

Michigan Region of the Missionary Church

***PASTORAL SEARCH
AND
SELECTION PROCESS***

Handbook for Search Committees and Church/Elder Boards



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Dear Church Leaders,

You are receiving this handbook because there is a significant change taking place in your congregation: you need to find a new pastor. This handbook has been prepared to give you guidelines and resources to help the process go as smoothly as possible. There are four basic phases to the process. Hopefully, this handbook will answer most of the questions the church leadership may have in terms of finding your next pastor.

As mentioned later in this handbook, **MAKE PRAYER A PRIORITY**. While circumstances vary from church to church, prayer is always the key element to move the church forward.

Even if your pastor is leaving under the best of circumstances there will be pain. Do not minimize the sorrow and sense of loss felt by your church family. Help everyone, including the pastor and his family, celebrate the blessings God has poured on you in ministry together.

If your pastor is leaving under less than desirable circumstances, you will need to proceed cautiously, knowing this may be a difficult and emotional transition for many in the congregation. Often people are divided in their feelings. Some may be happy to see the pastor go; others do not want him to leave at all. Be sensitive to the feelings of those who may disagree with or disapprove of what has happened. This is a time to unite, not a time to discuss the differences.

If your pastor is leaving under less than desirable circumstances, I recommend the following:

- Take time to honestly ask God if you have contributed to the situation. If so, find way to express your regret to those who may have been affected by your actions and words.
- Ask God to show you how to share His love and grace during this difficult transition.
- Don't press the congregation to 'get over it' too soon. There will be a time and place for those who struggle to let the pastor go, but that time is later, not today.

As the Regional Ministries Coordinator, I will assist you in the pastoral search and selection process. At the appropriate times, I will meet and consult with the church/elder board and the search committee. I will share a list of available ministers and, based on your church's situations, resumes of candidates, who may be a good fit for the congregation. According to the Missionary Church Constitution, when a church calls a pastor he must either be currently credentialed with the Missionary Church or approved by the District/Region. Therefore, we ask that you do **not** contact a pastoral candidate who is not listed on our availability list without pre-approval from our office. Let me thank you in advance for following these guidelines.

Please feel free to call or e-mail if you have any questions.

We are praying for you as you seek God's guidance in choosing your next pastor.

Sincerely in Christ,

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Alan Yerke,
Regional Ministries Coordinator

SELECTING THE SEARCH COMMITTEE

The Church/Elder Board may serve as the Search Committee or appoint a separate Search Committee comprised of members of their own board, along with other at-large members of the congregation. Search Committees usually number from 5-7 individuals.

The following guidelines should be kept in mind when soliciting names from the congregation for Search Committee members:

1. Select individuals that are a cross-section of the congregation as a whole. Be sure to include both men and women, young and old, etc. Any staff (including secretarial staff) who will work under the new pastor should not be a part of the Search Committee.
2. Avoid placing members from the same family on the committee together (e.g., husband-wife, siblings, parent/child, etc.). It should be understood that it is not appropriate to place any relative of the outgoing pastor on the committee.
3. If a candidate to be considered is a relative of someone on the Search Committee, that person should step down from the committee.
4. Avoid those who may have hidden agendas or special interests not in keeping with the entire church. Individuals should be godly men and women who will represent not only their peer group, but all the people of the church and the needs of the community.

SEARCH COMMITTEE JOB DESCRIPTION

1. The main objective of the Search Committee is to search for an appropriate pastoral candidate to recommend and present to the Church/Elder Board for a final decision, who in turn will present him to the church for a congregational vote.
2. Basic responsibilities include:
 - Review and evaluate resumes as well as research prospective candidates
 - Represent accurately the history and profile of the church to prospective candidates
 - Schedule and conduct interviews with prospective candidates
3. Search Committee members must understand that the search process may be lengthy and will involve a time commitment on their part. They must commit to an initial meeting with the Regional Ministries Coordinator to discuss the search process as well as any called meetings by the chairperson of the Search Committee.
4. Confidentiality is of utmost importance. The committee must not speak of prospective candidates until they are ready to announce a candidate to the congregation, but it is important to keep the congregation informed as to the general progress of the committee.
5. Once a decision is made to present a candidate to the congregation, the entire Search Committee must proceed with unity. This is “our” choice, not “their” choice.

