

O.M.S. Holiness Church of North America

Standard Financial Guidelines

February 2010

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I. STANDARD INCOME SOURCES

A. Local Church Assessment (Article VI, Constitution - amended General Conference- 1981, 1983, 1985, 1994, 1997).

The local church will be assessed a percentage of all pledges, loose offerings, special offerings, Sunday School offerings, holiday offerings, and any other offerings not listed below. The percentage assessment shall be 13.5 percent. Direct support from local churches will not be assessed. (Executive Council May 2008)

Fund Raising Guidelines adopted at the 1977 General Conference shall be in effect: "In recent years, an increasing number of our churches have had different fund-raising projects: Car washes, lunches, paper drives, etc. The consensus of the Executive Council is that as long as they are related to specific projects of a church, i.e., Mt. Hermon Conference Fund, Midwinter Conference Fund, etc., they are not contrary to the spirit of the Constitution. The intent of the Constitution is to primarily spell out the mode of maintenance for the ministry of the local churches. Also, it is the feeling of the Executive Council that in the best interest of the local churches, such matters need not stipulated in detail. However, it is recommended that each local church exercise discretion, common sense, and judgment concerning types of fund raising projects that will be held. The judgment of the local Board should be sought in all such matters." (Executive Council January 2004).

Non-Assessable Income is as follows:

1. Building Fund - Includes parsonage fund, purchase of new property, remodeling of church property, and major maintenance or major furnishings costs of church property. (Executive Council, February 2001)
2. Auto Fund - Includes purchase of auto, major repairs and insurance.
3. Missionary Fund - Includes foreign and domestic support.
4. Love offerings - Includes offerings given directly to visiting speakers, to pastor and family for special needs such as medical payments, etc.
5. Conference Offerings - Includes all Birthday offerings, both physical and spiritual, General

Conference, Founder's Day, Conference Extension Sunday offerings; Church Planting Fund; and any other offerings designated to the Conference.

6. Fellowship Group Offerings - Includes offerings and dues to Women's, Men's and Youth Fellowships, Pioneer Girls, Boys Brigade, Danshikai, Fujinkai, Sonenkai, Yuaikai, etc., for use in their normal operations.
7. Interest and Dividend Income - From savings and investments.
8. Crisis Care Fund - For helping people who are experiencing financial difficulties, be it from catastrophic illness, unemployment, etc.
9. Any income from the conference - Includes church aid, Loans, and Gifts. (Executive Council January 2004).
10. Direct support from local churches (Executive Council May 2008)

All other offerings will be assessable by the Conference.

B. Birthday Offerings (Article VI.B, Constitution)

All members of local churches are encouraged to give birthday offerings for their physical as well as spiritual birthdays. The offerings are used for the ministers' medical and group life insurance premiums.

C. General Conference Offerings

To help offset the annual business meeting expenses, such as travel and room and board, the local churches are asked to send an annual offering at the time of the General Conference. Special offering envelopes are available for this purpose. (Executive Council January 2004)

D. Conference Extension Offerings (General Conference 1960)

The first Sunday of October has been set aside as Conference Day of Sharing/World Wide Communion. Special offerings collected will be placed in the Conference Extension Fund for starting new ministries in our Conference. Special offering envelopes are available for this

purpose. This fund may be used to provide loans to local churches for church building programs and for the Conference to purchase real property and/or church buildings (Note: All outstanding loans from the Titus Fund were paid in full and the Titus Fund was combined into the Conference Extension Fund per Proposition 3 General Conference 2001) (Executive Council January 2004).

E. Founders Day Offerings (General Conference 1973, 1985)

The last Sunday of April has been set aside as Founders' Day. A special offering will be received to augment the Pension Fund for the benefit of future retirees and also to assist retired ministers and their widows with current need as determined by the Executive Council. (Executive Council January 2004).

F. Church Planting and Expansion Fund (Titus Fund) - Deleted and combined with Conference Extension fund per General Conference 2001 (Executive Council January 2004)

G. Church Planting Fund (Executive Council 1993)

This fund consists of accounts designated for each Mission Church upon request by the church. A Mission Church can utilize this designated account for accumulating and disbursing funds for their ministries. (GENERAL GUIDELINES FOR STATUS OF A MISSION CHURCH, JULY 1994 - Church Planting Committee).

II. STANDARD DISBURSEMENTS

A standard disbursement is any expenditure that is covered in the Financial Guideline and is a budgeted item that the treasurer is authorized to pay without further approval. All non-standard expenditure over \$500 must be submitted to the Finance Committee for approval. (Executive Council, February 2001).

A. Local Church Subsidies (Finance Committee 1990)

1. The Conference will subsidize local churches temporarily unable to compensate their pastors according to Conference standards. This local church subsidy program is not intended to fund ministry expansion or the development of new ministries.

2. Application procedures are contained in the Conference GUIDELINES FOR REQUESTING

AND GRANTING LOCAL CHURCH SUBSIDIES. Requests for local church subsidy shall be submitted to the Conference Finance Committee by completing an APPLICATION FOR LOCAL CHURCH SUBSIDY. This form must be submitted for both new applications and for annual updates of continuing subsidies. Church aid application forms are available in the conference website www.omsholiness.org. (Executive Council February 2005).

3. Churches are requested to submit their applications by March 1. For approved subsidies, monthly payments will normally begin August 1. For applications that are received late, monthly payments may begin at a later date. Earlier start dates will be considered on an individual case basis for emergencies (Executive Council, 1998).
4. Local church subsidies will be reduced annually by 10% of the original amount (General Conference 1979). Churches are encouraged to voluntarily decrease their subsidies by more than the standard 10% whenever possible. The Committee shall consult with a church which requests a non-reduction or an increase in the subsidy, or which requests a subsidy when it has already had a subsidy for 10 years in the past 15 years (Executive Council, 1998).
5. Churches which contemplate construction or the purchase of property and therefore anticipate the need for subsidy from the Conference should consult with the Committee first (Executive Council, 1998).
6. When a church receives a new pastor, the Committee may obtain an agreement from the church (through the Ministerial Appointment Committee) whereby the church agrees not to seek subsidy from the Conference (Executive Council, 1998).
7. Each application for subsidy is subject to the review and approval of the Finance Committee. The Committee shall consult with the church when it believes that the amount of the request has not been justified in the application or when a lack of Conference funds will not allow the full subsidy.

