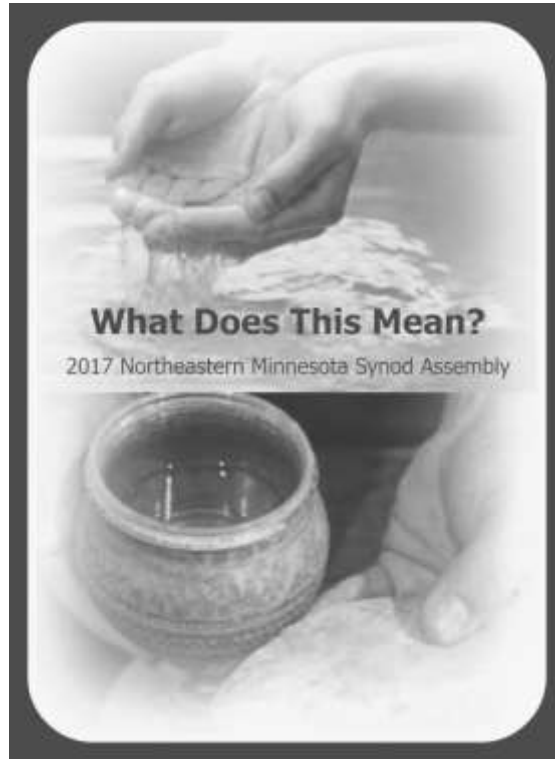


# 2018

## Compensation and Professional Expense Guidelines for Pastors, Deacons, Lay Professionals, Support Staff, and Church Musicians: A Congregational Resource



**Northeastern Minnesota Synod, ELCA**

1105 East Superior Street, Upper Suite

Duluth, Minnesota 55802-2204

218.724.4424

FAX: 218.724.4393

[www.nemnsynod.org](http://www.nemnsynod.org)



## TABLE OF CONTENTS

Table of Contents	1
Letter from the Bishop	3
Introduction: Purpose, Source and Assistance	4
<b>SECTION I: ORDAINED PASTORS</b>	
A.    Base Salary Guidelines	5
B.    Parsonage/Housing Allowance	6
C.    FICA Payments	7
D.    Other Items	7
E.    Vacation, Days Off and Holidays	7
F.    Minimum Compensation Table for Pastors	7
G.    Part Time Staff	7
<b>SECTION II: ROSTERED LAY LEADERS (Deacons)</b>	
A.    Base Salary Guidelines	8
B.    FICA Payments	9
C.    Vacation, Days Off and Holidays	9
D.    Part Time Staff	9
<b>SECTION III: BENEFITS FOR ROSTERED LEADERS</b>	
A.    Pension, Disability, Survivor, Medical/Dental	10
B.    Worker’s Compensation	10
C.    Disability, New Parenting, Sick and Emergency Leave	10
D.    Unemployment Taxes	10
E.    Protocol Regarding Severance for Rostered Leaders	10
<b>SECTION IV: PROFESSIONAL EXPENSE REIMBURSEMENT FOR PASTORS AND OTHER ROSTERED</b>	
A.    Automobile/Work-Related Travel	11
B.    Continuing Education/Sabbaticals (extended study)	11
C.    Books, Periodicals and Other Expenses	12
D.    Church and Synod Sponsored Learning Events	12
<b>SECTION V: INTENTIONAL INTERIM PASTORS, PARTTIME SUPPLY AND PULPIT SUPPLY</b>	
A.    Intentional Interim Pastors/Interim Pastors	12
B.    Sunday Pulpit Supply	12
C.    Other Services	12

**SECTION VI: NON-ROSTERED PROFESSIONAL AND SUPPORT STAFF GUIDELINES**

- A. Salary Guidelines for Non-Rostered Professionals 13
- B. Salary Guidelines for Support Staff 13

**SECTION VII: BENEFITS FOR NON-ROSTERED PROFESSIONAL AND SUPPORT STAFF**

- A. Pension and medical 14
- B. Workers Compensation 14
- C. Sabbatical Policy 14
- D. Vacation and Holidays 14
- E. Unemployment Taxes 14

**SECTION VIII: PROFESSIONAL EXPENSE REIMBURSEMENT FOR NON-ROSTERED PROFESSIONAL AND SUPPORT STAFF**

- A. Automobile 15
- B. Continuing Education 15
- C. Books and Publications 15

**SECTION IX: OTHER CHURCH EMPLOYEES**

- A. Church Musicians 15
- B. Parish Nurse 15

**SECTION X: ADDITIONAL GUIDELINES FOR ALL STAFF**

- A. Annual Review of Salaries 16
- B. Leaves of Absence 16
- C. Job Descriptions 16
- D. Other Items 16

Addendum I: Compensation Worksheet for Rostered Leaders 17

Addendum II: Parsonage Guidelines 19

Addendum III: Selected Resources 20



# Northeastern Minnesota Synod

Evangelical Lutheran Church in America

1105 East Superior Street, Upper Suite • Duluth, Minnesota 55802-2216  
218/724-4424      www.nemnsynod.org      Fax: 218/724-4393

Dear Congregational Leader:

Greetings in the name of Christ! You have accessed the 2018 Compensation Guidelines we adopted at the 2017 Synod Assembly. As your Bishop, I am asking you to follow these guidelines for our rostered and lay leaders who serve in Christ's name and for the sake of the Gospel. Today, as always, our Church expects well-educated and prepared leaders to serve congregations. Today, as always, leaders should also be able to expect their congregations to want to follow these guidelines.

