

UUA Office of Church Staff Finances

Compensation Pointers and Pitfalls for Administrators and Treasurers



With

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&

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UUA Office of Church Staff Finances

Our Mission

Guided by the values of our faith,
we equip
congregations for
excellence as
employers
and their staff for
financial
competence and
well-being.



Photo: Last Minute Linda

Topics for Today

- UUA Compensation Standards
- Worker Classification
 - Employee or Independent Contractor
 - Exempt or Nonexempt
- Ministerial Payroll and Taxes
- UUA Benefit Plans
- COVID-19 Federal Relief Programs
- UUA Compensation Consultants



UUA Compensation Standards

“Guidelines” (since 1995)

UUA Compensation Guidelines

- Recommended salary levels
- Recommended benefit levels

Congregations could meet our guidelines
*while ignoring basic payroll laws and
benefit plan rules.*



“Standards” (as of Feb. 2020)

UUA Compensation Standards

- Legal compliance checklists
 - Pay administration
 - Benefits administration
- Recommended salary levels
- Recommended benefit levels



Resources for UUA Compensation Standards

[UUA Compensation Standards](#) on UUA.org

Includes links to resources for:

1. Legal requirements for pay and benefits administration
 - Pay Administration Checklist
 - Benefits Administration Checklist
 - Benefits Tune-up Workbook
2. UUA Salary Recommendations – charts and related resources
3. UUA Benefit Recommendations
 - Benefit Recommendations
 - Compensation Worksheet
 - Benefits Summary Chart



Worker Classification: People You Pay

Businesses

Examples

- Office supply store
- Lawn and landscaping company
- Insurance company

Individuals

Independent
Contractors

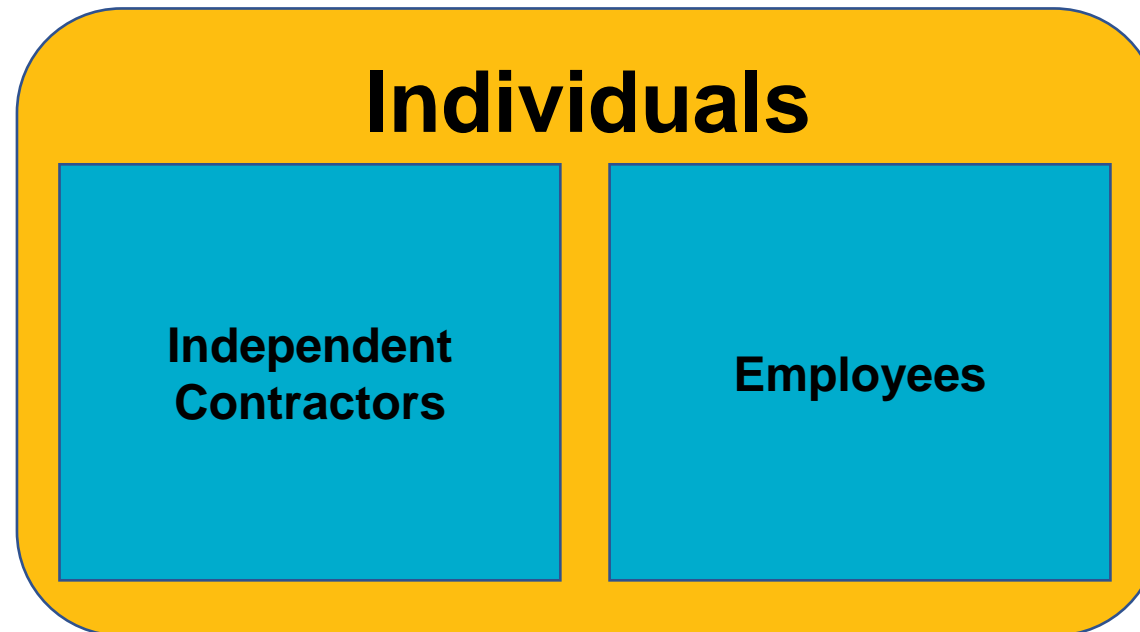
Employees

Exempt

Nonexempt



Worker Classification: People You Pay



Most (if not all) paid workers in your congregation are *employees*.



Employee or Independent Contractor

What difference does it make?

1. Hiring, training, and oversight protocol
2. How Social Security/Medicare tax is paid
3. W-2 or 1099
4. Benefits eligibility: *Only employees receive employee benefits*
5. Liability issues
6. Treating staff fairly and legally



Decision Factors

Behavioral control (right to control how work is done)

- Type of instructions
- Degree of instructions

Financial control

- How paid
- Services available to others?