THE PREPARATION PHASE

- A. **Spend Time in Prayer.** Exhort the congregation to pray. Set the example to make prayer a priority at this crucial time. Mobilize all boards, committees and staff to devote significant time in praying for the search and selection process. Pray regularly in public services both for the search process and your departing pastor.

- B. **Be a Calming Influence.** Encourage people to trust God, especially for those who are nervous about a pastoral change. Common concerns are “Who will we get?” and “Will I like him?” Express confidence and faith in the knowledge that God will provide your next pastor in His perfect timing.

- C. **Explain the Process.** Let the congregation know that the Regional Ministries Coordinator (RMC) is coaching you through the process. Give them some details, such as the appointment of a search committee, the plan to contact and interview potential candidates, etc. Tell them that in time you will have one name to recommend to the church as your pastoral candidate, and there will be a congregational vote.

- D. **Commit Adequate Time to the Process.** Be prepared to spend significant time during this transition, discussing the church’s needs and the qualities you desire to see in your next pastor. The process of reviewing resumes and interviewing candidates can be demanding.

- E. **Be Open to the Possibility of an Interim Pastor.** In cases where there has been a long-term pastorate or where there are unusual circumstances (e.g. division in the church, misconduct by a church leader, or other relational problems), it may be advisable to appoint an interim pastor to lead the church through some healing and transition. The Regional Ministries Coordinator will work with you on this decision.

- F. **If Needed, Arrange for Pulpit Fill.** If there will be a period of time between the outgoing pastor and the new one, appoint a church leader to serve as a liaison with the Regional Resource Center to secure quality pulpit fill.

- G. **Survey or Assess the Congregation’s Needs.** Spend time together assessing your congregation’s needs. What kind of pastor do you think the church needs at this time in its history? What kind of strengths do you need in your future pastor? The search committee may choose to survey the congregation and/or its leaders.

- H. **Prepare a Church Packet.** Put together a profile packet to send to prospective candidates. Include items such as an annual report, sample bulletins, mission statement and goals, a brief history, recent attendance and financial reports, church pictures, community information, etc. Also share some details about what you are looking for in a pastor.

THE SEARCH PHASE

- A. **Examine the Pool of Prospective Candidates.** The Regional Ministries Coordinator will provide you with a list of prospective candidates. The early stages of your search process will be like a funnel with a wide-open top. As the process continues the field of prospective candidates narrows down, moving through the funnel of time, prayer, and evaluation.

- B. **Review Resumes.** Study and pray over the resumes the Regional Ministries Coordinator provides for you. Prioritize resumes to determine the order in which you will make contacts. It is a good practice to get several references before contacting the person. **Potential candidates who do not currently hold Missionary Church credentials may be only be considered if they have been approved by the Regional Oversight Council.**

- C. **Maintain confidentiality.** Items discussed during your meetings and interviews are to remain confidential. Respect the privacy of any candidate you contact.

- D. **Update the Congregation.** Keep the congregation informed about the process. Use bulletins, public announcements, and newsletters to give concise reports. Be careful to respect the issues of confidentiality with any candidate under consideration.

- E. **Make Contacts.** It is recommended that a representative of the search committee contact a potential candidate (e.g., letter, email or phone). Be sure to identify yourself and your church and explain how you got his name. Share some basic information about the church. Try to ascertain whether the person is willing to receive a church packet. If so, ask them to prayerfully review the materials and consider meeting with the committee for an interview. Set a deadline for their response.

- F. **Send the Church Packet.** For those who respond positively, send them your church packet of materials. Don't forget to include your personal contact information (phone, email, etc.).

- G. **Schedule the Interview(s).** As potential candidates respond with their willingness to interview, promptly set a convenient time and place for the interviews. Include time to tour the church facilities and, if applicable, the parsonage.

