

2025 Minimum Salary Information for Pastors

PRESBYTERY OF EAST TENNESSEE COMMITTEE ON MINISTRY 2025 REQUIRED MINIMUM SALARY & BENEFITS SCHEDULE FOR MINISTERS OF THE WORD AND SACRAMENT

NOTE: For 2025, the COM has left the minimum effective salary unchanged from 2024. There are significant changes to the benefits plan offered by the Board of Pensions for 2025. All changes to the Presbytery's minimum salary and benefits schedule have to do with these changes.

	<u>2024</u>	<u>2025</u>
SALARY¹ – minimum cash salary ¹ see note: Salary	\$36,347	\$36,347
MANSE/HOUSING ALLOWANCE^{1 2} If a Manse is provided, allowance is calculated at 30% of salary ¹ see note: Housing/Utility Allowance ² see note: Deferred Home Equity Account	10,905	10,905
TOTAL EFFECTIVE SALARY	<u>47,252</u>	<u>47,252</u>
SOCIAL SECURITY/MEDICARE (SECA) 7.65% - calculated on Total Effective Salary	3,615	3,615
CONTINUING EDUCATION ALLOWANCE¹ Two weeks education leave is required annually, accumulative for three years ¹ see note: Professional Expense Accounts	2,000	2,000
ACCOUNTABLE AUTOMOBILE REIMBURSEMENT^{1,2} Reimbursable for church business at IRS allowable rate and following IRS rules ¹ a maximum amount may be set at the Session's discretion in conversation with the minister ² see note: Professional Expense Accounts		
FOUR WEEKS ANNUAL PAID VACATION		
FAMILY LEAVE – minimum of 12 weeks¹ ¹ see Presbytery Family Leave Policy or Book of Order		
MOVING EXPENSES (for new calls)		
SABBATICAL LEAVE (every 7th consecutive year of service) ¹ see Presbytery Sabbatical Policy		
SUPPLY PREACHING - \$150 per Sunday (\$250 for multiple services) + mileage @ IRS rate Teaching and/or other events - \$75 + mileage @ IRS rate (unless virtual)		

MEDICAL COVERAGE, PENSION, AND INCOME PROTECTION:

For 2025, the Board of Pensions significantly changed how congregations provide healthcare coverage to ministers and their families. (Details of the new plan may be accessed here: <https://seasonofrebuilding.pensions.org/2025-plan-changes/dues-packages>. A summary of the three plans is on the following explanations sheet.)

It will likely take several years to fully live into and understand this new model. Accordingly, rather than adopting actual dollar amounts or percentages as minimums for congregations, the COM wants to come alongside congregations and ministers to help them understand the new plan and make decisions that are in everyone's best interests. Therefore, the minimums for 2025 in the areas of medical coverage, pension, and income protection look quite different than the minimums of previous years, which were straightforward. These minimums were formulated with the following values in mind:

Family Coverage: Although the Board of Pensions now allows congregations to share or pass on the cost of medical coverage for a minister's family, the Presbytery of East Tennessee believes that full family coverage *at no extra cost* to ministers should be a shared value and expects congregations to work towards this end. For those congregations for whom this is a burden under the new plan, the PET is exploring ways and opportunities to come alongside ministers and congregations to help them achieve goals that fulfill this value. Enrolling in the Transitional Plan for 2025 may be the best option for congregations as they work toward this end for 2026.

Pension and Income Protection: The Board of Pensions now allows access to the defined pension plan, income protection tools, and employee assistance and educational plans to any church employee working 20 hours or more per week, regardless of ordination status. This package of benefits, known as the Covenant Package, is required for all installed ministers and offers income protection at an exceptional value, 10% of effective salary. The Presbytery of East Tennessee believes that access to this plan for all who work full-time in our congregations should be a shared value, but especially so for those working in congregational pastoral roles. It is our hope that congregations will provide the Covenant Package for anyone working in a congregational pastoral role, even if they are not installed, at no cost to the employee. We also hope congregations will consider how to best provide access to the Covenant Package for other full-time employees in the congregation.

