor normally has one day off during the week, then the number of vacation days equals six per week. If the pastor normally has two days off each week, then the number of vacation days equals five per week. In either case, no more than four Sundays are to be taken as vacation during the year.
- Two weeks study leave.
- Six weeks maternity or paternity leave.
- Mileage driven by the pastor, using his or her own automobile and related to the ministry of the church, will be reimbursed at the IRS allowable rate in effect at the time the mileage is driven.
- Reimburse Continuing Education at a minimum amount of \$1,000 for pastors with a percentage of full-time service in their call or contract of between 50% and 100%. This minimum may be prorated in relation to the percentage of full-time service if the percentage is below 50%.
- Reimburse professional expenses (including books, periodicals, meals, dues, parking and other expenses incurred in carrying out pastoral ministry) at a minimum amount of \$500. This minimum may be prorated in relation to the percentage of full-time service if the percentage is below 50%.
- If the total remuneration for a pastor includes the free use of a manse, the church is strongly encouraged to pay a minimum of \$1,200 per year, on a monthly basis, into a 403(b) plan for the pastor administered by the Board of Pensions, or some other institution agreeable to the church and the pastor. The purpose of this payment is to provide the pastor with a mechanism for accruing a portion of the value he or she could have accrued in equity through purchasing a home.
- Churches are also strongly encouraged to include the Sabbatical Leave Policy, as presented elsewhere in this manual, in the pastor's terms of call.

COMPENSATION AND BENEFITS POLICY FOR COMMISSIONED RULING ELDERS AND CANDIDATES SERVING IN A TEMPORARY PASTORAL RELATIONSHIP FOR PRESBYTERY OF EAST IOWA

Adopted Effective 1 January 2004
Revised each 1 January from 2005 through 2019

Introduction

This section of the Manual covers compensation and benefits for Commissioned Ruling Elders, herein after also referred to as CREs, and Candidates Serving in a Temporary Pastoral Relationship, herein after also referred to as Temporary Pastors.

The Presbytery of East Iowa implemented a Commissioned Ruling Elders Policy and Process Guide to prepare Ruling Elders for pastoral responsibilities. This section of the manual presents the presbytery compensation and benefits policies for Commissioned Ruling Elders.

In addition to CREs, this section also relates to Candidates serving Temporary Pastoral Relationships. Teaching Elders serving in Temporary Pastoral Relationships are covered in the sections titled *Pastor Compensation* and *Pastor Benefits*.

Compensation Policy for Commissioned Ruling Elders and Temporary Pastors

The policies published in the section of this manual titled *Pastor Compensation Policy*, apply to CREs and Temporary Pastors, except that the compensation structure applicable to CREs and Temporary Pastors is 70% of the compensation structure applicable to Teaching Elders. This recognizes that Commissioned Ruling Elders are only commissioned for 3-year periods and Candidates are contracted as Temporary Pastors for only one year at a time, their educational experience is less extensive and more practically centered than that of a "career pastor," and the vast majority of positions for Commissioned Ruling Elders and Temporary Pastors are part-time. The focus is upon equitable compensation for the ministry provided. The "Compensation Structure for Commissioned Ruling Elders and Candidates Serving as Temporary Pastors" is presented at the end of this section.

The elements of the Compensation Policy for Commissioned Ruling Elders and Temporary Pastors follow:

- Compensation of a Commissioned Ruling Elder and a Temporary Pastor is based on the average attendance of the church he or she is to serve, as defined by the Levels in the Compensation Structure in the *Pastor Compensation Policy*.
- Each Commissioned Ruling Elder and Temporary Pastor is compensated at a “full time equivalent rate” within the range applicable to the church to be served, and equal to 70% of the range applicable for that church for a Teaching Elder. The actual compensation paid is then adjusted by the percentage of full-time service to be provided by the CRE or Temporary Pastor.
- It is anticipated that a manse or housing allowance will not normally be a part of the compensation of a Commissioned Ruling Elder or a Temporary Pastor. These elements of compensation may be negotiated between the church and the CRE or Temporary Pastor, but in so doing, the policies applicable to a Teaching Elder will be applicable to a CRE and a Temporary Pastor.
- Other features of the *Pastor Compensation Policy*, such as, annual reviews and annual adjustments in compensation commensurate with the change in the cost-of-living and performance, are applicable to Commissioned Ruling Elders and Temporary Pastors.