- H. **Do Your Homework.** Check references on each person you plan to interview. Solicit a sermon CD or DVD or arrange to send representatives to discretely visit his church to hear him preach. Before planning a visit, consult first with the Regional Ministries Coordinator.

THE INTERVIEW AND RECOMMENDATION PHASE

- A. **Conduct a Thorough Interview.** Here are a few guidelines:
- Structure the interview with start and stop times, but be sure to allow adequate time for interaction, questions and answers, and prayer.
 - Cover the candidate's expenses (travel, lodging, and meals).
 - Carefully review the resume and have candidate and spouse share their testimonies.
 - Ask strategic questions (sample sets of questions are available from the RMC).
- B. **Answer Questions During the Interview.** No doubt, ministry couples will have questions of their own. Initiate that kind of exchange so they do not feel awkward in asking questions. Here are a few common questions that potential candidates may have:
- What ministry goals does the church have?
 - What are the church's strengths and fruitful ministries?
 - What aspects of ministry most need to be addressed?
 - What qualities are most important to you in a pastor?
 - How do you see the role of the pastor's spouse?
 - What changes need to happen for the church to fulfill its mission and vision?
 - What is the compensation package for the pastor?
- C. **Agree on a Candidate.** After conducting your interviews, seek a clear consensus as which person should be invited to candidate. Contact the individual to find out if he is willing to come and candidate at the church. This mean that, if the recommendation of the search committee is approved by the church board, he will come for a candidating weekend, preach and be voted on by the congregation. It also means that he is prepared to accept your call, as long as the congregational vote was acceptable. Please note: **only one minister is to be presented at a time to the congregation for a pastoral vote.**
- D. **Present Decision to the Board.** In cases where the church board or elders have appointed a search committee separate from themselves, when that committee has completed its work, it will present a report of its work to the church/elder board. That board will then make the final decision to present the candidate to the congregation. In the process of making that decision the board may desire to have another interview with the prospective pastor and spouse in order to confirm the work of the search committee.
- E. **Don't leave other prospective candidates "hanging".** If you were in contact with other prospects, contact them promptly to let them know they are no longer under consideration.
- F. **Prepare a compensation package.** Follow the Region's guidelines on pastoral benefits and compensation when preparing the pay package. The Regional Ministries Coordinator can assist you with budget preparations and provide you with health care and retirement fund options.. Share the package with the pastor well in advance of the vote, allowing opportunity for interaction and adjustments to best fit the financial needs of the pastor and his family.

THE CANDIDATING PHASE

1. **Schedule, Plan, and Announce the Candidating Weekend.** Once the church/elder board approves the recommendation of the search committee, schedule a candidating weekend that will provide ample opportunity for the congregation to get acquainted with the candidate and his spouse. Plan an entire weekend of activities, starting Friday night and climaxing Sunday with the congregational vote. Include opportunities for people to meet, interact, and get acquainted with the candidate and his family. The candidate should share his testimony and vision for the church. Have him preach in your main service(s). Clearly communicate (from the pulpit and in print) the procedure you have established for the pastoral vote. Regional guidelines require that a candidate receive a minimum vote of 60% or higher for a call to be extended. Have a printed sheet with the candidate's picture and biography that is distributed at the time you announce his candidacy. Make sure there is at least a two-week notice before the vote.
2. **Call the People to Prayer.** Schedule a special prayer service before the candidating weekend that is solely devoted to the pastoral vote and the future ministry of the church. Have your elders or deacons facilitate this service. Another option is to do a 24-hour prayer vigil, where parishioners are invited to sign up and pray for 30 or 60-minute intervals. Provide handouts of praise items and prayer requests to guide the praying. Include the children and youth of the church in any special times of prayer.
3. **Update your Membership Role.** Prepare an official copy of the church membership, in case questions arise over who is eligible to vote.
4. **Prepare the Ballot.** Instruct the congregation that there will be two ballots: one for members and one for regular attendees. While the member vote is binding, stress that the leadership is interested in the sentiment of the entire congregation. Explain that you will use two colored ballots. Also, make it clear that only those age 16 and older are eligible to vote and that there are no absentee ballots. Let the church know that both the leadership and the candidate are seeking a very high percentage (e.g., 80% or higher) to know that this is clearly the Lord's will.
5. **Conduct the Vote and Announce the Results.** At the close of the service, conduct your pastoral vote and then announce the vote totals. The church/elder board needs to consider the vote, and extend an official invitation (or call) to the candidate, asking for his response. Some discussion may need to take place regarding the vote if it is lower than expected even though it was higher than 60%. Many candidates and church boards discuss ahead of time, their expectations upon which they would base a healthy mandate for a successful ministry. Whatever the outcome, the congregation needs to hear a clear report of the vote and the results of the board's interaction with the candidate. Arrange with the candidate in advance how you will inform him of the vote and how much time he would like to take before responding to the vote. Some candidates are prepared to accept the call that day if the vote percentage is acceptable.

