

Conference Commission on Equitable Compensation (CEC)

“It is the purpose of the commission on equitable compensation 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.” (§625.2, 2016 Discipline)

The CEC assists congregations which have potential for growth to become capable of financially supporting a full-time pastor, and assure that all full-time appointed pastors in the AWF Conference receive minimum salary. The CEC recommends the following guidelines for all churches/charges in our conference that apply for a subsidy grant:

1. Only full-time pastors, certified by the Board of Ordained Ministry (district and conference levels as applicable), approved by the annual conference, and appointed to a church or charge are eligible for a CEC subsidy grant. No associate pastor, part-time local, or supply pastor shall be eligible for a subsidy grant. The amount of equitable compensation a pastor may receive is based upon the taxable cash salary prior to any voluntary employee reductions such as a 403(b) plan or written cafeteria plan plus utility exclusions, excluding a housing allowance in lieu of a parsonage. Full-time local pastors without a parsonage must receive a housing allowance to bring their total plan compensation up to 60% of the denominational average compensation so that they will be eligible for Comprehensive Protection Plan benefits.
2. No pastor shall receive a subsidy grant from CEC when the pastor receives income from any other church source if that income plus salary from the charge is more than minimum salary. No pastor serving outside the bounds of our conference shall be eligible to receive equitable compensation.
3. For a pastor to receive an equitable compensation subsidy grant, the church/charge must have paid at least 50% of the previous year's apportionments and agree to pay at least 80% of minimum salary and 100% of their apportionments for the year in which the CEC subsidy grant is provided. Direct Bill health insurance and pension payments shall be waived for charges upon their initial approval for a CEC subsidy grant, if no outstanding arrearage exists. Each succeeding year of receiving a CEC subsidy grant, churches/charges must make progress toward providing full clergy compensation according to the following schedule to qualify for a continued subsidy grant. Percentages listed below apply to the approved minimum

salary for the calendar year in which a subsidy grant will be received:

- Year 1: 80% of minimum salary and 100% apportionments paid
- Year 2: 85% of minimum salary and 100% apportionments paid
- Year 3: 90% of minimum salary, and 100% apportionments paid
- Year 4: 90% of minimum salary, 100% apportionments, and Defined Benefit portion of Direct Bill paid
- Year 5: 95% of minimum salary, 100% apportionments, and complete Pension portion of Direct Bill paid

After five years of receiving a CEC subsidy grant, a church/charge may be approved for a sixth year of exemption from the Health Insurance portion of the Direct Bill if the charge is paying 100% of minimum salary, 100% of apportionments and 100% of the pension portion of the Direct Bill.

4. Churches/charges applying for a CEC subsidy grant that are already paying above 80% of minimum salary shall be expected to make appropriate progress toward becoming self-sustaining in accord with the schedule in Paragraph 3.
5. The CEC recognizes that occasionally circumstances will demand special consideration. The district superintendent of the applying church/charge should assess such cases and present rationale for a subsidy grant to the CEC. Churches/charges must be willing to participate in a formal congregational development effort offered by the annual conference.
6. District superintendents are required to review all equitable compensation situations in their districts to ascertain the necessity for assistance and, whenever possible, seek to reduce the need for a CEC subsidy grant. The district superintendent shall be responsible for the accurate completion and submission of subsidy grant applications to the CEC. The secretary of the CEC shall not issue a check order for an equitable compensation subsidy grant until all criteria have been met as determined by the CEC.

The CEC recommends a minimum salary of \$38,000 for all full-time appointed clergy for 2021.

