



Southeastern
Minnesota Synod
Evangelical Lutheran Church in America



2026 Minimum Compensation and Benefits Guidelines

APPROVED – (date)
SEMN Synod Council

PROPOSED

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Introduction

What Are Minimum Guidelines?

In this synod, we are called to walk together as we proclaim the gospel of Jesus Christ. These guidelines are presented as a tool for congregations¹ and rostered ministers to use together so that compensation decisions can be made in such a way that God's mission flourishes, rostered ministers are cherished as servants of God, there is a sense of faithful partnership between church members and rostered ministers and all areas of the church's ministry thrive. Minimum guidelines promote calls based on matching the rostered minister's² gifts with a congregation's needs, rather than encouraging ministers to select positions based too heavily on the promise of better compensation. The Minimum Guidelines help congregations by having done the research of comparing salaries being paid in Region 3 of the ELCA of which the SEMN Synod is a part. *Rostered ministers need a team of members in their church who are willing to understand the guidelines and advocate for their use as the budget is being proposed.* The tone and quality of conversation surrounding compensation matters may be as important as the substance or outcome of such conversations. Ministers are encouraged to focus on the privilege of serving Christ regardless of monetary reward and congregations are encouraged to be as generous as possible in supporting their ministers—each looking out for the good of the other. This only works well if compensation is determined with the mutual interests represented fairly. If your church does not have a team of advocates, you place your ministers in an awkward position of needing to advocate for themselves.

How Are They Developed?

In 2023, the Synod Council discerned a new process for approving the SEMN Synod Minimum Compensation and Benefit Guidelines.

The previous process required the bulk of the work of the task force to be done more than a year before the guidelines were to be in effect. The Synod Council realized this timeline required the task force to complete their work without a key piece of information that being the Social Security Administrations determined Cost of Living Adjustment for the year the guidelines would be in effect. This adjustment is determined in the third quarter of each year for the following year. To put forth a Minimum Compensation and Benefit Guideline that better reflects the economic reality in which the guidelines are in effect, the synod council discerned a process that makes space for discerning that economic reality.

¹ For the purpose of this document, the term "congregation" may also refer to multi-point parishes and non-parish ministry agencies such as Bible camps, long-term care facilities, hospitals, campus ministries, etc.

² For the purpose of this document, the term "rostered minister" refers to a person who is on the roster of ministers of Word and Sacrament and ministers of Word and Service of the Evangelical Lutheran Church in America.

The Process

January

The task force is appointed by Synod Council and consists of (from the SEMN Synod):

- One active rostered minister member
- One lay member
- One synod council member (either active rostered or lay)
- One synod staff liaison

February through September

The task force reviews the current guidelines and considers proposed updates as needed while awaiting the announcement of the following year's COLA.

October

The task force discerns the recommended base salary increase. The task force considers several factors in its deliberation for its recommendation of the guidelines: the economic conditions in the SEMN Synod, the issue of fairness and morale for rostered ministers, statistics regarding Federal COLA, a comparable study of the guidelines from the eight other synods in Region 3 of the ELCA.

The proposed guidelines are made available to rostered ministers and congregation leadership for public comment for a duration of two weeks. In this comment period folks may review the guidelines and are invited to direct concerns, questions, or affirmations to a task force member. Synod membership will be made aware of this comment period through our website and targeted emails.

The proposed compensation guidelines are presented to the Synod Council for approval after which time they are made public on the SEMN Synod website as congregations work on their budget proposals for upcoming annual meetings.

Our hope and vision for this process is two-fold:

1. To present and approve a more economically accurate Minimum Compensation and Benefit Guideline.
2. To offer opportunity for both rostered ministers and congregations to engage thoroughly and wisely with the Minimum Compensation and Benefit Guideline.

Core Biblical Convictions for Paying Church Workers

Decisions about compensation for rostered ministers and other church staff workers, like other issues the church faces, are best made considering our core biblical and theological convictions. What are some of the faith commitments that will influence our approach to this important subject?

1. Our starting point is that the grace of God in Jesus Christ can be neither bought nor sold. God insists on giving it freely. Indeed, all Christians receive in baptism a call to serve and proclaim the Good News of God's undeserved love in Jesus Christ.
2. All Christians are to declare the gospel, especially to those who have never heard it. Within the church, however, some are called to make this task a major occupational commitment. Some members of the church are asked to devote a significant amount of their time and energy to the ministry of equipping all of God's people for service in the world. When the church asks such persons to dedicate so much of their lives to public ministries that they cannot be employed elsewhere, the church takes upon itself a responsibility to pay those persons an appropriate wage.

3. The principle that “laborers deserve their food” (Matthew 10:10) is attested throughout the scriptures. In the Old Testament, priests were granted a portion of the sacrifices made by the people; tithes and other offerings were received to support God’s servants. In the New Testament, Paul speaks of the duty of churches to support their leaders, even though Paul chose to waive this right for himself (I Corinthians 9).
4. Insofar as the church is institutionally embodied, it is subject to the same standards of justice to which all human institutions are accountable. The church, however, is more than a human institution. At a deeper level, the church is the community of faith – drawn together by God around the Word and Sacraments, empowered for witness in the world. Rostered ministers and lay staff are simultaneously employed by congregations and called by the church to be fellow workers with all of God’s people in the Body of Christ.

As churches and ministry agencies make decisions about compensation for staff members, they will bear in mind the identity and calling that are ours in Jesus Christ. The following guidelines are designed to assist congregations as they make decisions regarding the compensation of rostered leaders and church staff. For additional assistance in determining a fair salary and benefits package for rostered leaders, please contact a member of the synod pastoral staff.

Making Compensation Decisions

In congregations, compensation packages for rostered ministers should be set by the congregation council in consultation with the rostered minister. Congregational meetings are too large to be deliberative regarding specific compensation packages. Facts necessary for responsible decisions about compensation are not always available to all members of the congregation. The council should place the recommended compensation package(s) in the budget and present it(them) to the congregation for ratification at the annual meeting.

Compensation for Ministers of Word and Sacrament (Pastors)

The following is intended to help in the compensation discernment conversation.

Understanding Your Pastor's Compensation

A pastor's TOTAL compensation has two components:

1. **Defined Compensation**
2. **Benefits**

1. **Defined Compensation** is made up of THREE components:

Base Salary + **Housing** + **Social Security Allowance/Offset**

Housing Allowance OR Parsonage

The formulas for figuring a pastor's Defined Compensation are as follows:

- Defined Compensation **Without a Parsonage**
Base Salary (determined by years of service)
+ **Housing Allowance** (30% of the base salary)
+ **Social Security Allowance** (7.65% of the sum of the base salary + housing allowance)
OR
- Defined Compensation **With a Parsonage**
Base Salary (determined by years of service)
+ **Social Security Allowance** (7.65% of the sum of base salary + 30% of base as valuation of parsonage)

NOTE: When determining Benefits, Portico utilizes the Defined Compensation **Without a Parsonage number** for all pastors (even if a parsonage is used because there needs to be a dollar value placed on a parsonage for a housing component as income). *So, when providing Portico with a Defined Compensation number, all congregations will need to use the formula for Defined Compensation Without a Parsonage.*

2. **Benefits (Portico)** are made up of TWO components:

Health Insurance Coverage AND **Bundled Coverage**

- Retirement Contribution
- Group Life Insurance
- Disability Insurance

Health Insurance

Portico utilizes several factors when determining the cost of health insurance: defined compensation (see above NOTE), age of pastor, who is being covered, coverage plan.

