



2010

Minimum Standards for Compensation and Benefits

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2010 Minimum Standards for Compensation and Benefits

for

Ordained Pastors

Associates in Ministry

Deaconesses

Diaconal Ministers

Lay Program Staff

Support Staff

“The gifts he gave were that some would be apostles, some prophets, some evangelists, some pastors and teachers, to equip the saints for the work of ministry, for building up the body of Christ.” Ephesians 4.11–12

“For the kingdom of heaven is like a landowner who went out early in the morning to hire laborers for his vineyard. After agreeing with the laborers for the usual daily wage, he sent them into his vineyard. When he went out about nine o’clock, he saw others standing idle in the marketplace; and he said to them, ‘You also go into the vineyard, and I will pay you whatever is right.’ ” Matthew 20.1–4

This document is the complete and revised standards for compensation, benefits, reimbursable expenses, and non-financial compensation for 2010. It is submitted for approval to the 2010 Synod Assembly as Resolution #2. While the Social Security CoLA for 2008 was 5.8%, the economic conditions demand a more conservative approach.

Substantive changes include the following:

1. A 3.5% increase for pastors and lay professional staff with 0 years of experience, with the increase decreasing by 0.1% for each year of experience, down to no change for pastors with 35 years of experience (i.e. the salary for pastors with 1 year of experience will increase by 3.4%, with 2 years 3.3%, etc.), and a 3.2% increase for hourly workers (See I.A.1 in each section).
2. A detailed description of family leave and the addition of compassion leave (See II.C in each section).
3. An explanation and description of part time pastoral service.
4. A correction to disability provisions.

These changes were developed by the Salary Standards Committee and approved by the Synod Council at their February meeting.

Other, non-substantive changes include reformatting for readability, the addition of formulas to clarify necessary calculations, and new worksheets to streamline the process. This work was done by synod staff in preparation for the Synod Assembly.

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Pastors

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I. COMPENSATION

A. SALARY

1. Years of Experience¹

While the responsibilities of pastors are similar to positions such as school administrators, hospital administrators, and business executives, the cash salary is typically more like that of master's level teachers with comparable years of experience and taking into account that pastors work twelve months of the year. The formula is:

$$\text{pastor's salary} + \text{housing} + \text{continuing education} + \text{official meetings} \approx \frac{4}{3} \times \text{salary of a teacher with a master's degree}$$

Taking an average of the salary standards for teachers with a master's degree in the four CESA districts within our synod boundaries, the base pay salary for pastors is comparable at zero years of experience, but falls behind that of teachers with one or more years of experience. Fair compensation with regard to education and profession must be a consideration when addressing salary for the pastor.

Experience	Base Salary	Experience	Base Salary
0	\$34,498	18	\$48,553
1	\$35,253	19	\$49,241
2	\$36,026	20	\$49,940
3	\$36,816	21	\$50,648
4	\$37,620	22	\$51,366
5	\$38,444	23	\$52,095
6	\$39,187	24	\$52,833
7	\$39,943	25	\$53,582
8	\$40,716	26	\$54,341
9	\$41,502	27	\$55,109
10	\$42,303	28	\$55,890
11	\$43,119	29	\$56,681
12	\$43,950	30	\$57,483
13	\$44,798	31	\$58,296
14	\$45,661	32	\$59,121
15	\$46,542	33	\$59,958
16	\$47,203	34	\$60,804
17	\$47,872	35	\$61,664

Note: These figures are minimum guidelines and are not intended to restrict a congregation in fairly compensating a pastor. Congregations that are not presently at the salary standard range should attempt to reach the appropriate level within three years.

¹ According to the Department of Social Security, the cost of living adjustment (CoLA) for 2008 is 5.8%, however the Salary Standards Committee and the Synod Council are recommending a smaller 3.2 to 5.7% increase based on years of experience.

2. Housing

The congregation provides (a) a housing allowance of \$9,500 to \$11,000², depending upon the local market, or (b) a parsonage, including utilities, maintenance, phone and housing equity fund.³ (See I.B on page 4.)

3. Additional Functions

Salary often is driven by other factors in addition to years of experience. While these are more difficult to objectively quantify, they should nevertheless enter into the conversation about salary. Some of these factors are:

a) Ratio of Staff to Size of Congregation (Based on Worship Attendance)

The size of the congregation and the ratio of staff to worship attendance should be considered. For example, a solo pastor with no program staff serving a congregation with average worship attendance of 250+ should receive an additional \$1,000 compensation to reflect the added demands placed upon them.

b) Supervisory Responsibilities for Program Staff

(1) \$1,000 for supervision of 2–3 program staff

(2) \$1,500 for supervision of 4+ program staff

c) Additional Education

Consideration of \$500 to \$1,500 for additional earned degrees beyond the Master of Divinity is appropriate.

d) Previous Work Experience Prior to Ordination

Experience may also include unordained ministry in the church and/or secular work which enhances a person's skills for ministry. Experience prior to ordination is calculated at the rate of 1/3 to 1/2 year for each year up to ten years of prior experience (up to 5 years credit).

4. Ongoing Considerations

a) **Cost of living** is not an adequate adjustment when used alone. Each year also brings with it an additional year of experience. Using only cost of living adjustments year after year ignores the accumulating experience level and results in the pastor gradually slipping below standards.

b) **Review of performance** and changes in levels of responsibility should also be considered annually, and may warrant additional salary consideration (see Appendix C).

5. Part Time Service

In order to remain on the ordained clergy roster, a pastor must maintain at least a 1/3 time call (15 hours per week). In the event that a congregation calls a pastor part time, it should be understood that part time status pertains to all of the following: salary, responsibilities, and hours, including the proportional number of Sundays (e.g. 3/4 time means three out of four Sundays, etc). The minimum contributions levels still apply for Board of Pensions health benefits (i.e. the minimum contribution is NOT proportional). Congregations may need to develop lay leadership in the areas of visitation to homebound and hospitalized, teaching confirmation and Bible studies, administration, pulpit supply, and more. An ongoing conversation with synod staff may be helpful.

² This range recognizes that some communities have higher housing costs, e.g. on the western side of the synod, than other communities. Pastors may also request that some of their cash salary be designated as additional housing allowance (see I.B.1 under "Housing").

³ See considerations for parsonage allowances in I.B.2 under "Housing."

B. HOUSING⁴

A unique feature of clergy compensation is the distinctive tax law regarding housing allowance for ordained ministers. This originated for clergy (and the military) because a parsonage was at one time standard for housing.

1. Housing Allowance

When there is a housing allowance, the pastor determines the amount of compensation to be set aside for housing allowance (based on IRS rules, form 1828) and submits it to the Congregation Council. The Congregation Council must annually include the amount to be designated for housing in the council minutes prior to the beginning of the new tax year. The pastor assumes full responsibility for complying with IRS definitions of “cost to provide a house.”

2. Parsonage

a) Electric/Gas/Water/Sewer

When a parsonage is provided to the pastor, all utility costs and repairs are paid by the church. It is recommended that the congregation pay directly for the parsonage utilities because current tax law and Board of Pension rules make such payment advantageous to both the congregation and the pastor.

OR in other instances when a parsonage is provided, the congregation may choose to grant an allowance for the pastor to pay for the utilities. The standard for this is \$2,400 annually. The annual costs should be reviewed to be sure this is in line with actual expenses for the utilities.

b) Phone Service

Since it is important to be able to contact the pastor in case of emergency, local phone service should be provided.

c) Housing Equity Allowance

Where a parsonage is provided, the congregation is expected to contribute to a housing equity fund. This may be done by enrolling in the Optional Pension Plan through the ELCA Board of Pensions and designating that payment as “housing equity program.” The purpose of this allowance is to provide financial resources under the supervision of the Board of Pensions for the pastor to purchase housing upon retirement, or when a new call requires the purchase of a home. This fund is not subject to income taxes since it is not paid directly to the pastor. The formula for the suggested amount is as follows:

$$\text{housing equity allowance} = (\text{salary} + 30\% \text{ of salary}) \times 4.5\%$$

3. Furnishings Allowance

Whether the church provides a housing allowance or a parsonage, the tax code provides pastors an exemption from taxation on amounts spent for furnishings in the pastor’s residence. Simply designate a certain amount of the cash salary or add a portion to the compensation labeled “furnishings allowance.”

⁴ For tax purposes, the allowances in this section must be designated and clearly written by annual congregational council action before the year begins. Arrangements with the pastor for allowances paid for housing, utilities, and furnishings should be written clearly, so that they are excludable from taxable income according to the tax code. These are excludable only as spent, therefore the designation may be stated on the high side. “Expenses of providing a home include rent, house payments, furniture payments, cost for a garage, and utilities. They do not include the cost of food or servants”(current Federal Tax Guide). See Appendix A for sample forms related to about housing designations.

