

Equitable Compensation Policy

Effective January 1, 2012

The purpose of Equitable Compensation is to work with the District Superintendents in the effort to support congregations as they strive to become viable (Rule 1.4). This is done by A) providing salary support grants to Churches/Charges served by a full-time United Methodist pastor and B) making an annual recommendation of the minimum compensation needed by a pastor to allow them to focus their efforts on the ministry instead of seeking secondary employment.

ANNUAL RECOMMENDATION OF MINIMUM COMPENSATION

- 1) The Base Cash Salary for 2012: *Full Connection Clergy \$37,153; Less than Full Connection Clergy \$35,438.*
- 2) The Base Cash Salary for both clergy groups listed in paragraph #1 shall include any personal tax deferred annuities, personal IRA's paid by the local church, or personal pension plan in addition to the recommended contribution to the Pension program (UMPIP) in No. 3.
- 3) The pastor shall receive the following in addition to minimum compensation. A) Pension Program Contribution (UMPIP) (minimum of \$1,883); B) Continuing Education allowance (minimum of \$150); C) Travel Allowance by voucher at the current IRS rate; D) Utilities paid in full (minimum of heat, electricity, local phone service, water, garbage service, and internet); Accountable Reimbursement Plan (minimum of \$500).

SALARY SUPPORT GRANTS

- 1) The following requests will be considered by the Commission:
 - a. Strategic Appointment Grant – Available when a new appointment results in significantly increased costs to the Church/Charge. These increased costs will be so burdensome that it is unlikely that the Church/Charge will have adequate resources available to take the necessary steps to becoming viable without outside assistance. The purpose of this grant is to assist the Church/Charge in its transition to being able to fully support the newly appointed pastor. The Church/Charge shall provide monthly written status reports to the District Superintendent and Conference Treasurer. Status reports shall at a minimum report progress towards benchmarks.
 - b. Discernment Grant – Available when a Church/Charge has declined in its ability to support a full-time United Methodist pastor to the point where it is unlikely to be able to provide the recommended minimum compensation. The purpose of this grant is to provide time for the Church/Charge and District Superintendent to evaluate the viability of the congregation and decide upon a ministry plan that is appropriate for the Church/Charge. The District Superintendent shall provide a report on the viability and the ministry plan at the next Equitable Compensation meeting. Depending on the ministry plan adopted by the District Superintendent and the Church/Charge, it may be appropriate for the Church/Charge to provide monthly written status reports to the District Superintendent and Conference Treasurer.
 - c. Emergency Grant – Available when a Church/Charge provides evidence that they will not be able to provide their full-time United Methodist pastor with the recommended minimum compensation. The purpose of this grant is to ensure that the pastor is properly cared for.
- 2) Churches/Charges shall pay their apportionments in full during the years they receive salary support grant payments. Churches/Charges that do not comply with this shall not be

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considered for a Salary Support Grant the following year with the exception of Emergency Grants.

- 3) The maximum amount to be paid for Strategic Appointment Grants and Discernment Grants shall be \$5,400 annually. Grant payments to Churches/Charges shall be made monthly. A Church/Charge shall not receive Salary Support Grant payments for more than 36 consecutive months.
- 4) Salary Support Grant requests shall be submitted in writing to the District Superintendent and the Conference Treasurer. In order for Salary Support Grant payments to continue into a new calendar year, the written request must be updated and resubmitted.
- 5) The Churches/Charges receiving support will be listed in the Conference Journal.

Equitable Compensation Calculation: *The Commission calculates the Equitable Compensation amount based on the Conference Average Compensation. See calculations below:*

Year	Full Connection Clergy	Less than Full Connection Clergy
2012	57,158 x 65% = 37,153	55,606 x 62% = 35,438
2011	55,606 x 65% = 36,144	55,606 x 62% = 34,476
2010	53,695 x 65% = 34,902	53,695 x 62% = 33,291
2009	51,922 x 65% = 33,749	51,922 x 62% = 32,192
2008	49,436 x 65% = 32,133	49,436 x 62% = 30,650

(Example: Conference Average Comp x % chosen by Commission = Equitable Compensation)

The charges which received Equitable Compensation support in 2010 were:

Alexandria/Ethan, Cresbard/Tolstoy, Drayton/Pembina/Joliette/Humboldt, Fairburn, Flandreau/Egan, Grafton/Minto PC-USA/St. Thomas, Iroquois/Esmond/Doland, Lisbon/Lisbon PC-USA, Enderlin, McClusky/Goodrich/Chaseley, Mohall/Sherwood, Pierre Southeast, Presho/Kennebec/Reliance, Rapid City Knollwood Heights/Rapid Valley, Sioux Falls Southern Hills, and White River/Mission

- This policy as brought by the Equitable Compensation subcommittee (Barry Whipkey, Marilyn Perry, John Lomheim, Laura Borman) and drafted by Jeff Pospisil and Bob Ruedebusch, is recommended to the Annual Conference by the Stewardship of Resources Link on January 25, 2011.