

ECCC Ministry

Review ToolKit

Ministry Review Tool Kit

◆ Introduction

Ministry Review Tool Kit Intro

The Ministry of the Church is the responsibility of the whole church. We are called to mutual care and responsibility, working together to grow the body of Christ to maturity. According to Ephesians 4:16, it is as each part of the body does its part, that the whole body is built up in love. Every person is a minister; every person has a responsibility within the body.

Additionally, Ephesians notes that the giftedness of some members of the body places them in a leadership role for the sake of equipping the rest of the body. As God gifts and calls people to the roles of apostle, prophet, evangelist, and pastors/teachers, their particular role within the Church's ministry is to equip the rest of the body of Christ.

Pastoral office is described as a gift of Christ to the Church. The Bible instructs pastors to shepherd, govern, serve, and build up the community (Acts 10:28; 1 Peter 5:1-2) Scripture also directs that those called to that office should get their living from the gospel (1 Cor. 9:14) Monetary support is one of the important ways the gift of pastoral ministry is made possible. Equally important is the giving of ourselves to the tasks through which ministry takes place. The congregational members minister to each other, each out of the spiritual gifts we have been given and offices to which we have been called.

Christian leadership is always to be viewed as service to those who are led. This applies to clergy and laity alike. In every congregation, both laity and clergy are called to minister together as servant-leaders. An important element of that leadership is lived out in the quality of relationships within that leader-servant community. The link to Christ as head and to each other as parts is modeled for everyone to see and follow. This is mutual ministry. That is what pastor-people relationships should be—ministry together, in which pastor and people work together, supporting each other as members of the Body of Christ.

A pastor is called by God and affirmed by the church body. The nature of call is important, emphasizing the role of prayer and the leading of God through the Holy Spirit in the life of the church. It is a covenantal relationship between God, pastor, and people. This relationship is to be an example of community bound by and to the lordship of Christ, which seeks faithfully and lovingly to work its way through the crises and stresses that test every human relationship. Scripture abounds in the call to be intentional about unity and community, especially in leadership. (John 10:16 and 17:21; Romans 12:5; 1 cor. 1:10 and 10:17; Galatians 3:28; Ephesians 2:14 and 4:3; Phil 1:27; and 1 Peter 3:8)

The pastor-people relationship is absolutely critical to the effectiveness of the ministry of the local church. If leadership relationships are not spiritually healthy, we will struggle vainly in everything else we do, and may find it difficult to accomplish anything significant for the kingdom of God.

For these reasons, this manual has been created as a resource to help churches attain a biblical view of ministry and a proper sense of mutuality in the work of the church. This manual assumes that somewhere in the structure of the local church, these issues of relationship and mutual ministry need to be addressed. These various tools within this manual can be used to help focus responsibility, accountability, and support in those relationships. How these tools are implemented will depend on the internal structure of the local church. Within the pages following are guidelines for how to set up a Ministry Review Team and provide practical ways to create healthy relationships and ministries between pastor and people.

◆ Contents	Pages
□ Mutual Ministry: A Call to Unity and Community	3-4
□ Expectations for Mutual Ministry	5
□ Pastor and Congregational Expectations: Worksheets	6-7
□ Developing a Ministry Review Team.....	8
□ Sample Ministry Review Team Process	9
□ Guidelines for Using the Review Tools.....	10
□ Mutual Ministry Review Tools # 1	11-12
□ Pastoral Review Tools # 2	13
□ Pastoral Compensation Recommendations.....	14-18
□ Appendix 1: Sabbatical Principled Ministry Leave	19
□ Appendix 2: Sabbatical Principled Ministry Leave Planning Guide...	20-21
□ Appendix 3: Canadian Covenant Pension Plan.....	22

Mutual Ministry – A Call to Unity and Community

Why do we need a Ministry Review Manual? There are many reasons; the most important ones are found in Scripture.

“The gifts he (Christ) gave were that some would be apostles, some prophets, some evangelists, some pastors and teachers, to equip the saints for the work of the ministry, for building up the body of Christ, until all of us come to the unity of the faith and of the knowledge of the Son of God, to maturity, to the measure of the full stature of Christ” (Ephesians 4:11 – 13).

That is God’s plan. The goals are unity, knowledge, and maturity – all to be understood in terms of Christ and for his glory. The approach to ministry is one of equipping. As such, the partnership is one that is both essential and differentiated. The “work of ministry” belongs to each and all who are in the church – clergy and laity. We are a royal priesthood (1 Peter 2:9), together ministering to each other and to the world. We are the ministry and we do the ministry.

