

Western Iowa Synod Compensation and Care Guidelines

Tools for Discerning Appropriate Compensation and
Care for Rostered Leaders



2024



**Evangelical Lutheran
Church in America**

God's work. Our hands.

WESTERN IOWA SYNOD ELCA

2024 Compensation and Care Guidelines

Tools for Discerning Appropriate Compensation and Care for Ministers of Word and Sacrament, Ministers of Word and Service and Lay Leaders

Annually our congregations and rostered leaders¹ engage in conversation on salaries and other related matters. These compensation and care guidelines are presented as a tool for congregations and rostered leaders to use together so that compensation and care decisions can be made in a way that God's mission flourishes, rostered leaders are cherished as servants of God, there is a sense of faithful partnership between church members and rostered leaders, and all areas of the church's ministry thrive. The tone and quality of the conversation surrounding compensation matters may be as important as the outcome of such conversations. This only works well if compensation and care are determined with the mutual interests represented fairly. Rostered leaders are encouraged to focus on the privilege of serving Christ and congregations are encouraged to be as generous as possible in supporting their rostered leaders, with each looking out for the good of the other.

Each year our synod committee reviews our guidelines. This effort includes a study of what other synods are doing, economic climate, inflation, etc. These guidelines are reviewed and approved by the synod council and our synod assembly and offered to congregations. We are all committed to meeting the needs of our leaders and our parishes in the ELCA. Our goal is that we are fair to all and that the mission of the church is furthered. It is in this hope that these various tools are offered. As a synod we are open to new ideas or ways to improve these existing tools.

As we believe in the ministry of all the baptized, we also train and call persons to specific ministries such as rostered leaders:

“This church affirms the universal priesthood of all its baptized members. In its function and its structure this church commits itself to the equipping and supporting of all its members for their ministries in the world and in this church. It is within this context of ministry that this church calls or appoints some of its baptized members for specific ministries in this church.” (ELCA Constitution 7.11)

We understand the term “rostered leader” refers to a person who is on the roster of ministers of Word and Sacrament (ordained pastors) or the roster of ministries of Word and Service (consecrated deacons). The call lays out the expectations on the part of the rostered leader and the congregation. Call committees and synod staff are intentional about what is presented in the initial call. Experience shows that the process of discerning compensation and care can be different in the yearly reviews that follow. Therefore, a variety of tools may be needed or considered. Flexibility in determining these benefit packages is important as the rostered leader and the congregation works through the process. Consideration should also be taken as it relates to the “The Wholeness Wheel.” The wholeness wheel illustrates that wellness is multi-dimensional which is made up of spiritual, vocational, intellectual, emotional, physical, social, and financial dimensions of wellbeing. Each of these areas contribute to the spiritual wellbeing of the rostered leader and the congregation(s) served.

We continue to place value on seniority as it relates to years served along with cost-of-living factors. It is suggested that raises be weighted slightly to help out those starting out with a little larger increase in the earlier years. This is due to larger debt levels of many graduates and the cost of raising children. Raises based upon merit are also encouraged. In general, there are two main areas of benefits: those that involve money and those that are a matter of time. We firmly believe that a fair salary is very important, as is medical coverage and adequate housing. Some rostered leaders and congregations are also finding creative ways to adjust work schedules to meet the needs of both the leader and the parish. Each setting is unique. We want to encourage congregations and leaders to invest time in the process and carefully work out a plan that is suitable to all. A third type of benefit to factor in is the “intangible factor of appreciating one another.” (“being content with what you have”) We invite parishes to find ways to say: “Thank you, we’re glad you are here.”

The success of this conversation begins with strong congregational leadership. Typically, the compensation and care for rostered leader and staff of the congregation is usually recommended by a human resources or personnel committee to the budget committee and/or to the congregational council and then approved by the congregation. In the process of determining compensation and care we ask you to think in terms of the level of responsibility that is given to the leader. We suggest that yearly evaluations for leaders be done in the context of the congregation’s ministry, and that there be a clear distinction between compensation, care and performance evaluation. All participants in the process are to keep in mind the compensation and care package as a whole. It is vital to care for your rostered leader, staff, and many volunteers.

¹ In this document, the term “congregation” refers to single point parishes, multi-point parishes and non-parish ministry agencies such as Bible camps, long-term care facilities, hospitals, etc. The term “rostered leader” refers to a person who is on the roster of ministers of Word and Sacrament and ministers of Word and Service of the ELCA.

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IMPORTANT INFORMATION FOR PORTICO SPONSORS (THE CONGREGATION)

If you are completing the call process and are formalizing a letter of call with the accompanying Definition of Compensation, Benefits, and Responsibilities of the Pastor worksheet, there are important next steps to remember. A Change of Call report must be filed with Portico Benefit Services within 60 day of your new pastor's start date.

Each year as compensation is reviewed a Change of Salary report must be filed within 60 days of the effective date of change in compensation. These forms are available at [https://porticobenefits.org/.](https://porticobenefits.org/)

These guidelines are a tool to help prepare a compensation proposal for salary and housing, likely with social security tax allowance, and a benefits package for your new pastor. Because your pastor is eligible for income tax advantages related to their clergy status, he or she might ask the congregational council to make additional designations of specific line items within the compensation proposal. [For example, if salary is proposed at \$40,000 the corresponding recommended housing allowance amount will be \$12,000. Your pastor may request that the housing allowance be designated at \$15,000 (for income tax purposes) with the balance of \$37,000 paid as salary. There is no change in total compensation or benefits calculation.]