Compensation for our leaders is to reflect salaries and wages similar to comparable positions of responsibility and education outside of the Church. Ordained Ministers of Word and Sacrament and lay rostered leaders Ministers of Word and Service have undergone considerable effort, years of schooling and training, as well as a significant outlay of financial resources to prepare for service in our Church. As a young pastor, I heard stories from my older pastor mentors about how the Church, through congregational giving, paid their entire seminary education cost. Sadly, those days are over.

Today most of our rostered leaders incur considerable educational debt. Together we want to affirm the value of the biblical office to which we call qualified persons to serve in the ELCA and the sacrifices they have made to serve God and neighbor in these public offices. The guidelines for 2018 reflect these core values and we see a 2.5% increase in base salary for those in ministry from 1 – 8 years; a 2.25% increase for those in ministry from 9-16; a 2.0% increase for 17-24 years and an increase of 1.75% for those who have been serving 25+ years.

Aside from salary, other benefits are equally as important to healthy leadership. I encourage you to provide the Gold+ medical/dental plan through the ELCA's Portico Benefit Services for your leaders. If you have questions concerning the various plans offered, please contact Portico directly at [www.porticobenefits.org](http://www.porticobenefits.org). They have trained staff to answer your questions and help you make good decisions.

Please take time to read this document carefully - I believe you will find it useful. THANK YOU for your willingness to partner together so that the Light of Christ shines in its fullness. You are to be commended for your commitment to excellence in ministry!

***“Let the elders who rule well be considered worthy of double honor, especially those who labor in preaching and teaching; for the scripture says, ‘You shall not muzzle an ox while it is treading out the grain.’ and ‘the laborer deserves to be paid.’”***  
***1 Timothy 5:17-18***

Bishop Thomas M. Aitken

## **Introduction**

### ***Purpose***

These guidelines have been thoughtfully prepared to provide a fair and reasonable compensation/benefits expectation for both congregations and rostered leaders. The task force took into account compensation levels of peers in other synods, Christian organizations and local communities. The guidelines, of course, cannot address all the concerns for congregations and leaders, but they provide a baseline for compensation/benefits discussions. A core value for the Northeastern Minnesota Synod is that rostered leaders are to be paid on the basis of experience, training and capability.

Compensation issues result in a partnership between the congregation, clergy and staff, and it is important for all parties to recognize the spirit in which compensation matters are to be addressed. Decisions should be made in such a way that:

- God's mission flourishes.
- Clergy and staff are cherished as servants of God.
- All areas of the congregation's mission thrive.

### ***Source***

The compensation guidelines have been prepared by a task force of volunteers, both lay and rostered. The guidelines are reviewed and adopted by the congregations of the Northeastern Minnesota Synod as they come together at the annual Synod Assembly.

The task force considers many factors in its deliberation for recommendation of the compensation guidelines. The task force gives consideration to economic conditions in the Northeastern MN Synod, the issue of fairness and morale for rostered leaders, the added burden of repaying student debt (average student debt load for seminary trained rostered leaders is approaching \$60,000 or more), statistics regarding federal COLA (Cost of Living Adjustments), Average Income Increase in MN, as well as guidelines for surrounding synods. Based on these factors, the task force recommends an increase in salary for rostered leaders for 2018:

- Years 1– 8 an increase of 2.5%
- Years 9 – 16 an increase of 2.25%
- Years 17 – 24 an increase of 2.0%
- Years 25 plus an increase of 1.75%
- Lay professional/support staff and increase of 2%

### ***Assistance***

Should the leadership of individual congregations request assistance in reviewing these guidelines, the task force will provide the guidance requested. Please contact the Assistant to the Bishop at 218-724-4424 or Mr. Mark Melhus at 218-720-3712.

## SECTION I: ORDAINED PASTORS

### **SALARY/COMPENSATION RECOMMENDATIONS FOR ORDAINED PASTORS**

The following salary grid is intended to allow congregations the ability to meet local economic conditions while recognizing and respecting the office of pastor. The salary ranges reflect a higher percentage increase in the early years due to increased seminary expenses. The base salary guidelines assume full-time ordained ministry and are to be pro-rated for other than full-time.

#### **A. BASE SALARY GUIDELINES**

Years of Experience	Year Ordained	Guidelines	Years of Experience	Year Ordained	Guidelines
Graduate	2018	37,180 – 38,680	18	2000	49,410 – 50,910
1	2017	37,940 – 39,440	19	1999	50,150 – 51,650
2	2016	38,720 – 40,220	20	1998	50,890 – 52,390
3	2015	39,500 – 41,000	21	1997	50,650 – 52,150
4	2014	40,270 – 41,770	22	1996	50,890 – 52,390
5	2013	41,040 – 42,540	23	1995	51,610 – 53,110
6	2012	41,830 – 43,330	24	1994	52,340 – 53,840
7	2011	42,600 – 44,100	25	1993	52,930 – 54,430
8	2010	43,370 – 44,870	26	1992	53,600 – 55,100
9	2009	44,020 – 45,520	27	1991	54,320 – 55,820
10	2008	44,810 – 46,310	28	1990	54,940 – 56,440
11	2007	44,600 – 46,100	29	1989	55,750 – 57,250
12	2006	45,020 – 46,520	30	1988	56,450 – 57,950
13	2005	45,770 – 47,270	31	1987	57,120 – 58,620
14	2004	46,530 – 48,030	32	1986	57,790 – 59,290
15	2003	47,280 – 48,780	33	1985	58,460 – 59,960
16	2002	48,020 – 49,520	34	1984	59,120 – 60,620
17	2001	48,640 – 50,140	35	1983	59,790 – 61,290

