

**FAQS (Frequently Asked Questions)
FOR PASTOR/STAFF-PARISH RELATIONS COMMITTEES
Prepared by the Cabinet¹ of the New York Annual Conference**

INTRODUCTION

This document is intended to be of assistance to Pastor/Staff-Parish Relations Committees (P/SPRC) by setting forth some of the practices and policies of the New York Annual Conference which are not outlined in the United Methodist *Book of Discipline* or readily available in written form from other sources. Furthermore, it will address the practices and procedures involved in the change of a pastoral appointment. If after reading this statement or at any other time you have questions you should contact your district superintendent who will be happy to confer with you. He or she is also available to meet with your committee if that is preferred.

The responsibilities of the P/SPRC are listed in the 2004 *United Methodist Book of Discipline* in paragraph 259.2. In addition, Cokesbury publishes a helpful "Guidelines for Pastor/Staff-Parish Relations Committees" every four years to coincide with changes made by the most recent General Conference to the *Book of Discipline*. Every member of the P/SPRC should have a copy of the "Guidelines." In the "Guidelines" is an example of a year's agenda. Only by meeting regularly can the P/SPRC and pastor develop the partnership necessary to effectively serve the congregation. Another document, *Who Cares for the Pastor?* by Rev. Dennis Winkleblack, is available by download from the New York Conference web-site, www.nyac.com. This manual and workbook helps P/SPR Committees and pastors discuss pastoral expectations, priorities, housing and compensation.

APPOINTIVE PROCESS PRINCIPLES

Framework:

A significant responsibility of the Cabinet is to enable the ministry and mission of the congregations of the Annual Conference utilizing the itinerant appointive system creatively and faithfully. The Cabinet's methodology follows the appointive process as described in the 2004 *Book of Discipline*, paragraphs 430-435.

Process:

1. Every appointment is made annually by the bishop and subject to annual review and evaluation.
2. Appointments shall take into account the unique needs of a charge, the community context, and also the gifts and evidence of God's grace of a particular pastor. (2004 *Book of Discipline*, paragraph 432)
3. The appointment process begins with the missional opportunities and needs of the congregation and then proceeds to finding the most appropriate pastor available for the congregation.
4. The Cabinet is committed to a consultative process in which it confers with the Committee on Pastor/Staff-Parish Relations and the pastor.

¹The Cabinet is comprised of the Bishop and the six District Superintendents.

5. The role of the Committee on Pastor/Staff-Parish Relations is to advise the bishop of local parish concerns and needs relative to appointment-making. The committee does not choose its pastor.
6. The district superintendent annually shall develop with the pastor profiles reflecting the pastor's gifts, evidence of God's grace, professional experience and expectations, and also the needs and concerns of the pastor's spouse and family. (2004 *Book of Discipline*, paragraph 432.2)
7. The district superintendent shall develop church profiles in conjunction with the pastor and the committee on Pastor/Staff-Parish Relations of all churches. These profiles will reflect the needs, characteristics, and opportunities for mission of the charge consistent with the Church's statement of purpose. (2004 *Book of Discipline*, paragraph 432.3)
8. Appointments are made without regard to race, gender, age, marital status or handicapping conditions.
9. The Cabinet treats all matters of appointment with utmost confidentiality. It is expected that pastors and spouses and members of Committees on Pastor/Staff-Parish Relations will also practice strict confidentiality.
10. When the Cabinet has determined the intended appointee, the district superintendent will meet with the Committee on Pastor/Staff-Parish Relations and the intended appointee for an introduction.
11. If significant missional concerns are raised by the pastor, district superintendent or the Committee on Pastor/Staff-Parish Relations during the consultation, the party raising the significant missional concern--the pastor or the committee--must communicate the concern to the Bishop in writing within 24 hours. The Cabinet may choose to review the appointment.
12. The final decision regarding appointments rests with the Bishop.