C. SOCIAL SECURITY AND IRS REPORTING

1. Social Security Allowance

All pastors are considered self-employed for social security purposes and therefore will pay a self-employment tax of 15.3 % of their income in 2010. Thus, it is recommended that the church or calling agency give a social security allowance, even though it is taxable, to their pastor(s) to pay at least half (7.65%) of his/her self-employment tax as they do for the other employees of the church when they pay the employer's share of the FICA tax. Use this formula to determine half of the tax:

$$\text{Social Security Allowance} = (\text{salary} + (\text{housing allowance or } 30\% \text{ of salary for parsonage}) \\ + \text{furnishings allowance} + \text{utilities allowance}) \times 7.65\%$$

This allowance is included on the pastor's W2 as taxable income.

2. IRS Reporting

Congregations are to file federal tax W2 forms for clergy, not a 1099 form.

II. BENEFITS

A. PENSION AND MAJOR MEDICAL/DENTAL BENEFITS

1. Participation.

The congregation should budget for and participate in the ELCA Pension and Other Benefits Plan for clergy and lay employees. The plan provides retirement, survivor, disability, and health (medical/hospital, prescription drug, dental, behavioral health) benefits. This program is subscribed to by the congregation for the pastor. More information is available from the synod office or directly from the Board of Pensions of the Evangelical Lutheran Church in America, 800 Marquette Ave., Minneapolis, MN 55402; 800-352-2876. Employers are to maintain health coverage for all family members who do not have other adequate group coverage.

2. Pension Expectations.

Pension contributions are to be paid commensurate with years of experience even if a congregation is not currently meeting salary standards. This will insure that pastors receive an adequate pension at retirement. This in no way should prevent the pastor from receiving a salary increase each year.

3. Cost of Benefits.

The ELCA Board of Pensions uses "Defined Compensation" to determine the amount of the required pension contribution.

Defined Compensation = base salary + (housing allowance or for a parsonage 30% of salary) + social security allowance

The cost of pension, medical/dental benefits, and disability/survivor/administration and retiree support is determined by multiplying the Defined Compensation by the appropriate percentages found on the contribution rates chart on page 12.

4. Physical Examinations.

Congregations are to encourage their pastors to take advantage of their free annual preventive physical exams.

For 2010 information, see the ELCA Medical Plan Brief Summary, Plan Description, or contact the Board of Pensions at 800-352-2876. Their website also has this information at <http://www.elcabop.org>.

B. MEDICAL FLEXIBLE SPENDING PLAN

A change in the Board of Pensions health plan for 2008 includes the addition of an optional flexible spending account (pre-tax dollars) administered by the Board of Pensions in conjunction with Blue Cross-Blue Shield. For more information, visit the Board of Pensions website at www.elcabop.org. Alternatively, a congregation may provide a supplemental plan, or a medical/dental reimbursement arrangement. The amounts received by a plan member under an alternative arrangement may or may not be taxable as compensation, depending on the arrangement.

C. PAID LEAVES

1. Sick Leave

In the event of accident or illness, a congregation's written policy should include one day of paid sick leave per calendar month, cumulative to 30 days.

2. Disability Leave

In event of disability of the congregation's called pastor, congregations are asked to cover the first two months, full salary and housing, after which the disability benefits of the ELCA take effect. Please check for details in the ELCA benefit information.

3. Family Leave⁵

Congregations should plan for six weeks maternity or adoptive leave for women pastors with full salary, housing and benefits. A two week parenting leave for male pastors with full salary, housing and benefits is also recommended. Arrangements may be made for additional unpaid leave up to an additional six weeks for both male and female employees.

4. Compassion Leave

Congregations should be prepared to offer compassion leave for a death in the pastor's immediate family (spouse, children, parents, brother, sister, grandchildren, mother-in-law, father-in-law or legal guardian). While this will vary widely upon circumstances, three to five days (potentially including a Sunday) of paid leave for funeral planning and family time would be a compassionate first step in a difficult time.

D. OTHER INSURANCE, OPTIONAL PENSION PLAN PAYMENTS

The ELCA Board of Pensions offers an Optional Pension Plan for employer contributions such as housing equity and/or voluntary salary reduction agreements if the pastor wishes to participate in a tax-sheltered annuity. Also, congregations may choose to provide additional benefits or insurance through other vendors.

⁵ See Appendix D for a sample Family Leave Covenant.

III. REIMBURSED PROFESSIONAL EXPENSES⁶

A. AUTOMOBILE ALLOWANCE (Recommended: lease/purchase or IRS mileage rate)

1. Lease/Purchase Vehicle

It is recommended that a parish consider a purchase or lease arrangement of an automobile provided for the pastor for congregational business. An arrangement may also be made for private use by the pastor with reimbursement of mileage to the congregation.

2. IRS Mileage Rate

The most equitable way of reimbursing for congregational business travel when the car is owned by the pastor, is on a per mile basis, based upon the allowable amount per mile as established by the Internal Revenue Service (55¢ per mile in 2009). Under present tax structure, if the congregation does not provide a vehicle, this is the fairest and best way for the pastor to be reimbursed.

3. Lump Sum Allowance

If the congregation and pastor chooses to have a lump sum travel allowance, then the pastor must, by tax law, keep careful record of church business miles driven and report these to a congregation officer. This should be done also to keep the congregation informed of the pastor's need as to the amount of this allowance, as well as for reporting to the Internal Revenue Service. Adequate allowance should match the needs.

B. CONTINUING EDUCATION (Recommended: \$900)

It is of prime importance both for the congregation and the pastor that continuing education be both encouraged and supported by the congregation. Congregation councils and pastors should mutually strategize on this and complete a Continuing Education Covenant.

1. General Expectations

Two weeks for continuing education with \$900 paid by the congregation is standard. An absolute minimum is one week with \$600 paid by the congregation. A minimum of 50 contact hours per year of intentional continuing education, or 150 contact hours each three-year period, is encouraged. Beyond structured classroom settings, this time may also include guided independent study and reading, as well as time spent in text study groups.

2. First Call Theological Education

Newly rostered persons are expected to participate in "First Call Theological Education." This is a structured program intended to provide assistance in three areas: ministerial identity, ministry skills, and context of ministry.

3. Long Term Planning

A provision allowing the pastor to accumulate continuing education time and money up to a maximum of three years provides for more structured study opportunity. If the pastor is to be gone for as much as six weeks for this purpose it may be well to require that she/he agree to serve for at least one more year with the particular congregation. Accumulated funds for continuing education and sabbatical for the staff should be

⁶ Congregations are discouraged from shifting cash salary into reimbursable accounts because that decreases pension contributions. Payment of taxes is required for all lump sum allowances that are not supported by adequate records.

reserved in the congregation treasury as funds restricted for that purpose. Monies for leadership training of other people of the congregation should be in another budget category.

C. PROFESSIONAL MINISTRY EXPENSES (Recommended: \$300)

1. Books, Periodicals, Dues, Etc.

An amount of \$300 is recommended for this reimbursable budget item for the purpose of books, periodicals, and appropriate dues. This should be a reimbursement allowance based upon only actual expenditures. Books, etc. purchased become the pastor's property.

2. Other Expenses

Expenses incurred in performance of the duties of the pastoral office shall be paid by the parish.

D. OFFICIAL MEETINGS (Recommended: \$600)

Pastors under regular congregational call are expected to attend four meetings of the synod each year:

- Winter Theological Event
- Synod Assembly
- Fall Ministry Retreat
- Conference Assembly

These meetings include the business of the synod, theological reflection, best practices in ministry training, conference involvement, and healthy collegial interaction. An amount of \$600 is recommended to cover the registration fees of these meetings. Congregations are encouraged to reimburse registration fees for their pastor's spouse to the Synod Spouses Retreat and the Fall Ministry Retreat.

E. MOVING EXPENSES

Congregations will provide reimbursement of moving expenses of arriving staff or for congregation-required local moves. The pastor or staff person should obtain bids from professional movers to submit to the Congregation Council. The person relocating may do packing of belongings, with the exception of valuable items. Alternatives may be mutually negotiated.

IV. WEEKLY, ANNUAL AND SABBATHAL TIME COMPENSATION

A. SABBATH DAY (Recommended: 45 to 50 hours per week; at least one full day off)

1. Weekly Rhythm of Work and Rest

Full-time called clergy of our congregations must strive for a healthy balance in their lives between their time for God, time for their families and personal life, and their calling to the church. Clearly defined expectations of work and time off are important for both the pastor and the congregation. Knowing that some weeks will be more demanding and some less, 45 to 50 hours per week is a fair expectation for both congregation and pastor. A Sabbath day each week is God's command and, even more importantly, God's gift.