#### **IN ADDITION TO BASE SALARY ORDAINED PASTORS RECEIVE:**

- Housing Allowance or Parsonage (see pg. 6)
- Employers Share of Social Security Tax (FICA) (see pgs. 7 & 9)

## **OTHER CONSIDERATIONS FOR DETERMINING SALARY:**

- **Career Experience** - if the pastor had a prior calling/career before coming to ordained ministry, the value of those experiences should be considered. An example would be to calculate the years of experience prior to ordination at the rate of ½ year for each year of experience, up to a maximum of 10 years. In this example, a newly ordained clergy with 10 years of other career experience should be considered to be at a 5 years guideline level.
- **Additional Earned Degrees** - consideration should be given to those pastors who have earned additional master's or doctorate degrees. The recommendation is \$500 - \$1000 for each additional degree.
- **Supervisory Responsibilities** - an additional \$500 - \$1000 should be considered if the pastor is supervising staff.
- **Merit Increase** - based on performance evaluation.
- **Seminarian Debt Load** - consideration should be given to an educational debt load reduction for pastors carrying considerable debt from preparing for public ministry at a seminary.
- **Cost of Living Adjustment** - for those whose current years of experience or salary is ABOVE the guidelines.

### **IF SALARY IS LESS THAN GUIDELINES:**

Pension should be paid according to the average salary for years of experience.

Consideration should be given to additional vacation time or personal leave valued at not less than 2% of weekly compensation. Every effort should be made by congregations below the guidelines to move toward the guidelines.

#### **A. PARSONAGE/HOUSING ALLOWANCE (*see also Addendum II*)**

##### **1. PARSONAGE**

If a congregation is providing a parsonage, the congregation is to assume all costs for maintenance and utilities. The congregation should pay these costs directly. In a parish with a parsonage, the pastor does not have the option of owning a home which builds equity. It is recommended that those congregations providing a parsonage contribute toward a special 'Housing Equity' program. It is recommended that 3% of the pastor's defined compensation should be applied each year to this fund. The 'Housing Equity' funds are to be invested as determined by the church council and the pastor - the Optional Pension Plan of Portico Benefit Services is a suitable option for housing equity funds. For purposes of FICA, a value is assigned to the parsonage (generally 30% of salary).

##### **2. HOUSING ALLOWANCE**

If no parsonage is available, the pastor is to be given a housing allowance which is to be designated each year as negotiated by pastor and council. The housing allowance figure to be used is **30% of base salary and is added to base salary**. If a clergy couple, each pastor is entitled to a housing allowance. The pastor declares a housing allowance figure for their tax purposes at the beginning of the year. For example, if Pastor A has a base salary of \$40,000, the amount of housing will be \$12,000 (30% of base salary) for a total of \$52,000. If the pastor wishes to designate an amount for housing other than the 30% (rationale is needed for IRS purposes) it must be voted on by the church council. For example, if Pastor A provides rationale that \$20,000 better reflects his/her housing costs and the council approves, then salary would be listed at \$32,000 and housing at \$20,000 for a total of \$52,000.



**C. FICA PAYMENTS**

Since the IRS classifies pastors as self-employed for Social Security purposes, congregations are expected to reimburse pastors for the employer’s share of FICA (current rate for employers share is 7.65% of base salary and parsonage/housing allowance). For example, if Pastor A has a salary of \$40,000 and a housing allowance of \$12,000 for a total of \$52,000, the congregation should reimburse the pastor \$3,978 for FICA purposes (7.65% of \$52,000). Congregations are to be reminded that they are to file **W2 tax forms** for clergy.

**D. OTHER ITEMS**

Should a pastor desire to have a portion of compensation designated as a **furnishing allowance** that amount is to be determined by the church council. This is not an added expense to the congregation, but a tax benefit to the pastor. Congregations must approve, prior to the start of the fiscal year, allowances for housing, furnishing, utilities in order for these to be excluded from income for IRS reporting.

**E. VACATION, DAYS OFF AND HOLIDAYS**

Pastors are expected to receive and use four weeks of vacation per year (including Sundays). The cost of pulpit supply is to be paid for and arranged by the congregation. Vacation time is to be used within the calendar year and not accumulated except by special agreement with the church council.

Time spent in outdoor ministries and retreats with congregational youth and family groups, or work with conference, synodical or churchwide committees is not to be considered vacation time or continuing education leave.

At least one full day and preferably two days free of church responsibilities should be provided each week. When holidays or days off are missed these should be taken at another time.

Consideration should be given to granting a pastor quarterly personal leave weekends off in addition to annual vacation. After 15 years of service, consideration should be given to granting the pastor a fifth week of vacation.

**F. MINIMUM COMPENSATION TABLE FOR PASTORS**

The expectation for minimum compensation for clergy includes **base salary, parsonage or housing allowance and reimbursement for the employer’s share of FICA**. Following is an example for figuring compensation.

	<u>2018 Annual Range</u>	<u>Factor</u>
Graduate	37,180 - 38,680	
Housing Allowance	11,154 - 11,604	30%
FICA Reimbursement	3,698 - 3,847	7.65%
<b>Minimum Compensation</b>	<b>52,032 - 54,131</b>	
15 Years of Service	47,280 - 48,780	
Housing Allowance	14,184 - 14,634	30%
FICA Reimbursement	4,702 - 4,851	7.65%
<b>Minimum Compensation</b>	<b>66,166 – 68,265</b>	

**REMINDER: The minimum compensation figure does not include medical/dental/pension benefits (see page 10).**

**G. PART TIME STAFF**

Part time rostered staff should have consideration for salary and benefits corresponding to a percentage of full-time salary and benefits package.

