

# Acts 12:24 Churches – Policy Guides – 6-26-2020

## Pastoral Compensation and Benefits Guidelines

### Status of Employment

Lead/Senior Pastors are appointed by the Ministerial Appointments Committee. Compensation is provided by the local church. The employment status of a lead/senior pastor is salary, exempt. Lead/Senior appointments are at-will. “At-will” employment means that either the Acts 12:24 Churches or a pastor may conclude a pastoral appointment at any time without needing to cite a cause.

Staff Pastors (ordained or not) are at-will employees of a local church hired by the local church’s Board of Administration upon approval for ministry by the Regional MEG Board and appointment by the Bishop to the local church. The MEG Board must interview and approve all staff members who will use the title of “pastor” in the local church setting. The MEG Board also interviews and guides any staff pastor whose employment will conclude. Staff Pastors are at-will. “At-will” employment means that either the local church Board of Administration, the staff pastor, or the Regional MEG Board may conclude a pastoral appointment at any time without needing to cite a cause. The employment status of Staff Pastors (hourly/salary & exempt/nonexempt) should be left to the discretion of the local church Board of Administration. The Acts 12:24 Churches’ - Pastoral Compensation and Benefits Guidelines also apply to Ordained Free Methodist Elders who are full-time staff pastors.

In the special circumstance of a part-time Lead/Senior/Staff Pastor & Staff Pastors that are not Ordained Free Methodist Elders, the Acts 12:24 Churches – Pastoral Compensation and Benefits Guidelines should be used to determine the pro-rata compensation and benefits offered to the pastor.

Salary: Salary indicates that pay is received based on an annual total without regard to the number of hours worked.

Hourly: Hourly indicates that pay is received based on the basis of actual hours worked at a certain rate of pay.

Exempt: Exempt indicates that the employee is not eligible to receive overtime under any circumstances.

Nonexempt: Nonexempt indicates that the employee is eligible for overtime if working over 40 hours/week (and in some states, over 10 hours/day). Please be sure to check with your locality for clarification on overtime qualifications.

### Benefits Policies

#### Vacation Policy

1. Vacation time does not carry over to a following year. Pay will not be given in lieu of unused vacation
2. The amount of vacation is granted on the basis of cumulative ministry (including all prior pastoral appointments both within and outside of Acts 12:24 Churches and the FMC)
3. Vacation increments for appointed senior and staff pastors:
  - a. Years one through three - **3 weeks** of vacation;
  - b. Years four through nine – **4 weeks** of vacation;
  - c. Years 10+ - **5 weeks** of vacation.

#### Ministry Outside the Local Church

A pastor may take up to two weeks annually for outside speaking engagements. This does not count against annual vacation time & may not be used as vacation.

#### Continuing Education

A pastor may be absent from the church for up to two weeks for ministry-related education. This does not count against annual vacation time & may not be used as vacation.

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## **Normal Holiday Schedule**

Pastors may take time off for these ten holidays: New Year's Day, Martin Luther King Holiday, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Friday following, and Christmas. Local church boards of administration may increase holiday time off.

## **Study Leave or Sabbatical**

Every 7 to 10 years of pastoral service a pastor is encouraged to take a Sabbatical, which is an extended time for renewal and development. The church is to cover the expenses for substitute pastoral responsibilities and contribute toward the expenses for their pastor's sabbatical. The pastor's salary and benefits also continue during the sabbatical. A pastor is to present a proposal to the MEG Board for review in advance of the sabbatical. See Acts 12:24 Churches - Sabbatical Guidelines for additional information.

## **Social Security Contribution**

Per action of the Acts 12:24 Churches, each church is to pay a minimum of one-half of each pastor's Social Security expense, even though this contribution is not required by IRS regulations. Consequently, this contribution is taxable income for the pastor. If a pastor has opted out of the Social Security program, the church is to contribute an amount equal to the one half of the Social Security expense to a retirement vehicle of the pastor's choice.

## **Health Insurance Provision**

The local church is to consider the cost of medical insurance coverage when it develops a salary package for its pastor (including spouse and dependents). Some options for pastoral and family health insurance coverage that should be considered as part of the overall package are:

1. High Deductible Health Plan and a Health Savings Account (Marketplace)
2. Group Plan (Private)
3. Pastor added to the spouse's insurance plan (Spouse employer)

## **Pension**

Pastors receiving compensation (salary and/or housing) are to participate in the Free Methodist Pension Plan. This includes superintendents; ordained pastors appointed to a church or church planting project and Conference Ministerial Candidates appointed as a Senior Pastor. Licensed Pastors ordained in another denomination and members of a church's staff are also eligible to participate. The local church pays the monthly pension premiums for any qualified pastor receiving compensation from the church at a rate of 13.5% of salary and housing. 13.5% is the current rate as of March 2020, however this rate may change in the event of future plan amendments.

## **Local Church Discretion**

These compensation and benefit guidelines are considered to be minimums. A local church may, at the discretion of the local church Board of Administration, exceed these provisions.