B. Building Dedication Offerings (General Conference 1960)

1. The Conference grants a \$10,000 offering from the Conference Extension Fund to the local churches for the initial dedication of their church building. This provision was modified to include any initial dedication of the local church building after July 1974 (Executive Council 1982).

2. A \$250 offering is granted for all subsequent buildings or additions. (General Conference 1996)

C. Scholarship Guidelines

1. Seminary Student Scholarships

- a. The Conference scholarship will be funded annually. Individual scholarship grants will be \$200 per month (1991). (Executive Council February 2006)
- b. Applications must be submitted to the applicant's local pastor who shall forward the application with a letter of recommendation to the Regional Ministers Body. (Executive Council January 2002). The application must include the student's name, address, phone, church, school, program, start date, and expected completion date. (Executive Council February 2005).
- c. Qualifications. The applicant must be:
 - 1). a member of a local church of the Conference for at least two years;
 - 2). accepted by a Conference approved seminary;
 - 3). a full-time student with a workload of at least 9 units per semester or quarter.
- d. Upon the completion of the selection process, the Regional Ministers Body will forward its recommendation to the Education and Publications Committee and Finance Committee. The scholarship will start the month of application approval by the Executive Council and the disbursements will be included in the Conference annual budget. (Executive Council February 2005).
- e. The status of each scholarship grantee will be reviewed annually by the selecting Regional Ministers Body.
- f. The scholarship will terminate after four years or graduation from the seminary, whichever comes first.

2. Educational Encouragement Scholarships (Executive Council February 2005) –
“Educational Encouragement” is the investment of time and financial support to qualifying individuals who are pursuing a formal education or training toward a degree or a certificate to pursue a life dedicated to the work of our Lord. It is the desire of the OMS Holiness Church of North America to partner with its churches to nurture and encourage all people with an established affiliation with our conference who desire to pursue education and/or training to dedicate their lives to the Lord by working to reach the unsaved and to help believers toward maturity. The purpose of the “Educational Encouragement” program is to assist individuals by offering mentorship and financial assistance.
 - a. The Education Encouragement scholarship will be funded annually. Individual scholarship grants will be \$100 per month.
 - b. Applicants must submit an Encouragement Education Scholarship application and a written request describing the nature of the study or training to be pursued. A letter of reference from the spiritual mentor must accompany the application. The application must include the student’s name, address, phone, home church, school, program, start date, and expected completion date.
 - 1). Applicant must first submit the application to the local church for approval.
 - 2). Applicant must submit the entire application to the Education and Publication Committee, Finance Committee, and Executive Council for final approval.
 - 3). Applicant and the local church will be notified in writing of the final action of the Executive Council. The scholarship will start the month of Executive Council approval.
 - 4) The scholarship will terminate after completion of certificate, four years, or graduation, whichever comes first.
 - c. Qualification. Any person with an established affiliation of at least two years with our conference or conference church, who serves in our conference or a conference local church and who has distinguished him/herself to pursue a life dedicated to

serving the Lord. Validation of the qualification and the intent may be attested by a minister or other mature Christian with personal knowledge of the applicant.
(Executive Council February 2008).

- d. The status of each scholarship grantee will be reviewed annually by the home church sending the student.

D. Gifts (Ohanadai and Church Milestone Anniversary).

A monetary gift will be given by the Conference upon the death of a pastor (including retired pastor) or wife of pastor. The amount to be given: \$500 for pastor who served in Conference up to 5 years, \$250 for wife; service beyond 5 years, \$1,000 for pastor, and for wife, \$500.
(Executive Council 1998).

A monetary anniversary gift will be given to local churches by the Conference for the milestone years indicated below:

10 Years	\$100
25 Years	\$250
50 Years	\$500
75 Years	\$750
100 Years	\$1,000

(Executive Council January 2004).

III. MINISTER'S SALARY AND RESOURCES

(General Conference 1982, 1985, 1991, 1999)

A. Straight Salary Schedule

All ministers who are appointed by the Holiness Church of North America (the Conference) shall be on a "straight salary." By this is meant that a pastor will be paid one amount as his compensation, excluding auto expenses, every month or every two weeks, whichever is the preferred method of payment by the church. The Salary Schedule is shown in Appendix A. The Salary Schedule was moved to Appendix A so that future revisions can be easily made to it and released by itself without having to issue new guidelines each year. (Executive Council February 2005).

B. Other Aspects of Straight Salary

1. The salary schedule shows the minimum that is to be paid ministers. Churches are encouraged to pay their ministers on the basis of services rendered and not simply on years of service. For the year 2000, the first year of the straight salary, a minister who remains in the same church is to receive the greater of (1) the salary in 1999 or (2) the minimum specified in the schedule.
2. Auto expenses will be reimbursable.
 - a. If the auto is church owned, then the pastor is reimbursed for money he spends on it for church business.
 - b. If the auto is owned by the pastor, he should keep track of the miles driven on church business and be reimbursed according to the IRS standard mileage rate (see Appendix B). Churches will be notified by Finance the IRS standard mileage allowance for the year. The pastor is responsible for all expenses, such as insurance, repairs and maintenance. (Executive Council February 2005).
 - c. If the auto was church owned and no longer economically repairable, the church is responsible to replace it. The pastor has the option to purchase his own auto. The church should try to help the pastor purchase his own auto. If needed, a Conference auto loan up to \$15,000 is available for the pastor or the church. (See Para. IV.C.) Executive Council January 2004).
3. Allowance vs. reimbursable expenses.
 - a. The minimum straight salary schedule was established including all allowances for pastors at that time. The allowance method is based on a specific amount designated for a certain purpose by the church at the beginning of the year (such as \$600 per year for books and periodicals). The reimbursable method is one where the pastor pays the amount and is reimbursed by the church for the exact amount paid.
 - b. For the reimbursable method, the amount reimbursed is not taxable income. The allowance method is taxable and must be added to the pastor's taxable income on his W-2 form.
 - c. It is strongly recommended that the reimbursement expense method be used for all pastors' business

expenses.