Retirement Contribution ~ Disability Insurance ~ Basic Group Life Insurance

Portico bundles these benefits which means that all three benefits need to be provided together. A rostered minister receives this bundle even if they are not enrolled with Portico health insurance. The opposite is NOT true; however, a rostered minister cannot receive health insurance only; they must also receive the bundled benefits as well.

*Retirement Contribution = 10% of the defined compensation with housing allowance number

*Disability = .30% of the defined compensation with housing allowance number (% changes annually)

*Group Life = .20% of the defined compensation with housing allowance number (% changes annually)

Portico provides an on-line calculator to assist in estimating benefit costs:

<https://employerlink.porticobenefits.org/resources/calculators/benefit-costs-calculator#/>

Defined Compensation + Total Benefits = TOTAL Compensation Package

More about Base Salary

The synod task force on compensation and benefits has attempted to arrive at a fair base salary. The synod's base salary guidelines are a suggested minimum amount based on total years of ministry experience. Congregations are free to give their rostered ministers increases of more than the minimum, as befits church finances or circumstances.

Congregations that find themselves falling 10% or more below minimum guidelines should understand that they are moving into what we need to consider as less than a full-time call. We understand that when this happens, congregations often are disappointed that they cannot fully compensate their rostered minister. This often is happening when congregations are losing members to death or for other reasons and therefore are losing financial strength. It is an unfortunate reality that this will begin to affect the congregation's options when it enters the call process the next time. All of us will need to be honest about our reality. It may limit options for rostered ministers willing to consider interviewing. It also may provoke a conversation about doing some kind of mission redevelopment such as forming an area parish or finding another ministry partner to provide full-time rostered minister compensation. Rostered ministers who are less than full-time also may need to seek additional employment beyond their parish call in forms that are not in conflict with their primary role as rostered minister. Congregations that are 5% or more below guidelines should consider offering their rostered ministers additional time off or more vacation time in lieu of guidelines salary. It may be that they also could find other ways to negotiate a mutually agreeable compensation.

More about Housing Allowance

Consider a **housing allowance number** for a pastor in **TWO WAYS**:

1. Fair and Equitable Wage [has a bearing on a congregation's total budget]

A housing allowance provides for a fair and equitable wage for a pastor (who is required to hold a master's degree) who is not living in a parsonage.

According to the Minnesota Educator Salary Study done by the University of Minnesota Law School and published in 2024, the average teacher with a master's degree earned **\$71,750**, while the average Minnesota worker with a master's degree earned **\$86,750** (<https://law.umn.edu/institute-metropolitan-opportunity/studies/schools/minnesota-educator-salary-study>). According to the 2026 SEMN Synod Minimum Compensation and Benefits Guidelines, a first-year pastor with a master's degree, should receive a base salary no less than \$44,821 a year. To provide a competitive, fair, and equitable wage either a parsonage is provided or a housing allowance, figured as 30% of the base salary, is added to the base salary.

Example:

A first-year pastor receives \$44,821 a year in base salary and would receive \$13,446 (30% x \$44,821) a year for housing, thus offering a total of \$58,267. Added to that total number is a social security offset which is 7.65% of that total number, thus: \$58,267 x 7.65% = \$4,457. Finally, as we add \$58,267 + \$4,457 we have a number which is called a pastor's Total Defined Compensation. In this example: **\$62,724**.

Once a total defined compensation has been determined, a pastor may name the amount of that total defined compensation the pastor believes they will use on housing and household expenses (according to IRS Tax Law) which leads us to understanding the second way to consider 'housing allowance' which is for Income Tax purposes and is discussed below in number two.

2. Excludable Income from Pastor's Gross Income for Income Tax Purposes [has NO bearing on a congregation's total budget]

Because of IRS regulations, pastors **do not** pay income tax on the portion of their salary spent on housing **if it has been designated for this purpose in the annual budget and it is used for the purpose of housing**. Every December the pastor should notify the congregation's council what specific amount of his/her compensation for the coming year be designated as 'housing allowance' for income tax purposes. The council acknowledges this request by a motion and vote that is entered into the meeting minutes. It needs to be understood that dividing housing allowance and salary is for income tax purposes, and the division can appear unusual. The council may choose to use this format within the minutes of its meeting:

A motion was duly made, seconded, and approved that the ministry compensation paid to Rev. _____ during the year 20__ include a designated housing allowance in the amount of \$ _____. This amount shall remain in effect annually until amended or rescinded. (Source: Clergy Financial Services, Inc.)

It is strongly recommended that all rostered leaders understand IRS guidelines in determining housing allowance. Portico provides helpful resources in understanding this.

It is important to note and to communicate to a congregation that naming a particular number from the Total Defined Compensation as 'housing allowance' in the budget does NOT affect the bottom line of the budget. Here are a few examples:

Total Defined Compensation: \$60,000

Example 1	Example 2
Base Salary - \$39,025	Base Salary- \$30,750
Housing- \$16,725	Housing- \$25,000
SS Offset- \$ 4,264	SS Offset- \$ 4,264
TOTAL DC \$60,014	TOTAL DC \$60,014

More about a Parsonage

A parsonage is the home provided by the congregation for its pastor(s). It is to be an aid in the carrying out of ministry. In its care of the church, the congregation will want to provide a good home. The guidelines on the following pages are a way to help both pastor and congregation. Following them will help the congregation (1) become aware of needed improvements, (2) achieve synod-wide standards for church-owned homes, and (3) become aware of abuses of the parsonage property.

Since the parsonage is the pastor's home, privacy should be respected. Congregation members are expected to follow the same standards of privacy consideration for such things as entering the parsonage as they would for any other home in the community. In the interest of enhancing effectiveness and healthy pastoral availability, congregations are encouraged to consider the advantages in having church offices in locations other than the pastoral residence/parsonage. Because it is the home of the pastor, the desires of the pastor should be consulted when changes become necessary. Further details about this are in the following guidelines.

Suggested Guidelines

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

1. It is recommended that the congregation either appoint a Parsonage Committee or designate another congregational leadership group (e.g. the property committee or the board of trustees) to administer these parsonage guidelines.
2. It is recommended that the following appliances be provided in the parsonage: stove, dishwasher, soft water system (if needed), humidifier/dehumidifier (if needed), refrigerator, washer and dryer, garbage disposal, air conditioning, TV antenna unless cable is provided.

3. It is recommended that the following utilities be paid directly by the congregation or by utility allowance: electricity, gas, fuel oil, telephone (except personal long distance calls), Internet, soft water service (if needed), trash removal (metered bags or monthly pickup charges).
4. Items that would normally be supplied by the congregation include: paint, wallpaper, window coverings, floor coverings, light fixtures, ceiling fans.
5. When a pastor first moves into a parsonage, the congregation should see that it is thoroughly clean and should usually plan to redecorate.
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. There should be an annual inspection of the parsonage that is conducted with the pastor.
9. The pastor 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.
10. 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 more than this amount would require approval of the property committee or the congregation council.

The pastor should be held responsible for any excess wear or damage caused to the parsonage while he/she was living there. This would include damage caused by all inhabitants including pets. When a pastor 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. Congregations may require a damage deposit of \$500 in advance. This amount could be paid at the beginning of a call or withheld from paychecks during the first 10 months (\$50 x 10 monthly paychecks, or \$25 x 20 semi-monthly paychecks). Funds are to be held in a separate interest-bearing account, to be returned when the parsonage is vacated in good condition. This does not limit the damage liability to the balance of that account. This concerns both interim and permanent call situations involving parsonages. It is especially important that pastor and congregation mutually assess and verify the age and condition of carpets before residency begins in the parsonage.

