2027 TERMS OF CALL POLICY
PRESBYTERY *FOR* SOUTHERN NEW JERSEY

INTRODUCTION

The relationship between a Pastoral Leader and a congregation is unique in the Presbyterian faith, initiated by God and validated by the Presbytery when both leader and congregation discern a shared call. Because of this connectional nature, compensation should not be approached purely from an economic or marketplace perspective. A congregation's ability and willingness to compensate its Pastoral Leader is a sign of its health, vitality, and investment in its ministry and future, and an act of faithful stewardship. Presbytery is responsible for determining minimum compensation guidelines that are fair and equitable both for member churches and for those they employ (G-3.0303c), and the Presbytery ***For*** Southern New Jersey approaches this as a matter of justice. We must treat congregations and Pastoral Leaders alike fairly. It is stressed that these are *minimum* guidelines: every congregation should weigh its own finances and the expectations of its pastor's duties to determine what is truly fair and equitable in its unique situation.

Recognizing that our current minimum has not kept pace with inflation, the Commission on Ministry (COM) discussed and concurred that a simple cost-of-living adjustment to last year's Terms of Call would not be sufficient. A full reevaluation of our compensation structure was needed.

COM conducted a deliberate study to determine fair compensation for a Pastoral Leader. We reviewed the current minimum Terms of Call in effect across neighboring PC(USA) presbyteries to ensure our own minimum remains reasonably aligned with the region in which our congregations call pastoral leadership.

We also researched compensation for professionals in comparable fields holding graduate-level degrees, recognizing that a Pastoral Leader's responsibilities — pastoral care, serving as moderator of Session, often acting as Head of Staff and other administrative duties, as well as representation of the congregation in the wider community — closely parallel roles in education administration and other vocations requiring a master's level degree and broad organizational responsibility.

This research confirmed what many of our congregations and pastors have already sensed. Our current minimum has fallen behind both our regional peers and the fair compensation appropriate to the expectations placed on our Pastoral Leaders. Our research indicated that a fair range for a minimum Effective Salary would be $66,500–$68,500 per year. Balancing this finding against the immediate financial capacity of our smaller congregations, the COM is proposing the following as an achievable step for 2027, with the expectation that we will continue to close the remaining gap in future years.

Therefore, Presbytery has mandated a 5.0847% increase in the Minimum Effective Salary for 2027 to reach a goal of $65,000 for the year.

EXPLANATION OF TERMS

- **TERMS OF CALL:** The total compensation package between a Pastoral Leader and the congregation. For an installed pastor, this must be approved in a called Congregational Meeting and approved by the Presbytery.
- **EFFECTIVE SALARY:** The combined total of salary and housing (manse and/or housing allowance).
- **FULL TIME**: A forty (40) hour work week.
- **THREE-QUARTER TIME:** A thirty (30) hour workweek.
- **HALF TIME:** A twenty (20) hour work week.
- **PART TIME:** Another hourly term commitment as defined in the Terms of Call.
- **SALARY:** The cash compensation paid to a Pastoral Leader
- **DEFERRED COMPENSATION:** Payments the congregation makes into an investment plan, other than the Presbyterian Pension plan, from which the pastor will later derive income.
- **HOUSING ALLOWANCE:** Either a cash payment provided by a congregation for living expenses *or* the fair rent value of the manse provided by the congregation. The Board of Pensions requires that housing be calculated as a minimum of 30% of Effective Salary.
- **FAIR RENT VALUE:** The fair market value of the provided manse and any paid utilities.
- **SECA:** The Self-Employed Contributions Act. It refers to the Self-Employed Tax, which is paid by clergy who are considered self-employed for Social Security and Medicare tax purposes. A self-employed individual pays a 12.4% Social Security tax on their first $183,600 of income. A 2.9% Medicare tax is paid on all income. An additional 0.9% Medicare tax is applied to incomes that exceed certain thresholds.

MINIMUM COMPENSATION FOR PASTORS

No congregation may extend a full-time call for less than these base terms. The compensation for part-time and Covenant Pastors shall be prorated based on these terms, based on the number of hours outlined in a call, unless otherwise specified.

Commissioned Ruling Elders shall be compensated at a minimum of 70% of the equivalent Pastoral position.

EFFECTIVE SALARY

The base minimum Effective Salary for 2027 for a full-time Pastor shall be **$65,000.00**, an increase of 5.0847% over 2026. To help congregations plan for this increase, we propose reaching this goal in two steps:

- A 2.4981% increase to $63,400 effective January 1, 2027
- A 2.5237% increase to $65,000 effective July 1, 2027

An Experience Adjustment Factor of 0.33% for each year of pastoral service since ordination must be applied to the base minimum Effective Salary. The Experience Adjustment Factor maxes out at 10% after thirty (30) years of pastoral service.

