

2027-2028 Pastor's Compensation Form



Pastor _____ Church _____ Date _____

For Period of: July 1, 2027 through June 30, 2028 or _____ - _____

☐ Full-time ☐ Part-time			Current: July 2026 - June 2027	New: July 2027 - June 2028
Payment	Church Contribution to Pastor Compensation (<i>Salary from Church</i>)	1		
	Equitable Compensation or other Conference Support <i>Compensation support received from the Annual Conference</i>	2		
	Cash Allowances <i>paid directly to pastor without documentation required (non-accountable plans not already included in line 1)</i>	3		
	Utilities and Appurtenances <i>Amount paid to pastor for utilities and other housing-related expenses under designation by the church. See IRS Publication 517 for more information.</i>	4		
	TOTAL OR GROSS CASH PAYMENT <i>Add Lines 1-4</i>	5		
Deductions	Flexible Spending Plan <i>This is an FSP that the pastor sets following IRS Cafeteria Plan Section 125 Rules. It may NOT be used for health insurance premiums. It is a before-tax payroll deduction elected annually and is a use-it-or-lose-it amount.</i>	6		
	UMPIP Contribution <i>This is a voluntary amount elected by the pastor to be paid into UMPIP. FULL-TIME CLERGY MUST CONTRIBUTE AT LEAST 4% OF COMPENSATION (LINE 5 + HOUSING) TO RECEIVE FULL CHURCH MATCH.</i>	7		
	UMPIP Contribution <i>Is this tax-deferred?</i>	7b	☐ Yes ☐ No	
	403B Contribution to Other than UMPIP <i>This is a contribution to an IRA held with a bank or investment firm. There must be a voluntary compensation reduction agreement on file with the church, and you may elect it to be tax-deferred.</i>	8		
	Total Payroll Deductions <i>Add lines 6-8</i>	9		
Net	Net Compensation Paid to Pastor <i>Subtract Line 9 from Line 5</i>	10		
Total	TOTAL CASH COMPENSATION <i>Transfer from Line 5</i>	11		
Housing	Parsonage Provided	A	☐ Yes ☐ No	
	Date of (S)PPRC chairperson's parsonage inspection	B	DATE: _____	
	Housing Allowance <i>May only be used in lieu of parsonage</i>	C		
Budget for Reimburse	Accountable Reimbursement Plan (optional) <i>This budget is not considered a part of compensation. It is only paid out via voucher, with receipts required, and represents the maximum available. Pension for full-time is not paid on this amount. Written Reimbursement Policy Must Be Agreed Upon and on File at Church</i>	D		
Other Benefits	If the church provides group health insurance for the staff in which the pastor participates, enter the cost to the church for the clergy's employer-provided insurance.	E		
	How many weeks of vacation time will the pastor receive this year? (p. 246, 2024 Arkansas Conference Journal)	F	_____ weeks	_____ weeks

For all full-time pastors, the church will be responsible for a pension benefit of approximately 14% of total comp (line 11) plus housing and will be billed directly by the conference office. This is a benefit and not included in the total compensation paid to the pastor.

The Pastor Parish Relations Committee recommends compensation after consultation with the pastor and the District Superintendent. The recommendation is reported to the Finance Committee and the Administrative Board/Council for discussion and agreement. The Charge Conference sets compensation. The church is obligated to compensate the pastor at this level until the end of the conference year (¶1623.1).

Pastor Signature _____

Treasurer Signature _____

S(P)PRC Chair Signature _____

District Superintendent Signature _____

For District Office Use Only

Date entered in database _____

Pension billing share for multiple point charges _____

2027-2028 Pastor's Compensation Form Instructions

The compensation form matches the conference's appointive and fiscal year of July 1 - June 30. The new annual pastor's compensation will be applied to begin on July 1. If a congregation seeks to increase compensation for January-June, it should complete an additional compensation form using annualized amounts, indicate the appropriate effective dates, and include the additional form in the Charge Conference Packet for approval. Contact your DS for questions about clergy compensation.