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

Congregations should consider taking care of the grounds around the parsonage while the pastor is on vacation or study leave.

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

More about the Social Security Offset/FICA

Congregations are required to pay FICA taxes for all lay employees. Since IRS considers clergy as self-employed for FICA purposes (but employed for income tax purposes), congregations/ministry agencies cannot legally pay FICA directly for ordained clergy. The FICA tax for self-employed persons is 15.3%³. Clergy must pay FICA tax on their base salary and (if applicable) housing allowance. Congregations are expected to reimburse pastors the employer's

³ Congregations should stay abreast of any changes in the FICA tax rate.

share of FICA, 7.65%. (The pastor's share is the remaining 7.65%, including Social Security and Medicare.) Such a FICA Allowance, however, is still fully taxable for both income tax and FICA purposes.

2026 Salary Scale

The 2026 guidelines reflect a **3% increase in base salary** over the 2025 guidelines base salary.

It is important to acknowledge that an increase in base salary also provides an increase in housing allowance (if applicable) and social security offset which combined with the base salary creates a rostered pastor's Total Defined Compensation

The following chart does not include the cost of benefits: health insurance, retirement contribution, disability insurance, and group life insurance.

Years of Service/ Year Ordained	Minimum Base Salary	Housing Allowance (30% of Base)	Social Security Offset (7.65% of Base+Housing)	TOTAL Defined Compensation with Parsonage	TOTAL Defined Compensation with Housing Allowance
Graduate '26	\$44,821	\$13,446	\$4,457	\$49,278 + Parsonage	\$62,724
1 2025	\$45,527	\$13,658	\$4,528	\$50,055 + Parsonage	\$63,713
2 2024	\$46,227	\$13,868	\$4,597	\$50,824 + Parsonage	\$64,692
3 2023	\$46,930	\$14,079	\$4,667	\$51,597 + Parsonage	\$65,676
4 2022	\$47,633	\$14,290	\$4,737	\$52,370 + Parsonage	\$66,660
5 2021	\$48,336	\$14,501	\$4,807	\$53,143 + Parsonage	\$67,644
6 2020	\$49,039	\$14,712	\$4,877	\$53,916 + Parsonage	\$68,628
7 2019	\$49,742	\$14,923	\$4,947	\$54,689 + Parsonage	\$69,612
8 2018	\$50,445	\$15,134	\$5,017	\$55,462 + Parsonage	\$70,596
9 2017	\$51,148	\$15,344	\$5,087	\$56,235 + Parsonage	\$71,579
10 2016	\$51,851	\$15,555	\$5,157	\$57,008 + Parsonage	\$72,563
11 2015	\$52,554	\$15,767	\$5,227	\$57,781 + Parsonage	\$73,548
12 2014	\$53,257	\$15,977	\$5,296	\$58,553 + Parsonage	\$74,530
13 2013	\$53,960	\$16,188	\$5,366	\$59,326 + Parsonage	\$75,514
14 2012	\$54,663	\$16,399	\$5,436	\$60,099 + Parsonage	\$76,498
15 2011	\$55,366	\$16,610	\$5,506	\$60,872 + Parsonage	\$77,482
16 2010	\$56,069	\$16,821	\$5,576	\$61,645 + Parsonage	\$78,466
17 2009	\$56,772	\$17,032	\$5,646	\$62,418 + Parsonage	\$79,450
18 2008	\$57,475	\$17,243	\$5,716	\$63,191 + Parsonage	\$80,434
19 2007	\$58,177	\$17,453	\$5,786	\$63,963 + Parsonage	\$81,416
20 2006	\$58,881	\$17,664	\$5,856	\$64,737 + Parsonage	\$82,401
21 2005	\$59,583	\$17,875	\$5,926	\$65,509 + Parsonage	\$83,384
22 2004	\$60,287	\$18,086	\$5,996	\$66,283 + Parsonage	\$84,369
23 2003	\$60,989	\$18,297	\$6,065	\$67,054 + Parsonage	\$85,351
24 2002	\$61,693	\$18,508	\$6,135	\$67,828 + Parsonage	\$86,336
25 2001	\$62,395	\$18,719	\$6,205	\$68,600 + Parsonage	\$87,319
26 2000	\$63,099	\$18,930	\$6,275	\$69,374 + Parsonage	\$88,304
27 1999	\$63,801	\$19,140	\$6,345	\$70,146 + Parsonage	\$89,286
28 1998	\$64,505	\$19,352	\$6,415	\$70,920 + Parsonage	\$90,272
29 1997	\$65,207	\$19,562	\$6,485	\$71,692 + Parsonage	\$91,254
30 1996	\$65,911	\$19,773	\$6,555	\$72,466 + Parsonage	\$92,239
31 1995	\$66,613	\$19,984	\$6,625	\$73,238 + Parsonage	\$93,222
32 1994	\$67,317	\$20,195	\$6,695	\$74,012 + Parsonage	\$94,207

33	1993	\$68,019	\$20,408	\$6,765	\$74,784 + Parsonage	\$95,192
34	1992	\$68,723	\$20,617	\$6,835	\$75,560 + Parsonage	\$96,177
35	1991	\$69,425	\$20,828	\$6,904	\$76,329 + Parsonage	\$97,157
36	1990	\$70,129	\$21,039	\$6,974	\$77,103 + Parsonage	\$98,142
37	1989	\$70,831	\$21,249	\$7,044	\$77,875 + Parsonage	\$99,124
38	1988	\$71,535	\$21,461	\$7,114	\$78,649 + Parsonage	\$100,110
39	1987	\$72,237	\$21,671	\$7,184	\$79,421 + Parsonage	\$101,092
40	1986	\$72,937	\$21,881	\$7,254	\$80,191 + Parsonage	\$102,072

Rostered ministers, with more than 40 years of ministry experience, and their congregations are asked to negotiate appropriate salary increases.

Other Considerations

The total compensation package should also consider workload, additional education, and effectiveness of the rostered leader. Many rostered ministers, as they go through college and seminary, have incurred high levels of educational debt. Congregations are encouraged to discuss this matter with their rostered ministers. If your rostered minister is still paying off educational debt, the congregation is encouraged to provide a matching contribution up to \$100 per month to aid in reducing the educational debt.

- Ministers of Word and Sacrament with advanced degrees: DMin, PhD, STM, or other degrees the congregation deems germane to their ministry the congregation may add \$1000.
- For individuals supervising other staff, it is recommended adding \$750 to \$2000, commensurate with duties.

Previous Related Work Experience

Persons who have had other careers prior to entering rostered ministry should be given 1/2-year credit for every year of that experience to the extent that it was pertinent in preparing them for ministry, such as counseling, teaching, lay program staff, and supervisory positions with a cap of five years of experience. Examples: a person who taught school for 10 years could be given 5 years credit on the salary guidelines; a person who had supervisory responsibilities for 12 years would still be given 5 years credit because of the five-year cap. Congregations may always choose to give more credit because these are minimum guidelines.

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.

Portico Benefit Services

Health Benefits Coverage

Portico Benefit Services, the nonprofit benefit ministry of the ELCA, provides the benefit program for rostered ministers, lay employees, and their families. Portico provides health, dental, prescription drug, retirement, disability, and group life insurance benefits in one bundled program.* This program is designed to address the needs of rostered ministers and provide seamless benefits during change of call, leave from call, and other events unique to ministry. A bundled approach helps ensure rostered ministers and lay employees are protected against significant financial loss from a variety of risks. Through Portico, congregations** in this synod and across the country pool their collective purchasing power to provide benefits in a cost-effective manner.

