



Northwestern Minnesota Synod  
Evangelical Lutheran Church in America  
God's work. Our hands.

*2017 Compensation Guidelines for  
Rostered Leaders and Church Staff*

# TABLE OF CONTENTS

Synod Compensation Guidelines: A Resource to Assist Congregations and Church Workers	3
Introduction: How Our Faith Informs Us	4
I. Making Compensation Decisions	5
II. Compensation for Pastors	6
III. Compensation for Rostered Lay Leaders	13
IV. Compensation for Synodically Authorized Ministers (SAMs)	15
V. Compensation for Other Church Staff	17
VI. Provisions That Normally Apply to All Employees of Congregations	20
Appendix A Northwestern Minnesota Synod Parsonage Guidelines	21
Appendix B Northwestern Minnesota Synod Travel Expense Reimbursement	23
Appendix C Compensation Worksheet for Rostered Lay Leaders and Other Lay Staff	24
Appendix D Compensation Worksheet for Ordained Pastors	26
Appendix E When a Congregation Compensates Staff Members Above or Below Synodical Guidelines: Implications for Discussion	28
Appendix F Resources for Personnel and Compensation Issues in Congregations of the Evangelical Lutheran Church in America	29
Appendix G ELCA Health Coverage for Rostered Leaders and Lay Church workers	30

## **Synod Compensation Guidelines: A Resource to Assist Congregations and Church Workers**

The Northwestern Minnesota Synod has prepared the following 2017 Compensation Guidelines for use by congregational councils, other ministry agencies, and church workers. These guidelines offer guidance regarding the minimum levels of compensation that are appropriate for pastors, rostered lay leaders, Synodically Authorized Ministers and non-rostered employees of congregations in the synod.

These guidelines are designed to be a *resource to assist* church leaders in compensating church workers in ways that are fair, supportive and mission-driven. These are recommendations, not legislative mandates. They are meant to be helpful, not dictatorial. Those who have drafted these guidelines hope that this resource will allow compensation planning to occur in such a way that the partnership between the Evangelical Lutheran Church in America, the synod, the congregation and all church workers will be strengthened.

How have these guidelines been created?

- First, they were drafted by a team of laity, rostered leaders and synod staff members.
- Second, these guidelines have been reviewed by the Synod Council, which is made up of laity and rostered leaders from each of the synod's ten conferences.
- Upon the recommendation of the Synod Council, these guidelines were reviewed, discussed and approved by the Northwestern Minnesota Synod Assembly, which included voting members from every congregation in the synod.

Throughout the process there has been considerable input from both lay leaders and church workers.

As you use these guidelines, please keep in mind that pastors, rostered lay leaders and other church workers are valuable resources for the whole church. Pastors and rostered lay leaders, in particular, are called to serve the whole church. When a pastor or rostered lay leader is called to serve a congregation, there are four partners to this process:

- A. *God*, who calls persons into ministries, through the church;
- B. *The congregation* which issues the Letter of Call;
- C. *The pastor or rostered lay leader* who accepts the Call; and
- D. *The synod* which supports the call process, with the synod bishop attesting each Letter of Call.

The compensation provided to a pastor or rostered lay leader is part of the Letter of Call documents that represent a covenant among the three human parties to the Call. This Call may not be altered without consultation among and agreement from all three human parties. Thus it is important that all negotiations for change in compensation be done in conversation with the pastor, rostered lay leader, and congregation.

Finally, it goes without saying that compensation decisions should be viewed in light of other significant commitments by a congregation—such as a commitment to justice for church staff persons and a commitment to supporting the work of the wider church through ELCA/synodical mission support. If a congregation is chronically under-compensating its staff, or if a congregation is compensating staff in ways that are significantly higher than synodical guidelines, it may be important to ponder the implications of this and consider alternatives such as those suggested in Appendix E. Congregational leaders are encouraged to consult with the synod bishop or a member of the synod pastoral staff in such discussions.

We warmly commend these compensation guidelines to the congregations and church workers of our synod.

Synod Council of the Northwestern Minnesota Synod  
Evangelical Lutheran Church in America  
*God's work. Our hands.*

## **Introduction: How Our Faith Informs Us**

Decisions about compensation for rostered leaders<sup>1</sup> and other church workers, like other issues the church faces, are best made in light of 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 calls 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. Pastors, associates in ministry and other 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. Compensation decisions should be made in such a way that (a) God's mission flourishes, (b) staff members are cherished as servants of God, (c) there is a sense of faithful partnership between church members and staffs, and (d) all areas of the church's ministry thrive.

The following guidelines are designed to assist congregations and ministry agencies (hereafter referred to simply as "congregations")<sup>2</sup> as they make decisions regarding the compensation of rostered leaders and non-rostered 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.

*Adapted from a document used in the Southwestern Minnesota Synod.*

---

1. For the purpose of this document, the term rostered leader refers to a person who is on the roster of ordained pastors and rostered lay leaders of the Evangelical Lutheran Church in America. Rostered lay leaders typically serve as Christian education directors, youth directors, parish musicians, etc.

2. "Ministry agencies" include organizations such as multi-point parishes, Bible camps, long-term care facilities, hospitals, campus ministries, etc.

## **I. MAKING COMPENSATION DECISIONS**

The synod recommends that each congregation have a *Personnel Committee* with a minimum of three persons, whose responsibilities would be:

- to develop, review, and revise personnel policies for the congregation;
- to draft and periodically revise clear ministry descriptions (job descriptions) for each employee
- to provide for regular (annual or semi-annual) evaluation of all members of the staff;
- to assist with any needs, concerns, problems that may arise among the members of the staff rostered leaders and support staff;
- to meet annually with each staff member to discuss compensation needs and concerns;
- to recommend to the budgeting body (e.g. congregation council, board of trustees, etc.) specific salary and benefits for each staff member;
- to advocate with the budgeting body on behalf of the salary needs of each staff member.

In congregations, compensation packages for staff persons should be set by the congregation council or whichever elected body has the responsibility and authority to manage the fiscal affairs of the congregation. This should be done in consultation with the staff person(s) and Personnel Committee with possible input from the Mutual Ministry Committee as an advocate for the staff person. *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 to the congregation for ratification at the annual meeting (or at a special congregational meeting when a new call is being extended).

