

The Human Resources Committee has adopted a compensation system to help ensure equity in compensation based on the grade of the position and the individual employee's job performance. Each Conference Center position will be assigned a grade and exempt/non-exempt status based on the Factor Evaluation System and job description. Annual evaluations will be used to help determine how well the employee is fulfilling the job description of their position. Compensation is calculated accordingly, including an annual cost-of-living adjustment.

### **NON-EXEMPT EMPLOYEES**

#### **Conference Support Staff Salaries**

The Human Resource Committee sets salaries annually, usually allowing a cost-of-living increase.

#### **Conference Camping Employees**

As a non-permanent standing committee of the Developing Missional Leaders Link, the Area Camp and Retreat Ministry Council works in conjunction with the Missional Leaders Link and the Council on Finance and Administration to set the overall operations budget. The Area Director of Camp and Retreat Ministry, in partnership with the Area Camp and Retreat Ministry Council and site directors, develops a compensation pool for conference camping employees. The individual salaries are set at the discretion of the Area Director of Camp and Retreat Ministry, based upon an individual's performance and the availability of funds.

### **Equitable Compensation**

Effective January 1, 2013

The purpose of Equitable Compensation is to work with the District Superintendents in the effort to support congregations as they strive to become viable (Rule 1.4). This is done by A) providing salary support grants to Churches/Charges served by a full-time United Methodist pastor and B) making an annual recommendation of the minimum compensation needed by a pastor to allow them to focus their efforts on the ministry instead of seeking secondary employment.

#### **ANNUAL RECOMMENDATION OF MINIMUM COMPENSATION**

- 1) The Base Cash Salary for each year: *65% of the Conference Average Compensation for Full Connection Clergy; 62% of the Conference Average Compensation for Less than Full Connection Clergy*
- 2) The Base Cash Salary for both clergy groups listed in paragraph #1 shall include any personal tax deferred annuities, personal IRA's paid by the local church, or personal pension plan in addition to the recommended contribution to the Pension program (UMPIP) in No. 3.
- 3) The pastor shall receive the following in addition to minimum compensation. A) Pension Program Contribution (UMPIP) equal to 3% of the Denominational Average Compensation; B) Continuing Education allowance (minimum of \$150); C) Travel Allowance by voucher at the current IRS rate; D) Utilities paid in full (minimum of heat, electricity, local phone service, water, garbage service, and internet); and E) Accountable Reimbursement Plan (minimum of \$500).

#### **SALARY SUPPORT GRANTS**

- 1) The following requests will be considered by the Commission:
  - a. Strategic Appointment Grant – Available when a new appointment results in significantly increased costs to the Church/Charge. These increased costs will be so burdensome that it is unlikely that the Church/Charge will have adequate resources available to take the necessary steps to becoming viable without outside assistance. The purpose of this grant is to assist the Church/Charge in its transition to being able to fully support the newly appointed pastor. The Church/Charge shall provide monthly written status reports to the District Superintendent and Conference Treasurer. Status reports shall at a minimum report progress towards benchmarks.
  - b. Discernment Grant – Available when a Church/Charge has declined in its ability to support a full-time United Methodist pastor to the point where it is unlikely to be able to provide the recommended minimum compensation. The purpose of this grant is to provide time for the Church/Charge and District Superintendent to evaluate the viability of the congregation and decide upon a ministry plan that is appropriate for the Church/Charge. The District Superintendent shall provide a report on the viability and the ministry plan at the next Equitable Compensation meeting. Depending on the ministry plan adopted by the District Superintendent and the Church/Charge, it may be appropriate for the Church/Charge to provide monthly written status reports to the District Superintendent and Conference Treasurer.
  - c. Emergency Grant – Available when a Church/Charge provides evidence that they will not be able to provide their full-time United Methodist pastor with the recommended minimum compensation. The purpose of this grant is to ensure that the pastor is properly cared for.
- 2) Churches/Charges shall pay their apportionments in full during the years they receive salary support grant payments. Churches/Charges that do not comply with this shall not be considered for a Salary Support Grant the following year with the exception of Emergency Grants.
- 3) The maximum amount to be paid for Strategic Appointment Grants and Discernment Grants shall be \$5,400 annually. Grant payments to Churches/Charges shall be made monthly. A Church/Charge shall not receive Salary Support Grant payments for more than 36 consecutive months.
- 4) Salary Support Grant requests shall be submitted in writing to the District Superintendent and the Conference Treasurer. In order for Salary Support Grant payments to continue into a new calendar year, the written request must be updated and resubmitted.
- 5) The Churches/Charges receiving support will be listed in the Conference Journal.

