

## **Equitable Compensation Commission Report to the 2022 Arkansas Annual Conference**

For 75 years, the Conference has provided financial support to churches allowing them to provide pastoral salaries suitable for their mission fields. The mission of the CEC is to enable charges/churches to make disciples of Jesus Christ by providing appropriate compensation for effective pastoral leadership. The Commission on Equitable Compensation (CEC) of the Arkansas Annual Conference does this in four areas: recommending Minimum Compensation for all clergy under full-time appointment and providing Key Charge, Minimum Base Compensation, and emergency Salary Arrearage funding to churches identified by the Cabinet.

As of May 12, 2022, the Conference was supporting four charges through the Key Charge program, and only two will continue into the next appointment year.

1. Arkansas Korean Mission, Fayetteville, who is not requesting funds for the next fiscal year
2. Calico Rock UMC, who also is not requesting funds for the next fiscal year.
3. Saint Andrew UMC, Little Rock, who will be receiving equitable compensation for the 2022-23 conference year. This is their last year to request compensation.
4. Geyer Springs UMC, Little Rock, who will also be receiving equitable compensation for the 2022-23 conference year. This is their last year to request compensation as well.

### **I. Minimum Full-Time Compensation**

The CEC recommends that the Minimum Compensation Payment Schedule and guidelines for full-time pastors under appointment remain unchanged for the 2022-2023 Appointment Year, as printed below.

Full Connection: \$48,330

Provisional/Associate Member: \$47,280

Local Pastor: \$46,230

Appointed pastors serving a charge that provides a group health insurance plan shall be subject to the following minimum compensation support:

Full Connection: \$36,330

Provisional/Associate Member: \$35,280

Local Pastor: \$34,230

A parsonage or housing allowance in lieu of a parsonage shall be provided in addition to the figures listed above.

### **II. Key Charge/Church Program for Base Compensation Support**

The Key Charge/Church program provides Base Compensation Support to pastors who are appointed to charges/churches targeted for significant growth by the Conference or are in transition and require short-term support for effective pastoral leadership for various other reasons. Key Charges/Churches are related to the CEC by a covenant agreement. The covenant is negotiated by the chair of the Commission, the appointive cabinet, and representatives of the

charge/church. The persons or their successors, shall be the trustees of the covenant, having verified it with their signatures.

The covenant shall include:

1. The initial amount of the Base Compensation Support needed,
2. The duration of the covenant (normally five (5) years or less),  
and
3. The signatures of the persons negotiating the covenant.

The nature of the covenant is such that the amount of compensation support given shall decrease proportionately each year, while the compensation paid by the charge/church increases by at least the same amount, thus keeping the compensation at least stable over the covenant period. After the covenant has expired, no further compensation support will be granted to the charge/church.

Under the Key Charge/Church arrangement, there shall be no required minimum or maximum levels of support by the charge/church. The only limitation will be the amount of funding budgeted for this program.

Each church receiving compensation shall report by April 15 to the Appointive Cabinet for review and the Commission on Equitable Compensation for continuing approval. The report form is available from the district superintendent and the Arkansas Annual Conference website at [arumc.org](http://arumc.org).

### **III. Minimum Base Compensation Support**

The Minimum Base Compensation program is intended to assist in providing compensation for capable, effective pastoral leadership to charges/churches which function in areas of extreme economic limitation and which are unable to provide a viable level of pastoral support. Where charges/churches are in need of additional compensation in order to meet the Minimum Compensation Base Support, this support is available to Elders in Full Connection, Provisional/Associate Members (not to be confused with associate pastors), and Full-Time Local Pastors who are not retired. Upon recommendation by the Commission on Equitable Compensation, the minimum base compensation is set annually by the Annual Conference for Elders, Provisional/Associate members and Full Time Local Pastors. (Minimum Full-Time Compensation has appeared previously in this report.)

Charges/churches receiving Minimum Compensation Support are related to the CEC by a covenant agreement negotiated by the chair of the Commission, the appointive cabinet, and representatives of the charge/church. The signors or their successors shall be the trustees of the covenant, having verified it with their signatures.

It is understood that:

1. A parsonage or housing allowance in lieu of the parsonage shall be provided in addition to the set compensation.
2. Associate pastors (not to be confused with Associate Members of the Annual Conference) are not eligible for Minimum Compensation aid.
3. Retired pastors are not eligible for Minimum Compensation aid. See Paragraph 357.6 of the 2016 Book of Discipline.
4. Each charge/church receiving Minimum Compensation Support shall provide to the Commission the amount(s) received from the Arkansas Conference for the past five (5) years. We further require that each local church describe how they will reduce this support through the local church's ministry plan.
5. Each church receiving compensation shall report by April 15 to the Appointive Cabinet for review and the Commission on Equitable Compensation for continuing approval.

The report form is available from the district superintendent and the Arkansas Annual Conference website at arumc.org.

#### **IV. Emergency Salary Arrearage Support**

Every clergy under appointment shall receive the full compensation set at Charge Conference. (See Paragraph 624 of the 2016 Discipline.) If a church is financially unable to provide the full compensation in a timely manner, the Annual Conference through the CEC may provide emergency funding to ensure the clergy is provided the compensation the church promised at the Charge Conference. The Arkansas Annual Conference Salary Arrearage Policy is found in Paragraph 103 of the Policy & Guidelines section of this Journal.

#### **V. Equitable Compensation Covenant**

When Equitable Compensation support has been granted to a charge/church, an acknowledgement of the conditions and amount of that funding shall be executed by the appointive cabinet, pastor, and leaders of the charge/church before any payment of funds shall be made. This acknowledgement shall be made on a form provided by the commission. No funds shall be disbursed until the agreement is signed and returned to the district superintendent. These forms are available from the district superintendent and the conference website at arumc.org.

The charge/church receiving financial support shall submit an annual report. The report form is available from the district superintendent and the conference website at arumc.org. Included in this report is the explanation of how these funds have aided the local charge/church. Each church receiving compensation shall report by April 15 to the Appointive Cabinet for review and the Commission on Equitable Compensation for continuing approval.

#### **VI. Additional Priorities**

1. The Commission on Equitable Compensation shall maintain adequate reserves to fund needs which may emerge.
2. Each charge/church receiving equitable compensation in any of the above categories is expected to pay its conference tithe in full. If the charge/church is unable to accomplish this, they shall submit a written plan of action approved by their district superintendent, detailing the steps to be taken in order to achieve this goal. Notification of the plan will then be forwarded to the CEC.
3. All CEC funding is for pastoral support only. Using funds for any other purpose, such as program costs or other compensation violates the agreement.
4. Equitable Compensation funds are paid directly to the church/charge by the fifteenth (15th) of each month. The compensation shall be paid to the pastor as a supplement to funds budgeted by the charge/church. Typically, the calendar year of support is from July 1 through June 30, but the initial request and approval process may take place at any time during the year.

**Respectfully Submitted by Dr. Richard Carvell, Chair**