CONTINUING EDUCATION, SPIRITUAL GROWTH AND STUDY LEAVES

The New York Annual Conference has a policy that was adopted in 1990 that each pastoral member of the New York Annual Conference under appointment is eligible for two weeks study leave per year (including two Sundays): one for purposes of continuing education and one for spiritual growth. In paragraph 351.2 of *The Discipline* provision is also made for a leave of at least one month every four years for these aims. In addition, paragraph 351.3 says that a pastor who has served at least six years in a full-time appointment “. . . may request a formational and spiritual growth leave of up to six months while continuing to hold an appointment in the local church.” Paragraph 351.4 reports that financial arrangements for such purposes shall be negotiated between the pastor, district superintendent and P/SPRC. Provisions for pastoral care and preaching shall be the responsibility of the P/SPRC in consultation with the pastor.

Local pastors enrolled in the Course of Study will require a minimum of two weeks (four weeks if serving full-time) for their on-site work at participating seminaries. It is the church's responsibility to provide for pastoral coverage during this time.

EVALUATION OF THE PASTOR

Pastoral evaluation is the responsibility of the Pastor/Staff-Parish Relations Committee. Instruments to assist in evaluation are available from the district superintendents. In all cases, it is imperative that evaluation of the pastor be done in the context of the church's faithfulness in ministry.

HEALTH INSURANCE

Every clergy person serving full time or three-quarters time in a pastoral appointment must participate in our Conference Health Benefits program. The church is expected to pay 90% of the annual health benefit apportionment; the pastor pays 10%. Pastors serving less than three-quarters time are not eligible to participate in the Conference Health Benefits program. Pastors of churches in arrears of more than three months risk being dropped from the program. In order to re-enter the plan at this or another church, their pastors will be required to undergo a thorough physical exam, and may not be covered for conditions arising during the time they were not in the program.

HOUSING ALLOWANCE EXCLUSION FOR PASTORS

The "Clergy Housing Allowance Exclusion" (sometimes referred to as parsonage allowance, furniture and furnishings allowance, etc.) is a way in which clergy who live in parsonages can receive the benefits of an IRS approved income tax exclusion for housing costs they pay. Section 107 of the IRS Code of 1986 states that a pastor's gross income does not include the amount paid "as part of compensation, to the extent used to rent or provide a home." This includes, but is not limited to: tenant insurance; furniture, appliances (TV, VCR, etc.), repairs to same, decorating accessories (drapes, pictures, linens, lamps, etc.), lawn care, snow removal, tools, plants, etc.

To take advantage of this provision the allowance must be established in advance. It is not possible to create this relationship retroactively. A resolution by the church's council declaring a portion of the pastor's compensation to be an "allowance for housing/furnishing" is necessary. Many churches adopt such a resolution at the time of approving the pastor's salary for the coming year as a matter of routine. In addition, to qualify for the housing exclusion the funds must actually be expended for the intended purpose; unused amounts are taxable as ordinary income. As an exclusion (as opposed to a deduction) the allowance for housing/furnishings should NOT be reported as income on a church-provided W-2 or a 1099. Although it is not necessary to provide church treasurers with receipts or other proof, pastors should keep careful records of all housing/furnishing expenditures should they be audited. In spite of the fact that such an allowance is excluded from income for income tax purposes it is subject to social security tax.

Pastors are wise to consult tax experts regarding the limits of this exclusion. A conservative rule is that this annual housing exclusion allowance should not exceed the fair rental value of all furnishings in the parsonage unless higher costs are expected for that year.

ILLNESS OF THE PASTOR

The P/SPRC should encourage the pastor in good health habits including an annual physical checkup. From time to time clergy are eligible to participate in Pastors' Clinics at the New York Methodist Hospital in Brooklyn which provides for thorough physical checkups. Dates for the Pastors' Clinics for your district's pastors are available from your superintendent. All applications for attendance must be made through your superintendent's office.

The New York Annual Conference Sick-Leave policy is as follows:

In the event of extended pastoral illness, compensation and benefits will be paid for 13 weeks. As the end of 13 weeks approaches, the circumstances shall be reassessed with consideration given to the possibilities of an extension of the sick leave -- financial responsibilities to be negotiated -- or to a leave of absence or disability leave.

