

Each year a part of the work of the Pastor/Staff Parish Relations Committee is to make recommendations to the Finance Committee for the pastor's compensation for the coming year. To assist you, I am enclosing some figures provided by the Conference Treasurer's Office.

Consumer Price Index - The CPI, which is widely used as an indicator of inflation, has averaged around 3.4 percent for the past several months. A salary raise at this level is simply staying even, but would normally not be perceived to include a raise for merit. (April report)

Denominational Average Compensation (DAC) - This is a figure compiled by the General Board of Pensions which is the average upon which pensions contributions are calculated and includes 25% for parsonage or cash housing allowance for all full-time ministers in the denomination. This figure increased by 3.22 percent on the last year available for comparison.

Conference Average Salary (CAC) - This is calculated the same as the DAC, except that just the ministers of the Virginia Conference are included in these calculations. This comparison increased by 3.27 percent.

District Superintendents' Salaries - By action of the Annual Conference Session in June, district superintendents will receive an average salary increase of 3.5 percent for 2007.

Conference Minimum Compensation - The Minimum Compensation Guidelines proposed by the Equitable Compensation Commission and approved by the Annual Conference Session increased by 3.0 percent for the 2007 year.

Pastor's Salary – The Annual Conference increased the Minimum Salary for 2007. Ministers in Full Connection will receive a minimum of \$37,260; Probationers and Associate Members, \$33,990; Local Pastors will receive \$31,518. The floor that the charge must pay in 2007 to be eligible to receive minimum salary aid will be \$26,082 for Ministers in Full Connection; \$23,796 for Probationers and Associate Members; and \$22,056 for all other full-time ministers. Recognition should also be given to the fact that a minister must pay the total Social Security tax, which amounts to 15.3% of the salary.

You and your pastor should reflect realistically on the cost of his/her professional and business expenses such as travel (the IRS allowed 44.5¢ per mile in 2006) in performance of his/her duties in the setting of their Accountable Reimbursement.

Please realize that this letter is for information only; it is the local church's responsibility to set the salary of their pastor. I hope this is helpful to you as you and your pastor plan for effective ministry with your congregation.