4. The minimum straight salary schedule will be adjusted annually for increases to the cost of living. The adjustment will be an equal amount for all pay levels and will be based on the 20th year of service. The adjustment will be determined by the Finance Committee and approved by the Executive Council.
5. Due to a higher cost of living in Hawaii, the Conference will pay a cost of living differential (COLD) for ministers assigned to churches in Hawaii (General Conference 1987). The COLD shall be calculated at 8% of the total stated in the minimum straight salary schedule for the years of service of the minister (General Conference 1999).
6. Ordained ministers with prior service will be given 50% credit for approved service toward their initial salary placement in the Conference. The credit, up to a maximum of 6 years, will be determined by the Ordained Ministers Body and approved by the Executive Council (General Conference 1991). This provision for prior service applies only to the salary schedule.
7. The minister's salary is to be updated annually. It is updated by the following:
 - a. The annual cost-of-living adjustment.
 - b. The amount for one additional year of service as shown in the Straight Salary Schedule.
 - c. Changes (increase or decrease) approved by the Board of Deacons/Trustees.
 - d. Example calculation: Suppose Minister X received a straight salary of \$50,000 in the year 2000, his 16th year of service. Suppose in 2001, the cost of living adjustment specified by the Conference is \$830 for the year. This means that in 2001, assuming no changes made by the Board of Deacons/Trustees, Minister X should receive as a minimum the following:
\$50,000 salary in Year 2000 + 830 cost of living adjustment for 2001 + 143 additional amount from 16 to 17 years of service = \$50,973 straight salary for 2001

C. Housing (General Conference 1999).

1. Included in the straight salary paid to ministers is an amount for the cost of housing. The cost

of housing should be determined as follows:

- a. If the church owns a parsonage. It is assumed that the parsonage is for the senior pastor. The fair rental value of the parsonage is the amount that is to be included in the straight salary for housing costs.
- b. If the church does not own a parsonage. The amount to be included in the straight salary for housing costs is the fair rental value of a parsonage that the church would have purchased for the minister. This means the location and size of the house/apartment must be determined. In other words, the current rental value of a comparable existing home is the relevant amount.
- c. The fair rental value is to include also an estimate for utilities expenses (gas, electricity, telephone).
- d. The fair rental value is to include also an amount for basic furnishings. Basic furnishings include: range, oven, refrigerator, dishwasher, washer, dryer, living-room set, dining room set, drapes/blinds. Other furnishings that the church would want to provide may be included.

A suggested approach to determine the amount for basic furnishings is to estimate the cost of these items brand new and divide by 10, assuming a life of 10 years for them.

The housing allowance should be an amount the church can afford.

2. Ministers are responsible for obtaining their own housing. Churches are not responsible for providing housing. Ministers are not obligated to live in church-provided housing.
3. For tax purposes, the minister should inform the Board of Deacons/Trustees how much of the total straight salary should be designated as housing allowance. The housing allowance is not taxable for income tax purposes, but taxable for self-employment purposes. The Board of Deacons or Trustees should specify the housing allowance in the minutes of the board meeting. This should be done in December for the following year. (Executive Council February 2005).
 - a. On the W-2 form given by the church to the minister, the taxable income is the total amount of the straight salary less the estimated housing allowance specified by the minister.
 - b. For the pastor, on his 1040 tax return, he should exclude the actual (not the estimated)

amount of housing costs. He should have supporting documents to verify the amount.

D. Medical, Life, Disability and Dental Insurance (General Conference 1990), (General conference 2007)

1. **California and Hawaii** full time Conference workers and their dependent families are covered by Kaiser Permanente, a health maintenance organization, for their medical health plan. This plan requires that medical services be obtained at Kaiser Facilities.

~~For Kaiser California, the co-payment charge is \$20 per office visit and \$10 for labs. Prescriptions are \$10 for a 30-day supply of generic drugs and \$30 for brand-name drugs. Emergency room visits are \$100. Hospital care is \$300 per day. Vision exams are \$20. (Executive Council January 2009).—Moved to Appendix C.~~

~~For Kaiser Hawaii, the co-payment charge is \$15 per office visit; labs are 10% of applicable charges. Prescriptions are \$15 for a 30-day supply, or \$30 for a **90-day** supply. Emergency room visits are **\$75**. Hospital care is **\$75** per day. Vision exams are amounts over \$70. (Executive Council February 2010). Moved to Appendix C.~~

For Kaiser plans, all care and services must be coordinated by a Kaiser Permanente physician. (Executive Council January 2009).

There are severe restrictions when non-Kaiser facilities are used.

Arizona full time Conference workers and their dependent families are covered by Healthnet of Arizona, a health maintenance organization, for their medical health plan. (Executive Council February 2010).

In states where the Kaiser Permanente Health Insurance Plan is not available, Conference appointed pastors may select a comparable health insurance plan and submit it to the Welfare Committee for approval. (Executive Council February 2001)

The Conference (40%), the churches (40%), and the ministers (20%) share the cost of the health plan. Local churches shall be notified of changes in the monthly premiums, which normally occur at the beginning of each calendar year. (Executive Council January 2004).

The premiums are effective January 1 (California Kaiser) and April 1 (Kaiser Hawaii and Healthnet of Arizona) of each year the new premiums are received. Premiums are shown in Appendix C. (Executive Council February 2005).

Full time local church hires and their dependent families may be enrolled in the Conference health plan on approval of the local church. The employee and/or church shall pay the entire amount of the premium for the local hire.

2. Group life and disability insurance is provided to full-time Conference workers. Premiums are paid by the Conference. The benefits are shown in Appendix D (Executive Council January 2004) (Executive Council February 2005).
3. Dental insurance - As a result of the approval of Proposition 2 by the General Conference on July 13-14, 2007, all full time Conference workers and their dependent families are covered for dental insurance by Assurant Employee Benefits. Participation is voluntary. Dental insurance for California and Arizona pastors went into effect on September 1, 2007. Dental cost is being shared 40% conference, 40% church, and 20% pastor. This includes Hawaii. See Appendix C for premiums. (General Conference 2007).

