PASTOR TERMS OF CALL

Policy Statement

The Presbytery of San José requires that terms of call for all pastors (including transitional pastors) include the following categories: salary and housing, auto allowance, study leave, Board of Pensions dues, and vacation. It is the responsibility of each church to make it possible for all ordained staff to find and afford decent and appropriate housing reasonably close to the church. Additionally, the Presbytery requires that each church comply with federal, state and local government tax, vacation and salary requirements.

Each pastor's terms of call shall be reviewed annually by the session and approved by the congregation. After congregation approval, the terms of call shall be forwarded to the Committee on Ministry for review of compliance with this policy. All terms of call shall comply with the minimum requirements referenced in this policy for the entire calendar year at issue regardless of the church's fiscal year, budget cycle, or congregational meeting schedule.

Rationale

The Presbytery of San José provides this information in order to guide congregations in fulfilling their commitment to pay fairly the ministers who serve them and to enhance communication between the church and its pastor(s) concerning the issue of compensation and benefits

Responsibilities

Committee on Ministry (COM) Responsibilities

At the request of any session, personnel committee or pastor, COM shall provide a representative to be present for terms of call negotiation.

COM shall review and approve terms of call for newly-installed pastors.

COM shall ensure that all terms are in writing and are clearly understood by the pastor and the session.
COM shall annually review terms of call for continuing pastors and follow up with churches that do not meet the minimum terms of call.

COM shall consider a particular church's request for exemption from this policy.

COM shall report to Presbytery the annual cost of living (COLA) figures as reported by the Social Security Administration, with the annual salary component adjustments reflecting these figures (See Appendix A for Methodology) The minimum terms of call in this policy shall be automatically adjusted to reflect the COLA effective January 1st of the following calendar year without any formal action by COM or the Presbytery.

COM shall distribute annually to all pastors the appropriate form for reporting terms of call.

Minister Responsibilities

Ministers shall familiarize themselves with this policy.

Ministers shall report the approved terms of call annually to the Executive Presbyter or the Stated Clerk by January 31 of each year.

Should a minister desire an outside consultant to assist in compensation discussions, they shall request assistance from COM.

Session Responsibilities

The session shall recommend annually to the congregation a salary that recognizes with fairness the unique gifts the pastor(s) brings to the church, and shall recommend Terms of Call that meet or exceed the minimum terms of call set forth in Appendix A. The congregation shall vote whether to approve the Terms of Call.

The session may allocate as reimbursable such professional expenses that include, but are not limited to:

a. travel and living expenses for activities associated with performance of duties (e.g., attendance at General Assembly);

b. hospitality expenses;

c. book allowance;

d. professional organizations and publications;

e. continuing education expense for ministry-related courses other than those taken during study leave.

The session shall explain the components of the terms of call to the congregation.

The session may request COM assistance for pastoral compensation guidance and for an exemption from this policy, stating reasons for the request.

Stated Clerk and Executive Presbyter Responsibilities

The Executive Presbyter and/or the Stated Clerk shall maintain records of terms of call for each minister.

Additional Responsibilities/Information

Congregations and ministers may agree to allocate the Salary and Housing components of the minimum Terms of Call in a manner that meets both of their needs as they see fit, consistent with requirements of local, county, state, and federal taxing authorities.

See other Presbytery policies (www.sanjosepby.org/policies)

See Board of Pensions (www.pensions.org)

See Policy PS-2 for policies applicable to Part-Time Pastors

APPENDIX A

Components for the Minimum Terms of Call

The minimum Terms of Call consist of the following components:

- **Minimum Salary and Housing:** For a given year, the amount in Appendix B from the preceding year, will be automatically indexed by the Social Security Administration Cost of Living Adjustment (COLA). See https://www.ssa.gov/cola/. The actual housing provided shall take into account the particular minister's reasonable needs and shall, at a minimum, provide a two-bedroom residence within a reasonable driving distance of the church or an equivalent cash allowance.

- **Effective Salary:** Typically comprised of Salary and Housing. The Board of Pensions may call for inclusion of other compensation in Effective Salary. Refer to The Board of Pensions publication "Understanding Effective Salary." See https://www.pensions.org/file/what-we-offer/benefits-guidance/forms-documents/Documents/pln-103.pdf/.
- **Board of Pensions:** The yearly designated dues (medical, pension, and death and disability) for the pastor shall comply with the current Board of Pensions requirements. (www.pensions.org)
- **Spouse and Family Medical Coverage:** The pastor's spouse and immediate family shall have health insurance coverage through either the spouse's separate employment, the Board of Pensions, Covered California, Medicare, or another public or private insurance program.
- **Auto Allowance**
- **Study Leave:** Minimum requirements are 14 calendar days per calendar year and $1,000 (reimbursed expenses); refer to PS-6, *Use of Study Leave*, for additional requirements.
- **Vacation** –30 calendar days. The 30 days includes weekends but not federal government holidays. A pastor accrues vacation at a rate of 2.5 days per month as of the first day of each month unless a church session approves a different vacation accrual schedule. With session approval, a pastor may take vacation days before having sufficient accrued days. Session shall have a mechanism to track accrued and taken vacation days and report them to the pastor.
  The maximum amount of accrued vacation is 45 days unless a church session approves a different maximum amount (but not less than 30 days). At dissolution of a pastoral relationship, reimbursement for unused but accrued vacation is calculated by multiplying the effective salary by the number of unused accrued vacation days and dividing by 365.

APPENDIX B

Minimum effective salary for full-time pastors, by county in which the church is located, shall be as follows for calendar year 2027:

Santa Clara $125,519

Santa Cruz $105,191

Monterey $77,026

This is based on the announced 3.6% cost of living adjustment (COLA) from the Social Security Administration announced on October 14, 2026.

See Policy PS-2 for policies applicable to Part-Time Pastors.