

Policies Related to Support of Clergy
In the Upper New York Annual Conference

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I. Minimum Base Compensation

A standardized minimum base compensation is established for The Upper New York Annual Conference that requires the following:

- A. A minimum base salary of \$35,000 for all full time clergy persons. (Less than full time appointments shall receive a base salary pro-rated according to the appointment.)
- B. Plus a credential increment based on status as follows:

	Increment	Base
Full connection:	10% (\$3,500)	\$38,500
Provisional:	8% (\$2,800)	\$37,800
Associate:	6% (\$2,100)	\$37,100
FT LP completed Course of Study or MDiv	4% (\$1,400)	\$36,400
FT Local Pastor:	none (-0-)	\$35,000
- C. Plus an additional \$200 per year for Time in Grade (i.e., number of years in credential level) for up to 15 years.
- D. Plus an additional \$500 for each additional church on the pastoral charge (over one).
- E. No pastor's salary can be decreased as a result of this policy, as long as they retain their current appointment.
- F. All churches are encouraged to offer a salary increase of no less than 1.75% for 2012.

II. Minimum Salary Phase-In

Churches/charges where the 2011 Base Compensation is lower than the 2012 Minimum Base Compensation will be given three years to attain each year's Minimum Base Compensation established by Conference, according to this schedule:

- 2012: Increase by 1/3 of the difference between the 2011 Base Compensation and the 2012 Minimum Base Compensation.
- 2013: Increase by 2/3 of the difference between the 2011 Base Compensation and the 2013 Minimum Base Compensation.
- 2014: The full 2014 Minimum Base Compensation will be paid.

III. Clergy Housing Policy

In the United Methodist Church, housing is provided to clergy. While the parsonage remains the normative provision of housing, some parishes prefer to offer, and some clergy prefer to receive, a housing allowance instead. The complexities of contemporary economics, local church resources and pastoral households make it less likely that a "one size fits all" housing provision best meets the needs of every situation. Local churches and clergy both need to carefully weigh the advantages and disadvantages, especially if considering a change from one to the other.

A. Values and Considerations

The Upper New York Annual Conference of the United Methodist Church believes that congregations and clergy benefit when clergy and their families live in buildings which are safe, clean, comfortable, and as commodious as the average home in their community. It is assumed that clergy housing will meet all applicable local and state residential codes. As faithful stewards of the earth and other limited resources, congregations and clergy are encouraged to make clergy housing as energy efficient as possible. In order to be as welcoming as possible, consideration should be given to making clergy housing accessible to residents or guests with mobility challenges.

Local churches may prefer to provide a housing allowance for a variety of reasons: less property to maintain and repair, more predictable budget implications, and no "landlord" issues with their pastor. Likewise, clergy households may prefer a housing allowance for other reasons, such as: accumulation of equity, allowance for a variety of clergy household needs, ability to locate in a desired location, freedom to renovate and refurbish as desired, and no "tenant" relationship with parishioners.

However, it is also to be acknowledged that tension may exist between the appointive/itinerant system of clergy deployment and the housing allowance system. Pastoral appointments are made on an annual basis at the will of the bishop. The financial advantage to long-term clergy home ownership may be at odds with a short-term need or desire for a pastoral transition. It must be understood by all that the provision of a housing allowance or parsonage shall not be a primary consideration by the bishop and cabinet for future appointments for the pastor. Further, a local church that has a parsonage available to the pastor is under no obligation to provide a housing allowance if that pastor prefers to live in a different location.

B. Parsonages

1. Relationships and Responsibility

The parsonage is to be mutually respected by the pastor's family as the property of the church and by the church as a place of privacy for the pastor's family. (Book of Discipline of the UMC, par. 258.2.g.16)

The chairperson of the Staff-Parish Relations Committee, the chairperson of the Board of Trustees or the chairperson of the Parsonage Committee, if one exists, and the pastor shall make an annual inspection and review of the church-owned parsonage to assure proper maintenance. (Book of Discipline of the UMC, paragraph 258.2.g.16, and paragraph 2532.4) Parsonages with a wood burning heat source must have a professional chimney inspection (and cleaning if necessary) at least every 2 years.

The church shall provide a parsonage which addresses the values noted above and the standards listed below. Standard maintenance and repairs, and renovation of the parsonage are the responsibility of the church. The Trustees or Parsonage Committee shall arrange, supervise, and arrange payment for such tasks. Necessary work shall be scheduled in consultation with the pastor.

