

# BOARD OF PENSIONS

PENINSULA-DELAWARE CONFERENCE · THE UNITED METHODIST CHURCH

Bishop Felton Edwin May Resource Center

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Dear Pastor:

The “**2021 Clergy Compensation and Other Benefits**” and “**2021 Lay Pastor Compensation and Other Benefits**” forms are available electronically this year. DO NOT complete it manually since the form is designed to make the calculations for you.

Step 1: Click on the following link to open the worksheet and Compensation form:

[2021 Clergy Compensation and Other Benefits Form.](#)

[2021 Lay Pastor Compensation and Other Benefits Form](#)

Step 2: Save the appropriate Excel Form to your computer. Answer the questions on the **worksheet** accurately.

Step 3: Use the worksheet Link or the Tab at the bottom of the worksheet to **Print the Compensation Form**. Make 3 copies of the Compensation Form, and sign each copy.

Step 4: Send one copy of the Form (not the worksheet) to the Peninsula-Delaware Conference Business Office, 139 N. State Street, Dover DE 19901, send one copy to your District Superintendent, and retain one copy for your files. Forms are due by November 1, 2020.

Step 5: Download and complete a “[Contribution Election Form](#)” *formerly known as the Before-Tax and After-Tax Contribution Agreement* only if you are making a change. If you are making a change, please send a copy with your Compensation Form and give the Original to your Treasurer.

## The following information is provided to assist you as you begin your budget preparation for 2021:

1. Charges are billed 12% of the contribution base for the Clergy Retirement Security Program (CRSP) and 4.4% of the contribution base for the Comprehensive Protection Plan (CPP). For clergy living in parsonages, the CRSP and CPP are calculated using the Base Compensation plus the 25% parsonage factor. For clergy receiving a housing allowance, the CRSP and CPP are calculated using the Total compensation. The CRSP billing is capped at 12% of the Denominational Average Compensation (DAC) or \$8,903.88. The CPP billing is capped at 4.4% times 200% of the DAC or \$6,529.51. **The 2021 DAC is \$74,199, an increase of 1.8% over last year.**
2. Effective January 1, 2021, the Health and Dental Insurance rates will remain the same as 2020 for the Charge and for the Pastor Contribution. The billing for the Charge is based on the status of the clergy serving: Full Member Elder - \$18,180; Provisional Member, Associate Member or Full Time Local Pastor - \$17,028.
3. Pastors are to be reimbursed for miles traveled on church business at the rate allowed by IRS for income tax purposes. The current rate for 2020 is 57.5¢ per mile. The 2021 rate will be announced by IRS later this year or early in 2021. Pastors are also to be reimbursed for tolls and parking expenses incurred during pastoral duties.
4. The 2021 self-employed social security tax rate is 15.3%. **By action of the 1992 Annual Conference, all Charges should consider paying clergy a social security allowance equal to 1/2 his/her social security tax based on salary and rental value of the parsonage.** For Lay Pastor's, the church must pay the employer's portion of Social Security and Medicare and remit to IRS.
5. The Minimum Salary Schedule for 2021 is provided at [www.pen-del.org](http://www.pen-del.org) under “Equitable Compensation” as well as on the third Tab of the Clergy Compensation Form. The service increment is \$200 for each year of service up to 20 years. **By action of the 2016 Annual Conference, the Social Security Allowance is included as part of the Minimum Salary.**
6. **By action of the 2008 Annual Conference, the Continuing Education minimum is \$800.**
7. If the pastor is provided a Housing Allowance, a [Housing Allowance Resolution](#) must be included in the church minutes prior to payment of the Housing Allowance to the pastor. A [Notification Letter](#) from the church to the Pastor should be given to the Pastor.