

## REFERENCE GUIDE



*...whatever you do, in word or deed, do everything in the name of the Lord Jesus, giving thanks to God the Father through him. –Colossians 3:17 NRSV*

## Reference Guide

### Policies, Guidelines and Protocols (and Where to Find It)

Clergy Continuing Education & Clergy Vacation	Missouri Annual Conference Journal 2017, Standing Rule 406.00; See also ¶350 in the 2016 Book of Discipline
Employee Assistance Program (EAP)	Log into the HealthFlex/WebMD website with username and password. Under the “Benefits” drop-down menu, choose “Live and Work Well.” United Behavioral Health 1-800-788-5614
Guidelines and Recommendations for Church-Provided Residences	Missouri Annual Conference Journal 2017 F23-24
Minimum Salary and Salary Supplement	Missouri Annual Conference Journal 2017, F20
Moving Company Estimates	Missouri Annual Conference Journal 2016, F41 (The responsibility lies with the pastor to obtain at least 2 bids from licensed moving companies.)
2016 Moving Policy (2017 rates are the same as 2016)	Missouri Annual Conference Journal 2016, F41
Policy on Parsonage & Cash Housing Allowances	Missouri Annual Conference Journal 2017, F22

## Policy on Parsonage & Cash Housing Allowances

The parsonage system is central to our system of itinerancy. The itinerancy system is central to our understanding of pastoral ministry in the United Methodist Church for full-time ordained elders. “The itinerant system is the accepted method of The United Methodist Church by which ordained elders, provisional elders, and associate members are appointed by the Bishop to fields of labor. All ordained elders, provisional elders, and associate members shall accept and abide by these appointments.” (§338, The Book of Discipline 2012) The parsonage system works to provide congregations and pastors with a greater flexibility in the appointment of pastors to suit the needs for pastoral leadership in particular places at particular times. In certain areas of Missouri, the housing norm for clergy who are serving in a full-time appointment in the Missouri Annual Conference is a parsonage that fits the Guidelines for Church-Provided Residences; other areas of Missouri may consider housing allowances as these areas are more transitional/homes can be purchased or sold more easily. When a charge does not provide a parsonage that meets the conference’s parsonage guidelines, District Superintendents may initiate conversations for considering alternative housing or a housing allowance for the clergy appointed. If a pastor declines to live in a parsonage that meets the guidelines, the church is under no obligation to provide alternative housing or housing allowance.

If a housing allowance is provided in lieu of a parsonage, these guidelines are to be followed:

1. Negotiations to establish a housing allowance in a charge will include:
  - a. The pastor
  - b. The pastor/staff-parish relations committee chairperson
  - c. The committee on finance chairperson
  - d. The trustees chairperson
  - e. The district superintendent

The purpose of these negotiations is to develop a clear understanding by all parties as to the arrangements mutually acceptable. Final arrangements must have the approval of the church/charge conference and the district superintendent.

2. A housing allowance should be based on the rental value of an average home in the parish setting that meets the Conference’s Parsonage Guidelines.
3. If the pastor chooses to live outside the community(ies) served, s/he must receive consent of the district superintendent, in consultation with the pastor-parish relations committee.
4. The charge conference shall annually approve the housing allowance and shall not have the authority to reduce the allowance without re-negotiation and approval as set out in item #1 above. Upward adjustments in the housing allowance would be part of an annual process of review and recommendation initiated by the staff/pastor-parish relations committee.
5. A written record of the housing allowance agreement shall be signed by the pastor, PPR chairperson, Trustee chair, Finance Chair, and District Superintendent (with each keeping a copy of the agreement). The agreement should state the amount allowed per month, and a statement that the arrangement for a housing allowance in lieu of a parsonage shall not hinder participation in itinerancy for future appointments.
6. The Charge Conference has the option to change to a parsonage provision at the time of changes in pastoral appointments.

Other policies regarding parsonages:

- A. The incoming pastor shall have no obligation to purchase the house of his/her predecessor.

- B. If a charge needs to purchase a parsonage for an incoming pastor, a temporary housing allowance shall be negotiated (as described in item #1) until the new parsonage is ready, and any extra moving costs associated with these temporary arrangements shall be the responsibility of the local church.
- C. If, after living in a parsonage, the pastor requests and the charge agrees to a housing allowance, the cost of moving to another home shall be paid by the pastor. If the charge requests a change to a housing allowance and the pastor agrees, the moving cost shall be borne by the charge.
- D. No assets from the sale of a church-owned parsonage shall be used for current operating expenses of the charge (§2543.1 The Book of Discipline 2012). Any such sale of a church-owned parsonage must include consent of the pastor, district superintendent, district board of church location and building, and the charge conference (§§2542-2544 The Book of Discipline 2012).
- E. If a church-owned parsonage is sold on behalf of a charge with full-time pastoral leadership, a restricted fund account shall be established for the purpose of maintaining a down payment for another parsonage. It is also recommended that the minimum for this restricted account will equal 20% of the cost of a home in the community that meets conference parsonage standards. This restricted fund shall be maintained for at least 10 years if it remains full-time. If at that time the charge determines that it intends to continue providing a housing allowance rather than a parsonage, the restricted account may be released according to the requirements of the Book of Discipline.