It is helpful if the **compensation review** is held in the fall as part of the budget process.

- An annual compensation review is normally conducted by the Personnel Committee using these guidelines as the basis for the review. The Personnel Committee makes its recommendation to the appropriate budget-drafting committee and/or to the congregation council.

For help in establishing a Personnel Committee, please refer to the resources listed in *Appendix F - Pastor and People: Making Mutual Ministry Work*, Augsburg Fortress. You may also contact a member of the synod pastoral staff for assistance.

## II. COMPENSATION FOR PASTORS

These guidelines are intended to assist congregations and pastors in their annual compensation review as set forth in the pastor's Letter of Call.

### A. **Base Salary**

The guidelines below offer base salary figures for pastors, based upon the number of years they have served in ordained ministry. In preparing these guidelines, the synod council has attempted to arrive at a fair increase in base salary.

These guidelines offer **minimum** cash salary figures, based on total years of ordained ministry experience. The total compensation package should also take into account workload, additional education, and effectiveness of the rostered leader. Persons who have had other careers prior to entering rostered ministry should be given credit for that experience to the extent that it was helpful in preparing them for ministry. *Example: a person who taught school for 10 years could be given 5 years' credit on the salary guidelines.*

Many pastors, as they go through college and seminary, have incurred high levels of **educational debt**. Congregations are encouraged to discuss this matter with their pastors. If your pastor is still paying off educational debt, the congregation is encouraged to provide a matching contribution of up to \$100 per month to aid in reducing this education debt.

To use the following chart, subtract the year of ordination from 2017. The remainder is the "Years of Ordained Service". We recommend a 1% increase. Further extension of these minimum guidelines beyond year 40 may be accomplished by adding \$1,000 for each succeeding year. Congregations/agencies/Synod are encouraged to consider additional merit increases when superior work is recognized. See Appendix C (pg 22-23) for compensation worksheet.

#### YEARS OF ORDAINED SERVICE

Newly ordained	\$33,862	16	42,466	32	51,471
1	34,399	17	43,003	33	52,302
2	34,938	18	43,542	34	53,133
3	35,474	19	44,078	35	53,964
4	36,014	20	44,725	36	54,796
5	36,550	21	45,261	37	55,720
6	37,088	22	45,800	38	56,458
7	37,626	23	46,337	39	57,290
8	38,164	24	46,875	40	58,121
9	38,701	25	47,412		
10	39,331	26	47,951		
11	39,777	27	48,488		
12	40,315	28	49,026		
13	40,851	29	49,564		
14	41,391	30	50,102		
15	41,927	31	50,638		

### B. **Housing**

An adequate housing allowance or a parsonage should be furnished for all ordained pastors under call.<sup>3</sup>

**Housing Allowance:** If the pastor is given a cash housing allowance in lieu of a parsonage, the amount of the allowance must be designated by the congregation council, in consultation with the pastor, prior to the beginning of the year.<sup>4</sup>

3. For example, if a pastoral couple serves two different congregations, each pastor is entitled to either a housing allowance or a parsonage.

4. Under U.S. tax codes a pastor's housing allowance/fair rental value of a parsonage is subject to FICA tax but is not subject to income tax.

The housing allowance should be enough to provide housing that is adequate for the pastor's family needs.<sup>5</sup> Factors to consider in determining the amount of a housing allowance include: representative rental costs in the community or the cost of purchasing a home, utilities, property taxes, homeowner and/or personal property insurance, maintenance, etc. The standard amount is **30% of the base salary plus Social Security Reimbursement**. In some communities of the synod where housing costs are higher or lower, a percentage greater or less than 30% may be more appropriate.

**Parsonage:** If a congregation provides a parsonage, the congregation should assume all costs for maintenance and utilities. These costs may be paid directly or the pastor may be given a *Utilities Allowance* sufficient to cover these expenses. In addition to these costs, the congregation should provide and maintain major appliances in the parsonage.

For additional recommendations on parsonages, please see *Appendix A - Northwestern Minnesota Synod Parsonage Guidelines*.

Pastors who live in an unfurnished parsonage also may receive a furnishings allowance or have a portion of their base salary designated as a *Furnishings Allowance*.<sup>6</sup> If the pastor is offered such an allowance, it must be designated by the congregation council prior to the beginning of the year.

While living in a parsonage has some advantages, it does not build equity for retirement. Some congregations or church organizations choose to compensate the pastor for this by making *Housing Equity Contributions* to their pastor's ELCA Retirement Plan account. Such housing equity contributions

- are not considered income for either federal income taxes or Social Security taxes,
- can be withdrawn any time and used to purchase a home and
- are subject to federal income taxes at withdrawal and an early withdrawal penalty if the withdrawal is not justified to the Internal Revenue Service as housing.

Pastors should be aware of the tax issues associated with receiving a cash housing allowance or a parsonage. Helpful information is available on the Portico Benefit Services website at <https://porticobenefits.org/> or by calling 800.352.2876. It may also be valuable to contact a qualified tax adviser who is knowledgeable about the unique tax situations for ordained pastors.

**Moving Expenses:** Good beginnings are important. It is helpful that the relationship between a rostered leader and congregation "get off on the right foot." The congregation and rostered leader are urged to give thoughtful consideration to the needs of the other when undertaking a move. Because moving can be both exciting and stressful, the congregation and rostered leader will want to reach a mutually satisfactory decision about the move as part of the compensation negotiations.

In making such decisions, the following guidelines should be kept in mind:

- The congregation is normally responsible for moving all household, professional, and personal goods of a newly-called rostered leader and his/her family;

---

5. A congregation or ministry agency can amend its housing allowance designation during the course of the year, if changed circumstances render the original allowance inadequate. However, the amended allowance will only operate **prospectively** (for the remaining portion of the year), not retroactively (i.e. applying it back to the beginning of the year.) See *Church Law and Tax Report, 2015 Church and Pastors Tax Guide*.