More resources for Portico Sponsors are available at <https://employerlink.porticobenefits.org/home> including on-line payment for retirement and benefits contributions.

Portico Benefits Contact Information:

Phone: 800.352.2876

Fax: 612.334.5399

Email: mail@PorticoBenefits.org

Hours:

Monday–Thursday: 8am–6pm (Central)

Fridays: 8am–5pm (Central)

Mailing Address

Portico Benefit Services
7700 France Ave. S., Ste. 350
Minneapolis, MN 55435-2802

IMPORTANT INFORMATION FOR PORTICO MEMBERS (THE PASTOR OR STAFF)

PORTICO FINANCIAL PLANNERS

For plan members with an ELCA retirement plan account balance or an ELCA Participating Annuity

Phone: 800.922.4896

Email: mail@porticobenefits.org

Hours:

Monday – Thursday: 8 a.m. – 6 p.m. (Central)

Friday: 8 a.m. – 5 p.m. (Central)

PART I COMPENSATION FOR ORDAINED ROSTERED LEADERS

A. Minimum Salary for Ordained Rostered leaders

The 1989 Western Iowa Synod Assembly passed a resolution about compensation for ordained rostered leaders. The resolution recognized that the establishment of the rostered leader's salary is a matter for rostered leaders and their calling congregation. At the same time, we affirm that there is a minimum expectation for the salary of ordained rostered leaders.

The 2024 Chart for Salary Ranges for Rostered Leaders appears at the worksheets section of this document.

B. Social Security Tax Allowance

The purpose of the Social Security tax allowance is to compensate the pastor for the "employer's share" of the Social Security tax. Since pastors are treated as if they were self-employed for purposes of Social Security, they are required to pay both the employer share and the employee share of Social Security taxes. A rough estimate of the Social Security allowance would be 7.65 percent of the pastor's salary plus housing. However, adding a Social Security allowance affects the pastor's taxes as well as her or his defined compensation for benefits. Congregations are encouraged to compensate ordained rostered leaders at least the amount equal to the usual employer's share, which is presently 7.65%, adjusted by a decimal constant. The congregation cannot pay the ordained rostered leader's self-employment tax directly but designates the amount as a social security tax allowance, which is additional taxable income. The calculation percentage determines a suggested Social Security allowance that will produce the same net compensation (defined as after-tax cash compensation plus pension contribution) as if the pastor had been considered an employee for Social Security purposes. The calculation takes into account the following:

- The Social Security Tax Allowance is includible as income for Social Security purposes, but the SECA tax is calculated on only 92.35 percent of includible compensation.
- The Social Security Tax Allowance is taxable for income tax purposes, but one-half the SECA tax is deductible; a marginal tax rate of 10 percent has been assumed.
- The Social Security Tax Allowance increases the pastor's defined compensation and therefore her or his pension contribution (assumed to be 10 percent). The effect on other benefits has been ignored.

The calculation is circular and quite complex. Portico Benefit Services offers calculators on its website for this and other calculations. Congregations are urged to use these calculators for a close approximation of a congregation's suggested share of a pastor's social security tax liability. This will ensure an accurate representation of defined compensation, the amount used to determine pension and other benefits. Synod staff will assist with this calculation as well.

C. Housing Provisions

When a parsonage is provided:

Furnishings allowance

Congregations may provide a furnishings allowance for an ordained rostered leader when a parsonage is provided. Since total housing costs (including furnishings) are allowed by the IRS as exclusions from taxable income, an ordained rostered leader may desire to have some compensation designated this way. For example, if the ordained rostered leader's base salary is \$40,000 and \$2,000 of that is designated as furnishings allowance, the amount the ordained rostered leader uses for furnishing the parsonage up to \$2,000 may be excluded from taxable income. It is the ordained rostered leader's responsibility to document expenses paid out of this allowance so that the allowance can be justified to the IRS. An amount designated as

furnishings allowance is includible in defined compensation for Portico Benefit Services retirement and other benefits calculations.

Utilities allowance

Utility costs should be borne by the congregation either through direct payment or with an allowance for that purpose. If a utilities allowance is offered, the amount of the allowance is includible in defined compensation for Portico Benefit Services: retirements and other benefits calculations.

Housing equity contribution

When a parsonage is provided, it is appropriate and encouraged for the congregation to consider compensation for the loss of equity accruing associated with not owning a home. A housing equity allowance is money set aside for the future purchase of a home and must be placed in an account for that purpose, either with Portico Benefit Services or a financial institution as tax deferred. Upon withdrawal it is nontaxable to the extent it is justified as housing allowance under the provisions of Section 107 of the Internal Revenue Code. Due to limits of the IRS, the full amount may not be tax-free. A housing equity contribution equal to 3% of base salary is suggested.

When a parsonage is not provided:

Cash housing allowance

When a congregation does not provide a parsonage, a cash housing allowance should be offered to cover costs of renting or buying a home. Such an allowance can be inclusive of utilities and furnishing costs as well as capital costs and is paid as part of the regular compensation to the pastor. The congregation should offer a housing allowance computed on the basis of the average rental value of homes in the community with the minimum being 30% of base salary.