When we work within God’s plan, we will no longer be *“children, tossed to and fro and blown about by every wind of doctrine, by people’s trickery, by their craftiness in deceitful scheming”* (Ephesians 4:14). This verse presents a picture of immaturity, gullibility, confusion, manipulation, deception, and instability – a picture that is all too often seen in church life. It should not be so.

In the verses that follow, the vital role of relationships is strongly characterized in a body metaphor: *“But speaking the truth in love, we must grow up in every way into him who is the head, into Christ, from whom the whole body, joined and knit together by every ligament with which it is equipped, as each part is working properly, promotes the body’s growth in building itself up in love”*. (Ephesians 4:15 – 16)

That is mutual ministry. That is what pastor- people relationships should be. The goal of this manual is to help churches attain that Biblical view of ministry – a ministry, in which pastor and people work together, supporting each other as members of Christ’s body.

Christian leadership is always to be viewed as service to those who are led. This applies to clergy and laity alike. In every congregation both laity and clergy are called to minister together as servant-leaders. An important element of that leadership is lived out in the quality of relationships within that leader-servant community. The link to Christ as head and to each other as parts is modeled there for the congregation to see and follow.

Pastoral office is described as a gift of Christ to the church. The Bible instructs the pastor to shepherd, govern, serve, and build up the community (Acts 10:28; 1 Peter 5:1-2). Scripture also directs that those called to that office should get their living from the gospel (1 Corinthians 9:14). Monetary support is one of the important ways by which the people of the church make the gift of pastoral ministry possible. Equally important is the giving of themselves to the responsibilities and tasks through which ministry takes place. We minister to each other, each out of our varying personal gifts and each out of the gifts of office to which we have been called. Thus we are joined together like bone and ligament and muscle, one body growing into the fullness of Christ, our head.

A pastor is called rather than hired. The distinction is important, emphasizing the role of prayer and the governance of God through the Holy Spirit in the life of the church. We enter into a covenantal relationship together – God, pastor, and people. This relationship is to be an example

of community bound by and to the lordship of Christ, which seeks faithfully and lovingly to work its way through the crises and stresses that test every human relationship.

There are many other scriptural references that call us to be intentional about unity and community, especially in leadership, including John 10:16, 17:21; Romans 12:5; 1 Corinthians 1:10, 10:17; Galatians 3:28; Ephesians 2:14, 4:3; Philippians 1:27; and 1 Peter 3:8.

In addition to the biblical arguments, another reason for concern with mutual ministry and pastor-people relationships is the prevention of pain and anguish that is too often linked with commitment to the church.

The pastor-people relationship is absolutely critical to the effectiveness of the ministry of the church. There is hardly any other concern more primary or more central to the health and mission of the church. In comparison, all other issues – budget, stewardship, worship order – approach insignificance. If we cannot “walk our talk” in leadership relationships, we will seem irrelevant to most observers. And we may very well be irrelevant. If leadership relationships are not spiritually healthy, we will struggle vainly in everything else we do to overcome that deficit. We will be unlikely to accomplish anything significant for the kingdom. We will waste thousands of dollars, inflict deep pain on both individuals and families, and alienate untold numbers of people from Christ and the church by diseased and dysfunctional pastor-people relationships, relationships that fall short of mutual ministry.

For these reasons, this manual assumes that somewhere in the structuring of the local church and its work, something as important as the quality of mutual ministry relationships needs to be given a focus of accountability and support. This may occur in a small group of elected officials – an executive or administrative committee – working together with the pastor as leaders in ministry, or it may occur in a specific Ministry Review team established to focus on these concerns. The specific organizational implementation may vary; however, it is essential that the key function of the mutual ministry committee be clearly defined and effectively administered. Further, it is absolutely essential that this dialogue and discussions take place on an annual basis.

In the following pages we will address how a local church can set up a Ministry Review Team and provide practical ways as to how this team can help create healthy relationships and ministries between pastor and people.

Used by permission from the Central Conference of the Evangelical Covenant Church.

Expectations for Mutual Ministry

Where does a Ministry Review Team begin if your congregation has never gone through a review process before? One way to begin might be to have a general discussion about expectations in your church.

A clear understanding and acceptance of expectations both by the people and the pastor is crucial to healthy church life and shared common ministry. These expectations sometimes grow and develop with the ministry. They should be established at the beginning as pastor and people begin their ministry together, and then reviewed regularly.

All too often expectations, both on the part of the pastor and the congregation, are not made clear in the beginning, and, as a result problems arise.