Benefits Policy for Commissioned Ruling Elders and Temporary Pastors

The elements of the benefits policy for Commissioned Ruling Elders and Temporary Pastors follow:

- Four weeks’ vacation. It is the policy of the Commission on Ministry that the number of vacation days in a week is equal to number of days in the pastor’s work week. For example, if the pastor normally has one day off during the week, then the number of vacation days equals six per week. If the pastor normally has two days off each week, then the number of vacation days equals five per week. In either case, no more than four Sundays are to be taken as vacation during the year.
- Two weeks study leave.
- Six weeks maternity or paternity leave.
- Mileage driven by the CRE or Temporary Pastor, using his or her own automobile and related to the ministry of the church, will be reimbursed at the IRS allowable rate in effect at the time the mileage is driven.

- Professional expense and continuing education reimbursements for a CRE or Temporary Pastor are governed under the same policy and will be at the same minimum amounts allowed under the Pastor Benefits Policy for Teaching Elders found in the preceding section of this manual.
- It is anticipated that most Commissioned Ruling Elders and Temporary Pastors will be eligible for retirement and medical plans through their spouses and/or their own secular employers. These elements of a benefit plan are, therefore, not mandated for CREs or Temporary Pastors in this policy. There may be cases, however, where there is a need for such benefits, in which case they may be negotiated between the church and the Commissioned Ruling Elder or Temporary Pastor.
- Any additional compensation and/or benefits, such as for SECA and Medicare reimbursement or deferred compensation, will be negotiated on a case-by-case basis, using the same guidelines as have been approved for Teaching Elders.

Leadership Reviews

The elements of the Leadership Review Guidelines, found in the following section of this manual, apply to Commissioned Ruling Elders and Temporary Pastors just as they do to pastors.

COMPENSATION STRUCTURE FOR COMMISSIONED RULING ELDERS AND CANDIDATES SERVING AS TEMPORARY PASTORS

Level	Average Attendance	CRE 2019 Structure		
		Min	Mid	Max
1	0-60	\$32,771	\$40,964	\$49,158
2	61-90	\$37,160	\$46,450	\$55,741
3	91-135	\$41,315	\$51,643	\$61,972
4	136-200	\$45,928	\$57,410	\$68,892
5	201-300	\$51,058	\$63,821	\$76,586
6	301-450	\$56,760	\$70,951	\$85,140
7	451-675	\$63,101	\$78,876	\$94,651
8	676-1010	\$70,150	\$87,688	\$105,225

Policy on Pastoral Sabbatical Leave (2016)

Adopted Effective 9 October 2009

Revised 1 January 2013

Revised 1 January 2016

Rationale for Sabbatical Leave

Sabbatical Leave is an extension of the Biblical concept of a Sabbath day and a Sabbath year for renewal and education. It is both an act of faith that God will sustain us through a period of reflection and changed activity and an occasion for recovery and renewal of vital energies.

In this context, Sabbatical Leave for Teaching Elders (ministers) is a planned time of intensive enhancement for ministry and mission. Sabbatical Leave follows precedents in the academic community and among a growing number of private sector groups. This "extended time" is qualitatively different from "vacation" or "days off" in that it provides an opportunity for the individual to strategically disengage from regular and normal tasks so that ministry and mission may be viewed from a new perspective because of a planned time of specific focus and opportunity for learning.

Definitions

In this document the phrase "Teaching Elder" and the word "pastor" and the word "minister" are meant to include full-time Teaching Elders who serve as pastors and associate pastors to a church, and other Teaching Elders who are serving in fulltime positions of validated ministry. The word "Session" is meant to include governing bodies in churches that are called by other names such as "parish council" or "parish board." The word "Session" is also meant to include other governing bodies and judicatories that have the same relationship to a person serving in other validated ministries as a session has to a pastor.

