


**National Association of  
Commissions on Equitable Compensation**  
*"Working Together to Bear Fruit"*

**2009-2012 Quadrennial Training Event**  
**"Sharing God's Abundance"**  
**February 20 - 22, 2009**  
**Irvine, California**

Facilitators:  
Mr. Raymond Brady  
Rev. Dr. Karen D. Moore  
Rev. Alan J. Morrison



---

---

---


---

---

---

---

---




**National Association of  
Commissions on Equitable Compensation**  
*"Working Together to Bear Fruit"*

**Session 1**

**Equitable Compensation  
Fundamentals**

Ray Brady

Slide # 2



---

---

---


---

---

---

---


---



**Equitable Compensation**  
**A very confusing task!!!**



Slide # 3



---

---

---

---

---

---

---

---



## What's It All About.....

- United Methodist Polity
- Equitable Compensation Commission (ECC) Membership
- Funding the ECC
- ECC Responsibilities
  - Conference Standards
  - Counsel and Advisory Material
  - Minimum Salary Schedule
  - Budget
  - Fund Distribution
  - Additional Support
  - Excluded from Support
- Summary

Slide # 4



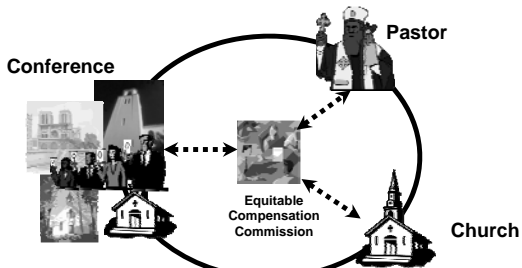
## United Methodist Polity ¶620

- Bishop appoints the pastor (¶416.1; 430.1)
- Charge pays the pastor (¶247.13)
- Pastor provides effective leadership to church and community (¶350; 432.2)
  
- United Methodist Polity requires all pastors receive a minimum compensation (¶624; 625.9)
- Equitable Compensation Commission (ECC) addresses compensation issues (¶625.1)

Slide # 5



## The Relationships Our Connection



Slide # 6

---

---

---

---

---

---

---

---



---

---

---

---

---

---

---

---



---

---

---

---

---

---

---

---



### ECC Membership (¶625.1)

- Equal number of lay and clergy
- At least one lay and one clergy from churches less than 200 members
- Nominated by conference nominating committee and elected by Annual Conference
- One District Superintendent to serve as cabinet representative
- Inclusiveness suggested in selection of members

Slide # 7




---

---

---

---

---

---

---

---



### Funding the ECC (¶621; 622)

- Conference responsible for determining plan and method for funding the ECC budget
- Payments, from each charge, funding the ECC budget shall be **exactly proportional** to the amount paid for clergy base compensation

Slide # 8




---

---

---

---

---

---

---

---



### ECC Responsibilities (¶ 625)

- Support full time clergy by:
  - Recommend conference standards for pastoral support (¶625.2)
  - Provide counsel and advisory materials (¶625.2)
  - Recommend minimum salary schedule for conference approval (¶625.3)
  - Recommend budget to CF&A for equitable compensation (¶625.7)
  - Administer funds distribution (¶625.2)
  - Study need for additional support (¶625.3)

Slide # 9




---

---

---

---

---

---

---

---



### Conference Standards

(¶623; 625.2; 252.4d; 258.2.g.16; 423.3)

- Minimum base compensation
  - Cash compensation paid directly to pastor
  - Contributions to
    - Tax-paid pension program
    - Tax-deferred pension program
    - Cash bonuses
    - Private investment programs
- Housing
  - Parsonage
  - Housing Allowance
- Utilities
- Travel
- Continuing Education
- Professional Expenses
- Information and guidelines available from GCFA website ([www.gcfa.org](http://www.gcfa.org))

Slide # 10




---

---

---

---

---

---

---

---

---

---



### Counsel and Advisory

Material (¶625.2)

- Provide conference standards and training to
  - Executive level (¶423.3)
    - District Superintendents, Bishop
  - Churches and charges (¶252.4d)
    - PPR, Trustees, Administrative Council, etc
- Provide rollup of how churches and pastors are doing