Federal income tax laws allow ordained rostered leaders to exclude from gross income a housing allowance that is designated by a congregation or church organization. This is not necessarily the same amount as the cash housing allowance. For IRS purposes, the nontaxable portion of a church-designated housing allowance for ordained rostered leaders who own their home cannot exceed the annual rental value of the home (furnished, including utilities). When a housing allowance is designated, the congregation or congregation council must officially designate the amount of allowance. This should be done on an annual basis before January 1st each year. It cannot be done retroactively. The ordained rostered leader may determine the amount designated. It is the ordained rostered leader's responsibility to justify all payments from the designated housing allowance so that it may be excluded from taxable income.

D. Moving Expenses:

Good beginnings are critical. It is helpful that the relationship between rostered leader and congregation "get off on the right foot." Congregation and rostered leader are urged to give thoughtful consideration to the needs of the other when undertaking a move. Because moving can be an exciting and very stressful event in a person's life, it is important that the congregation and rostered leader reach a mutually satisfactory decision about the move as part of the compensation negotiations.

The congregation shall be responsible for moving all household, professional, and personal goods of the rostered leader and his/her family, and for congregation-required local moves. It is recommended that professional movers be utilized. If their services are not used, the means of transporting the rostered leader's belongings must be mutually agreed upon ahead of time. When the services of professional movers are not used, it is strongly recommended that a separate insurance policy covering the transported goods be purchased by

the congregation or that an agreement be reached as to how the cost of damaged goods will be paid.

E. Workers' Compensation

All congregations are required by law to provide Workers' Compensation coverage for all employees. For purposes of Workers' Compensation, clergy are employees and therefore must be covered under Workers' Compensation.

PART II CLERGY COUPLES

Clergy Couple Housing Compensation - Each person of a clergy couple is entitled to the same housing allowance ordinarily provided by a pastor who is not married to a pastor. Both pastors in a clergy couple are to receive a housing allowance. Each pastor's pension and benefit contributions are based on base compensation, plus self-employed. Social Security offset, plus 30% when a parsonage is provided. When cash housing allowances are provided, the contributions for each pastor are based on the total of base compensation plus housing allowance(s).

This guidance relating to Clergy Couple Housing Compensation is offered to assist congregations and clergy couples at arriving at an equitable solution to compensation for both parties of a clergy couple and the congregation or congregations involved. Individual circumstances relating to Clergy Couple Housing Allowance will vary from time to time. It is important that congregations extending a call or calls to clergy couples develop a compensation package, including a housing allowance for each member of the clergy couple, in consultation with the Office of the Bishop, the clergy couple involved, and the appropriate representatives of the congregation or congregations involved. Congregations presently served by a clergy couple may wish to seek guidance and counsel in matters relating to housing allowance from the Office of the Bishop as part of its annual compensation review practice.

For Clergy Couples that serve separate congregations with separate compensation agreements, it is important that the entire compensation packages for both individuals are looked at from an all-encompassing view. These compensation agreements are complicated due to health insurance, parsonages, and other compensation related expenses. It is important that these agreements are in with consultation with the Office of the Bishop.

PART III RETIREMENT AND OTHER BENEFITS

A. Portico Benefit Services Retirement Plan

Portico Benefit Services Retirement Plan is designed to provide rostered leaders with replacement income to assist in maintaining the pre-retirement standard of living. Employing congregations and rostered leaders can make contributions to the plan. The minimum employer contribution rate is generally 10 percent of the rostered leader's total defined compensation (base cash salary, social security tax allowance, housing allowance/value of parsonage, utilities and/or furnishings allowance), however congregations are encouraged, especially at the time of a new call to consider an employer contribution rate of 11%. Rostered leaders may make salary-reduction contributions to their retirement accounts (formerly ELCA Optional Pension Plan).

B. Health and wellness benefits

Portico Benefit Services Benefits Plan offers comprehensive, portable health coverage for rostered leaders and their families. Assurance of coverage is carried anywhere in the world. Portico Benefit Services contracts with companies that specialize in administering health benefits in order to provide affordable health care. The employer contribution rate is a percentage of total defined compensation based on the election of dependent medical benefits coverage. The expected assignment of contributions can be found in the worksheets section of this guide.

Coverage under Portico Benefit Services health plan may be waived if group coverage provided by an employer other than the ELCA (such as a spouse's plan) is available. If coverage is waived and other employer provided group coverage lapses, there will be a six-month waiting period for re enrollment coverage in Portico Benefit Services health benefits plan.

It is very important for the rostered leader, the congregation and the ELCA that leaders set a priority on self-care and to refer to the Portico Wellness wheel often. This affects professional effectiveness as well as the financial health of our retirement/medical system. We would encourage congregations including a membership in a wellness center or YMCA where this is available. We also recommend that the rostered leaders complete their annual health assessment through Portico.

C. Disability and survivor benefits

Portico Benefit Services disability plan provides monthly income if a rostered leader becomes totally disabled. Recipients must apply for total disability benefits within six months of becoming disabled, and be actively engaged in medical treatment designed to restore or maintain health and functionality. While disabled, the plan also makes retirement plan contributions and pays for continued health, disability and survivor benefits coverage.

Portico Benefit Services survivor plan provides two types of benefits. A lump-sum survivor benefit is paid to beneficiaries to help meet immediate financial needs. Also, a surviving spouse may receive a lifetime, monthly survivor income. Surviving children under age 21 are also eligible for a monthly survivor income.