6. This allowance could be used to cover the costs of furniture, appliances not provided by the parish, vacuum cleaner, televisions, beds, decorator items, curtains, paintings, wallpaper, throw rugs, lawn mowers, cleaning supplies for home, brooms, light bulbs, etc. This allowance cannot be used for personal toiletries such as soaps, paper products, toothpaste, etc.

- This same principle applies during the course of a rostered leader's ministry if the congregation takes steps that require a rostered leader to make a local move;
- It is recommended that professional movers be utilized. If their services are not used, the means of transporting the rostered leader's belongings must be mutually agreed upon ahead of time.
- When the services of professional movers are not used, a separate insurance policy covering the transported goods should be purchased by the congregation. These policies are available from most insurance agencies.

### **C. Social Security Reimbursement**

Congregations are required to pay FICA (Social Security and Medicare) taxes for all lay employees. Since IRS considers pastors self-employed for FICA purposes, but employed for income tax purposes, congregations cannot legally pay FICA directly for pastors.

The FICA tax for self-employed persons is currently 15.3%. Congregations should stay abreast of any changes in this rate. Pastors must pay FICA tax on their base salary and housing allowance/rental value of parsonage. Congregations are expected to reimburse pastors one-half of this amount (the equivalent of the employer's share of FICA, i.e. 7.65%). Such a *Social Security Reimbursement* must be considered as salary in reporting income to the IRS, and it is also considered income when computing pension plan contributions.

### **D. Portico Benefit Services (ELCA Pension) and Other Benefits Plans**

Congregations are to participate in **Portico Benefit Services (ELCA Pension) and other benefits plan** on behalf of their pastor, their spouse, and their eligible children. Complete information on enrolling and maintaining the pastor's membership in **Portico Benefit Services and other benefits plan** at <https://porticobenefits.org/>.

- ELCA Health Plan benefits should be provided for the **pastor, spouse and eligible children** unless such coverage is waived because family members are covered by the spouse's health insurance.
- Health Care Benefits should be provided through the ELCA Health Plan. Please see *Appendix G - ELCA Health Coverage for Rostered Leaders and Lay Church workers*.
- Rostered leaders serving under call are eligible to enroll if they are employed by an eligible employer and are scheduled to work at least 15 hours per week for six or more months per year.
- In order to insure adequate retirement income for all pastors, the synod encourages congregations that may be paying a pastor under "guidelines" to make Portico Benefit Services contributions based on a compensation package that is "at guidelines."

### **E. Travel Expense Reimbursement**

Automobile and other work-related travel expenses are business expenses for the congregation and should not be regarded as part of the pastor's salary. The current IRS mileage reimbursement rate, based on actual miles driven and reported by the pastor using his/her personal vehicle, should be used by congregations. Congregations are advised to stay abreast of current IRS regulations pertaining to auto expense reimbursement rates.

Instead of reimbursing the pastor for use of his/her personal vehicle, the congregation may choose to lease or purchase a car and assume the operating costs of the vehicle. For additional guidelines on auto reimbursement, see *Appendix B - Northwestern Minnesota Synod Travel Expense Reimbursement*.

### **F. Professional Expense Reimbursement**

It is recommended that professional expenses such as books, vestments, periodicals, professional dues, entertaining, communication (basic cell phone) and hospitality costs incurred in the performance of the duties of the pastoral office be shared by the congregation.



## **G. Official Synod Events**

The constitution of the Northwestern Minnesota Synod requires all ordained ministers under call to attend meetings of the Synod Assembly, and the pastors of congregations shall also attend the meetings of the conference, cluster, coalition, or other area subdivisions to which the congregation belongs.

In addition to the Synod Assembly, the synod expects that all pastors under call on the roster of this synod will attend the

- **Synod Theological Day** (normally in the spring)
- **Theology for Ministry Retreat** (normally in the autumn)
- **First Call Theological Education core event** (normally in the winter, for pastors in their first three years of ordained ministry)

Attending these events is part of working in a collegial relationship with other pastors and sharing mutual accountability with one other. Because these are expectations the synod has for all pastors under call, congregations will pay registration fees and/or reimburse the pastor for expenses incurred in participating in these events, not as compensation, but as part of the cost of doing the business of the congregation.

The synod also encourages pastors to attend text studies, conference pastoral meetings, and conference gatherings.

## **H. Continuing Education**

All full- and part-time pastors of the ELCA are expected to complete at least 50 contact hours of continuing education annually.<sup>7</sup> Therefore, continuing education time and funding should be provided for them for updating skills and for professional growth in order to strengthen their ministries.

It is recommended that a minimum of two weeks (including up to two Sundays) and a minimum of \$750 be granted annually for continuing education. The unused portion of a pastor's annual continuing education leave or continuing education allowance may be accumulated over a period of no more than three years for more major continuing education opportunities.<sup>8</sup> 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 leaders. The Evangelical Lutheran Church in America recommends that pastors and rostered lay leaders be granted a period of extended study and renewal, a period of 1-3 months every 5-7 years in the present call.

---

7. Newly-rostered pastors and lay leaders are required to participate in First Call Theological Education during the first three years of rostered service.

8. The compensation form that accompanies the Letter of Call urges that a minimum of \$1000 be available annually for the rostered leader's continuing education. Example: the congregation provides a minimum of \$750 and the rostered leader provides a minimum \$250 to reach the \$1000 total. The rostered leader may, through a voluntary salary reduction agreement, augment the congregation's contribution in order to reach or exceed the \$1000 level of annual support.

## **I. Sabbath Rest and Time Off**

Adequate time off for pastors is essential. It is recommended that vacation time be 4 weeks (including 4 Sundays) for all pastors regardless of how long they have served in ordained ministry. At least 1 full day of sabbath rest,<sup>9</sup> free of church leadership responsibilities, should be granted each week. In addition, congregations are encouraged to grant at least an additional half-day per week to allow pastors to attend to family and household chores and other personal matters. “Sabbath” rather than “day off” is recommended terminology for use in church bulletins and newsletters.

**Vacation:** Vacation time is offered purely for the rest, relaxation, and renewal of pastors. The following should not be considered part of a pastor’s vacation time: official synod events at which attendance by pastors 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.