Congregations and plan members share the cost of benefits. Congregations are expected to support the well-being of their covered plan members by paying all or a significant portion of the

contributions for benefits. Plan members are expected to participate in the cost of utilizing the benefits (e.g., deductibles, coinsurance, and copays). Portico offers a choice of ELCA-Primary health benefit options: Select Copay 2000, Select HDHP 2000, Value Copay 4000, Value HDHP 4000. Each fall, congregations should engage in conversation with their sponsored plan members to determine the option that best fits their needs and then make their selection during annual enrollment. Current contribution rates are available on at EmployerLink.PorticoBenefits.org or by calling Portico at 800.352.2876.

*A plan member may waive health coverage if they have access to valid medical insurance coverage through their spouse or another employer, or if they qualify for a subsidy due to income level when purchasing health coverage through the exchange.

**“Congregations” may also refer to multi-point parishes or other non-parish ministry agencies such as Bible camps, long-term care facilities, hospitals, campus ministries, etc.

Auto Expense Reimbursement

Automobile and other work-related travel expenses are business expenses for the congregation and should not be regarded as part of the staff person's salary. The current IRS standard mileage rate, based on actual miles driven and reported by the staff person in his/her personal vehicle, is recommended for use by congregations to calculate reimbursement. The IRS guideline for the current year can be found at www.irs.gov.

The standard rate is intended to cover gasoline and gas tax, depreciation or lease payments, insurance, registration, licensing fees, oil, tires, routine maintenance, and repairs. Congregations are advised to stay abreast of current IRS regulations pertaining to the standard mileage rates. Instead of reimbursing the staff person for use of his/her personal vehicle, the congregation may choose to lease or purchase a car for the staff person and assume all operating costs for the vehicle.

Professional Expense Reimbursement

It is recommended that professional expenses such as books, vestments, periodicals, professional dues, entertaining and hospitality costs incurred in the performance of the duties of the pastoral office be shared by the congregation. Attendance at the Synod Assembly and Synod Theological Conference is required of all rostered leaders, and all costs for these events are to be paid by the congregation.

Technology Tools

In many places, the use of technology enhances effective ministry by providing for better use of time and by helping pastors and rostered leaders be more accessible. Legitimate technology expenses incurred for church-related work should be reimbursed. Examples include cell phones and computers. For cell phones that are used both for church business and personal calls, it is suggested that the congregation and rostered minister each pay 50% of the base plan for the rostered minister. Unless otherwise agreed upon, equipment will remain with the congregation or be purchased at current market value by the rostered minister.

Continuing Education

All full- and part-time rostered ministers of the ELCA are expected to complete at least 50 contact hours of continuing education annually.⁴ Therefore, continuing education time and funding should be provided for them for updating skills and for professional growth to strengthen their ministries. It is recommended that a minimum of two weeks (including up to two Sundays) and a

⁴ Newly-rostered ministers are required to participate in First-Call Theological Education during the first three years of rostered service.

minimum \$1000 be granted annually for continuing education. This is in addition to the rostered minister's participation in and the congregation's reimbursement for the required educational and professional events of the Southeastern Minnesota Synod which include the Fall Theological Conference, Synod Assembly, Boundaries Training (which is required once every three years), monthly Conference meetings, and text studies.

It is encouraged that congregations approve a policy that determines whether the unused portion of a rostered minister's annual continuing education leave or continuing education allowance may be accumulated. Continuing education may include courses, seminary classes, workshops, or independent study when directed toward a specific goal. Use of continuing education funds is granted by the congregation council or other appropriate authority. Termination of employment may cancel all time and money contributed by the employer for that employee.

Congregations are encouraged to consider a sabbatical policy for their rostered ministers. The 1997 ELCA Churchwide Assembly recommended that rostered ministers be granted a period of extended study and renewal, a minimum of 1-3 months every 5-7 years in the current call.⁵

Time Off & Vacation

Adequate time off for rostered ministers is essential. It is recommended that vacation time be a minimum of 4 weeks (including 4 Sundays) for all rostered ministers regardless of the number of years of experience. Full time rostered ministers should be encouraged to take off two full days per week. Vacation time is offered purely for the rest, relaxation, and renewal of rostered ministers. The following should not be considered part of a rostered minister's vacation time: official synod events at which attendance by rostered ministers is required; continuing education; time spent in outdoor ministries and retreats with congregational youth and family groups; work on synod or Churchwide boards or committees. *Any carry-over of time off or vacation is determined by each congregation's church council in conversation with the rostered leader.*

Holidays

Holidays should be granted as days off in addition to vacation days. When the services of the rostered minister are required on recognized holidays, time off with pay should be granted at another time, which causes minimal disruption to the congregation. The following days are traditionally considered paid holidays: New Year's Day, Martin Luther King Day, Easter Sunday, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

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 minister has no remaining vacation time for that year. Compassion and grace should be the guiding values.

Disability - Sick Leave

If a rostered minister becomes medically disabled, it is expected that the congregation provide up to 8 weeks of continued salary, housing, and contributions to the ELCA Retirement and other Benefits plans in a 12-month period. In that time, if a rostered leader anticipates being unable to return to work after 8 weeks, the rostered leader should apply for disability coverage through Portico. *It is recommended that each congregation develop explicit written policy relating to disability and sick*

⁵ For rostered ministers involved in the First-Call Theological Education program, this 5- to 7-year period begins upon completion of that program.

leave before such need arises. Such a policy might include allowing rostered ministers to use some sick leave days to care for immediate family members who are ill. Consideration for sick leave during interim ministries might also be included.

Military Leave

A congregation whose pastor serves simultaneously as a chaplain in a military reserve unit must, by law, grant leave time for the pastor to fulfill his/her military obligations. Such military leave time is to be granted exclusive of vacation and continuing education time. *It is recommended that each congregation develop explicit written policies relating to compensation issues for rostered leaders while on military leave.* Policy guidelines are available from the ELCA Federal Chaplaincy website (<http://www.elca.org/Our-Work/Leadership/Federal-Chaplaincy-Ministries>).

Paid Family and Medical Leave (PFML) and Earned Sick and Safe Time (ESST)

PFML and ESST are two distinct programs in Minnesota with different purposes and start dates. ESST, which started in 2024, provides short-term, accrued paid time off for everyday illnesses and emergencies. PFML, taking effect January 1, 2026, is a state-administered wage replacement benefit for extended absences for major life events, like bonding with a new child or caring for a seriously ill family member. (https://mn.gov/deed/assets/paid-leave-comparison-acc_tcm1045-611627.pdf)

Earned Sick and Safe Time (ESST)

- **Purpose:** Covers short-term needs, such as personal or family illness, medical appointments, and safety issues, including domestic abuse, sexual assault, or stalking.
- **Accrual:** Eligible employees accrue paid time off based on hours worked.
- **Effective Date:** January 1, 2024.

Paid Family and Medical Leave (PFML)

- **Purpose:** Provides wage replacement for longer-term absences for significant life events, such as bonding with a new child, caring for a family member with a serious health condition, or the employee's own serious health condition.
- **Administration:** A state-administered insurance program.
- **Effective Date:** January 1, 2026.

All employers in the state of Minnesota, including congregations, are required to comply with Minnesota's ESST and PFML laws. This also applies to rostered ministers. Please refer to the following link which explains how to comply with the new PFML law:

<https://mn.gov/deed/paidleave/employers/faq/>

Part-Time Rostered Ministers

Part-time rostered ministers should have consideration for salary and benefits corresponding to a percentage of a full-time salary and benefits package. The required minimum continuing education should not be reduced by a percentage, however.