Since church work requires a great deal of evening and weekend involvement, one way to reasonably set expectations with the pastor is to think in terms of blocks of time. Each day can be considered to have three blocks of time—morning, afternoon, and evening. A seven day week consists of 21 time blocks. A reasonable expectation of full-time service might be 13-14 time blocks. Weekly time off to provide a normal opportunity for renewal, refreshment, and personal business would usually involve 7-8 time blocks per week. Arrangements should be flexible for both the pastor and the congregation, but should also provide for emergency pastoral care when the pastor is unavailable.

2. Encourage Rest as Well as Work

Congregations should be sure to support their pastor taking at least one full day off each week. The specific regular day off each week should be announced and communicated so all understand this. Flexibility is necessary, but a definite pattern makes for better health and attitude for all concerned.

B. VACATION TIME (Recommended: 4 weeks; 15+ years of experience: 5 weeks)

1. Vacation

Pastors will receive four weeks including Sundays until the fifteenth year of experience when vacation time will be increased to five weeks including five Sundays. Vacation time may not be carried over from one year to another, unless so stated in the Letter of Call or by specific agreement with the congregation. Pastors on part-time calls should receive the same weeks of paid vacation, but at their usual part-time salary.

2. Additional Personal Sundays

Some congregations choose to grant one or more Sundays or weekends to their pastor as personal time beyond the vacation agreement.

3. Encourage Annual Rest

The congregation's strong support of the vacation time of the pastor is very helpful. Remember that your pastor does not get weekends off like many others in our society. Therefore, vacation time becomes all the more important due to of the "on-call" nature of the pastor's work as well as the limited, and often disrupted, day-off pattern and the constant weekend duty. Congregations are encouraged to make sure their pastoral staff takes full advantage of vacation.

C. CONTINUING EDUCATION TIME (Recommended: two weeks)

Two weeks for continuing education is standard. An absolute minimum is one week. See III.B on page 7.

D. SABBATICALS⁷ (Recommended)

1. Rationale

To encourage the congregational health that comes with longer term pastorates, congregations should grant a sabbatical leave for pastors after at least every seven years of service, with a minimum length of three months in the seventh year.

2. Funding Sabbaticals

Accumulated funds for a sabbatical for the pastor should be reserved in the congregation treasury as funds restricted for that purpose.

⁷ See Appendix E for the synod's Sabbatical Policy.

V. COMPENSATION REVIEW TASK FORCE

A. COMPOSITION AND PURPOSE

A compensation task force might be made up of two council members, a member of the Staff Support Committee, and a member at large from the congregation. These should be persons who are representative of the congregation, and ought to take into account the following factors:

1. Pastors are Professionals

Pastors are professionals by training, qualification, and function. The level of their responsibilities are similar to persons who hold positions in the community such as school administrators and hospital administrators. A compensation package should be large enough so that a pastor does not have to rely on honorariums. (Honorariums are expressions of gratitude, not payment for services.)

2. Other factors

Also consider the economics of the parish, the amount of responsibility, the non-parish experience of the pastor, additional education, and effectiveness. Appendix C offers an assessment tool for the task force.

3. Study the Base Salary Grid in the Salary Standards

These are minimum compensation figures for full time leadership.

B. SUGGESTED MEETING FORMAT

The task force meets with the pastor and other staff members. The following is a guide for discussion and negotiation.

1. Open the meeting with prayer and/or devotions.
2. Talk about what the congregation has needed most from the pastor this past year?
3. What ministry goals or objectives have been accomplished this past year?
4. Discuss together what is especially needed from the pastor in the coming year. What ministry goals or objectives can we set together for the coming year?
5. What do the members of the task force see as the special gifts, or strengths, of the pastor?
6. What are the growth areas for the pastor to address?
7. Identify the community and church activities (outside the congregation) in which the pastor is involved. Discuss how the involvement relates to the mission of the congregation.
8. How could the members of the congregation support and encourage the pastor's work and strive to make mission to the world more effective?
9. Discuss together what would be fair compensation and benefits for the coming year. The pastor may offer a proposal, to which the task force will respond. If the pastor does not offer a proposal, the task force will offer one. After fair and open discussion and negotiation, a recommendation is made.

Pastor and People from Augsburg Fortress is another good resource for evaluating the mission that congregation and pastor engage in together.

PENSION AND OTHER BENEFITS WORKSHEET – CLERGY

1. If **providing a housing allowance**, add the following to determine pension and other benefits:

Base Salary	(1) \$ _____
Housing Allowance	(2) \$ _____
Social Security Allowance ((lines 1 + 2) x 7.65%)	(3) \$ _____
Total defined compensation (add lines 1 – 3)	(4) \$ _____
Total pension & benefits cost	(5) \$ _____

(Multiply defined compensation by total of Medical and Dental, Disability, Administration & Retiree Support and Regular Pension percentages from table below)

2. If **providing a parsonage**, add the following to determine pension and other benefits:

Base Salary	(1) \$ _____
Social Security Allowance ((line 1 x 1.3) x 7.65%)	(2) \$ _____
Parsonage value ((lines 1 + 2) x 30%)	(3) \$ _____
Furnishings Allowance (if paid directly to pastor)	(4) \$ _____
Total defined compensation (add lines 1 – 4)	(5) \$ _____
Total pension & benefits cost	(6) \$ _____

(Multiply total defined compensation by total of Medical and Dental, Disability, Administration & Retiree Support and Regular Pension percentages from table below)

Housing Equity ((line 1 x 1.3) x 4.5%)	(7) \$ _____
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ELCA BOARD OF PENSIONS—PENSION & OTHER BENEFITS CONTRIBUTION RATES FOR 2009

(as a % of defined compensation)

Health benefits	Rates ¹	Monthly Minimum	Monthly Maximum
Member only	13.1%	\$514.00	\$695.00
Member and spouse	22.9%	\$899.00	\$1,216.00
Member and children	22.9%	\$899.00	\$1,216.00
Member, spouse and children	32.8%	\$1,285.00	\$1,737.00
Retirement	10.0 to 12.0% ^{2,3,4}		
Disability	2.6%		
Survivor	0.0% ⁵		
Administration and retiree support	0.7% ⁶		

¹ Rates are a percentage of defined compensation.

² Contribution for employees of ELCA church institutions is 6 to 12 percent as determined by the institution.

³ Contribution for lay employees of ELCA congregations is 6 to 12 percent as determined by the congregation.

⁴ If a member participated in a predecessor plan on Dec. 31, 1987, was at least age 45 on that date, and has continuously been a sponsored member of an ELCA retirement plan since Jan. 1, 1988, the total employer retirement contribution must be at least 11%.

⁵ Survivor Benefits Plan contribution is suspended.

⁶ Retiree support contribution helps provide health coverage during retirement for members who served one of the ELCA predecessors.

COMPENSATION WORKSHEET FOR PASTORS

This worksheet is designed to help congregations build a compensation package for pastors using the synod's standards. Each item below is described within this document. Use only items which apply.

Name _____ Year _____

	This Year	Standards	Proposed
TAXABLE INCOME			
Base Salary	\$ _____	\$ _____	\$ _____
<i>(Based on experience, size of congregation, responsibility and education)</i>			
Merit Increase + Previous Career Experience	\$ _____	\$ _____	\$ _____
<i>(Merit: 1–10%; 1/3 to 1/2 credit for each year)</i>			
Social Security Reimbursement	\$ _____	\$ _____	\$ _____
NONTAXABLE INCOME			
Housing Allowance	\$ _____	\$ _____	\$ _____
<i>(Allowable expenses include housing, furnishings and utilities)</i>			
Housing Equity	\$ _____	\$ _____	\$ _____
<i>(When parsonage is provided)</i>			
Furnishing Allowance	\$ _____	\$ _____	\$ _____
<i>(When parsonage is provided)</i>			
Utility Allowance for Parsonage	\$ _____	\$ _____	\$ _____
<i>(If utilities are not paid by congregation)</i>			
Total Salary	\$ _____	\$ _____	\$ _____
BENEFITS			
ELCA Pension and Medical/Dental Plan	\$ _____	\$ _____	\$ _____
<i>(Board of Pensions: 800.352.2876)</i>			
Other	\$ _____	\$ _____	\$ _____
<i>(Such as Medical Flexible Spending Plan, additional retirement contribution, etc)</i>			
Total Benefits	\$ _____	\$ _____	\$ _____
REIMBURSED PROFESSIONAL EXPENSES			
Automobile	\$ _____	\$ _____	\$ _____
Continuing Education + Official Meetings	\$ _____	\$ _____	\$ _____
Professional Ministry Expenses	\$ _____	\$ _____	\$ _____
Total Reimbursed Professional Expenses	\$ _____	\$ _____	\$ _____
WEEKLY, ANNUAL AND SABBATICAL TIME COMPENSATION			
Sabbath Day	_____	_____	_____
Vacation Time	_____	_____	_____
Continuing Education Time	_____	_____	_____
Sabbatical	_____	_____	_____
Other	_____	_____	_____

Rostered Lay Persons and Lay Program Staff

2010 Minimum Standards for Compensation and Benefits

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I. COMPENSATION

A. SALARY

1. Years of Experience⁸

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. A parish personnel committee or the Congregation Council should review salaries and job descriptions annually with the staff person participating. Salary changes include a cost of living adjustment and merit increases. The following are minimum standards for church staff compensated for full time, 45 to 50 hours per week. Program staff include parish workers, youth directors, parish education directors, music directors, etc., with a B.A. or equivalent such as Associate in Ministry certification and/or special training for the position. They may be encouraged to seek rostered status as Associates in Ministry, Deaconesses or Diaconal Ministers through the synod Candidacy Committee.