E. Pension Fund (General Conference 1962; revised 1984)

1. Monthly dues of 10% of the member minister's base salary up to \$1000 (or \$100 maximum) shall be assessed to each church. The Conference will be assessed 5% (or \$50 maximum) for a total of 15% (or \$150 maximum) (General Conference 1996). Each qualified retired pastor shall receive \$21 a month for each year of service in the Conference, effective September 1, 2006. It should be noted that although the Retired Ministers' Plan & Trust does not provide for retirees to participate in increases once they have retired from active service, those ministers who have previously retired and their spouses or widows, are included in this specific benefit increase. Future such increases should not be considered automatic. (General Conference July 2006)
2. Permission to invest portions of the Pension fund in real property was granted by the General

Conference (1966). Authority to invest moneys in projects and programs upon approval of the Executive Council and the Finance Committee was given to the Pension Committee by the General Conference (1968).

3. The Ministers' Pension Fund is an independent fund separate from any other funds of the General Fund, and is under the custody of the Pension Board of Trustees and the Pension Committee which is the Advisory Board. (General Conference 1977).

4. Pension Benefit Options (General Conference 1979)

a. Ordinary Life Annuity - the annuitant receives 100% benefits upon retirement; upon his death, the surviving spouse does not receive anything.

b. Joint Life Annuity - the annuitant receives a reduced 90% ordinary life annuity; upon his death, the surviving spouse will receive 2/3 of his joint life annuity (2/3 of the reduced ordinary life annuity) for life. (Executive Council February 2001).

5. Should the participant die after reaching the normal retirement age of 65, but prior to making selection of pension benefit options, then his spouse is entitled to receive ordinary life annuity equal to two-thirds (2/3) of his pension benefits (General Conference 1983, 1991).

F. Tax Reporting Status

1. Ordained ministers of the local church are considered employees of the church for income tax reporting purposes. Each minister is to be issued Form W-2, which shall include all taxable compensation in Block 1 (which therefore excludes the amount designated in Block 14 as housing allowance).

2. Ordained ministers of the local church are considered self-employed for social security purposes and shall file Schedule SE (1040) which shall include all taxable compensation including housing allowances.

G. Social Security Tax

1. A minister is responsible for paying the full amount of the self-employment tax (social

security) (General Conference 1999).

2. With respect to Social Security taxes applicable to the Conference paid salary of the Executive Secretaries and Conference Treasurer, they are treated as employees of the conference and they will pay 1/2 of Social Security tax and Conference will pay 1/2 of Social Security tax.

H. Career Development

1. Continuing Education Program. \$6,000 is allocated annually by the Conference for a cost-sharing program for the continuing education of Conference workers and their spouses (General Conference 1979). Conference workers are required to attend at least one seminar of continuing education each year (General Conference 1984). (Executive Council February 2008)
 - a. Application for tuition reimbursement must be approved by the local church board and submitted to the Education/Publication Committee 30 days prior to the activity.
 - b. The conference will reimburse 1/2 of the tuition. (Executive Council February 2008).
 - c. No pastor shall receive more than \$500.00 in any given year. (Executive Council February 2008).
2. Study Leave. An annual two-week study leave in addition to the annual vacation period shall be provided for all full-time Conference workers (General Conference 1990). (Executive Council February 2001)
3. Sabbatical Leave. OMS Holiness Church of North America Education and Publication Committee Guidelines for Sabbatical Leave (General Conference July 2006. Replaces current Guidelines of 12/91)
 - a. Definition. Sabbatical leave is defined as a mandated time period, recurring across a minister's/pastor's career, when he is freed from normal duties to rest, recuperate and rejuvenate.
 - b. Purpose. The sabbatical leave is to allow the full-time ordained ministers and full-time not ordained pastors time to spend concentrated time to reconnect with their spouse, family and personal friends, to provide a 'break' from ministry to avoid physical and mental

“burn-out” and long-term stress, and .to attend job-related educational classes and seminars if they desire. The leave is intended to prepare ministers/pastors to return to their pastorates empowered for another period of service.

c. Church Responsibility. This sabbatical is mandated. It is the church's responsibility to insure that all full-time ordained ministers and full-time not ordained pastors take their sabbatical leave to maintain excellent spiritual, physical and mental health.

d. Qualifications. The full-time ordained minister and full-time not ordained pastor will qualify after five (5) years of full-time service and every five years of full-time service thereafter with the Holiness Conference of North America.

e. Length of Leave. This mandated sabbatical leave will be for two (2) months with full compensation.

f. Procedure for notification.

1). The Conference Executive Council shall inform the local church Board of Deacons and the full-time ordained minister or full-time not ordained pastor when he is eligible for a Sabbatical Leave.

2). The above ordained minister or not ordained pastor shall notify the local church a minimum of three months before the sabbatical period to insure the church has ample time to schedule pulpit supply.

3). The above minister or pastor shall notify the Conference Executive Council (EC) through the Education and Publication Committee. This will inform the EC of the potential pulpit supply expenses.

4). The EC shall periodically remind the above minister and pastor and the local church of those who have not taken advantage of their earned sabbatical leave.

g. Pulpit Supply.

1). The Education and Publication Committee shall inform the EC of all sabbatical leave notifications.

2). The church will be responsible for arranging pulpit supply.

3) The Church shall be responsible for funding the honorariums paid during the sabbatical. Should this be a financial burden, the church shall submit a detailed reimbursement

request for the pulpit supply expense to the EC Finance Committee.

NOTE: There is no obligation for the individual on sabbatical leave to submit a written report to the EC or to his church. These guidelines includes conference hires and do not include workers who are "local hires," student pastors and youth workers.