We suggest the pastor and the leadership team use the worksheets on the next two pages as a starting point for discussion and periodic review. Better yet, we would suggest that you take the essential elements of what is provided and come up with a series of questions that will reflect your local church setting. It is our hope that the discussion between the pastor and leaders will clarify expectations. Once this is done the Ministry Review Team can begin to help the pastor and people evaluate how they are doing in meeting those expectations.

Helpful Reminder:

No one person or congregation can perform well in all areas of ministry. Priorities of ministry must be set. Appropriate use of gifts and strengths are key to the effective functioning of the whole body of Christ. Appropriate and helpful response to weaknesses is also crucial. An aspect of mutual ministry is to discern when and how to encourage improvement and growth in areas of weakness and, when necessary, how to supplement them. Knowing when to make those kinds of mutual decisions will make all the difference in the pastor's effectiveness and the church's faithfulness to the great commission.

Ultimately, freeing a pastor to be most effective and whole, while at the same time enabling the effective ministry of the entire congregation, is church leadership's goal.

Pastor and Congregation Expectations

A Discussion Worksheet #1

Use the following questions to discuss the varying ministry expectations and roles that exist in your congregation. Please note that these questions are designed to help a congregation and pastor begin discussing expectations. It is suggested that these questions be discussed over several months.

1. What does it mean that our pastor has been called by our church to be a minister of the gospel of Jesus Christ? How does the pastor understand that call? How does the church understand that call? How does the leadership group understand that call?
2. How much time in prayer and study is necessary for the pastor to preach and lead worship well? How much time in prayer and study is necessary for the people of the congregation and leadership team in order to follow Christ effectively?
3. Who gives leadership to evangelism in your congregation? What is the pastor's role? The leadership team's role? The congregation's role?
4. Who is responsible to care for the poor, the hungry, the imprisoned, and the outsider in your congregation?
5. Who sets the goals for the congregation? How are they determined? How are they accomplished? What is the relationship between pastor and the church leadership team when it comes to casting a vision and fulfilling that vision?
6. What is the expectation regarding the pastor's role of visiting and caring for the entire congregation? What does the pastor expect the congregation to do in order for it to be a caring place?
7. How does your congregation practically care for your pastor and pastoral family if applicable? What are the expectations regarding the balance between caring for one's family and self and caring for the congregation? How would your pastor answer that question? How would the congregation answer that question?
8. Who is responsible for the spiritual nurture and growth of the people in your congregation? What is the pastor's role? What is the congregation's role?
9. Who is responsible to communicate to the congregations regarding issues of money and stewardship? Who determines the compensation given to pastoral staff? How is compensation evaluated?

Pastor and Congregation Expectations A Discussion Worksheet #2

Use the following questions to discuss the varying ministry expectations and roles that exist in your congregation. Please note that these questions are designed to help a congregation and pastor begin discussing expectations. It is suggested that these questions be discussed over several months.

Based on a 50-hour work-week answer the following questions. Please note that you do not have to fill in all the spaces. Choose those that best describe how you think your pastor's time should be spent.

1. Our pastor should spend ____ hours in prayer and study cultivating a deeper relationship with God.
2. Our pastor should spend ____ hours studying and preparing for his/her sermon and/or teaching session.
3. Our pastor should spend ____ hours prayerfully planning worship each week.
4. Our pastor should spend ____ hours visiting and caring for the people in our congregation.
5. Our pastor should spend ____ hours cultivating relationships with pre-Christian people in our community.
6. Our pastor should spend ____ hours equipping our church and its leaders to accomplish our church's goals.
7. Our pastor should spend ____ hours organizing and planning church events and ministries.

Reflection Questions

1. What did you learn from this exercise?
2. What's the most important priority that you have for your pastor?

Have your pastor fill out this form and then discuss the varying expectations that exist between pastor and those from the leadership team or congregation who also filled out the form.

3. Who is responsible to develop a ministry job description for your pastor? Is one necessary?

Developing a Ministry Review Team

The **purpose** of the Ministry Review Team (sometimes known as pastoral review committee or pastor church relations committee etc) is to work together with the congregation and pastor to strengthen the overall ministry of the church. That ministry is strengthened when there exists within a church a small group of persons who act out of concern for the pastor, the staff, and the membership. The team encourages a spirit of open and healthy communication between the pastor and congregation. The team focuses on fostering authentic relationships that can openly discuss such issues as expectations, congregational concerns, pastoral evaluations, and pastoral compensation.

Each congregation will determine the design of the ministry team differently. It should include at least the chairperson of the congregation and two or three other individuals that are either appointed by the church leadership group or elected by the congregation.