This table is the same as that for a pastor, but non-ordained rostered and lay leaders do not receive housing or social security allowances. It assumes a Bachelor’s Degree or equal experience.

Experience	Base Salary	Experience	Base Salary
0	\$34,498	18	\$48,553
1	\$35,253	19	\$49,241
2	\$36,026	20	\$49,940
3	\$36,816	21	\$50,648
4	\$37,620	22	\$51,366
5	\$38,444	23	\$52,095
6	\$39,187	24	\$52,833
7	\$39,943	25	\$53,582
8	\$40,716	26	\$54,341
9	\$41,502	27	\$55,109
10	\$42,303	28	\$55,890
11	\$43,119	29	\$56,681
12	\$43,950	30	\$57,483
13	\$44,798	31	\$58,296
14	\$45,661	32	\$59,121
15	\$46,542	33	\$59,958
16	\$47,203	34	\$60,804
17	\$47,872	35	\$61,664

Note: These figures are minimum guidelines and are not intended to restrict a congregation in providing fair compensation. For lay program staff without a B.A., adjust accordingly.

2. Additional Education

Add \$1,000 for Master’s Degree or equal experience. Add \$2,400 for rostered Associate in Ministry, Deaconess or Diaconal Minister. If the employee has both a Master’s Degree and is rostered, then both figures apply.

⁸ According to the Department of Social Security, the cost of living adjustment (CoLA) for 2008 is 5.8%, however the Salary Standards Committee and the Synod Council are recommending a smaller 3.2 to 5.7% increase based on years of experience.

3. Ongoing Considerations

- a) **Cost of living** is not an adequate adjustment when used alone. Each year also brings with it an additional year of experience. Using only cost of living adjustments year after year ignores the accumulating experience level and results in an employee gradually slipping below standards.
- b) **Review of performance** and changes in levels of responsibility should also be considered annually, and may warrant additional salary consideration (see Appendix C).

II. BENEFITS

A. SOCIAL SECURITY, WORKER'S COMPENSATION

1. Social Security Withholding

Congregations are required to pay half of the Social Security taxes (7.65% of taxable income) for all lay employees and to file federal tax W2 forms for lay employees.

2. Worker's Compensation

All congregations should provide Workers Compensation coverage since definite liability accrues to the congregation in case of accidental death or disability in conjunction with one's employment.

B. MEDICAL, DENTAL, PENSION AND OTHER BENEFITS

1. Medical, Dental and Pension

Church staff workers who are employed for 20 or more hours per week for six or more months of the year are eligible to be included in the ELCA Medical, Dental, Pension and Other Benefits Program.

2. Medical Flexible Spending Plan

A change in the Board of Pensions health plan for 2008 includes the addition of an optional flexible spending account (pre-tax dollars) administered by the Board of Pensions in conjunction with Blue Cross-Blue Shield. For more information, visit the Board of Pensions website at www.elcabop.org. Alternatively, a congregation may provide a supplemental plan, or a medical/dental reimbursement arrangement. The amounts received by a plan member under an alternative arrangement may or may not be taxable as compensation, depending on the arrangement.

3. Pension Option

A tax sheltered annuity can be offered in lieu of the Pension Plan should that be more valuable to the lay worker.

C. PAID LEAVES

1. Sick Leave

In the event of accident or illness, a congregation's written policy should include one day of paid sick leave per calendar month, cumulative to 30 days.

2. Family Leave⁹

Congregations should plan for six weeks maternity or adoptive leave for women employees with full salary and benefits. A two week parenting leave for male employees with full salary and benefits is also recommended. Arrangements may be made for additional unpaid leave up to an additional six weeks for both male and female employees.

3. Compassion Leave

Congregations should be prepared to offer compassion leave for a death in the employees immediate family (spouse, children, parents, brother, sister, grandchildren, mother-in-law, father-in-law or legal guardian). While this will vary widely upon circumstances, three to five days (potentially including a Sunday) of paid leave for funeral planning and family time would be a compassionate first step in a difficult time.

⁹ See Appendix D for a sample Family Leave Covenant.

III. REIMBURSED PROFESSIONAL EXPENSES

A. AUTOMOBILE ALLOWANCE (Recommended: IRS mileage rate)

Lay church staff who are expected to drive their cars for job functions should be reimbursed at the rate established by the Internal Revenue Service (55¢ in 2009) using a voucher system. Other transportation costs should also be reimbursed.

B. CONTINUING EDUCATION (Recommended: \$900 for rostered lay leaders)

Continuing education is important to the effectiveness of lay staff workers. Congregations are encouraged to offer both time and funds to lay staff for continuing education opportunities.

It is of prime importance both for the congregation and the rostered lay leader that continuing education be both encouraged and supported by the congregation. Congregation councils and rostered lay leaders should mutually strategize on this and complete the Continuing Education Covenant. The following standards are for rostered lay leaders.

1. General Expectations

Two weeks for continuing education with \$900 paid by the congregation is standard. An absolute minimum is one week with \$600 paid by the congregation. A minimum of 50 contact hours per year of intentional continuing education, or 150 contact hours each three-year period, is encouraged. Beyond structured classroom settings, this time may also include guided independent study and reading, as well as time spent in text study groups.

2. Long Term Planning

A provision allowing the rostered lay leader to accumulate continuing education time and money up to a maximum of three years provides for more structured study opportunity. If the rostered lay leader is to be gone for as much as six weeks for this purpose it may be well to require that she/he agree to serve for at least one more year with the particular congregation. Accumulated funds for continuing education and sabbatical for the staff should be reserved in the congregation treasury as funds restricted for that purpose. Monies for leadership training of other staff people of the congregation should be in another budget category.

C. PROFESSIONAL MINISTRY EXPENSES (Recommended: \$300)

An amount of \$300 is recommended for this reimbursable budget item for the purpose of books, periodicals, and appropriate dues. This should be a reimbursement allowance based upon only actual expenditures. Books, etc. purchased become the staff member's property.

D. OFFICIAL MEETINGS (Recommended: \$600 for rostered lay leaders)

Rostered lay leaders employed by congregations are expected to attend four meetings of the synod each year:

- Winter Theological Event
- Synod Assembly
- Fall Ministry Retreat
- Conference Assembly

These meetings include the business of the synod, theological reflection, best practices in ministry training, conference involvement, and healthy collegial interaction. An amount of \$600 is recommended to cover the registration fees of these meetings. Congregations are encouraged to reimburse their rostered lay leader's spouse for the Fall Ministry Retreat.

IV. WEEKLY, ANNUAL AND SABBATICAL TIME COMPENSATION

A. SABBATH DAY (Recommended: 45 to 50 hours per week; at least one full day off)

1. Weekly Rhythm of Work and Rest

Lay staff must strive for a healthy balance in their lives between their time for God, time for their families and personal life, and their calling to the church. Clearly defined expectations of work and time off are important for both the lay staff and the congregation. Knowing that some weeks will be more demanding and some less, 45 to 50 hours per week is a fair expectation for both congregation and lay staff. A Sabbath day each week is God's command and, even more importantly, God's gift.

Since church work requires a great deal of evening and weekend involvement, one way to reasonably set expectations with lay staff is to think in terms of blocks of time. Each day can be considered to have three blocks of time—morning, afternoon, and evening. A seven day week consists of 21 time blocks. A reasonable expectation of full-time service might be 13-14 time blocks. Weekly time off to provide a normal opportunity for renewal, refreshment, and personal business would usually involve 7-8 time blocks per week. Arrangements should be flexible for both the lay staff and the congregation.

2. Encourage Rest as Well as Work

Congregations should be sure to support their lay staff taking at least one full day off each week. The specific regular day off each week should be announced and communicated so all understand this. Flexibility is necessary, but a definite pattern makes for better health and attitude for all concerned.

B. VACATION TIME (Recommended: varies by years of service)

1. Vacation

A minimum of two weeks after one year; three weeks after four years, and four weeks after fifteen years of service should be provided. Sundays are to be included in vacation for those who have constant weekend duty.

