

## PC(USA) Board of Pensions announces pricing for new benefits structure

BoP new benefits structure unbundles family coverage from pastoral health care options.

BY **GREGG BREKKE**

PUBLISHED: APRIL 3, 2024 | UPDATED: APRIL 8, 2024



Have a comment on this story? [Write to the editors.](#)



Photo by Josh Eckstein on Unsplash

### What you need to know...

- The 2025 Congregational Pastors Package prices health care at 16% of the effective salary with an additional 10% for defined benefit pension, death and disability insurance, long-term disability insurance and employee assistance, for a total of 26%.
- As a comparison, the current plan, which covers a pastor in addition to all dependents, is priced 29% of the effective salary for health care and 10% for income protection benefits, for a total of 39%.
- Dependent health coverage is now optional and no longer mandated to be paid by the church.



Philadelphia — The Board of Pensions (BoP) of the Presbyterian Church (U.S.A.) announced pricing for its [recently approved benefits structure](#) following more than a year of discussion with leaders from around the church. The most significant change is for coverage provided to pastors as is required by the *Book of Order*.

The board of directors approved the following structure for benefits beginning January 1, 2025:

- Congregational Pastors Package – full health care and defined benefit pension as required by the PC(USA) *Book of Order* for teaching elders. This benefit will be extended to commissioned pastors sanctioned for congregational minister by their presbytery.
  - Required non-contributory (dues paid by the church) coverage for minister.
  - Optional medical coverage for family members on a contributory (dues paid by church and/or member) basis.
- Covenant Package (replaces Minister’s Choice): pension, death and disability insurance provided on a non-contributory (paid by church or employer) basis for all employees of church or church-related entities working 20 hours or more per week.
- Transitional Pastors Participation Package: designed as a subsidized bridge to the Congregational Pastors Package, it replicates the existing Pastor’s Participation plan until it is phased out in 2027.

The 2025 **Congregational Pastors Package** prices health care at 16% of the effective salary with an additional 10% for defined benefit pension, death and disability insurance, long-term disability insurance and employee assistance, for a total of 26%. As a comparison, the current plan, which covers a pastor in addition to all dependents, is priced 29% of the effective salary for health care and 10% for income protection benefits, for a total of 39%.

Dependent health coverage is now optional and no longer mandated to be paid by the church. For a pastor and spouse, a pastor with one or more children, and a pastor with a family – the plan is priced as follows:

<i>Health Coverage</i>	<i>Price</i>	<i>Combined Min.</i>	<i>Combined Max</i>
Pastor-only	16%	\$6,000	\$17,000
Pastor + child(ren)	16% + \$8,950	\$14,950	\$25,950
Pastor + spouse	16% + \$11,000	\$17,000	\$28,000
Pastor + family	16% + \$20,600	\$26,600	\$37,600

“[This new benefits structure] represents a substantial change from what has been in place for 40 years,” said Margaret Fox, chair of the BoP board of directors and associate pastor for adult ministries at Westminster Presbyterian Church in Minneapolis, Minnesota. “A big part of that is recognizing the changing realities of the church ... We’ve been paying attention to who’s been excluded from installed positions and which congregations are struggling because they can’t afford installed pastoral leadership.”

When the existing plan was conceived in the 1980s, church leadership was comprised of mostly male clergy with families, where a spouse and children depend on the clergy person for benefits. Data collected by the BoP over the past several years verified assumptions about the changing nature of clergy and the family structure. Of those enrolled in Pastor’s Participation in 2024:

1. Fewer than half (46%) are a clergy person with a spouse and children.
2. More than a quarter (28%) are a clergy person with a spouse and no children.
3. Single persons comprise 20% of participants.
4. The remaining 6% are clergy with children only and no spouse.

Added to these statistics is a decline in installed pastoral leadership in PC(USA) congregations. For the first time, in 2023, fewer than half of PC(USA) congregations had installed pastors. In 2024, 59% of congregations no longer have installed pastoral leadership. Only 30% of congregations with 150 or fewer members have installed leadership. In Black congregations, regardless of size, just 20% had installed pastoral leadership. The cost of required benefits for installed clergy is one of several factors in these numbers.

Another equity issue discovered in the BoP’s research was that of the 4,219 ministers ordained in the PC(USA) since 2007, 1,269 have never received BoP benefits. A majority of those excluded from benefits – 63% – are women.

“The point was our dues system is set up for full family coverage, and not even half the ministers are utilizing that,” said Frank Spencer, president of the Board of Pensions. “When you take all of that together – declining installation of ministers, ministers being systematically excluded from

make.”

For church employees working 20 or more hours per week, the **Covenant Package** replaces the Minister’s Choice plan and provides non-contributory (church or ministry paid) defined benefit pension, death and disability insurance, long-term disability insurance and employee assistance at 10% of the employee’s effective salary.

## Transitional plan

For ministers and churches that want to remain on the pre-2025 health plans, a three-year **Transitional Pastor’s Participation Package** is available. It provides full family coverage on a non-contributory (church-paid) basis for currently installed teaching elders who are enrolled in Pastor’s Participation as of December 31, 2024, as a subsidized transition to the Congregational Pastors Package.

Pricing for the Transitional Pastor’s Participation Package is as follows:

	2025	2026*	2027*
Health Care Dues	33%	37%	41%
Minimum	\$15,000	\$18,000	\$21,600
Maximum	\$43,000	\$50,000	\$57,000

The BoP noted the 2026 and 2027 rates (\*) are minimums subject to future board of directors’ approval. Income protection benefits of defined benefit pension, death and disability insurance, long-term disability insurance and employee assistance are an additional 10% of effective income.

## Changing the conversation

Under the existing benefits structure, churches and families didn’t have much to talk about, other than if the church could afford the costs associated with supporting an installed pastor. The new benefits structure changes those conversations, requiring pastors and churches to look at their individual needs and what that means financially for each person or congregation.

“It’s going to be important for people to actually work through the numbers,” Spencer said. “That’s what most Americans do. Most Americans – married couples, people living together – each get their coverage from their employer. And then you sit down at the table, and you say, ‘OK, whose insurance is cheaper to put the kids on?’”

An online calculator will be available on the BoP’s Benefits Connect portal in time for congregational leaders to decide their employer agreements this fall. For a quick cost calculation across current and future plan options, preview pricing on [this Google worksheet](#).

Spencer acknowledges pastors in the Pastor’s Participation plan have voiced concerns that their congregation will discontinue non-contributory family coverage if it isn’t bundled into mandated pastor’s benefits.

“The only appropriate Christian stance to take is that we trust our siblings in Christ to make the best decision they possibly can in their context,” he said, noting the concern was also raised when benefits choice was introduced to church employees seven years ago. “But it didn’t happen. In fact, congregations enrolled 1,000 more employees over the last five years.”

*This story has been updated. We originally published \$25,500 in the “Combined Max” column for “Pastor + Child(ren).” The correct number is \$25,950.*



### **GREGG BREKKE**

Gregg Brekke is an award-winning photojournalist and writer dedicated to telling stories of justice and faith.