**SECTION II: OTHER ROSTERED LEADERS**

**SALARY/COMPENSATION RECOMMENDATIONS FOR DEACONS**

**A. BASE SALARY GUIDELINES**

The following grid is intended to assist congregations in determining salary for Deacons as defined by the ELCA within the context of the Northeastern MN Synod. Deacons are Ministers of Word and Service, have a bachelor’s degree and a required level of certification from the ELCA. Part time rostered leaders are to have consideration for salary and benefits corresponding to the percentage of time called.

Years of Experience	Year Coms’d/ Cons’d	Guidelines	Years of Experience	Year Commissioned/ Consecrated	Guidelines
Graduate	2018	37,180 – 38,680	18	2000	49,410 – 50,190
1	2017	37,940 – 39,440	19	1999	50,150 – 51,650
2	2016	38,720 – 40,220	20	1998	50,890 – 52,390
3	2015	39,500 – 41,000	21	1997	50,650 – 52,150
4	2014	40,270 – 41,770	22	1996	50,890 – 52,390
5	2013	41,040 – 42,540	23	1995	51,610 – 53,110
6	2012	41,830 – 43,330	24	1994	52,340 – 53,840
7	2011	42,600 – 44,100	25	1993	52,930 – 54,430
8	2010	43,370 – 44,870	26	1992	53,600 – 55,100
9	2009	44,020 – 45,520	27	1991	54,320 – 55,820
10	2008	44,810 – 46,310	28	1990	54,940 – 56,440
11	2007	44,600 – 46,100	29	1989	55,750 – 57,250
12	2006	45,020 – 46,520	30	1988	56,450 – 57,950
13	2005	45,770 – 47,270	31	1987	57,120 – 58,620
14	2004	46,530 – 48,030	32	1986	57,790 – 59,290
15	2003	47,280 – 48,780	33	1985	58,460 – 59,960
16	2002	48,020 – 49,520	34	1984	59,120 – 60,620
17	2001	48,640 – 50,140	35	1983	59,790 – 61,290

**IN ADDITION TO BASE SALARY OTHER ROSTERED LEADERS RECEIVE:**

- Employer’s share of Social Security Tax (FICA) (see pg. 6C)

**OTHER CONSIDERATION FOR DETERMINING SALARY:**

- **Career Experience** - If the rostered leader had a prior calling/career before becoming an Deacon, the value of those experiences should be considered.
- **Additional Earned Degrees** - consideration should be given to those rostered leaders who have earned master’s or doctorate degrees. The recommendation is \$500 - \$1000 for additional degrees.
- **Supervisory Responsibilities** - and additional \$500 - \$1000 should be given if rostered leader is supervising staff.
- **Merit Increase** - based on performance evaluation.
- **Cost of Living Adjustment** - for those whose current years of experience is ABOVE guidelines.

**IF SALARY IS LESS THAN GUIDELINES:**

- Pension should be paid according to the average salary for years of experience.
- Consideration should be given to additional vacation time/personal leave time.
- *Every effort should be made by congregations below guidelines to move toward guidelines.*

**B. FICA PAYMENTS**

Congregations are required to pay employer’s portion of the Social Security taxes and file W2 tax forms for other rostered employees.

**C. VACATION, DAYS OFF AND HOLIDAYS**

1. Vacation with full pay is to be provided in the following way:  
 For service less than one year.....5/6 of a day/month  
 Years 1 – 5.....Two work weeks  
 Years 6-10 .....Three work weeks  
 Years 11 – Over .....Four work weeks

Determining ‘service years’ is to be based on the number of years the rostered leader has worked in congregations, units of the ELCA and work experience outside of the Church.

2. Rostered Lay Leaders (Deacons) whose work includes regular Sunday involvement should also be granted quarterly personal leave weekends in addition to the annual vacation.
3. Rostered Lay Leaders (Deacons) should also receive time off with pay on holidays. Those who perform essential service on the holiday may arrange for other time off. Following are some of the holidays to be considered:

- |                      |                             |
|----------------------|-----------------------------|
| New Year’s Day       | Labor Day                   |
| Good Friday          | Thanksgiving Day            |
| Memorial Day         | Christmas Day               |
| Fourth of July       | Martin Luther King, Jr. Day |
| President’s Day      | Easter Sunday               |
| One Personal Day/Yr. |                             |

**D. PART TIME STAFF**

Part time rostered staff should have consideration for salary and benefits corresponding to a percentage of a full time salary and benefits package.

### **SECTION III: BENEFITS FOR ROSTERED LEADERS**

#### **A. PENSION, DIABILITY, SURVIVOR, MEDICAL/DENTAL**

The congregation shall budget for and participate in the ELCA Pension, Disability, Survivor and Medical/Dental plan for ordained pastors, other rostered personnel (AiM's, Deaconesses, Diaconal Ministers) and families as needed. Congregations are to refer to the Portico Benefits Services website at [www.porticobenefits.org](http://www.porticobenefits.org) to access calculators and information. Click on 'Employer Link for Treasurers and Benefits Administrators' and under 'Resources' for the calculator that can assist in determining the benefits package.

The ELCA Church Council recommends a minimum pension contribution of 10%. The Synod Council of the Northeastern Minnesota Synod recommends that congregations move toward a pension contribution of 12%. If salary is under guidelines, it is recommended that pension be paid at the 'Years of Experience' salary guideline.