With these values in mind, the following minimums have been adopted for 2025:

1. Congregational decision-makers regarding ministers' Terms of Call shall have a conversation with representatives of the COM before recommending 2025 Terms of Call to congregations.
2. Congregations shall not elect to cover fewer family members in 2025 than were covered in 2024 without COM approval. (*Will be explained further within the context of the conversation required in #1.*)
3. Any savings to a congregation that comes about from the new Board of Pensions plan may not come at the expense of the minister. (*Will be explained further within the context of the conversation required in #1.*)

EXPLANATIONS ON 2025 MINIMUM SALARY & BENEFITS SCHEDULE FOR MINISTERS OF THE WORD & SACRAMENT

SALARY – The terms of call shall always meet or exceed any minimum requirement of the presbytery in effect when the call is made. The session shall review annually the minister’s terms of call and shall propose for congregational action (G-1.0501) such changes as the session deems appropriate, provided that they meet the presbytery’s minimum requirements. The call shall include provision for a minimum of twelve weeks paid family medical leave and participation in the benefits plan of the Presbyterian Church (U.S.A.), including both pension and medical coverage, or any successor plan approved by the General Assembly. (Book of Order G-2.0804)

HOUSING & UTILITY ALLOWANCE – The minimum combined housing/manse allowance and salary must total \$47,252. The \$10,905 housing allowance is a minimum, unless a lesser amount can be justified as adequate, in which case the PET may grant an exception. The housing allowance is excludable from gross income for income tax purposes but not for self-employment tax purposes. Housing allowance is defined by the IRS as the lesser of the following amounts:

- the amount officially designated (in advance of payment) as housing allowance;
- the amount actually used to provide or rent a home; or
- the fair market rental value of the home (including furnishings, utilities, garage, etc.).

PENSION & MEDICAL – There are three packages for 2025:

1. *The Congregational Pastors Package* is required for installed pastors and may be offered to any congregational pastoral leader scheduled to work 20 hours or more weekly, including PC(USA) ministers and commissioned pastors. This package provides member-only PPO medical coverage for the congregational pastoral leader, as well as all the benefits in the Covenant Package. The cost is 26% of effective salary (16% for medical coverage, 10% for pension and income protection).
2. *The Covenant Package* offers a defined pension benefit plan, income protection (death and disability, temporary disability), and assistance and education programs for any employee working 20 hours or more per week, regardless of ordination. The cost is 10% of effective salary.
3. *Transitional Pastor’s Participation* is available to employers who have a minister in Pastor’s Participation as of Dec. 31, 2024. This package continues the offerings and structure of the current plan: full family medical coverage, pension, and income protection. The cost for 2025 is 43% of effective salary.

Dependent Coverage: Medical coverage for spouses and children may be offered, and congregations may choose to pay all, some, or none of the cost. The cost of coverage for dependents is a flat rate and not based on effective salary. For 2025 those costs are:

- Child(ren) \$8,950 (regardless of number of children)
- Spouse \$11,000
- Family \$20,600
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PROFESSIONAL EXPENSE ACCOUNTS – The PET requires that congregations establish Professional Expense Reimbursement Accounts for automobile, continuing education, and other professional expenses for a pastor. All payments from these accounts should be made by receipt or statement for the approved expenses. Monies should not be paid in monthly or quarterly installments without vouchers or receipts.

NOTE 1: Expenses paid without such a reimbursable account are not fully deductible for Federal Income Tax purposes.

NOTE 2: The IRS auto reimbursement rate for 2024 is 67¢ per mile. The 2025 rate is announced prior to January 1st.

DEFERRED HOME EQUITY ACCOUNT – It is recommended that congregations providing a manse also provide, as part of their pastor’s compensation package, a Tax Deferred Home Equity Account of not less than \$500 annually, and that the amount of contribution to this account be reviewed annually. It is recommended that treasurers send the annual dollar amount to a local financial institution or the Board of Pensions’ Retirement Savings Plan as authorized by the session, to be held in trust until such time in the future the minister decides to request withdrawal to be applied toward a down payment on the purchase of a house.