The ministry review team needs to establish a clear list of **activities and concerns** for which they are responsible. The following is a list of potential team **activities and concerns**:

- Communicate to congregations the team's purpose and review process.
- Clarify and mediate any relational issues related to the pastor/congregation relationship.
- Serve as an avenue for the encouragement of the pastor and family.
- Plan for celebration of Pastor Appreciation Sunday.
- Set up the review process. This would include meeting with pastoral family, (specifically with the spouse to ensure that she/he has an opportunity to reflect their perspectives and concerns related to the ministry), conducting an annual pastoral review, preparing and submitting a recommendation for compensation to the budget committee, conducting annual congregational review and reporting back the results.
- Praying for congregational health and vitality.
- The team (in cooperation with the pastor) identifies continuing education/professional development possibilities that would enhance the ministry of the pastor(s) and the goals and needs of the congregation. The church should enable the pastor and staff to participate in continuing education/professional development by a mutual commitment of time and money, shared evaluation and planning.
- The team is concerned with the quality of relationships between pastor, lay leadership, and congregation. To what extent are they models of Christian relationships? How do these relationships influence the work and ministry of the church?
- The team provides support for the pastor and staff in time of personal or professional stress.

Sample Ministry Review Team Process

Purpose: The purpose of First Covenant Ministry Review Team is to work together with the congregation and pastoral staff to strengthen the overall ministry of our church. We are committed to encourage a positive spirit of openness and healthy communication related to the evaluation of our church's goals and our relationship to our pastoral staff.

Review Process, September – August

- Sept.** Establish the review process for the year with pastor and church leaders. Set goals and dates. Pray for congregation and pastoral staff.
- Oct.** Meet with our Pastoral Family to provide an opportunity for them to share needs, concerns, and celebrations.
- Nov.** Conduct our annual pastoral review. Hand forms out on first Sunday. Collect forms on third Sunday. Meet to review evaluations. Meet with pastoral staff to provide positive and helpful feedback. Make recommendation to budget committee regarding pastoral compensation and also recommendations regarding finances necessary for upcoming continuing education/professional development opportunities.
- Dec.** Pastor Appreciation Sunday, 3rd Sunday of December. Encourage people to give a cash gift to pastoral staff. Present gift to our staff on 3rd Sunday. Prayer for them and publicly thank them in the worship service.
- Jan.** Conduct annual congregational review. Hand forms out on 2nd Sunday. Collect forms and review. Meet with leadership group of our church and staff to go over the evaluation forms. Write report for the congregational annual meeting. Depending upon a particular local congregations polity, a Ministry review team for the upcoming year should be elected or appointed for the upcoming year.
- May** Meet with pastoral staff to encourage and listen to any issues. Ask staff about summer vacation plans. Offer help.
- June** Setup a short meeting to set dates for the fall regarding meetings and evaluations.

Guidelines for Using the Review Tools

The basic purpose of the review tools is to strengthen the pastoral staff and congregation. The process of reviewing the congregation and pastor should balance affirmation and constructive critique, always leaning in favour of affirmation. The process should be helpful, not hurtful.

Once a ministry review team has been chosen the team can proceed to use the following review tools to help in the pastor/church evaluation process. Feel free to design your own tool but make certain that there is a balance so questions assess both pastor AND congregation. In addition to what has already been said about the review process, ministry review teams should take note of the following:

- ❑ Clearly think through how forms will be distributed and collected.
- ❑ It is helpful that the entire process be compressed into a relatively short time (2-4 weeks). This can minimize the strain a congregation or pastor might feel during the review process.
- ❑ When performing the congregation evaluation attempt to have as many people as possible respond. Avoid hand picking certain people. You want to hear from the whole congregation.
- ❑ Clearly state that **ONLY SIGNED** forms will be used for the review process. Unsigned forms should be immediately destroyed by the Review Team.
- ❑ The process should have formal closure. A brief report to the congregation or leadership team is important. The report does not necessarily need to deal with the specific interpretations resulting from the surveys but rather to confirm that the process is being used.
- ❑ Because the process is designed to strengthen mutual ministry, no reporting of the interpretations should be given without thorough consultation with the pastor(s); in no way should the review be used as a weapon against the pastor. If it becomes clear through the process that a transition needs to occur, the pastor and key leadership should work in harmony to develop a transition plan that will be in the best interest of the congregation at large.
- ❑ Where a church has multiple staff members, the review must take into consideration the fact that the primary oversight of staff is the responsibility of the Senior/Lead pastor. The focus of the review should be to ensure that good and healthy dialogue and understanding exists between the staff. Where specific ministry teams/committees or boards have oversight of staff (not a recommended practice) their input must be taken into account.

