

Pension Policy for the Pastor

This motion commits the church to provide a regular payment into a pension plan that qualifies under IRS rules. Professional counsel should be sought when beginning such a plan. Pension and 403(B) plans have complex limitations. Churches may fund their own plan through a "Rabbi Trust" arrangement. These are equally complicated plans only suitable for churches with substantial assets.

In accordance with IRS provisions, we agree to provide payments to a qualified pension plan based on either a flat amount or a percentage of salary as indicated.

The flat amount will be \$ _____ per year.

The percent of salary plus housing will be _____ %
(Appropriate for denominational plans)

The percent of cash salary will be _____ %
(This figure is necessary for 403(B) plan limitations)

Such payments will be made by the church to the pension fund

Monthly

Quarterly

It is understood that qualified pension plans and 403(B) Plans are not reported as wages. Nor are such benefits included in figuring Social Security taxes. Withdrawals are deemed housing expenses to the extent used.

The church approves the budgeted pension amount of \$ _____.

moved by _____ and

seconded by _____

Passed on the date of _____.

That the pastor's annual pension payment be approved as proposed effective _____. This agreement shall stand as long as Rev. _____ is the pastor or until this agreement is changed at a future date.