The pastor shall furnish the house to suit his or her needs. The pastor is responsible for notifying the church about necessary repairs as the need arises. The pastor is responsible for the repair of damages exceeding normal wear and tear.

The church, in consultation with the pastor, is responsible for lawn care and snow removal.

The church and the pastor shall work together to develop a process to assure timely, good quality repairs and maintenance.

The church shall pay for insurance, heat, electricity, garbage and trash removal, water and sewer, and basic telephone service. The pastor shall pay for personal toll calls and communication services beyond those provided by the church.

If a pastor is appointed to serve more than one local congregation, the congregations shall share equitably the costs and other responsibilities of providing a parsonage. If both congregations have a parsonage, the parsonage of residence shall be determined by the District Superintendent in consultation with the appointed pastor and the congregations.

If a parsonage is occupied by a clergy couple serving different appointments, all congregations served shall share equitably and reasonably the costs and responsibilities of providing a parsonage. The parsonage of residence shall be determined by the District Superintendent in consultation with the appointed pastors and affected congregations.

Adherence to this policy by both clergy and congregation is essential to the appointment covenant. Failure to adhere to this policy by either clergy or congregation may jeopardize current and future appointments.

2. Parsonage Standards

Parsonages shall have at least 3 bedrooms, 1.5 bathrooms, a kitchen, dining room, living room, laundry facilities, appropriate storage capacity, and provision for 2 parking spaces. All shall be in good repair and meet all applicable local and state health and safety codes. The parsonage shall be at least the size of the average home in its community.

The church is responsible for providing a furnished office or study for the pastor. While it is preferable to locate this office in the church or another church building, if necessary it may be a separate, additional room in the parsonage. If the office is located in the parsonage, it must have its own, separate, outside entrance.

3. Rooms and Spaces

- a. Bedrooms should be large enough to contain a bed, adequate storage for clothing (dresser and closet, or dresser and wardrobe), and a desk and chair or a reading area. It is preferable to have at least one fully accessible bedroom on the ground floor of the house
- b. Bathroom facilities shall include: a toilet and sink on each floor, a tub, a shower, a medicine cabinet, and storage space for linens and supplies in or near the main bathroom. It is preferable to have at least 2 complete bathrooms including a fully accessible, complete bathroom on the ground floor.
- c. The kitchen shall contain at least: a standard size stove and oven, a refrigerator with freezer, a dishwasher, built-in cabinets or pantry, a full-size sink, adequate counter space, and wall and floor finishes which can be kept clean.
- d. Living and dining rooms should be large enough to accommodate 4-6 residents plus guests. A combined living and dining room is acceptable if large enough to fully accommodate both functions.
- e. Laundry facilities shall be accessible from the interior of the house and include: an automatic washer and dryer, and storage for supplies. It is preferable to be able to conceal the laundry area and even better to have a separate laundry room with a sink and space to sort and fold. It is preferable to have these facilities fully accessible and on the ground floor.
- f. Parking shall be off-street, preferably in a garage located on the parsonage property.

4. Systems

- a. *Heating, Ventilation, and Cooling* - The parsonage shall be equipped with central heating capable of maintaining a temperature of 68 degrees in all rooms. Windows shall be in good repair and operable to provide adequate ventilation. Full bathrooms should have adequate ventilation to prevent excessive moisture build-up. Adequate passive or mechanical air cooling should be provided.

- b. *Electrical System* - Wiring, outlets, and fixtures should be safe and adequate to meet the lighting and technology needs of a modern household.
- c. *Water* - Hot and cold, potable, running water shall be available in the kitchen, bathrooms, and laundry area in amounts suitable to the needs of a family. In areas with hard water, water softeners shall be installed and maintained. Leaks of any kind are not acceptable.
- d. *Safety, Security, and Detection* - Parsonages shall be equipped with properly maintained CO detectors and smoke alarms, and have fire extinguishers in kitchen, furnace room, near fireplaces, pellet stoves or wood stoves, and near bedrooms. Entrance lights shall have switches by the door, be motion activated, and/or be operable remotely. Radon testing shall be done periodically and remedial measures taken if necessary. Where necessary for the safety of children and/or vulnerable adults, yards and outside spaces shall be adequately enclosed.
- e. *Communications* - The parsonage shall have a reliable telephone system, adequate TV connection and internet access.
- f. *Interior finishes* - Floors, walls, and fixtures shall be in good condition with coverings which are suitable for the function of the room and in good repair.
- g. *Exterior* - The roof, exterior walls, exterior doors, windows, and foundation of the parsonage shall be carefully maintained to keep out the elements and uninvited varmints, and to conserve energy. The house shall be adequately insulated. It is preferable to have energy efficient doors and windows that suit the architecture of the house as much as possible.
 - i. Porches and decks shall be maintained to insure their safety. Exterior faces and spaces of the building(s) and yard shall be designed to be functional for the family and a pleasant addition to the community.