D. Flexible Spending Account

A Flexible Spending Account (FSA) is a type of fringe benefit plan that enables employees to set aside payroll dollars on a pre-tax basis to pay for certain out-of-pocket health care expenses. A health care FSA and a dependent care FSA are included as part of Portico Benefit Services primary coverage package at no additional cost to sponsors. Health care and dependent care FSAs enable members to set aside payroll dollars on a pretax basis to pay for eligible health care and day care expenses throughout a calendar year.

E. Health Savings Account

An HSA is a health savings account that allows both plan members and employers to make pretax contributions that can be used by the plan member for current and future health care expenses. If you have the Silver + or Bronze + health benefit option, earned wellness dollars are also deposited in your HSA.

Please visit the following website for more information regarding FSA accounts, HSA accounts and other benefit options. <https://porticobenefits.org/>

PART IV

PROFESSIONAL EXPENSES AND PROFESSIONAL GROWTH EXPENSES

A. Travel Expense

We encourage this to be negotiated with the needs of the specific leader and the specific needs of the congregation for a given period. Travel patterns differ from leader to leader and for parishes over time. For long or frequent trips, one might consider asking a local pastor or chaplain to do some of the visitation.)

1. Automobile

Automobile expenses for rostered leaders should be paid in one of these ways:

- a. Congregation pays for the number of business miles driven at an established IRS rate per mile. Under the present tax structure, this is the most equitable and fair way of reimbursement for congregational business travel. (This may need to be adjusted more often than once a year.)
- b. Congregation pays an annual “auto allowance.” The rostered leader provides vehicle and pays all expenses for business travel. For IRS purposes, taxpayer adds “auto allowance” to his/her income, and deducts, as miscellaneous itemized deductions, all expenses for business travel.
- c. Congregation leases or owns the vehicle and directly pays all operating expenses. The vehicle is used for all church business travel. For any personal use of a church-owned or leased automobile, agreement must be reached with the congregation concerning reimbursement.

Reimbursement of auto mileage should be calculated based upon the distance from the home church to the destination. Mileage should not be calculated based upon the commute from the leader’s home to the home church. For two and three-point parishes, a home church needs to be determined for the mileage calculation. Detailed logbooks should be kept recording the reimbursed mileage of the church. Auto mileage is recommended to be paid on a monthly basis.

B. Professional Expenses

It is recommended that congregations pay \$500 or more for the rostered leader’s professional expenses such as books, robes, periodicals, professional dues, entertaining and hospitality. This is usually paid on a per item reimbursement.

1. Cell Phone

Cell phones are in common use today. Agreement must be reached with the congregation concerning reimbursement.

C. Required Events

Through the letter of call, all rostered leaders are required to attend the Synod Assembly and Fall Convocation at congregational expense. In addition, spouses are encouraged to participate in Fall Convocation, with the congregation providing funds for attendance. It is also important that rostered leaders attend boundary workshops every 3 years due to the variety of relationships and types of people they work with. Through these events, rostered leaders experience the partnership in mission that we share together in the whole church.

D. First Call Theological Education

First Call Theological Education (FCTE) is about transitioning new leaders in ministry. The ELCA is committed to assisting new leaders in establishing a healthy spiritual life, rich colleague relationships, and good continuing education habits. First Call rostered leaders discuss transition topics and participate in a colleague group. In addition, First Call leaders attend a retreat each year for three years. These expenses are paid for by the Congregation.

E. Continuing Education

The Western Iowa Synod, along with the ELCA, has high standards for its professional leaders. A fundamental requirement for these leaders is a thorough grounding in the Christian faith and Holy Scripture that is always in the process of being renewed and strengthened. Coupled with our faith is the need for an understanding of the world in which ministry must take place. In addition to these fundamentals is the need to grow in competence and skills in order to be faithful in discipleship. As is true in many other occupations, continuing education is the way the professional leader in the church sharpens skills already employed, acquires new skills and experiences personal growth for a more effective ministry.

Continuing education plans should be reviewed at least annually with the Mutual Ministry committee/leadership team and the rostered leader. An adequate program of continuing education may be short or long term, credit or non-credit. Whatever the format, it should be planned to fit the individual's goals for ministry and the objectives of the congregation that is served. Decisions about continuing education should be made with a sense of partnership between the rostered leader and the congregation. Congregations should provide a continuing education allowance of not less than \$750 annually. Rostered leaders are encouraged to contribute \$250 to continuing education. For continuing education opportunities with a cost in excess of \$1,000, conversation between the rostered and the congregational council is encouraged. How mileage is paid is negotiable.

Time for continuing education should be set aside at the rate of two weeks per year to include two Sundays with the provision that it may be accumulated up to three years for more extended study. The ELCA expects 50 contact hours annually in continuing education. (A contact hour is defined as a typical 50-minute classroom session or the equivalent.)

F. Mutual Ministry Committee

For purposes of support to the staff, each congregation is expected to have a Mutual Ministry Committee as specified in the Model Constitution for Congregations, C13.04. "A Mutual Ministry Committee shall be appointed jointly by the president and the pastor. Term of office shall be two years, with three members to be appointed each successive year." It is recommended that the pastor choose more than the number of people needed to serve; the president chooses committee members from this group. It is recommended that committee members hold no other office in the congregation during their term. While the committee itself is clearly specified in the constitution, some variations in its structure are allowed. Some congregations have chosen to have three-year terms with two appointed each year. There are congregations that have found it useful to have a council member serving as a liaison to the committee. Although the Mutual Ministry Committee can advocate for adequate financial compensation for rostered leaders, it is recommended that salary concerns be distinguished from performance and that compensation matters be addressed by the Budget Committee or Church council.