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

### **Other Circumstances:**

- On rare occasions the pastor and congregation may need to negotiate the carrying over of unused vacation time into the following year.
- An additional two to four Sundays a year may be granted a pastor, with the parish providing for worship supply. This may be especially appropriate in congregations or parishes that have only one pastor.
- Employers may find it useful to negotiate with the pastor for additional vacation time or additional continuing education time in lieu of appropriate full salary increases, if acceptable to all parties.

## **J. Mutual Ministry**

In order to help each congregation of the NW MN Synod function effectively, the Synod strongly recommends that each congregation form a Mutual Ministry (Staff Support) Committee. According to the model constitution of the ELCA, this committee should be composed of six persons who are appointed for two year terms, three each on alternating years. Appointments are made by the president of the congregation together with the pastor. However, it may be that size and method of appointment may vary from congregation to congregation.

The purpose of the Mutual Ministry (Staff Support) Committee is to affirm and strengthen the mission efforts of the congregation and the ministry which is performed by the staff.

Functions and benefits of a Mutual Ministry (Staff Support) Committee include:

- Helps develop open communication about expectations, attitudes, and concerns within the congregation, the community, and staff.
- Identifies early warning signs of misunderstandings and takes action to diffuse certain problem situations before they escalate.
- Serves as a group with whom the pastor and other staff members can test new ideas and share confidential matters.
- Can plan strategies to improve skills of staff members or help develop plans within the congregation to solve problem situations.
- Can assess yearly the working conditions, compensation, housing, and other benefits provided for the pastor and other staff members.

It is important that congregations establish a Mutual Ministry (Staff Support) Committee as part of their normal programming and not wait until there is a time of crisis in the congregation with misunderstandings and hurt feelings. The committee should be understood as a significant element in the congregation’s life with regular reports to both the council and the congregation, although these reports will NOT include confidential matters.

For more information about Mutual Ministry (Staff Support) Committee it is suggested that each congregation secure a copy of the booklet, *Pastor and People: Making Mutual Ministry Work*, Augsburg Fortress.

### **K. 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.<sup>10</sup>

It is recommended that each congregation develop written policies relating to *compensation issues* for pastors while on military leave. Policy guidelines are available from the ELCA Federal Chaplaincy website ([www.elca.org/federalchaplains/involuntarycallupguidelines.html](http://www.elca.org/federalchaplains/involuntarycallupguidelines.html)).

### **L. Part-Time Staff**

Pastors serving part-time in congregations 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.

### **M. Severance Policy**

It is recommended that each congregation develop written policies relating to severance compensation for pastors.

### **N. Worship Supply**

When the pastor is not available to conduct worship services in the congregation, the congregation council should secure a supply pastor/worship leader, using the following guidelines:

- a. For Sunday mornings and midweek services, the congregation shall compensate the supply pastor/worship leader \$130 for the first worship service, \$55 for the second worship service, plus \$25 for each additional service on the same day in addition to travel reimbursement at the IRS recommended rate.
- b. For weddings and funerals, the supply pastor/worship leader shall be compensated at least \$130 per service, and \$25 for each additional contact hour (wedding rehearsal, premarital counseling, meeting at the funeral home, etc.), in addition to any honorarium and travel reimbursement at the IRS recommended rate.
- c. Other supply services such as meeting, confirmation, calls, etc. shall be paid at a minimum of \$25 per hour, or at a rate mutually acceptable (to be negotiated and put in writing prior to onset of services).

### **O. Other Provisions**

Please see section VI on pg. 18 for provisions, such as sick leave, bereavement, parental leave, etc., that normally apply to all employees of congregations. Please also see *Appendix D - Compensation Worksheet for Ordained Pastors*.

---

9. Author and pastor, Eugene Peterson, describes Sabbath rest as follows: At regular intervals we all need to quit *our* work and contemplate [*God's* work], quit talking to each other and listen to *him*. God knows we need this and has given us a means in Sabbath a day for praying and playing, simply enjoying what he is. One of my tasks [as a pastor] is to lead you in the celebrative keeping of Sabbath each Sunday. But that is not a Sabbath for me. I wake up on Sunday morning with the adrenalin flowing. It is a workday for me. Monday is my Sabbath, and I need your help to observe it. From *Working the Angles: The Shape of Pastoral Integrity* (Grand Rapids: Eerdmans, 1987) pg 82.

10. The same law applies to rostered and non-rostered lay persons who belong to military reserve units and who work in congregations or ministry agencies.

### **III. COMPENSATION FOR ROSTERED LAY LEADERS**

Associates in Ministry, Deaconesses and Diaconal Ministers are on the roster of the Evangelical Lutheran Church in America. In matters of compensation and benefits, these lay employees are similar in many respects to pastors. Major differences arise from the unique Federal tax treatment given pastors.

#### **A. Letter of Call**

Every rostered lay leader serves under the terms of a Letter of Call. The bishop/synod staff are consulted prior to issuance of the Letter of Call.

#### **B. Salary**

In determining salary for rostered lay staff, consider whether the staff person is serving in a support staff position or a program staff position. Usually a program staff person will have at least a bachelor’s degree and will have programmatic responsibilities within the congregation. **These salaries are minimum levels, not a range.**

##### **a. Rostered Support Staff**

Rostered support staff work with pastors and other program staff. Examples include secretaries and bookkeepers. Rostered support staff salaries could be comparable to those for executive support staff within the local community. Adjust this figure to the degree that the rostered support staff person has administrative responsibilities.

##### **b. Rostered Program Staff**

Rostered program staff carry responsibility for program areas in the congregation. Examples are youth and family ministers or directors of Christian education. Historically, the church has looked to the public school for determining comparable salaries. The following chart shows the most recent average salary ranges for public school teachers in outstate (non-Twin Cities) school districts. The chart is based on whether the teacher has a bachelor’s degree only or also possesses a master’s degree. Although not as specific as the chart for pastors (based on a rate of 2%), it serves as a guide for congregations in salary matters for rostered lay program staff.

