November 2023

To: Clerks of Session and Moderators

From: Credentials Team of the Committee on Ministry, Presbytery of Hudson River

Re: 2024 Terms of Call; Approval of Terms of Call by Hudson River Presbytery; New Policies/Guidelines

**Increase in Compensation for 2024 Terms of Call**

*Based on the Social Security Administration’s* ***2024*** *cost of living adjustment of* ***3.2%****, Hudson River Presbytery has approved the following changes and recommendations regarding compensation for the coming year:*

*A mandatory* ***3.2%*** *increase 2024*

1. 3.2% COLA mandated for clergy at the minimum level and recommended for all HRP clergy and church staff.

**Reporting to Presbytery and Enrollment in the Board of Pensions Benefits Connect**

In addition to reporting terms of call to the Presbytery as instructed below, terms of call also need to be submitted directly to the Board of Pensions through Benefits Connect. Compensation must be confirmed at the beginning of each year even if there is no change. When there is a change in the Terms of Call, salary changes must be reported to the Board of Pensions at (<https://pensions.org>). Once on the BOP website, the administrator logs into Benefits Connect to report changes. Changes must be reported within 60 days of the effective date of the change.

Exploring and becoming familiar with the Board of Pensions website at <https://www.pensions.org> is strongly recommended. There are clickable links and a search box on the home page to help in navigating the site. There is a plethora of information to help assist PNC’s and Sessions, including varied options for coverage.

**The 2024 Terms of Call Worksheet:** Please use the worksheet found in Section 2 of the COM Manual on the HRP website to calculate total pastoral compensation for submission to Hudson River Presbytery. This worksheet allows easy calculation of both full and part-time Terms of Call and provides instructions and information in boxes throughout the worksheet. Completing the Terms of Call Worksheet **electronically** also offers the advantage of built-in automatic calculations.

**Even if there are no changes in the Terms of Call, the Terms of Call must be submitted by March 1, 2024.**

Completed and approved Terms of Call for 2024 may be submitted to the presbytery as follows:

1. Email: [joanna@hudrivpres.org](mailto:joanna@hudrivpres.org) (email as an Excel spreadsheet or PDF attachment)
2. Mail: The Presbytery of the Hudson River

Attention: Jo Anna Tivnan

655 Scarborough Rd

Scarborough, NY 10510

**Highlight for the Terms of Call Worksheet 2024**

1. Manse Value (for churches who provide a manse): The amount should be Fair Rental Value\* of a home furnished to the pastor as part of compensation, but shall be at least “30% of **all other compensation included in the Effective Salary (minimum is 30% cash salary - $12,505 if there are no amounts entered for Line 3 (Deferred Compensation) for Line 4 (Other Allowances)**. If utility or furnishings allowances are provided, they are included in effective salary in addition to the manse value defined above.”\*\*

\*The IRS tax code contains no specific percentage. Rather the IRS basis is a **Fair Rental Value (FRV).** Fair Rental Value is what it would cost to rent a comparable home (including furnishings and utilities) in the community/county in which the church is located. FRV should be determined objectively and between unrelated parties. IRS Code 107 states the Fair Rental Value of a home (manse) furnished as part of pastor’s compensation may be excluded from the pastor’s gross income.

1. **Effective Salary:** With the 3.2% **mandated** COLA increase, the **Minimum Effective Salary** for a full-time installed pastor is **$63,195**. Note: **Effective Salary** includes: The sum of the cash salary, housing allowance and/or manse value, deferred compensation and other allowances, and must meet or exceed the Minimum Effective Salary.
2. ***BOP Benefits Plan Cost****: For 2024, the cost for the* ***Pastor’s Participation Plan*** is **39%** of Effective Salary (29% medical, 8.5% Pension, 1% Death and Disability, and 0.5% Temporary Disability). This percentage of Effective Salary remains unchanged from 2023. All **installed pastors, whether full-time or part-time must be enrolled** in the *Pastor’s Participation Plan.* Pastors who are not in an installed position and are regularly schedule to work at least 20 hours per week, **may** be offered the **Pastor’s Participation Plan or may participate in the Board of Pensions Benefits Plan Menu Options or the Minister’s Choice Plan.** Dependent medical coverage continues to be included for all pastors enrolled in the *Pastor’s Participation Plan.*

**Other important items:**

* **Manse Use Agreement** – for all pastors/sessions where a manse is used. Found in [Section 5 - Manses](https://www.hudrivpres.org/committee-on-ministry-manual/category/Section+5+-+Manses)  on the HRP website and should be filed along with terms of call.
* **Family/Medical leave policy** – found in [Section 6 - Miscellaneous Policies & Processes](https://www.hudrivpres.org/committee-on-ministry-manual/section5-jy6bz)
* **Social Media Guidelines for pastors and congregations** – also found in [Section 6 - Miscellaneous Policies & Processes](https://www.hudrivpres.org/committee-on-ministry-manual/section5-jy6bz)

If you have additional questions, please contact, Jo Anna Tivnan by email [joanna@hudrivpres.org](mailto:joanna@hudrivpres.org) or phone (914)941-2100. Jo Anna will refer your inquiries to COM.

**Annual Approval of Terms of Call by Hudson River Presbytery**

The Committee on Ministry brings before Hudson River Presbytery the Terms of Call for all minister members serving in a pastoral capacity each year in accordance with Book of Order G-2.0804.