5. Waivers and Exceptions

If the minimum standards described above cannot be met because of the age or historic character of the house, the charge must propose alternatives which afford an equivalent quality of life to that set by these standards. Any such changes must be approved by the District Superintendent. It is understood that such changes will not compromise the safety provisions of these standards, the overall functionality of the parsonage, or the mandate that it be kept in good repair. It should be noted that the accessibility preferences described above are mandated when purchasing or building a new parsonage. (Book of Discipline of the UMC, par. 2543.3b)

6. Transition Protocols

Prior to a pastor's move, but no more often than every 5 years, a certified building inspector shall inspect the parsonage so that the congregation can plan necessary maintenance and repairs. If a pastor is moving and the parsonage has had a

professional inspection within the past 5 years, this pre-move inspection may be performed by the outgoing pastor, the chairperson of the SPRC, and the chairperson of the Board of Trustees and/or the chairperson of the Parsonage Committee or their designates. In either case, excessive damage caused by the outgoing residents, including that caused by pets, shall be identified and will be the responsibility of the outgoing pastor.

The outgoing pastor shall leave the parsonage reasonably clean and in good order.

The charge shall refurbish, repair and thoroughly clean the parsonage prior to a new pastor moving in. Damaged walls, ceilings, floors, windows, fixtures and appliances shall be repaired or replaced. Painted surfaces shall be cleaned or repainted. Carpets shall be thoroughly steam cleaned or replaced; replacement is required if the carpet is torn, excessively worn, or permanently stained. Windows shall be cleaned inside and out. In the event that such work requires that the incoming pastor must make temporary living arrangements, related expenses will be paid by the receiving church.

It is recommended that a photographic record of house and yard, including each room's condition and contents, be created and filed for reference and planning purposes.

7. Treatment of Parsonage Value in Compensation Packages

When a parsonage is provided, the General Board of Pension & Health Benefits requires that it be valued at 25% of salary for benefit computation purposes. In a multi-church appointment, this factor is added to salary for all churches served by the pastor, regardless of which church owns the parsonage in which the clergy person lives.

- a. If a clergy couple is serving separate churches and each church/charge has a parsonage available, each clergyperson's entire compensation will include a parsonage value equal of 25% of salary regardless of where the clergy couple lives.
- b. However, if a clergy couple is serving separate churches, and is living in a parsonage provided by one of the churches with no parsonage offered or available from the other church, only the clergyperson serving the church which provides the parsonage will have the parsonage value added to salary.

C. Housing Allowance

All full-time clergy appointed to a full-time charge or a United Methodist extension ministry shall be provided either a parsonage or a housing allowance. In the event that an appointment has already moved to providing a housing allowance for their pastor and a parsonage is no longer available the charge will negotiate an appropriate housing allowance with the incoming pastor. A housing allowance enjoyed by a pastor appointed to charge "A" will not necessarily translate into a housing allowance for that same pastor when s/he is appointed to charge "B."

Housing allowances shall exist in accordance with the following policy or successive policies as determined by future sessions of the Annual Conference:

1. The housing allowance policy will be in effect from the time the charge moves from providing a physical parsonage to a housing allowance for the current pastor or an incoming pastor. Once the charge makes the transition to providing a housing allowance, that charge shall not be *required* to return to providing a physical parsonage. In the event that the charge *wishes* to do so, see item #4 below.
2. Charges that elect to provide a housing allowance shall do so at a charge/church conference chaired by the District Superintendent after and only after following the steps outlined in item #3 below.
3. A housing allowance agreement shall be drawn up by the local charge (the Staff/Parish Relations Committee and the Board of Trustees, in consultation with the District Superintendent, should be involved in this process as a joint effort). The agreement shall include the following:
 - a. For the purchase of a home:
 - i. Costs associated with utility expenses (heat, light, phone, basic cable, internet service if not provided in a separate church office), property taxes for a home that meets the size requirements of the Conference Parsonage Standards. This information will be provided by a reputable realtor or rental agent so a dollar range for housing may be set for the incoming pastor as s/he considers the appointment and seeks housing.
 - ii. Costs associated with a typical annual mortgage, based upon a 20% down payment and 30 year mortgage, for a home in keeping with Parsonage Standards to cover at minimum: monthly principle and interest costs and mortgage insurance.
 - iii. The housing allowance will be at minimum the sum of items i and ii above.
 - iv. Charges providing a housing allowance may assist the pastor in obtaining a loan or provide a grant for down payment if needed. Any such agreement for down payment shall become a part of the housing allowance agreement.
 - v. The housing allowance agreement shall be signed by the pastor, the chair of Trustees, and the chair of S/PPRC.
 - b. For the Rental of a Home (apartment, condo, etc.): The housing allowance shall be determined in accordance with item a. sub items i. through v. above. It should be noted that housing (either as an allowance or in physical form) shall be provided in accordance with parsonage standards. In the event that the appointed clergyperson chooses to expend less in a rental circumstance s/he shall be afforded the opportunity to save, invest the difference for the eventuality of providing housing for herself or himself in retirement. This provision provides for the near equivalent opportunity for the pastor to accumulate something akin to equity over the life of the housing allowance. By the same token, should the clergyperson choose to rent a set of circumstances more elaborate than what would be covered by

- a sum that would underwrite housing in accordance with parsonage standards the charge shall not be responsible for the additional costs associated with that choice.
- c. A charge may use the annual income and capital gain from the sale of a parsonage over the rate of inflation to help support the housing allowance.
 - d. All current IRS regulations shall be met for both recording and reporting purposes.
4. A charge shall not be required to establish a parsonage after changing to a housing allowance. However, if a charge chooses to return to providing a parsonage, it shall do so only after:
- a. A full and frank discussion with the clergyperson involved, the S/PPRC, and the local Board of Trustees.
 - b. An agreement dissolving the housing allowance agreement has been signed by the pastor, the chair of S/PPRC and the chair of the Board of Trustees.
 - c. A proposal for the purchase of a new parsonage has been completed in full accordance with the United Methodist Book of Discipline.
 - d. The proposed parsonage is in full compliance with current Conference Parsonage Standards.

D. Housing Exclusion

Pastors may utilize the favorable tax advantages of a housing exclusion, which does not increase the compensation package but does lower the pastor's federal income tax liability.

1. Part of the pastor's base salary is declared as an exclusion from taxable salary.
2. A pastor living in a parsonage may have a *Housing Exclusion*; a pastor living in his/her own home may have a *Housing Exclusion* and/or *Housing Allowance*. Housing is exempt from Federal Income Taxes but is NOT exempt from self-employment tax.
 - a. Section 107 of the IRC provides that: "In the case of a minister of the gospel, gross income does not include: 1) the rental value of a home furnished as part of compensation; or 2) the rental allowance paid as part of compensation, to the extent used to rent or provide a home and to the extent such allowance does not exceed the fair rental value of the home, including furnishings and appurtenances such as a garage, plus the cost of utilities."
 - i. A "minister of the gospel" is defined as any duly ordained, commissioned, or licensed minister of the church, who is performing substantially all of the religious duties of his/her church or denomination. The "fair rental value" is the annual amount for which a similar home in a similar neighborhood could be rented. This

can be determined by formal or informal appraisal by a realtor, or by comparing actual rents advertised for similar homes in the community.

3. Below are some further guidelines regarding a Housing Exclusion:
 - a. The housing exclusion must be put in place by official church action before payment is made to the pastor.
 - b. The housing exclusion recognized for tax purposes is limited to the lesser of :
 - i. The amount declared by the church.
 - ii. The actual amount spent to provide housing.
 - iii. The fair rental value as described above.
 - c. The housing exclusion may be paid in the same check as the pastor's salary as long as it is identified on the stub accordingly. It may also be paid separately.
 - d. Housing exclusion is not reported as part of gross income on the W-2.
 - e. It is the pastor's responsibility to account for the actual amount spent on housing expenses to the IRS (not the church) if requested.
 - f. If the total expenses are less than the allowance paid, the pastor must declare the excess as an addition to gross income.
 - g. If the total expenses are more than the pre-defined exclusion, they do not qualify for the exclusion.
 - h. The housing exclusion may be used by the pastor to pay for most non-personal type expenses incurred in providing or running a home (see list below).
4. The following items are examples of expenses paid by the pastor that may qualify as Housing Exclusion items, as applicable, and keeping in mind the limits above:
 - a. *Housing Expenses* such as: down payment on a home, mortgage payments, home equity loan payments (if they are for home related expenses), real estate taxes, property/renters insurance, utilities
 - b. *Repairs and Maintenance*: Structural repairs, remodeling, yard maintenance and improvements, lawn equipment and repairs, pest control, trash pickup, snow removal, tools, cleaning supplies
 - c. *Furniture and Decorating Accessories*: Appliances, TV/VCR, stereo, furniture, drapes, pictures, rugs, linens, lamps, etc.
5. Sample Housing Allowance and/or Exclusion Resolution