<b>Years of Certified Ministry</b> (Certified by ELCA or predecessor body)	<b>Bachelor’s Degree</b> (or equivalent)	<b>Master’s Degree</b>
Up to 5	\$36,568-40,225	\$41,100-45,210
6-15	\$41,030-49,236	\$46,114-55,337
15+	\$50,221-70,309	\$56,444-79,021

#### **C. Social Security**

All lay church staff, including rostered staff, are considered employees for Social Security purposes. The lay staff person and the congregation pay equally as provided by law. Currently this amount is 7.65% of salary.

#### **D. Benefits**

Rostered laypersons serving under call are eligible to enroll in Portico Benefit Services (pension) and other benefits plan if they are employed by an eligible employer and are scheduled to work at least 15 hours per week for six or more months per year. If a rostered layperson is not enrolled in Portico Benefit Services and other benefits plan, the congregation may offer him or her other suitable benefits.

#### **E. Travel Expense Reimbursement**

If the congregation expects a rostered lay person to travel for ministry purposes, travel expenses should be reimbursed according to the same guidelines provided for pastors (section II.E above).

#### **F. Professional Expense Reimbursement**

If the congregation expects a rostered lay person to occasionally pay for ministry-related expenses that are the financial responsibility of the congregation, these expenses should be reimbursed according to the same guidelines provided for pastors (section II.F above).

### **G. Official Synod Events**

Rostered lay leaders are regarded in the same way as pastors in terms of attendance at the Synod Assembly, Synod Theological Day, Theology for Ministry Retreat and First Call Theological Education (section II.G above)

### **H. Continuing Education**

Rostered lay leaders are regarded in the same way as pastors in terms of continuing education and sabbatical (section II.H above).

### **I. Sabbath Rest and Time Off**

Adequate time off for rostered leaders is essential. It is recommended that vacation time be 4 weeks (including 4 Sundays) for all rostered leaders regardless of how long they have served in rostered ministry. Adequate time off for any worker is essential. Two full days, one for Sabbath rest, one for chores and home life, are recommended.

**Vacation:** Vacation time is offered purely for the rest, relaxation, and renewal of rostered leaders. The following should not be considered part of a rostered leader's vacation time: official synod events at which attendance is required; continuing education; work on synod or churchwide boards or committees.

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

### **J. Other Provisions**

Please see section VI for provisions that normally apply to all employees of congregations. Please also see *Appendix C - Compensation Worksheet for Rostered Lay Leaders and other Lay Staff*.

## **IV. COMPENSATION FOR SYNODICALLY AUTHORIZED MINISTERS** **(SAMS)**

These guidelines have been developed by the Northwestern Minnesota Synod with respect to provisions 7.61.01 and 7.61.02 in the Constitution and Bylaws of the Evangelical Lutheran Church in America. Synodically Authorized Ministers are lay persons serving in settings normally served by ordained ministers. Lay people who serve in such settings are not rostered by the Evangelical Lutheran Church in America but are authorized by the synod to provide a *particular* ministry within a setting for a *specified* period of time. Because this *specific* period of time is usually short in duration, congregations do not normally provide housing allowance or pension and other benefits.

### **A. Salary**

In providing a fair salary for Synodically Authorized Ministers it is important to consider the responsibilities assigned to the individual and the time needed to accomplish those duties. Based on a forty hour work week the synod suggests a **minimum starting salary** between \$33,510 and \$40,091 depending on education and years of pertinent experience.

### **B. Social Security**

Synodically Authorized Ministers are considered employees for Social Security purposes. The Synodically Authorized Minister and the congregation pay equally as provided by law, i.e. each pays 7.65% of salary.

### **C. ELCA Pension and Other Benefits Plan**

Because Synodically Authorized Ministers often serve a parish for less than a year these benefits are not usually provided. Special consideration can be given in long-term SAM settings.

### **D. Travel Expense Reimbursement**

Synodically Authorized Ministers should be regarded as pastors and regarded with respect to reimbursement for travel expenses (section II.E above)

### **E. Professional Expense Reimbursement**

If the congregation expects a Synodically Authorized Minister to occasionally pay for ministry-related expenses that are the financial responsibility of the congregation, these expenses should be reimbursed according to the same guidelines provided for pastors (section II.F above).

### **F. Continuing Education**

The Lutheran Church has, throughout its history, emphasized life-long learning for all baptized Christians. **The synod expects the Synodically Authorized Minister to be involved in continuing education through its School for Lay Ministry which provides opportunities for personal development, enrichment of devotional life, and growth in effectiveness and competency.** Continuing education is regarded as an essential, ongoing process in order for Synodically Authorized Ministers to retain their authorization to serve in this capacity. The congregation will grant the Synodically Authorized Minister ten days and a continuing education allowance of \$600 per year for participation in the School for Lay Ministry.

It may also be appropriate for the congregation to pay registration fees for the Synodically Authorized Minister's participation in official synod events (section II.H above).

### **G. Sabbath Rest and Time Off**

Because most Synodically Authorized Ministers function in the place of a pastor, they should be regarded as pastors are regarded with respect to Sabbath rest, vacation and holidays (section II.I above).

**H. Review and Support**

The synod recommends establishing a Mutual Ministry Committee for the Synodically Authorized Minister within each congregation/parish (see pg 10). An Annual Review, conducted by the bishop or a member of the synod staff, is required for the continued licensure of all long-term Synodically Authorized Ministers.

**I. Other Provisions**

Please see section VI for provisions that normally apply to all employees of congregations. Please also see *Appendix C - Compensation Worksheet for Rostered Lay Leaders and other Lay Staff*.

## **V. COMPENSATION FOR OTHER CHURCH STAFF**

### **A. Some Basic Principles**

Non-rostered church workers are professionals and should receive compensation similar to comparable professionals in the community. Salaries for church staff workers should also be commensurate with expectations placed upon them. Annual reviews inform the direction, continuing education goals, and compensation for each church worker.

When hired, the personnel committee or congregation council, in consultation with the pastor or appropriate rostered lay leader, should describe the expectations of and compensation for the position in a letter of employment or other suitable document.

### **B. Salary**

Congregations must conform to applicable federal and state laws regarding non-rostered employees. Accordingly, the congregation's personnel policies must provide for appropriate tax withholding, payment of the employer's share of the FICA (Social Security and Medicare) taxes, provision of workers compensation insurance, adherence to applicable minimum wage laws and fair employment practices, etc.