PROFESSIONAL EXPENSE ACCOUNT

A minimum of **$3,000.00** is to be designated in the Terms of Call for a Pastor's professional expenses. This reimbursement shall be through a vouchered reimbursement expense account, which must include automobile expenses at the current IRS-approved per-mile rate but may also include other reimbursable professional expenses such as books, subscriptions, professional dues, clergy robes, and stoles.

CONTINUING EDUCATION

A minimum of **$1,000.00** must be set aside for vouchered continuing education expenses. This shall be paid by voucher and not as a cash payment.

PENSION DUES AND MEDICAL

Providing medical coverage for pastoral leaders and any accompanying family members is a value that The Presbytery ***For*** Southern New Jersey and its congregations uphold. When a pastoral leader is installed, the Book of Order mandates participation in the Board of Pensions Congregational Pastors Package (G-2.0804). When a pastoral leader is in a Covenant Call relationship working twenty (20) or more hours per week, benefits for the pastor only shall be provided through the Board of Pensions unless the pastoral leader and congregation, upon approval of the COM, agree to another benefits option. Other options, both through the Board of Pensions and through other providers, are available to provide medical coverage. The current Board of Pensions packages are detailed below. The expectation is that the pastoral leader and any accompanying family members shall all have access to medical coverage, either through the congregation or through another source. Dues paid to the Board of Pensions by a congregation are calculated based on the Effective Salary.

Congregation Pastor's Package

All new and current full-time pastors serving over twenty (20) hours a week not enrolled in the Transitional Pastor's Participation plan must enroll in the Congregation Pastor's Package (CPP). **CPP dues for 2027 are 19.75% of effective salary** for Member-only PPO medical coverage (subject to minimum and maximum dues), **plus 10% of effective salary for income protection benefits**, paid

entirely by the congregation.

Medical coverage for family members is available to all members enrolled in the Congregational Pastors Package, and congregations may share in the cost. Dues for child(ren), spouse, and family [spouse and child(ren)] are established as national, community-rated, fixed pricing and are the same regardless of the number of children enrolled. A new subsidy will cover 50% of the national, community-rated cost of medical coverage for children.

The Presbytery ***For*** Southern New Jersey strongly encourages congregations to continue to pay for the medical coverage of pastors' spouses and families if another plan does not cover them.

Congregational Pastors Package 2027 combined medical coverage dues			
Coverage level	**Monthly dues**	**Combined annual minimum dues**	**Combined annual maximum dues**
Member + Child(ren)	19.75% + $475 (includes 50% subsidy for children)	$13,200	$26,900
Member + Spouse	19.75% + $1,171	$21,550	$35,250
Member + Family	19.75% + $1,646 (includes 50% subsidy for children)	$27,250	$40,950

Transitional Pastor's Participation
(*NOTE: Only pastors who are currently enrolled may continue in the TPP for 2027. This plan is not accepting new enrollments.*)

Transitional Pastor's Participation, originally scheduled to sunset at the end of 2027, has been extended through 2029. This extension gives congregations and ministers already enrolled in this package two more years to transition to the Congregational Pastors Package.

Dues for Transitional Pastor's Participation are paid entirely by the congregation or employer. Dues are the percentage of effective salary for medical coverage detailed in the chart below, **plus 10% of effective salary**.

Year	Dues	Minimum dues	Maximum dues
2026	37%	$18,500	$50,000
2027	42.25%	$21,600	$57,700

SECA RELIEF

The Presbytery ***For*** Southern New Jersey **requires** that congregations provide SECA relief in the amount of 50% of the pastor's total SECA obligation. *NOTE: SECA Relief is considered salary for income tax purposes. However, it is NOT included in the calculation of Effective Salary for Board of Pension purposes.*

LEAVE

1. **Vacation:** All calls, regardless of Full or Part-time status, shall contain a minimum vacation period of one (1) month, defined as including four (4) or five (5) Sundays. Earned vacation time must be taken within a calendar year or contract year. In unusual circumstances, earned vacation time may be carried over into the following calendar year with prior approval of the Session. All vacation time requests must be approved by the Session. For contract terms of less than one (1) year, the minimum vacation time requirement is one (1) week, including Sunday, per quarter.