Equitable Compensation Disbursements for 2019

Benson-Bethel (Montgomery-Prattville)	\$ 3,804.00
Bermuda UMC (Baypines)	\$ 1,266.68
Capitol Heights UMC (Montgomery-Prattville)	\$ 1,425.00
Locust Bluff (Montgomery-Prattville)	\$ 3,804.00
Mt. Carmel UMC (Dothan)	\$ 7,608.00
Pinckard UMC (Dothan)	\$ 3,804.00
St. Mary UMC (Demopolis)	\$ 2,502.00
St. Matthew UMC (Demopolis)	\$ 1,908.00

St. Paul UMC (Demopolis)	\$ 2,502.00
Tabernacle UMC (Dothan)	\$ 5,700.00
Verbena UMC (Montgomery-Prattville)	\$ 3,804.00
West Side UMC (Mobile)	\$ 2,850.00
Westview Heights UMC (Dothan)	\$ 7,608.00
Westside UMC (Dothan)	\$ 3,804.00
TOTAL	\$ 52,389.68

Arrearage Policy

1. In the event that the local church treasurer becomes aware that the church will be unable to provide to the pastor full payment of a regularly scheduled payroll, housing allowance installment, or full payment for regular directly billed benefit payments such as pension and health care, the church treasurer shall immediately notify both verbally (within 24 hours) and in writing (within 3 days) the pastor, lay leader, and chairs of S/PPRC, finance, trustees, and the church council of the impending arrearage. Upon receipt of such notice, the chair of S/PPRC and/or the pastor shall immediately (within 3 days) notify the DS of the impending arrearage. It is the pastor's responsibility to keep copies of all written notifications and to provide additional written confirmation to the DS when an arrearage has taken place. Failure to document salary or benefit arrearages may result in a loss of compensation and/or forfeiture of pension and benefits.
2. Upon receipt of notice of an impending arrearage, the chair of S/PPRC shall immediately (within 24 hours) call a meeting of the pastor, lay leader, and chairs of finance, trustees, and the church council to discuss the financial situation and seek remedies to prevent an arrearage from occurring. Such remedies might include drawing from invested funds, an emergency appeal for special giving from the congregation, or emergency grants or loans from the District or Conference. In accord with *Discipline* ¶624, such remedies cannot include a reduction in the pastor's compensation until the beginning of the next conference year.
3. If after consultation with the lay leader and chairs of S/PPRC, finance, trustees, and church council 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 DS that: (a) a CEC subsidy grant is necessary to maintain compensation for the remainder of the conference year, (b) a change in pastoral compensation may be necessary at the beginning of the following conference year, or (c) a change in pastoral appointment as deemed necessary by the bishop and cabinet.
4. If the local church becomes delinquent in the pastor's compensation (i.e. more than 30 days), then the district superintendent shall notify the CEC, which on its own initiative may send a representative to meet with the local church and

pastor to seek resolution of the issue, or develop a payment plan with the local church/charge 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.

5. If the local church is already receiving a subsidy grant, the CEC may: (a) determine if all subsidy grant funds allocated to the church were used to pay the pastor's salary, (b) examine the original subsidy grant application to determine if the amount requested was reduced, (c) require an outside audit of all church funds in compliance with GCFA Guidelines, (www.gcfa.org). The CEC shall notify the district superintendent in writing of its findings and recommendations.
6. If a local church becomes delinquent in the payment of the pastor's direct billed pension and benefits (i.e., more than 30 days), then the conference treasurer shall notify the conference benefits officer, the district superintendent, and the CEC. On behalf of the conference, the benefits officer and/or DS shall develop a written payment plan with the local church so that the conference receives full payment of pension and benefits by the end of the conference year.
7. *Discipline* ¶ 2543.1 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 for assistance in payment of the arrearage, after completing the required financial audit of the church.
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 compensation, check stubs, W-2 forms, and a Certification of Payment Form signed by the pastor, S/PPRC chair, trustee chair, treasurer, and church council chair.
10. The statute of limitations for filing a claim for funds from the annual conference (i.e., notification to the DS) for any salary arrearage is one year from the date of the initial arrearage. Once an appointment ends, the pastor no longer has claim on the local church for compensation funds (¶ 342.4, *Discipline*).