WHEREAS Section 107 of the Internal Revenue Code of 1986 has provided that a minister of the Gospel may exclude from gross income the rental value of a home provided and any allowance to provide a home; and

WHEREAS, the Rev. _____ is a duly ordained, commissioned, or licensed minister of the church, who is performing substantially all of the religious duties of the church; and

WHEREAS, the _____ Church has established a gross salary for the Rev. _____ in the amount of \$_____ for the period from _____ to _____;

THEREFORE BE IT RESOLVED that:

The use of the parsonage located at _____, plus all utilities, and \$_____ of the above noted gross salary be provided to Rev. _____ to the extent it is used to provide a home, and be considered to be a Clergy Housing Allowance Exclusion and that said amount be excluded from reportable compensation under Section 107 of the IRC of 1986.

OR

\$_____ of the above noted gross salary be provided to Rev. _____ to the extent it is used to provide a home, and be considered to be a Clergy Housing Allowance Exclusion and that said amount excluded from reportable compensation under Section 107 of the IRC of 1986.

IV. Accountable Reimbursement Plans

A. Policies and Budgeted Amounts

1. All pastors appointed within the Upper New York Annual Conference are entitled to an Accountable Reimbursement Plan (ARP) for professional expenses incurred while performing pastoral duties.
2. A minimum annual Accountable Reimbursement Plan (ARP) budget for a full time pastor shall be \$3,500 for a single church appointment and \$4,500 for a multi-church appointment.
3. Pastoral appointments of $\frac{3}{4}$ time, $\frac{1}{2}$ time or $\frac{1}{4}$ time shall budget and pay an ARP proportionally to this standard for full-time appointments.
4. Congregations are encouraged to budget ARP above the required minimum in consideration of location-specific mileage needs and other factors.

B. Accountable Reimbursement Plan Procedures

An Accountable Reimbursement Plan (ARP) arrangement is established to reimburse business expenses and should satisfy three conditions:

1. The expense must have a connection to services performed for the church or other connected entity.
2. There must be an adequate accounting of the expense within a reasonable period of time; i.e. date, place, amount/mileage, business purpose provided within 60 days.

3. Any excess reimbursements or advances to the pastor must be returned to the church with a reasonable period of time; i.e. 120 days, and within 30 days for end of the year expenses.

Reimbursements are not considered to be income for the pastor, but professional costs as an expense of the church. Therefore, ARP reimbursement is not included in income reporting to the IRS. The amount budgeted is reported to the Conference as a component of the compensation package, but is not considered part of salary. A pastor's salary may not be reduced to fund the Accountable Reimbursement Plan.

To implement an ARP, there needs to be a written policy or resolution. Payment of funds may be done as

- a reimbursement of qualified expense,
- as payment direct to vendor, or
- as an advance with subsequent documentation of expenses; or any combination of these methods.

Pastors shall submit a voucher for reimbursement of professional expenses, providing receipts for expenditures and an accounting of mileage where applicable. The specific nature or names related to pastoral visitations shall not be disclosed.

The church, in consultation with the pastor, may wish to designate certain items which it elects to have covered by this policy, such as travel, continuing education, attendance at annual conference, books, subscriptions, work supplies, vestments, etc. There may be a cap or dollar amount on the total reimbursable business expenses that will be paid, for example: "The reimbursement amount shall be no more than _____ ." The church may also want to require pre-approvals by the treasurer or SPR/PPR chair of business expenses in excess of \$ 500 (or any other amount deemed appropriate). The church may want to set a dollar amount for which receipts must be submitted such as purchases over \$25.00. These additional requirements should be included in the policy.