Presbytery Policy

The Presbytery of East Iowa affirms as its own practice and recommends to the sessions of churches within its bounds that all full-time Teaching Elders who have served in their present positions for six (6) continuous years receive a compensated Sabbatical Leave. The recommended length of the Sabbatical Leave is at least four (4) weeks and normally not to exceed twelve (12) weeks. It is recommended that this Sabbatical Leave be built into the Call Process for both pastors currently serving churches in the presbytery as well as new pastors coming into the presbytery. This can be accomplished by stating in the call or

contract that the session will grant the minister a sabbatical leave in accordance with the provision of the presbytery policy on sabbaticals titled, "Sabbatical Leave Policy for East Iowa Presbytery and Congregations within its Bounds." Upon completion of the Sabbatical Leave, the incumbent minister would normally continue serving the same congregation for a period of at least one year following the completion of the Sabbatical Leave plus accrued vacation time. Specific approval must be given by the session and MCC if the individual does not wish to abide by this requirement. In addition, congregations may limit Sabbatical Leave to one staff person per year, in multiple staff situations. Additional time may be negotiated by combining the sabbatical period with accrued study leave and/or unused vacation. There may be situations where it would be appropriate to grant a Sabbatical Leave to a minister who has less than (6) years of continuous service.

Sessions may wish to extend the provisions of this policy to other full-time professionals who are required to have special education and skills for their positions in the church, such as Commissioned Ruling Elders, Certified Christian Educators and Directors of Music.

Policy Rationale

A sabbatical will enable the minister to be renewed through the vital pursuit of continuing education, extended time spent in spiritual formation, and fresh mentoring by respected teachers. A sabbatical enables a minister to return to the responsibilities of the parish with new energy, spiritual vision and effectiveness.

Planning for Sabbatical Leave

Eligibility and Approval Process

To be eligible for a Sabbatical Leave, the minister shall present, in writing, to the church session for their approval, a program (the "Proposal") of activity for the Sabbatical Leave and the Sabbatical timetable at least six (6) months prior to the proposed beginning of the Sabbatical Leave. This program of activity and meditation shall include a detailed description of the Proposal, the goals to be achieved and the expected end-product(s), together with a personal statement as to why this Sabbatical Leave would be valuable for both the minister and the church. The Proposal should also contain a statement that the Sabbatical will be taken in accordance with the provisions of this policy titled, "Policy on Pastoral Sabbatical Leave (2016)"

Prior to final approval by the Session, the Proposal and timetable shall be forwarded to MCC for review and recommendation. Included in this Proposal will be the church's plan for ministerial services during the period of the Sabbatical Leave.

At the completion of the Sabbatical Leave, the minister should present to the next regular meeting of the church Session, a written report of activities and findings. A

copy of this report also will be sent to the MCC immediately following the Session meeting when it is presented.

Funding

The employing church will continue the minister's salaries, pension, major medical, disability and death benefits, book allowance, vacation and, at the direction of the Session, auto and continuing education allowances at the same level as those in effect at the time of the Sabbatical Leave.

The employing church will also contract for substitute ministerial services during the period of the Sabbatical Leave. Although, on the face of it, the Sabbatical Leave may seem like yet another financial burden for the local congregation to bear, it is crucial for Sessions and congregations to recognize the long-term benefits they as a church will reap from granting Sabbaticals. For example, ministers who have the opportunity to examine issues of professional growth and development as ministers within an existing position are more likely to stay more years in a particular call. The sabbatical provision conveys a sense of support and caring on the part of the calling church. It also offers an incentive to ministers to commit to and think in terms of longer years of service in a particular church.