2. Encourage Annual Rest

The congregation's strong support of the vacation time of the lay staff is very helpful for both the staff member and the congregation. Congregations are encouraged to make sure their lay staff takes full advantage of vacation.

C. CONTINUING EDUCATION TIME (Recommended: two weeks)

Continuing education is important to the effectiveness of lay staff workers. Congregations are encouraged to offer both time and funds to lay staff for continuing education opportunities. For rostered lay leaders, two weeks for continuing education is standard, an absolute minimum is one week. See III.B on page 16.

D. SABBATICALS¹⁰ (Recommended)

1. Rationale

To encourage the congregational health that comes with longer term employment, congregations should grant a sabbatical leave for lay leaders after at least every seven years of service, with a minimum length of three months in the seventh year.

2. Funding Sabbaticals

Accumulated funds for a sabbatical for the staff should be reserved in the congregation treasury as funds restricted for that purpose.

V. COMPENSATION REVIEW TASK FORCE

A. COMPOSITION AND PURPOSE

A compensation task force might be made up of two council members, a member of the Staff Support Committee, and a member at large from the congregation. These should be persons who are representative of the congregation, and ought to take into account the following factors:

1. Lay Rostered Staff and Program Staff are Professionals

Lay rostered staff and program staff are professionals by training, qualification, and function. The level of their responsibilities are significant so congregations should strive to provide a fair compensation package.

2. Other factors

Also consider the economics of the parish, the amount of responsibility, the non-parish experience of the staff person, additional education, and effectiveness. Appendix C offers an assessment tool for the task force.

3. Study the Base Salary Grid in the Salary Standards for Rostered Lay Persons and Lay Program Staff (page 15)

These are minimum compensation figures for full time leadership.

¹⁰ See Appendix E for the synod's Sabbatical Policy.

B. SUGGESTED MEETING FORMAT

The task force meets with the pastor and other staff members. The following is a guide for discussion and negotiation.

1. Open the meeting with prayer and/or devotions.
2. Talk about what the congregation has needed most from the lay staff member this past year?
3. What ministry goals or objectives have been accomplished this past year?
4. Discuss together what is especially needed from the lay staff member in the coming year. What ministry goals or objectives can we set together for the coming year?
5. What do the members of the task force see as the special gifts, or strengths, of the lay staff member?
6. What are the growth areas for the lay staff member to address?
7. Identify the community and church activities (outside the congregation) in which the lay staff member is involved. Discuss how the involvement relates to the mission of the congregation.
8. How could the members of the congregation support and encourage the lay staff member's work and strive to make mission to the world more effective?
9. Discuss together what would be fair compensation and benefits for the coming year. The lay staff member may offer a proposal, to which the task force will respond. If the lay staff member does not offer a proposal, the task force will offer one. After fair and open discussion and negotiation, a recommendation is made.

ELCA BOARD OF PENSIONS—PENSION & OTHER BENEFITS CONTRIBUTION RATES FOR 2009

(as a % of defined compensation)

Health benefits	Rates¹	Monthly Minimum	Monthly Maximum
Member only	13.1%	\$514.00	\$695.00
Member and spouse	22.9%	\$899.00	\$1,216.00
Member and children	22.9%	\$899.00	\$1,216.00
Member, spouse and children	32.8%	\$1,285.00	\$1,737.00
Retirement	10.0 to 12.0% ^{2,3,4}		
Disability	2.6%		
Survivor	0.0% ⁵		
Administration and retiree support	0.7% ⁶		

¹ Rates are a percentage of defined compensation.

² Contribution for employees of ELCA church institutions is 6 to 12 percent as determined by the institution.

³ Contribution for lay employees of ELCA congregations is 6 to 12 percent as determined by the congregation.

⁴ If a member participated in a predecessor plan on Dec. 31, 1987, was at least age 45 on that date, and has continuously been a sponsored member of an ELCA retirement plan since Jan. 1, 1988, the total employer retirement contribution must be at least 11%.

⁵ Survivor Benefits Plan contribution is suspended.

⁶ Retiree support contribution helps provide health coverage during retirement for members who served one of the ELCA predecessors.

COMPENSATION WORKSHEET FOR LAY PROGRAM STAFF

This worksheet is designed to help congregations build a compensation package for lay program staff using the synod's standards. Each item below is described within this document. Use only items which apply.

Name _____ Year _____

	This Year	Standards	Proposed
TAXABLE INCOME			
Base Salary	\$ _____	\$ _____	\$ _____
<i>(Based on experience, size of congregation, responsibility and education)</i>			
Merit Increase	\$ _____	\$ _____	\$ _____
<i>(Merit: 1–10%)</i>			
BENEFITS			
Social Security/FICA Withholdings	\$ _____	\$ _____	\$ _____
<i>(7.65% of salary.)</i>			
ELCA Pension and Medical/Dental Plan	\$ _____	\$ _____	\$ _____
<i>(Multiply total salary by total of Medical and Dental, Disability, Administration and Retiree Support and Regular Pension percentages)</i>			
<i>(Board of Pensions: 800.352.2876)</i>			
Other	\$ _____	\$ _____	\$ _____
<i>(Such as Flexible Medical Expense Plan, additional retirement contribution, etc)</i>			
Total Benefits	\$ _____	\$ _____	\$ _____
REIMBURSED PROFESSIONAL EXPENSES			
Automobile	\$ _____	\$ _____	\$ _____
Continuing Education	\$ _____	\$ _____	\$ _____
Professional Ministry Expenses	\$ _____	\$ _____	\$ _____
Official Meetings	\$ _____	\$ _____	\$ _____
Total Reimbursed Professional Expenses	\$ _____	\$ _____	\$ _____
WEEKLY, ANNUAL AND SABBATICAL TIME COMPENSATION			
Sabbath Day	_____	_____	_____
Vacation Time	_____	_____	_____
Continuing Education Time	_____	_____	_____
Sabbatical	_____	_____	_____
Other	_____	_____	_____

Support Staff

2010 Minimum Standards for Compensation and Benefits

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I. COMPENSATION

A. WAGES

1. Years of Experience¹¹

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. A parish personnel committee or the Congregation Council should review wages or salaries and job descriptions annually with the staff person participating. Pay changes include a cost of living factor and merit increases. The following are minimum standards for church staff workers compensated for full time (30+) hours per week or more. Support staff include secretaries, custodians, etc.

Experience	Wages
0–3	\$8.79–\$9.35
4–6	\$9.35–\$11.31
7–10	\$11.31–\$13.66

Note: These are minimum guidelines and are not intended to restrict a congregation in fairly compensating its support staff.

Annual pay adjustments beyond ten years should include a cost of living adjustment plus a merit increase. Benefits should be added to the hourly rates listed above. The congregation may substitute comparable local pay for this table.

Congregations hiring support staff are advised that persons with special needs and gifts are available in most communities to contribute their skills in meaningful employment. Federal and state programs may be available to assist with compensation.

2. Additional Factors

Compensation should be increased for two-year technical or associate degrees and advanced baccalaureate or master's degree.

3. Ongoing Considerations

- a) **Cost of living** is not an adequate adjustment when used alone. Each year also brings with it an additional year of experience. Using only cost of living adjustments year after year ignores the accumulating experience level and results in the staff member gradually slipping below standards.
- b) **Review of performance** and changes in levels of responsibility should also be considered annually, and may warrant additional pay consideration (see Appendix C).

¹¹ According to the Department of Social Security, the cost of living adjustment (CoLA) for 2008 is 5.8%, however the Salary Standards Committee and the Synod Council are recommending a smaller 3.2% increase.

II. BENEFITS

A. SOCIAL SECURITY, WORKER'S COMPENSATION

1. Social Security Contributions

Congregations are required to pay half of the Social Security taxes (7.65% of taxable income) for all lay employees and to file federal tax W2 forms for lay employees.

2. Worker's Compensation

All congregations should provide Workers Compensation coverage, since definite liability accrues to the congregation in case of accidental death or disability in conjunction with one's employment.

B. MEDICAL, DENTAL AND PENSION BENEFITS

1. Medical Benefits

Church staff workers who are employed for 20 or more hours per week for six or more months of the year are eligible to be included in the ELCA Pension and Other Benefits Program.

2. Medical Flexible Spending Plan

A change in the Board of Pensions health plan for 2008 includes the addition of an optional flexible spending account (pre-tax dollars) administered by the Board of Pensions in conjunction with Blue Cross-Blue Shield. For more information, visit the Board of Pensions website at www.elcabop.org. Alternatively, a congregation may provide a supplemental plan, or a medical/dental reimbursement arrangement. The amounts received by a plan member under an alternative arrangement may or may not be taxable as compensation, depending on the arrangement.

3. Pension Option

A tax sheltered annuity can be offered in lieu of the Pension Plan should that be more valuable to the lay worker.