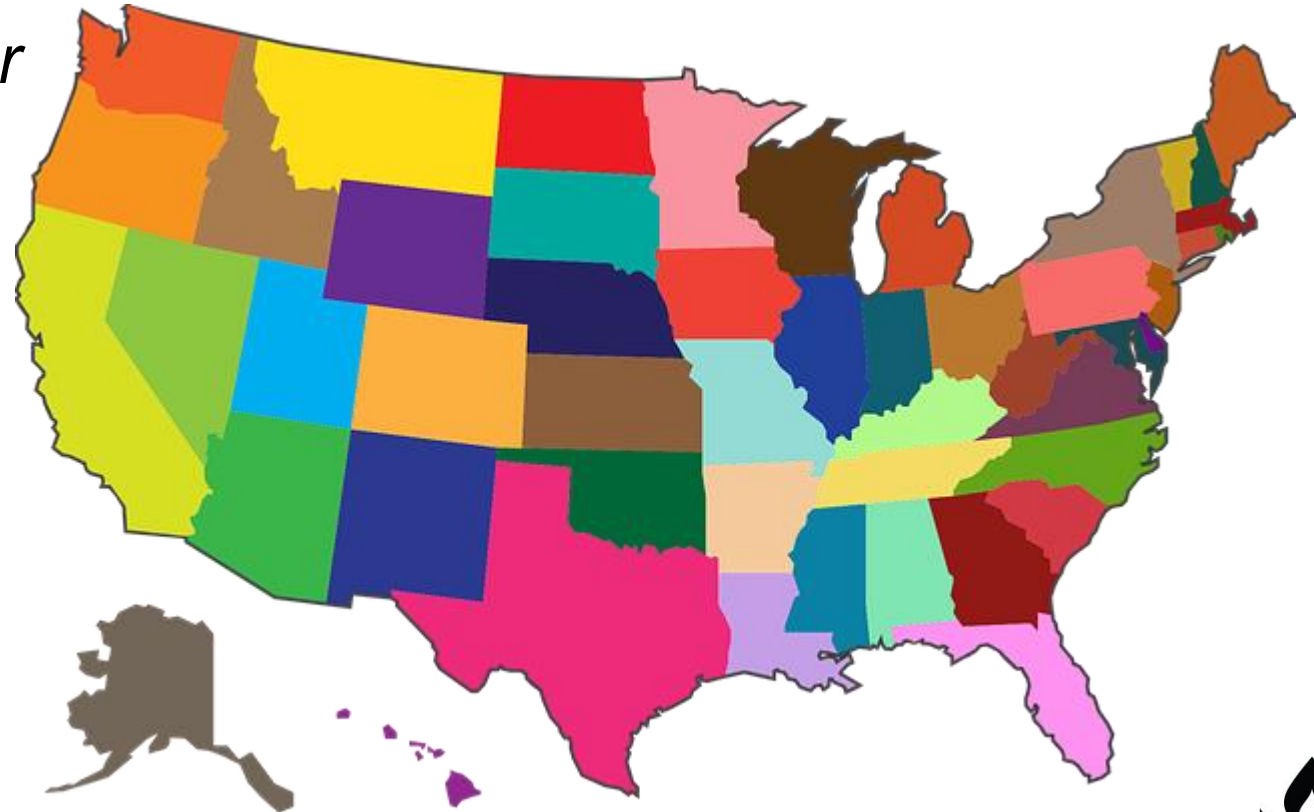
Type of relationship

- Benefits
- Permanency
- Services key to business?



State Law Takes Precedence

In some states, it is even *harder* to legally classify a worker as an independent contractor.



Misclassification Risk

How is it discovered?

- IRS or Dept of Labor audit
- Worker complaint
- IC files for workers' comp/disability

What happens?

- Fines
- Tax evasion charges
- Criminal penalties



Upshot: Most Workers are Employees

Generally an employee if:

- Ongoing responsibilities
- Relational responsibilities
- Congregation provides direction on “how”

Employee if listed as staff
in newsletter or on website

Employee if job title like
"Director"

May be an independent contractor if:

- Providing same service to multiple businesses
- Using their own tools
- Congregation concerned only with results
- Limited interaction with congregants

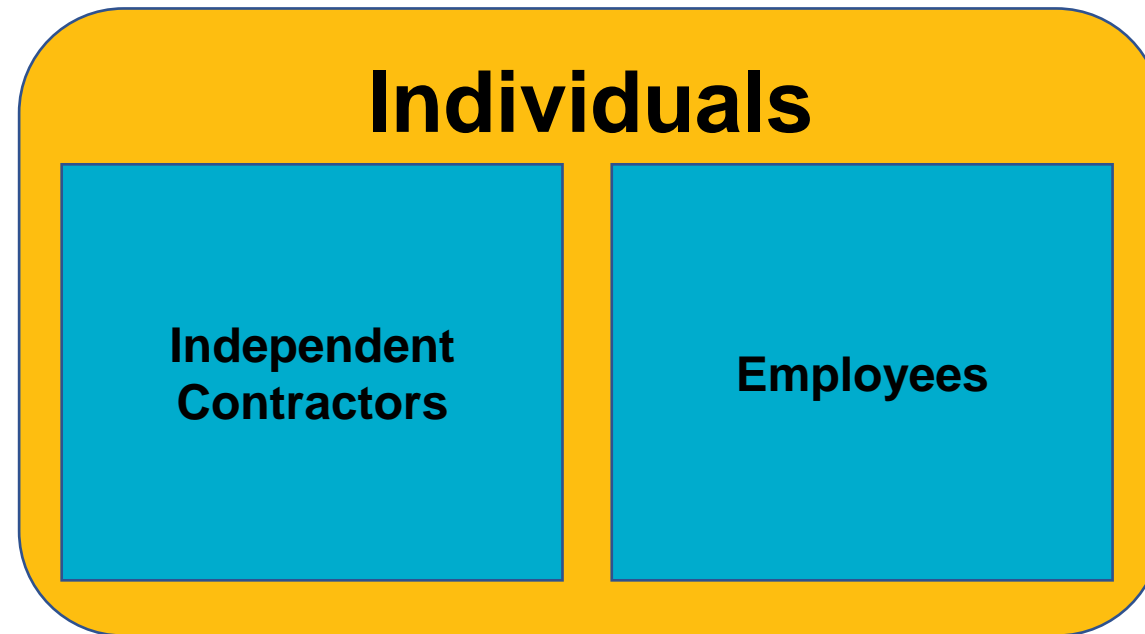
**The word "contract"
causes confusion.**

"Contract" ministers are
employees.

Sometimes employment
agreements are called
"contracts."



People You Pay



Remember,
most (if not all)
workers in your
congregation
are *employees*.



People You Pay

Individuals

Each of your employees is either exempt or nonexempt.

Employees	
Exempt	Nonexempt



Exempt or Nonexempt

What difference does it make?