Unemployment Compensation

Federal and state laws generally exempt churches from this requirement as service performed in the employ of a religious organization.

Moving Expenses

Good beginnings are important. It is helpful that the relationship between pastor and congregation "get off on the right foot." Congregation and pastor 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 minister reach a mutually satisfactory decision about the move as part of the compensation negotiations. The means and cost of transporting the rostered minister'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 will be purchased by the congregation. These policies are available from most insurance agencies.

Severance Policy

It is recommended that each congregation develop explicit written policies relating to severance compensation for rostered ministers.

Rostered ministers are highly valued and dedicated servants in the church. Yet there are times when, unfortunately, it becomes wise for an individual's call or employment to end earlier than expected. Perhaps the individual's gifts do not meet the needs of the congregation. Perhaps the resources in the congregation have changed. In such difficult situations, the Southeastern Minnesota Synod encourages congregations to be as fair and caring as possible.

Severance pay is offered because rostered ministers are not eligible for unemployment compensation. Severance pay shall be based on the average weekly compensation during the last 12 months, including housing in case of a called rostered minister. A severance package is best arranged in consultation with the synod office. For mutual clarity, a signed release agreement is strongly recommended before any severance is paid.

Severance Formula:

Age, previous experience in other settings, and years of service in the current congregation are considered. The result is expressed in units of weeks of pay.

Minimum Severance Amount, independent of age and experience			
1.	Write '4' if the person is 50 years or older. Otherwise write '0':		
2.	Write the number of years of relevant service before coming to this congregation, divided by 2. (For example, for 12 years' service in previous congregations, write '6'):		
3.	Add lines 1 and 2:		
4.	Write '9' or the value from Line 3, whichever is smaller:		
5.	Write the number of years of service in the current congregation:		
6.	Add lines 1, 4, and 5:		
7.	Write '8' or the value from Line 6, whatever is larger:		
8.	Final Result: Write '26' or the value from Line 7, whichever is smaller for number of weeks of compensation:		

Additional Guidelines for Interim Ministries

Compensation and Benefits for Interim Pastors

The interim pastor's total compensation package may be negotiated based on (a) a base salary appropriate for his/her years of ordained experience according to the synod compensation guidelines, (b) the base salary of the departed pastor, or (c) other pertinent factors unique to the congregation's situation such as utilizing a part time interim pastor. If the situation requires concentrated effort above the normal routine, serious consideration should be given to an interim pastor with specialized training expertise even if this requires a higher salary.

For interim pastors, the congregation shall also provide:

1. One week of paid vacation and benefits for **every 10 weeks** of full-time service.
2. Contributions toward Portico Benefit Services for all clergy who are not already retired.
3. Premium payments for retired clergy who are still contributing to their coverage for medical insurance.
4. Consideration for disability/sick leave for interim ministries is recommended.
5. One day per month of paid continuing education leave and a continuing education allowance of \$187.50 for every 3 months (\$1000/year) of full-time service.
6. Payment of registration costs for attending the Synod Assembly and Synod Theological Conference when these events occur during the interim.
7. Reimbursement for auto expenses and professional expenses incurred in doing ministry in the parish. An interim pastor who commutes may be reimbursed for all or a portion of his/her commuting costs, as agreed upon by the congregation council and interim pastor. It is often the case that congregations cover mileage for one round trip per week between the pastor's home and the place where he/she serves.
8. Housing allowance may be granted to an interim pastor, even when a parsonage is available, in recognition of the need for intentional interim pastors to maintain permanent housing.
9. If the interim call contract is ended early by a congregation and the interim pastor does not have another call and if it is financially feasible, it is recommended that the congregation consider providing ongoing support for another 30 days.

Pulpit Supply

For Sunday mornings and midweek services, the congregation or parish shall compensate the supply pastor or worship leader \$175 for the first worship service, plus \$50 for each additional worship service on the same day. Auto reimbursement shall be at the current IRS standard mileage rate which can be found at www.irs.gov.

Compensation for Ministers of Word and Service (Deacons)

To equitably compensate ELCA Ministers of Word and Service, we must understand their roster and the last few years have seen several big changes to it. As of January 1, 2017, the three previous Word and Service rosters of the ELCA were brought together into one Word and Service roster and “deacon” was chosen to be the religious title for these ministers. While deacon is a longstanding religious title in the Christian church, it is new to the ELCA, though related to other titles used in the ELCA such as “deaconess” and “diaconal minister”. (Adding some confusion, the ELCA’s Deaconess community is still active, though small in numbers, so it is possible that a Minister of Word and Service can be both Deacon and Deaconess.) After the roster of deacon was formed, it was decided that ordination would serve as the entrance rite for all deacons, as it does for pastors. This decision and the accompanying decision that all deacons already in service would be considered ordained effectively shifted all deacons of the ELCA from lay leaders to rostered ministers.

WHAT a deacon is compensated is aligned to that of ministers of word and sacrament (pastors) in the SEMN Synod.

HOW a deacon is compensated is dependent upon whether or not the deacon qualifies for clergy tax status.

More about Deacons and Clergy Tax Status

(the following comes from the NEMN Synod and Bishop Bill Tesch as a Memorandum for Reference)

The decision by the 2019 ELCA Churchwide Assembly to grant the Rite of Ordination to Deacons raises the question of whether or not Deacons in the ELCA should be treated as clergy by employers and calling bodies **for IRS purposes**.

In essence,

1. It depends on the job description of the Deacon. The IRS uses a 5-part test to determine if an individual meets the definition of “Clergy:”
 - The taxpayer is ordained, Licensed, or Commissioned
 - The taxpayer administers* Ordinances or Sacraments
 - The taxpayer conducts Worship
 - The taxpayer performs services in the “control, conduct, or maintenance of a religious organization”
 - The taxpayer is considered to be a spiritual leader by the related religious body.

*NOTE: Several Bishops believe that “Administers” is not the same as “Presides.” Many deacons carry the sacraments from the altar to people who, for a variety of reasons, are unable to be present. Many deacons participate in the preparation of candidates for Baptism and/or in the Baptismal Rite itself. Many deacons guide, direct or participate in the planning of worship which includes the sacraments. All of these activities could easily be interpreted as “Administering” sacraments, and, respecting the separation of Church and state, the courts tend to rely on the religious body’s interpretation of the language.

2. Ultimately, the decision as to whether or not someone qualifies for clergy status is between the employer, the employee, and the IRS.
3. If an employer or calling body decides to grant clergy tax status to the deacon, then this means that the deacon will have a portion of the salary designated as a housing allowance and that the deacon will be considered self-employed, just like a pastor. The employer or calling body would no longer withhold a portion of salary for income and payroll tax purposes. The deacon can receive a 7.5 % Social Security allowance in lieu of the employers share of the payroll

taxes. The deacon should work with a tax professional to determine their quarterly tax payments.

For Deacons whose job descriptions qualify, the designation of the Clergy tax status can be a way for greater equity between the rosters and can provide an additional benefit to our deacons at little or no cost to the employer or calling body.

For further background, see the article: <https://www.clergyfinancial.com/who-qualifies-for-clergy-status/>

2026 Salary Scale

The 2026 guidelines reflect a 3% increase in base salary over the 2025 guidelines base salary.

The following chart does not include the cost of benefits: health insurance, retirement contribution, disability insurance, and group life insurance.