ADDITIONAL GUIDELINES

- A. **Keep the Regional Ministries Coordinator well informed.** His responsibility is to coach, assist and oversee the local church pastoral search process. He wants to help you and pray for you throughout your search. It is required that you consult with the RMC prior to contacting anyone outside of the Missionary Church family or outside of the list that he provides. Whether the prospective candidate comes from within or outside of the Missionary Church, you need the help of your Regional leadership to check out the minister's history, character and suitability for ministry in your church.
- B. **Plan for the Transition.** June 30 is the normal change time, unless the pastors and church mutually agree upon other arrangements in consultation with the RMC. Churches are obligated to pay the moving costs for the pastor who is coming to them. Please initiate the conversation about the moving costs so as to eliminate as much discomfort as possible for your new pastor.

Note on moving expenses: The Region encourages a pastor who leaves a church of his own volition before completing four years of service to reimburse the church at a prorated share of the moving expense incurred in proportion to the amount of time served less than four years. (If he serves only one year, he shall reimburse the church 75%, if two years 50%, etc.)

- C. **Honor the outgoing Pastor and Family.** Do something special by way of a farewell for the outgoing pastor and his family (e.g., dinner reception, gifts, card shower, public expressions of thanksgiving, etc.). Celebrate the warm memories and the departing pastor's years of service. Affirm the investment the pastor and his spouse have made in you and your families. Offer to mobilize a work bee for his moving day to assist in loading, etc. Communicate very clearly the terms of departure to avoid misunderstandings about such things as unpaid salary, unused vacation time, etc. If a disagreement arises, it is best to err on the side of generosity.
- D. **Schedule a Commissioning/Installation Service for the New Pastor.** It is customary to plan a special service for prayer and commissioning of the new pastor shortly after he arrives. Your Regional Ministries Coordinator takes this responsibility seriously to help the local congregation express its commitment to prayer and support for their new pastor, in addition to praying for God's special blessing upon the church and new pastor.

PASTORAL CANDIDATE REFERENCE FORM

Pastoral Candidate Name _____ Date _____

Person Giving the Reference _____

1. How long have you known the applicant? In what capacity?

2. What has been his track record at his current church? How has the church fared under his leadership?

3. How has he done with the issue of vision? Does he seem to have a vision for the church; can he verbalize it and transfer it, and then strategically lead toward it?

4. How would you rate his energy level? (low, medium, high energy; passive to aggressive leadership style, maintainer to builder, etc.)

5. How would you rate his people skills? (Avoidance, has to work hard to meet people but does it, is well liked, “never met a stranger,” etc.)

6. How would you rate his emotional steadiness? Easygoing or easily angered? Negative or positive? Fearful or confident? Depressive or cheerful? Unstable or stable?

7. How teachable/coachable do you find him to be?

8. Have you observed him in situations where he has had to handle conflict? What would be his natural tendency toward people who disagree with him?