I. Moving Procedures for Workers

1. The Conference will pay for the cost of moving ministers who have been (re)assigned. The minister will present an estimated breakdown of moving expenses to the Finance Committee prior to moving for proper recommendation. For moves to and from Hawaii, up to 50% of the shipping cost of the minister's personal auto will be paid.
2. The local churches at both ends of the move will assist the minister in making the move. Within the continental U.S., a rental truck is to be used and churches should assist in packing, loading and unloading. Churches are also asked to assist in driving, if possible.
3. If a commercial mover is to be used, the church should assist the minister in obtaining bids and selecting a mover. For reimbursement from the Conference, the amount of the moving cost must be approved by the Finance Committee prior to the move. For ministers new to the Conference, they should obtain from the Finance Committee, prior to their move, the amount the Conference will pay for moving of household goods and transportation.
4. For ministers who are retiring, the Conference will pay up to \$1,000 for moving expenses (Executive Council 2000).
5. The conference will pay for the Temporary Visa for pastors moved from Japan and the permanent Visa within 3 years after his move. (Executive Council January 2004).
6. The conference will pay moving expenses for ministers moved from Japan to the US. The maximum moving expenses allowed is \$8,000. Prior to the move, the minister shall negotiate with MAC what is to be moved and obtain finance committee approval prior to the move. (Executive Council January 2004).

J. Housing Benefit for Retiring Ministers (Executive Council February 2001)

J.1. Prior to March 1, 2005: Provided a lump sum benefit for qualified, retiring ministers intended primarily, but not exclusively, for housing (General Conference 1988). (Executive Council February 2005)

1. Investment and Administration: The Conference Pension Committee was responsible for the administration and investment of Plan funds, defining duties and powers of the plan administrator, and providing mechanism for future increases in contributions (General Conference 1988, 1991).
2. Eligibility & Vesting: Only eligible Plan participants as of August 31, 2000, who elected to continue participation in the Plan were eligible for this benefit.
3. The vested percentage of the Plan benefit was the lesser of the percentage derived by dividing the actual years of service by 0.15, or 100%.
 - a. The benefit was payable when the plan participant reached age 65. No benefit was paid to a participant who terminated or was terminated for cause from the conference before age 65 (General Conference 1991).
 - b. Past years of service in the conference was credited for vesting purposes.
 - c. Benefits were payable upon permanent disability or death (General Conference 1991).
 - d. Borrowing was allowed for specific and limited reasons (General Conference 1991).
3. Benefit Calculation:
 - a. Normal Benefit: The maximum benefit for plan participants who achieve age 65 was \$30,000, compounded by a rate of interest per annum declared from time to time by the Conference Pension Committee from September 1, 2000, and multiplied by the percentage computed in paragraph 2.a. above.
 - b. Death or Disability Benefit: For those to whom benefits become payable due to permanent disability or death before age 65, the benefit payable was the maximum benefit in paragraph

3.a. above discounted by the then current yield on United States treasury bonds with a maturity closest to the date on which the participant turned age 65.

4. Plan Funding: The Conference contributed \$100 per month for each participant (General Conference 1999). Any changes in the contribution amount was to be recommended by the Plan administrator and approved by a majority vote of the General Conference.

J.2. Self-Directed Retirement Plan

1. Commencing March 1, 2005: The conference Housing Benefit for Retired Ministers in section J.1, commonly known as the RHB plan, will be closed out. Effective March 1, 2005, those who already received their normal retirement benefit from the RHB plan will be allowed to enter into the Self-Directed Qualified Retirement Account in section 2 below. All Conference workers who are still participants in the conference Housing Benefit for Retired Ministers Plan will be paid out their account and their account closed. They will be eligible to participate and receive a mandatory employer contribution to any IRS qualified, retirement account established in their name. (General Conference 2000). (Executive Council February 2005).

2. Self-Directed Qualified Retirement Account: Any self-directed, individual retirement account established with a financial institution as custodian or trustee that is eligible under IRS rules to receive employer and employee contributions meets the requirements of this Plan.

3. Mandatory Plan Funding: For each eligible participant in the Plan, the employer shall contribute \$100.00 per month to the account established above. Local churches may reduce their Conference assessment by the amount of the mandatory contributions required under this Plan. Any changes in the contribution amount shall be recommended by the Conference Pension Committee and approved by a majority vote of the General Conference. Although not a requirement, participants are encouraged to make elective salary deferrals to the same accounts.

Vesting: All contributions made to a Plan account under this section are immediately 100% vested (owned) in the participant.

K. Other Ministerial Matters

1. Local churches should provide vacation periods for their ministers: 1-2 years service = 1 week; 3-4 years service = 2 weeks; 5 years service = 3 weeks.
2. Traditionally, Conference ministers are granted a \$200 Senbetsu by the Conference for their first trip abroad (1957).
3. Social Security Medicare Plan B (voluntary) will be paid by the Conference (Welfare Committee 1968) to qualified pastors and spouses (1991) and to qualified retired pastors and spouses. (Executive Council February 2001).
4. For those attending the Ministers' Retreat from the local church, the church is to pay \$100 per person (Executive Council, 1998). Retired ministers **and Pastors-at-Large** are guests of the Conference and do not have to pay the \$100. (Executive Council January 2002). The conference will reimburse air travel expenses. Pastors should submit original air travel receipts. The conference will also reimburse auto travel per Appendix B. Car pooling is encouraged whenever possible. (Executive Council February 2005). The above applies to active pastors and does not include spouses. For retired pastors living in States other than California, Arizona, or Hawaii, or outside the Continental United States, the maximum reimbursable travel expense to attend the Ministers' Retreat is \$500 per person, or the equivalent air fare of a Hawaii Pastor, whichever is greater. (Executive Council May 2006).
5. Local hire pastors and church workers serving on a pastoral capacity approved by the Conference are invited to the Minister's Retreat at Conference expense and the local church is to pay \$100 to the Conference for each person attending. (Executive Council, February 2001).
6. Conference sponsored Memorial Services: The Conference will pay expenses for Conference sponsored Memorial Services for Conference pastors. Local churches will be asked to help provide refreshments whenever possible. (Executive Council January 2002).
7. Conference support for retired Pastors attending Mt. Hermon Summer Conference sponsored by JEMS: The Conference will continue to reimburse Mt. Hermon registration fees for pastors and spouses who currently have been receiving the reimbursements. Mt. Hermon registration fees for future retired pastors and spouses, and retired pastors and spouses not currently receiving this benefit, will not be reimbursed. (Executive Council May 2006).