**Equitable Compensation Calculation:** The Commission calculates the Equitable Compensation amount based on the Conference Average Compensation. See calculations below:

### Equitable Compensation Effective January 1, 2013

<i>Year</i>	<i>Full Connection Clergy</i>	<i>Less than Full Connection Clergy</i>
2025*	$\$77,234 \times 65\% = \$50,203$	$\$77,234 \times 62\% = \$47,885$
2024*	$\$75,241 \times 65\% = \$48,906$	$\$75,241 \times 62\% = \$46,649$
2023	$\$73,163 \times 65\% = \$47,556$	$\$73,163 \times 62\% = \$45,361$
2022	$\$70,476 \times 65\% = \$45,809$	$\$70,476 \times 62\% = \$43,695$
2021	$\$68,424 \times 65\% = \$44,476$	$\$68,424 \times 62\% = \$42,423$

\* *The Conference Average Compensation (CAC) is the average compensation paid to full-time clergy in a particular conference, effective three years after the calculation year, i.e., the 2025 CAC is calculated using the 2022 compensation figures. Due to the pension rebates paid to clergy in 2021 and 2022, the CAC reported to the Dakotas Conference from Wespeth for 2024 and 2025 were abnormally high (\$84,767 and \$81,594, respectively). Therefore, the CAC's for 2024 and 2025 were adjusted by increasing the CAC by the five-year average increase in CAC of 2.84% and 2.65%, respectively, preventing a decrease in the equitable compensation calculation from 2024 to 2025. For 2025, the adjusted CAC is calculated as follows:  $\$75,241 \times 1.0265 = \$77,234$ .*

**The charges which received Equitable Compensation support in 2023 included the following:** Garretson, Montrose, Flandreau, Plankinton, Clark, and Langdon.

#### Pensions & Health Benefits Guidelines

Adopted: 1996; Amended: 2017

Board of Pensions of the Dakotas Annual Conference of the United Methodist Church, Inc.

Benefit Programs administered by the Dakotas Conference Board of Pensions include:

- **Health Insurance:** The Board currently provides health insurance for eligible active clergy, retired clergy under the age of 65, lay employees, their families and surviving spouses through the “HealthFlex” plan offered by Wespeth Benefits and Investments (formerly General Board of Pension and Health Benefits). The Board recommended effective 1/1/2013, providing retirees with access to coverage through Via Benefits which will be facilitated by Wespeth Benefits and Investments. This was voted on and approved at Annual Conference June 2012.
- Beginning in 2019, we moved to HealthFlex Exchange through Wespeth giving active participant’s more coverage options. The participant’s share calculations will no longer be based on participant’s total compensation. Details were shared throughout 2018.
- **Comprehensive Protection Plan (CPP):** CPP provides several benefits for eligible active clergy, retired clergy, their families and survivors. These include:
  - Disability benefits for clergy who are not able to perform full-time work as clergy for medical or behavioral health reasons.
  - Death benefits of lump-sum payments upon the death of a clergy, spouse, surviving spouse, or dependent child, a basic annuity rate for surviving spouses, an annual surviving child benefit for children under the age of 18, and an educational benefit for surviving children enrolled in school and under age 25. According to Wespeth Benefits and Investments, “Clergy who retire under the 20 year rule are not eligible for CPP death benefits.”

Effective 1/1/2013 for those who retire 1/1/13 or after (CPP) Participant (retiree, retiree’s spouse, retiree’s surviving spouse, retiree’s child) Death Benefits will change to a flat dollar amount rather than a percentage of the Denomination Average Compensation in the year of death as was calculated previously. Death benefits for Active Participant will remain the same.

Effective 1/1/2017 the Dakotas Conference will make it mandatory that CPP participation will cover all full time, three quarter time ordained or in process of becoming clergy members, clergy on sabbatical, local pastors and members of other denominations (provided they are not covered under another denomination’s benefits).

- **The Ministerial Reserve Pension Fund (Pre-1982 – MRPF):** This “Defined Benefit” plan offers a benefit for each year of service before 1982. The annuity (Past Service) rate is adjusted according to the CAC (Conference Average Compensation.)
- **Ministerial Pension Plan (MPP):** A defined contribution plan for service between January 1, 1982 and December 31, 2006. Effective January 1, 2007, no further contributions are paid into this plan. However, the Annual Conference is still responsible to guarantee the annuity amounts paid from the Ministerial Pension Plan.
- **Clergy Retirement Security Program (CRSP):** Approved by the 2012 General Conference, CRSP provides two levels of benefits for clergy effective 1/1/2014: a) a “Defined Benefit” (DB) component equal to 1.00% of the