PART V

OTHER BENEFITS

Rostered leaders serving part-time calls should receive salary and benefits (including a minimum of four weeks of vacation) corresponding to the percentage of a full-time salary and benefits package.

A. Vacation

In order to help rostered leaders, maintain healthy and strong relationships with family and friends, a minimum annual vacation of four weeks is recommended (twenty-eight days, including four Sundays). Vacation time should be used within the calendar year and not accumulated, except by special agreement with the congregational council. Absence for continuing education should not be considered vacation. Neither is time given in service to churchwide or synodical committees or congregational retreats or camping programs to be considered vacation or time off. Sometimes it is difficult for a pastor to “vacation” at home, especially if they live in a parsonage. In any case it is important for the leader and the congregation that they use vacation time well.

B. Sick Leave/Disability

Sick leave recommendation is that sick leave will accrue at the rate of 1 day per month. The congregation assumes responsibility for the rostered leader’s salary and benefits and pulpit supply during an illness. Sick leave may accrue up to a maximum of 45 working days to correlate with Portico Benefit Services Disability Benefits. Illness of anticipated duration longer than two months should be referred to Portico Benefit Services. Doctor’s certification of last date able to work is required to document the two-month period of congregation responsibility for the rostered leader’s salary and benefits.

C. Emergency Leave

Absence of three days (up to five days, depending on distance) due to a death in the immediate family is normally permitted. (“Immediate family” is defined to include spouse, parents, siblings, children, in-laws, grandparents, and grandchildren.) Congregations are encouraged to provide additional paid leave after the death of a spouse or child, especially in cases where the rostered leader has no remaining vacation time for that year. Compassion, gentleness, and grace are helpful guiding values.

D. Holidays

Congregations should provide appropriate time off for general holidays. If the actual day cannot be taken, another day should be designated as a holiday. Examples of holidays to consider: Thanksgiving, Christmas Day, New Year’s Day and 4th of July.

E. Family Leave

"The church places a high value on family, and it is for this reason that these guidelines are offered. A minimum of six weeks leave is to be offered to each rostered leader with full pay and benefits (with the exception of auto allowance). It is common for this leave time to be setup in such a way that works for both the rostered leader and congregation as each situation can vary. Additional leave is encouraged in the case of multiple births or simultaneous adoptions. The decision as to how much of this should be prenatal time and how much should be postnatal time will be decided on an individual basis at the discretion of the rostered leader(s), and the congregation council. Consideration should also be made with rostered leaders when they are dealing with health issues of their family. For example, birth of a child, adoption of a child, foster care, when a parent transitions to a nursing home or an immediate family member that is dealing with a long-term medical issue.

If more than six weeks leave is needed, each parish and its rostered leader(s), should handle this time as the situation requires (additional paid leave, additional unpaid leave, and accrued vacation). In the case of multiple births or simultaneous adoptions, additional paid leave is encouraged. During the leave period, the congregation will pay the cost of pulpit supply and other ministry needs such as visitation, teaching, etc." In some cases, the gifts and talents of congregational people are also utilized in the absence of the rostered leader.

F. Sabbatical

A rostered leader is eligible for a sabbatical after 6 full years of service in the same congregation. It is encouraged that a roster leader forms a sabbatical planning team, and much thought is given to these plans ahead of time. The concept of sabbatical is grounded on the biblical idea of Sabbath rest. The example of Jesus, who frequently sought out a quiet place where he could meditate and pray, away from the constant demands of the crowds, is a strong model for a sabbatical. Unlike a vacation, a sabbatical is intended for fruitful reflection and restoration. A sabbatical also provides the opportunity for the congregation to experience the freshness of a break in the rhythm of parish life and leadership. Conversation about a sabbatical could begin with the Mutual Ministry Committee, the church council or a task force formed for this particular assignment. The following guidelines give some helpful information.

1. A sabbatical provides the professional leader a measured time to step aside from congregational responsibilities in order to pursue opportunities for a renewal of vision and perspective. It creates space for creativity, rest and renewal, and may include continuing education, travel, a concentrated time to study or read, reconnection with immediate or extended family, and time away for spiritual renewal. Rested and energized pastors may well result in longer and healthier calls in a congregation. Sabbaticals give congregations the opportunity to provide and experience new leadership opportunities. A sabbatical leave is a way for a congregation to express how much it values the rostered leader.
2. A sabbatical may be taken after six full years of service in a particular parish. Years cannot accumulate between calls (i.e., four years at Trinity and two years at St. Paul does not qualify) unless agreed upon at time of call. A sabbatical will normally be for 12 weeks and should not be less than 8 weeks. The full 12 week sabbatical may include up to two weeks of vacation, a 10 week sabbatical may include up to one week of vacation, and an 8 week sabbatical would normally not include vacation time. Regardless of the length, the sabbatical needs to be consecutive weeks of time away. Clergy are expected to continue ministry in that congregation for at least one year after the sabbatical.
3. The congregation will continue to pay full salary and benefits for the rostered leader who is on sabbatical. Auto expense may be negotiated. The congregation will need to cover the cost and find people to fulfill the ministry duties of the rostered leader. There are a variety of options for leadership including members of the congregation assume new leadership roles, a retired pastor, a neighboring ELCA or full communion partner pastor and your pastor take a sabbatical at different times and exchange pastoral coverage. The reimbursement rate for interim ministry can be found in Part VI of this document. Congregations are encouraged to begin putting money aside for a sabbatical when a newly called rostered leader begins. Grants are available through Wheat Ridge Ministries at www.wheatridge.org or the Lilly Foundation at www.lillyendowment.org.