Salaries for non-rostered church workers who provide necessary support services for ministry, such as secretaries, custodians, treasurers, financial secretaries, etc. will vary, depending upon the duties and expectations of each employee, and the qualifications required for each position. Recognizing the importance of such staff to the ministry of the congregation, we recommend the following guidelines:

Helpful Salary guidelines for areas in Minnesota are available online using salary search tools. Also, calling other churches or businesses in your area about salaries for particular jobs may be helpful.

People serving in part-time positions should receive pro-rated salary and benefits. Other factors to take into consideration when determining salary are:

- Years of Experience  
Additional compensation should be considered for a person with past support staff experience.
- Education  
Additional compensation should be considered for each degree or certification germane to the present position.
- Merit  
Merit is difficult to assess but is an important consideration in assessing compensation. Such factors as thoroughness, organization, attention to detail, cordiality, and promptness can be included.

*Adapted from a document used in the Southeastern Minnesota Synod.*

### **C. Benefits**

Portico Benefit Services states that laypersons working at least 20 hours per week for at least six months per year are eligible to participate in the ELCA pension and other benefits plans. Under the ELCA benefits program, coverage is available for health, retirement, disability and survivor benefits. Information about the ELCA pension programs is available at <https://porticobenefits.org/> or by calling 800.352.2876.

Some congregations prefer to provide other benefit options to non-rostered church workers. Such benefits should be described in the congregation's personnel policies and should be offered to all eligible non-rostered church workers.



**D. Travel Reimbursement**

If a non-rostered church worker is expected to travel on behalf of the congregation and its ministries, he/she should be reimbursed as pastors are reimbursed for travel expenses (section II.E above).

**E. Professional Expense Reimbursement**

If the congregation expects a non-rostered church worker to occasionally pay for ministry-related expenses that are the financial responsibility of the congregation, these expenses should be reimbursed according to the same guidelines provided for pastors (section II.F above).

**F. Continuing Education**

A continuing education plan is the study program by which non-rostered church employees may develop their present knowledge, acquire new skills, and experience growth for more effective service. Continuing education activity should relate to the employee’s job responsibilities. It is recommended that full-time employees be eligible for up to 10 working days of continuing education time each year funded at a minimum of \$450 per year. Continuing education plans are discussed with and approved by the church worker’s supervisor or governing board/committee.

**G. Time Off**

The recommended time off days for non-rostered church workers are as follows:

**Vacation Days:**

- Years 1-4                                    10 days or two proportional work weeks for part-time employees
- Years 5-7                                    15 days or three proportional work weeks for part-time employees
- Years 8 & beyond                        20 days or four proportional work weeks for part-time employees

**Sick Leave Days:**

1 day per month

**Holiday Days:**

New Year’s Day, Martin Luther King Day or Presidents Day, Easter Sunday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day

Usually sick leave and 50% of vacation hours earned each year are allowed to accumulate to a set maximum determined by the congregation council.

**H. Other Provisions**

Please see section VI for provisions that normally apply to all employees of congregations. Please also see *Appendix C - Compensation Worksheet for Rostered Lay Leaders and other Lay Staff*

## **VI. PROVISIONS THAT NORMALLY APPLY TO ALL EMPLOYEES OF CONGREGATIONS**

### **A. Disability - Sick Leave**

In the event that any church staff person covered under the **ELCA Pension** (Portico Benefit Services) **and other benefits plan** becomes medically **disabled**, it is expected that the congregation provide up to two (2) months of continued salary, housing, and contributions to the ELCA Pension (Portico Benefit Services) and other benefits plans in a 12-month period.

It is recommended that each congregation develop written policies regarding **sick leave** for all its employees. In general, one day of sick leave is granted per month worked, cumulative to 90 days. Normally sick leave policies allow employees to use sick leave days to care for immediate family members who are ill. "Immediate family" is typically defined to include spouse, parents, siblings, children, in-laws, grandparents, and grandchildren.

### **B. Emergency/Funeral Leave**

Absence of an employee for up to five days due to a death in the immediate family is normally permitted. "Immediate family" is typically defined to include spouse, parents, siblings, children, in-laws, grandparents, and grandchildren. If more than five days are needed, additional leave time may be granted at the discretion of the congregation council.

### **C. Flexible Spending Accounts**

All employees of congregations covered under Portico Benefit Services and other benefits plan may set up a Flexible Spending Account (FSA) to cover the family's eligible health care expenses and eligible dependent (day) care expenses. For complete information on this option, please refer to <https://porticobenefits.org/>.

### **D. Ministry Descriptions ("Job Descriptions")**

The personnel committee or congregation council should provide clear, well-defined ministry descriptions for all employees of the congregation. Doing so will enhance performance and satisfaction for all employees.

### **E. Parental Leave**

Parental leave with full compensation and benefits may be granted to an employee for up to 6 weeks when a child is born or adopted. It is recommended that each congregation develop a written policy relating to parental leave.<sup>11</sup>

### **F. Personal Days**

The congregation may grant each employee 1-2 personal days off per year. Personal days are similar to vacation days. If they are not taken during the year granted, they may not be carried over to the following year.

### **G. Unemployment Compensation**

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

### **H. Workers' Compensation**

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

---

11. Congregations that have called a rostered couple (two rostered persons married to each other) should give particular attention to the question of whether both rostered persons will receive full parental leave

## **APPENDIX A**

### **NORTHWESTERN MINNESOTA SYNOD PARSONAGE GUIDELINES**

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. The congregation serves God's mission and affirms its pastor as it provides 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 congregation-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 politeness for such things as entering the parsonage as they would for any other home in the community.

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

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

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

#### **SPECIFIC 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 in excess of this amount would require approval of the property committee or the congregation council.
11. 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 any damage caused by children or 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.
12. 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.)
13. Congregations should consider taking care of the grounds around the parsonage while the pastor is on vacation or study leave.
14. The congregation should provide suitable garage space for the pastor's automobile(s). Normally this would be space for two vehicles.