9. How would you describe his work ethic?

Unreliable	1	2	3	4	5	Does what he says he will do
Somewhat dependable	1	2	3	4	5	Usually dependable
Irresponsible	1	2	3	4	5	Assumes much responsibility
Needs constant supervision	1	2	3	4	5	Actively creative
Needs to be told what to do	1	2	3	4	5	Takes initiative
Wonder how he uses his time	1	2	3	4	5	Actively on the job
Needs much prodding	1	2	3	4	5	Does assigned work
Needs occasional prodding	1	2	3	4	5	Does more than assigned work

10. What are his ministry strengths?

11. In what areas does he need to be strengthened?

12. Are there any issues of integrity that you are aware of in his life that need to be addressed?

SUGGESTED INTERVIEW QUESTIONS

Questions should be carefully thought out in advance in order to cover all major areas of interest. Each committee member should be prepared to ask several questions in areas of special interest to him or her. The use of a list of questions rather than winging it, allows the Search Committee to compare the responses of each candidate on each question, a practice which may be helpful in the post-interview evaluations by the committee.

The best thing to do is to ask specific questions to discover the experience of the prospective candidate. Don't ask, "What would you do?" type questions. Ask, "What have you done?" type questions.

The following list is one you can use in its entirety or edit as you see fit.

Probably the best way to begin the interview is with this statement: "Tell us about your relationship with the Lord (how and when you became a Christian) and your call to pastoral ministry."

1. Please tell us about the ministry you are in right now.
2. Tell us the nature of your personal devotional life.
3. As you look back, what has happened in your ministry that has been most fulfilling?
4. What in your present situation is disappointing to you?
5. From what you have seen about our church, is there anything that seems particularly challenging?
6. How would you describe your methods of leadership? What leadership style do you naturally gravitate toward?
7. What is your understanding of the church and its mission in the world?
8. What are some priorities by which you would carry out ministry?
9. What is your position on such issues as style of worship, small groups, style of music, traditional structures, spiritual warfare, etc.?
10. How have you handled disappointment in your life?
11. How do you handle people who disagree with you?
12. How would you go about introducing changes that you deem to be appropriate to ministry?
13. What do you consider to be your specialty in ministry?
14. How did you choose the ministry as a vocation?
15. As you look back over your life, where do you see yourself making critical choices?
16. What are the current growth points in your spiritual walk with the Lord?
17. How have your own faith and theological views changed since you entered college?
Since you entered ministry?

18. What are your views on _____? (Choose any theological or social issues which are important to your congregation.)
19. Describe the process you go through when you are preparing a sermon.
20. What is your preferred practice with regard to pastoral visitation? What is your objective, what do you do, what makes you decide to make a visit?
21. What emphasis do you place on pastoral counseling?
22. What role does your family play in your practice of ministry?
23. What issues do you see as the most important ones facing the church right now?
24. How do you understand the role of the minister in church administration?
25. What approaches to a congregation's financial stewardship do you prefer?
26. If you were to become the pastor of this church, what are some of the things you would try to do during the first year here?
27. How do you maintain your own spiritual health? Your emotional health? Your physical health?
28. How do you prefer to work with the Church/Elder Board? The Deacons? The Trustees?
29. How do you allocate your time including personal/family time? Describe a typical day in your schedule.
30. What title do you prefer?
31. What feelings, needs, and expectations do you have about paid staff?
32. What opportunities do you see at our church and how do they fit with your interests and gifts?
33. How do you determine what priorities to put on tasks you must do?
34. What do you consider the pastor's main priorities to be?
35. Share one or two areas of ministry you personally struggle with.
36. What plan do you have for personal and professional growth?
37. How do you like to spend your free time?

Add any questions your committee considers important. You may want to end with, "After all of this, what have we left out that we should have covered?"

Ask the candidate, "What questions do you have for us?"

SAMPLE PASTORAL VOTE BALLOTS

Church Member Ballot:

Should _____ be called to be the next senior pastor of our church?

_____ Yes

_____ No

Regular Attendee Ballot:

Should _____ be called to be the next senior pastor at our church?

