



M I C H I G A N
M I N I S T R Y
N E T W O R K

COMPENSATION GUIDE FOR BOARDS OF LOCAL CHURCHES

(PLAYBOOK)

Welcome,

One of my desires as a Network Superintendent is to assist Deacon Boards in creating current or future compensation and benefit plans for the Pastoral Staff.

Below you will find suggestions that we ask you to consider for the future. Many churches may not be able to afford all the suggestions listed in this playbook, however, it can be used as a goal to work towards over time. Start where you can as you grow in this area as your church can do so.

Gains, these are suggestions for consideration as funds allow. If I can be of assistance to you in any way, I am your servant.

May God bless your every step,

Aaron Hlavin
Assemblies of God
Michigan Ministry Network
Superintendent

CREATING A CONTEXT FOR PASTORAL COMPENSATION

10 THOUGHTS WHEN CONSIDERING PASTORAL COMPENSATION

Let's get started

If you have struggled with knowing how to set compensation and benefits for your pastoral employees, please know that you are not alone. Setting fair, accurate, appropriate, and wise compensation can often feel overwhelming and challenging. This process involves real people, individuals' feelings, budgets, and opinions.

As a church leader, you face all the pressures of big vision, limited resources, economic upticks, and downward trends, aging buildings, growing pastoral teams, and the overall responsibility of stewardship.

You also live with the ongoing desire to bless your pastoral staff. You want the best for them and their families and want them to experience financial stability in their personal lives. You love to care for them!

The question becomes: How do we effectively and responsibly compensate our pastoral team? How much is too little, or too much? What benefits should we provide and to what scope? What is the right thing we can do without being irresponsible with the financial stewardship of the church?

Here are 10 thoughts to consider as a board:

Thought #1: Understand your personal view, history, and potential bias towards pastoral compensation.

Each of us possesses concepts, values, experiences, and views of pastoral compensation. Historically, there existed a concept that pastoral ministry should be one of sacrifice. While there are many sacrificial aspects of pastoral leadership, financial pressure does not have to be one of them. A pastor has the same financial needs as any other individual. They desire to provide for their family, own a home and vehicle, take an occasional vacation, take care of their health concerns and be able to meet normal life needs. Unfortunately, due to these historic views, the church world is behind in this area.

As a board, you may also possess certain views about pastoral compensation through the lens of your current financial compensation, benefits, and financial situation. It can be tempting to either overcompensate or undercompensate based on your current situation.

Knowing these potential views before discussing salaries and benefits is essential to being able to make appropriate decisions.

Thought #2: Gain a new educated perspective.

There is a general lack of awareness on this subject. Even where information exists, it is difficult to know where to find it or if it is trustworthy.

A few thoughts about pastors:

- There have been some pastors who have mismanaged church finances leading to exorbitated and inappropriate lifestyles. However, these represent a very small minority of pastors.
- Most pastors are not overpaid. Pastoral compensation/benefits are often lagging behind median incomes/benefits for their area.
- Most pastors steward their church and personal finances very well. They are very frugal.
- Pastors are very thankful for what they have already been provided, even if it does not meet their current financial needs.
- Pastors tend to not want to bridge this subject with their church. They do not want to seem ungrateful or greedy.
- Many pastors are under-compensated for the hours, responsibilities, and expectations of their role.
- Many pastors are financially struggling. This financial pressure can lead to the pastor's premature departure.
- Many pastors live with no sense of retirement due to a lack of resources to meet their daily needs. They fall financially behind each year.
- Pastors are truly grateful people and appreciate their churches.

A few thoughts about compensation:

- Salary is different from benefits.
- Benefits are in addition to a salary.
- Often churches view the salary of a pastor as a combination of salary and benefits. While it is true that the total compensation package includes both, it would be wise to note that they should be thought of as two separate things. In secular companies, the salary and benefits are separate and not thought of as employee pay, just the total compensation.

Thought #3: You can only do what you can afford.

As you go through this playbook, please know that you should **NOT** feel pressured to provide all the compensation and benefits listed. This is designed to be a guide. We have listed many appropriate possibilities; however, your responsibility is to do your best. Please keep these principles in mind as you proceed:

- **Be collaborative** – As a board discusses these possibilities openly and healthily.
- **Be generous** – don't be stingy or cheap.
- **Be responsible** – don't put the church in an unhealthy financial position.
- **Believe for the future** – Even if you cannot do what you would like to, keep these ideas in mind for the future.
- **Be unified** – Once you have reviewed and agreed on what you can do, be committed to each other as a team.