*Adapted from documents used in the Nebraska and Southwestern Minnesota Synods.*

## **APPENDIX B**

### **NORTHWESTERN MINNESOTA SYNOD** **TRAVEL EXPENSE REIMBURSEMENT**

In the total planning of the compensation/reimbursement package for the rostered leader, it is important to disconnect compensation from reimbursement. One is salary; the other is repayment to the rostered leader for out-of-pocket expenses incurred during his/her ministry on behalf of the congregation.

The automobile reimbursement<sup>13</sup> may be the single largest item of reimbursement for the rostered leader, so it is important to plan wisely. Although the ministry of the congregation must be of primary importance, pertinent tax issues must also be considered. The congregation must fully reimburse the rostered leader for official use of his/her vehicle for church business. Automobile expense reimbursement should be considered a congregational ministry expense not a part of the salary.

The following are options that rostered leaders and congregations may consider:

1. The congregation leases the automobile and provides insurance, tolls, parking fees, maintenance, and repair coverage including a credit card for fuel.
2. The rostered leader owns his/her car and is reimbursed from a draw account by the church treasurer.
3. The rostered leader owns his/her car and the congregation pays a flat car allowance as detailed in the church budget. If this option is chosen, the rostered leader must file a Form 2106 detailing his/her costs and reimbursements. If the rostered leader cannot verify that all dollars received were for professional miles driven, the residue must be claimed as taxable income.
4. The rostered leader leases a vehicle and is reimbursed from a draw account by the church treasurer.

Regardless of the option used, the rostered leader must keep complete records of automobile expenses, professional miles driven, and personal miles driven.

As leaders of congregations consider what is fair reimbursement for expenses incurred, they need to remember that the pastor is assisting them in their ministry. The automobile is as important a ministry tool as is the telephone. Without full access to such tools, the entire ministry of a congregation may be inhibited.

*Adapted from documents used in the St. Paul Area Synod and the Southwestern Minnesota Synod.*

---

<sup>13</sup> Congregations should stay abreast of changes in IRS regulations pertaining to automobile reimbursement.

**APPENDIX C**

**COMPENSATION WORKSHEET FOR  
ROSTERED LAY LEADERS AND OTHER LAY STAFF**

This worksheet is designed to help congregations and ministry agencies build a compensation package for *lay church staff persons*. Each item listed below is described in this document.

<b>Compensation</b>	<b>2016 Actual</b>	<b>2017 Guidelines</b>	<b>2017 Proposed</b>
---------------------	--------------------	------------------------	----------------------

Base Salary	_____	_____	_____
-------------	-------	-------	-------

Other: \_\_\_\_\_

<b>Total Income</b>	_____	_____	_____
---------------------	-------	-------	-------

<b>Taxes Paid</b> FICA tax – employer’s share	_____	_____	_____
--	-------	-------	-------

**Pension & Other Benefits**

ELCA Pension & Other Benefits Program	_____	_____	_____
---------------------------------------	-------	-------	-------

Other: \_\_\_\_\_

<b>Total Pension &amp; Other Benefits</b>	_____	_____	_____
---	-------	-------	-------

**Expenses**

Travel	_____	_____	_____
--------	-------	-------	-------

Professional	_____	_____	_____
--------------	-------	-------	-------

Official synod meetings	_____	_____	_____
-------------------------	-------	-------	-------

Continuing Education	_____	_____	_____
----------------------	-------	-------	-------

Other: \_\_\_\_\_

<b>Total Expenses</b>	_____	_____	_____
-----------------------	-------	-------	-------

**Nonfinancial Compensation**

Vacation	_____wks	_____wks	_____wks
Continuing Education	_____wks	_____wks	_____wks
Other: _____	_____	_____	_____

## APPENDIX D1

### WORKSHEET FOR ORDAINED PERSON (CLERGY) LIVING IN PARSONAGE

#### A. COMPENSATION

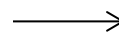
- 1) Base Salary \$ \_\_\_\_\_  
(See page 6 of Compensation Guidelines Document for the minimum salary amount for the appropriate year of service.)
- 2) Social Security Allowance Matching [Base Salary x .0765] \$ \_\_\_\_\_  
(Because pastors are considered self-employed by the IRS for social security computations only, the synod council recommends that congregations/agencies/Synod contribute a minimum of ½ of the total self-employment social security tax.)
- 3) Utilities Allowance (only when paid directly to the pastor) \$ \_\_\_\_\_
- 4) Furnishing Allowance (only when paid directly to the pastor) \$ \_\_\_\_\_
- 5) Parsonage Valuation Formula [Total of lines 1-4 x .30] \$ \_\_\_\_\_
- 6) Defined Compensation [Total of lines 1-5] \$ \_\_\_\_\_
- 7) Housing Equity Allowance [Defined Compensation x .03] \$ \_\_\_\_\_  
(The Synod Council recommends that this be a minimum of 3% of the Defined Compensation)

#### B. PENSION & OTHER BENEFITS

Step by step procedure:

- a) Google “Portico Benefit Services”. Under Portico Benefit Services, <https://www.poticobenefits.org/> click on “Visit Employer Link Now”, then click “Resources,” then click on “Calculators.”
- b) Click on “Calculate Benefit Costs”
- c) In drop down boxes choose the year for which benefits are being calculated, the health benefit option your church/organization has chosen, and “Northwestern Minnesota Synod” under Synod, Seminary, or Churchwide Ministry. Then click on “Continue”.
- d) In Total Defined Compensation Box enter figure from line 6 above.
- e) Under “Plan Member Health Coverage”, select one of the three options: ELCA Primary, or ELCA Medicare-Primary, or Waive Health Benefits for Self and Family.
- f) Under “Spouse or ESGP Health Coverage” and “Child(ren) Health Coverage”, select one of the four options: None (meaning no spouse or no children), or ELCA Primary, or ELCA Medicare-Primary, or Waived.
- g) Under “Employer Retirement Contribution” enter proper percentage. For most active clergy the minimum figure would be 10%.
- h) Under “Housing Equity Retirement Contribution” enter one of the three options: none, or flat rate, or percentage of the defined compensation, along with the proper figure in the box below. Then click on “Calculate”.
- i) Click on: “Printer Friendly” and the figures for Healthcare Premiums, Retirement, Housing Equity, Disability, Basic Group Life, and Retiree Support, along with the Total Benefits Contribution will be indicated.