1. Recordkeeping requirements
2. Pay: how and how much
3. Treating staff fairly and legally

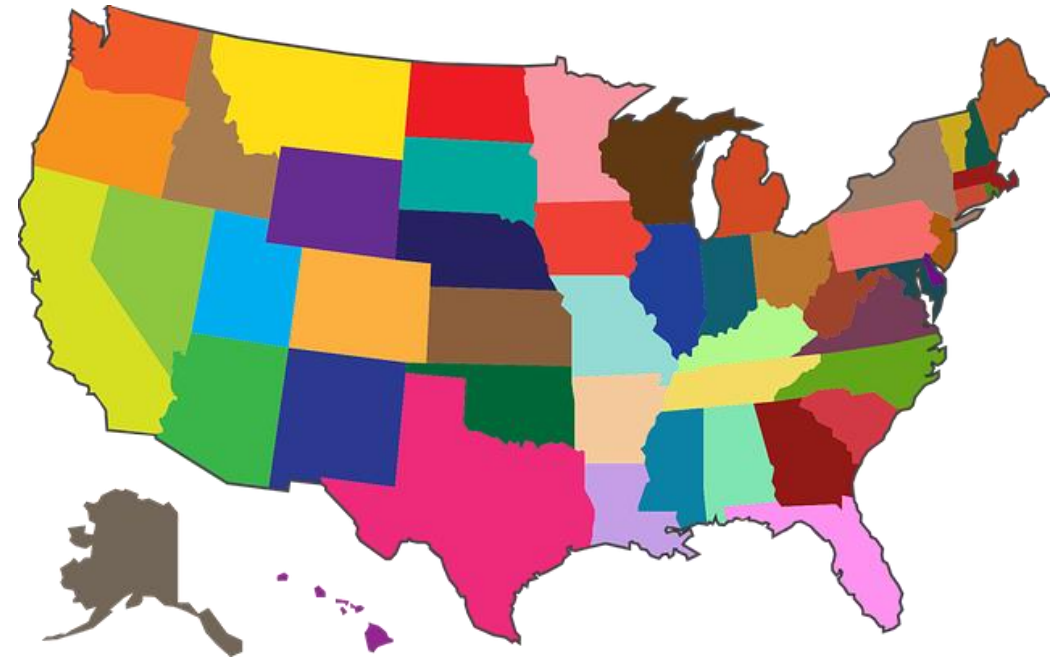


Fair Labor Standards Act (FLSA)

Federal law that protects workers

- Overtime pay
- Minimum wage
- Recordkeeping requirements
- Youth employment restrictions

Most businesses/individuals not protected by FLSA under federal law are still protected under state law.




Related State (and Local) Laws:
Follow whichever is more stringent.



FLSA Classification

Exempt Staff

- No overtime pay
- Simpler recordkeeping



*Think: the **employer** is exempt from having to follow the rules.*

Nonexempt Staff

- Overtime pay (time-and-a-half) for >40 hours in a workweek*
- Must keep records of total daily and weekly hours worked

*California and possibly other states use stricter OT definition.

*Cannot average hours across workweeks.



FLSA Classification

Nonexempt = the default

Assume an employee is nonexempt
unless you can show that an exemption applies.



Exemptions

White-collar Exemptions

- Executive
- Administrative
- Professional

Each exemption has

- Duties tests (specific to each exemption)
- Salary threshold
 - \$684/week
 - \$35,568 for year-round position



Salary threshold NOT prorated for part-time.



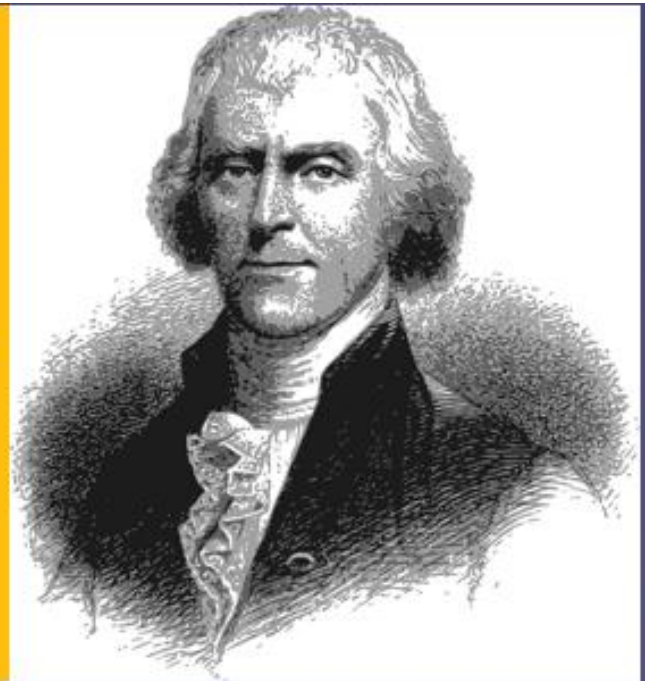
Exemptions

The Ministerial Exception*

- Essential religious duties
- No salary threshold

*Not part of FLSA

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof..."



The Ministerial Exception

Who has essential religious duties?

- Ministers (serving in ministerial capacity)
- Ministerial interns and student ministers
- Based on our read:
 - Staff who have leadership, authority, and decision-making responsibilities within a religious realm of congregational life
 - Guiding questions
 - ✓ Sharing or teaching UUism through their work?
 - ✓ Duties tied to a religious/spiritual aspect of the congregation's mission?
 - ✓ Job description (title/responsibilities) supports “essential religious duties”?



Related: Salary or Hourly?

Exempt Staff

Must be salaried (consistent paycheck, even if hours vary)

Nonexempt Staff

- Legally can be salaried or hourly (hourly is safest)
- Salaried nonexempt is tricky!
 - ✓ Must still record daily/weekly hours
 - ✓ Ensure minimum wage and overtime pay based on *actual* hours
 - ✓ Complications when actual hours don't match nominal



Fair Labor Standards Act Reminders

1. Assume nonexempt unless exemption criteria clearly met.
2. Keep records of daily/weekly hours for nonexempt staff.
3. White-collar exemptions: duties test and salary threshold.
4. Weekly salary threshold for white-collar exemptions = \$684.
5. Ministerial exception based on “essential religious duties.”
 - Use with care
 - No salary threshold
6. Caution for salaried nonexempt: nonexempt rules still apply.
7. Check your state’s wage and hour law.



