

# OREGON-IDAHO CONFERENCE OF THE UNITED METHODIST CHURCH

## 2023 EQUITABLE COMPENSATION SCHEDULE

Each year, the Commission on Equitable Compensation recommends, and the Annual Conference Session affirms a minimum compensation package for clergy appointed to local churches in the Annual Conference.

Clergy compensation consists of provision for **housing** and **cash salary**. In addition, the church is responsible to provide **an accountable reimbursement fund** to reimburse the clergy person for professional expenses.

### MINIMUM COMPENSATION:

#### Housing Provision

The church shall provide either a **parsonage or additional salary in lieu of parsonage**.

For the purposes of housing policy, every parsonage will be considered as meeting the minimum compensation package. This is true whether the clergy are working full-time or part-time. See [“Clergy Housing Standards and Policy”](#) for Conference parsonage standards.

Churches and pastors may apply to the Commission for an exemption to the higher “non-parsonage” compensation rate under certain conditions. For example, a pastor already has a house in the area, or adequate housing is easily available in the local community for a lesser rate. If the Commission does not grant an exemption and a parsonage is not provided, the church must pay the higher compensation rate.

#### Minimum Cash Compensation

The 2022 session of the Oregon-Idaho Annual Conference adopted the following full-time **Minimum Cash Compensation** for 2023:

- Where an adequate parsonage is provided:
  - Elders and Deacons\* in Full Connection/Associate Members – **\$47,390**
  - Provisional Elders and Deacons\* - **\$45,020**
  - Local Pastors - **\$42,770**
- Where an adequate parsonage is not provided:
  - Elders and Deacons\* in Full Connection/Associate Members – **\$65,439**
  - Provisional Elders and Deacons\* - **\$62,168**
  - Local Pastors - **\$59,060**

Minimum Cash Compensation is adjustable by percentage of time appointed. Examples:

- For an elder in full connection serving three-quarter time and provided a parsonage, minimum cash compensation would be  $\$47,390 \times 0.75 = \$35,542.50$
- For a provisional elder serving half-time with no parsonage, minimum cash compensation would be  $\$62,168 \times 0.50 = \$31,084$
- For a local pastor serving quarter-time with no parsonage, minimum cash compensation would be  $\$59,060 \times 0.25 = \$14,765$

\*\*\*Please note that all these rates are **minimums**.

The Commission on Equitable Compensation encourages churches to provide a salary which meets the demands of local housing and cost of living.\*\*\*

## ALLOCATION OF COMPENSATION PACKAGE:

Once the total compensation package is established, the church and pastor are free to allocate the total in a way that is most beneficial to the pastor. Housing allowance is excluded from income for income tax purposes. In addition, a portion of the cash compensation can be designated as utilities and furnishings allowance and also be excluded from income for income tax purposes. So it is tax-wise to maximize the amounts thus designated. The IRS rules require that such designation occur in advance. For more information, see the [IRS guidelines](#).

**Example 1:** Pastor Peter is an Elder in Full Connection and is appointed full-time to a church that provides a parsonage. His minimum cash compensation is \$47,390. He estimates that cost for utilities and furnishings will amount to \$6,300, so he has his church establish his compensation package as follows:

Cash Salary \$41,090  
Utility and Furnishings Allowance \$6,300

**Example 2:** Pastor Paula is an Elder in Full Connection who is appointed full-time to a church which does not provide a parsonage. Her minimum cash compensation is \$65,439. On recommendation of the SPRC and the Finance Committee, the church decides to set the compensation package above minimum, at \$72,000. She knows that her actual housing costs will be \$22,500 and estimates that her Utility and Furnishings cost will be \$6,300 so her church establishes her compensation package as follows:

Cash salary \$43,200  
Utility and Furnishings Allowance \$6,300  
Housing Allowance \$22,500

[Note: Peter and/or Paula may choose to contribute to UMPIP, participate in a Flexible Spending Account, and have any health insurance premium amounts due deducted from taxable salary, further reducing tax liability.]

## ACCOUNTABLE REIMBURSEMENT FUND:

The Commission further recommends that not less than **\$3,600** be provided for reimbursement of business/professional expenses. Business and professional expenses include auto & travel expense, books, Annual Conference expenses, continuing education, and other professional expenses. These expenses are **NOT** part of the clergy compensation package, but rather are part of the administrative budget of the church.

The IRS requires that the church have an accountable reimbursement policy in place. See the following links for sample accountable reimbursement policies and more information.

- [Sample accountable reimbursement policy from OR-ID Annual Conference](#)
- [Sample accountable reimbursement policy from GCFA](#)
- [Accountable Reimbursement Policy Q&As from GCFA](#)

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\* ¶ 331.10b of The Book of Discipline states that deacons who are appointed to a local congregation, charge, or cooperative parish, shall receive a salary from the local church, charge, or cooperative parish not less than the minimum established by the equitable compensation policy of the annual conference for elders. Provisional deacons shall receive a salary not less than the minimum established for provisional elders.