



Evangelical Friends Church
EASTERN REGION

To: EFC-ER Pastors, Stewardship Elders, and Treasurers
From: Evangelical Friends Church – Eastern Region
Date: October 11, 2018
RE: Information to Assist in Budget Preparation

Below you will find information that we hope will be helpful as you prepare the budget for next year. You can also download the forms at www.efcer.org/forms.

Minimum Salaries for Pastors

The Church Health Team recommends the EFC-ER minimum salary be set based on the ***Compensation Handbook for Church Staff*** by Richard R. Hammar. This is a national resource that gives compensation packages for pastors and staff members of similar church size and region of the country. A new edition is published every 1-2 years and accounts for factors such as church annual income, region of the U.S., church attendance, education, job description, and much more. It also gives ranges of compensation levels from low and medium, to high.



The book is available for purchase through the Church Law & Tax Store. The Evangelical Friends Headquarters has a copy of the most recent edition in PDF form. For more information or assistance, contact Ed Walsh, Ministry Director of Church Health, at ewalsh@efcer.org or Dan Cale of the Church Health Team at Hughesville Friends Church (570)-584-2686.

Pension Contributions

All full-time pastors (30 or more hours per week) are required to participate in EFC-ER's pension plan. Contact Marie Hagin at mhagin@efcer.org for enrollment forms. Our standard pension formula continues to total 12.0% of 1) salary and housing allowance or 2) salary plus 30% if a parsonage is provided. The 12.0% contribution will be applied to the pastor's own pension account minus \$18.00 (subject to change) paid directly to EFC-ER for a standard mandatory life insurance coverage of \$50,000.

Other staff (directors, part-time pastors, and hourly employees) may be given the option of joining the pension plan but only at the prescribed 12.00% rate of salary and any housing offered.

If you have questions about your pension account, you can 1) look up your account online at <https://ill.retirement.schwabrt.com/participant.aspx/community/Login.aspx?userid=0&skinid=ABG> or 2) contact Megan Null at 330-896-6250 ext. 1090.

A ***Pension Monthly Remittance Form*** should be used to calculate contributions for each individual. The form, along with contributions, should be mailed to Alliance Benefit Group of Illinois, 456 Fulton St. Suite 345, Peoria, IL 61602. This form is due the 15th of each month.

Dental Insurance

The dental insurance rates for 2019 will be \$40.00 for a single individual and \$75.00 for a couple and/or family. Aultcare is dedicated to giving us exemplary service, and you can be assured that your dental providers will be paid in a timely manner.

It is imperative that you inform us of additions or change in status of employees. If you wish to enroll in dental insurance or need to make changes to your pastor's dental coverage, please complete the Dental Change Form at www.efcer.org/forms. Forms must be submitted within 30 days of enrollment.

Please continue to send payments to the attention of Debbie Entwistle at the Evangelical Friends Headquarters. **Payments are due by the 15th of each month.** Please make checks payable to EFC-ER and designate "Dental" in the memo line. Please list all names if you are paying for more than one pastor.

Contact Aultcare Services using the Customer Services number found on the back of your insurance card.

Life, Disability Insurance, Retiree Benevolent Fund

A **Long Term Disability, Life Insurance, and Retiree Benevolent Fund Monthly Remittance Form** is attached. These are to be returned to the Evangelical Friends Church Headquarters with payments due by the 15th of each month.

The Long Term Disability rate for 2019 is \$22.00 per month. Every credentialed (licensed or recorded) pastor working 30+ hours must be covered with this disability insurance. Disability insurance allows a pastor to collect up to 2/3 of his/her salary upon disability. The pastor should pay the full premium with after-tax dollars so as to limit tax liability if/when insurance is used. If the church pays the premium, the benefit would be considered taxable income.

The Life Insurance rates for 2019 are \$18.00 per month for up to age 65 (\$50,000 benefit), \$11.00 for ages 65 to 70 (\$32,500 benefit), and \$9.00 for age 71 and over (\$25,000 benefit). Every credentialed (licensed or recorded) pastor working 30+ hours must be covered with this standard life insurance. This benefit is optional for other staff working 30+ hours per week.

If you have questions about your Life and Disability Insurance, please contact Debbie Entwistle at (330) 493-1660 or dentwistle@efcer.org.

The Retiree Benevolent Fund, which is half of 1% of monthly salary (0.005%), including housing and utility allowance, will continue to come to the Evangelical Friends Headquarters. This fund provides help for minimum pension and health insurance for retired pastors and missionaries who served 25 years or more with EFC-ER and retired before mid-1995.

Electronic Payment Is Available

If you would like to submit electronic payments for insurance premiums collected by EFC-ER, please visit www.efcer.org/donate, and follow the instructions to set up your account. If you choose this option, you must enter the pastor or staff members' name(s) in the **special intentions** line to ensure proper credits.