Resources on Worker Classification

- UUA LeaderLab Articles (see especially the slide sets)
 - [Employee or Independent Contractor?](#)
 - [Exempt or Nonexempt?](#)
- Your legal and tax professionals*
- Comp@uua.org (generic email for Jan Gartner)



* The staff of the Office of Church Staff Finances are not certified legal or tax professionals.



Ministerial Payroll and Taxes

We tell new ministers:

6 Kids, don't try this at home.*9

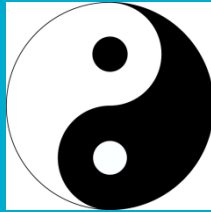
- UUA resources available
- Make sure your payroll company understands ministerial tax provisions
- Ministers urged to find an accountant who knows ministerial taxes (at least at first)



Payroll & Taxes

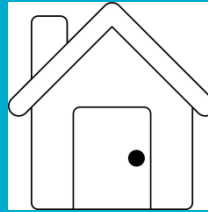
Three Special Tax Provisions for Ministers

Dual Tax Status



Minister is an employee for regular income tax purposes
BUT
self-employed for Social Security/Medicare.

Housing Allowance



Housing-related expenses are excluded from minister's wages for income tax purposes.

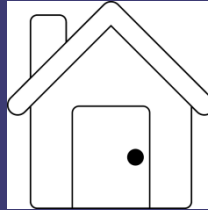
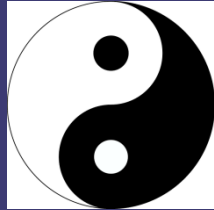
Withholding Optional



- Minister need not have income taxes withheld from paycheck (but may elect to)
- Pays taxes **quarterly**
- Withholding FICA not allowed!

Payroll & Taxes




Three Special Tax Provisions for Ministers



- Treated as a minister for ALL or NONE.
- Minister for IRS purposes = fellowshipped or ordained

Payroll & Taxes

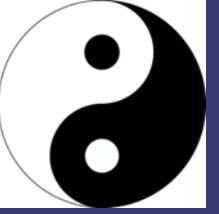
Minister's paycheck

Salary		
Pay to the order of <u>Happy Pastor</u>		Payment in lieu of FICA
Salary + Housing		
Housing Allowance 	<ul style="list-style-type: none">• Tax withholding optional• Deductions for employee-paid benefits 	

Housing allowance
may be paid in a
separate check.

Jan calls this the
“self-employment
tax offset.”

Payroll & Taxes



That “dual tax status” thing

**A minister is an
Employee**

For income tax purposes
(state and federal)

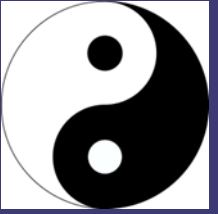
...and for nearly all other purposes.

BUT...
Self-employed

For Social Security/Medicare tax purposes

...which is why they pay estimated quarterly taxes.

Payroll & Taxes



Dual Tax Status

Regular Employees

Social Security/Medicare tax = 15.3%

FICA

- Employeru pays 7.65%
- Employeeee pays 7.65% (payroll deduction)

Ministers

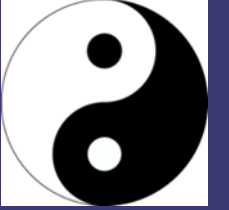
Social Security/Medicare tax = 15.3%

SECA

- Minister pays 15.3% (quarterly taxes)
- Applies to Salary + Housing

AND SO...

Payroll & Taxes

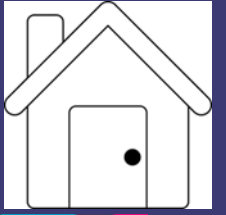


Dual Tax Status

Congregation pays self-employment tax offset to minister.

- Same \$\$ amount the congregation *would have remitted* to SS/Medicare for non-ministerial employee at same salary.
- SECA applies to Salary + Housing, so offset applies to Salary + Housing.

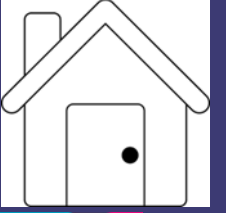
Payroll & Taxes



Housing Allowance



Payroll & Taxes



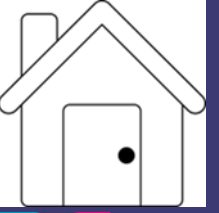
Housing Allowance

- Minister determines expected housing-related expenses (on principal residence).
- Congregation designates housing allowance – usually board resolution.
- HA excluded from federal & state* income tax,
but minister still pays SECA (self-employment tax) on it.
- Salary + Housing used for salary-based benefit calculations.

**Housing
Allowance
NOT
figured as
% of salary**

* *Housing allowance is taxed at the state level in Pennsylvania, possibly other states.*

Payroll & Taxes

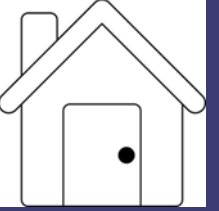


Housing Allowance

Common allowable expenses

- Rent or mortgage payment
- Real estate taxes
- Renter's insurance
- Utilities
- Furnishings
- Appliances
- Repairs
- Yard maintenance

Payroll & Taxes

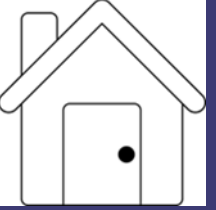


Housing Allowance

When they do their taxes,
the minister is responsible for not excluding more than allowed.

- Can't exclude more than congregation designated.
- Can't exclude more than actual expenses of maintaining a home.
- Can't exclude more than Fair Rental Value (including furniture, utilities, garage)

Parsonage Exclusion



- **Parsonage Exclusion** similar to Housing Allowance, i.e., based on rental value.
- *In addition*, **Parsonage Allowance** adopted by Board annually: for utilities, minor repairs, and furnishings. (Major repairs are responsibility of congregation.)
- The Minister does NOT pay **income taxes** on these amounts, but must pay the **Self-Employment Tax** (15.3%) on both.