The parish is expected to provide clergy compensation, benefits and pulpit supply for the full 13 weeks. If there are circumstances which make this impractical for the parish, the district superintendent will negotiate with the parish regarding the payment of these costs.

The district superintendent shall support the ongoing ministry of the parish and interpret to the P/SPRC and the congregation expectations around recovery time, the coverage for pulpit and pastoral care needs of the parish, and the financial obligations of the parish and/or Conference.

The district superintendent shall insure that ongoing pastoral care is provided to the clergy person and family.

LIABILITY AND PROFESSIONAL MALPRACTICE INSURANCE

Directors' and Officers' liability insurance protects the church, its pastor and officers. Professional malpractice insurance protects the church's pastor in the event of an accusation arising from the conduct of ministry. Both policies are included in the New York Annual Conference Insurance Program. If a church is not enrolled in the conference insurance program, these provisions should be added.

MINISTRIES BEYOND THE LOCAL CHURCH

The United Methodist Church is a connectional church, and every pastor is a member of the Annual Conference rather than a local church. In addition to responsibilities to the local church, it is expected that every pastor will carry his or her fair share of responsibilities within the connection. This includes activities at the district, annual conference, and general church levels in addition to local ecumenical and civic responsibilities. Time spent in these endeavors is not considered time off or time apart from work. These are part of the regular duties of the pastor and include attendance at meetings, workshops, counseling in our summer camp programs, and

participating as leader or participant in other workshops and retreats. Part of the responsibility of the P/SPRC is to counsel with the pastor and develop a plan to promote a balanced ministry for the church, connection and community. The committee should take into account that from time to time a particular pastor might be more heavily involved in Annual Conference committees or boards, general church or district activities than at other times. We try to provide for this by rotation in office and limiting the time a person will serve as chairperson of a given committee.

OTHER CHURCH STAFF

Secretaries, administrative assistants, education directors, choir directors, organists, custodians, etc., are part of the ministry of the church and should be paid just compensation and benefits. Attention should be paid to the following:

- **Social Security:** Churches are required by federal law to pay Social Security for employees other than clergy.
- **Allowance for Cost of Living:** If possible, cost of living salary increases should be given in addition to merit increases. Check with local businesses, the Chamber of Commerce or the American Management Association for fair salary guidelines for support staff.
- **Retirement:** Many church employees have no retirement benefits. Consideration should be given to establishing a tax-sheltered retirement account for employees who have worked for a period of years. Retirement plans for local church employees are available through the General Board of Pensions and Health Benefits. For information call: 847.869.4550.
- **Continuing Education:** Lay employees of the church, as well as clergy, need opportunities to learn to serve better. All continuing education proposals must be approved by the church's Committee on Pastor/Staff-Parish Relations.

PARSONAGE (HOUSING)

While every full time pastoral appointment is made by the bishop, each church is expected to provide its pastor with a parsonage and pay all utility costs (heat, electricity, telephone, cable TV excluding premium channels, etc.). An internet connection in either the church office (preferably) or parsonage must be provided. If a church does not own a parsonage, it is expected that an appropriate housing allowance will be given. For the exact nature of the parsonage requirement please see the document "Parsonage Standards" below. In addition, Section 107 of the IRS Code of 1986 provides benefits to clergy whose churches designate a portion of compensation as "parsonage or housing exclusion." Information on this is also included below. It is expected that local church trustees and P/SPRCs will inspect the parsonages specifically to determine security concerns. If necessary, they should provide/install dead-bolt locks, security systems or other security measures. Pastors should note that local church insurance policies do not cover the pastor's personal goods -- pastors will need to secure their own policies for their furniture, clothing, etc.

Pastors are also reminded that the equivalent rental value of the parsonage plus costs for utilities and any other housing allowance must be reported as income on Schedule SE of the Internal Revenue Service tax report. However, this amount is not included as income as wages or salaries on Form 1040.