4. The congregation is not under obligation to fund the cost of the sabbatical itself. Continuing education dollars, which can be accrued up to three years, can be used for the educational costs of the sabbatical. Planning for the sabbatical should begin the calendar year before in order to take advantage of grant opportunities (Wheat Ridge Ministries at www.wheatridge.org or the Lilly Foundation at www.lillyendowment.org) and so that the congregational budget can allow for additional expenses.
5. In anticipation of rostered leader sabbatical, the Congregation is encouraged to start a fund to help cover needed costs as a roster leader is on sabbatical. This would spread the cost over several years to reduce the impact during the year of the sabbatical. Another option is making use of gifts and talents of the people in the congregation to help cover in the absence of the rostered leader.

Here are some resources that congregations and rostered leaders may find helpful:

1. Planning information http://txlcms.org/wp-content/uploads/2016/03/Sabbatical_Packet.pdf
2. *“Clergy Renewal: The Alban Guide to Sabbatical Planning”* by A. Richard Bullock and Richard J. Bruesehoff.
3. *“Why Should You Give Your Pastor a Sabbatical?”* a video featuring Roy Oswald that is available from the Alban Institute.
4. Wheat Ridge Ministries (www.wheatridge.org) and the Lilly Endowment (<http://www.lillyendowment.org/religion.html>) both offer sabbatical grant opportunities to congregations.
5. 4 Reasons Pastors Need a Sabbatical | What Pastors Won't Tell You <https://www.youtube.com/watch?v=m56YZdt9nwM>
6. Article about sabbaticals <https://www.livinglutheran.org/2013/05/passport-good-health/>

G. Other Forms of Time Compensation

Congregations and rostered leaders are encouraged to be open to consider new and creative ways to use time off from work as a possible means of compensation and care. If this is done, expectations need to be carefully spelled out. Then, leaders and congregations need to discipline themselves to stick to the guidelines. (This may be helpful to those leaders with many years of service- “maturity”.) ELCA Bible camps also offer rest and renewal options. Please feel free to contact them directly to learn more.

H. Seminary Debt Reduction

Many rostered leaders leave seminary with a substantial amount of debt incurred during their education, causing stress in their ministry and personal lives. This includes undergrad debt incurred prior to attending seminary. Therefore, congregations and rostered leaders are encouraged to discuss any debt accumulated by the rostered leader during their education, and to consider ways in which the congregation may assist the rostered leader reduce their debt.

PART VI COMPENSATION FOR THE ROSTER OF MINISTERS OF WORD AND SERVICE

As a model of our Christian faith, the church should treat those whom the church employs at least as well as those persons would be treated in a secular job. While most people who work for the church do so out of a desire to serve, their service should never be taken for granted nor inadequately compensated and cared for. The Congregation Council or some other designated committee should review the wages and working conditions of the lay staff annually

to make sure they are adequate. It is recommended that compensation and care be determined according to the person's education, experience, background, abilities and responsibilities.

Professional lay staff serving congregations includes those with specialized skills and training who are certified by the ELCA. Persons in these categories may not deduct housing costs from their income for income tax purposes, as do clergy. It should also be recognized that the congregation is responsible for paying social security tax for these persons. Non-ordained persons are considered employees and are subject to income tax and Social Security tax withholding.

A. Deacons

Salaries for deacons can be figured at base case salary figures used for rostered leaders without housing being provided.

PART VII INTERIM MINISTRY AND OTHER TEMPORARY MINISTRIES

Temporary staff compensation and benefits should be based on the responsibilities and the amount of time invested. The congregation, in consultation with the synod office, is to assume responsibility for pulpit supply during the interim. The interim clergy serving a congregation between permanent pastorates should be compensated as agreed upon by the pastor and all congregational councils involved, taking into account the following:

A. Full-time Interim

1. Compensation for the interim pastor will be negotiated considering salary guidelines, which includes total dollars committed to the previous pastor (salary, housing equity, medical reimbursement and the like). Occasionally there will be an interim who, because of experience, is unable to serve for this amount and the congregation will need to pay more.
2. Parish supplies housing for the pastor and family. Additional housing allowance may be requested by pastor if permanent residence is kept.
3. Furthermore, if the parish situation requires concentrated effort above the normal routine, serious consideration should be given to meet the guidelines for a pastor of the experience and skills which the interim brings to bear on the problems of the parish. It must be remembered that restorative and creative ministry on the part of the interim pastor may be much more difficult and exhausting than regular parish ministry.

B. Part-time Interim

Compensation should include preparation time, travel time and mileage for confirmation and worship and other responsibilities at an agreed upon proportion of full-time ministry. If a neighboring pastor serves as interim, the compensation paid for interim service should be divided, half to the pastor and half to the congregation the pastor regularly serves. If the interim service requires more than 1.5 days per week, the pastor and the congregations should reevaluate the congregations' expectations of the pastor.