#### **B. WORKER'S COMPENSATION**

All congregations must provide Worker's Compensation coverage for employees.

#### **C. DISABILITY, NEW PARENTING, SICK AND EMERGENCY LEAVE**

- **Permanent Disability:** It is recommended that each congregation develop explicit written policy relating to permanent disability.
- **Temporary Disability:** It is expected that a congregation will continue to pay full salary, housing (for ordained), and benefit contributions for the first 60 days of temporary disability (accident, illness, surgery etc.), after which, if needed, the temporary disability of the Portico Benefits plan begin. The congregation should thereafter pay the cost of the medical insurance for up to 10 months. Any period of disability (beginning date, length and return to service) is to be based on a physician's recommendation.
- **Sick Leave:** One day sick leave for each month of employment cumulative to 30 days.
- **Maternity or Adoptive Leave:** The recommendation for women is six weeks leave with full salary, housing (for ordained), and benefits. A two week parenting leave for fathers is recommended.
- **Emergency Leave:** Absence of three days due to a death in the immediate family is normally permitted. 'Immediate family' is defined as spouse, parents, siblings, children, in-laws, grandparents and grandchildren.

#### **D. UNEMPLOYMENT TAXES**

Federal and state tax law generally exempts churches from this requirement for rostered leaders since theirs is a service performed in the employ of a religious organization.

#### **E. PROTOCOL REGARDING SEVERANCE BENEFITS FOR ROSTERED LEADERS**

If it becomes necessary to examine the possibility of a rostered leader leaving a congregation for the sake of the health of the congregation and/or the rostered leader, the congregation's council is to consult with the Bishop regarding the matter and, if necessary, request the Memorandum of Understanding for Transitional Support of the Northeastern Minnesota Synod.

**SECTION IV: PROFESSIONAL EXPENSE REIMBURSEMENT**  
**FOR PASTORS & OTHER ROSTERED**

**A. AUTOMOBILE/WORK-RELATED TRAVEL**

Automobile expense and other work-related travel are a business expense for the congregation and should not be considered as part of the rostered person's salary or benefits if reimbursed under an accountable plan. Automobile allowance should be sufficient to cover all parish related car expenses including depreciation. Currently, there are three methods for handling car expense reimbursement. They are as follows:

- Congregation reimburses for actual miles driven at the IRS allowance rate per mile.
- Congregation pays a determined amount as a car allowance on an annual basis. This rate should reflect actual costs including depreciation.
- Congregation purchases or leases a car and assumes the total automobile expense. If personal use of church owned automobile is allowed, the value of personal use must be considered additional salary and reported as wages on the W2 or the employee may reimburse the church for personal use amount

The IRS requires accurate records to support automobile expenses incurred in connection with parish related travel. Each person is responsible for maintaining adequate records. The method of reimbursement is to be determined at the time of the call and reviewed annually.

**B. CONTINUING EDUCATION/SABBATICALS (*extended study*)**

The Lutheran Church has a history of an educated and well-trained staff. The congregation should expect their pastor/other rostered to be involved in continuing education programs which will provide opportunity for personal development, enrichment of devotional life, as well as growth in effectiveness and competency. Continuing education should be regarded as an essential on-going process which assists in maintaining and sharpening the professional skills required in a rapidly changing world.

Continuing education is to be distinguished from program development, vacation or synod assembly or other synod sponsored learning events. Continuing education is for self-renewal and professional growth. The congregation will benefit from rostered leader's use of continuing education. It is therefore suggested that the continuing education program be mutually studied and agreed upon by the pastor/other rostered and the council. Continuing education may involve independent study, seminary classes, workshops or educational materials, etc.

***Recommendations for continuing education are as follows:***

- **Yearly Continuing Education:** It is expected that the pastor/other rostered be granted at least two weeks and \$1,000/yr. cumulative up to three years. It is recommended that at least one week/yr. is used. The ELCA expects a minimum of 25 contact hours (50 minute classroom instructional session or equivalent) annually in continuing education.
- **Sabbatical (*extended study*):** The pastor/other rostered shall be eligible to take a sabbatical after serving seven years in ministry and every seven years thereafter. Years spent in other synods are to be counted. Pastors/other rostered shall not be eligible for a sabbatical until they have served in their present call at least two years even if they have been in ministry seven years or longer.
- *Participants granted sabbatical leave are expected to return to their parishes for at least a year after the leave unless there are compelling reasons to do otherwise.*
- The recommended time for sabbatical is three months away from the parish. Vacation time is not included as sabbatical - it is granted as in any other year. Variations from the three month recommendation are to be approved by both the congregation and in consultation with the Bishop.
- During the sabbatical, at least 75% of the current base salary is to be received by the rostered leader, 100% of the housing allowance (for ordained), 50% of the car allowance and 100% of pension/ medical/ dental benefits; all other benefits remain unaffected. Congregations that make provision to continue salary at 100% are to be commended.

**C. BOOKS, PERIODICALS AND OTHER EXPENSES**

Professional expenses such as books, periodicals, educational materials and other business related expenses should be shared by the congregation and pastor/other rostered. This should be negotiated between the rostered personnel and the congregation.

**D. CHURCH AND SYNOD SPONSORED LEARNING EVENTS**

Synod Assembly, the Fall Theological Conference, First Call Theological Education events and other Church and Synod sponsored learning events are not to be considered vacation time or educational leave. Work on conference, synod or churchwide committees also is not to be considered as vacation time or educational leave. Rostered leaders are *expected* to participate in these activities and congregations are *encouraged* to work with clergy to pay for these expenses.