Thought #4: Each church is unique.

Your church is different from every church. You should be proud to be you, even if you are aware of things that need to change. God has always used all sizes of churches and continues to do so. Some considerations should be based on the following factors:

- The size of the church.
- The annual budget – availability of funds. You cannot give what you do not have.
- The amount of debt a church currently holds. Sometimes debt can limit the possibility of resourcing staff.
- The scope and responsibility of the work. What is being asked of an individual can determine the scope of the compensation.

Thought #5: Each pastoral staff position is different

Each pastoral position requires different salary considerations. For example, the lead pastor should be compensated at a higher rate than any other pastoral staff member.

Other factors should be considered with all pastoral staff:

- How many years of experience does the individual have in ministry?
- How long have they served on our church's pastoral staff?

- Are they doing a good job serving our church?
- What level of credentials does the individual possess?
- What specialized skills are required for this role that the individual possesses?
- What educational background do they possess?
- What is a comparable salary and benefits for where our church is located?
- What roles are considered executive-level or support staff-level positions?
- What is being asked of them to do?
- Is this a full-time or part-time position?
- Cost of living in your church's community. The cost of living is the total amount of money required to live in a certain area and cover one's necessities. Expenses typically factored in include housing, food, and taxes.

Thought #6: The community where your church resides should shape your consideration.

Each church resides in a unique community. The cost of living, the median income, and the average income of the congregants themselves are all factors to consider. Even though this is true, please understand that the longer a pastor serves, the growing responsibilities, and growing church financial resources becomes can/should result in the pastor making more than the median income.

We have partnered with an organization that can help you figure out what a healthy income (cost of living) is for where your church is located. Please feel free to reach out to our Network Secretary/Treasurer Brooks McElhenny and he will be able to assist you. His email is bmcelhenny@aogmi.org.

Thought #7: Faith and stewardship are two sides of the same coin.

Sometimes churches need to walk in faith when it comes to this area of provision. Sometimes it will be clear that this financial decision will be a bit of a stretch, but is what God is wanting you to do. We certainly believe that at times God will call us to step out in faith and provide for our church.

Even though we believe in "faith steps", we also **MUST** practice wise stewardship. They are both important. Wise stewardship often leads to opportunities to exercise faith. A wise board builds trust and reserves that allow for faith moments in this area. They are both valuable.

Thought #8: Properly compensated pastors tend to stay longer and enjoy their work more.

1 Timothy 5:17-18: *“The elders who are good leaders should be considered worthy of an ample honorarium, especially those who work hard at preaching and teaching. For the Scripture says, ‘Do not muzzle an ox while it is treading out the grain and, the worker is worthy of his wages’”* (HCSB).

It is in the best interest of the church to have healthy and happy pastoral leadership. A pastor who can meet the needs of their family is less likely to feel the need to look elsewhere. There are a lot of reasons a pastor leaves their church, it would be healthy to not make a lack of financial support one of them.

Thought #9: Pastors' work hours and workloads are unique.

Pastoring shares many of the common challenges that all face in the workplace. Every job has stressful seasons, high expectations, major responsibilities, and disappointments, and always involves people. While these common traits (and many more) and similar, there are some unique parts to a pastoral role. A Pastor's job is not harder than other jobs, it is just different from other jobs.

Former AG Michigan District Superintendent William Leach once said:

“Pastoring certainly requires long hours of work that can be mentally, emotionally, and spiritually draining, and many people have jobs that require very large amounts of time, energy, effort, and personal investment. However, I do think some things make “pastoring” different from a “non-pastoral job”

Here are some unique things to pastoring:

- *Typical “normal job” is/has:*
 - *40 to 60 hours a week; typically, with 2 days off.*
 - *Pay commensurate with responsibility, level of education, experience, and merit.*
 - *Typical benefits (may include some of the following): medical, dental, life, education, and retirement/pension.*
 - *defined responsibilities.*
 - *days off/vacation; personal days (if hourly); “sick days”*
 - *Usually, an employee is expected to be competent in a few areas of specialized focus.*