Payroll and Taxes



Ministers: Exempt from Withholding

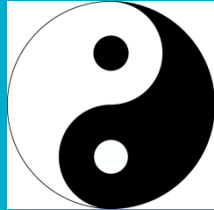
- Minister NOT REQUIRED to have taxes withheld
- May CHOOSE to have taxes withheld
- Taxes withheld are applied to **income taxes**, *not Social Security/Medicare*.

Self-employment tax is for Social Security and Medicare: SECA.
Ministers must pay SECA through quarterly payments.

Payroll & Taxes

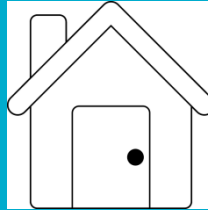
Cost to congregation of special ministerial tax provisions

Dual Tax Status



With the self-employment tax offset, cost to congregation is same as for non-clergy staff member at same salary.

Housing Allowance



No budget impact for congregation.

Withholdings Optional



No budget impact for congregation.

Resource: Ministerial Payroll & Taxes

LeaderLab article: [Ministerial Compensation 101](#)
(includes links to further information on each provision)



Benefits



- **Health Insurance**
 - UUA Health Insurance Plans
 - Other Health Insurance Options
- **UUA Group Insurance**
 - Dental
 - Long Term Disability
 - Life
- **UUA Retirement Plan**

Benefits



Words of Wisdom

- Pay Attention to Details (e.g., eligibility, enrollment windows*)
- Treat Staff Equitably (It's a UU Value)
 - Ministers often negotiate better benefits than staff receive.

* Enrollment windows for UUA insurance plans:

- 30 days for Health Plan (unless qualifying event)
- 60 days for Dental, Life, and LTD

Benefits



Eligibility: All UUA Insurance Plans

- All Employees working 750 hours or more annually (about 15 hrs/week, year-round)
- If your congregation is in the UUA plan, *all eligible* must be offered the opportunity to enroll
- Congregation does not have to make the same premium contribution for all employees (but consider economic justice and equity)
- Hours from multiple participating employers *additive*

Benefits

Annual enrollment or
upon hire

Health Insurance Options

- **UUA Health Plans (begun in 2007)**
 - 3 Non-Medicare Plans (Gold, Silver, and Bronze) + Medicare Supplement Plan
 - Comprehensive, faith-based (trans, hearing aids, kids w/disabilities)
 - Extensive network and outstanding customer service
- **Other Employer-provided health insurance**
- **ACA/State Exchanges**

Gold = highest premium, lowest out of pocket costs
Bronze = lowest premium, highest out of pocket

Reminder:
If the congregation is in the
UUA Plan, must *make*
available to all eligible staff.

Benefits



What about Staff Who Have Other Health Insurance?

- Salary adjustment strongly discouraged.
- Reimbursement or adjustment for individual insurance is illegal.
- Reimbursement for another group* plan is allowed/suggested:
 - Differential cost of carrying employee on another plan reimbursable tax-free.
 - See 2nd article in this newsletter: <http://conta.cc/2sirb0l>.
 - If you offer this, offer to all eligible staff. (Equity!)

*Most often spouse's employer plan.

Benefits



UUA Dental Insurance through Guardian

Annual enrollment or
upon hire

- Annual benefit: Up to \$1,750
- Makes economic sense (Dentists charge individuals without insurance more)
- Can retain coverage (if not teeth) in retirement

NOVEMBER: Open Enrollment for Health and Dental Plans (for 2021).

Reminder:
If the congregation is in the
UUA Plan, must *make*
available to all eligible staff.

Benefits

Must offer with
Life Insurance

UUA Long-Term Disability Insurance thru Guardian

- Benefit: 60% of Salary (and Housing)
- Protects employees AND congregation
- Can continue for 6 months between jobs

Enroll upon hire!

- No open enrollment
- No qualifying events

Recommendation:

Congregation pays but imputes premium on W2
to keep benefit payout nontaxable

Reminder:
If the congregation is in the
UUA Plan, must *make*
available to all eligible staff.

Benefits

Must offer with LTD

UUA Life Insurance thru Guardian

- Benefit: 2x Salary (and Housing)
- Protects employees AND the congregation

Enroll upon hire!

- No open enrollment
- No qualifying events

Reminder:

If the congregation is in the UUA Plan, must *make available* to all eligible staff.

Benefits



Insurance Plans: Costly Mistakes

- Life/LTD: congregation MUST offer both, not just one
- Failure to enroll within 60 days (30 days for Health)
- Failure to enroll *all eligible employees* in disability – and one becomes disabled
- Staff enrolling in a bronze health plan to save money...then discovering high out of pocket expenses

Benefits: Retirement Plan



Basics

- 620 participating congregations/4,100 plan participants
- Recordkeeper: TIAA

Eligibility for Employer Contributions

- Successful completion of a ministerial internship, OR
- Previous qualifying for employer contributions at another participating UU employer, OR
- After 12 months AND 1,000 hours of employment from date of hire or calendar year (*hours from multiple employers additive*)

Benefits: Retirement Plan

Plan Rules to Know and Follow!

1. ALL EMPLOYEES may enroll and make elective (employee) contributions *from day one of employment*, regardless of hours!
2. Employers MUST make employer contributions to all employees who meet eligibility requirements
3. All (eligible) employees must receive the same percentage base employer contribution and match opportunity**
4. Minimum Employer Contribution is 5%; UUA Recommendation = 10%

***In accordance with Employer Participation Agreement on file with our Office.*

Are you telling **every new employee** (and reminding all employees annually) that they can make elective contributions?

Did your new hire previously work for another participating congregation?

Check for immediate eligibility for employer contributions!

Resources

- # Benefits Tune-up Workbook
- ## Know Our Plans, Live Our Faith



g)
9)
ee)

Part 3: Retirement Plan

The Unitarian Universalist (UU) Organizations Retirement Plan is an IRS qualified 401(a)(401(k) defined contribution, multiple employer, church retirement plan.

3.1 Participation Basics

A. We understand that UU Employers that have adopted the Plan must abide by the Plan's provisions.

Who has verified consistency of the congregation's personnel policies with Plan provisions?

