

## 2025 PNNE Policy Minimum Compensation for Congregational Pastors

Congregations of the Presbytery of Northern New England shall adhere to the following practices when setting compensation for pastoral service. **It is recommended that all pastors' compensations be increased by 3% for 2025 in concurrence with the most recent and accurate COLA estimates.**

| <b>I. Effective Salary</b>   | 2024            |                 | 2025            |                 |
|--|-----------------|-----------------|-----------------|-----------------|
| a. Cash Salary, Housing Allowance, & Deferred Compensation (e.g., 403b, Flexible Spending Accounts or Health Savings Accounts) |                 |                 |                 |                 |
| b. Self-Employment Contribution Act Reimbursement<br>(Any portion over 7.65% of Effective Salary)                              |                 |                 |                 |                 |
| <b>TOTAL EFFECTIVE SALARY*</b>   | <b>\$46,625</b> |                 | <b>\$48,024</b> |                 |
|  |                 |                 |                 |                 |
| <b>II. Benefits</b>  |                 |                 |                 |                 |
| a. BOP Medical Portion of Effective Salary**   | 29%             | \$13,521        | 33%             | \$15,848        |
| b. BOP Pensions Portion of Effective Salary  | 8.5%            | \$3,963         | 10%             | \$4,802         |
| c. BOP Death/Disability Portion of Effective Salary  | 1%              | \$466           |                 |                 |
| d. BOP Temporary Disability Plan Portion of Effective Salary   | 0.5%            | \$233           |                 |                 |
| e. Social Security Reimbursement Portion of Effective Salary   | 7.65%           | \$3,567         | 7.65%           | \$3,674         |
| <b>TOTAL BENEFITS</b>  |                 | <b>\$21,751</b> |                 | <b>\$24,324</b> |
|  |                 |                 |                 |                 |
| <b>III. Reimbursed Expenses (as designated by the pastor)</b>  |                 |                 |                 |                 |
| a. Medical Deductible contribution to group HRA***   |                 | \$660           |                 | \$660           |
| b. Study Allowance Reimbursed  |                 | \$1,000         |                 | \$1,000         |
| c. Professional Expenses (Vouchered & Reimbursed)  |                 | \$1,500         |                 | \$1,500         |
| Auto Reimbursement at IRS rate   |                 |                 |                 |                 |
| Business Expenses (books, dues, etc.)  |                 |                 |                 |                 |
| <b>TOTAL REIMBURSEMENTS</b>  |                 | <b>\$3,160</b>  |                 | <b>\$3,160</b>  |
|  |                 |                 |                 |                 |
| <b>GRAND TOTAL MINIMUM TERMS OF CALL</b>   |                 | <b>\$71,536</b> |                 | <b>\$75,508</b> |

\* PNNE Minimum Effective Salary does not account for years of service. An additional 2-3% increase for every five years of experience is recommended. Manse value is considered 30% of this total by the Board of Pensions. Cash housing allowance is flexible, but must reflect actual expenses of operating the home.

The Federal increase is estimated at 3% for 2025. COM is aware that rates used in the past have been under the COLA rate to avoid creating undue hardship for churches. 3% seemed to be fair to pastors adjusting to the Cost of Living and Inflation over the last few years without creating too much of a financial burden on congregations. Please consider this recommendation as a minimum and provide any additional increase that your church is able to provide.

\*\*BOP requires that minimum Traditional Pastoral Participation medical dues are \$15,000, based on Effective Salary (as defined above), which if purchased from the BOP, even if part time, must meet minimum dues. Maximum dues are \$43,000. Social Security (SECA), Pension, and Death/Disability are based on Effective Salary.

The BOP requires all congregations to enroll installed pastors in the BOP for at least single coverage (Congregational Pastors Package, minimum dues \$6,000). The decision to elect spousal coverage and family coverage is optional. Any savings from single pastoral coverage shall be allocated as recommended by the pastor (for example funds may be allocated toward more mileage, group Health Reimbursement Accounts (HRA), study, books, business expense, study leave, etc.). Spouses/Families may find other medical insurance through a spouse's employment or other plans like ACA coverage.

Cost of medical dues if purchased separately in 2025:

|   |                           |             |
|---|---------------------------|-------------|
| Pastor alone: 16% of Minimum ES = \$7684      | Combined min. dues\$6,000 | Max. 17,000 |
| Pastor plus child/ren: 16% plus 8950 = 16,634 | 14,950                    | 25,950      |
| Pastor plus spouse: 16% plus 11,000 = 18,684  | 17,000                    | 28,000      |
| Pastor plus family: 16% plus 20,600 = 26,600  | 26,600                    | = 36,600    |

\*\*\* The setting aside of a Medical Reimbursable amounts is optional. As an alternative from requiring a medical deductible amount paid by the church, employees may opt for contributions to Health Reimbursement (HRA), as approved by session. Such accounts can be used for a wider array of medical/health expenses. There is also a tax advantage for the pastor in a HRA arrangement. 2025 medical deductibles may be reduced by completing Call to Health. **For more information on Effective Salary and the list of options, please visit the Board of Pensions website, [www.pensions.org/pin-103](http://www.pensions.org/pin-103).**

## OTHER REQUIREMENTS

New and existing full-time calls are required to meet the standards of the 2025 Policy on Minimum Compensation for congregational pastors. Part time calls prorate the Grand Total Minimum Terms of Call, based on a percentage of 40 hours for full time. For example, in 2025 half time minimum compensation would meet or exceed \$37,753 (50% of \$75,508).. Calls and contracts shall be reported to COM as sessions or congregations approve them.

**Annual Leave.** Four weeks of vacation (including 4 Sundays); and two weeks of study leave (including 2 Sundays) are required for all calls and are prorated if Part time e.g. half time employees would receive 4 weeks of leave at the usual pay of half time salary)• Study Allowance and Leave may be accumulated for up to three years by Session action.

**Leaves of absence** with pay should be discussed with the pastor at the beginning of the contract period and written down – following Session policy or in the contract -- and presented to COM with the contract. It should include consideration of issues such as: Sick leave, Jury duty, Death in immediate family, Personal or family emergencies, and Maternity/Paternity leave.

**Sabbaticals.** PNNE strongly recommends to the sessions of its churches that Pastors and Church Educators be granted a compensated sabbatical of at least three (3) months after six (6) years of service to an individual church and then on a regular rotation after continued 6 years of service.

**Tentmakers.** Congregational pastors who are approved by COM as Tentmakers, whose primary means of support is from other sources of income, are not subject to this policy. Compensation should keep in mind the need for benefits. Annual contracts shall be approved by COM (including 4 weeks of vacation and 2 weeks of study leave.)

**Moderators and Pulpit Supply.** Congregations shall pay an outside moderator a minimum of \$125 (compensation and travel expenses included) and pulpit supply a minimum of \$200, and in the case of multiple services, \$75 for each additional service, plus mileage at the current IRS rate.