8. A pastor who is being ordained at General Conference shall have his spouse invited at Conference expense (Executive Council January 2009)

IV. LOAN POLICIES

A. Long Term Loan (Pension Fund)

Pension Fund loans are no longer available. (Refer to Pension Committee for details)

B. Short Term Loan (General Fund)

Short-term loans may be requested from the General Fund through the Finance Committee. The maximum amount of the loan is \$3,000 for a period of one year, plus interest.

C. Auto Loan

A maximum auto loan is \$15,000 (Executive Council 2002) for churches and pastors; the Finance Committee shall determine interest and terms. A formal written request should be submitted to the finance committee for approval. The Finance Committee will provide a Promissory Note with the Terms and Conditions for the church or pastor to sign; that is, the interest rate and monthly payments based. (Executive Council February 2003).

Auto loan requests should be made to the finance committee with the following information: Car make, car type, year, loan amount, loan term in years (3, 5, 7, etc. year payment). Please submit a purchase contract for the vehicle. (Executive Council October 2004)

D. Conference Extension Fund. Previously called the **Conference Church Planting and Expansion Fund** - Titus Fund, which was deleted and remaining funds were put into the Conference Extension Fund. (Note: All outstanding loans from the Titus Fund were paid in full and the Titus Fund was combined into the Conference Extension fund per Proposition 3 General Conference 2001). (Executive Council October 2004)

For making loans to the local churches for church building programs and for the Conference to purchase real property and/or church buildings.

1. To help local churches get established without burdening them initially with a building payment along with that of supporting a pastor.
2. When the church is established sufficiently, the church will be required to pay back the loan or to purchase the property, the church building or both, at whatever investment costs incurred by the Conference.
3. The funds realized will again be invested in the development of new church planting or expansion projects.

V. MISCELLANEOUS

A. Conference Treasurer

1. Appointment: One is appointed by the General Conference for a 2 year renewable term.
2. Responsibilities
 - a. To receive and dispense all moneys of the Conference and keep an accurate record thereof.
 - b. Prepare a monthly report and detailed quarterly reports of the Conference financial status.
 - c. Prepare annual reports to governmental agencies.
 - d. Conduct annual workshops for local church treasurers.
3. Salary: Determined by the Finance Committee subject to approval by the Executive Council. The current salary is \$500 a month from the General Fund. (General Conference 2003).
4. The Conference will pay his or her transportation expenses for attending Conference business meetings, including mileage payment at current IRS mileage reimbursement rate (see Appendix B), not to exceed \$125 per activity without the approval of the Finance Committee, when using private personal automobile. (General Conference 1991, Executive Council January 2002). (Executive Council February 2005)

B. Executive Secretary

1. The Executive Secretary's salary is determined by the Finance Committee subject to approval by the Executive Council. The current salary is \$250 a month for each Executive Secretary. (General Conference 2003).
2. The Conference is to pay the transportation expenses at current IRS mileage reimbursement rate (see Appendix B), not to exceed \$125 per activity without the approval of the Finance Committee, for the Executive Secretaries when using private personal automobiles to attend various Conference committee meetings or business matters. (General Conference 1991, Executive Council January 2002). (Executive Council January 2004) (Executive Council February 2005).

C. Procedures (Local Church)

1. Each local church is to make a monthly-itemized financial report and send a copy along with the payment of assessments to the Conference Treasurer by the 20th of each month. The minimum monthly submittal requirements are: 13.5% assessment, 403B credit of \$100 per pastor, Pension \$100 per pastor, Pastor's medical insurance share per pastor, Church's medical insurance share per pastor, Conference Missionary Lillian Shinoda support offerings, and all conference designated offerings (Birthday offerings, General Conference offerings, Founder's Day offerings, and World Wide Communion/Conference Extension offerings). Other offerings may be sent to the conference and specified on the submittal form. The monthly assessment submittal form is available from the Conference Treasurer. (Executive Council October 2004).
2. Churches are encouraged to contact the Finance committee whenever a problem arises or whenever questions come up, that concern Conference related financial matters.

D. General Conference Expenses, and Delegates and Committee Members Travel Costs

1. The Conference will reimburse gas expense incurred by the local churches for use of church cars to travel to General Conference. However, the local church must be at least 50 miles from the location of the General Conference.
2. The Conference will pay transportation expenses for General Conference delegates and retired ministers of our Conference attending the General Conference. For those using private

automobiles, the reimbursement will be per Appendix B. Car-pooling is encouraged. (General Conference 1991, 1995), (Executive Council May 2008).

3. The Conference will pay transportation expenses for Conference committee members, including Executive Council members, attending Conference meetings at current IRS mileage reimbursement rate (see Appendix B), not to exceed \$125 per activity without the approval of the Finance Committee. When using private automobiles, the reimbursement will be per Appendix B. Car-pooling is encouraged. (General Conference 1991, Executive Council May 2008).
4. General Conference in the Continental US: The Conference encourages that General Conferences be held at local churches with lodging provided by local families. The Conference will reimburse the church for meals, snacks, and other miscellaneous expenses during the conference. If a hotel or conference ground is used, Executive Council approval is required at least 6 months prior to the general conference. Meals and snacks will be paid by the Conference. Lodging will be shared on 1/3 Delegate, 1/3 Church and 1/3 Conference basis. All air travel expenses will be reimbursed by the conference and auto reimbursement per paragraph 3 above. (Executive Council February 2005).
5. General Conferences held in Hawaii: General conferences shall be at a local church if at all possible. If a hotel or conference grounds is used, Executive Council approval is required at least 6 months prior to the general conference. Transportation and hotel lodging expenses for Pastors, Delegates, and Executive Council members from the mainland attending General Conferences in Hawaii will be shared on a 1/3 delegate, 1/3 church, and 1/3 Conference basis. Meals and snacks will be paid by the Conference. Any conference attendee from Hawaii who wants to stay at the Hotel will have to be on the 1/3 delegate, 1/3 church, 1/3 conference basis. (Executive Council February 2005).
6. Retired ministers and spouses, attending the General Conference, are guests of the Conference and transportation and lodging expenses are paid by the Conference. When conferences are held at a local church, retired ministers and spouses should obtain lodging at home stays whenever possible. This includes General Conferences held in Hawaii. (Executive Council January 2002). (Executive Council February 2005). The above applies to retired pastors and spouses living in California, Arizona, and Hawaii. For retired pastors and spouses living in States other than California, Arizona, or Hawaii, or outside the Continental United States, the maximum reimbursable travel expense to attend the General Conference is \$500 per person, or

the equivalent air fare of a Hawaii Delegate, whichever is greater. If only the pastor attends the General Conference and not his spouse, the maximum reimbursable travel expense will be \$750, or the equivalent Hawaii Delegate air fare, whichever is greater. (Executive council May 2006).