Mutual Ministry Review Tool #1

Pastor _____

The Ministry review Team will review your evaluation as they conduct their Annual Pastoral Reviews. Your responses will be kept confidential and reported anonymously, but must be signed for consideration.

1. As you review Pastor _____'s ministry last year, what are some of his/her strengths?

2. As you review our church's ministry last year, what are some of our primary strengths?

3. What areas in Pastor _____'s ministry, what are some growth areas?

4. As you review our church's ministry last year, what are some growth areas?

5. Do you have any questions, concerns or comments about his/her ministry or job description?

6. Do you have any questions, concerns or comments about our lay leadership and congregational ministries?

7. Please check one box for each of the following categories:

	Unsatisfactory	Needs Improvement	Competent	Above Requirements	Distinguished
Quality of Work (Pastor)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of Structures (Congregation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pastor Meets job expectation:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Congregational leadership meets job expectations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pastor's Accessibility to Church	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Church's Support of Pastor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

GENERAL COMMENTS ON PASTOR'S MINISTRY:

GENERAL COMMENTS ON CONGREGATION'S MINISTRY:

Signed _____

Please return on _____ to the collection box or to a member of the Leadership Team.

Pastoral Compensation Recommendations For Canadian Covenant Pastors

"Pastoral ministry is a unique calling within the priesthood of all believers. Serving in Christ's Church as a pastor is both a calling and a special privilege to those who do so. Ministry is their choice as a response in faith to God's call. It was made without expectation of great financial reward, but with confidence in the care and providence of God and his people. Pastors realize that part of their calling is to be content whatever their circumstances. However, we neither expect nor desire that our pastors take a vow of poverty. They are expected to seek to put the mission of the church first whenever possible. Still, they must provide for themselves and their families.

Congregations seek to honour and support their pastors. Many would like to be able to reward them with a more than adequate salary. Still, they must reckon with the reality of church finances.

In the end, it comes down to a question of balance and fairness. Providing an acceptable standard of living for the pastor and his/her family; enabling a sense of high self-esteem; encouraging healthy family life; creating a positive relationship between pastor and congregation; and, above all, encouraging effective ministry -- these are the goals of fair and balanced compensation.

Ultimately, compensation is part of a covenant relationship between pastor and congregation in which each looks out for the good of the other. The pastor commits her/his life to the service of God and the Church. The congregation, as a part of their commitment, cares for, supports, and upholds the pastor. Uninhibited by financial worry, fair compensation frees the pastor to be creative and to use the gifts God has given for ministry. At the same time, it enables the congregation to tangibly love their pastor and to affirm her/him for work well done. (This preamble was taken from Evangelical Covenant Church Pastoral Compensation Report)."

See: 1 Corinthians 9:13-18;
Philippians 1:21-26, 2:14-18, 4:8-13;
1 Timothy 5:17-18

Recommended Compensation and Benefits For Members of the Pastoral Staff

It is our hope that the information contained in this report will be of assistance to you and be helpful in promoting fair and adequate compensation for pastors and their families. A complete compensation package should include a pastor's base salary, housing allowance, insurance, pension, ministry related expenses, and professional development.

The church leadership is encouraged to establish a procedure that regularly reviews the pastor's compensation and promotes a fair and adequate standard of living for pastors and their families. Where compensation is less than recommended, we encourage the church to re-examine its budget and level of stewardship in order to give pastoral compensation a higher priority. Compensation less than scale may well suggest that the pastor be given permission to supplement income through part-time employment. Perhaps your church should compare our recommendations with the actual compensation (base salary plus housing) received by those in your community with similar years of experience and education (e.g. High School teachers or other professionals).

Formula 1 – Take the average salary of the leadership board, council, team of the church. Make any appropriate adjustments up or down based on age of pastor versus average age of the board.

Formula 2 – Take the salary grid as published and add an increase of \$4000 every 3 years with up to 5 increases.

Formula 3 – Take your area's Teacher Salary Grid and use it less 25%. Due to the housing advantage given to clergy it would be reasonable to discount the amount.

In addition to the above please consider the following:

Congregations are welcome and encouraged to take church size, staff size and other factors into consideration to give additional compensation.

Each congregation should give an ANNUAL cost of living increase that is appropriate for their area.

The minimum for Holiday time should be a minimum 3 weeks, and those weeks should be available during the first year and not after a year of service. By or before the 7th year of pastoral ministry the Holiday time should be a minimum of 4 weeks.