On what date did this occur?

B. We have verified that everyone participating in the Retirement Plan is an employee, rather than an independent contractor. This means they receive a W2, not a 1099.

Choose one.

YES

NO, and we're contacting the UUA Retirement Plan Director, RetirementPlan@uua.org, to learn how to rectify.

Specific workers in question:

Who verified this?

ABOUT MINISTERS: While ministers are self-employed for Social Security purposes, they are employees for regular income tax and benefits purposes. Only employees are entitled to employee benefits - not independent contractors (who receive 1099s).

UUA Office of Church Staff Finances
2020 Edition

Word cloud terms: employees, terms, administration, commitment, process, federal, Thank, making, regular, basics, Ensure, competence, participation, documents, obligations, plans, introduce, offer, simplify, good, congratulations, congregation, honor, consider, justice.

Benefits Resources

Compensation Worksheet

- Recommended benefit levels
- Calculations
- Auto-sum at bottom

<https://www.uua.org/leadership/congregations-as-employeers/compensation-benefits>

UUA Compensation Worksheet					2020
Line #	Compensation Item	Guideline and Calculation	Amount	Additional Notes	
1	Salary (S+H for ministers)	Guideline: use salary chart for appropriate Geo Index, in line with membership size and position.		See Guide to Salary Recommendations regarding experience and other relevant factors.	
2	Self-Employment Tax Offset (for fellowshipped and/or ordained ministers only)	Guideline: Add 7.65% S+H. Line 1 x .0765		Also called In Lieu of FICA. (For any amt of salary above \$132,900, reduce to 1.45%.)	
3	UUA Retirement Plan Base Employer Contribution	Guideline: base+match = 10%. Line 1 (or lines 1+2) x base employer contribution percentage/100 (e.g., 8% = .08)		Per Employer Participation Agreement. Include amt on Line 2 if indicated in Agreement.	
4	UUA Retirement Plan Matching Employer Contribution (if any)	Line 1 (or lines 1+2) x matching employer contribution percentage/100 (e.g., 2% = .02)		Per Employer Participation Agreement. Include amt on Line 2 if indicated in Agreement.	
5	UUA Long-Term Disability 1.3% of Salary or S+H	Guideline: Congregation pays premium. Line 1 x .013		Impute amount of premium on employee's W-2 to keep benefit nontaxable.	
6	UUA Group Term Life Insurance .42% of 2 x Line 1 (capped at \$200,000)	Guideline: Congregations pays premium. 2 x Line 1 x .0042		Life insurance coverage is based on 2 x salary[S+H]. See UUA website for tax info.	
7	UUA Health Plan (employee)	Guideline: Cover 80% of individual premium. See note at right and link at bottom.		Individual monthly rate from link below, x12 for annual, then take 80%. May prorate part-time.	
8	UUA Health Plan (dependents)	Guideline: Cover 50% of add'l for dependents. See note at right and link at bottom.		Subtract individual monthly rate from rate with dependents, multiply by 12. Take 50%. Prorate p/t.	
9	UUA Dental Plan (employee)	Guideline: Cover 80% of individual premium. See note at right and link at bottom.		See bottom for annual rates. May prorate for part-time.	
10	UUA Dental Plan (dependents)	Guideline: Cover 50% of add'l for dependents. See note at right and link at bottom.		Subtract individual rate from rate with dependents. Take 50%. Prorate part-time.	
11	Professional Expense Allowance	Full-time guideline: ministers: 10%, minimum \$8,000 . Other pros: 10% with minimum \$5,000.		Line 1x .1 Pro-rate minimum for part-time. Appropriate continuing ed funding for all staff.	
12	Transitional Ministry Pro Expense add-on	Add \$950 + travel for ministers in Transitional Ministry Program.		Cost of special training for transitional ministers.	
	TOTAL COMPENSATION	Sum of lines 1 thru 12 (auto-calculates)	\$0		

Monthly UUA Health Plan premiums:

Annual Dental Plan premiums:

<https://secure.uua.org/leaders/insurance/calculator/>

\$720 for individual, \$1,440 for Employee + 1, and \$1,776 for family.

Coronavirus: Federal Laws

Refer to
Federal Policies and Actions
Related to COVID-19

<https://www.uua.org/leadership/library/federal-policies-pandemic>

Families First Coronavirus Response Act: PL 116-127

- Emergency Paid Sick Leave
- Emergency Family and Medical Leave Expansion
- Employer Reimbursement through Tax Credits

Did your employees receive this?

FFCRA Employee Rights Poster

https://www.dol.gov/sites/dolgov/files/WHd/posters/FFCRA_Poster_WH1422_Non-Federal.pdf

Coronavirus Aid, Response, and Economic Security Act (CARES): PL 116-136

- Payroll Protection Program (PPP)
- SBA Economic Injury Disaster Loans and Grants
- Employee Retention Tax Credit
- Payroll Tax Deferral
- Unemployment Insurance
- Paid Family and Medical Leave Benefits Upon Rehiring
- Health Care
- Retirement Provisions
- Education Assistance
- Individual Taxpayer Rebate



Families First Highlights

For details, see
UUA Families First Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_families_first_fact_sheet.pdf

Emergency Paid Sick Leave (April 1 to December 31, 2020)

- **Mandatory Benefit:** Employers **required** to provide 80 hours of additional sick leave (pro-rata for part-time) to employees who are unable to work due to:

Group 1

- 1) An order to quarantine;
- 2) Advice to self-quarantine;
- 3) Experiencing symptoms of COVID-19 and seeking treatment;

Group 2

- 1) Caring for an individual subject to a quarantine order/self-quarantine order;
- 2) Caring for a child whose school or child care provider is closed; or
- 3) Experiencing any other substantially-similar condition specified by HHS

- **Notification:** All employees, full time and part-time, need to be notified of this benefit.
https://www.dol.gov/sites/dolgov/files/WHD/posters/FFCRA_Poster_WH1422_Non-Federal.pdf



Families First Highlights

For details, see
UUA Families First Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_families_first_fact_sheet.pdf

Emergency Paid Sick Leave (April 1 to December 31, 2020)

- **Employers Fully Reimbursed:** Employers qualify for dollar-for-dollar reimbursement, up to the salary caps, through tax credits against employee withholding (explained later).
- **Salary Provisions:**
 - **IF Health/Quarantine-Related (Group 1):** Regular pay rate up to \$511/day or \$5,110 over two weeks.
 - **IF Child-Care Related and/or Care of an Individual Quarantined or Self-Quarantining (Group 2):** 2/3rds of the employee's regular pay rate up to \$200/day (\$2,000 over two weeks)
 - Employers **may pay more**, but the Federal reimbursement through tax credits will not exceed the maximum salary caps.