- *Typical “pastoring job” is/has:*
 - *50 to 70 hours a week; typically, with 1 day off.*
 - *Pay lower than what can be earned in the marketplace.*
 - *Often little to no benefits are offered.*
 - *Non-defined responsibilities with a different measure of success.*
 - *Pastors are “on call” 7 days a week*
 - *Pastors do not have a separation between work and church as in other jobs.*
 - *The average Lead Pastor is expected to be competent in many areas of focus.*
 - *Expectations of pastors can often be unrealistic, unhealthy, and unobtainable.*
 - *A Pastor’s family shares in the weight of the role. Often the spouse and possibly the children feel a measure of the pressure of the role.*

In addition to the above, it would be wise to recognize the different relationship patterns a pastor has within their local congregation. Non-Pastoral church attenders find a wonderful and needed separation from their vocation when attending church. This is very important to find life-giving times of refreshing regularly. Pastors may not have those same levels of relationships within their local church due to the nature of their role.

Thought #10: Pray for financial favor.

One of the best ways you can consider being a blessing to your pastor is to pray for the financial stability of the church. This should be the responsibility of every board member. Ask the Lord to provide.

HEALTH INSURANCE (FULL-TIME EMPLOYEE)

PROVIDING FOR THE HEALTH OF THE PASTOR AND THEIR FAMILY

One common benefits employers provide for their employees is health coverage. This should be considered for full-time pastoral employees as well.

Providing health care can be expensive, so there are several ways this can be accomplished. Here are some coverages to consider:

Coverage #1 – Provide a Medical reimbursement fund. This benefit is to cover co-pays, prescriptions, dental, and vision instead of health care coverage. While this may be a place to begin, it is wise to note that this would not be enough to cover a high medical bill. Any expenses over this amount would be the responsibility of the employee.

Coverage #2 – Provide a certain set amount for health insurance. This will allow the pastor to get reimbursed up to the set amount for the insurance that they get coverage through. The pastor would be responsible to pay any difference.

Coverage #3 – Provide partial health care coverage. Choose a healthcare provider and cover a portion (usually 80%) of the coverage with the pastor needing to cover the difference.

Coverage #4 – Provide full health care coverage. Choose a health care provider and cover the full amount of the health care plan. The employee would be responsible to cover co-pays and premiums set by the insurance company.

LIFE/LTD INSURANCE (FULL-TIME EMPLOYEE)

PROVIDING FOR THE WELFARE OF THE PASTOR AND THEIR FAMILY

Two benefits that would be strongly advised would be Life Insurance as well as Long Term Disability coverage. While this is certainly a benefit for pastoral families, it is also protection for the church as a whole.

This is often a very cheap and yet important benefit that can be offered. A life insurance policy of \$50,000 usually only costs a few hundred dollars per year but can be significant should a pastor pass away. This helps the church provide for the family of the pastor without draining funds that the church may need for moving forward.

Similarly, a Long-Term Disability policy can help cover up to 60% or more of a pastor's pay with optional coverage for spouses and children. This can allow for a church to move forward if a significant medical situation renders a pastor incapable of returning to work beyond a reasonable time. This leaves boards in the untenable situation of either providing for the pastoral family or moving forward to hire a new pastor. This helps the church provide for the family of the pastor without draining funds that the church may need for moving forward.

Additionally, the family of the deceased pastor can feel unable to move away, start over, or progress because their resources are tied to the church.

That is why providing life insurance and long-term disability insurance can benefit both the church and the pastor's family.

NOTE: This is not as expensive as one may think. If you are interested, please feel to reach out to our Network Secretary/Treasurer Brooks McElhenny and he will be able to assist you in knowing how to investigate these insurance coverages. His email is bmcelhenny@aogmi.org.

VACATIONS/PAID TIME OFF

CREATING FAMILY MEMORIES AND REST

Paid time off is one of the simplest and most healthy things a church can do as a part of a pastor's benefit plan. Vacations and regular days benefit the ministry. Pastors are on call 24 hours a day, seven days a week, so time away can bring renewal and refreshment for the tasks at hand and help prevent burnout.

Vacation Days

The board should provide paid vacation based on the Official Board of Deacon's policy approval.