Years of Service/ Year Ordained		Minimum Base Salary	TOTAL Defined Compensation WITHOUT Clergy Tax Status Base+30% of base	TOTAL Defined Compensation WITH Clergy Tax Status and NOT living in a parsonage Base+housing allowance+SS offset
Graduate 2026		\$44,821	\$58,267	\$62,724
1	2025	\$45,527	\$59,185	\$63,713
2	2024	\$46,227	\$60,095	\$64,692
3	2023	\$46,930	\$61,009	\$65,676
4	2022	\$47,633	\$61,923	\$66,660
5	2021	\$48,336	\$62,837	\$67,644
6	2020	\$49,039	\$63,751	\$68,628
7	2019	\$49,742	\$65,579	\$69,612
8	2018	\$50,445	\$65,579	\$70,596
9	2017	\$51,148	\$66,492	\$71,579
10	2016	\$51,851	\$67,406	\$72,563
11	2015	\$52,554	\$68,321	\$73,548
12	2014	\$53,257	\$69,234	\$74,530
13	2013	\$53,960	\$70,148	\$75,514
14	2012	\$54,663	\$71,062	\$76,498
15	2011	\$55,366	\$71,976	\$77,482
16	2010	\$56,069	\$72,890	\$78,466
17	2009	\$56,772	\$73,804	\$79,450
18	2008	\$57,475	\$71,718	\$80,434
19	2007	\$58,177	\$75,630	\$81,416
20	2006	\$58,881	\$76,545	\$82,401
21	2005	\$59,583	\$77,458	\$83,384
22	2004	\$60,287	\$78,373	\$84,369
23	2003	\$60,989	\$79,286	\$85,351
24	2002	\$61,693	\$80,201	\$86,336
25	2001	\$62,395	\$81,114	\$87,319
26	2000	\$63,099	\$82,029	\$88,304
27	1999	\$63,801	\$82,941	\$89,286
28	1998	\$64,505	\$83,857	\$90,272
29	1997	\$65,207	\$84,769	\$91,254

30	1996	\$65,911	\$85,684	\$92,239
31	1995	\$66,613	\$86,597	\$93,222
32	1994	\$67,317	\$87,512	\$94,207
33	1993	\$68,019	\$89,131	\$95,192
34	1992	\$68,723	\$89,340	\$96,177
35	1991	\$69,425	\$90,253	\$97,157
36	1990	\$70,129	\$91,168	\$98,142
37	1989	\$70,831	\$92,080	\$99,124
38	1988	\$71,535	\$92,996	\$100,110
39	1987	\$72,237	\$93,908	\$101,092
40	1986	\$72,937	\$94,818	\$102,072

Rostered ministers, with more than 40 years of ministry experience, and their congregations are asked to negotiate appropriate salary increases.

Other Considerations

The total compensation package should also consider workload, additional education, and effectiveness of the rostered leader. Many rostered ministers, as they go through college and seminary, have incurred high levels of educational debt. Congregations are encouraged to discuss this matter with their rostered ministers. If your rostered minister is still paying off educational debt, the congregation is encouraged to provide a matching contribution up to \$100 per month to aid in reducing the educational debt.

- Ministers of Word and Service with advanced degrees: DMin, PhD, STM, or other degrees the congregation deems germane to their ministry the congregation may add \$1000.
- For individuals supervising other staff, it is recommended adding \$750 to \$2000, commensurate with duties.

Previous Related Work Experience

Persons who have had other careers prior to entering rostered ministry should be given 1/2-year credit for every year of that experience to the extent that it was pertinent in preparing them for ministry, such as counseling, teaching, lay program staff, and supervisory positions with a cap of five years of experience. Examples: a person who taught school for 10 years could be given 5 years credit on the salary guidelines; a person who had supervisory responsibilities for 12 years would still be given 5 years credit because of the five-year cap. Congregations may always choose to give more credit because these are minimum guidelines.

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.

Portico Benefit Services Health Benefits Coverage

Portico Benefit Services, the nonprofit benefit ministry of the ELCA, provides the benefit program for rostered ministers, lay employees, and their families. Portico provides health, dental, prescription drug, retirement, disability, and group life insurance benefits in one bundled program.* This program is designed to address the needs of rostered ministers and provide seamless benefits during change of call, leave from call, and other events unique to ministry. A bundled approach helps ensure rostered ministers and lay employees are protected against significant financial loss from a

variety of risks. Through Portico, congregations** in this synod and across the country pool their collective purchasing power to provide benefits in a cost-effective manner.

Congregations and plan members share the cost of benefits. Congregations are expected to support the well-being of their covered plan members by paying all or a significant portion of the contributions for benefits. Plan members are expected to participate in the cost of utilizing the benefits (e.g., deductibles, coinsurance, and copays). Portico offers a choice of ELCA-Primary health benefit options: Select Copay 2000, Select HDHP 2000, Value Copay 4000, Value HDHP 4000. Each fall, congregations should engage in conversation with their sponsored plan members to determine the option that best fits their needs, and then make their selection during annual enrollment. Current contribution rates are available on at EmployerLink.PorticoBenefits.org or by calling Portico at 800.352.2876.

*A plan member may waive health coverage if they have access to valid medical insurance coverage through their spouse or another employer, or if they qualify for a subsidy due to income level when purchasing health coverage through the exchange.

**“Congregations” may also refer to multi-point parishes or other non-parish ministry agencies such as Bible camps, long-term care facilities, hospitals, campus ministries, etc.

Auto Expense Reimbursement

Automobile and other work-related travel expenses are business expenses for the congregation and should not be regarded as part of the staff person's salary. The current IRS standard mileage rate, based on actual miles driven and reported by the staff person in his/her personal vehicle, is recommended for use by congregations to calculate reimbursement. The IRS guideline for the current year can be found at www.irs.gov.

The standard rate is intended to cover gasoline and gas tax, depreciation or lease payments, insurance, registration, licensing fees, oil, tires, routine maintenance, and repairs. Congregations are advised to stay abreast of current IRS regulations pertaining to the standard mileage rates. Instead of reimbursing the staff person for use of his/her personal vehicle, the congregation may choose to lease or purchase a car for the staff person and assume all operating costs for the vehicle.

Professional Expense Reimbursement

It is recommended that professional expenses such as books, vestments, periodicals, professional dues, entertaining and hospitality costs incurred in the performance of the duties of the pastoral office be shared by the congregation. Attendance at the Synod Assembly and Synod Theological Conference is required of all rostered leaders, and all costs for these events are to be paid by the congregation.

Technology Tools

In many places, the use of technology enhances effective ministry by providing for better use of time and by helping pastors and rostered leaders be more accessible. Legitimate technology expenses incurred for church-related work should be reimbursed. Examples include cell phones and computers. For cell phones that are used both for church business and personal calls, it is suggested that the congregation and rostered minister each pay 50% of the base plan for the rostered minister. Unless otherwise agreed upon, equipment will remain with the congregation or be purchased at current market value by the rostered minister.

Continuing Education

All full- and part-time rostered ministers of the ELCA are expected to complete at least 50 contact hours of continuing education annually.⁶ Therefore, continuing education time and funding should be provided for them for updating skills and for professional growth to strengthen their ministries. It is recommended that a minimum of two weeks (including up to two Sundays) and a minimum \$1000 be granted annually for continuing education. This is in addition to the rostered minister's participation in and the congregation's reimbursement for the required educational and professional events of the Southeastern Minnesota Synod, which include the Fall Theological Conference, Synod Assembly, Boundaries Training (which is required once every three years), monthly Conference meetings, and text studies.

It is encouraged that congregations approve a policy that determines whether the unused portion of a rostered minister's annual continuing education leave or continuing education allowance may be accumulated. Continuing education may include courses, seminary classes, workshops, or independent study when directed toward a specific goal. Use of continuing education funds is granted by the congregation council or other appropriate authority. Termination of employment may cancel all time and money contributed by the employer for that employee.

