



Evangelical Friends Church
EASTERN REGION

To: EFC-ER Pastors, Stewardship Elders, and Treasurers
From: Evangelical Friends Church – Eastern Region
Date: October 11, 2019
RE: Information to Assist in Budget Preparation for 2020

We have updated the information to assist you as you prepare the budget for next year. The forms and information are available at www.efcer.org/forms and www.efcer.org/financeandadministration.

Minimum Salaries for Pastors

The Church Health Team recommends the EFC-ER minimum salary be set based on the Church Salary Information provided by Church Law and Tax. This is a national resource that gives compensation packages for pastors and staff members and accounts for factors such as church annual income, region of the U.S., church attendance, education, job description, and much more. A customized report is available online for \$24.95 or multiple salary reports can be obtained for \$99 at <https://www.churchlawandtax.com/salary/>.

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% of salary and housing allowance or salary plus 30% if a parsonage is provided. The 12% contribution will be applied to the pastor's own pension account minus \$12 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% rate of salary and any housing offered.

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. Participants can access their account online at <https://www.abgil.com>.

Dental Insurance

The dental insurance rates for 2020 will increase to \$45.00 for a single individual and \$85.00 for a couple and/or family. It is imperative that you inform us of additions or changes in status of employees. If you wish to enroll in the plan or make changes to your existing plan, please complete the **Dental Application Form** at www.efcer.org/forms. New applications must be submitted within 30 days of employment.

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.

Long Term Disability, Life Insurance, and Retiree Benevolent Fund

A **Long Term Disability, Life Insurance, and Retiree Benevolent Fund Monthly Remittance Form** is attached, which is to be sent to the Evangelical Friends Church Headquarters with payments by the 15th of each month. If you would like to submit electronic payments for insurance premiums collected by EFC-ER, please follow the instructions to set up your account at www.efcer.org/donate. If you choose this option, you must enter the pastor or staff members' name(s) in the special intentions line to ensure proper credits. We have also enclosed a remittance form with the option to list multiple pastors or staff members.

Long Term Disability premiums are \$14 per month. The elimination period is 90 days with the benefit for pastors at 67% of their salary up to a maximum of \$5,000 per month. (The benefit formula for other employees is 60% of their salary up to a maximum of \$3,000 per month). Every licensed or recorded pastor working 30+ hours must be covered with this disability insurance. 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.

Life Insurance premiums will be \$12 per month for employees under 65 (\$50,000 benefit). The premium for ages 65-70 is \$9 per month (\$32,500 benefit), and the premium for those over age 70 is \$6 per month (\$25,000 benefit). Every 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.

The **Retiree Benevolent Fund**, which is half of 1% of monthly salary (0.005%), including housing and utility allowance, will continue to be sent 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.

Worker's Compensation

Please keep in mind 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 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. Pastors/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?

Tim Keen, retired church administrator and Finance & Administration Team member, is willing to assist any churches or pastors to ensure that your church is in compliance with the IRS and best financial practices for churches. You can contact Tim at timothykeen@frontier.com. If we can be of further assistance, please contact us at the Evangelical Friends Headquarters at 1-800-334-8863 or (330) 493-1660.

EFC-ER's Fair Share

The *Fair Share* that each church contributes allows EFC-ER to advance God's Mission through the efforts of the Evangelical Friends Church Headquarters office. Our Ministry Directors and staff provide support to our pastors and church leaders by promoting personal and church health. We also assist our churches through critical times such as pastoral transitions, the renewal of lead pastor's ministry agreements, and guiding pastors in the recording of ordination process.

The Fair Share is based on 3.25% of each church's undesignated tithes and offerings. Designated offerings for items such as building projects, missions offerings, or offerings for special speakers are not to be included when calculating the Fair Share. The Fair Share amount for August 1, 2019 – July 31, 2020, was based on your church's 2018 undesignated tithes and offerings.

Thank you for contributing your church's *Fair Share* so that EFC-ER can support each of our 90 churches!

EFC-ER's Great Commission Giving

The *Fair Share* funds 40% of EFC-ER's total budget. The other 60% is supported through *Great Commission Giving*. Great Commission Giving supports 12 world-wide missionaries and ministry partners, allows us to plant new churches in the United States and Canada, empowers and equips churches toward greater church health, and helps us develop current and future leaders for ministry. We accomplish this through the generous support of our local churches.

Thank you for your continued ministry partnership that expands God's Kingdom through your church's Great Commission Giving to EFC-ER.



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EASTERN REGION

2020 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 \$12***): \$ _____

The \$12* is for Life Insurance that is paid directly to the EFC-ER Office. *(lower amount if over 65)

Treasurer Signature: _____

Date: _____

Note any changes in Church Treasurer's 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**

Participants can access their account online at <https://www.abgil.com>.



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EASTERN REGION

2020 Insurance Monthly Remittance Form

This form can be used if you are paying for one pastor or staff member.

Member Name (Pastor/Pastoral Staff): _____

Hiring Body (Church Name): _____

Thank you for circling the correct month each time you send the form in.

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

- A. Long Term Disability (Mutual of Omaha) \$14.00 \$ _____
- B. Life Insurance (Mutual of Omaha)
 - \$12.00 (up to age 65) \$ _____
 - \$ 9.00 (age 65 to 70)
 - \$ 6.00 (age 71 plus)
- C. Retiree Benevolent Fund \$ _____
(1/2 of 1% of monthly salary, including housing and utility allowance if applicable) (.005 X monthly salary).
- D. Total \$ _____

Check Number: _____

Treasurer's Signature: _____

Date: _____

Note any changes in Church Treasurer's address and phone below:



**Make checks payable and mail to: Evangelical Friends Church - Eastern Region
5350 Broadmoor Circle NW
Canton, OH 44709**

Note: all life and disability insurance payments are due by the 15th of each month.



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."