

INTERIM PASTOR AGREEMENT

INSTRUCTIONS FOR USE OF THE INTERIM PASTOR AGREEMENT

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SECTION 1. FILLING OUT THE PASTORAL CALL FORM

- Enter the name of the Church
- Enter the Name of the Interim Minister
- Enter the beginning and ending dates of service.
- Check the services that will be performed by the Interim Minister.
- Enter the compensation package that will be provided to the Interim Minister according to the guidelines listed below.
- Date and sign the Interim Pastor Agreement in the appropriate places.

SECTION 2. FILLING OUT THE COMPENSATION PACKAGE

1. Annual cash salary - Include only cash salary. Do not include any pre-tax deductions such as a 403(b) contribution or a flexible spending account for medical and child care expenses.
2. Housing allowance - The housing allowance may not exceed the fair rental value of the home plus furnishings and utilities. *(Please note - This guideline reflects new tax legislation, effective January 1, 2002, that replaced existing tax legislation allowing clergy to claim a non-taxable housing exclusion equal to the actual housing expenses incurred in a calendar year.)*
3. Utilities Allowance - If the church pays the minister an annual allowance for utilities, this amount should be reflected as a utility allowance on line 3. If the utilities are maintained in the church's name and paid directly by the church, check the box indicating that utilities are provided- do not put a dollar amount on line 3.
4. Medical Supplement - This is a flexible spending account for medical expenses (cafeteria plan) that allows for pre-tax deductions from the employee's salary for out of pocket medical expenses.
5. Social Security Offset (greater than 7.65%) - Ministers are responsible for a social security tax that is calculated at a rate of 15.3% of Effective Salary. Churches are responsible for paying to the minister at least 50% of that amount - (7.65%). Churches that pay the minister a social security offset in excess of 7.65% should report the excess amount in box 5. *(Please note - do not enter any amounts for social security in box 5 that are 50% or less.)*
6. Deferred Income - voluntary deductions from an employee's cash salary that are deposited into a tax deferred annuity account such as a 403(b) plan.
7. Bonuses, Unvouchered Allowances, Gifts - includes cash bonuses and gifts from the employing organization. Unvouchered allowances that are paid through *non-accountable* plans such as a car or book allowance are also included. *(Please note- this is not to be confused with an accountable reimbursement plan that provides for vouchered reimbursements of travel, continuing education, and other professional expenses. Those amounts are entered onto lines 12, 14, and 15.)*
8. Other Applicable Income - includes all items that can be considered "effective salary" for purposes of calculating the Board of Pensions dues. An extended list of these can be found in Section 3 of this document.⁴

9. Value of Manse – The value of the manse should be at least 30% of the total of lines 1-9.
10. Effective Salary - total of items 1-9. This amount will be used to calculate Board of Pension dues.
11. Travel Reimbursement (vouchered reimbursable)- Per Committee on Ministry guidelines, all vouchered travel expenses should be paid through an Accountable Reimbursement Plan (ARP). See #15 of the instructions, *Other Vouchered/Reimbursable Expenses*.
12. Professional Development (vouchered reimbursable) - Per Committee on Ministry guidelines, all vouchered continuing education expenses should be paid through an Accountable Reimbursement Plan. (ARP). See #15 of the instructions, *Other Vouchered/Reimbursable Expenses*.
13. Social Security Offset (7.65% or less) - the purpose of the Social Security allowance is to provide ministers with The Church's share of their self-employment tax as prescribed in the *Minimum Standards of Compensation* for ministers in New Hope Presbytery. The Social Security allowance is calculated at a rate of 7.65% of the total effective salary reported in box 10 and includes annual cash salary, the value of the manse, utilities allowance, housing allowance, and shared housing equity. **The amount in box 13 is not included in the effective salary calculation.** (Please note- this is not to be confused with the Taxable Social Security (greater than 7.65%) that is referenced on line 5.)
14. Books/Other Professional Expenses - Per Committee on Ministry guidelines, all vouchered book and other professional expenses should be paid through an Accountable Reimbursement Plan. (ARP). See #15 of the instructions, *Other Vouchered/Reimbursable Expenses*.
15. Other Vouchered/Reimbursable Expenses - Per Committee on Ministry guidelines, all vouchered travel, professional development/continuing education and book/other professional expenses should be paid through an Accountable Reimbursement Plan. (ARP). These amounts should be included on the *Accountable Reimbursement Plan* line on line 21 under *Other Vouchered/Reimbursable Expenses*. All expenditures charged through the ARP need to be mutually agreed upon at the time of the Call/Change in Terms of Call. It is recommended that the church draft an agreement outlining the type of expenses to be included in the ARP. (A sample ARP can be obtained from the Presbytery's website- <http://www.nhpresbytery.org/pdf/Arp.pdf>). Other vouchered expenses that are paid through an accountable plan with the exception of expenses vouchered through a flexible spending account for medical or child care expenses. An extended list of these can be found in Section 3 of this document. *IRS Standard Mileage Rate effective 01/01/14 is 56 cents per mile*
16. Board of Pensions- Dues are calculated based upon the total effective salary reported in box 10. Complete dues information can be found at: <http://www.pensions.org>. Basic dues information is as follows:

2014 Dues Information
Effective January 1, medical dues for members working 35 hours per week or more will be calculated upon 23% of the greater of the minister's effective salary or \$42,000 . For members working less than 35 hours per week, medical dues of 23% will be calculated upon the greater of the equivalent full-time effective salary or the minimum participation basis of \$42,000 . Please note: Retired ministers engaged in post-retirement service do not pay medical dues.
<i>Equivalent Full-Time Effective Salary</i> is calculated as follows: 1. Multiply the annual salary by 35. 2. Divide the result by the hours worked per week
Medical dues are capped at 23% of \$124,000
Pension dues are calculated upon 12% of the minister's effective salary or \$13,625 , whichever is greater. <i>This rule also applies to ministers engaged in post-retirement service.</i>
Pension dues are capped at 12% of \$255,000 for 2014.

17. Paid Vacation Leave- paid vacation is provided to the minister. The Presbytery's *Minimum Compensation Standards for Ministers* currently call for four weeks paid vacation.
18. Paid Continuing Education Leave- paid continuing education leave is provided to the minister. The Presbytery's *Minimum Compensation Standards for Ministers* currently call for two weeks paid vacation.

19. Moving Expenses - the cost of moving the minister is provided by the church issuing the Call.
20. Total Compensation Package - total of lines 1-9 and 11-16.
21. List of Other Applicable Income and Other Vouchered Reimbursable Expenses: (a more comprehensive listing can be found under *Section 3 - Definition of Effective Salary*.
 - Shared housing equity - the purpose of a shared housing equity is to compensate ministers living in a manse for the loss in equity appreciation they would otherwise realize as homeowners.
 - Flexible Spending Acct. for Child Care Expenses - This is a flexible spending account for child care expenses (cafeteria plan) that allows for pre-tax deductions from the employee's salary for out of pocket child care expenses.

SECTION 3. Definition of EFFECTIVE SALARY

Effective Salary is any compensation paid to an employee by the employing organization that is subject to Board of Pensions dues. The more common examples of compensation are listed below. For a complete listing you may visit the Board of Pensions website at <http://www.pensions.org/library/publications/publications/pln-103.pdf> and view a copy of the *Understanding Effective Salary* booklet.

Are the following types of compensation included in effective salary?

Form of Payment	Yes	No
Annual Cash Salary	Full amount of cash salary	
Book Allowance	Paid through a <i>non-accountable reimbursement plan</i>	Paid through an <i>accountable reimbursement plan</i>
Bonuses	Adjustments to the effective salary are made when bonuses are paid to the employee	
Car Allowance	Paid through a <i>non-accountable reimbursement plan</i>	Paid through an <i>accountable reimbursement plan</i>
Co-Insurance Payments and Deductible Reimbursements	Co-insurance and deductible payments are made through a flexible spending account.	Co-insurance and deductible amounts are paid or reimbursed as part of an employing organization group coverage.
Continuing Education	Paid through a <i>non-accountable reimbursement plan</i>	Paid through an <i>accountable reimbursement plan</i>
Deferred Compensation	Voluntary deductions for 403(b) and other types of annuity arrangements	
Housing Allowance	Allowances given for housing-related expenses and appurtenances	
Insurance Premiums	Premiums for <i>individual policies</i> and <i>optional benefits</i> under the Board of Pensions Plan	Group coverage provided by an employing organization, including the Board of Pensions plan
Manse Value	Manse value calculated at a rate of at least 30% of all other compensation included in effective salary	
Social Security Reimbursement	Social security reimbursements for <i>more than 7.65%</i> of the social security obligation	Social security reimbursements for <i>7.65% or less of the social security obligation</i> .
Shared Housing Equity	Compensates ministers living in a manse for the loss in equity appreciation they would otherwise realize as homeowners.	
Tax Deferred Annuity	Pre-tax contribution by the employee to a 403(b) or other tax deferred account	
Utilities Allowance	Utility allowance is paid directly to the minister	Utilities are maintained in the name of the church and paid directly by the church