In business and industry, a 5-day / 40–45-hour work week is normal, in which a “5-day vacation” is considered one week of vacation. Usually, these days include Monday, Tuesday, Wednesday, Thursday, and Friday. In business and industry, this means that the worker also receives the weekends, before and after the “5-day vacation”. Every day of a “vacation” should be “counted”; generally, with Saturday/Sunday included with every 5 days.

Pastors receive one day off during the week yet are “on-call” on Saturdays even though office hours are not required. Pastors also work many nights and weekends serving their local congregations. Additionally, Pastors “work” on many “National Holidays” (Christmas, New Year’s Day, Easter, Memorial Day, 4th of July, etc.), which should be considered in thinking about vacation time. With all those considerations this is how vacation days are counted:

- **1-week vacation time** = 7 days, including your day off and Saturday.
- **2-week vacation time** = 14 days, including your day off and Saturday.
- **3-week vacation time** = 21 days, including your day off and Saturday.
- **4-week vacation time** = 28 days, including your day off and Saturday.

Each church should determine the appropriate number of vacation weeks, however, a minimum of 2-3 is suggested, with the option to earn a 4th week for longevity.

Vacation should be kept separate from study leave, attendance at conferences, or weekly days off and sabbatical leave. In the best interests of all concerned, it should be expected that the pastor uses his/her full vacation each year. No vacation time is allowed to be rolled from one year into the next calendar year. This ensures the pastor uses this important time each year.

Pastors should be encouraged to take a vacation in a large enough block of time (at least one week) for the refreshment, which is necessary for effective renewal.

Weekly Time Off

Pastors should be expected to take at least one full, uninterrupted day off each week. If ministerial duties fall on their regular day off, the pastor would, of course, meet his pastoral obligations, but then should switch their day off to another day to refresh. Days off are only earned during a normal workweek of hours. Days off are not cumulative and must be used in the week of work.

Sick Days

As Pastors receive a salary and usually have much freedom in their schedule, it is difficult to prepare a policy concerning “days off due to ill health”. An excess of sick days could result in an inquiry of the reasons and if determined to be abusive, could result in dismissal from employment.

We have placed a sample vacation policy in the [appendix \(#2\)](#) that you can use as a template for your church.

RETIREMENT

LOVING YOUR PASTOR BEYOND THEIR TIME WITH YOU

Like many full-time jobs, it would be wise to consider providing some retirement options for your pastor(s). Historically pastors worked until either they could no longer do so, or they passed away. This is not healthy for the church or the pastor of the church. Every church should want to see its pastors experience retirement, just like everyone plans to do.

There are three different ways a church can provide some form of retirement.

Option #1 – Provide a fixed amount of money contributed (as a benefit) to a retirement fund. This amount could vary, but \$500-\$1,000 would be a great place to start if resources are limited.

Option #2 – Provide a matching amount based on the pastor's contribution. For example, the church will match \$.50 for every dollar the pastor contributes up to 2.5% of their pastor's income (salary + housing combined).

Option #3 – Provide a combination of options #1 & #2. This would include a fixed amount with the potential of a matching amount.

There are two recommended ministerial financial institutions to that we suggest 403b contributions be made: AG Financial and CEP (church Extension Plan). Both offer tax benefits (housing allowance) for the pastor at the time of their retirement.

We have placed 3 sample retirement plan samples in the [appendix \(#3\)](#) that you can use as a template for your church.

CONTINUING EDUCATION

HOW TO HELP YOUR PASTOR GROW

There is scarcely a vocation that does not place importance on learning. The Assemblies of God makes the goal of continued education a reality by offering many different avenues for a minister to gain in his or her educational advancement. This educational advancement benefits the minister as well as the church in which they serve.

This can be a small way to encourage growth and advancement in ministry that benefits both the pastor and the church the pastor serves in.

Continuing education is an opportunity for professional training. This education can be accomplished through the following avenues:

- Online programs through an accredited Assemblies of God educational institution directly related to a ministerial degree
- Supervised study through an accredited Assemblies of God educational institution directly related to a ministerial degree

Continuing education for pastors should be based on several assumptions:

1. That the minister is advancing to complete a degree of an Associate and or Bachelor level ministerial degree.
2. That minister's education will be directly beneficial to the congregation and ministry in which the minister serves.
3. That ministerial continuing education is to enhance ministerial skills and the understanding of the Christian faith.