PARSONAGE STANDARDS (Approved NYAC 6/2001)
Please consult 2001 Journal, Section 12, B-1-5
Conference Web Site: www.nyac.com

PARSONAGE PET POLICY

While it is recognized as a right of the parsonage family to have pets, it is also recognized that the ownership of pets requires the pastor to assume responsibility for these pets. At a minimum these responsibilities include:

1. Caring for the pets in a manner approved by the humane society.
2. Securing permission of the local church for the construction of any needed facility.
3. Assuming financial responsibility for the construction and maintenance of any facility, such as fence, dog house, etc.
4. Dismantling and removing any facility constructed by the pastor upon moving to a new appointment, unless permission is secured from the local church to leave it intact.
5. Replacing/repairing any damage done by the pets to the carpets, floors, drapes, doors, lawns, etc.
6. Upon moving, the pastor must do a thorough job of cleaning and deodorizing to meet the approval of the P/SPRC and the incoming pastor.
7. If the parsonage is not cleaned and deodorized to the satisfaction of the incoming pastor and the P/SPRC, and additional work is required, the outgoing pastor, with the permission of the district superintendent, shall be billed for the expenses involved.

Failure to comply with these responsibilities will result in disciplinary action.

PASTOR'S PERSONAL TIME

Pastors are professional people, subject to the call of God and confirmation of their worthiness by the Annual Conference. As such, hours worked and consideration for time off are not the same as might be so for persons in other occupations. Generally speaking, the average full-time pastor works well over 40 hours a week. One of the functions of the Pastor/Staff-Parish Relations Committee is to counsel with the pastor in regard to the use of time, so that the needs of the parish, a sense of fulfillment in ministry on the part of the pastor, the personal needs of the pastor and his or her family are all taken into account and brought into proper balance. It is our policy that a pastor shall have at least one full day a week free of parish responsibilities. Sometimes a pastor wishes to participate in continuing education in the formal setting of a seminary or university on an on-going basis, without having this count as the study leave. We generally assume that a person can handle 3-credit hours per semester without interfering with their parish or other

responsibilities. Beyond this it is something which needs to be negotiated with the P/SPRC and the district superintendent. Because full-time parish ministry is essentially a seven day a week, 24 hours a day responsibility, pastors in full-time parish appointments may not be employed elsewhere. Exceptions may be made for certain teaching responsibilities and chaplaincies. All exceptions must be approved by the local church P/SPRC and the district superintendent.

PASTORAL TRANSITIONS

Announcement of the intended new appointment is made in both churches at the same time. The date for this announcement is coordinated by the district superintendent. The Pastor/Staff-Parish Relations Committee has the responsibility of teaching the congregation about the issues of pastoral leadership. This is particularly important during the time of transition. An article or series of articles in the church newsletter alerting the members of the congregation to the emotions and issues of a pastoral transition may be helpful. For example, there is a grief process on the part of both the clergy and the members of the congregation losing its pastor. This is true even if the pastor-parish relationship has been less than ideal. Accordingly, in the time between the announcement of leaving and the actual leaving, the transition and its issues need to be talked about openly. Clergy should not put off saying goodbye. Clergy should not act as if nothing has changed. Something is changing in the clergy's life and something is changing in the congregation's life. This needs to be acknowledged and worked through.

A congregation-wide farewell event needs to be held. This can be close to the time of the actual move. However, this is not the only time that goodbyes are expressed. In addition a "ritual of transition" during Sunday worship can be helpful to all concerned. If the departing clergy is retiring or going to another vocation or a ministry other than pastoral, both the outgoing and the incoming pastors can be present for such a ritual.

Of course, the grieving process does not end with the actual departure of the pastor. The grieving continues and affects the development of relationships with the new pastor. Moreover, the new pastor is also grieving her or his loss of a congregational family. Both the congregation and the pastor need to be aware that these dynamics are at work.

When pastoral transitions take place there may also be transitions in the leadership of the congregation. Most of these transitions are the result of the conscious or unconscious decision of laity to step back from responsibility in the congregation.

In sum, pastors have different styles of leadership and congregations have different personalities. Pastors and Pastor/Staff- Parish Relation Committees need to be aware that these are normal issues of transition. Above all, remember: The new pastor is not expected to be a clone of the former pastor.