If a church owned parsonage is sold on behalf of a charge with less than full-time pastoral leadership, a restricted fund may be established, but is not required. The proceeds of the sale must adhere to the requirements of the Book of Discipline.

## **Guidelines and Recommendations for Church-Provided Residences**

These minimum parsonage guidelines are intended to provide clergy housing that meets safety, codes, good building practices and comparable community living standards. These minimum guidelines are specifically for full-time pastors, whether a church owns or rents the parsonage.

- Appliances: Laundry (washer and dryer) and Kitchen (oven/stove, refrigerator including freezer compartment and dishwasher) appliances provided in good condition
- Bathrooms: At least two full baths with modern fixtures, and at least one shower
- Bedrooms: Minimum of three bedrooms (each at least 120 square feet), with adequate closets in each
- Design: Neutral colors and versatile design used throughout the home, including floor covering, wall colors and major appliances
- Dining: Adequate dining space for family and guests
- Electrical Wiring: Adequate outlets in all rooms, lighted stairways, meets National Electrical Code, and outside lighting where needed
- Flooring: Adequate, safe, easy care flooring. Consider hardwood, laminate or other flooring to avoid allergies
- Garage: Two car garage, with opener if possible
- Heat, Air Conditioning and Energy Efficiency: Central heat and air conditioning, adequate insulation in walls and ceilings, and energy efficient major appliances (furnace, air conditioner, water heater)
- Humidifier/Dehumidifier (if needed) provided
- Kitchen: Includes adequate work space, sufficient storage space, and garbage disposal

- Landscaping: Yard with adequate drainage and attractive landscaping
- Living Space: Adequate, comfortable space for accommodating guests
- Location: Encourage parsonage to be within reasonable proximity to the church served, provide privacy for the parsonage family, and not next door to the church
- Pastor's Study: Preferably the pastor's study is in the church, however if the study is in the home there should be a separate clearly marked outside entrance and separate doorbell
- Plumbing: Water heater, easy access for repairs, adequate plumbing with provisions to prevent freezing in winter, and sump pump where needed
- Safety features: Smoke/carbon monoxide detector(s) in sleeping area, fire extinguisher in cooking area, dead bolt locks on outside doors, outside lighting, and adequate fire exits
- Storage: Minimum 120 square feet in sealed, dry basement, utility room, walk up attic or building near the residence.
- Window Treatments: Shades, privacy curtains or Venetian blinds on all windows

The Church is responsible for:

1. Providing a full-time pastor with a parsonage that meets the minimum guidelines. If there are questions/concerns, the PPR chair and/or pastor should consult with District Superintendent.
2. An annual inspection of the parsonage, made by (at least) the Trustee chair, PPR chair, and pastor (2012 Discipline, paragraph 2533.4). Report of this inspection is to be sent, by March 1 of each year, to the respective district office and to the chair of the local church Trustees.
3. An inspection should be made annually on every church owned parsonage, whether the pastor lives in it or it is used in other ways (including renting).
4. Adequately budgeting for routine maintenance/repairs and needed major improvements to the parsonage. (Recommend minimum of 2.5% of the parsonage's replacement value to be provided in annual budget, with excess to accumulate for future replacement.)
5. Provide timely maintenance/repair on items reported by pastor/annual inspection.
6. Consult with parsonage family in selection of appliances, furnishings, color schemes and equipment.
7. Respect the rights and privacy of the parsonage family.
8. Provide insurance on residence and church-owned furnishings.
9. A residence book (file) is to be permanent in each residence which includes guarantees, repair lists, instructions for use of equipment, when/where equipment was purchased, whom to call for various reasons, where to find various items and when/by whom various improvements were made.
10. At any change of pastors, the Trustee Chair and PPR chair are to make inspection of the parsonage with the pastor, noting repairs that need to be made, normal wear and tear, and damages for which the parsonage family is responsible.
11. Within a month of a new pastor moving into the parsonage, the Trustee Chair and PPR Chair are to re-inspect the parsonage with the new pastor and sign the "Parsonage Use Agreement", keeping a copy in the church and sending copy to District Superintendent.