C. Qualified Expenses

Pursuant to information provided by the General Council on Finance and Administration, an example of items that are reimbursable under an Accountable Reimbursement Plan includes:

1. Trips to visit parishioners at hospitals, nursing homes, or the parishioner's home
2. Business-related meals and mileage
3. Expenses related to meetings of a connectional nature (i.e. District events, conference-level meetings, etc. Expenses for Annual Conference sessions should be budgeted as a separate line item in the church budget for both clergy and lay members, not as part of the ARP.)
4. Supplies for the church office
5. A computer required for church work
6. Vestments worn for worship
7. Church-related books and periodicals
8. Office furnishings and equipment
9. Continuing education and seminars

D. Sample Accountable Reimbursement Policy

This is a sample of an accountable reimbursement policy. The specifics of each policy should be reviewed by each church and minister considering their specific concerns. If legal or tax advice is required, the services of a competent professional advisor should be sought.

The following resolution is hereby adopted by the church council of XXXXXXXXX Church. *It will be effective for the calendar year_____ and all future years unless specifically revoked or superseded.*

The church pastor (or other employee(s)) will be reimbursed for ordinary and necessary business expenses incurred in the performance of his or her responsibilities when he/she substantiates the amount, business purpose, date, and place of the expense. Confidentiality shall be maintained in the substantiation of pastoral visits and/or counseling.

This substantiation must be provided to the chair of the pastor parish relations committee (or church treasurer) within sixty (60) days of incurring the expense. The individual must return to the church any amounts received in excess of the substantiated expenses within one hundred twenty (120) days of receipt.

The church will not report any properly substantiated reimbursement payments as income on any Form W-2.

Chair, Church Council

SPR/PPR Chairperson

Pastor

V. **Benefits**

A. Pension

1. Clergy

All pastors under appointment to a local church are eligible to participate in the Clergy Retirement Security Program (CRSP). The eligible clergyperson will be enrolled unless a Waiver of Participation, notarized and filed on the prescribed form, is received in the Benefits Office. The charge shall pay the monthly CRSP Invoice.

Clergy on Incapacity Leave and Sabbatical Leave continue to accrue credit toward the Defined Benefit component of CRSP, paid by the Annual Conference. Clergy on other forms of leave, appointed to attend school, or appointed to an extension ministry outside the responsibility of the Annual Conference do not accrue "years of service" toward this benefit.

2. Lay Employees

The 2008 Book of Discipline, Para. 258.2g(12) states that the PPRC shall recommend 100% vested pension benefits of at least 3% of compensation for lay employees who work at least 1040 hours per year. The United Methodist Personal

Investment Plan (UMPIP)_ is available to local churches for this purpose, or they may utilize other options.

B. Death and Disability

The Comprehensive Protection Plan (CPP) provides death, long-term disability and other survivor benefits to eligible clergy. All full time clergy appointed to local churches are enrolled. Elders, Provisional Members, and Associate Members who serve less than full time are eligible under the optional category.

A clergyperson's District Superintendent must be notified when applying for long term disability benefits and/or seeking Incapacity Leave status. Until and unless Incapacity Leave status is granted, the church to which the clergyperson is appointed remains responsible for salary and benefit costs for the pastor.

1. Short Term Disability

The Conference carries short term disability and workers compensation coverage on all clergy appointed to local churches as well as lay employees of the church through the multi-peril insurance program. Premiums for this benefit are included in the church insurance invoice.

While on short term disability, the church remains responsible for all salary and benefit costs associated with the pastor.

C. Health Insurance

1. Active Clergy

All full time clergy appointed to a local church or Conference-responsible extension ministry are entitled to health insurance and eligible to enroll in the Conference-sponsored health insurance plan. Regardless of enrollment, all charges that have a full time pastor will pay the blended rate premium. This premium may be split between churches served by the full time pastor.

Clergy enrolled and receiving a benefit will pay a Pastor's Personal Contribution. The amount is set annually by the Conference Board of Pension & Health Benefits.

Churches with clergy serving less than full time should include in their salary support packages a "health insurance allowance" in an amount that relates to the blended rate to enable the clergyperson to obtain health insurance or fund a Health Savings Account.

2. Lay Employees

Full time lay employees are also eligible to enroll in the health insurance program. The premium billed is based on coverage level; i.e. single, two person or family. The benefits are the same as for a clergyperson.

3. Retired Clergy and Surviving Spouses

The Upper New York Conference continues to support part of the cost of providing health insurance to retired clergy through the use of reserve funds and participant contributions. The remaining financial support for the cost of retiree health care is billed to all of the local churches in the conference on a proportional basis.