**SECTION V: INTENTIONAL INTERIM PASTORS**  
**PART-TIME SUPPLY/PULPIT SUPPLY**

**A. INTENTIONAL INTERIM PASTORS/INTERIM PASTORS**

Interim clergy serving a congregation should be compensated as agreed upon by the pastor and church council(s) involved. Recommendations are as follows:

- **Full-time Interim Pastors:**  
*Compensation should be on the basis of the previous pastor's salary. It should not be less than the guidelines for seminary graduates.*
  1. Parish supplies housing for pastor and family, if need be.
  2. Benefits should be included in the compensation package.
  3. Auto allowance should be paid by the parish. Congregations are encouraged to cover the cost of at least one round trip weekly from home for the pastor serving them during the interim period.
  4. Interim calls may be issued by the Synod Council.
- **Part-time Interim Pastor:**
  1. Compensation will be proportionate to the base salary, benefits and automobile allowance of a full-time pastor.

**B. SUNDAY PULPIT SUPPLY**

A single congregation or multi-point parish should reimburse a pulpit supply person at the rate of \$135 for a single worship service; each additional worship service should be compensated at a rate of \$35. If a class/adult forum is taught on Sunday another \$30 should be added. Mileage should be paid at the IRS approved rate.

In the event the pulpit supply person is asked to preach at two separate congregations on the same day, each congregation shall be responsible for appropriate reimbursement.

**C. OTHER SERVICES (weddings, funerals etc.)**

The pastor should receive the prevailing rate in the community for such services. If the pastor does not receive this amount from the family, the congregation should pay it to the pastor.

**SECTION VI: NON-ROSTERED PROFESSIONAL AND SUPPORT STAFF GUIDELINES**

**Non-rostered Professionals** are those who have a degree, specialized training or certification as a Parish Worker, Youth Director, Parish Education Director, Volunteer Coordinator, Executive Assistant etc. Compensation should be comparable to local positions with similar duties, education and responsibilities. The following salary guidelines are based on an assumption of 40 hours/week, 52 weeks/year.

**A. SALARY GUIDELINES FOR NON-ROSTERED PROFESSIONALS**

<u>Yrs. Of Service</u>	<u>Salary Range</u>	<u>Yrs. Of Service</u>	<u>Salary Range</u>
0	33,290 – 34,790	8	39,230 – 40,730
1	34,030 – 35,530	9	40,000 – 41,500
2	34,770 – 36,270	10	40,740 – 42,240
3	35,530 – 37,030	11	41,490 – 42,990
4	36,270 – 37,770	12	42,240 – 43,740
5	37,070 – 38,570	13	42,980 – 44,480
6	37,780 – 39,280	14	43,730 – 45,230
7	38,510 – 40,010	15	44,490 – 45,990

Beyond 15 years congregations should negotiate with staff member to arrive at a salary commensurate with the nature of the position.

Part-time employment should be pro-rated on the basis of the salary guidelines. This can be done by dividing the above salary by 2080 hours and then multiplying the hourly rate by the number of hours worked. For example...a beginning employee providing 20 hours of service would be \$33,290 divided by 2080 which equals \$16/hr. The calculation for 20 hours would be \$16 multiplied by 20 equaling \$320.10/week.

**B. SALARY GUIDELINES FOR SUPPORT STAFF**

**Support Staff** are those who provide necessary services to allow ministry to proceed effectively and efficiently. Support staff includes secretary, custodian, treasurer, financial secretary etc. Compensation should be comparable to local positions with similar duties, education and responsibilities. If special training or certification is required and/or achieved that should be a consideration in determining compensation. State and Federal Minimum Wage Laws would supersede this guideline.

<u>Yrs. of Service</u>	<u>Per Hour Range</u>	<u>Yrs. of Service</u>	<u>Per Hour Range</u>
1	10.25 – 11.00	13	13.45 – 14.20
2	10.50 – 11.25	14	13.80 – 14.55
3	10.75 – 11.50	15	14.10 – 14.85
4	11.05 – 11.80	16	14.40 – 15.15
5	11.25 – 12.00	17	14.70 – 15.45
6	11.50 – 12.25	18	15.00 – 15.75
7	11.80 – 12.55	19	15.35 – 16.10
8	12.00 – 12.75	20	15.65 – 16.40
9	12.30 – 13.05	21	16.00 – 16.75
10	12.55 – 13.30	22	16.30 – 17.05
11	12.85 – 13.60	23	16.60 – 17.35
12	13.15 – 13.90	24	16.95 – 17.70

Beyond 24 years, congregations should negotiate with the staff member to arrive at a salary commensurate with the nature of the position. Part-time employment should be paid based on the hourly rate. *It is also to be noted that compensation should not be less than the federal minimum wage standard.*

## **SECTION VII: BENEFITS FOR NON-ROSTERED PROFESSIONAL & SUPPORT STAFF**

### **A. PENSION AND MEDICAL**

Pension and Other Benefits: Pensions and major medical benefits plans of the ELCA ([www.porticobenefits.org](http://www.porticobenefits.org)) are highly recommended for all non-rostered persons employed by congregations, except those who are on a part-time basis (20 hours or less/week) or who work less than six months out of the year.