SECTION 4. 2014 MINIMUM STANDARDS OF COMPENSATION

WITH MANSE

1.	Annual Cash Salary + Utilities Allowance + Taxable Medical Supplement + Deferred Income + Unvouchered Allowances + Other Applicable income.....	\$27,760
2.	Manse Value ⁽²⁾ (Manse value is based upon a minimum of 30% of the total effective salary: Annual cash salary + Utilities Allowance + Taxable Medical Supplement + Deferred Income + Unvouchered Allowances + Other Applicable Income.)	8,255
3.	Social Security Offset..... (7.65% of all effective salary ⁽³⁾ including manse value, utilities allowance, taxable medical supplement, deferred income, unvouchered allowance, and other applicable income)	2,737
4.	Shared Housing Equity.....	759
5.	Board of Pensions Benefits Plan..... (Computed on the basis of effective salary at the following rate: Medical: \$42,000 * 23%= \$9,660 + Pension: \$35,774 * 12%= \$4,293. (Refer to instructions for minimum and maximum dues information)	13,953
6.	Accountable Reimbursement Plan (ARP).....	3,000
7.	Vacation.....	four weeks
8.	Continuing Education.....	two weeks
	Total	55,464

WITHOUT MANSE

1.	Annual Cash Salary + Housing ⁽²⁾ + Taxable Medical Supplement + Deferred Income + Unvouchered Allowances + Other Applicable Income ⁽²⁾ (The amount designated for the housing allowance may not exceed the fair rental value of the home plus furnishings and utilities.)	\$35,774
2.	Social Security Offset..... (7.65% of all effective salary ⁽³⁾ including housing, utilities allowance, taxable medical supplement, deferred income, unvouchered allowance, and other applicable income)	2,737
3.	Board of Pensions Benefits Plan..... (Computed on the basis of effective salary at the following rate: Medical: \$42,000 * 23%= \$9,660 + Pension: \$35,774 * 12%= \$4,293. (Refer to instructions for minimum and maximum dues information)	13,953
4.	Accountable Reimbursement Plan (ARP).....	3,000
5.	Vacation.....	four weeks
6.	Continuing Education.....	two weeks
	Total	55,464

(1) Minimum Compensation Standards for Ministers - Minimum compensation is the minimum amount that a starting pastor should receive and does not take into account the pastor's education, experience, proficiency, abilities or needs beyond those required for ordination. G-14.0507e.

Extended Study (Sabbatical) Leave- it is recommended that churches give pastors and educators who have completed five years of credited service at his/her current church or field a maximum of four months extended study leave. This leave may be taken in conjunction with earned vacation leave but may not be combined with annual study leave. A detailed description of this policy may be obtained at the presbytery's web site <http://www.nhpresbytery.org> in the Forms and Publications section

Presbytery of New Hope Interim Pastor Agreement

The following agreement between the session of _____ Presbyterian Church and the Reverend _____ is for the purpose of providing interim pastoral services to _____ Presbyterian Church within the bounds of The Presbytery of New Hope. The Reverend _____ will be designated Interim Pastor of _____ Presbyterian Church.

Beginning: _____ Ending: _____

The Interim Pastor: (Term no more than 12 months at a time-(*Book of Order* - G-14.0513b.)