C. PAID LEAVES

1. Sick Leave

In the event of accident or illness, a congregation's written policy should include one day of paid sick leave per calendar month, cumulative to 30 days.

2. Family Leave¹²

Congregations should plan for six weeks maternity or adoptive leave for women employees with full salary and benefits. A two week parenting leave for male employees with full salary and benefits is also recommended. Arrangements may be made for additional unpaid leave up to an additional six weeks for both male and female employees.

3. Compassion Leave

Congregations should be prepared to offer compassion leave for a death in the employee's immediate family (spouse, children, parents, brother, sister, grandchildren, mother-in-law, father-in-law or legal guardian). While this will vary widely upon circumstances, three to five days (potentially including a Sunday) of paid leave for funeral planning and family time would be a compassionate first step in a difficult time.

¹² See Appendix D for a sample Family Leave Covenant.

III. SUPPORT EXPENSES

A. AUTOMOBILE ALLOWANCE

Lay church staff who are expected to drive their cars for job functions should be reimbursed at the rate established by the Internal Revenue Service (55¢ in 2009) using a voucher system. Other transportation costs should also be reimbursed.

B. CONTINUING EDUCATION

Continuing education is important to the effectiveness of lay staff workers. Congregations are encouraged to offer both time and funds to lay staff for continuing education opportunities.

C. PROFESSIONAL MINISTRY EXPENSES

Congregations will find it beneficial to provide lay workers with funds to purchase books and professional publications as a way of enriching the congregation's ministry.

IV. NON-FINANCIAL COMPENSATION

A. SABBATH DAY

1. Weekly Rhythm of Work and Rest

Support staff must strive for a healthy balance in their lives between their time for God, time for their families and personal life, and their calling to the church. While it is unusual for support staff to work more than 40 hours per week, they too need a day of rest. A Sabbath day each week is God's command and, even more importantly, God's gift.

2. Encourage Rest as Well as Work

Congregations should be sure to encourage their support staff taking at least one full day off each week. Regular posted hours are often helpful; flexibility is necessary, but a definite pattern makes for better health and attitude for all concerned.

A. VACATION TIME

A minimum of two weeks after one year; three weeks after four years, and four weeks after fifteen years of service should be provided. Sundays are to be included in vacation for those who have constant weekend duty.

B. CONTINUING EDUCATION

Continuing education is important to the effectiveness of lay staff workers. Congregations are encouraged to offer both time and funds to lay staff for continuing education opportunities.

V. COMPENSATION REVIEW TASK FORCE

A. COMPOSITION AND PURPOSE

A compensation task force might be made up of two council members, a member of the Staff Support Committee, and a member at large from the congregation. These should be persons who are representative of the congregation, and ought to take into account the following factors:

1. Support Staff are Essential to the Work of Many Parishes

Support staff engage in the details of parish life. Their experience, knowledge, and front line presence are often under-appreciated. The level of their responsibilities can be significant so congregations should strive to provide a fair compensation package.

2. Other factors

Also consider the economics of the parish, the amount of responsibility, the non-parish experience of the staff person, additional education, and effectiveness. Appendix C offers an assessment tool for the task force.

3. Study the Base Salary Grid in the Salary Standards for Support Staff (page 24)

These are generalized hourly wages, but local context may demand higher or allow for lower hourly pay.

B. SUGGESTED MEETING FORMAT

The task force meets with the pastor and other staff members. The following is a guide for discussion and negotiation.

1. Open the meeting with prayer and/or devotions.
2. Talk about what the congregation has needed most from the support staff member this past year?
3. What ministry goals or objectives have been accomplished this past year?
4. Discuss together what is especially needed from the support staff member in the coming year. What ministry goals or objectives can we set together for the coming year?
5. What do the members of the task force see as the special gifts, or strengths, of the support staff member?
6. What are the growth areas for the support staff member to address?
7. Identify the community and church activities (outside the congregation) in which the support staff member is involved. Discuss how the involvement relates to the mission of the congregation.
8. How could the members of the congregation support and encourage the support staff member's work and strive to make mission to the world more effective?
9. Discuss together what would be fair compensation and benefits for the coming year. The support staff member may offer a proposal, to which the task force will respond. If the support staff member does not offer a proposal, the task force will offer one. After fair and open discussion and negotiation, a recommendation is made.

ELCA BOARD OF PENSIONS—PENSION & OTHER BENEFITS CONTRIBUTION RATES FOR 2009

(as a % of defined compensation)

Health benefits	Rates¹	Monthly Minimum	Monthly Maximum
Member only	13.1%	\$514.00	\$695.00
Member and spouse	22.9%	\$899.00	\$1,216.00
Member and children	22.9%	\$899.00	\$1,216.00
Member, spouse and children	32.8%	\$1,285.00	\$1,737.00
Retirement	10.0 to 12.0% ^{2,3,4}		
Disability	2.6%		
Survivor	0.0% ⁵		
Administration and retiree support	0.7% ⁶		

¹ Rates are a percentage of defined compensation.

² Contribution for employees of ELCA church institutions is 6 to 12 percent as determined by the institution.

³ Contribution for lay employees of ELCA congregations is 6 to 12 percent as determined by the congregation.

⁴ If a member participated in a predecessor plan on Dec. 31, 1987, was at least age 45 on that date, and has continuously been a sponsored member of an ELCA retirement plan since Jan. 1, 1988, the total employer retirement contribution must be at least 11%.

⁵ Survivor Benefits Plan contribution is suspended.

⁶ Retiree support contribution helps provide health coverage during retirement for members who served one of the ELCA predecessors.

COMPENSATION WORKSHEET FOR SUPPORT STAFF

This worksheet is designed to help congregations build a compensation package for support staff using the synod's standards. Each item below is described within this document. Use only items which apply.

Name _____ Year _____

	This Year	Standards	Proposed
WAGES			
Hourly Wages <i>(Based on experience, responsibility, education and cost of living increases)</i>	\$ _____	\$ _____	\$ _____
Merit Increase <i>(Merit: 1–10% in hourly pay)</i>	\$ _____	\$ _____	\$ _____
Annualized Wages <i>(Hourly wages x number of hours per year)</i>	\$ _____	\$ _____	\$ _____
Merit Increase <i>(Merit: 1–10% in hourly pay)</i>	\$ _____	\$ _____	\$ _____
BENEFITS			
Social Security/FICA Withholdings <i>(7.65% of wages)</i>	\$ _____	\$ _____	\$ _____
ELCA Pension and Medical/Dental Plan <i>(Multiply total salary by total of Medical and Dental, Disability, Administration and Retiree Support and Regular Pension percentages)</i> <i>(Board of Pensions: 800.352.2876)</i>	\$ _____	\$ _____	\$ _____
Other <i>(Such as Flexible Medical Expense Plan, additional retirement contribution, etc)</i>	\$ _____	\$ _____	\$ _____
Total Benefits	\$ _____	\$ _____	\$ _____
REIMBURSED PROFESSIONAL EXPENSES			
Automobile	\$ _____	\$ _____	\$ _____
Continuing Education	\$ _____	\$ _____	\$ _____
Professional Ministry Expenses	\$ _____	\$ _____	\$ _____
Total Reimbursed Professional Expenses	\$ _____	\$ _____	\$ _____
WEEKLY AND ANNUAL TIME COMPENSATION			
Sabbath Day	_____	_____	_____
Vacation Time	_____	_____	_____
Continuing Education Time	_____	_____	_____
Other	_____	_____	_____

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APPENDIX A—FORMS

The ELCA Board of Pensions offers an Optional Pension Plan fund that can be used for Housing Equity compensation. They have the forms necessary for the congregation. If the congregation chooses not use this fund, this form is available.

Housing Equity Allowance Agreement

At a properly called meeting of the congregation of _____ Lutheran Church, with a quorum present, held on _____ it was moved, seconded, and voted to establish a housing equity allowance fund for the Rev. _____ with (1) initial contribution of \$_____ for the year 20__, and (2) with subsequent annual contributions to be determined each year thereafter by vote of the congregation.

The conditions of this agreement are as follows:

1. The annual contribution shall be placed in the _____(name of fund).
2. The fund shall not be available for use by the congregation or by the pastor except for the purchase of a house by the pastor or the pastor's spouse.
3. The fund shall be paid in full, upon request, to the pastor or survivors in the event of the pastor's disability, retirement, or death.
4. The funds shall be payable to the pastor's estate if there is no surviving spouse.

Signed by an officer of the congregation

Date

Signed by the Pastor

Date

Housing Allowance Designation by Congregation Council

Upon motion duly made and seconded, it was voted to designate \$_____ of the cash salary for 20__ to be paid to the Rev. _____ as a housing/furnishings allowance in response to the pastor's request and acknowledgement that the allowance so designated does not exceed the fair rental value of his/her home, furnished, plus the cost of utilities.

Therefore, cash salary shall be \$_____ and the housing allowance shall be \$_____.