Families First Highlights

For details, see
UUA Families First Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_families_first_fact_sheet.pdf

Emergency Family and Medical Leave Expansion (April 1 to December 31)

- **Paid FMLA benefit** (generally unrelated to the existing unpaid FMLA law)
- **Mandatory Benefit:** Employers **must provide paid leave**, up to 12 weeks, to employees unable to work, including telework, **due to closure of child's school/daycare** (pro-rata for part-time)
- **Notification:** **All employees, full time and part-time, need to be notified of this benefit.**
- **Partial Leave is possible.** Examples: work 3 days/wk and off 2 days, or work 4 hrs daily and off 4 hours.
- **Initial Two Weeks:** Employers are not required to pay for the initial 10 days; employees may substitute the new Paid Sick Leave provision (previous slide) or accrued vacation/personal/sick time as provided by the employer
- **Existing FMLA vs. Emergency FMLA:** This new provision is unrelated to the unpaid FMLA law. However, employers with 25 or fewer employees are not required to restore employee if conditions have changed.



Families First Highlights

For details, see
UUA Families First Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_families_first_fact_sheet.pdf

Emergency Family and Medical Leave Expansion (April 1 to December 31)

- **Salary Provision:** Employers must pay at least 2/3 of regular wages (up to \$200/day) for up to 10 weeks of family and medical leave under this provision. Maximum, federally reimbursable, salary is \$10,000/per individual under the FMLA and \$12,000 total (including Paid Sick Leave)
- **Salary Beyond the Cap:** Employers **may pay more** than the maximum amounts, but the federal reimbursement through payroll tax credits will not exceed the caps.
- **Tax Credit Reimbursement:** Employers qualify for dollar-for-dollar reimbursement through tax credits against employee withholding.



Families First Highlights

For details, see
UUA Families First Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_families_first_fact_sheet.pdf

Employer Reimbursement for Paid Sick and Paid Family Medical Leave through Tax Credits

- Employers are eligible for 100% federal reimbursement of Paid Sick Leave and Paid Federal Family Medical Leave up to specific limits.
 - *\$5,110/individual for paid Sick Leave for COVID symptoms or quarantine-related compensation*
 - *\$2,000/individual for paid Sick Leave for taking care of a child or individual ordered quantined*
 - *\$12,000/individual for paid FMLA (including \$2,000 for Paid Sick Leave if taken)*
- Tax credits administered by IRS; Employers are reimbursed by taking a credit against the employer share of social security taxes (6.2%); If amount to be refunded is more than owed, then the excess is refunded to the employer
- Tax credits sunset on December 31, 2020



CARES ACT Highlights

For details, see
UUA CARES Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_cares_fact_sheet.pdf

Employee Retention Credit

Allowances that help employers pay their employees

- **Employers obtaining a PPP loan are not eligible for this credit.**
- **Eligibility:** If Employer fully or partially suspends operations due to a government order, or if revenue declines 50% or more compared to the same calendar quarter in 2019
- **Credit: The Maximum reimbursement is \$5,000/employee.** Employers can receive a tax credit equaling **50% of all qualified wages** paid to an employee (whether working or not) between March 13 and December 31, 2020 in each calendar quarter, up to a total of \$10,000 wages per employee for all .
- Credit is against an employer's employment taxes for each quarter, with any excess refunded to the employer.
- **Wages paid to Ministers in the exercise of their ministry are excluded under IRS 3121 because their wages are not subject to FICA**
- **Employers can't include payments under the Paid Sick Leave or Paid Family Medical Leave provisions of the CARES Act.**



CARES ACT Highlights

For details, see
UUA CARES Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_cares_fact_sheet.pdf

Payroll Tax Deferral/Help in Retaining Staff

- The Act creates a “**Payroll Tax Deferral Period**” from March 27 through December 31. Employers may **defer** payment of the “employer share” of Social Security (6.2%)
- 2020 **deferred taxes must be paid** in the following two years – half by December 31, 2021 and half by December 31, 2022)
- **Note: Clergy**, who pay self-employment taxes (SECA), can defer 6.2% of their 15.3% tax obligation, but the Medicare portion along with their “employee” share needs to be paid on time.

The above is separate from the August 8 Executive Order providing the option to defer the employee portion of the Social Security Tax.

We do not recommend implementing this deferral.

See <https://www.uua.org/leadership/library/federal-policies-pandemic>.



Compensation Consultants

Compensation Consultants

- Volunteers trained by our Office
- Regionally based
- Help during transitions – or anytime
- No cost!

<https://www.uua.org/leadership/library/compensation-consultants>

The screenshot shows the 'UUA Compensation Consultants' page on the Unitarian Universalist Association website. The page features the UUA logo, navigation links, and a main heading 'UUA Compensation Consultants'. Below the heading, it states that these consultants are trained volunteers who help congregational leaders with compensation matters. A large graphic of a question mark made of diverse people icons is prominent. The page also lists consultants by region and coverage area, including Nancy Chaddock for Maine and New Hampshire, James Peterson for Massachusetts and Rhode Island, and Sarah Russell. A sidebar on the right includes a 'LeaderLab' section with tips, tools, and trainings for leaders, and a list of posts tagged as 'Leader Resource (188)', 'Webinar (84)', 'Membership Growth & Outreach (76)', and '#COVID19 (74)'.