Slide # 11




---

---

---

---

---

---

---

---

---

---



### Minimum Salary Schedule

- Factors influencing Minimum Salary
  - Percent of Conference Average Compensation
  - Percent of Denominational Average Compensation
  - Percent of D. S. Salary
  - Percent of previous years average CAC
  - Percent of base plan Compensation for Board of Pension CPP
  - Time in service
  - Education
  - Multi-point charge

Slide # 12




---

---

---

---

---


---

---

---

---

---



### Minimum Salary Schedule (cont)

- Factors influencing Minimum Salary (cont)
  - Area cost of living adjustment
  - Personal pension
  - Number of children
  - Book allowance/professional expense
  - Health insurance

Slide # 13

---

---

---

---

---

---

---

---



### 2008 Denomination Minimum Salary\*

Average Conference Minimum Salary	\$33,426
Standard Deviation	\$3,895
Minimum Conference Minimum Salary	\$25,164
Maximum Conference Minimum Salary	\$47,895

\* 2008 Summary of Equitable Compensation Plans Published by GCF

Slide # 14

---

---

---


---

---

---

---

---



### Budget (¶625.7)

- Recommend amount needed to support:
  - Schedule of minimum base compensation
  - Base compensation supplements
- Provide information to CF&A
- CF&A recommends to Annual Conference (¶614.1e)
- CF&A shall apportion the amount approved by Conference to the districts or charges

Slide # 15

---

---

---

---

---

---

---

---



### 2008 Conference Budgets\*

Average Budget	\$209,479
Standard Deviation	\$174,720
Minimum Budget	\$0
Maximum Budget	\$900,000

\* 2008 Summary of Equitable Compensation Plans Published by GCFA

Slide # 16



---

---

---

---

---

---

---

---



### Fund Distribution (¶625.2)

- Establish criteria for eligibility (¶625.9)
- Formulate grant process
- No member, appointed to a charge, may be denied minimum base compensation

Slide # 17



---

---

---

---

---

---

---

---



### Establish Eligibility(¶625.2)

- Statement of purpose and intent (¶625.9)
- Specific qualifications and limitations (¶625.12)
- Maximum amount of grant (¶625.9)
- Maximum number of years of receipt of funds (¶625.9)

Slide # 18



---

---

---

---

---

---

---

---



### Fund Distribution (¶625.2)

- Formulate grant process
- Define grant application
- Set grant deadline(s)
- Involve ECC, cabinet, church's DS, pastor, church laity

Slide # 19




---

---

---

---

---

---

---

---



### Content of the Application

- Church and pastor contact information
- Church and pastor history of receiving grants
  - ECC grants
  - Other grants
- Church attendance and financial overview
- Church financial statements
  - Last year, year-to-date, next year
- Pastoral statement of vision and plan for charge
- Church leadership statement of vision and plan for charge
- District Superintendent comments
- Cabinet comments
- Grant calculation

Slide # 20




---

---

---

---

---

---

---

---



### Additional Support (¶625.3)

- May provide Conference funds
  - Beyond base compensation (¶625.6)
    - Ethnic ministries
    - Native American ministries
  - Formational and spiritual leave (¶351.3, 351.4)
  - Sabbatical leave (¶352)
  - Maternity/Paternity funds (¶356.4)
  - Extension Ministry (¶344.1d)

Slide # 21




---

---

---

---

---

---

---

---



### Excluded from Support (¶625.3)

- Voluntary or involuntary leave of absence (¶354.6; 355.5)
  - Exceptional circumstances - recommended Bishop and DS; and voted on by clergy session
- Incapacity from health or disability issues (¶357.1; 357.2)
  - Paid by Board of Pensions and Health Benefits
- Retired clergy (¶320.5; 358.6)
  - Excluded from equitable compensation

Slide # 22



---

---

---

---

---

---

---

---



### Summary

- We've looked at
  - Why we exist
  - Who are we
  - What are the ECC responsibilities
- Next session
  - What are some definitions
  - Who is eligible for ECC money
  - What roll does the DS play
  - Who are some of the other players

Slide # 23



---

---

---

---

---

---

---

---