Signed by an officer of the congregation

Date

Signed by the Pastor

Date

Pastors: please note:

The amount of housing allowance that can be excluded from taxable income is always the smallest of the following three amounts:

- 1. the amount, officially designated in advance, as "housing allowance," by the pastor's congregation/church organization as housing allowance; or*
- 2. the amount spent for the pastor's primary residence (down payment, mortgage principal and interest, utilities, taxes, insurance, furnishings, maintenance, etc.).*
- 3. the fair rental value of the pastor's home including furnishings and cost of utilities (owned or rented).*

Pastor's Estimate of Housing Expense

This form may be used to help the Pastor determine an estimate of expenses qualifying under the Pastor's housing allowance.

To: (Name of Congregation)

From: (Name of Pastor)

Date:

Re: Housing allowance for year extending from _____, 20__ to _____, 20__.

The amounts set forth below are the amounts I expect to spend during the period _____ (as above) to rent or otherwise provide a home for my family and me.

Item:

1. Rent on leased property or payments on purchase of a home <i>(including down payment, acquisition costs, mortgage payments of principal)</i>	\$ _____
2. Garage rental <i>(if not included above)</i>	\$ _____
3. Utilities <i>(gas, electricity, water, sewer, oil, telephone, trash removal, firewood, cable TV)</i>	\$ _____
4. Insurance <i>(homeowner's, fire, extended coverage, liability, contents, flood)</i>	\$ _____
5. Repairs and maintenance	\$ _____
6. Furnishings and improvements	\$ _____
7. Interest	\$ _____
8. Taxes	\$ _____
9. Other housing expense	\$ _____
TOTAL	\$ _____

Signed

Date

Draft Language for Congregation Council Action on Housing Allowance

This wording may be used to officially describe the council's action on a housing allowance.

The _____ Committee advised the Congregation Council that under the tax laws of an ordained minister of the Gospel is not subject to Federal Income Tax with respect “to the rental allowance paid as a part of compensation to the extent used to rent or provide a home.” Where the pastor owns a home this amount of the allowance will be an amount equal to the fair rental value of the home, including furnishings and appurtenances such as a garage, plus cost of utilities.

The council, after considering the statement of the Rev. _____ setting forth estimates of the amount expect to be spent to rent or otherwise provide a home during the period _____ 20__ to _____ 20__, and in light of the Federal Income Tax law and of the established salary level, on motion duly made and seconded, and adopted the following resolution:

Resolved that the Rev. _____ receive a salary of \$_____ for the year 20__ , and a housing allowance of \$_____ for the year, the housing allowance to be so designated in the official records.

Signed by the secretary

Date

Draft Language for Notification of Housing Allowance by Congregation

This may be used to officially notify a Pastor of the approved housing allowance.

Date _____

Dear Rev. _____,

This is to advise you that at a meeting of the Congregation Council held on _____, your housing allowance for the year 20__ was officially designated and fixed in the amount of \$_____. Accordingly, \$_____ of the total compensation payable to you during the year 20__ will constitute housing allowance and the balance will constitute “salary” (as interpreted by the Income Tax Law).

Signed by the secretary

Date

APPENDIX B – COST OF LIVING ADJUSTMENT (COLA) HISTORY

The Salary Standards Committee and Synod Council is recommending a 3.2% increase this year to the base pay. We are basing this on two different sets of data.

First, we compared our 2009 standards with the 2009 standards of the other synods in Region 5 (Wisconsin, Illinois, and Iowa) and in Minnesota and find that our standards are consistent with the range of salaries being used in our neighboring synods.

Second, we studied the data from the U.S. Bureau of Labor Statistics and Social Security. For the year 2008, the Cost of Living Adjustment (CoLA) was calculated by Social Security to be 5.8%. We are recommending a 3.2% increase to offset some of the increase in the cost of living in 2008. (This percentage increase was experienced in 2008 but is paid to Social Security recipients in 2009. Church workers receive it in 2010.)

From the Social Security website (<http://www.ssa.gov/OACT/COLA/SSlamts.html>)

Year	Automatic increase	Year	Automatic increase
1975	8.0%	1993	3.0%
1976	6.4%	1994	2.6%
1977	5.9%	1995	2.8%
1978	6.5%	1996	2.6%
1979	9.9%	1997	2.9%
1980	14.3%	1998	2.1%
1981	11.2%	1999	1.3%
1982	7.4%	2000	2.5% ^b
1983	7.0% ^a	2001	3.5%
1984	3.5%	2002	2.6%
1985	3.5%	2003	1.4%
1986	3.1%	2004	2.1%
1987	1.3%	2005	2.7%
1988	4.2%	2006	4.1%
1989	4.0%	2007	3.3%
1990	4.7%	2008	2.3%
1991	5.4%	2009	5.8%
1992	3.7%		

^a The increase effective for July 1983 was a legislated increase.

^b Originally determined as 2.4% based on CPIs published by the Bureau of Labor Statistics. Pursuant to Public Law 106-554, however, the CoLA is effectively now 2.5%.

APPENDIX C—ASSESSMENT FORM FOR GOAL SETTING AND PERFORMANCE EXPECTATIONS

This form demonstrates one way to evaluate clergy and plan for continued growth. It can be used at the beginning of the year as a goal-setting process for the pastor and congregation leadership and at the end of the year as a tool to measure the extent to which those goals were met. It is intended to offer the pastor helpful feedback on his/her effectiveness, sharing clear areas of strength and encouraging growth where needed.

Another good choice for evaluating the ministry of the whole congregation can be found in Chapter 6 of the book *Pastor and People*. You can purchase the book from Augsburg Fortress.

Evaluate performance on each area listed below based on personal experience. Cite specific examples when applicable. Circle the appropriate rating number. If necessary circle NOT APPLICABLE or DON'T KNOW.	Not Applicable	Don't Know	Exceptional	Very Good	Acceptable	Weak	Unsatisfactory
Preaching/Worship							
Content based on sound Biblical interpretation	X	X	5	4	3	2	1
Relevance to personal need of worshipers	X	X	5	4	3	2	1
Speaks to justice, especially on behalf of the poor and oppressed	X	X	5	4	3	2	1
Liturgy conducted in appropriate manner	X	X	5	4	3	2	1
Sensitivity to worship preferences of worshipers	X	X	5	4	3	2	1
Delivery of the sermon (length, projection, understandability)	X	X	5	4	3	2	1
Music enhances the worship service	X	X	5	4	3	2	1
Comments:							
Leadership							
Clearly articulates his or her vision for the congregation	X	X	5	4	3	2	1
Demonstrates an ability to effectively lead the congregation into new ministries	X	X	5	4	3	2	1
Increases the number of people involved in the congregation's ministry	X	X	5	4	3	2	1
Develops lay leadership within the congregation	X	X	5	4	3	2	1
Comments:							

Evaluate performance on each area listed below based on personal experience. Cite specific examples when applicable. Circle the appropriate rating number. If necessary circle NOT APPLICABLE or DON'T KNOW.	Not Applicable	Don't Know	Exceptional	Very Good	Acceptable	Weak	Unsatisfactory
<p>Pastoral Care and Spiritual Teaching</p> <p>Frequency of visits and timeliness of response</p> <p>Ministers effectively in death and crisis</p> <p>Pays attention to people when they are talking and seems to listen well</p> <p>Teaches in accordance with the Holy Scriptures</p> <p>Teaches in accordance with Lutheran theology</p> <p>Helps guide people toward greater spiritual maturity and commitment</p> <p>Clearly models a life of prayer and Bible study</p> <p>Comments:</p>	X	X	5	4	3	2	1
<p>Evangelism and Outreach</p> <p>Teaches the members of the congregation how to articulate their faith</p> <p>Models hospitality to guests and teaches members to do the same</p> <p>Helps people discover their spiritual gifts and find appropriate ministries in which to express them</p> <p>Teaches the members to understand their call to be missionaries in the community</p> <p>Comments:</p>	X	X	5	4	3	2	1
<p>Financial Stewardship</p> <p>Practices responsible personal stewardship</p> <p>Effectively leads the congregation toward more faithful stewardship</p> <p>Articulates the need for financial giving beyond the congregation</p> <p>Comments:</p>	X	X	5	4	3	2	1
<p>Self-Care</p> <p>Takes regular time off and vacation time</p> <p>Balances work responsibilities and personal needs</p> <p>Pursues relevant continuing education</p> <p>Comments:</p>	X	X	5	4	3	2	1

APPENDIX D—MATERNITY AND ADOPTION LEAVE

Model for Covenant Between Congregation and Pastor

The birth or adoption of a child is always a cause for celebration, but it also disrupts the normal routine of life, and it can bring major challenges to the health of the mother. Congregations are urged to embrace the gift of a child to their pastor. When a birth occurs, mother and child need time together and mother needs time to restore health. While an adoption may not present the same health stresses, it can present greater emotional and psychological needs in the family. Either way, time for the family to begin its life together, especially in a time consuming calling as ordained ministry, is essential.

