

COMMISSION ON EQUITABLE COMPENSATION
Rachel Hagewood, Chair

The purpose of the Equitable Compensation Commission (ECC) is to support full-time clergy serving as pastors in the charges of the annual conference by: (a) recommending conference standards for pastoral support; (b) administering funds to be used in base compensation supplementation; (c) providing counsel and advisory material on pastoral support to district superintendents and committees on pastor-parish relations; and (d) submitting an arrearage policy to be adopted by the annual conference. This purpose is consistent with the provision of ¶ 625 of *The Book of Discipline*, (2016).

We recommend the following to the conference for action:

I. MINIMUM COMPENSATION LEVELS:

The commission recommends the following minimum compensation levels, which provides a five percent increase over last year's minimum compensation amounts. Compensation does not include housing, which is the obligation of the charge, ¶252.4e; however a charge without a parsonage is expected to pay a minimum of 25 percent of the minimum compensation amount for housing. Also note that this does not include the local church's fund for reimbursement to pastors for expenses incurred in the fulfillment of their professional responsibilities ("accountable reimbursement"). That reimbursement is in addition to the pastor's salary ¶ 627.

Clergy serving as pastors	With Parsonage	Without Parsonage
Ordained, Associate, and Commissioned Members	\$47,618	\$59,509
Full Time Local Pastors:	\$46,618	\$58,509

II. QUALIFICATION PROCESS FOR EQUITABLE COMPENSATION

To qualify for an Equitable Compensation Grant, a charge must submit an application to the Commission on Equitable Compensation through their district superintendent. The application will explain in detail why conference funds should be used for this charge, and what efforts have been made to raise the funds needed to pay the pastor's salary. Additionally, the application must explain the goals for the charge and pastor, and how it is engaging in its mission field. The following information must be included with the application:

1. Equitable Compensation Commission questionnaire;
2. Current clergy compensation package approved by charge conference;
3. Church audit or financial statement (income statement and balance sheet);
4. Current year church budget;
5. Current year church statistical report (Table 1, 2, 3);
6. And direct deposit form (all payments will be directly deposited into the church's account).

The application must be signed by the SPRC or council chair, and district superintendent, and recommended by the cabinet to the Equitable Compensation Commission. If a grant application is approved by the commission, Administrative Services will be instructed to forward the funds monthly to the church's bank using ACH (direct deposit).

At the date of this submission, the appointments for 2023-2024 have not been finalized. Therefore, the Commission on Equitable Compensation will meet with the bishop and cabinet from time to time as needed to determine the amount that will be awarded to various charges from this budgeted amount based on justified need and availability of funds.

III. ARREARAGE POLICY

According to *The Book of Discipline* (2016), ¶¶624.1 and 625.2d, the Commission on Equitable Compensation is to submit "an arrearage policy to be adopted by the annual conference." This policy is to address the situation where a church is slow or unable to pay the agreed upon compensation of its pastor.

1. In the event the local church treasurer becomes aware that the church will be unable to provide to the pastor full payment of a regularly scheduled payroll or housing allowance installment, the church treasurer shall immediately notify both verbally (within 24 hours) and in writing (within three days) the pastor, the lay leader, and the chairs of S/PPRC, finance, trustees, and the administrative/church council of the impending arrearage. Upon receipt of such notice, the chair

of S/PPRC and/or the pastor shall immediately (within three days) notify the district superintendent of the impending arrearage.

2. If the pastor does not receive an agreed upon payment and does not receive written notice from the local church treasurer required above, the pastor may initiate this process by notifying the district superintendent within 30 days of the missed payment. It is the pastor's responsibility to keep copies of all such written notifications, and to provide additional written confirmation (see #8 below) to the district superintendent when an arrearage has taken place. Failure to document salary or benefit arrearages may result in a loss of compensation and/or forfeiture of benefits.

3. Upon receipt of notice of a pending arrearage, the chair of S/PPRC shall immediately (within three days) call a meeting of the pastor, lay leader, and chairs of finance, trustees, the administrative/church council, and the district superintendent to discuss the financial situation and seek remedies to prevent an arrearage from occurring. Such remedies might include:

- Drawing from invested funds, including short-term borrowing from board designated funds;
- An emergency appeal for special giving from the congregation;
- And/or emergency grants or loans from the district or conference.

According to *The Book of Discipline* ¶624.1, such remedies cannot include a reduction in the pastor's compensation until the beginning of the next conference year.

