

## Appendix C

### TERMS OF CALL FOR A PASTOR OR ASSOCIATE PASTOR, 2010 PRESBYTERY OF SOUTH LOUISIANA

The \_\_\_\_\_ Presbyterian Church (USA) of (location) \_\_\_\_\_ belonging to the Presbytery of South Louisiana, being well satisfied with your qualifications for ministry and confident that we have been led to you by the Holy Spirit as one whose service will be profitable to the spiritual interests of our church and fruitful for the Kingdom of our Lord, earnestly and solemnly calls you (name) \_\_\_\_\_ to undertake the office of \_\_\_\_\_ of this congregation, promising you in the discharge of your duty all proper support, encouragement, and allegiance in the Lord.

That you may be free to devote yourself

\_\_\_ Full-time (35 hours per week or more, according to the Board of Pensions)

\_\_\_ Part-time \_\_\_\_\_ (Number of hours per week)

to the ministry of the Word and Sacrament among us, we promise and obligate ourselves to pay you the amounts below:

**INCOME (to calculate the Board of Pensions dues):**

1. Annual Cash Salary	\$ _____
2. Housing Allowance/Utilities	\$ _____
3. Value of Manse if provided (at least 30% of sum of lines 1, 2, 4, 5 and 6)	\$ _____
4. Deferred Compensation	\$ _____
5. SECA Tax Allowance in Excess of 50%	\$ _____
6. Other (Specify) _____	\$ _____
<b>7. TOTAL EFFECTIVE SALARY (for Board of Pensions dues)</b>	<b>\$ _____</b>

**PENSION AND MEDICAL:**

8. Paid to Board of Pensions for Pension (12.0% of Line 7)	\$ _____
9. Paid to Board of Pensions for Medical (19.5% of Line 7)	\$ _____
10. TOTAL Paid to Board of Pensions	\$ _____
11. Other _____	\$ _____
<b>12. SECA TAX ALLOWANCE UP TO 50%</b>	<b>\$ _____</b>
<b>13. TOTAL COMPENSATION</b>	<b>\$ _____</b>

**REIMBURSABLE EXPENSES**

14. Automobile.....	\$ _____
15. Continuing Education.....	\$ _____
16. Professional.....	\$ _____
17. Other (Specify) _____	\$ _____
<b>18. TOTAL REIMBURSABLE EXPENSES BUDGETED</b>	<b>\$ _____</b>

**TOTAL COST TO CHURCH:** ..... \$ \_\_\_\_\_

**OTHER BENEFITS:** Vacation \_\_\_\_\_ weeks,  
 Study leave \_\_\_\_\_ weeks, cumulative to \_\_\_\_\_ weeks (at least six weeks over three years.).  
 Other (specify): \_\_\_\_\_

**Salary Continuation\Severance**

In the event that the pastoral relationship effected in this call should be dissolved without your having received a call to other work, we agree to Severance Pay with full salary and benefits (excluding reimbursable expenses) for a period of three months beginning the day the pastoral relationship is declared dissolved by the Committee on Ministry of the Presbytery of South Louisiana. Under extenuating circumstances, Severance Pay may be granted for a longer period of time at our discretion with approval of the Committee on Ministry of the Presbytery of South Louisiana. If you receive another call or other full-time employment, such Severance Pay shall cease effective the day your call or other full-time employment begins. We understand this provision for Severance Pay may be waived by our request with the approval of the Committee on Ministry of the Presbytery of South Louisiana in the event of disciplinary action or pending disciplinary action against you.

**APPROVAL:** The members of this congregation, in a congregational meeting on \_\_\_\_\_ (date), reviewed the terms and approved these terms of call for \_\_\_\_\_, effective \_\_\_\_\_ (date).

The terms of this call will be renewed at the beginning of each calendar year after an annual review, unless specifically changed by a vote of the congregation.

\_\_\_\_\_  
**Clerk of Session or Congregational Witness**  
**Date** \_\_\_\_\_

\_\_\_\_\_  
**Minister**  
**Date** \_\_\_\_\_

*For tax purposes, changes are effective on the date they are approved by the congregation at a congregational meeting. They are not retroactive, so please act promptly. See the back of this form for assistance in completing the form.*

## NOTES FOR PREPARING TERMS OF CALL

While ministers are usually treated as employees for income tax purposes, they are always considered self employed by the IRS for Social Security taxes. Some churches voluntarily pay their minister 50% of his or her Social Security obligation, the amount they would be required to pay on a non-ordained employee. This portion of the compensation is not included in Effective Salary (but is reported on the W-2 form as taxable salary).