The Pastor is responsible for:

1. Respecting the property.
2. Routine care of lawn and shrubbery.
3. Insurance on personal effects.

4. Arranging an annual Inspection of the parsonage, made by (at least) the Trustee chair, PPR chair, and pastor; this is to be completed by March 1 of each year, with a copy of the inspection report sent to the respective district office and chair of the local church Trustees. When an inspection is not done, the pastor waives protection from blame on any damage found.
5. Promptly reporting needed repairs.
6. Requesting of the Trustees (in advance) any changes the parsonage family wishes to make to the structure or design of the parsonage (including painting).
7. Restitution for damages done by family or pets (outside of normal wear and tear).
8. Leaving the property clean when moving out.
9. Adding to the residence book (file) which is to be permanent in each residence which includes guarantees, repair lists, instructions for use of equipment, when/where equipment was purchased, whom to call for various reasons, where to find various items and when/by whom various improvements were made.
10. Before moving out of a parsonage, the pastor shall invite the Trustee Chair and PPR chair to make an inspection of the parsonage, noting repairs that need to be made, normal wear and tear, and damages for which the parsonage family is responsible.
11. Within a month of moving into the parsonage, the new pastor shall invite the Trustee Chair and PPR Chair to re-inspect the parsonage and sign the "Parsonage Use Agreement," keeping a copy in the church and sending copy to District Superintendent.

Any new parsonage construction or purchase shall:

- meet or exceed local building codes or FHA Minimum Property Standards or a nationally recognized building code;
- use passive solar where practical; and
- meet new construction accessibility requirements as set forth in the 2012 Book of Discipline 2544.4d. A fully accessible bedroom, bathroom and utility area on the ground-floor are required.

## **2018 MOVING POLICY**

*Effective June 10, 2018*

The Missouri Annual Conference shall be responsible to reimburse local churches a reasonable amount for the moving expenses of full-time pastors under appointment who have annuity claim with the Annual Conference. A Moving Expense Fund shall be established for this purpose. It shall be the responsibility of the pastor undergoing the move to obtain at least two bids from licensed moving companies. These bids shall be reviewed in consultation with the Staff-Parish (Pastor-Parish) Relations Committee of the receiving church or charge before a contract for the move is issued. The local church or charge shall have a maximum obligation of \$5,000 for the pastor's move. Moving costs above this amount shall be negotiable between the pastor, receiving local church or charge, and the district superintendent of the district into which the pastor is moving. If the pastor is doing the move with rental equipment, bids are not necessary.

A local church or charge may apply to the Annual Conference for up to \$1,500 of the incurred moving expenses per full-time pastor. Reimbursable costs will include professional moving costs or the cost of truck rental, labor and related expenses. The Annual Conference will not provide reimbursement for food or lodging. Adequate documentation must accompany the application and reimbursement must be requested within six months of the move. For moves over 150 miles, a special grant may be given from the Conference with proper documentation.

When two pastors are moving to two charges on the same moving bill, each charge will pay 50% of the moving cost unless otherwise negotiated. Each charge may apply for up to \$1,500 of the moving expense incurred by the charge. The charges shall work together to make the necessary arrangements for paying the moving bill. The district superintendent(s) shall facilitate any necessary negotiations between the charges.

In order to qualify for the moving expense reimbursement, the local church or charge shall have paid 100% of conference apportionments for the prior year. If the local church or charge has not paid 100%, then the reimbursement will be made at the percent of conference apportionments paid for the prior year. In a multi-point charge, each church shall receive reimbursement at the respective percent of conference apportionments each church paid for the prior year.

For full-time pastors accepting extension ministry appointments with annuity claim on the Annual Conference, the Annual Conference will reimburse the receiving appointment under these same rules.

For full-time persons entering the retiree relationship or going on incapacity leave, there shall be a one-time moving expense grant available of up to \$1,500.

For full-time persons entering the Voluntary Transition Program, there shall be a one-time moving expense grant available of up to \$1,000. These grants will be made upon adequate documentation for the move being submitted to the Treasurer's Office within six months of the move.

For full-time pastors with special circumstance requiring a move, there may be a one-time moving grant of up to \$1,500 available. These grants will be made by the Executive Committee of the Finance and Administration Team upon application including submission of adequate documentation for the move.

Following the adoption of legislation amending Chapter 26 of the United States Code in December 2017, any reimbursement or direct payment of expenses incurred as a result of a move must be treated as taxable income for purposes of calculating both Federal Income and Self-Employment Taxes. As such, local churches reimbursing a pastor for move expenses (or paying them on the pastor's behalf) must report such income to the pastor as part of his or her W-2. Retirees or any other non-employee clergy receiving a reimbursement of moving expenses from the Annual Conference will have such amounts reported on a 1099.

