1 Document Number: 680.02

2 Name: Minimum Salaries for Full-Time Elders

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6 CCFA Action:

## **ACTION**:

1) Minimum cash salaries for full-time Elders appointed in the NIC will be as follows, showing an increase of 7.0% for the next fiscal year:

Status	2023 actual	2024 actual	2025 actual	2026 recommended	2027 projected
Elder	(\$37,450)	(\$40,763)	(\$43,616)	(\$46,669)	(\$49,936)
LLP	(\$37,450)	(\$40,763)	(\$41,782)	(42,868)	

2) Local churches are to provide a minimum of \$2,500\* for accountable reimbursements for their appointed Elder(s). This covers the costs of providing travel, continuing education, and other expenses incurred in the course of providing pastoral ministry. Information about accountable reimbursements can be found at: <u>Accountable Reimbursement Policy Q&A</u>

\*Ideally the church maintains \$5,500 but, in an effort to maintain full-time, some churches may need to reduce the reimbursement to\$2,500. Anything lower will not allow the pastor to engage in fruitful ministry.

## **RECOMMENDATIONS:**

- The Equitable Compensation Task Force (ECTF) recommended a minimum salary for fulltime Elders to be approximately \$50,000 by 2026 for FY 2027, achieved by 7.0% increases during the years (2025, 2026, and 2027). The Equitable Compensation Committee is following these recommendations and recommending a minimum for fulltime Elders \$46,669 in FY 2026 and projecting \$49,936 in FY 2027.
- The United Methodist Book of Discipline does not require Annual Conferences to establish a minimum salary for LLPs. However, to responsibly recognize changes in buying power, the Equitable Compensation Committee recommends that the minimum salary for Licensed Local Pastors at least mirror the Cost-of-Living Index (2.6%) as defined by governmental agencies FY2026 (\$42,868).

## **RATIONALE AND METHODOLOGY:**

• The current Equitable Compensation Committee is following the rationale below of the Equitable Compensation Task Force (ECTF) formed in 2023.

2025 NIC Legislation Page 31 of 47

- The ECTF submitted surveys to all US Annual Conferences and received 18 replies. The NIC is currently second to last in minimum salary (by a sliver margin of \$165) among the 18 annual conferences responding to the survey. Had the 2023 Annual Conference not approved the 8.7% increase, bringing the current minimum to \$40,763, NIC would be at the bottom. Current minimums across annual conferences range from \$40,598 to \$50,923.
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  - The Equitable Compensation Committee (ECC) is also aware and recognizes that increasing the minimum salary may be a financial burden that some churches cannot bear. As we move forward, fewer single-charge full-time appointments will most likely be the new normal. The ECC is committed to continuing to monitor the trends and work with the Cabinet and churches on ways to equitably compensate clergy.
  - The ECTF determined that their recommendation would be focused on base compensation only, having found it impossible to identify/consider values of parsonages, housing allowances, or health insurance benefits due to the wide disparities between conferences and the extreme difficulties in assigning dollar values.
  - This survey showed that a lower minimum salary for LLPs is consistent with the other annual conferences responding to the survey.
  - The UMBoD ¶342 speaks only to "Elders in full connection" who assume "the obligations of the itinerant ministry" and who bear the burden of extensive student loans from the required master's degree. Further, "the Church shall provide, and the ordained minister is entitled to receive, not less than the equitable compensation established by the annual conference for clergy members."
  - The UMBoD states in ¶625.2(a) that the Equitable Compensation Commission be responsible for "recommending conference standards" for pastoral salaries, and (b) "administering funds to be used in base compensation supplementation."

2025 NIC Legislation Page 32 of 47