_____ Yes

_____ No

GUIDELINES FOR PASTORAL SALARY AND BENEFITS

These guidelines are intended for the use of the Missionary Churches of the Michigan Region, in the evaluation of their pastoral compensation and in the preparation of annual budgets. When adopted by Conference, these guidelines become our recommended standard for the year and until modified. The Regional Director shall use them as a reminder to church boards at the appropriate time each year.

Scriptural Foundation

Who serves as a soldier at his own expense? Who plants a vineyard and does not eat of its grapes? Who tends a flock and does not drink of the milk? When the plowman plows and the thresher threshes, they ought to do so in the hope of sharing in the harvest. If we have sown spiritual seed among you, is it too much if we reap a material harvest from you? The Lord has commanded that those who preach the gospel should receive their living from the gospel.
1 Corinthians 9:7, 10-11, 14

The elders who direct the affairs of the church well are worthy of double honor, especially those whose work is preaching and teaching. For the Scripture says, "Do not muzzle the ox while it is treading out the grain," and "The worker deserves his wages." I Timothy 5:17-18

Full Time Compensation

1. **Definition of "Full Time"**

It is understood that most full time pastors will invest 50-60 hours a week in ministry.

Note: For the purpose of worker's compensation and disability insurance an employee must be employed a minimum of 30 hours a week.

2. **Minimal Full Time Compensation Package**

A full time pastor should receive an appropriate cash salary, a housing allowance and/or use of a parsonage, health insurance, long-term disability, and contributions to a retirement fund. Otherwise, the pastor should be free to supplement his income with outside employment.

3. **Establishing the Pastor's Compensation Package**

- A. Responsibility Factor - Consider the size of the congregation and the ministries it provides.
- B. Training and Experience Factor - Consider education, ordination and years in active ministry.
- C. Cost of Living Factor - Consider annual adjustments to reflect changes in the cost of living.
- D. Non-Statistical Growth Factor - Consider the pastor's contribution (his leadership, planning, communication, spiritual guidance, etc.) to the spiritual growth of the members.
- E. Whether the pastor's wife works or not should not be a factor in establishing the pastor's salary.
- F. Consultation with a resource such as Church Law and Tax Report's *Annual Compensation Handbook for Church Staff* (www.churchlawtoday.com) or online at the U.S. Department of Labor Compensation Statistics (www.bls.gov).

4. Pastor's Salary and Benefits

Estimate the median salary and benefits of a similar professional person working in your community as the base from which the following considerations are then made:

- A. Cash Salary.
- B. Housing - parsonage and utilities or an adequate housing allowance.
- C. Telephone - the church should provide for telephone service in the parsonage, except for the pastor's personal long distance calls.
- D. Health insurance - for the family.
- E. Long-term Disability Insurance.
- F. Retirement Fund (e.g. 403b, 401k). It is recommended that each pastor begin a 403b tax sheltered annuity (e.g., GuideStone) or some like tax-sheltered savings program early in their career. Contributions made on a “deferred compensation” basis are free of income and self-employment tax, are portable, simple and can be started with \$50 or \$100 per month.” The plan can be employee and/or employer funded.
- G. Social Security - at least one-half of self-employment tax on the pastor’s salary and on his housing allowance or the parsonage fair rental value.
- H. Paid Vacation - for all full-time ministers: (Cumulative Pastoral Career Experience)
 - 0-5 years experience = 2 weeks,
 - 6-12 years experience = 3 weeks,
 - 13-20 years experience = 4 weeks
 - Over 20 years of experience = 5 weeks

NOTE: The pastor and church board should establish a vacation time policy. (e.g., when vacation should be used, how many weeks in a row are allowable, whether unused vacation time is cumulative for future years, etc)

- I. Sabbatical Rest. To honor long-term service to a local congregation, the church is encouraged to consider offering their pastor a 30 to 90 day sabbatical rest after 10 years of service. This shall not be considered vacation time, nor shall it be considered time to candidate for another position.
- J. All additional monies received from the church such as Christmas gifts and additional cash for FICA are cash salary and should be included in the wages section of the W-2.