7. The conference will reimburse the costs of the annual pastors' spouses' luncheon, up to \$30 per spouse for all luncheon related expenses, including the lunch. The church should submit original receipts for reimbursement. (Executive Council October 2004).
8. The host church for the general conference shall be given a gift of \$500. (Executive Council January 2004).
9. The total food and kitchen supply budget for the general conference, including the OMB meeting the day before the general conference, shall be \$5,000. Approved general conference expenses are: food and supplies to feed all the delegates and visitors to the general conference, and food and supplies to feed the pastors attending the OMB meeting and Executive Council members the day before general conference. The church should submit original receipts for reimbursement. (Executive Council October 2004).
10. The budget for amenities for the general conference delegates (notebooks, folders, pens, gifts, etc.) shall be \$1,000. Amenities exceeding the budget will be at host church expense. The church should submit original receipts for reimbursement. (Executive Council October 2004).
11. Transportation to and from airports shall be arranged by the host church. Car rentals are not recommended. Car rental will not be reimbursed by the conference. (Executive Council January 2004).
12. Local hire pastors and church workers attending the General Conference are not reimbursed for their expenses, unless they are delegates. (Executive Council February 2001)

**OMS Holiness Church of North America
Financial Guidelines**

Appendix A

STRAIGHT SALARY SCHEDULE

(Finance Committee/Executive Council, December 2008)

<u>Year of Service</u>	<u>Yearly Salary</u>	<u>Year of Service</u>	<u>Yearly Salary</u>
1	\$55,198	26	\$58,773
2	55,341	27	58,916
3	55,484	28	59,059
4	55,627	29	59,202
5	55,770	30	59,345
6	55,913	31	59,488
7	56,056	32	59,631
8	56,199	33	59,774
9	56,342	34	59,917
10	56,485	35	60,060
11	56,628	36	60,203
12	56,771	37	60,346
13	56,914	38	60,489
14	57,057	39	60,632
15	57,200	40	60,775
16	57,343	41	60,918
17	57,486	42	61,061
18	57,629	43	61,204
19	57,772	44	61,347
20	57,915	45	61,490
21	58,058	46	61,633
22	58,201	47	61,776
23	58,344	48	61,919
24	58,487	49	62,062
25	58,630	50	62,205

The Salary schedule is adjusted annually for Cost Of Living Adjustments (COLA). The COLA adjustments are based on the current year Social Security increase plus 0.5%. (Executive Council February 2008)

For the year 2010, there is no increase in Social Security; The COLA adjustment would be 0.5% or \$289.58 for the year, or \$24.13 per month. Considering that it is a minimal amount, there is no change to the straight salary schedule for 2010. The current salary schedule is effective January 1, 2009 through December 2010. (Finance Committee/ Executive Council December 2009)

Churches will be notified by letter of the annual changes to the salary schedule due to COLA.

The salaries shown are minimums that churches are to compensate their pastors. Churches are encouraged to compensate more than the minimum if at all possible.

**OMS Holiness Church of North America
Financial Guidelines**

APPENDIX B

MILEAGE REIMBURSEMENT RATES

LOCAL AUTO TRAVEL

Local auto travel will be reimbursed at the IRS mileage reimbursement rates.

January to June 2008 - 50.5 cents per mile.

July to December 2008 - 58.5 cents per mile. (Executive Council December 2008)

January to December 2009 - 55 cents per mile (Executive Council January 2009)

January to December 2010 – 50 cents per mile (Executive Council February 2010)

LONG DISTANCE AUTO TRAVEL (Executive Council June 2008)

Long distance auto travel will be reimbursed at the following rates:

Northern California to Los Angeles area - \$ 160

San Diego area to Los Angeles area - \$ 50

Tucson area to San Diego area - \$ 160

Tucson area to Los Angeles area - \$200

**OMS Holiness Church of North America
Financial Guidelines**

**APPENDIX C
Medical and Dental Insurance Premiums
(Executive Council February 2010)**

All premiums are shared 20% pastor, 40% church, and 40% Conference.

Each pastor and local church will be notified by the finance committee of the respective monthly shares of the premiums. (Executive Council January 2004.)

For the period from September 2009 to August 2010, the premiums will be shared 10% pastor, 30% church, and 60% Conference. (General Conference July 2009)

1. California Medical and Dental Premiums:

Medical coverage for California conference pastors. California conference pastors are covered for medical by Kaiser Permanente medical plan. Starting January 2004, California Kaiser premiums are determined by the pastor's age and not just by the number of subscribers. The premiums increase rapidly as the pastor ages.

The following table reflects California Kaiser premium rates for 2010.

AGE	Pastor	Pastor+Spouse	Pastor+Children	Pastor+Sp+Ch
<30	\$ 223	\$ 623	\$ 612	\$867
30-39	246	669	629	958
40-49	318	731	604	965
50-54	413	859	681	1,098
55-59	522	1,097	780	1,262
60-64	644	1,224	861	1,429
65+	731	1,579	1,099	1,736

(Executive Council February 2010)

For Kaiser California, the co-payment charge is \$20 per office visit and \$10 for labs.

Prescriptions are \$10 for a 30-day supply of generic drugs and \$30 for brand-name drugs.