## **Clergy Compensation (from the Clergy Support Team Policies & Procedures)**

All full-time charges must include in their compensation package:

- A. TRAVEL -Reimbursement for the actual "business" miles traveled by the clergy at the current rate established by the IRS. Clergy are to voucher all miles and submit documentation to the church treasurer for reimbursement.
  - B. UTILITIES - (Gas, Electricity, water, sewer, trash service, base telephone and basic cable or base telephone/internet/cable bundle. We also recommend that charges consider providing internet service for full- time clergypersons.) Either (1) direct payment to the utility companies; or (2) in special circumstances, cash allowance at a minimum of \$3,000 per year. When the utility companies are paid directly, there is no compensation to the clergyperson for utility charges.
  - C. HEALTH INSURANCE -- All pastors serving in full-time charges shall be enrolled in the conference insurance program. (Missouri Annual Conference Standing Rule 401.00)
  - D. PENSION -- Monthly premium for the clergyperson's CRSP (pension) and CPP (death/disability)
  - E. HOUSING - Provide adequate housing allowance or housing meeting the requirements and standards of church- owned residences as published in the 2017 Missouri Conference Journal, pages [F-23](#) through [F-26](#).
  - F. CONTINUING EDUCATION - Full-time clergy are required to participate in a continuing education plan. Charges are encouraged to pay for these expenses either by a continuing education allowance or reimbursement.
  - G. PROFESSIONAL EXPENSES - It is recommended that other professional expenses directly related to work as a clergy person be paid as a reimbursed expense. Cell phone expenses for a clergy person are considered a part of professional expenses. Please refer to the General Council on Finance and Administration Accountable Reimbursement Policies
  - H. CLERGY COUPLE HOUSING – If a clergy couple in a dual appointment are living in one parsonage, both clergy will claim the parsonage housing value for pension and service credit.
- \*\* Part-time charges must include in their compensation package: pension (CRSP/UMPIP, professional expenses (travel/continuing education).



It is recommended that the total allotted for travel, utilities, continuing education and professional expenses be a minimum of \$7,000.00 per year for full-time clergy. This amount should be reviewed annually by the charge to determine if it is adequate to support of the ministry of the clergy person.

**Minimum Salary and Salary Supplement**

The minimum base salary for all full-time clergypersons under Episcopal appointment is determined by multiplying the conference average base salary (2018, \$55,020) by 70% for full-time local pastors; 70% plus \$800 for associate and full-time provisional members; and 70% plus \$1,250 for full members. Therefore, the minimum base salary for all full-time clergy is as follows (Section A of Pastoral Support Form):

	2017	2018
Full-time Local Pastors	\$ 37,966	\$ 38,514
Associate members and Full-time Provisional Members	\$ 38,766	\$ 39,314
Full Members	\$ 39,216	\$ 39,764

2018 Part-time minimums	¾ Time	½ Time	¼ Time	< ¼ time
Local Pastor	\$28,885	\$19,257	\$9,628	<\$9,628
Provisional/Associate Member	\$29,485	\$19,657	\$9,828	
Full Member	\$29,823	\$19,882	\$9,941	

**2018 Tax Law Changes and Moving Reimbursements**

In December 2017, Congress passed and the President signed the Tax Cuts and Jobs Act. Receiving much press, this tax reform legislation will provide many clergy with modest savings on their U.S. income taxes. However, the legislation will also have a negative, unintended consequence for United Methodist Clergy.

Beginning in 2018, any reimbursement a pastor receives for moving costs will be considered taxable income. This means that pastors who move and receive the move reimbursement of up to \$5,000 as authorized by the Annual Conference Move Policy, must now pay taxes on the reimbursement. Local churches must include the move reimbursements on Forms W-2 beginning with those issued in January 2019.

The change in tax laws will also affect the local church’s pension and benefit contributions. Because of the definition of “Plan Compensation” used by the Clergy Retirement & Security Program and the Comprehensive Protection Plan, all taxable income received by the pastor must be included in the formula used to calculate these contributions. In the first year a pastor serves a church and receives a move reimbursement, the pastor and receiving church must also include the move reimbursement in Line 1 of the Pastoral Support Form.

Retiree move reimbursements will also be considered as taxable income. In those cases, the Conference will issue a Form 1099 to retirees receiving the grants.

## **Vacation and Continuing Education (from MOAC Standing Rule 406.00)**

The Annual Conference shall maintain a policy of time allowed for vacation and continuing education for pastors serving full time under appointment who have completed their basic educational requirements. Clergy serving full time under appointment, who have completed their basic educational requirements, shall be granted four weeks for vacation and a minimum of two weeks for continuing education annually between the regular sessions of the Annual Conference.