

EMC Pastors Salary and Benefits Guidelines

The following guidelines are intended for all pastors within a church. In the case of a part-time pastor, an annual salary should be calculated and then pro-rated for the appropriate percentage of hours worked.

Please refer to the updated worksheets provided by the Conference for current amounts.

A. Salary

1. *Base salary*

For annual base salary see current year worksheet – this number excludes housing costs.

2. *Housing costs*

The housing adjustment should be equal to the cost of rent for an average three-bedroom townhouse in the church's community (see CMHC market rental values). PLEASE NOTE that the housing adjustment here has no relationship to the Clergy Residence Deduction that the pastor may claim for income tax purposes. This housing adjustment is to adjust the salary for the cost of living in the Church's community without regard for the pastor's specific choice of housing. The EMC National staff grid uses a standard rate (in 2023) of \$1,300 per month for housing in rural Canada, and \$1,650 per month for housing in large urban areas. Toronto and Vancouver are handled separately. The housing adjustment is calculated at the time of hiring and thereafter is adjusted in accordance with the CPI index along with the base salary.

3. *Increments for church size*

Church size should be calculated as the number of adults cared for by the Church. Normally the senior pastor responsibility increment should be given only to the senior pastor. There may be situations where the associate pastor(s) share responsibilities typically assigned to the senior pastor. In such situations the responsibility increment may be shared in an appropriate manner between the senior pastor and the associate pastor(s). The total responsibility increments should not exceed the stated responsibility increment per congregant.

4. *Experience*

Add increment as per worksheet per year of experience, for a maximum of 15 increments.

5. *Education*

For the Education Amount, choose only one of the options that corresponds to the highest degree that has been attained. Multiple degrees are not considered.

6. *Other*

There may be other factors that a church will consider when calculating salary and the 'Other' line provides the opportunity to add costs that are unique to the assignment. For example, additional cost of living allowance, supervision of additional staff, or other particular job-related factors. Any additional amounts should be included here with explanations provided.

B. Benefits

1. Mileage

Travel between the pastor's residence and the church cannot be part of the tax-free mileage reimbursement. The church is encouraged to pay the pastor a tax-free reimbursement for mileage driven for the ministry. In 2022 the Canada Revenue Agency allows a tax-free mileage reimbursement of up to 61 cents per km for the first 5000 km and 55 cents per km for additional kms per year. These amounts are updated annually. The EMC National office provides a standard rate of 50 cents per km.

2. Pension

We strongly recommend that churches participate in the EMC administered Group RRSP. For 2022 the contribution rates are 5% of gross salary (including housing allowance) by both the employer and employee (for a total of 10%). We recommend this in light of the Canada Pension Plan (CPP) and Old Age Security (OAS) benefits being inadequate to provide for a retiree's needs. Refer to the Conference Benefits page on the EMC website for full details (Resources\Financial Benefits\Conference Sponsored Benefits).

3. Group insurance

Churches can participate in the group insurance plan sponsored by the CCCC. This plan provides the basic insurance coverage of life and disability insurance, as well as a basic health insurance plan. The plan can be tailored for every church based on specific wants and needs. EMC recommends that the employer share the costs of this insurance by contributing 50% for singles and couples, and 60% for families. Refer to the Conference Benefits page on the EMC website for full details (Resources\Financial Benefits\Conference Sponsored Benefits).

4. Hospitality expenses

Should be budgeted annually and reimbursed upon monthly claims supported by receipts. An unsubstantiated hospitality expense must be reported as a taxable benefit according to the Canada Revenue Agency. The church should consider reimbursement for the cost of groceries for hosting congregants by the pastor and their spouse in the course of their ministry.

5. Professional development

Professional Development is a benefit to the congregation and an important investment for the church. Pastors should be expected to spend at least one week each year in formal study on paid time. Tuition, study materials, plus mileage, should be paid for by the church.

6. Vacation pay

Pastors should be granted paid vacation according to the employment contract. As an example, the church can provide three weeks of paid vacation per year; four weeks per year after five years of service.

7. Sabbatical leave

Wherever possible pastors should be granted sabbatical leave according to the employment contract. Alternatively, refer the EMC website for details on Sabbatical Leave policy (Resources/Church Administration/Pastoral Sabbatical Policy).

8. Employment Contract

It is very important for these and other considerations to be stated and agreed upon prior to the pastor or other staff member beginning employment. An employment contract signed by both the employer and the pastor can provide this clarity. It is highly recommended that the church implements an employment contract for all staff members.

C. Other Considerations

1. *Role of the pastor's spouse*

The expectations of the Pastor's spouse need to be communicated clearly at the time of hiring.

2. *Part-time pastors*

Churches with part-time pastors will need to determine how to apply these guidelines to their situation.

3. *Termination*

Pastors whose employment is terminated without notice should be paid according to the employment contract. Alternatively, follow the guidelines as published on the EMC website (Resources/Church Administration/Pastoral Severance Guidelines).

4. *Salary reviews and increases*

Pastoral staff salaries should be reviewed annually by the local church and the base salary and increment amounts increased as appropriate. The EMC salary guidelines are published each year with cost-of-living increases included. A more comprehensive review of salary guidelines is conducted by the Conference every five years.

5. *Performance Evaluations*

Annual performance evaluations should be conducted thoroughly, sensitively, and objectively to avoid any misunderstanding between the pastor and the congregation. See the EMC Church and Pastor Evaluation policy for more detailed guidelines (Resources\Church Administration).

6. *Canada Revenue Agency*

It is recommended that churches and pastors take advantage of tax concessions allowed by Canada Revenue Agency for pastors, especially the clergy residence reduction.

EMC Church Governance

Pastors Employment Covenant Checklist

Remuneration

- base salary (excluding housing allowance)
- housing allowance
- increments for church size
- increments for experience
- increments for education

Benefits

- Conference Pension Plan
- Group Insurance Plan
 - mandatory base plan
 - optional comprehensive plan
- paid vacation

Reimbursement of expenses

- mileage
- entertainment
 - in-home meals
- professional development

Other issues to address

- full-time or part-time position
- clergy residence tax benefit
- annual salary reviews
- sabbatical/study leave
- expectations of spouse
 - babysitting reimbursement
- professional development expectations
- annual performance evaluations
- vacation pay
- sick leave
- time management
- grievance procedure
- severance pay policy

Employment Contract

Note that all of the above items can and should be incorporated into an employment contract. An example employment contract is provided on the EMC website (Resources/Church Administration/Sample Employment Contract).