There should be at least one week every other year provided for non-Covenant Continuing Education Study.”

1. **Base Salary Grid:**

<u>Years of Experience</u>	<u>Ordained</u>	<u>Pastoral or Staff Lic.</u>	<u>No License</u>
1	\$25,000	\$22,500	\$19,500

The amounts above are the suggested Base Salaries. They do **NOT** include parsonage or housing allowance, Canada pension, Covenant pension, health insurance, auto expenses and other benefits or ministry related expenses.

2. **In addition,** the local church shall provide:

- A. A well-maintained parsonage. An alternative is to provide a cash allowance sufficient to cover reasonable and adequate housing costs for the local area. Because pastors in a parsonage do not have the benefit of acquiring equity, it is recommended that the church consider some kind of equity allowance. *Note: Staff persons that serve without credentials may not be entitled to claim the housing deduction on their income tax according to the interpretation given by the Canadian Council of Christian Charities.
- B. Adequate insurance coverage: Basic Life Insurance (\$25,000), Long Term Disability benefit (66 2/3% of monthly income), Extended Health Care Insurance, and Pastoral Counselling Liability Insurance. (Congregations should participate in the ECCC Group Insurance program.)
- C. The employer's share of the Canadian Covenant Pension (100%), Canadian Pension, and Employment Insurance.
- D. Compensation for ministry related expenses (e.g. auto, dues...) to limits established by Revenue Canada.
- E. Compensation for expenses and grant time to assure that their pastoral staff is in compliance with the Covenant requirements for continuing education and professional development. There should be at least 3 planned continuing educational experience per year in addition to reading etc. There are numerous options for study and reflection including individualized study and local study groups.
- F. Compensation for expenses and grant time for mandatory Covenant meetings (ECCC Annual Meeting and Fall Pastor/Spouse Retreat) and other meetings as negotiated. For the maintaining of relationships with the larger Covenant Family it is recommended that the Covenant Midwinter Conference be included in the Covenant Experiences of the pastor at least every-other year.
- G. ECCC Designed Sabbatical Principled Ministry Leave (See Appendix for details)
- H. Adequate holiday time away from work for rest. A minimum of 3 weeks should be provided moving to 4 weeks of holiday time by the 7th year of ministry.

3. The pastor and church should be aware of **CCRA regulations** so that full advantage can be taken of the allowances granted in the Tax Code, and to assure compliance with the law.

A) HOUSING ALLOWANCE:

Eligibility: You must have employment income from a church, a denomination or ministry. You must be a member of the clergy or a regular minister of the denomination. Such a status is usually the result of a special setting apart of the individual by the church for Christian service. You also must be functioning in a ministry or leadership role in a church or a Christian organization. If the function is solely one of administration, it must be full time and must be by appointment of a denomination or a religious order.

Amount: It is expected that the pastor will live in a home that is typical of the homes in the community she/he serves. In the case where the residence was supplied by the employer the fair rental value will have been established by the church or ministry and will have been reported on the T4 as income. If the residence was rented, it is the rent paid excluding utilities. If the residence was owned, it is the fair rental value, which should be confirmed by an estimate from a realtor plus utilities. Be aware that many "interest free loans" provided by an employer are taxable according to interest rates established by CCRA. The amount allowed by CCRA "does not exceed the greater of \$10,000 or 1/3rd of income from the employment which qualifies the individual for a deduction...".

Reporting: The deduction should be claimed on line #232 of the tax return. The amount of the deduction needs to be entered as well as the statement "clergy residence deduction". No supporting documentation is required at the time of filing. Documents such as receipts for the rent paid or the letter from a realtor with the appraised rental value, the certificate of ordination or the letter of commendation, or similar type of evidence of a formal setting apart for Christian service, should be made available to Revenue Canada only if requested. Do NOT send such documentation with the return. Also, it is advisable NOT to file the return electronically. The housing allowance subject to EI and CPP varies depending upon whether or not a parsonage or cash is supplied. Please consult the Revenue Canada regulation as it applies to your situation.

B) INSURANCE COVERAGE: The ECCC contracts with an agent to provide a group insurance package for our pastors, at present including life, dependent life, long-term disability and extended health. At present This group policy provides more economical protection than can usually be purchased on your own. The ECCC recommends that insurance costs be shared by the pastor and church. You must report on a T-4 any life insurance premiums paid by the employer for coverage above \$25,000. If the employee pays his/her own disability premium, all benefits are non-taxable. If the employer pays the LTD premiums, the benefits are fully taxable. Consult *Appendix A* for more information on the insurance providers recommended by the ECCC. For simplicity, the church should cover the basic (\$25,000) life portion plus the extended health component. The employee should cover additional life premiums and the long-term-disability portion of the plan.