Each church should set approved continuing education institutions of learning such as:

1. Formal classes sponsored by accredited bodies of higher learning or credentialing within the Assemblies of God.
2. Courses of study leading to further professional degrees (Associate or Bachelor Ministerial Degree).
3. Courses of study leading to further credentials for Certification, Licensing, and Ordination through Berean School of the Bible, MISOM, or Global University – non-degree courses.

Once a continuing education program and budget have been set, funding of a program like this should be through reimbursements after the course has been completed and a minimum grade score has been achieved. For example, a final grade of C or higher must be achieved for each class. The final grade should be shown to the Board for reimbursement.

We have placed a sample continuing education policy in the [appendix \(#4\)](#) that you can use as a template for your church.

SABBATICALS

A VERY INEXPENSIVE WAY TO CARE FOR THE EMOTIONAL WELFARE OF YOUR PASTORS

A sabbatical is an intentional time away from normal work and life.

Taking a break to rest is not a new concept. God first showed us the concept of the Sabbath back in Genesis after the creation of the world. Rest is a crucial part of our lives that can be overlooked if we are not careful.

Genesis 2:2-3

“By the seventh day God had finished the work he had been doing; so, on the seventh day, he rested from all his work.³ Then God blessed the seventh day and made it holy, because on it he rested from all the work of creating that he had done.” (NIV)

The practice of observing the Sabbath (Shabbat) originates from a biblical commandment found in Exodus 20:8-11.

Based on the weekly practice of Sabbath, a sabbatical is an enlarged version of this. Taken every seven years, a sabbatical is a time of rest and restoration.

According to the Book of Exodus, the Sabbath is a day of rest on the seventh day, commanded by God to be kept as a holy day of rest. This is demonstrated as God rested after six days of creating.

There are some startling statistics regarding clergy health. A survey regarding these kinds of issues was published a few years ago.:

Survey of Pastors conducted by the Fuller Institute of Church Growth

- 90% worked more than 46 hours per week.
- 80% believed that pastoral ministry is affecting their families negatively.
- 33% said it was an outright hazard to their families.
- 75% reported a significant crisis due to stress at least once in their ministry.
- 50% felt unable to meet the needs of the ministry.
- 90% felt they were inadequately trained to cope with the demands placed on them by the ministry.
- 40% reported a serious conflict with a parishioner at least once a month.
- 70% of pastors do not have someone they consider a close friend.
- 70% say they have a lower self-image after they have pastored than when they started.

THE PURPOSE/BENEFITS OF A SABBATICAL

REST

Rest is an important part of life. Rest allows for better brain function, more productivity, better mood, and reduced stress and anxiety. Without rest, burnout is inevitable. We need to learn to live with life balance, where we find an appropriate balance of work and rest.

CONNECT WITH FAMILY/FRIENDS

Time with family and friends is important to grow and developing strong and deep relationships. This is a good opportunity to spend time with these important people and a good way to step out of the “fishbowl” that is “the pulpit”.

REJUVENATION OF SOUL

This time should be especially beneficial to grow in a deeper connection with God. It is a time of focusing one-on-one with Jesus to replenish one’s soul without the responsibility to fill others.

DISCONNECT

Unplugging from life and technology can be very difficult in a culture where being connected is seen as a must. A pastor should communicate with church leaders before taking the sabbatical time, to ensure any questions anyone may have can be directed to the right person. This ensures a pastor will not be disturbed by work-related issues during your time away.

ENGAGING/DEVELOPING A HOBBY

A sabbatical is a great time to be able to take time to personally develop your interests and hobbies and use this time away to grow. Hobbies are important as they can increase your energy, provide enrichment, create an emotional outlet, and can help prevent bad habits and time-wasting.

RELEASE STRESS AND TENSION

Stress can be emotional, mental, and physical. This time away from work is the perfect opportunity to focus on oneself and can help manage stress and tension daily, even when it’s time to return to work.

TRAVEL

Physically distancing and disconnecting oneself may be helpful to take a break. Traveling can give a different perspective on many different matters.

We have placed a sample continuing education policy in the [appendix \(#5\)](#) that you can use as a template for your church.

