

## Pastoral Responsibility and Church Responsibility Concerning their Pastor

### Review of Pastoral Responsibility:

Prayer  
 Bible Study  
 Sermon and Teaching Preparation  
 Visitation of Sick  
 Visitation of Members  
 Visitation of Visitors  
 Visitation of Awana kids' Parents  
 Developing Board and Congregation Vision  
 Time Spent with Family: Wife and Children\*

\*Pastor should take 1 ½ days a week off for family time and R & R. (Perhaps Friday afternoon and all day Saturday?) 3-4 weeks off for vacation per year? Holidays: Christmas Day, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and the day afterward, etc. 1-2 weeks annually for continuing education, Convention or Bible Conference.

**Pastoral Pay Package.** The figures may change according to particular needs of pastor, his age, size of his family, and area of ministry. The following may be high or low depending on the particular situation. It is the responsibility of the church board and finance committee to review costs in the particular area and determine what the fair base salary for the pastor might be. Furthermore, it is the responsibility of the board and finance committee to make an annual review of the cost of living index, and appropriately increase the pastor's basic salary and occasionally the housing allowance to adjust for inflation.

### Sample of estimated Pastoral Pay Package:

<b>Category</b>	<b>Monthly</b>	<b>Annual</b>
Basic Salary	2,500	30,000 (will vary with area)
Housing Allowance	825	10,000 (amount will vary)
Health Insurance	1,000	12,000 (amount will vary)
Professional Expenses	330	4,000
Retirement Investment	170	2,000
<b>TOTAL</b>	<b>4,825</b>	<b>58,000</b>

**Basic Salary** is the amount paid the pastor subject to income taxes and Social Security taxes. Pastor is considered self-employed for Social Security tax purposes and is liable for 15.3% of the entire "basic salary" gross amount. If the church agrees to pay any or all of his Social Security taxes, the amount that they pay is also subject to taxation and Social Security taxes as well. It should be treated as additional income.

**Designated “Housing Allowance”** is not subject to Income taxes, but IS subject to Social Security taxes. If the church pays the pastor’s Social Security taxes (Roughly 15.3% of the total of salary and housing allowance combined or 7.65% if they pay a half payment), this amount is considered salary also and will be subject to Social Security taxes in addition to the amount already paid. If the pastor is living in a church owned parsonage, he is subject to Social Security taxes on the “fair rental value” of the parsonage (annual value).

**Health Insurance** may vary depending on the pastor and his wife’s age, preexisting health conditions, as well as whether the deductible is set at a minimum or high level. If a high deductible is maintained to realize a significant monthly premium, the church should save at least the deductible amount in an interest bearing account for the possibility of a medical need. In other words, the high deductible amount (for economic reasons concerning the size of the premium) should not be the pastor’s responsibility to meet in the event of a medical need or emergency. If the pastoral staff is larger, special group rates may be available for health insurance.

**Professional Expenses** include business mileage, books, computer equipment, education, conferences, equipment, entertainment, fees and expenses directly related to ministry. This amount is NOT subject to income tax or to Social Security taxes, but a record must be kept and copies of receipts must be provided in order for the pastor to be reimbursed for these expenses. This is a budgeted amount and any moneys not used by the end of the year cannot be given back to the pastor.

**Retirement investment** should be a tax sheltered investment for retirement purposes, not subject to taxes. If a Roth IRA is opted for this will then be considered as annual income and the taxes are to be paid up front.

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