Resources for Congregations Facing the COVID-19 Pandemic | Donate to the COVID-19 Pandemic Response Fund

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OUR FAITH | AGES & STAGES | CONGREGATIONS & LEADERS | WORSHIP & INSPIRATION | JUSTICE & INCLUSION | ABOUT THE UUA

HOME » CONGREGATIONS & LEADERS » LEADERSHIP DEVELOPMENT » LEADERLAB LIBRARY » UUA COMPENSATION CONSULTANTS

UUA Compensation Consultants

By Jan Gartner
December 5, 2019
SHARE: [Facebook] [Twitter] [LinkedIn] [Email]

We know that learning about staff compensation can be confusing. UUA Compensation Consultants are here to help!

Compensation Consultants are trained volunteers who work under the direction of the Office of Church Staff Finances. Compensation Consultants help congregational leaders understand the UUA Compensation Guidelines and navigate the complexity of ministerial and staff compensation, benefits, and employment agreements.

Our Compensation Consultants are regionally-based and generally cover an assigned geographic area within their region. Sometimes they work across coverage areas, and even across regions, to help each other out and to fill gaps. Consultations often take place via teleconference.

Compensation Consultants by Region and Coverage Area

If you have trouble reaching your assigned Compensation Consultant, if your coverage area is currently unassigned, or if you are unsure of your region or coverage area, please contact Jan Gartner, comp@uua.org, UUA Compensation and Staffing Practices Manager.

New England Region

Nancy Chaddock, nchaddock@uua.org covers:

- Maine
- New Hampshire

James Peterson, jpeterson@uua.org covers:

- Massachusetts except congregations in 413 area code
- Rhode Island

Sarah Russell, srussell@uua.org covers:

LeaderLab

TIPS, TOOLS, AND TRAININGS FOR LEADERS

LEADERLAB

Important Note: LeaderLab is a Learning Community! We welcome your feedback on the evolving resources (please use the email address at the bottom of the page). We especially appreciate feedback on how we can improve resources as part of our commitment to dismantling white supremacy.

POSTS TAGGED AS...

Leader Resource (188) | Webinar (84) | Membership Growth & Outreach (76) | #COVID19 (74) | Competencies for Leadership (68) | Communication (55) | Leadership Development (54) | Mission/Vision/Planning (53) | Healthy Behavior (53) | Governance for Congregations (49) | Styles & Policies (48) | Finance for Congregations (32) | Governing Boards (28) | Video (33) | Change & Conflict (32) | Covenant (29) | Audio Recording (29) | Trauma and Disaster Response (28) | Small Congregations (27) | Staffing & Supervision (27)

ARCHIVES
June 2020 | May 2020 | April 2020

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General Resource

Compensation and Staffing News

- Monthly newsletter (sometimes 2x/month)
- Compensation and personnel matters
- 3 or 4 timely articles
- Links to additional resources

Sign up: <https://www.surveymonkey.com/r/compnewssignup>

Back issues: <https://www.uua.org/offices/staff/mfd/ocsf/publications>



Compensation and Staffing News

UUA Office of Church Staff Finances Mission

Guided by the values of our faith,
we equip congregations for excellence as employers
and their staff for financial competence and well-being.

May 2020

In some email readers, you may need to click on continuation dots to read the entirety of each article.

Setting Salaries in Uncertain Times

UUA Salary Recommendations

Geo Index 3

Music Staff

Notes for interpretation of values:

• Salaries are the suggested range based on an index of decisions, regional survey information, and the

• UUA's current needs and are intended for use as a general guideline only.

• Compensation includes salary and benefits, including employer contributions and employee expenses.

	Small	Medium I	Medium II	Medium III	Large
Min	\$40,000	\$45,000	\$50,000	\$55,000	\$60,000
1st	\$42,000	\$47,000	\$52,000	\$57,000	\$62,000
2nd	\$44,000	\$49,000	\$54,000	\$59,000	\$64,000
3rd	\$46,000	\$51,000	\$56,000	\$61,000	\$66,000
4th	\$48,000	\$53,000	\$58,000	\$63,000	\$68,000
5th	\$50,000	\$55,000	\$60,000	\$65,000	\$70,000
6th	\$52,000	\$57,000	\$62,000	\$67,000	\$72,000
7th	\$54,000	\$59,000	\$64,000	\$69,000	\$74,000
8th	\$56,000	\$61,000	\$66,000	\$71,000	\$76,000
9th	\$58,000	\$63,000	\$68,000	\$73,000	\$78,000
10th	\$60,000	\$65,000	\$70,000	\$75,000	\$80,000

Some of you have inquired about the [2020-2021 UUA Salary Recommendations](#), wondering if we plan to rescind, alter, or postpone their use, given the impacts of the pandemic. We're leaving them as is. A bit of background may help you understand why...

Each fall, we gather wage survey data to help us formulate our Salary Recommendations for the upcoming July-June year. By late November, we're able to share general information about how salaries will change. The annual updates to our recommendations are a reflection of changes in wages that occurred in the previous calendar year. So the charts that get posted in January aren't "forecasting" what we expect for the coming program year, but adjusting for the past.

Our 2020-2021 Salary Recommendations have been posted for several months. Congregations are already using them to plan for '20-21. We recognize that the pandemic has caused financial difficulties and uncertainties, and that some congregations may be having second thoughts about pay increases for staff. We trust that you appreciate the hard work of your staff during these hard days and will make the best decisions you can based on all of the factors. Our [Guide to UUA Salary Recommendations](#) can further help you understand and use the information we provide.

Benefit Plan Eligibility and Employee Changes

Retirement Plan

This is a good time to review your UU Retirement Plan [Employer Participation Agreement](#). Please note:

- Your commitments as an employer cannot be changed in the middle of a Plan year (which is a calendar year).
- Employees eligible for employer contributions *must* receive these contributions. They cannot be declined or



Questions and Thanks!



Keep in touch!

JGartner@uua.org

RNugent@uua.org