OTHER PASTORAL STAFF BENEFITS

SMALL THINGS THAT CAN MAKE A BIG DIFFERENCE

There are many other ways a church can bless its pastoral staff. Some examples are listed below:

Cell Phone & Plan Coverage

It is common for a church to provide a cell phone and cell phone service on the pastor's phone. There should be reasonable limits to how often and what amount of expenses will be covered for the phone and service plan. The service plan could be covered directly or reimbursed.

Computer/iPad

It is common for a church to provide a computer and/or iPad for the pastoral team. There should be reasonable limits to how often and what amount of expenses will be covered for the computer and accessories.

Christmas/Pastor Appreciation Gift

October is the recognized pastor appreciation month, however, most churches either celebrate one specific Sunday in October or do so during the Christmas season. No matter when this occurs in your church structure, it is a small way to make a BIG impact on the hearts of your pastoral family. They deserve to be celebrated, as the Apostle Paul said:

1 Thessalonians 5:12-13

¹²Now we ask you, brothers and sisters, to acknowledge those who work hard among you, who care for you in the Lord and who admonish you. ¹³Hold them in the highest regard in love because of their work. Live in peace with each other." (NIV)

Whatever you do, it should include two main elements; a gift that encourages the heart and a financial gift that blesses. Here are some thoughts to consider for appreciating your pastoral team:

- Be prepared, planned, and purposeful
- Involve as many people as possible (involve the whole church)
- Be encouraging (cards of encouragement from members)
- Do presentations of gifts/cards with excellence (honor spouses as well)
- Make sure any gifts are what they would want
- Make sure the gift does not create an obligation. Examples include:
 - dinner with you
 - activities that

APPENDIX

APPENDIX #1

Sample Compensation Offer Sheet

Compensation and Benefits Package for Pastor **[insert employees name]**

Salary/Housing – **[Insert total \$ amount]**

Includes a combination of salary and housing allowance together.

Salary = [Insert \$ amount] Housing = [Insert \$ amount]

Health Insurance **[insert insurance name]** - **[Insert \$ amount]** (approx.)

Health insurance covers yourself, your spouse as well as current/future children

Medical Reimbursements - **[Insert \$ amount]** per year

This benefit is to cover co-pays, prescriptions, dental, and vision that are not covered by health insurance. Any expenses over this amount are the responsibility of the employee.

Life Insurance/Long-Term Disability - **[Insert \$ amount]** per year (approx.)

This includes - [Insert \$ amount] in the life insurance policy and LTD - [Insert % amount] of pay after 90 days.

Retirements Contributions: *(To begin after one year of employment)*

- **Fixed contribution of [Insert \$ amount]** annually as funds are available.
- **Church match up to - [Insert \$ amount].** (see retirement policy for details)

Continuing Education of - **[Insert \$ amount]**

For AG Credentialing, Ministry-related Bachelor Degree – Also for a school of ministry and application for credentials expenses.

Total Compensation and Benefits Package - **[Insert \$ amount]**

Total of the above-listed items.

Additional Benefits:

- *Vacation – [insert # of weeks] paid vacation per year*
- *Cell Phone Plan*
- *Computer*
- *Christmas/Pastor Appreciation Gift (as funds are available)*

NOTE: Pastor Income Tax and Social Security Considerations (from Aplos)

“Ministers are employees for federal income tax reporting purposes, but they are self-employed for Social Security purposes. This is because they are considered to be in business for themselves. As self-employed workers, ministers pay the Self-Employment Contribution, which is the equivalent of the Social Security and Medicare taxes other self-employed people pay.

The church is not a business and cannot pay the SECA tax for its pastor. The pastor is not a business owner; the pastor is an employee of the church and receives a salary from the church.”

APPENDIX #2

Sample Vacation Policy

Paid Vacation for Pastoral Staff

At [church name] we believe that a good vacation benefits the ministry. Pastors are on call 24 hours a day, seven days a week, so time away can bring renewal and refreshment for the tasks at hand and help prevent burnout. This document attempts to clarify how our vacation policy, days off, and sick days are figured out and utilized.

Vacation

The Church agrees to provide paid vacation based on the Official Board of Deacon's approval. This vacation shall be recorded, and a statement of vacation time used and remaining will be available to the Pastor upon request.