Congregations are encouraged to consider a sabbatical policy for their rostered ministers. The 1997 ELCA Churchwide Assembly recommended that rostered ministers be granted a period of extended study and renewal, a minimum of 1-3 months every 5-7 years in the current call.⁷

Time Off & Vacation

Adequate time off for rostered ministers is essential. It is recommended that vacation time be a minimum of 4 weeks (including 4 Sundays) for all rostered ministers regardless of the number of years of experience. Full time rostered ministers should be encouraged to take off two full days per week. Vacation time is offered purely for the rest, relaxation, and renewal of rostered ministers. The following should not be considered part of a rostered minister's vacation time: official synod events at which attendance by rostered ministers is required; continuing education; time spent in outdoor ministries and retreats with congregational youth and family groups; work on synod or Churchwide boards or committees. *Any carry-over of time off or vacation is determined by each congregation's church council in conversation with the rostered leader.*

Holidays

Holidays should be granted as days off in addition to vacation days. When the services of the rostered minister are required on recognized holidays, time off with pay should be granted at another time, which causes minimal disruption to the congregation. The following days are traditionally considered paid holidays: New Year's Day, Martin Luther King Day, Good Friday or Easter Monday, Memorial Day, Juneteenth, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

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 minister has no remaining vacation time for that year. Compassion and grace should be the guiding values.

⁶ Newly-rostered ministers are required to participate in First-Call Theological Education during the first three years of rostered service.
⁷ For rostered ministers involved in the First-Call Theological Education program, this 5- to 7-year period begins upon completion of that program.

Disability - Sick Leave

In the event that a rostered minister becomes medically disabled, it is expected that the congregation provide up to 2 months of continued salary, housing, and contributions to the ELCA Retirement and other Benefits plans in a 12-month period. In that time, if a rostered leader anticipates being unable to return to work after 8 weeks, the rostered leader should apply for disability coverage through Portico. *It is recommended that each congregation develop explicit written policy relating to disability and sick leave before such need arises.* Such a policy might include allowing rostered ministers to use some sick leave days to care for immediate family members who are ill. Consideration for sick leave during interim ministries might also be included.

Military Leave

A congregation whose pastor serves simultaneously as a chaplain in a military reserve unit must, by law, grant leave time for the pastor to fulfill his/her military obligations. Such military leave time is to be granted exclusive of vacation and continuing education time. *It is recommended that each congregation develop explicit written policies relating to compensation issues for rostered leaders while on military leave.* Policy guidelines are available from the ELCA Federal Chaplaincy website (<http://www.elca.org/Our-Work/Leadership/Federal-Chaplaincy-Ministries>).

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Earned Sick and Safe Time (ESST)

- **Purpose:** Covers short-term needs, such as personal or family illness, medical appointments, and safety issues, including domestic abuse, sexual assault, or stalking.
- **Accrual:** Eligible employees accrue paid time off based on hours worked.
- **Effective Date:** January 1, 2024.

Paid Family and Medical Leave (PFML)

- **Purpose:** Provides wage replacement for longer-term absences for significant life events, such as bonding with a new child, caring for a family member with a serious health condition, or the employee's own serious health condition.
- **Administration:** A state-administered insurance program.
- **Effective Date:** January 1, 2026.

All employers in the state of Minnesota, including congregations, are required to comply with Minnesota's ESST and PFML laws. This also applies to rostered ministers. Please refer to the following link which explains how to comply with the new PFML law:

<https://mn.gov/deed/paidleave/employers/faq/>

Part-Time Rostered Ministers

Part-time rostered ministers should have consideration for salary and benefits corresponding to a percentage of a full-time salary and benefits package. The required minimum continuing education should not be reduced by a percentage, however.

Unemployment Compensation

Federal and state laws generally exempt churches from this requirement as service performed in the employ of a religious organization.

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Good beginnings are important. It is helpful that the relationship between pastor and congregation “get off on the right foot.” Congregation and pastor 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 minister reach a mutually satisfactory decision about the move as part of the compensation negotiations. The means and cost of transporting the rostered minister’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 will be purchased by the congregation. These policies are available from most insurance agencies.

Severance Policy

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Severance pay is offered because rostered ministers are not eligible for unemployment compensation. Severance pay shall be based on the average weekly compensation during the last 12 months, including housing in case of a called rostered minister. A severance package is best arranged in consultation with the synod office. For mutual clarity, a signed release agreement is strongly recommended before any severance is paid.

Severance Formula:

Age, previous experience in other settings, and years of service in the current congregation are considered. The result is expressed in units of weeks of pay.

Minimum Severance Amount, independent of age and experience			
1.	Write ‘4’ if the person is 50 years or older. Otherwise write ‘0’:		
2.	Write the number of years of relevant service before coming to this congregation, divided by 2. (For example, for 12 years’ service in previous congregations, write ‘6’):		
3.	Add lines 1 and 2:		
4.	Write ‘9’ or the value from Line 3, whichever is smaller:		
5.	Write the number of years of service in the current congregation:		
6.	Add lines 1, 4, and 5:		
7.	Write ‘8’ or the value from Line 6, whatever is larger:		
8.	Final Result: Write ‘26’ or the value from Line 7, whichever is smaller for number of weeks of compensation:		

Lay Staff Members

Program Lay Staff and Support Lay Staff

Church staff persons in programmatic ministries or who are support lay staff and who are not rostered should receive fair and adequate remuneration for their labors. Their salaries should take into account the level of responsibility, effectiveness in ministry, educational background, length of service, and the number of hours worked per week. It is important to develop position descriptions which effectively describes the responsibilities involved. A comparison of the requirements for the position with comparable positions in the community can be helpful in setting salary and benefits. For persons working 20 or more hours per week, benefits in addition to salary should be offered. Benefits should include medical coverage and retirement contributions.⁸ Provision for continuing education should also be included as a benefit for non-rostered program and support staff.

⁸ Rostered ministers and laypersons are eligible for membership in Portico Benefit Services if they are scheduled to work at least 15 hours per week, 6 or more months a year. Lay (non-rostered) employees must be scheduled to work at least 20 hours per week, 6 or more months a year, in order to qualify for membership in Portico Benefit Services. State law also requires that all employees be provided with workers' compensation coverage.

COMPENSATION WORKSHEETS

The following worksheets are provided in order to aid the congregation in establishing a total compensation package. Each item on the worksheets is described within this synod guidelines document. The worksheets lend themselves to building a compensation package using synod guidelines. If staff are below guidelines, it is strongly recommended that these worksheets are presented in the annual report of the congregation to ensure that everyone is fully aware of the situation.