4. If, after consultation among the lay leader and chairs of S/PPRC, finance, trustees, the administrative/church council, and district superintendent, it becomes apparent that the church may be facing a long-term financial crisis, the chair of S/PPRC shall notify in writing the pastor and district superintendent that an Equitable Compensation Subsidy Grant may be necessary to maintain compensation for the remainder of the conference year, or a change in pastoral compensation or appointment may be necessary at the beginning of the following conference year.

5. If the local church becomes delinquent in the pastor's compensation (i.e., more than 30 days delinquent), then the district superintendent shall notify the Commission on Equitable Compensation, which on its own initiative may do any or all the following, but not limited to:

- Sending a representative from CEC to meet with the local church and pastor to seek resolution of the issue;
- And/or developing with the local church a payment plan so that the pastor receives full payment of compensation by the end of the conference year.

The district superintendent shall be invited to participate in this process.

6. If the local church is already receiving a subsidy grant from the Commission on Equitable Compensation, the commission may also:

- Examine the original subsidy grant application to determine if the amount requested to meet minimum compensation was reduced;
- Require an outside audit of all church funds in compliance with GCFA Guidelines (www.gcfa.org);
- And/or notify the district superintendent of its findings and recommendations in writing.

7. ¶ 2543.1 of *The Book of Discipline* (2016) makes clear that no real property on which a church building or parsonage is located shall be mortgaged to pay for the current or budgeted expenses of a local church (including arrearages), nor shall the principal proceeds of a sale of any such property be so used. This provision shall apply alike to unincorporated and incorporated local churches.

8. In extreme and unresolved circumstances, the local church and/or pastor may petition a session of the annual conference, following proper procedures, for assistance in payment of the arrearage not to exceed the minimum conference compensation standards. However, it is the responsibility of the local church to provide a minimum compensation for its appointed clergy (¶624).

9. It is the responsibility of the pastor to provide evidence of an arrearage by providing documentation such as: treasurer's reports, charge conference reports of adopted salary and compensation, check stubs, W-2 forms, and a Certification of Payment form signed by the pastor, S/PPRC chair, trustee chair, treasurer, and administrative/church council chair. If such persons are not making themselves available to sign, the information will be provided with the signature of the pastor and the district superintendent.

10. The statute of limitations for filing a claim for funds from the annual conference (i.e., notification to the district superintendent of the arrearage) for any salary arrearage is one year from the date of the initial arrearage. Once an appointment ends the pastor no longer has a claim on the local church for compensation funds (¶342.4).

2023 EQUITABLE COMPENSATION GRANTS

DISTRICT	CHARGE	PASTOR	Clergy Status Appoint. %	Annual Amount
Caney Fork River	Monterey	Christine Penner	PE/100%	1,891.66*
Cumberland River	Glendale	Stephanie Dodge	FD/100%	16,675.00
Cumberland River	South End	Shelby Slowey	FD/100%	37,977.58
Cumberland River	Woodbine	Carlos Uroza	FE/100%	1,003.16*
Harpeth River	Antioch	Murray Paul Gordon	FL/100\$	29,350.00
Harpeth River	Bethlehem, Associate	Felica Kumar	FE/100%	21,303.00**
Harpeth River	Craft Memorial	Cynthia McGowan	FL/100%	7,500.00***
Harpeth River	Greenwood-Pleasant Grove	Tommy Flood	FL/100%	11,087.50***
Metro	Aldersgate (Memphis)	Goyo De La Cruz	FE/100%	54,918.00
Metro	El Redentor	Luz Campos	FE/100%	36,175.00
Metro	New Bethel	Jerome Scales, Jr	FE/100\$	28,337.50
Metro	St. Mark's-Faith	Larry Chitwood	PE/100%	20,000.00
Metro	St. Matthew	Kimberlynn Alexander	FL/100%	55,675.00
Mississippi River	McCabe-Freeman's	Orrin Cowley, Sr	FL/100%	4,203.00
Red River	Bethel-Woodlawn	Richard Wesley	FL/100%	7,612.00
Red River	Dickson Parish	James Hamilton	FE/100%	12,097.00**
Red River	White Bluff/Burns	Eric Limbo	FE/100%	9,000.00***
Stones River	McBurg-Pisgah-Blooming Grove	Mark Brown	FE/100%	10,000.00
Tennessee River	Lambuth Memorial (Jackson)	Tammy Blankenship	FL/100%	15,000.00
Tennessee River	Grace(Madison Co.)	Mary Beth Eberle	PE/100%	12,586.50***
TOTAL as of 6/16/2023				\$393,391.90

*2-month grant (Jan – Feb 2023)

**6-month grant (Jan – June 2023)

***6-month grant (July -December 2023)