Manse Equity Allowance Guidelines
Presbytery of Charlotte
2000

Definition
A manse equity allowance is payment to a pastor who serves a church which provides a manse in lieu of a housing allowance. This payment is not made directly to the pastor, but to a deferred compensation plan or other account.

Rationale
1. Manses are very desirable for some churches, particularly in rural settings where a pastor would find difficulty in purchasing and selling a home. Yet, the pastor needs an investment for future home ownership.

2. The pastor needs to build equity toward home ownership; otherwise s/he is facing retirement without equity built up in a residence.

Procedure
1. The session of a particular church should, with the pastor, draw up a legal agreement as part of the terms of call. This agreement should outline the terms of the manse allowance, including the amount, what kind of fund money is kept in, etc. The agreement should also indicate that the pastor may not use he allowance unless:

   a. The pastoral relationship is dissolved, or
   b. The pastor buys a home

2. The amount paid may be determined by the equity realized in a 30 year loan. The manse equity should increase as a loan percentage toward equity increase over the years.

3. Cost of living.

4. Withdrawal. The reasons for which a pastor may use the funds are listed above; these reasons are also the only reasons a pastor may make a withdrawal from the allowance fund. If there is a dispute between the session and the pastor regarding withdrawal, however, such dispute shall be settled by the COM, after consultation with the Treasurer of Presbytery.

Tax Implications
The Board of Pensions has indicated that equity allowances are included in “effective salary.”