The Parish Consultants Network of the annual conference offers a series of 2-4 consultation sessions to assist congregations and clergy with these transitions. Your district superintendent will provide you with information about making

arrangements for these consultations. This "bridge" program is highly recommended for the congregation and for the clergy.

The outgoing pastor and the Committee on Pastor-Parish Relations have the responsibility to inform the congregation of ethical considerations about the transition: the former pastor can no longer be their pastor; that friendships may be continued but discussion about church life is not appropriate. Events which cause the most misunderstanding are funerals and weddings. Church members need to be told that former pastors return for funerals and weddings and other functions only at the invitation of the current pastor who must be consulted first. When former pastors are invited to participate in such events, they do so in an assisting role. Not least, it is expected that parishioners will not follow the former pastor for counseling or other pastoral functions.

Practical Issues of the Transition

- The date of official transition is 1 July.
- Salary, pension, reimbursement is paid through the month of June by the sending church.
- Health Benefits continue the same from pastor to pastor.
- Churches and pastors should aim for the actual move to be accomplished, ideally, by the end of the first week in July. Moving dates need to be closely monitored so that a pastor can move as soon as the parsonage they are moving to is vacant. This will speed up the process behind each pastor as the line of moves can be lengthy.
- In most cases, redecorating needs to be done after the move, even though this can be inconvenient. For our process to work, moves cannot be held up by painting, etc. In the event that major work must be done on a parsonage to make it livable, temporary living arrangements for the pastor and family must be made.
- The cost of the move is paid for by the receiving church. The Annual Conference will reimburse the receiving church one half the cost of the move or \$750.00, whichever is less.
- Conference policy entitles clergy to the moving of their furniture and household belongings by professional movers. Packing or the cost of packing is a responsibility of the clergy.
- The parsonage is the property of the church, but it is the home of the pastor and her or his family. Accordingly, the tastes and wishes of the parsonage family should be considered in choosing decorations and/or replacement of required furnishings and appliances.
- If damage has occurred in the parsonage which is beyond normal wear and tear, the parsonage family is responsible for repairing or paying for the necessary repair. If necessary, the district superintendent should be called on to negotiate disagreements.
- A caring way to send your pastoral family off is to help with the cleaning and preparation of the parsonage for the next family.

Pastors: Leave for your successor:

- Keys, well identified, to church and parsonage, an up-to-date membership list a list of persons in the hospital
- A list of persons who are homebound and others needing special attention
- A list of persons to contact about parsonage concerns (e.g., appliance repair, trash removal, etc.)
- A list of the names of the leaders of the church

Leave the ministry and administration of the church and condition of the parsonage in the best condition possible: the way you want to receive the congregation and parsonage to which you are going.

PENSION

Pastors of the New York Annual Conference are covered by one or two pension programs, depending on when they began to serve the church. Each is administered by the General Board of Pensions and Health Benefits in Evanston, Illinois.

The Clergy Retirement Security Plan (CRSP), which replaced the Ministerial Pension Plan (MPP) on January 1, 2007, includes two components: a Defined Contribution (DC) and a Defined Benefit (DB). The DC component requires that each church with a full-time or part-time pastor contribute 3% of the pastor's compensation. The DB component requires payment of 10.4% of pastoral compensation from each church. In addition, the Comprehensive Protection Plan (CPP), with death, disability and survivor benefits, requires a payment of 3%, based on pastoral compensation up to twice the Denominational Average Compensation. The total CRSP/CPP contribution rate (3%+10.4%+3%) totals 16.4% of pastoral compensation, which is billed on a monthly basis to each local church by the annual conference.

In addition to paying federal income taxes on their salaries, pastors are also required to participate in the Social Security program as self-employed persons. This means the pastor pays the employer's as well as the employee's portion of the tax. For social security tax computation, the pastor includes salary, honoraria, plus the fair rental value of the parsonage or the amount of housing allowance plus the amount expended for utilities.

RETREAT FOR CLERGY AND SPOUSES

Every year in January a retreat is held for the clergy and spouses of the New York Annual Conference to provide intellectual and spiritual stimulation. Many churches provide for the expense of the pastor's spouse in attending this retreat through the regular budget, while in other situations the P/SPRC makes arrangements to assist the pastoral family with these expenses.