C. Worship Supply for rostered and non-rostered leaders

1. Single Sunday service and church year celebrations (Christmas Eve, Good Friday, etc.) - \$175 plus mileage at the IRS rate
Additional Sunday service - \$50
Saturday or weekday evening service - \$50 plus motel, if needed

2. Advent or Lenten midweek worship series - \$80 - \$120 per week (dependent upon preparation required) plus mileage at the IRS rate
3. Weddings and funerals - \$175 plus mileage at the IRS rate per service, paid by the congregation, in addition to any honorarium offered by the family

The rates above are considered the maximum rate that a rostered and non-rostered leader are allowed to charge in a supply role.

D. Education Supply for rostered and non-rostered leaders

1. Sunday class - \$35 plus mileage if separate from other services
2. Bible study - \$40 plus mileage if separate from other services
3. Confirmation - \$40 plus mileage per class taught

The minimum recommended hourly rate for any other services to the congregation is \$20. Reimbursement for mileage should always be considered.

PART VIII APPENDIX

A. Ministry Review

Each year the synod office receives phone calls from congregational leaders asking for a process to use for doing a congregational ministry review. A good resource is the book Pastor and People, available from Augsburg Fortress Publishing, www.augsburgfortress.org or 1-800-328-4648. In addition to chapters on Mutual Ministry and Personnel Committees, Pastor and People lays out a process for doing a ministry review and performance evaluation of the congregation's ministry to have fruitful conversation on expectations, etc. Ministry is to be shared between rostered leaders, paid staff, and volunteers.

B. Synod Parsonage Guidelines

A parsonage is the home provided by the congregation for its rostered leader. It is to be an aid in the carrying out of ministry. The congregation will want to provide a good home, regular care, and an annual walk through of the parsonage.

These guidelines are a way to help both the rostered leader and the congregation. Following them will help the congregation become aware of needed improvements. The congregation will also become aware of abuses of the parsonage property by following these guidelines.

Since the parsonage is the rostered leader's home, privacy should be respected. Congregation members are expected to follow the same standards of politeness for such things as entering the parsonage as they would for any other home in the community.

Because it is the home of the pastor, the desires of the pastor should be consulted as changes are necessary. Further details about this are in the following guidelines.

The quality of the parsonage should meet a standard set by the homes of the majority of the congregation's members. The size should be adequate to accommodate families.

The tenant/landlord model may apply on occasion, but its application is quite limited. Contrary to renters, the pastor normally has little choice of residence. The relationship between the pastor and congregation is not based on a lease or rental agreement, but upon a common bond in the service of Christ Jesus.

Good communication and known expectations from both sides are important here. Putting expectations in writing may alleviate issues about the parsonage going forward.

These are the suggested guidelines for congregations with parsonages. These are guidelines that congregations and rostered leaders may use to discuss the maintenance, repair and responsibilities relative to a church owned home.

1. It is recommended that the following appliances be provided in the parsonage:

- Stove
- microwave
- refrigerator
- washer and dryer
- dishwasher
- air conditioning
- tv antennae unless cable is provided
- optional garbage disposal
- humidifier/de-humidifier (if needed)

2. It is recommended that the following utilities be paid directly by the congregation or a utilities allowance be provided:

- electricity
- gas
- water/sewer/garbage
- telephone (except personal long distance)
- internet service
- soft water service (if needed)

3. Items that would normally be supplied by the congregation include:

- paint
- wall coverings
- floor coverings
- ceiling fans
- window coverings
- light fixtures

4. Before a rostered leader moves into a parsonage, the congregation should see that it is thoroughly clean and should usually plan to redecorate.

5. Prior to the rostered leader moving into the parsonage, a walkthrough should be conducted by the rostered leader and the congregation. Current issues with the property need to be commented on and documented for future reference.

6. The colors, fabric, design, etc., selected in the redecoration would normally be selected by those who will be living in the house in consultation with the appropriate committee. The congregation, of course, would determine the price ranges for these items.

7. Parsonage maintenance and repair should be listed as a separate line item in the annual budget, with a clear understanding of who has the authority to spend these budgeted funds.

8. The rostered leader and congregation should develop and annually update a list of necessary and desired repairs, maintenance, modernization, redecorating and remodeling projects and together prioritize these projects.

9. There should be clear understanding about how regular maintenance and emergency repairs are to be handled. It is suggested that the pastor be authorized to spend a specified dollar amount at his/her own discretion. Any repairs in excess of this amount would require approval of the property committee or the congregation council.

10. When a rostered leader moves out of a parsonage, and before all financial obligations are completed, there should be an inspection of the property to see that it is left clean and in good repair. The pastor should be held responsible for any excess wear or damage caused to the parsonage while he or she was living there. This would include any damage caused by children or pets.

11. The grounds around the parsonage are primarily the responsibility of the congregation. The congregation should see that the lawn, shrubbery and flowerbeds are in good condition when a pastor moves into the parsonage. The rostered leader may be expected to care for these grounds (mow, rake, remove snow, apply fertilizer, insecticides, herbicides) or the congregation may share these responsibilities. (The pastor and the council should negotiate the division of labor immediately after the rostered leader's arrival.)

12. Congregations should consider taking care of the grounds around the parsonage while the rostered leader is on vacation or study leave if it has been decided this is the rostered leader's responsibility.

13. The congregation should provide suitable garage space for the rostered leader's automobile(s). Normally, this would be space for two vehicles.