Vacation Days

In business and industry, a 5-day / 40–45-hour workweek is normal, in which a “5-day vacation” is considered one week of vacation. Usually, these days include Monday, Tuesday, Wednesday, Thursday, and Friday. In business and industry, this means that the worker also receives the weekends, before and after the “5-day vacation”. Every day of a “vacation” should be “counted”; generally, with Saturday/Sunday included with every 5 days.

Pastors receive one day off during the week yet are “on-call” on Saturdays even though office hours are not required. Pastors also work many nights and weekends serving their local congregations. Additionally, Pastors “work” on many “National Holidays” (Christmas, New Year’s Day, Easter, Memorial Day, 4th of July, etc.), which should be considered in thinking about vacation time. With all those considerations this is how vacation days are counted:

Vacation Days:

- 1-week vacation time = 7 days, including your day off and Saturday.
- 2-week vacation time = 14 days, including your day off and Saturday.
- 3-week vacation time = 21 days, including your day off and Saturday.
- 4-week vacation time = 28 days, including your day off and Saturday.

***A vacation is given so that the pastor and his/her family may refresh themselves. In the best interests of all concerned, we expect that the pastor uses their full vacation each year. NO vacation time is allowed to be rolled from one year into the next calendar year.

***Vacation is to be kept separate from study leave, attendance at conferences, or weekly days off and sabbatical leave.

***Pastors are encouraged to take a vacation in a large enough block of time (at least one week) for the refreshment, which is necessary for effective renewal.

Weekly Time Off

Pastors are expected to take at least one full, uninterrupted day off each week. If ministerial duties fall on their regular day off, the Pastor would, of course, meet his/her Pastoral obligations, but then should switch their day off to another day to refresh. Days off are only earned during a normal workweek of hours. Days off are not cumulative and must be used in the week of work.

Sick Days

As Pastors receive a salary and usually have much freedom in their schedule, it is difficult to prepare a policy concerning "days off due to ill health". An excess of sick days could result in an inquiry of the reasons and if determined to be abusive, could result in dismissal from employment.

APPENDIX #3

SAMPLE FULL-TIME PASTORAL STAFF RETIREMENT PLAN

(**NOTE:** SAMPLE #1 this is a sample for a fixed amount retirement policy)

The retirement plan for full-time Pastoral Staff members is reviewed annually and determined by the Official Board's action.

A full-time Pastoral Staff Member may contribute immediately via PRE-TAX elective deferral to their retirement, or a full-time Staff Member may contribute immediately via ATER TAX elective deferral to their retirement; however, either way, the employee will not receive any contributions from [church name] until the minimum time requirement of employment has been met.

Eligibility for [church name] Contribution

A full-time Pastoral Staff member designated as a full-time employee as well as offered health benefits will be eligible after one year of employment. After the one-year requirement has been met, the staff member will be able to receive the fixed contribution based upon the requirements below.

The contribution is based upon available funds as well as the staff member's active employment on December 31st.

Lead Pastor	[insert \$ amount] per year
Executive Pastor	[insert \$ amount] per year
Department Pastor	[insert \$ amount] per year

The ability to give and the amount of contribution is determined by the action of the Official Board. An annual review will be done at the January Deacon Board meeting. As funds are available, they will be disbursed into each Pastor's account within 60 days of December 31st of the previous year's end.

Retirement Plan (adopted [date] by the official board)

(NOTE: SAMPLE #2 this is a sample for a matching amount retirement policy)

The retirement plan for full-time Pastoral Staff members is reviewed annually and determined by the Official Board's action.

A full-time Pastoral Staff Member may contribute immediately via PRE-TAX elective deferral to their retirement, or a full-time Staff Member may contribute immediately via ATER TAX elective deferral to their retirement; however, either way, the employee will not receive any contributions from [church name] until the minimum time requirement of employment has been met.

Eligibility for [church name] Contribution

A full-time Pastoral Staff member designated as a full-time employee as well as offered health benefits will be eligible after one year of employment. After the one-year requirement has been met, he or she will be able to contribute to the matching fund contribution portion of the retirement plan. The staff member will be able to receive the contribution based on the requirements below.

The matching contribution is based on the following criteria:

All full-time Staff Pastors will be able to contribute up to 2.5% of their gross salary/housing pay package to be considered for matching funds by [church name].