Payment

- **Church Contribution to Pastor Compensation (Line 1)** – List the total pastor's salary as approved by the charge/church conference prior to any deductions. Do not include other compensation items listed below (Equitable Compensation, Cash Allowances, or Utilities and Appurtenances) or housing allowance.
- **Equitable Compensation or other Conference Support (Line 2)** – List all funds received from the Conference for the support of the salary for the pastor.
- **Cash Allowances (Line 3)** – List any amount paid to the pastor for non-accountable cash allowances. This may include, but is not limited to, car or travel allowances, discretionary funds, and/or expense accounts.
- **Utilities and Appurtenances (Line 4)** – List funds designated for use by the pastor for housing-related expenses as provided for by IRS section 107. This may include utilities, furnishings, or other housing-related non-consumable expenditures. More information on this topic can be found in [IRS Publication 517](#) or by visiting <https://www.qcfa.org/forms-and-assets>.

Deductions

- **Flexible Spending Plan (Line 6)** – These plans, sometimes referred to as Cafeteria 125 plans, may only be used in conjunction with a bona fide group health care plan. If the church does not offer the pastor health care coverage through a group plan, then flexible spending plans may not be used for health care reimbursements. In other words, these plans cannot be used to reimburse medical expenses, including premiums for plans bought through the medical exchange.
- **UMPIP Contribution (Line 7)** – This is the voluntary contribution by the pastor to the United Methodist Personal Investment Plan (UMPIP). These funds may be withheld on either a tax-deferred or tax-paid basis. At least 4% of plan compensation (Line 5 plus housing) must be contributed to receive a 4% matching contribution.
- **UMPIP Contribution Tax Deferred (Line 7b)** – If the contribution from the prior line is contributed on a tax-deferred basis, then answer "Yes" on line 7b. If the contribution is being made after tax, answer "No."
- **403B Contribution Other Than UMPIP (Line 8)** – List any amount being contributed to a retirement fund for the pastor other than UMPIP. Please indicate whether this is being made on a tax-deferred basis.

Housing

- **Parsonage Provided (Line A)** – If your church provides a parsonage, answer "Yes." Otherwise, answer "No."
- **Date of Parsonage Inspection (Line B)** – Write the date of the last inspection of the church-owned parsonage. If the church does not provide a parsonage, then leave this line blank.
- **Housing Allowance (Line C)** – List the amount of money the church provides for the pastor's housing allowance. This is only in lieu of a church-owned or leased parsonage. The pastor does not have to provide the church receipts for reimbursements of these funds. This amount may be reported on box 14 of the pastor's W-2. **This amount is paid in addition to the amount on Line 11.**

Reimbursements

- **Accountable Reimbursement (Line D)** – A budgeted fund established to reimburse the pastor for expenses. Pension is not paid on this amount and is not considered a part of compensation. This optional arrangement should only be established with a written policy set by the church and requires written documentation of expenses. For more information and sample policies, visit <https://www.qcfa.org/services/legal-services/qcfa-tax-packet/>.

Other Benefits

- **Does the Church Provide Group Insurance for You (Line E)** – Enter the dollar amount that the church pays if the church provides group insurance for the staff for the calendar year in which YOU participate.
- The Conference Clergy Vacation Policy is on [p. 246 of the 2024 Arkansas Conference Journal](#).

Minimum Compensation for Full-Time Clergy (*Equitable Compensation Commission Report, 2025 Arkansas Conference Journal*)

The Annual Conference sets the minimum compensation for full-time clergy (Local Pastors, Elders, and Deacons), as recommended by the Conference Commission on Equitable Compensation.

Minimum compensation for full-time clergy appointments in church settings must be set at or above the standards (as noted on line 11 of the compensation form). **A parsonage or housing allowance in lieu of a parsonage shall be provided in addition to the figures listed below.**

Full Connection \$49,780	Provisional or Associate Member \$48,699	Local Pastor \$47,617
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Appointed pastors serving a charge that provides a group health insurance plan shall be subject to the following minimum compensation support:

Full Connection \$37,420	Provisional or Associate Member \$36,338	Local Pastor \$35,257
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