If the church elects to pay the minister 50% of the Social Security (SECA) obligation on the Effective Salary: (SECA Allowance up to 50% of allowable amount is not dues bearing for the Board of Pensions)

Social Security Tax is based on the sum of “Annual Cash Salary,” “Housing Allowance,” “Utilities,” and “Deferred Compensation.” Multiply this amount by .0765 to get the figure of the employer’s half of the Social Security obligation. Place this amount in Line 12 - “SECA TAX ALLOWANCE UP TO 50%.” **This amount is in addition to the Effective Salary, and in addition to the presbytery minimum salary.** If the church contributes more than 50% of the SECA obligation, the amount in excess of 50% is listed on Line 5, and is included in Effective Salary. (*Most churches do not contribute more than 50% of the SECA obligation.*)

The Pension and Medical amounts are based on the appropriate percentage multiplied by “TOTAL EFFECTIVE SALARY.”

### LINE NUMBERS:

1. Annual Cash Salary
2. Housing Allowance/Utilities or Manse Value  
This amount may be used for any costs associated with providing housing, for example, mortgage, rent, furnishings, utilities, yard maintenance. If a manse is provided, the church may also provide an allowance to cover utilities, furnishings, yard maintenance, etc.  
***Any amount of the housing allowance not spent on items related to housing must be reported by the minister as taxable income. The whole amount is always subject to Social Security tax.***
3. Manse Value must equal at least 30% of all other items included in “Effective Salary.”
4. Deferred Compensation any monies contributed to a tax sheltered savings plan, equity allowance, etc.
5. SECA Tax Allowance in Excess of 50% (see notes above)
6. Other (specify)
7. TOTAL EFFECTIVE SALARY (the sum of lines 1+2+3+4+5+6)
8. Paid to Board of Pensions for Pension and Death/Disability: 12% of line 7)
9. Paid to Board of Pensions for Medical: 19.5% (.195 x line 7)
10. TOTAL Paid to Board of Pensions (sum of lines 8+9)
11. Other (specify; e.g., dental insurance)
12. SECA TAX ALLOWANCE UP TO 50% (.0765 x the sum of lines 1+2+3+4+6)
13. TOTAL COMPENSATION (sum of lines 7+10+11+12)

## REIMBURSABLE EXPENSES

14. Automobile Allowance may be reimbursed at the IRS approved rate for mileage, or by actual operating costs for professional use of the minister's automobile.
15. Continuing Education includes both time off for study (including Sundays) and an allowance to cover costs of tuition, travel, etc. Both time and money are cumulative up to three years.
16. Professional Expenses include books, subscriptions, cost of meals with church members or prospective members.
17. Other (specify)
18. TOTAL REIMBURSABLE EXPENSES BUDGETED (sum of lines 14+15+16+17)
19. TOTAL COST TO CHURCH (sum of lines 13+18)

## GENERAL NOTES:

1. The Presbytery of South Louisiana, at its stated meeting on October 10, 2009, established **\$33,930.00** as the minimum salary for full-time service as pastor. (Line 7 must equal or exceed **\$33,930.**)

If a position is part-time, divide the number of hours per week by 35 to get a percentage figure. Multiply this times the minimum salary figure to get the minimum part-time salary for this position. For example, if the position is 20 hours per week, the church would need to pay at least 57% of the minimum salary.

2. The Presbytery requires that full-time pastors receive four weeks (four Sundays) of vacation and two weeks (two Sundays) of study leave. Both the time off for study leave and the monetary allowance are cumulative up to three years.
3. Federal Income Tax is based on these elements of income: cash salary, bonus, honoraria, gifts (from the church), unused housing allowance, and church social security contribution. If items included in the expense allowance are submitted by the minister and reimbursed by the church, the reimbursements are not taxable. *If the allowances are paid to the minister "up front" and not accounted for, then the allowances are treated as taxable salary. It is very important to handle expense allowances by vouchered reimbursements.*
4. If you serve in a two/three church field, a form should be completed on each field indicating what it pays.

*When the call has been officially approved, please mail this form to:*

**PSL Committee on Ministry, 12909 Old Hammond Hwy., Baton Rouge, LA 70816**