5. Business Expense and Health Reimbursement Plans

- A. Continuing Education - the church should cover expenses for the pastor to attend at least one seminar a year, besides the Regional and General Conferences.
- B. Entertainment Account - to cover his expenses for ministry related meals and hospitality.
- C. Mileage - provide for mileage reimbursement at the IRS rate, or some other adequate car allowance. A mileage log of church related travel should be submitted on a monthly basis.
- D. Health costs reimbursement. These can be **employee** funded through a cafeteria or a flexible spending account, or **employer** funded by creating reimbursement funds for co-pays and deductibles in the health insurance plan. Both plans are non-taxable, if a fully accountable program is used and payment is given only when a receipt is submitted - usually on a monthly basis.

6. Miscellaneous

- A. It is recommended that the church encourage its pastor to take a day off each week.
- B. It is recommended that the church send its pastor and treasurer to a church tax seminar.
- C. Salary and benefits packages for all paid church staff should be structured so as to take maximum advantage of the tax laws and to avoid unnecessary tax liability.
- D. Churches should include pastoral counseling liability and sexual misconduct liability in their insurance coverage. An amount larger than the amount included in the basic policy is recommended.
- E. Churches should purchase workers' compensation insurance.
- F. Churches are encouraged to participate in the annual Pastor Appreciation Day.
- G. Churches are urged to cover the expenses for the pastor to attend the annual Regional ministers' retreat, pastor and spouse retreat, Regional and General Conferences. (These conferences are not to be considered a part of the pastor's vacation, continued education, or seminar allowance.)
- H. Churches are to encourage their pastor to attend a Regional camp and not consider it as vacation.
- I. According to the IRS pastors are unique and must be considered employees for income tax purposes and as self-employed for Social Security / Medicare. Withholding is not required from salary payments, but earnings must be reported on a W-2, not a 1099 miscellaneous form. No housing allowance or provided housing value should be included in the wage section of the W-2. Housing is subject only to self-employment tax.

7. Other Benefits a Church May Wish to Consider

- A. Library Allowance - the church may wish to make provision for a Pastoral Library Allowance to cover the purchase of books and periodicals, which he deems helpful for an effective ministry.
- B. Equity Allowance - if a parsonage is provided, the church might consider giving the pastor a monthly equity allowance to compensate for the equity he would build up if he were to own his own home.
- C. Additional Life Insurance. The church can purchase up to \$50,000 in term Life without it being taxable to the pastor.

PASTORAL SALARY WORKSHEET

Minister's Name _____

Church Name _____

1. SALARY	20 _____	20 _____
A. Cash Salary	\$_____	\$_____
B. Utilities (amount paid by church)	_____	_____
C. Social Security Allowance (above cash salary)	_____	_____
TOTAL SALARY	\$ _____	\$ _____

2. HOUSING		
A. Fair Rental Value (for parsonages)	\$_____	\$_____
B. Housing Allowance paid to Pastor	_____	_____
TOTAL SALARY & HOUSING	\$ _____	\$ _____

3. BENEFITS (not considered as salary by IRS)		
A. Parsonage Telephone	\$_____	\$_____
B. Hospitalization/Medical	_____	_____
C. Long Term Disability	_____	_____
D. Pension - Denominational	_____	_____
E. Other (e.g. 403b) _____	_____	_____
TOTAL SALARY, HOUSING & BENEFITS	\$ _____	\$ _____

4. BUSINESS EXPENSE (not considered salary by IRS)		
A. Travel Reimbursement: mileage rate at _____ cents per mile	\$_____	\$_____
B. Entertainment Reimbursement Fund	_____	_____
C. Educational Improvement: professional growth, books, periodicals, seminars, etc.	_____	_____
D. Other (e.g., mobile phone) _____	_____	_____
TOTAL COMPENSATION PACKAGE	\$ _____	\$ _____