- **Sick Leave:** One day per month, cumulative to 30 days, is recommended for sick leave. In the event of serious illness, and if the employee is covered by Portico Benefits, the congregation shall assume responsibility for providing full salary benefits for the first two months of the illness as which time the Portico disability plan could take effect.
- **Parenting Leave:** Maternity or adoptive leave for women employees is recommended with full salary and benefits for six weeks. A one to two week parenting leave is recommended for fathers.
- **Emergency Leave:** Three day absence due to death in the immediate family is normally permitted. Immediate family includes spouse, parents, children, siblings, in-laws, grandparents and grandchildren.

### **A. WORKERS COMPENSATION**

All congregations must provide Workers Compensation coverage for employees.

### **B. SABBATICAL POLICY FOR NON-ROSTERED PROFESSIONALS**

After every seven years of service in a qualified position, the Northeastern Minnesota Synod recommends that full-time staff be granted a sabbatical of up to two months with full pay in lieu of the recommended continuing education time for the year. *The staff member would be expected to return to their present position for at least one year following the sabbatical.*

### **C. VACATION AND HOLIDAYS**

1. Recommendations for vacation for full-time non-rostered professionals and support staff are:

- For service less than one year: 5/6 of a day/month
- Years 1-5: Two work weeks
- Years 6-10: Three work weeks
- Year 11 and over: Four work weeks

The work week is based on the number of days worked per week i.e. if a person works two days/week, then two work weeks of vacation would be four days. **Service years** are cumulative including employment in previous congregations or units of the ELCA. Consideration should also be given for employment in closely related fields.

2. Staff whose services are not essential on holiday work days shall receive time off with pay. Those who perform essential service may arrange for other time off. Following are holidays to be considered:

New Year's Day	Martin Luther King, Jr. Day	President's Day
Good Friday	Easter Sunday	Memorial Day
Fourth of July	Labor Day	Thanksgiving Day
Christmas	One personal day per year	

3. Personal leave of one to three days may be given depending upon circumstances.

### **E. UNEMPLOYMENT TAXES**

Federal and state tax law generally exempts churches from this requirement as service performed in the employ of a religious organization.



**SECTION VIII: PROFESSIONAL EXPENSE REIMBURSEMENT FOR  
NON-ROSTERED PROFESSIONAL AND SUPPORT STAFF**

**A. AUTOMOBILE**

Non-rostered staff, that are expected to drive their cars for job functions, should be reimbursed in the same manner as recommended for rostered leaders (pg. 11).

**B. CONTINUING EDUCATION**

Retreat, workshop or continuing education time is to be regarded as professional growth time and not vacation. It is recommended for full-time staff that up to \$350 and one week per year be provided for continuing education as appropriate to the job function i.e. a computer class for an office secretary etc.

**C. BOOKS AND PUBLICATIONS**

Congregations are encouraged to provide non-rostered staff with funds to purchase books and professional publications related to their area of responsibility as a way of enriching the congregation's ministry.

**SECTION IX: OTHER CHURCH EMPLOYEES**

**A. CHURCH MUSICIANS**

**1. Salary Guidelines**

Compensation should be comparable to local positions with similar duties, education and responsibilities. The Association of Lutheran Church Musicians provides guidelines for compensation of church musicians. These guidelines can be found at [www.alcm.org](http://www.alcm.org) .

**2. Vacation**

Vacation recommendation for full-time and part-time church musicians is as follows (prorated for part-time):

- For service less than one year                      5/6 of a day/month
- Years 1 – 5    Two work weeks
- Years 6 – 10    Three work weeks
- Years 11 – over    Four work weeks
- See page 15 for determining part-time vacation.

**3. Expense Reimbursement**

Congregations should also consider compensation for worship conferences, music/books/subscriptions and continuing education.

**B. PARISH NURSE**

**1. Salary Guidelines**

Compensation should be comparable to local positions with similar duties, education and responsibilities. Sources to help congregations to establish fair compensation would be the Parish Nursing Center, Concordia College, Moorhead, MN or the Parish Nurse Association in St. Paul, MN.

**2. Benefits**

Benefits should be provided to the Parish Nurse in the same manner as those provided to other Non-rostered Professional and Support Staff personnel (pgs. 15-16)

**Business and Automobile Expenses**

Professional expenses for workshops, books/subscriptions and continuing education are to be negotiated between the congregation and the parish nurse. Business mileage is to be reimbursed at the standard IRS mileage allowance rate.

## **SECTION X: ADDITIONAL GUIDELINES FOR ALL STAFF**

### **A. ANNUAL REVIEW OF SALARIES**

All salaries/compensation shall be reviewed annually. This shall be done by the personnel committee or church council. Each staff member shall participate in his/her salary review.

Salary adjustments are to be made on the basis of current year synod guidelines, review of job performance in relationship to job descriptions/ ministry goals and COLA (cost of living adjustment).

The church council shall be responsible for presenting with appropriate rationale the salary/compensation package to annual meeting of the congregation.

### **B. LEAVES OF ABSENCE**

Leaves of absence without pay may be granted for up to six months for a variety of circumstances i.e. illness, marriage, parenting issues, primary caregiver etc. This will not be considered time of employment for salary increment and benefits.

### **C. JOB DESCRIPTIONS**

Well-defined job descriptions should be provided to all staff (*rostered and non-rostered*) and should be reviewed on a regular basis.

### **D. OTHER ITEMS**

Congregations and staff may encounter other areas not included in these guidelines - synod staff might be of assistance as council/rostered and non-rostered leaders seek resolution.

It is recommended that congregations review their need for **professional liability insurance** with their insurance agent.