2. **Sick Leave:** All calls shall provide ten (10) working days of sick leave each calendar year, cumulative up to one hundred and twenty (120) days. No compensation shall be provided for unused sick leave at the conclusion of the call or contract.

3. **Leaves of Absence:** The following policies represent a *minimum equitable policy* defining recognized Leaves of Absence. We would encourage congregations not to be limited by these terms and will respond to the need for pastoral leaves of absence responsibly, graciously, and generously. Whenever a Session grants a Leave of Absence, the Commission on Ministry shall be notified as to the time and terms agreed upon. The Commission on Ministry will, on request, provide consultative services for churches involved in problems relating to the granting of Leaves of Absence. The following are recognized types of Leaves:

    a. **Family Medical Leave:** In 2023, a change was made to the Book of Order (G-2.0804) requiring that all Terms of Call provide a minimum of twelve (12) weeks paid family medical leave. The previous *Parental Leave* policy in the Terms of Call is now included under the Family Medical Leave provision. This leave also covers other life-altering situations, such as providing care due to illness, disability, situations requiring care personally due to illness or disability, or for other situations impacting immediate family members that necessitate a time of leave. The Presbytery ***For*** Southern New Jersey recognizes there is no single definition for "family" or "immediate family member" and that the application of family leave may differ from person to person. Therefore, the Presbytery leaves the definition of qualifying family members to each Session.

    b. **Medically Certified Disability**: Pastors who are, according to certification of a licensed physician, temporarily disabled shall receive full effective salary and pension for a period of such disability, not to exceed thirteen (13) weeks, at which time, if disability continues, application may be made for disability benefits from the Board of Pensions for members of the Pension Plan. This policy shall apply to all medically certified disability, including pregnancy-related disability**.**

    c. **Voluntary Personal Leave:** In addition to the paid leave provided in the Medically Certified Disability paragraph of this policy, a Pastor may, on request, be granted up to an additional eight (8) weeks of unpaid leave for convalescence and recuperation. Also, a pastor may, on request, be granted unpaid leave of up to eight weeks for family or childcare and similar personal situations. During such voluntary leave, the church shall pay pension dues on the full effective salary specified in the call.

d. **Bereavement Leave:** Regular full-time and part-time employees are eligible for up to one (1) week of paid leave following the death of a member of their immediate family. There is no limit to the number of these leaves that may be taken if an employee has several immediate family members pass away in a calendar year. The Presbytery ***For*** Southern New Jersey recognizes there is no single definition for "family" or "immediate family member" and that the application of family leave may differ from person to person. Therefore, the Presbytery leaves the definition of qualifying family members to each Session. Additional time off may be authorized by the employer, but will be charged against available sick leave or vacation.

e. **Sabbatical Leave:** Churches should encourage the use of this leave every seven (7) years. (Refer to Appendix A for guidance on Sabbatical Leaves)

f. **NOTE:** When a Pastor or Session determines that it is time to end their relationship, the Pastor shall receive paid vacation compensation for time not used during that year or contract year, but shall not receive any sick time or continuing education time remaining. The use of the manse shall end as agreed to by the Session and the Pastor. If a Pastor ends the relationship within six (6) months of their Call, compensation shall be determined in conjunction with the Commission on Ministry.

COMPENSATION FOR OTHER PASTORAL DUTIES

PULPIT SUPPLY

Pastors supplying this service shall be paid an honorarium of $210.00 per Sunday, plus the current IRS mileage rate. The honorarium shall be increased by $50.00 per service for additional services.

SESSION MODERATION

Pastors requested to assist a congregation without an available pastor for Session and Congregational meetings shall be paid an honorarium of $85.00 for the first two (2) hours and $45.00 for each additional hour.

TERMS OF CALL SHEET FOR 2027

Effective Salary: $65,000.00 (plus Experience Adjustment Factor)
5.0847% increase in two steps:

- 2.4981% increase to $63,400 effective January 1, 2027
- 2.5237% increase to $65,000 effective July 1, 2027

Professional Expense Account: $3,000.00

Continuing Education Voucher: $1,000.00 (applies to both full and part-time calls)

Continuing Education 2 weeks (applies to both full and part-time calls)

Vacation: 1 paid month (including 4-5 Sundays)

Sick Leave: 10 paid working days

Family Medical Leave: 12 paid weeks

Pension and Medical Dues: *Full pension and medical dues are mandatory for full-time, installed Pastors serving over twenty (20) hours per week.

SECA Relief: 50% of the Pastor's total SECA obligation

These terms apply to installed, full-time Pastoral Calls. Part-time call compensation shall be prorated based on these terms unless otherwise noted.

*see benefits section above