Worker's Compensation

Please be mindful that due to the dual status that pastors have regarding income, coverage for worker's compensation can be difficult to decipher. Be careful to check with your state regulations and policies to ensure that all your employees are covered by worker's compensation.

Social Security

The long-standing recommendation to pastors, regarding Social Security participation, is that pastors should be contributing participants. Participation in Social Security is a matter of good stewardship and responsible planning. In the unfortunate event of disability or death, Social Security would provide financial income to the pastor's family. This and other matters related to taxes, expense accounts, and housing allowances can be relayed to accountants in your area.

Ministers are considered "self-employed employees" and therefore pay into social security individually. Churches are not permitted to "match" the social security tax like typical employers.

Questions?

Steve Clifford is one key Christian accountant from the Canton area you may want to consider. He has expertise in clergy finances and can be reached at toll-free 800-456-1803 or at www.sharetheharvest.com. Please be advised that there may be a charge for such services.

If we can be of further assistance, please contact Julie Jenkins (jjenkins@efcer.org) or Debbie Entwistle (dentwistle@efcer.org) at the Evangelical Friends Headquarters at 1-800-334-8863 or (330) 493-1660.

May the Lord bless you!

EFC-ER's Fair Share Transition

Historically, the administrative portion of EFC-ER's budget (staff salaries, travel, office and support services, etc.) was funded through an Apportionment system based on membership.

At the 2018 Yearly Meeting, our delegates voted to change from the Apportionment system to a "Fair Share" based on a percentage of each church's undesignated tithes and offerings. A rate of 3.25% was approved for the current 2018-19 fiscal year. The change in calculating this new approach to funding is effective January 1, 2019. (Churches are to continue using the Apportionment system through December 31, 2018.)

During the Fiscal Year August 1, 2018 – July 31, 2019:

August 1 – December 31, 2018 continue using the 2018 Apportionment rate.

January 1 – July 31, 2019 the Fair Share will be calculated based on the church's 2017 undesignated tithes and offerings times 3.25%.

During Fiscal Year August 1, 2019 – July 31, 2020:

The Fair Share will be **based on** the church's 2018 undesignated tithes and offerings.

The Fair Share **rate** (subject to change) will be approved at the 2019 Yearly Meeting.

The new Fair Share will be effective August 1, 2019.

Example for Fiscal Year August 1, 2018 – July 31, 2019:

Church XYZ 2018 *Apportionments*

60 members (as of 12/31/16) * \$75 = \$4,500/12 mo= \$375 monthly Apportionment

Church XYZ 2018-19 *Fair Share* calculation

\$130,000 (2017 annual undesignated tithes and offerings) * 3.25% = \$4,225/12 mo = \$352
monthly Fair Share

August 1 – December 31, 2018

Remits \$375/month

January 1 – July 31, 2019

Remits \$352/month

EFC-ER's Great Commission Giving

The Fair Share represents 40% of the total budget. The other 60% is supported through Great Commission Giving. Great Commission Giving supports 14 world-wide missionaries and ministry partners, the multiplication of new churches in the United States and Canada, the empowerment and equipping of churches toward greater church health, and the development of current and future leaders for ministry. We accomplish this through the generous support of our local churches. Thank you for your continued partnership through Great Commission Giving.



Evangelical Friends Church
EASTERN REGION

2019
Pension Monthly Remittance Form

Member Name (Pastor or Worker): _____ SS#: _____

Hiring Body (Church or Board): _____

Circle the Payment Month: Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec

Pension Plan contribution: **CHECK IF SALARY INCREASE/DECREASE** (____)

A. Cash Salary for the month: \$ _____

B. Housing allowance: actual paid OR parsonage value \$ _____

C. Utilities allowance for the month (if applicable): \$ _____

D. Total Compensation: \$ _____

E. Pension contribution (12% of Line D **minus \$18**): \$ _____
The \$18 is for Life Insurance that is paid directly to EFC-ER.

Treasurer Signature: _____

Date: _____

Note any changes in church Treasurer Address and Phone Below:

Make Checks Payable to: Evangelical Friends Pension Plan Trustees

Mail to: Alliance Benefit Group of Illinois
456 Fulton Street
Suite 345
Peoria, IL 61602

If you have any questions about payment, contact John Neilsen at 1-800-242-2356.



Evangelical Friends Church
EASTERN REGION

Payment for month of _____

Date _____

Insert church address here:

MAIL TO:

Treasurer
EFC-ER
5350 Broadmoor Circle NW
Canton, Ohio 44709

Fair Share Payment	\$ _____
Great Commission Giving	\$ _____
Faith Promise	\$ _____
Designated Mission Project	\$ _____
_____	\$ _____
_____	\$ _____
Other Giving (describe)	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL	\$ _____

REMARKS

Church Treasurer _____

Please make checks payable to: "Evangelical Friends Church- Eastern Region" or "EFC-ER"