As funds are available, as determined by the official board, this amount will be matched by [church name] at a rate of \$.50 per \$1.00 contributed. A full-time staff pastor may contribute more than 2.5% of their gross salary/housing pay package, however [church name] will not match beyond the 2.5% stated above.

Retirement Plan (adopted [date] by the official board)

APPENDIX #4

[church name] Continuing Education Guidelines

The Need

There is scarcely a vocation that does not place importance on learning. The Assemblies of God makes the goal of continued education a reality by offering many different avenues for a minister to gain in his or her educational advancement. This educational advancement benefits the minister as well as the church in which they serve.

Terms

Continuing education is an opportunity for professional training. This education can be accomplished through the following avenues:

- Online programs through an accredited Assemblies of God educational institution directly related to a ministerial degree
- Supervised study through an accredited Assemblies of God educational institution directly related to a ministerial degree

Guidelines

These guidelines for Pastoral Staff regarding continuing education are based on several assumptions:

4. The Lead Pastor must be notified of the desire to continue with educational goals and there approve it before enrollment and before there is an expectation of reimbursement.
5. That the minister is advancing to complete a degree of an Associate and or Bachelor level degree.
6. That minister's education will be directly beneficial to the congregation and ministry in which the minister serves.
7. That ministerial continuing education is to enhance ministerial skills and the understanding of the Christian faith.

TYPES OF APPROVED CONTINUING EDUCATION

Types of approved continuing education include the following:

4. Formal classes sponsored by
 - a. accredited bodies of higher learning within the Assemblies of God.
 - b. other recognized and approved institutions approved by the Lead Pastor.
5. Courses of study leading to further professional degrees (Associate or Bachelor Degree).

6. Courses of study leading to further credentials for Certification, Licensing, and Ordination through Berean School of the Bible, MISOM, or Global University – non-degree courses.

Expected Outcomes

A final grade of C or higher must be achieved for each class. The final grade should be shown to the Lead Pastor for reimbursement.

Financial Considerations

As funds are available, [church name] will set aside up to [\$ amount] each year for this purpose for each ministry full-time staff person.

Eligibility

A minister must be full-time in nature to receive educational reimbursement.

APPENDIX #5

SAMPLE SABBATICAL POLICY

(NOTE: please see the sabbatical guide to walk your church through creating and understudying a sabbatical at:

https://www.mmn.ag/_files/ugd/5a41ec_48db2b46de1845aa9ee271a554797489.pdf

POTENTIAL SABBATICAL GUIDELINES

1. The AG Michigan Ministry Network urges local churches to adopt a sabbatical policy for all their pastors.
2. A sabbatical may be taken after six consecutive years of continuous ministry as a pastor in the same church and may only be taken during consecutive years of service (during the seventh, fourteenth year, etc.).
3. It is recommended that a sabbatical may be supported for up to two months. The ideal time for a sabbatical would be a minimum of one month up to two months.
4. The sabbatical should not replace normal vacation time. This is in addition to the vacation policy the church currently utilizes.
5. The local church is expected to continue full salary and benefits (if any) during the sabbatical.
6. The sabbatical should be used for personal renewal and/or spiritual development, quality rest, and time to enhance family relationships.
7. The sabbatical should not be a time to preach or teach. It is meant to be a time away from normal ministry responsibilities.
8. The pastor is expected to commit to serving on the church staff for at least one full year after completing the sabbatical.
9. If possible, the pastor should request the sabbatical one year in advance, thus allowing for budget considerations for pulpit substitutes.
10. The AG Michigan Ministry Network is committed to filling the pulpit (if desired by the church/pastor) during the sabbatical. While a church should reasonably compensate guest speakers, please note that, if necessary, arrangements can be made to fill the pulpit at no cost to the church.

SAMPLE SABBATICAL POLICY

[Church Name] Sabbatical Policy for Full-Time Pastoral Staff (Adopted by Official Board [date])

Due to the unique demands and requirements of the Pastoral Ministry, the Official Board has adopted the following policies regarding the normal schedules of its Pastors:

1. Each pastor will schedule one “real” day off (Sabbath) per week.
2. In addition to the above, each pastor will take the amount of yearly vacation that he/she is designated under the vacation policies determined by the Official Board.
3. After every seven years of service, each pastor will have a paid 30-day Sabbatical.

*Note: All of the above will be scheduled on the master calendar.