Clergy, and sessions, are encouraged to set aside funds each year so that resources will be available during the time of Sabbatical Leave. In this regard pastors and sessions may wish to consider providing in the terms of call or contract that pastors may accumulate Continuing Education money over more than one year to help defer expenses of a Sabbatical. Those churches that would have financial problems in providing for the Sabbatical Leave may consult with the Presbytery. In addition, those churches that cannot secure Ruling Elder leadership within their own congregations might consider using Ruling Elders who have graduated from the commission lay pastor curriculum or Teaching Elders serving as Associate Pastors who might be willing to preach one Sunday without honorarium, etc.

NOTE: The Louisville Institute, a Lilly Endowment Program housed at Louisville Seminary, provides study grants for ministerial leaders. Also, the Board of Pensions has a financial aid program for pastors titled "The Assistance Program – Sabbath Sabbatical Support Grant" available for those who qualify. Information on the program is on the Board of Pensions Web site, www.pensions.org.

Return to Regular Service

Upon return to regular service, it is strongly suggested that the minister share with the entire congregation or other appropriate parties the details of the leave as well as reflections on its value and benefit. The return process provides a great opportunity to reflect upon the benefits that resulted from the Sabbatical Leave.

Expected benefits may include:

- Discovering the strength of lay leadership heretofore under-utilized.
- Discerning new understandings of the concepts of mission between clergy and congregation.
- Reaffirming the call to ministry on part of minister and congregation with both being reinvigorated and rededicated to the work of God's people.

The ideal result would be for the congregation to see this period of time not just as the individual's Sabbatical Leave but also as the congregation's Sabbath Leave.

Summary of Responsibilities

Ministers and Congregations Commission (MCC) Responsibilities

1. Review the Sabbatical timetable and Proposal as submitted by the minister and provide appropriate feedback to the Session and minister.
2. Serve as mediator in any concerns of session, or minister relative to the Sabbatical.
3. Determine who will moderate the Session in the minister's absence.
4. Assist with identifying pastoral and pulpit coverage.

Minister Responsibilities

1. Present the Sabbatical Proposal to the Session in the detail specified under the above section titled, "Eligibility and Approval Process" a minimum of six months before the intended commencement of the sabbatical. There may be circumstances when a shorter period would be permissible. However, there should always be sufficient time for full consideration of the proposal.
2. Secure the approval of the Session for the Sabbatical Proposal and work out the necessary coverage of ministerial and pulpit responsibilities.
3. Assure the Session of continued service to the church for at least one full year from the conclusion of the Sabbatical.
4. Bring up to date all pending responsibilities as determined in consultation with the Session before departing on a Sabbatical.
5. Submit to MCC in writing the Sabbatical Proposal and timetable.
6. Upon return, present a written and verbal report on the results of the Sabbatical Leave in relation to knowledge acquired, agreed upon goals and

renewal to the Session and a written report to the MCC. This should be accomplished within the first month after return.

Session Responsibilities

1. Receive for approval the minister's Proposal for a Sabbatical, at least six (6) months in advance of the intended commencement of the Sabbatical. Any action on the Proposal should refer specifically to the Proposal and recorded in the Session minutes. The resolution should also state that the Sabbatical will be taken in accordance with the provisions of this policy titled, "Sabbatical Leave Policy for East Iowa Presbytery and Congregations within Its Bounds." There may be circumstances when a shorter period would be permissible. However, there should always be sufficient time for full consideration of the Proposal.
2. Continue terms of call commitments to the minister-during Sabbatical Leave.
3. Communicate to the congregation the importance and values to the church of a Sabbatical.
4. Request a written overview of the Sabbatical from the minister upon return.

Additional Responsibilities/Information

If agreed upon by Session and the minister, the Sabbatical might be combined with study leave for extended graduate study.

Performance Reviews for Pastors and Sessions

First Effective 24 January 2012

Revised 1 January 2015

The Presbytery advocates that sessions critically review the performance of the pastor and the session as separate entities as well as their work done together as a team. Further, the Validated Ministry Policy of the Presbytery of East Iowa (approved June 9, 2015) requires that each validated ministry within the Presbytery “be carried out in accountability for its character and conduct and is answerable to the MCC on behalf of the Presbytery for agreed upon end results or activities with a face to face review of the ministry on a yearly basis.” Churches do not all function in the same way, so an appraisal system that works well for one may not be as effective for another.