PART IX CHARTS AND WORKSHEETS

A. Compensation Guidelines for 2024

The following compensation guideline chart is updated for an increase of 3%. For informational purposes, Cost-of-Living Adjustment (COLA) increased by 8.7% announced by the Social Security Administration.

The minimum for each range is based upon the minimum years of experience for each range. Salaries should be adjusted to reflect varieties of responsibilities and other factors such as workload, additional education, and effectiveness of the rostered leader. Additional consideration should also be made for Clergy that serve two and three-point parishes.

In case of second career people, it is recommended that one-year of credit on the chart be given for every three years of first-career experience after age 22.

<u># Years</u>	<u>Min</u>	<u>Max</u>
0-5	41,112	49,365
6-10	46,028	54,889
11-15	48,889	60,697
16-20	51,749	66,792
21-25	54,612	72,922
26-30	57,228	79,265
31+	59,853	85,870

During each range of years, congregations are strongly encouraged to increase their rostered leader's salary by at least one percent each year. For example, in the 16-20 year range, the increases would be as follows for a congregation that pays the minimum guidelines at year 16:

Year 17	52,267
Year 18	53,051
Year 19	53,580
Year 20	54,116

Congregations that are not currently paying rostered leaders the minimum amount under the guidelines should contact the Synod office to develop a strategy for meeting the guidelines in future years. If congregations continue to be unable to meet the guidelines, then the congregation and the rostered leader should work together with the Synod office to formulate a call which takes this fact into account. Possible alternatives would include, but are not limited to, providing the rostered leader with additional Sundays off beyond the minimum vacation guidelines, adjusting the nature of the call (for example, from full time to 2/3 time, and allowing the rostered leader to seek additional employment, or entering a shared ministry partnership with another ELCA or ecumenical partner congregation.

B. Rostered Leader’s Salary, Expenses and Benefits Worksheet (Note: “defined compensation” is a bit tricky to figure. Also, a key issue is parsonage: a housing allowance is not a “housing equity allowance”.) Below is a table for reference purposes on items to consider as part of the decompensation calculation. To calculate the defined compensation for the Rostered Leader, please use the links to the portico website that are located in the chart below.

Salary

- 1. Enter base salary 1. \$ _____
 (From compensation chart based on years of experience)

- 2. Calculate housing provisions 2. \$ _____
 If a parsonage is provided
 - a. Furnishings allowance (additional compensation) a. \$ _____
 - b. Utilities allowance (additional compensation) b. \$ _____
 - c. Housing equity allowance (additional compensation) c. \$ _____
 If a parsonage is not provided enter 30% of line 1

- 3. Calculate social security tax allowance 3. \$ _____
 (See Portico Benefit Services website calculators at <https://employerlink.porticobenefits.org/Home/Resources/Calculators.aspx> (select “defined compensation” calculator) or contact synod staff.

- 4. Add amounts from steps 1, 2 and 3. **This is the compensation amount you will pay directly to or on behalf of your pastor each year.** 4. \$ _____

Expenses (See Part III beginning at page 6)

- 5. Automobile and travel expense 5. \$ _____
- 6. Professional expenses 6. \$ _____
- 7. Required events 7. \$ _____
- 8. Continuing education 8. \$ _____
- 9. Cell phone 9. \$ _____
- 10. Total – add lines 5, 6, 7 and 8. **This is the church expense you will reimburse to or pay on behalf of your pastor.** 10. \$ _____

Benefits

- 11. Calculate defined compensation as base for benefits and retirement. 11. \$ _____
 (See Portico Benefit Services website calculators at <https://employerlink.porticobenefits.org/Home/Resources/Calculators.aspx> (select “defined compensation” calculator first, then choose “contribution amounts calculator”) or contact synod staff.

C. Lay Program Staff

Lay professionals are those usually having a degree, specialized training, or certifications as Parish Worker, Youth Director, Parish Education Director, Volunteer Coordinator, Executive Assistant, etc. Their salaries do not include a housing allowance or parsonage and lay program staff with a bachelor degree is 20% less than those with a master degree. The following graph are the minimum standards for non-rostered program staff with a master degree in their field of work, who work full time (40-45 hours per week).

Experience	Base Salary	Experience	Base Salary
0	\$33,925	13	\$44,055
1	\$34,669	14	\$44,902
2	\$35,428	15	\$45,769
3	\$36,205	16	\$46,421
4	\$36,997	17	\$47,076
5	\$37,805	18	\$47,748
6	\$38,536	19	\$48,424
7	\$39,281	20	\$49,110
8	\$40,040	21	\$49,807
9	\$40,814	22	\$50,513
10	\$41,600	23	\$51,230
11	\$42,405	24	\$51,955
12	\$43,221	25	\$52,682

D. Organist/Church Musicians

Church musicians/organists faithfully commit their time on Sunday mornings in addition to hours of preparation and practice. The following are suggested guidelines to begin the conversation with your church musician for fair compensation taking into consideration the actual responsibilities expected of your church musician (leading hymns only, choir accompaniment, choir rehearsal, picking hymns, etc.), number of services, educational level and years of experience. The suggested range for a worship service is between \$35 and \$120.

E. Support Staff

The Support staff provides necessary services to allow ministry to proceed effectively. The support staff has major responsibilities in public relations. The ministry of the congregation is greatly enhanced by the ability of its staff in dealing with people. Support staff includes secretary, custodian, treasurer, financial secretary, etc.