- Is a member of this Presbytery
- Will serve as moderator of the session

He/She shall:

- _____ Lead worship and preach each Sunday.
- _____ Do pastoral calling on sick, shut-ins and prospective members.
- _____ Officiate at weddings and funerals as requested.
- _____ Plan and moderate session and congregation meetings.
- _____ Work with boards and committees to assist them in carrying out their assigned duties.
- _____ Train newly elected officers.
- _____ Perform other administrative duties as requested by session.
- _____ Will serve as head of staff
- _____ Will assist in preparation of the Church Information Form and a Self Study

GOALS FOR THIS MINISTRY SHALL BE:

1. Help the congregation examine their past history and work through the grief/relief process which usually follows the loss of a minister.
2. Enable the congregation through a goal setting process thereby developing a vision for the future.
3. Clarify skills needed by the future minister to insure clarity of role and expectations.
4. Examine denominational linkage with the Presbytery, Synod and General Assembly and the resources that might be available from them.
5. Prepare the congregation for the arrival of the new minister.

During the length of the agreement, the interim pastor will be accountable to the Presbytery through the Committee on Ministry. At the end of the agreement, this Church Session agrees to review and evaluate the interim pastor's work.

It is understood that the Interim Pastor will not be involved in any way with the search or selection of the new pastor. Any suggestions the Interim Pastor has to make are to be submitted to the Committee on Ministry.

It is understood that the Reverend _____ has agreed not be a candidate for the pastoral office of this Church and in every way will seek to prepare the way for the coming of the installed pastor. (BOO) G14.0513b.

This agreement is for a period of _____ months, but may be terminated by the Session upon 30 days written notice. The Interim Pastor may terminate the agreement with a 30 day written notice and forfeiture of any payment beyond that period. This contract and the work of the pastor will begin on the following date: _____

TERMS

The Interim Pastor is employed on a full time basis, serving approximately 13 work units per week (a work unit is the major part of a morning, afternoon or evening). He/She will be compensated for interim pastoral services as follows:

1.	Annual Cash Salary	\$	11.	Travel Reimbursement (vouchered reimbursable)	
2.	Housing Allowance	\$	12.	Professional development (vouchered reimbursable)	
3.	Utilities Allowance - or - <input type="checkbox"/> provided	\$	13.	Social Security Offset (7.65% or less)	\$
4.	Medical Supplement (flexible spending account for medical expenses)	\$	14.	Books/Other Professional Expenses	
5.	Social Security Offset (greater than 7.65%)	\$	15.	Other Vouchered/Reimbursable Expenses (see line #21) ⁽¹⁾	\$
6.	Deferred Income (Annuity, Life, Retirement Savings, etc.)	\$	16.	Board of Pensions Dues	\$
7.	Bonuses, Unvouchered Allowances, Gifts	\$	17.	Paid vacation leave of _____ weeks annually.	
8.	Other Applicable Income (see line #21) ⁽¹⁾	\$	18.	Paid continuing education leave of _____ weeks annually.	
9.	Manse (must be at least 30% of the total of the preceding items for BOP members who qualify for the IRS housing allowance exclusion)	\$	19.	Moving Expenses Provided	
10.	Total Effective Salary	\$	20.	Total Compensation Package	\$

⁽¹⁾ **21. List of Other Applicable Income and Other Vouchered Reimbursable Expenses:**
(see #8 and #15 of the instructions for additional information on other income and expenses.)

Other Applicable Income		Other Vouchered/Reimbursable Expenses	
Shared Housing Equity	\$	Accountable Reimbursement Plan	\$
Flexible Spending Acct. for Child Care Exp.	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
Total Appl. Income (place total on line 8)	\$	Total Vouchered Exp. (place total on line 15)	\$

Date _____ Signature _____
Clerk of Session

Date _____ Signature _____
Moderator of Session

The above Agreement has been reviewed and approved by the Committee on Ministry.
Date _____ Signature _____

The above agreement has been approved by presbytery.
Date _____ Signature _____
Stated Clerk

This is to certify that I have received and accepted the terms of this Agreement to serve as Interim Pastor of _____ . I understand as an Interim Pastor I do not have any desire to be called as the Installed Pastor.

Date _____ Signature _____
Interim Pastor

The terms of this Agreement may be renegotiated by the Session and the Interim Pastor, both in relationship to the duties and compensation and the length of service, upon review by the Committee on Ministry and approval of presbytery.