**ADDENDUM I**

**COMPENSATION WORKSHEET FOR ROSTERED LEADERS**

This worksheet is designed to assist congregations build a compensation package for pastors and other rostered leaders using the synod guidelines. Page numbers of the Compensation and Professional Expense Guidelines are referenced.

‘Defined Compensation’ is the figure that Portico ([www.porticobenefits.org](http://www.porticobenefits.org)) uses to calculate pension, medical/dental, disability and administration. Defined compensation for pastors includes salary, housing, FICA allowance - please access the Portico website for calculating defined compensation for pastors with parsonages.

**The compensation package includes Defined Compensation + Benefits** (does not include professional expenses)

**Name of pastor/other rostered**

**Year**

	This Year	Guidelines	Proposed
<b><u>Taxable Income</u></b>			
Base Salary (pg. 5 & 9)	\$ _____	\$ _____	\$ _____
Housing Allowance (pg.7) <b>(if parsonage is NOT provided)</b>	\$ _____	\$ _____	\$ _____
FICA Reimbursement (pg. 7 & 9)	\$ _____	\$ _____	\$ _____
Furnishing Allowance (pg. 7) <b>(if parsonage IS provided)</b>	\$ _____	\$ _____	\$ _____
Utility Allowance <b>(if not paid by congregation)</b>	\$ _____	\$ _____	\$ _____
<b>TOTAL SALARY</b>	\$ _____	\$ _____	\$ _____

.....  
**Benefits**

Housing Equity (pg. 6) <b>(when parsonage is provided)</b>	\$ _____	\$ _____	\$ _____
Pension (pg. 11)	\$ _____	\$ _____	\$ _____
Medical/Dental (pg.11)	\$ _____	\$ _____	\$ _____
Supplemental Medical/	\$ _____	\$ _____	\$ _____
Dental	\$ _____	\$ _____	\$ _____

Disability/Survivor Plan (pg. 11)	\$ _____	\$ _____	\$ _____
Administration	\$ _____	\$ _____	\$ _____
Other	\$ _____	\$ _____	\$ _____
<b>TOTAL BENEFITS</b>	\$ _____	\$ _____	\$ _____

<b>PACKAGE TOTAL (salary &amp; benefits)</b>	\$ _____	\$ _____	\$ _____
--	----------	----------	----------

\*\*\*\*\*

**Professional Expenses**

Automobile (pg. 12)	\$ _____	\$ _____	\$ _____
Continuing Education (pg. 13)	\$ _____	\$ _____	\$ _____
Books, Periodicals and Other expenses (pg. 14)	\$ _____	\$ _____	\$ _____
<b>TOTAL FEES</b>	\$ _____	\$ _____	\$ _____

\*\*\*\*\*

**Non-financial Items**

Vacation Time (pg. 7 & 10)	_____ weeks	_____ weeks	_____ weeks
Additional Sundays Off (pg. 8)	_____ days	_____ days	_____ days
Continuing Education (pg. 13)	_____ weeks	_____ weeks	_____ weeks
Other	_____ weeks	_____ weeks	_____ weeks

## ADDENDUM II

### PARSONAGE GUIDELINES

A parsonage is a home provided by the congregation for its pastor(s). The pastor does not choose but rather accepts the parsonage as part of the call to a congregation. The parsonage is an expression of the hospitality of the congregation and therefore needs care and attention. The pastor and family may appreciate the parsonage as part of the compensation; however, the pastor forfeits the building of equity in a home and therefore providing an equity allowance is important.

#### **IN PROVIDING A PARSONAGE THE CONGREGATION AGREES TO:**

- Provide the parsonage without cost to the pastor - utilities are to be paid by the congregation including electricity, fuel, soft water service, telephone (except personal long distance calls)
- Provide for regular oversight and repair of the parsonage by designating members who will meet with the pastor/family in regards to repairs, remodeling, maintenance and redecorating. The pastor/family should not be expected to come to the church council and make appeals.
- Not expect the pastor to do major repairs or capital improvements.
- Provide stove, refrigerator, dishwasher, cable/satellite TV, window coverings, light fixtures, flooring, paint, wallpaper, soft water system (*if needed*), humidifier/dehumidifier (*if needed*)
- Provide for the care of grounds - the upkeep of the yard is the congregation's responsibility unless negotiated otherwise.
- Respect the privacy of the pastor/family.
- Provide suitable garage space for cars - normally this would be space for two vehicles.

**NOTE:** Before a pastor moves into a parsonage it should be thoroughly cleaned and there should be an expectation that some redecoration may be necessary. In addition, parsonage maintenance should be listed as a separate line item in the annual budget with a clear understanding of who has the authority to spend budgeted items

#### **IN ACCEPTING A PARSONAGE A PASTOR WILL:**

- Respect and care for the parsonage, exercising good stewardship.
- Report emergency concerns regarding the parsonage to designated overseers.
- Pay for any damage done to a home as a result of negligence.
- Leave the parsonage clean when moving.

**NOTE:** The pastor and congregation should reach agreement on these items as the call is finalized.

## **ADDENDUM III**

### **SELECTED RESOURCES**

Callahan, Kennon L. Twelve Keys to an Effective Church  
San Francisco: Harper 1983

Congregational LEADER Series Pastor and People - Making Mutual Ministry Work  
Minneapolis: Augsburg Fortress 2003

Hammar, Richard R. Church & Clergy Tax Guide  
Matthews, NC: Christian Ministry Resources  
(order on-line for appropriate year - [www.CLTStore.com](http://www.CLTStore.com))

Kiplinger Tax Letter - a bi-weekly perspective (order on-line)