Rostered Minister – Word and Sacrament (Pastor)
No Parsonage

Pertinent Information for: Birthdate: Year on Salary Scale 2025: Health Coverage:	Year Ordained: Previous Related Work Experience Credit: Year on Salary Scale 2026: Select Copay 2000, Select HDHP 2000, Value Copay 4000, Value HDHP 4000 Member Only, Member/Spouse, Family, Clergy Couple, Waive
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Step 1: Annual Defined Compensation	2025	2026
1. Base Salary	\$	\$
2. Housing Allowance (30% of base)	\$	\$
3. Social Security Offset (7.65% of base+housing)	\$	\$
TOTAL DEFINED COMPENSATION	\$	\$
Step 2: Annual Benefits		
1. Health Insurance: (including HSA or FSA)	\$	\$
2. Retirement Contribution (10% of defined comp)	\$	\$
3. Disability Insurance (see % of defined comp)	\$ (.30%)	\$ (.30%)
4. Group Life Insurance (see % of defined comp)	\$ (.20%)	\$ (.20%)
TOTAL ANNUAL BENEFITS	\$	\$
Step 3: TOTAL COMP and BENEFIT PACKAGE (Total Defined Comp + Total Benefits)	\$	\$
Step 4: Time Away		
1. Vacation Time (4 weeks including 4 Sundays)		
2. Continuing Education (2 weeks including 2 Sundays)		
Step 5: Other Congregational Expenses		
Note: These expenses are not compensation to the rostered minister, but instead are additional expenses for the congregation for pastoral ministry		
1. Mileage Reimbursement/Travel Expense	\$	\$
2. Synod Assembly Registration (required)	\$	\$
Lodging (if needed)	\$	\$
3. Theological Conference Registration (required)	\$	\$
Lodging (required)	\$	\$
4. Boundaries Training (required every 3 years)	\$	\$
5. Continuing Education (\$1000 minimum)	\$	\$
6. First Call Theological Education (if applicable)	\$	\$
7. Other Professional Ministry Expenses	\$	\$
TOTAL ADDITIONAL CONGREGATIONAL EXPENSES	\$	\$

Rostered Minister – Word and Sacrament (Pastor)
Parsonage

Pertinent Information for:		Year Ordained:
Birthdate:		Previous Related Work Experience Credit:
Year on Salary Scale 2025:		Year on Salary Scale 2026:
Health Coverage: Select Copay 2000, Select HDHP 2000, Value Copay 4000, Value HDHP 4000 Member Only, Member/Spouse, Family, Clergy Couple, Waive		

Step 1: Annual Defined Compensation	2025	2026
1. Base Salary	\$	\$
2. Parsonage Value (30% of base) ONLY USED when determining total defined compensation for Portico	Parsonage \$	Parsonage \$
3. Social Security Offset (7.65% of the sum of 1 & 2)	\$	\$
TOTAL DEFINED COMPENSATION (base + social security offset)	\$	\$
TOTAL DEFINED COMPENSATION FOR PORTICO (base + social security offset + housing allowance)	\$	\$
Step 2: Annual Benefits		
1. Health Insurance (including HSA or FSA)	\$	\$
2. Retirement Contribution (10% of defined comp)	\$	\$
3. Disability Insurance (% of defined comp)	\$ (.30%)	\$ (.30%)
4. Group Life Insurance (% of defined comp)	\$ (.20%)	\$ (.20%)
TOTAL ANNUAL BENEFITS	\$	\$
Step 3: TOTAL COMP and BENEFIT PACKAGE (Total Defined Comp + Total Benefits)	\$	\$
Step 4: Time Away		
1. Vacation Time (4 weeks including 4 Sundays)		
2. Continuing Education (2 weeks including 2 Sundays)		
Step 5: Other Congregational Expenses		
Note: These expenses are not compensation to the rostered minister, but instead are additional expenses for the congregation for pastoral ministry		
1. Mileage Reimbursement/Travel Expense	\$	\$
2. Synod Assembly Registration (required) Lodging (if needed)	\$ \$	\$ \$
3. Theological Conference Registration (required) Lodging (required)	\$ \$	\$ \$
4. Boundaries Training (required every 3 years)	\$	\$
5. Continuing Education (\$1000 minimum)	\$	\$
6. First Call Theological Education (if applicable)	\$	\$
7. Other Professional Ministry Expenses	\$	\$
TOTAL ADDITIONAL CONGREGATIONAL EXPENSES	\$	\$

Rostered Minister – Word and Service (Deacon)
Without Clergy Tax Status

Pertinent Information for: Birthdate: Year on Salary Scale 2025: Health Coverage:	Year Ordained: Previous Related Work Experience Credit: Year on Salary Scale 2026: Select Copay 2000, Select HDHP 2000, Value Copay 4000, Value HDHP 4000 Member Only, Member/Spouse, Family, Clergy Couple, Waive
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Step 1: Annual Defined Compensation	2025	2026
1. Salary (base+30% of base)	\$	\$
TOTAL DEFINED COMPENSATION	\$	\$
Step 2: Annual Benefits		
2. Health Insurance (including HSA or FSA)	\$	\$
3. Retirement Contribution (10% of defined comp)	\$	\$
4. Disability Insurance (% of defined comp)	\$ (.30%)	\$ (.30%)
5. Group Life Insurance (% of defined comp)	\$ (.20%)	\$ (.20%)
TOTAL ANNUAL BENEFITS	\$	\$
Step 3: TOTAL COMP and BENEFIT PACKAGE (Total Defined Comp + Total Benefits)	\$	\$
Step 4: Time Away		
6. Vacation Time (4 weeks including 4 Sundays)		
7. Continuing Education (2 weeks including 2 Sundays)		
Step 5: Other Congregational Expenses		
Note: These expenses are not compensation to the rostered minister, but instead are additional expenses for the congregation for pastoral ministry		
8. Mileage Reimbursement/Travel Expense	\$	\$
9. Synod Assembly Registration (required)	\$	\$
Lodging (if needed)	\$	\$
10. Theological Conference Registration (required)	\$	\$
Lodging (required)	\$	\$
11. Boundaries Training (required every 3 years)	\$	\$
12. Continuing Education (\$1000 minimum)	\$	\$
13. First Call Theological Education (if applicable)	\$	\$
14. Other Professional Ministry Expenses	\$	\$
TOTAL ADDITIONAL CONGREGATIONAL EXPENSES	\$	\$

Rostered Minister – Word and Service (Deacon)
With Clergy Tax Status

Pertinent Information for: Birthdate: Year on Salary Scale 2025: Health Coverage:	Year Ordained: Previous Related Work Experience Credit: Year on Salary Scale 2026: Select Copay 2000, Select HDHP 2000, Value Copay 4000, Value HDHP 4000 Member Only, Member/Spouse, Family, Clergy Couple, Waive
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Step 1: Annual Defined Compensation	2025	2026
4. Base Salary	\$	\$
5. Housing Allowance (30% of base)	\$	\$
6. Social Security Offset (7.65% of base+housing)	\$	\$
TOTAL DEFINED COMPENSATION	\$	\$
Step 2: Annual Benefits		
5. Health Insurance (including HSA or FSA)	\$	\$
6. Retirement Contribution (10% of defined comp)	\$	\$
7. Disability Insurance (% of defined comp)	\$ (.30%)	\$ (.30%)
8. Group Life Insurance (% of defined comp)	\$ (.20%)	\$ (.20%)
TOTAL ANNUAL BENEFITS	\$	\$
Step 3: TOTAL COMP and BENEFIT PACKAGE (Total Defined Comp + Total Benefits)	\$	\$
Step 4: Time Away		
3. Vacation Time (4 weeks including 4 Sundays)		
4. Continuing Education (2 weeks including 2 Sundays)		
Step 5: Other Congregational Expenses		
Note: These expenses are not compensation to the rostered minister, but instead are additional expenses for the congregation for pastoral ministry		
8. Mileage Reimbursement/Travel Expense	\$	\$
9. Synod Assembly Registration (required)	\$	\$
Lodging (if needed)	\$	\$
10. Theological Conference Registration (required)	\$	\$
Lodging (required)	\$	\$
11. Boundaries Training (required every 3 years)	\$	\$
12. Continuing Education (\$1000 minimum)	\$	\$
13. First Call Theological Education (if applicable)	\$	\$
14. Other Professional Ministry Expenses	\$	\$
TOTAL ADDITIONAL CONGREGATIONAL EXPENSES	\$	\$