4. Policies developed by the Conference Board of Pension & Health Benefits

This summary statement is provided to assist the clergy and employees of the Upper New York Annual Conference understand the eligibility guidelines and funding policies of the Health Care Program. The Health Care Program and its Policies are the responsibility of the Annual Conference and the Conference Board of Pension and Health Benefits, and are subject to change. Eligibility guidelines are presented in summary; if there are any conflicts between the information in this summary and the terms of the Plan Document, the terms of the Plan Document shall control. Benefit information may be found at www.unyumc.org. Further information may also be obtained from the Benefits Office.

a. ELIGIBILITY

i. Full time Active Clergy at Local Churches or appointed to staff positions
ii. Conference lay employees 30 hr / week
iii. Clergy on leave, enrolled prior to leave
iv. Retirees enrolled 5 years prior to retirement; or as of 1/1/2011 if retiring prior to 1/1/2016
v. All enrolled persons must be in Medicare A & B, if eligible, and are responsible for that premium
vi. Spouses and surviving spouses of enrolled retired participants
vii. New spouse of surviving spouse is NOT eligible
viii. Dependents and surviving dependents of participants; children subject to age and status rules (up to age 26 regardless of student status)
ix. Break in coverage may affect eligibility

b. FUNDING

x. Local churches are billed based on eligibility of clergy person, regardless of enrollment.
xi. Blended premiums to local churches with eligible pastors; blended rate being the average of all eligible clergy.
xii. Local church lay employees are billed 100% of actual premium; church contribution negotiated by employee.
xiii. Retiree medical costs not paid by retirees are billed to all churches based on shared ministry formula as a direct bill item.
xiv. Conference Staff and DS costs paid through shared ministry budget; personal premium on same basis as active clergy.
xv. All active participants - lay and clergy - pay a portion of their health insurance at a rate determined annually by CBOP. Can be on pre-tax basis.

xvi. Short term disability; salary paying unit continues to pay health insurance
xvii. Long term disability; Conference pays full premium for pastor and family for year 1, then on a declining schedule for family members year 2-5. Board can consider special circumstances.
xviii. Persons on leave other than incapacity must pay 100%
xix. Retirees: Conference obligation based on years of service: 3% of actual premium per full time equivalent year of service up to 30 years and 5 year vesting. (effective 1/1/2012)
xx. Retirees under age 65: Additional amount added to years of service formula at 5% of premium for each year under age 65, up to 15%.
xxi. Retiree Health Insurance years of service include all full time UMC church appointments or conference staff; adjusted for part time.
xxii. Conference lay employee retirees pay on the same basis as Clergy retirees
xxiii. Surviving Spouses pay at same % as spouse
xxiv. New spouses of retired participants pay 100%
xxv. Premiums for legally dependent adult children determined by CBOP
xxvi. Retirees and spouses enrolled in non-conference plan and already receiving a grant as of July 1, 2010 can request grant continuation up to amount that would have been paid for that person in the Conference plan; through 12/31/2012
xxvii. Churches with clergy serving part time should include in their salary support packages a "health Insurance allowance" in an amount that relates to the blended rate to enable the clergy person to obtain health insurance or fund a Health Savings Account.

VI. Time Off Policy

- A. All church staff are entitled to two days off per week for personal time, family time and spiritual renewal, one of which would be a Sabbath day.
- B. Clergy are entitled to 4 weeks of vacation each year with 5 weeks for those with more than 20 years of service.
- C. Full time clergy shall have at least 2 weeks per year of Continuing Education/Spiritual Growth leave (as per ¶ 351.1 & 351.2). Furthermore, once every quadrennial period (every four years) there should be one year where an additional month of Continuing Education/Spiritual Growth is undertaken.
- D. Full time pastors are encouraged to give a week annually to a Conference camping ministry.
- E. There will be no prescribed sick leave for clergy. Short and long term disability will be in place as needed.
- F. Time off for part time clergy is negotiated. (See "Other Considerations")

VII. Other Considerations

Pastors are strongly encouraged to participate in the Social Security system. The General and Conference Boards of Pension & Health Benefits have structured retirement, disability, and health benefit programs around the Social Security system. No grants will be provided by the conference to persons who have opted out of Social Security for the purpose of supplementing income or health benefits.

VIII. Pulpit Supply

The honorarium for pastor supply shall be \$90 for one service and \$75 for each additional service in 2012, plus mileage reimbursement at the current IRS rate for 2012.