The following is a model for maternity leave based on a workable model in use in the Northern Great Lakes Synod. This model is recommended by the Synod Council, though congregations and pastors are encouraged to use this as a guide to develop a leave that best meets the need of both the congregation and the pastor. Central to the model is the need for real rest and renewal for the mother, while at the same time ensuring that the essential ministries of the congregation continue.

Congregations are also encouraged to use this model as the framework for supporting the pastor and a family when a foster child is welcomed into the home. Foster parenting is a wonderful ministry gifting the child, the family and the congregation. As with a birth or adoption, there are many psychological and emotional needs. The gift of time from the congregation to the pastor can be an invaluable gift!

1. A covenant agreement will be entered into by the congregation and the pastor, either at the time of the call, or at the earliest date thereafter. The congregation and pastor are encouraged to work together to ensure that the needs of both are met in a spirit of Christian care and concern. The congregation and pastor will consult with the bishop and will appropriately and openly communicate the covenant with the members of the congregation.
2. Maternity leave will begin for the pastor when she delivers the baby or at a time that the doctor advises her that she should not work anymore, or when the newly adopted child is placed in the home. It will continue for six weeks with full salary, housing and benefits as agreed upon in her letter of call.
3. The pastor and the president of the congregation will confer prior to maternity leave to arrange for pulpit supply for regular weekly worship services beginning on the first Sunday after the pastor's due date.
4. The pastor will perform funerals for members of the congregation during the maternity leave, as well as any previously scheduled weddings. Once a maternity time is determined (the time following the expected due date or placement date), the pastor will not be expected to schedule weddings during that time. If for medical reasons the pastor is unable to perform a funeral or wedding, she will arrange the plans with the family and arrange for an area pastor to officiate for her. The pastor will not perform any non-members funerals during her entire maternity leave.
5. Pastoral care at hospitals will be provided by members of the congregation.
6. Crisis situations may be brought to the pastor's attention, but the pastor has the option of either meeting the need herself or securing other pastoral care.
7. The Congregation Council will take the lead in providing guidance to the ministries of the congregation, recognizing that the ministry that takes place in the congregation is ultimately the responsibility of the people of God gathered in this place and at this time. General administrative duties will be handled by the congregation's Executive Committee and if needed they may contact the pastor during her leave.

8. As the gift of a new child is celebrated, the pastor understands the need of the congregation to celebrate that gift with the pastor and family. The pastor expects to remain as pastor of the congregation for at least one year following the maternity leave in order to enable the congregation to celebrate and rejoice in this new life.
9. During the maternity leave, the congregation's members will keep the pastor and her family in their prayers!

APPENDIX E—SYNOD SABBATICAL POLICY

A. BACKGROUND

1. The Scripture points to the renewing power of “sabbath time.” We usually think of Sabbath as the seventh day of creation when God finished creating and rested. More than an after thought of creation, the Sabbath is a gift from God of rest, renewal and hope. In today’s busy life, God comes again and again offering rest and refreshment for the soul.
2. The first books of Scripture speak of “sabbath” days and years. Even the land was given a sabbath when it was left to lie fallow and replenish itself.
3. Sabbaticals allow for possible new directions. Jesus’ forty days in the wilderness marked a turning point in his ministry. Moses’ time spent tending sheep helped change his perspective on life. David tended sheep, too, and learned valuable lessons about God’s care and provision. Paul struck down on the road to Damascus, disappeared into the desert of Arabia for three years and emerged with a new vision.

B. DEFINITION OF SABBATICAL LEAVE

1. For the purpose of this policy, “extended study leave” is to be considered the same as “sabbatical.” Any place the word “congregation” is used, the terms “employer” or “agency” could also apply.
2. An extended study leave is understood to be a time of release from normal duties in order that a rostered person may devote time to study and renewal. This is beneficial to the maturing staff person, as it also brings benefits to the congregation and the church as a whole.
3. An extended study leave is not to be confused with continuing education which entail study opportunities of shorter duration and with much greater frequency. An extended study leave is at least a one to three month period devoted to the rostered person’s intellectual, spiritual and vocational growth and renewal.

C. PURPOSE OF EXTENDED STUDY LEAVE

1. Extended Study Leaves should provide stimulation for rostered persons to continue their mental and spiritual growth by contact with scholars, teachers, pastors, and others, so as to be competent in their ministries.
2. Extended Study Leaves should provide strong leadership for the churches through rostered people who are kept abreast of new developments and stimulated to effective ministries.
3. Extended Study Leaves nurture and feed the body and soul for renewed ministry. Hope builds on the dreams that God awakens in his people as they walk in pilgrimage with him, and renews them to lead again the people committed to their charge.
4. Since the congregation and the church are ultimately enriched by the rostered person’s extended study leave, it is desirable that there be shared planning with the person’s Staff Support Committee or Congregation Council and the Synod Leadership Support Committee or the Bishop.

D. ELIGIBILITY AND LENGTH OF LEAVE

1. Rostered persons shall be eligible for an extended study and renewal time of a minimum of one to three months every three to five years in their present call. For rostered persons involved in the the First Call Theological Education Program, this three to five year period begins upon completion of that program.
2. Recipients of extended study leave opportunities will normally return to their charges for at least a year after the leave unless noted otherwise in the shared planning with their Staff Support Committee or Congregation Council.
3. A typical extended study leave will be one to three months away from one's charge. Vacation time and Continuing Education time are not included as extended study leave but are granted as in any other year. Variations from the one to three months extended study leave are to be approved by the congregation or agency.

E. GUIDELINES

1. Be intentional but allow enough freedom to change direction or let go of an old dream if a new vision emerges while planning.
2. The best extended study leaves usually are more open-ended than rigid allowing for the surprises and the new directions that may come.
3. An experience of renewal is the hope of most everyone who takes an extended study leave. But creating such an experience requires more than luck, it takes imagination and planning and willingness to be surprised by God.
4. The plan and program should be one's own. Do not borrow or try to repeat or duplicate another's plan or program.

F. CONSIDERATIONS

1. Personal objectives and program objectives.
2. Description of the major elements of the learning experience.
3. Specific competencies, abilities and skills hoped to be acquired.
4. Problems that need to be resolved before going and possible purposed solutions.
5. How current job responsibilities are to be handled while on leave.
6. Health and age of family members especially if leaving the country.
7. Spouse, spouse's career, children, children's school, pets, etc.

G. PROCEDURE

1. The Synod will administer the extended study leave program through its Leadership Support Committee.
2. Rostered persons of the Synod shall submit in writing a plan for study and renewal to their Staff Support Committee or Congregation Council or employer at least six months before the program is to begin. The plan may include formal study at a seminary or university, a quarter of Clinical Pastoral Education, independent study and travel, or a combination of the above. The proposal is to be approved by both the rostered person's Staff Support Committee or Congregation Council or employer.

3. The rostered person will submit a brief written report and evaluation of the extended study leave to the Staff Support Committee or Congregation Council or employer within a month after completing the program.
4. Letters of Call shall include a statement that congregations grant financial support and support in principle to the extended study leave program.
5. Information shall be sent annually to the chairperson of each congregation and each pastor of the Synod encouraging the use of the extended study leave program. This information shall be placed on the agenda of each Congregation Council for discussion.
6. The Evangelical Lutheran Church in America looks to its rostered persons in ministry to be educated and dedicated servant-leaders. To become such a church is an ongoing challenge. An extended study leave program is one means by which rostered persons and the Staff Support Committees and Congregation Councils can work together to strengthen both ministry and the church's mission.

H. COVERAGE AND COSTS DURING SABBATICALS

1. During the extended study leave the rostered person shall receive the equivalent of their current base salary through a combination of any grants (such as from Lily Foundation (lilyfoundation.org) and Louisville Institute (louisville-institute.org)) received for the purpose of the extended study leave congregation/employer salary; 100% of housing allowance; 100% of pension and medical-dental benefits; all other compensation and benefits remain unaffected.
2. The congregation or employer is responsible to provide for interim ministry during the extended study leave. Increased use of lay members or collegial coverage is recommended. The reduction of salary paid by the congregation or employer because of any grants received for the purpose of the extended study leave (such as grants mentioned above) will help offset expenses for replacement services such as interim pulpit supply, hospital and shut-in visitation, confirmation instruction, etc.
3. The rostered person on extended study leave will be responsible for the costs of tuition, books, supplies, travel and living expenses while on leave, unless congregation or employer chooses to contribute to these.

Salary Standards Committee



Northwest Synod of Wisconsin

Evangelical Lutheran Church in America

God's work. Our hands.

Walking together • for the sake of mission • in God's world