SABBATICAL

The Discipline in paragraph 352 provides that an associate or full member of the annual conference is eligible for a full year of sabbatical for travel, study or other justifiable reason after having completed six years of service in an appointment (part-time service must be the equivalent of six full-time years). Application for a sabbatical should be made well in advance to the Conference Board of Ordained Ministry after consultation with the district superintendent. The appointment to sabbatical leave is made by the bishop. Sabbatical years usually begin and end with the Conference year. Pastors can not return to the appointment they were in prior to the sabbatical year.

SALARY and REIMBURSEMENT

As you will see from Paragraph 259.2g(16) of *the Book of Discipline 2004*, the P/SPRC is charged with making annual recommendations to the Church Council for the pastor(s)' salary and other matters of compensation and support, reporting budget items to the committee on finance. The New York Annual Conference has established an equitable compensation scale which takes into account the training of the pastor and the years of service. It should be noted that this is not intended to be a standard salary, but rather a minimum. Where a local church is unable to pay the equitable salary, then in consultation with the district superintendent the Conference may be requested to supplement the salary. The decision to support full-time pastoral leadership resides with the Bishop and Cabinet.

Churches that are financially able are urged and encouraged to pay salaries commensurate with the professional training and experience of their pastors and in keeping with salaries paid similar professionals including other clergy in their community. It is a matter of justice, fairness and respect.

It is New York Annual Conference policy to include as salary all remuneration provided by the local church such as cash allowances to cover Social Security, annuity payments, additional health/life insurance, child care, etc. In addition to cash salary and professional reimbursement accounts, it is Conference policy to include as part of the pastoral compensation package current pension (MSRP) and death benefit and disability insurance (CPP), direct bill health care, housing, utilities, scholarships for children and bonuses for vacation. It is the responsibility of the local church to cover the full compensation package for the pastor. **Although not a part of salary, churches are expected to pay the entire amount of their apportionments in order to maintain full time pastoral leadership.** Accordingly, all apportionments must be paid before giving raises in salary to pastors who are being paid more than the conference minimum.

Non-Salary Reimbursements

The *Book of Discipline 2004* in paragraph 259.2g(8) also requires churches to establish means to compensate pastors for their professional responsibilities. The New York Annual Conference minimum for professional reimbursement is set annually by the annual conference. Consult with your district superintendent for the

amount for the present year. This amount includes reimbursement for automobile mileage expenses (these are established annually by the IRS – consult the IRS website for the most recent figure – www.irs.gov for “standard mileage rate for business miles”, continuing education and spiritual growth expenses, books and journal subscriptions, registration fees for annual conference, denominational meetings and other costs attendant to pastoral ministry. Churches should also be mindful of the extra costs to pastors who serve more than one church and/or who participate in the denominational Course of Study and share them to the fullest extent possible.

Office expenses (stationery, telephone, computer systems and supplies, postage, etc.) are to be provided for in the church’s budget and not as part of the pastor’s professional reimbursement account.

VACATION

It is the policy of the New York Annual Conference that the pastor shall be entitled to at least one month vacation (31 days) with pay, including five Sundays. The pastor in consultation with the Pastor/Staff-Parish Relations Committee is responsible for securing coverage for pastoral care and for preaching while he or she is on vacation.

There is often confusion over the matter of vacations when pastors are newly appointed. Although vacations may be taken at any time after consultation with the P/SPRC, they are usually taken during the summer months. Accordingly, since our appointments become effective on the 1st of July, the pastor coming to a new appointment is entitled to his or her annual one month's vacation within the next twelve months. It should be noted that unused vacation time is not normally carried over from year to year. Requests for exceptions should be discussed with the P/SPRC and the district superintendent. In addition, the church does not pay the departing pastor for any unused vacation.

WORKERS' COMPENSATION

Churches are required by New York and Connecticut state law to provide worker’s compensation for all church employees. While the pastor is appointed by the bishop, he/she is considered a church employee for W-2 (income form) and worker’s compensation purposes.