C) CANADIAN COVENANT PENSION PLAN: This is a registered pension plan managed by the Canadian Council of Christian Charities and their agent(s) (*Appendix 3*). All contributions are invested and accumulated for the member's retirement. All permanent, full-time employees are eligible to become members of the CCCC Plan. The church will contribute monthly to the ECCC office an amount equal to 12.5% of the pastor's gross salary (base salary plus housing allowance). The contributions are allocated as follows:

- 10% will be invested in the member's Pension Plan
- .5% will be held by the ECCC as an Administrative Fee
- 2% will be accumulated in a Church Worker Relief Fund.

D) MINISTRY RELATED EXPENSES: The church should be prepared to cover all ministry related expenses. The specific expenses will vary from congregation to congregation. Included will certainly be mileage reimbursement for local ministry use as well as compensation for travel to Covenant or professional development experiences by public carrier or auto. It is not acceptable to simply cover the gas to and from a conference or training event. The compensation should be the lesser of per/km reimbursement or the cost of an economy airline fare. Other reimbursed expenses may include cell phone/pager or internet costs. It is inadvisable to include these ministry related expenses in the Pastor's Salary since they will be subject to Income Tax, CPP and EI deductions. Even though the pastor is able to get an income tax refund with supporting documentation, this method reduces the take-home amount and increases the church's costs (employer CPP and EI premiums). Allowances not calculated by reference to actual business expenses, are fully taxable to the pastor. It is, therefore, recommended that monies paid directly to the pastor should be a reimbursement for expenses actually incurred.

For example... automobile expenses, it is highly recommended that the pastor submit a claim form on a monthly or semi-monthly basis itemizing daily travel distances and related out-of-pocket expenses (e.g. parking, ferry, etc.). CCRA does not regard travel between the manse and the church as business travel. If the pastor is required to make more than one trip to the church each day, those additional trips could

be considered to be on church business. These expenses should be reimbursed at a reasonable per kilometre rate (available through CCRA). The church budgets for these anticipated ministry related expenses just as they do for any other operating expense account.

- E. PROFESSIONAL DEVELOPMENT:** Professional development is essential to the well being of the individual and the church. The church should be prepared to cover actual expenses and grant adequate leave for continuing education (seminars, speaker's leave, study leave, and resourcing with books, periodicals, media. etc.) that benefit the individual's and the employer's goals. Once again, compensation should not be paid directly to the pastor except as reimbursement for expenses actually incurred, or it will become taxable income. We encourage you to be fully informed of the Covenant Ministerium's annual continuing education requirements. The ECCC annual meeting and Pastor/Spouse retreat should not be considered part of professional development. (Consult the Dept. of the Ordered Ministry for current continuing education requirements).
- F. COVENANT MEETINGS:** It is mandatory that a Pastor attends the Canadian ECCC Annual Meeting and that Pastors and Spouses attend the Fall Retreat. The church should provide adequate compensation for expenses and grant time to attend these meetings. It is encouraged that the Pastor negotiate with the church in order to attend other meetings as time and resources permit: e.g. Midwinter Youth Connection Covenant Camps, CBC Commencement, Covenant Denomination Annual mtg., etc.).
- G. TIME AWAY FROM WORK:** The pastor and church leadership should agree upon and schedule adequate time away from work each week. The church should take into consideration the long hours and lost weekends that a pastor invests in the ministry. A pastor should be granted time off in lieu of Statutory holidays (e.g. New Years, Good Friday, Victoria Day, Christmas, etc.). The church should consult provincial guidelines regarding required vacation leave. Because of the emotionally demanding nature of pastoral ministry, it is important to note that holiday time begins in the first year of service, not AFTER one year of service.
- H. STAFF PASTORS:** A common occurrence within the church is to have two radically different standards, one for the Lead/Senior Pastor and one for staff. While it is understood that the Lead/Senior pastor will often have experience or education that staff does not have the differentiation in the compensation and support of the staff person should be proportional and not arbitrary. There should not be a different standard for salary, the ECCC salary grid should be used to calculate compensation. There should not be a different standard for participation in Covenant events or professional development (again aside from the normal difference that may come with education or experience) and the amount of holiday time for a staff person should be calculated as if that person was the Lead/Senior pastor.

