



THINGS TO INCLUDE IN COMPENSATION PACKAGE/DISCUSSION

Salary – often based on education, experience, location, size of congregation, etc.

Medical Insurance – should be remitted by church, even if the preacher pays it, as this will save on income taxes.

Retirement – some congregations are putting a certain amount into a retirement fund.

Social Security – congregations differ on paying part, none, or all of the preacher's Social Security.

Vehicle Expense – some congregations pay mileage for the preacher to use his personal vehicle, especially if the congregation is some distance from hospitals, etc.

Housing Allowance – Housing Allowance should be set up with the congregation, especially if the preacher is purchasing a house. This will result in the minister having a “double” deduction for Income Tax purposes.

Parsonage – Ministers must include “fair rental value” of the church owned house for Income Tax purposes. If living in a church owned house a Housing Allowance should also be set up, as this will allow the preacher to set aside the expenses associated with the home. If living in a church owned house contents insurance must be considered. Often churches will provide insurance on the dwelling, but not the contents. Should the contents be damaged in a fire or other accident, the preacher who does not have such insurance will suffer the loss.

Termination “Contract” – An agreement should be made, if possible in writing, as to the amount of time either “party” should provide the other upon ending their work relationship.

Spouse Responsibility – An understanding should be had as to what is expected of the preacher's spouse.

Office Hours/Hours of Work – How many hours is the preacher expected to be in the office/study/visitation? What day/days of the week is he to take off if prescribed by the congregation? Vacation, when, how long?