

Sample of a Church Policy for Financial Support of Church Staff

_____ Baptist Church Financial Support for Personnel Policy Effective: _____

1. COMPENSATION

Compensation (Salary) shall be as approved by the church through the annual budget. Ministers may have a portion of their compensation designated as Minister's Housing Allowance within the limits allowed by federal tax laws. The amount to be designated as Housing Allowance shall be based on the minister's written estimate of qualified housing expenses and shall be approved by the church through the regular budget process.

2. PROTECTION COVERAGES (FRINGE BENEFITS)

(For purposes of church provided benefits, employment of 30 hours or more per week will be considered full-time.)

A. Retirement - Monthly contributions will be made for all ministerial employees and all full-time non-ministerial employees through GuideStone Financial Resources of the Southern Baptist Convention. The amount shall be based on the graduated scale below with a maximum contribution equal to 10% of compensation. Equivalent full-time experience in previous church employment will be counted for placement on this schedule.

Completed 1-2 Years of Experience	=	2% of compensation
Completed 3-4 Years of Experience	=	4% of compensation
Completed 5-6 Years of Experience	=	6% of compensation
Completed 7-9 Years of Experience	=	8% of compensation
Completed 10+ Years of Experience	=	10% of compensation

To avoid IRS reporting issues when using multiple providers, all retirement contributions through the church will only be made to accounts with GuideStone Financial Resources of the Southern Baptist Convention. Employees may make additional contributions through a salary reduction agreement. No church contribution will be made for non-minister employees working less than 30 hours per week but these employees may contribute to a GuideStone retirement account by means of a salary reduction agreement.

B. Social Security – The employer portion of Social Security shall be paid by the church for all non-ministerial employees. For ministers who pay self-employment social security, an equal percentage (7.65%) shall be provided as a Social Security Equivalent in addition to their regular compensation. Social security equivalent amounts are to be funded through the Social Security line item in the church budget. It will be paid along with the regular weekly compensation and shall be reported to the IRS as additional taxable salary.

C. Insurance – The church will provide \$ 50,000 of term life coverage and long-term disability coverage through GuideStone Financial Resources for all full-time employees, or the equivalent amount of premium shall be paid toward similar coverage from another insurance provider if desired by the employee. If higher coverage amounts are to be provided and if qualified medical and/or dental coverage is to be provided, the compensation amount will be adjusted to allow for funding these added benefits.

D. The employee will not have the option to receive amounts designated by the church for protection coverages as additional compensation.

3. EXPENSES

Business (ministry related) expenses incurred by employees will be paid on an accountable reimbursement basis from amounts approved in the annual budget. Amounts for local ministry travel expense will be budgeted based on reasonable estimates but actual local ministry related mileage using the current IRS business mileage rate will be paid by the church. Expenses for ministry related books, tapes, periodicals, and convention/conference expense will be reimbursed but only up to the amounts budgeted by the church. Expenses will include monthly cell phone costs for ministers whose ministry responsibilities require being available by phone beyond normal office hours. Other expense items may be covered upon church approval. The church treasurer will reimburse employees monthly upon receipt of proper accounting for expenses incurred. Advance payments for expenses may be made for larger expenses with the employee returning any amounts that exceed the actual expenses incurred. Budgeted amounts not used for the designated expenses will not be paid as additional compensation.