Appendix 1

Sabbatical Principled Ministry Leave

- Pastors shall have a Sabbatical Principled Ministry Leave in the fourth year of service to a local congregation and in every fourth year thereafter at the same congregation.
- The length of the Sabbatical Principled Ministry Leave shall be a minimum of three weeks. In addition, the pastor may be combined with up to two weeks of continuing education (if part of the pastor's call) or holiday time.
- The congregation shall provide the pastor with a minimum allowance (in addition to any existing continuing education/professional development allowance) of \$750 toward costs associated with the Sabbatical Principled Ministry Leave.
- The Sabbatical Principled Ministry Leave shall not be taken over either the Easter or Christmas seasons.
- Involvement (below) by the Evangelical Covenant Church of Canada shall be dependent upon the completion of the Sabbatical Principled Ministry Leave Planning Guide and upon having that guide submitted to the Evangelical Covenant Church of Canada office.
- The Evangelical Covenant Church of Canada shall provide \$300 to the local congregation for the purpose of securing temporary replacement services such as pulpit supply or youth leadership.
- The Evangelical Covenant Church of Canada shall provide (if desired by the congregation) pastoral leadership for one service or for a congregational or leadership meeting that takes place during the time of the Sabbatical Principled Ministry Leave. This shall be coordinated by the Superintendent and may be either the Superintendent or a seasoned pastor chosen by the Superintendent.

Appendix 2

Sabbatical Principled Ministry Leave Planning Guide

Resolution: Describe briefly, the process by which pastor and church leadership have together crafted this Ministry Leave:

Rest: Describe briefly, the plan by which the pastor will have extra rest during this Ministry Leave:

Recreation: Describe the way there will be fun and enjoyments as a part of the Ministry leave...

For the Pastor as individual-

For the Pastor's Family-

Reorientation: Describe the specific plans that have been agreed to that seek to reorient, reinvigorate and stretch...

The inner life of the pastor-

The ministry life of the pastor-

Reconnection: Please give the date, time and setting in which pastor and church leadership plan to come together to discern the impact of the Sabbatical Principled Ministry Leave upon both pastor and congregation.

Pastor: _____ Church Chair: _____

Appendix 3 Canadian Covenant Pension Plan

Pastors in the ECCC are under a pension plan that is administered by Canadian Council of Christian Charities (CCCCs). All Covenant licensed pastors are required to be a part of this pension plan if they are full time employees. Pastors and other employees have the option of making voluntary contributions.

When a church has hired a new pastor the following steps must be taken:

1. Contact the ECCC office to obtain an Enrollment Form
2. The Pastor completes Part A and returns the Enrollment Form (with date of birth proof) to the ECCC.
3. The ECCC completes Part B of the Enrollment Form and forwards it to CCCCs.

The calculation of pension is:

➤ Remitted to Pastor's Pension	10.0%	
➤ Church Workers Relief Fund	2.0%	
➤ Administration Fee	.5%	
Amount charged to church.....		12.5%

As an example, assume an annual compensation (salary & housing amount) of \$36,000 or \$3,000 per month

➤ Pastors Pension	(\$3,000 @ 10%)	\$300.00
➤ Church Workers Relief Fund	(\$3,000 @ 2%)	\$ 60.00
➤ Administration Fee	(\$3,000 @ 0.5%)	\$ 15.00
Monthly Amount Charged to church	(\$3,000 @12.5%)	\$375.00

(Note: When calculating the annual salary, you must include the housing allowance amount.)

Each church will be billed directly for his pension contribution at the beginning of each month. It is expected that these billings be paid within 30 days from the billing date.

Contributions are invested into the Plan (55% stocks, 45% bonds) and accumulate interest. The value accumulated is converted into the pension. CCCCs sends an annual statement to each participant detailing the current value of the fund.

Normal retirement age is 65; early retirement can be taken at 55. A pastor may also postpone retirement; however, pensions cannot be deferred beyond 69 years of age.

If a pastor has terminated employment with a church, at termination the pension can be left in the pension fund to purchase a pension at retirement or it can be transferred to an RRSP. A statement of options is sent to the pastor 60 days after his termination. For those pastors who will be returning to the US prior to retirement, the entire amount in the fund can be transferred to a retirement instrument in the US. There will be tax implications and a professional financial planner should be consulted. If a pastor has left the Canadian Covenant, it is the pastor's responsibility to contact CCCCs and the ECCC with a change of address.



PO Box 34025 RPO Fort Richmond
Winnipeg, MB R3T 5T5

Ph: 204-269-3437

Fax: 204-269-3584

messngr@escape.ca

www.canadacovenantchurch.org