IX. Clergy Moves

A. Clergy changing appointments:

1. In most cases the receiving churches/charge will pay for the moving expenses of the incoming pastor. Items from the church office, where possible should be moved to the parsonage if they are to be included in the move, otherwise the pastor can move those items themselves.
2. The pastor is required to obtain two (2) estimates for the cost of the move.
 - a. The pastor and the receiving chair of S/PPRC will discuss the choices, make the decision and determine how the receiving church will have payment ready upon arrival of the movers.
 - b. The moving company chosen will provide a signed contract indicating *PRICE NOT TO EXCEED* estimate.
 - c. The moving company needs to *fix their price* prior to the move taking into consideration the distance and estimated weight/boxes of the clergy family belongings.
3. The following will be paid for by the receiving church:
 - a. Reasonable household furnishings and library are included.
 - b. The loading and unloading of the truck
 - c. Taking apart beds, frames, etc. for the move and re-assembling them upon arrival.
4. The church is NOT financially responsible for packing or unpacking of boxes, or packing supplies. If the pastor desires these services they will be paid for separately by the pastor.
5. The pastor is responsible for packing all items in preparation for the move. The exception would be those items the carrier is required to pack under insurance regulations (i.e. mirrors, mattresses, marble tops, etc.).
 - a. The pastor is to pay for moving extensive material considered hobbies, collectibles or separate business items. Second cars, recreational vehicles and utility trailers are the responsibility of the pastor.

B. Conference Extension Moves:

Moving expenses for persons appointed/hired to extension appointments where the conference pays their compensation (District Superintendents/Executive Staff) will have their moving expenses paid by the Annual Conference. Please get instructions for bids and payment from the Pension and Benefits office at UNYAC Office

C. Conference assistance for high frequency moves

1. If receiving congregation's pastor has three years in their current appointment, the receiving church will pay 100% of the moving costs.
2. If the receiving congregation has had a change of pastors where moving expenses have been incurred, in the previous two years, the conference will reimburse the receiving congregation \$500 for moving expenses, pending receipts arriving at the conference office within 30 days.
3. If the receiving church has experienced an appointment change where moving expenses have been incurred, in the last 12 months, the Annual Conference will reimburse the receiving church \$1,000, pending receipts arriving at the conference office within 30 days.
4. If the pastor is moving to the Upper New York Annual Conference from outside of the conference boundaries, the receiving church is responsible for the move once inside the conference boundaries. Any costs incurred in getting to the Annual Conference are to be paid by the pastor.

D. Transition Date

The date of official transition is July 1. Salary, benefits, and reimbursements are paid through the month of June.

E. Retirement Moves

1. Who makes arrangements for the retirement move? The retiree is required to secure two bids which are to be sent to the Benefits Officer. The Benefits Officer will issue a purchase order to the carrier based on the grant (see below). The retiree can then follow through on final arrangements.
2. Who moves the retiree? A licensed carrier whose costs will include replacement cost insurance coverage. While not recommended, a retiree may move themselves but in these cases, the retiree will pay all related expenses and submit receipts to be considered for reimbursement.
3. What is included in a funded retirement move? Reasonable household furnishings and library are included. Retiree is to pay for moving extensive material considered hobbies, collectibles or separate business items. Second cars, recreational vehicles and utility trailers are the responsibility of the retiree. Questionable items should be discussed with the Benefits Officer.
4. Who packs? The retiree, except for those items the carrier is required to pack under insurance regulations (i.e. mirrors, mattresses, marble tops, etc.). Packing supplies may be provided by the mover. The retiree may negotiate with the

carrier for the carrier to do additional packing, with the retiree responsible for any such added costs.

5. Who pays? The Conference Board of Pension & Health Benefits will pay for one retirement move for clergy members who are retiring from a local church appointment or conference staff appointment, according to the approved schedule (see below). The retirement move shall occur one year prior to retirement or up to two years after retirement. Any variation from the schedule must be recommended by the District Superintendent and approved by the Conference Board.

a. The Benefits Officer will issue a purchase order to the carrier for the amount of the grant, or the estimated costs, whichever is less. If the estimated cost of the move is more than the grant, the retiree is directly responsible to the carrier for the balance due.

b. For each year of service in the Upper New York Conference (and four former conferences), 3% of the following amounts will be paid toward the retirement move:

Full time (at time of retirement)	\$3,000	(\$90 per year of service)
Three-quarter time	\$2,250	(\$67.50 per year of service)
Half time	\$1,500	(\$45 per year of service)