Emergency room visits are \$100. Hospital care is \$300 per day. Vision exams are \$20. This is only a summary. For more detailed information, please refer to the member handbook,

which is provided by Kaiser. (Executive Council January 2009). (This paragraph was moved from III.D.)

Dental coverage for California Conference pastors. Effective **September 1, 2007**, California conference pastors are covered for dental by Assurant Employee Benefits. **Effective November 1, 2009, only children are covered for orthodontic care.** The following table reflects the dental premiums **effective September 1, 2009.**

	<u>Total Premium</u>
<u>Pastor</u>	<u>42.94</u>
<u>Pastor+Spouse</u>	<u>87.39</u>
<u>Pastor+Spouse+Children</u>	<u>160.87</u>

(General Conference 2007). **(Executive Council February 2010).**

2. **Arizona Medical and Dental Premiums:**

Medical coverage for Tucson conference pastors. **The Tucson pastor** is covered by Healthnet of Arizona medical insurance. (Executive Council May 2006).

The following table reflects the medical premiums from April 2009 to September 2010.

<u>Dates</u>	<u>Family Size</u>	<u>Premium</u>
<u>April – June 2009</u>	<u>3</u>	<u>\$ 849</u>
<u>July – September 2009</u>	<u>3</u>	<u>1,019</u>
<u>Oct 2009 – September 2010</u>	<u>3</u>	<u>1,035</u>

(Executive Council February 2010)

When the medical premium for the Tucson pastor exceeds the equivalent premium of a California pastor, the Conference will subsidize the Tucson church and pastor to the extent of the equivalent California premium, i.e., the Tucson church and pastor will not be obligated to pay excessive premiums. (Executive Council February 2005)

The co-payment charge is \$25 per office visit; labs at a physician’s office are at no charge. Prescriptions are \$15 for a 31-day supply. Emergency room services are \$300. Hospital care is 30% of charges. Vision care is not included. This is only a summary. For more detailed information, please refer to the member handbook, which is provided by Healthnet. (Executive Council February 2010).

Dental coverage for Tucson conference pastor. Effective September 1, 2007, the Tucson pastor is covered by Assurant Employee Benefits. **The rates are the same as Dental Coverage for California Conference pastors (see above).**

3. **Hawaii Kaiser Medical and Dental Premiums:** (Executive Council, October 2007).

Medical coverage for Hawaii conference pastors. Hawaii conference pastors are covered for medical and dental by Kaiser Permanente medical plan.

Note: Hawaii Kaiser medical **plan** anniversary date is April 1.

The table below reflects rates, which are **effective April 2009 - March 2010.**

Family Size	Premium
Pastor +Spouse	602.22
Dental	60.28
Total	662.50
Pastor+Spouse+Children	903.33
Dental	90.42
Total	993.75

(Executive Council February 2010)

For Kaiser Hawaii, the co-payment charge is \$15 per office visit; labs are 10% of applicable charges. Prescriptions are \$15 for a 30-day supply, or \$30 for a 90-day supply. Emergency room visits are \$75. Hospital care is \$75 per day. Vision exams are amounts over \$70. This is only a summary. For more detailed information, please refer to the member handbook, which is provided by Kaiser. (Executive Council January 2009). (This paragraph was moved from III.D.)

(Executive Council February 2010).

Dental coverage for Hawaii Conference pastors: Hawaii dental was paid 100% by the pastor until September 2007. Effective September 1, 2007, the dental portion of the premium is shared 20%, 40%, and

40%, same as **California** medical premiums instead of the pastors paying 100% of the dental portion of the premium. (General Conference 2007). (Executive Council February 2008).

3. Hawaii Kaiser Senior Advantage Medical and Dental Premiums: (Executive Council, October 2007).

Note: Hawaii Kaiser Sr. Advantage **medical plan** anniversary **date** is April 1.

The table below reflects rates which are effective April – September 2009.

Family Size	Premium
1 Senior, 1 non-senior	536.91
Dental	60.28
Total	597.19

The table below reflects rates which are effective October 2009 - March 2010 .

Family Size	Premium
2 seniors	1280.82
Dental	60.28
Total	1,341.10

(Executive Council February 2010)

**OMS Holiness Church of North America
Financial Guidelines**

APPENDIX D

**Group Life, Accidental Death & Dismemberment
and Long Term Disability Insurance**

(Executive Council February 2005)

Group life and disability insurance is provided by Assurant Employee Benefits, formerly Fortis Benefits Insurance Company. Premiums are paid by the Conference. The benefits are: (Executive Council January 2004). (Executive Council February 2005).

1. Life and Accidental Death & Dismemberment Insurance

\$100,000 death benefit to age 65.

Life and AD&D (Accidental Death & Dismemberment) benefits reduction:

@ age 65 reduce 35% of the original amount (\$100,000) = \$65,000

@ age 70 reduce 35% of inforce amount (the reduced amount \$65,000) = \$42,000

@ age 75 reduce 35% of inforce amount (the reduced amount \$42,000) = \$27,462

The premiums for Life Insurance are paid by the conference. The Life insurance coverage for each pastor was increased from \$50,000 to \$100,000. There is no tax liability for the pastor for Life insurance premium for the first \$50,000 coverage. However, there is a tax liability for the pastor for the cost of the coverage over \$50,000, which is based on IRS uniform premium cost tables. Each local church will be informed of the cost by the finance committee. The church must report this amount on the W-2 form they issue to their pastor.

2. Long Term Disability Insurance

Benefit: 60% of Basic Monthly Earnings

Maximum Benefit: \$3,000 monthly benefit (Executive Council February 2005)

Elimination Period: 90 days

Benefit Duration: SSNRA** (Social Security Normal Retirement Age) pays up to age 67, or to termination from the Conference, death, or retirement.

Maximum Benefit Period We will not pay benefits beyond the maximum stated below,

based on the person's age on the day the period of disability started.

Age at disablement

Duration

Before age 60

the day before retirement age **SSNRA

60 but before 65

the day before retirement age ** or 36 months of disability,

whichever is longer.

65 but before 68

2 years

68 but before 70

18 months

70 but before 72

15 months

72 or more

12 months

(Executive Council January 2004)