The models presented below range in detail and complexity, but they are most effective when they are structured to fit the size, staffing model, church culture and administrative style of the pastor, session and church staff. In all cases they should be accompanied by a face to face meeting between the appraiser and the pastor, session or committees being appraised. This meeting should be used to further clarify each element of the written appraisal and to encourage discussion among all parties. Also, in each case the person being appraised may be asked to complete a written self-appraisal to be considered along with the appraisal models presented below. Each of the models would work best with a form customized to the particular church. A form is attached below.

- Churches and sessions should develop written mutual goals and expectations agreed upon between the session and pastor(s). Such a process should occur as close to the beginning of each calendar year as possible. These documents may include a simple listing of goals for the pastor, goals for the session, and goals shared mutually by the pastor and the session. The appraisal process would then include a listing of each goal agreed to with concrete expectations for measurable results. This approach provides the pastor and session with a clear understanding of what is expected during the year and a basis for appraising actual outcomes against expectations.
- A second approach involves appraising performance against each element of the position description. This process assumes that there is an up to date written position description for the pastor and a clear understanding of the role of the session as stated in the Book of Order, that the pastor and session share an agreed-upon understanding of these descriptions, and that each element is concretely defined. In this process, the appraisal would consist of listing each element of the description, followed by a narrative of how performance addressed each element, and with the option to include

whether such performance had exceeded, met or fallen below expectations. The advantage of this approach is that the elements to be appraised are already defined. The disadvantage is that many job descriptions are too general or ambiguous to serve as a realistic basis for measuring performance.

- Pastors and sessions are responsible for many elements of church life, but they don't all carry the same degree of priority or importance. Another more detailed approach involves defining the areas and concrete elements for which each party is responsible and then placing these in three or four categories of priority. Performance appraisals for the pastor and for the session can then consider each element, but the performance concerning top level priorities would count more than for lower level priorities. A point system can then be developed based on the performance ranking of each element and its priority. This system is especially effective when a detail, sophisticated appraisal is necessary, but it is too complex for most churches since it requires more processing and depends upon consistency over time, even if different folks are involved in the process from year to year.
- The appraisal process represented on the form below is the one most frequently employed by churches. It prompts the appraiser to state the agreed upon goals and appraise the performance of the pastor in achieving the results of each one. It also contains a number of questions that facilitate three levels of grading and specific commentary. The advantage of this model is that it makes clear that the setting of goals and expectations is essential and that there are elements in the performance of the pastor and session that go beyond achieving these goals. It also provides several specific questions upon which to base the performance appraisal.

NAME OF CHURCH
Annual Pastor Review

Name of person or committee conducting the review

Name of the pastor _____

Date _____

Prepared by (if different from above) _____

PERFORMANCE ON GOALS AND EXPECTATIONS

List or attach the mutual or reciprocal goals or expectations that were agreed upon at the beginning of, or during, the current year between the pastor and session. If necessary, use a separate sheet to list the goals/expectations, or attach the document containing these that was prepared earlier in the year.

Then summarize the accomplishment of or progress toward accomplishment of each goal/expectation and provide an overall ranking for each goal of (1) Exceeded Expectations, (2) Met Expectations or (3) Below Expectations along with comments to clarify the ranking.

ADDITIONAL PERFORMANCE FACTORS

Consider the necessary skills to fulfill the job responsibilities, including communication, follow-through, and working with others.

(1) Describe the strengths or skills of pastor to fulfill job responsibilities. Describe how the session is organized to fulfill its responsibilities and how well it has done so.

(2) Describe any noteworthy accomplishments of the pastor or session that has not already been noted above.

(3) With reference to the mutual expectations, describe any areas for improvements that should be communicated for the pastor's or session's consideration.

(4) Describe any significant areas of mission or ministry that the pastor and the session should focus on in the coming year