This Worksheet is continued on next page





- 8) ELCA Medical, Dental & Pension Plan (enter "Total Benefits Contribution") \$ \_\_\_\_\_
- 9) Additional Benefits \$ \_\_\_\_\_
- 10) Compensation, Pension & Other Benefits Total [Add Lines 1-4, &7-9] \$ \_\_\_\_\_

**C. EXPENSES**

- 11) Transportation Mileage/Travel Expense Reimbursement \$ \_\_\_\_\_  
(See page 8 of Synod Guidelines)
- 12) Professional Expense Reimbursements \$ \_\_\_\_\_  
(See pages 8 and 9 of Synod Guidelines)
- 13) Official Synod Events (*includes Synod Assembly, Synod Theological Day, Theology for Ministry Conference, and First Call Theological Education Core Events*). \$ \_\_\_\_\_
- 14) Continuing Education (Minimum-\$700, See page 9 of Synod Guidelines) \$ \_\_\_\_\_

Total Compensation, Pension & Benefits, and Expenses [Add Lines 10-14] \$ \_\_\_\_\_

**D. NONFINANCIAL COMPENSATION**

- 1) Vacation \_\_\_\_\_ Weeks, including \_\_\_\_\_ Sundays
- 2) Continuing Education \_\_\_\_\_ Weeks, including \_\_\_\_\_ Sundays

**APPENDIX D2**

**WORKSHEET FOR ORDAINED PERSON (CLERGY) WITH A HOUSING ALLOWANCE**

**A. COMPENSATION**

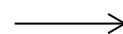
- 1) Base Salary \$ \_\_\_\_\_  
(See page 6 of Compensation Guidelines Document for the minimum salary amount for the appropriate year of service.)
  
- 2) Social Security Allowance [Base Salary x .0765] \$ \_\_\_\_\_  
(Because pastors are considered self-employed by the IRS for social security computations only, the synod council recommends that congregations/agencies/Synod contribute a minimum of ½ of the total self-employment social security tax.)
  
- 3) Housing Allowance [ (Base Salary + SS Allowance) x .30 ] \$ \_\_\_\_\_
  
- 4) Defined Compensation [Add together Lines 1, 2, and 3] \$ \_\_\_\_\_

**B. PENSION & OTHER BENEFITS**

Step by step procedure:

- a) Google “Portico Benefit Services”. Under Portico Benefit Services, <https://www.poticobenefits.org/> click on “Visit Employer Link Now”, then click “Resources,” then click on “Calculators.”
  - b) Click on “Calculate Benefit Costs”
  - c) In drop down boxes choose the year for which benefits are being calculated, the health benefit option your church/organization has chosen, and “Northwestern Minnesota Synod” under Synod, Seminary, or Churchwide Ministry. Then click on “Continue”.
  - d) In Total Defined Compensation Box enter figure from line 4 above.
  - e) Under “Plan Member Health Coverage”, select one of the three options: ELCA Primary, or ELCA Medicare-Primary, or Waive Health Benefits for Self and Family.
  - f) Under “Spouse or ESGP Health Coverage” and “Child(ren) Health Coverage”, select one of the four options: None (meaning no spouse or no children), or ELCA Primary, or ELCA Medicare-Primary, or Waived.
  - g) Under “Employer Retirement Contribution” enter proper percentage. For most active clergy the minimum figure would be 10%.
  - h) Under “Housing Equity Retirement Contribution” enter one of the three options: none, or flat rate, or percentage of the defined compensation, along with the proper figure in the box below. “None” is the usual choice with a Housing Allowance. Then click on “Calculate”.
  - i) Click on: “Printer Friendly” and the figures for Healthcare Premiums, Retirement, Housing Equity, Disability, Basic Group Life, and Retiree Support, along with the Total Benefits Contribution will be indicated.
- 5) ELCA Medical, Dental & Pension Plan (enter “Total Benefits Contribution”) \$ \_\_\_\_\_
  - 6) Additional Benefits \$ \_\_\_\_\_
  - 7) Compensation, Pension & other Benefits Total [Add lines 1-3 & 5-6] \$ \_\_\_\_\_

**This Worksheet is continued on next page**



**C. EXPENSES**

- 8) Transportation Mileage/Travel Expense Reimbursement \$\_\_\_\_\_ (See page 8 of Synod Guidelines)
- 9) Professional Expense Reimbursements \$\_\_\_\_\_ (See pages 8 and 9 of Synod Guidelines)
- 10) Official Synod Events (*includes Synod Assembly, Synod Theological Day, Theology for Ministry Conference, and First Call Theological Education Core Events*). \$\_\_\_\_\_
- 11) Continuing Education (Minimum-\$700, See page 9 of Synod Guidelines) \$\_\_\_\_\_

Total Compensation, Pension and other Benefits, & Expenses [Add lines 7-11] \$\_\_\_\_\_

**D. NONFINANCIAL COMPENSATION**

- 1) Vacation \_\_\_\_\_Weeks, including \_\_\_\_\_Sundays
- 2) Continuing Education \_\_\_\_\_Weeks, including \_\_\_\_\_Sundays

\_\_\_\_\_

## **APPENDIX E**

### **WHEN A CONGREGATION COMPENSATES STAFF MEMBERS ABOVE OR BELOW SYNODICAL GUIDELINES: IMPLICATIONS FOR DISCUSSION**

If a congregation finds itself (a) regularly compensating staff LOWER THAN synodical guidelines or (b) regularly compensating staff significantly HIGHER THAN synodical guidelines, it may be time for congregational leaders to discuss other, related issues.

For example, if a congregation is regularly compensating staff *lower than* synodical guidelines, the congregation may need to discuss topics such as

- Taking specific steps to improve the congregation's financial stewardship;<sup>14</sup>
- Re-assessing all of the congregation's current spending priorities—including its current staffing pattern;
- Entering into a parish alignment (or expanding an existing parish alignment) or other way of sharing ministries with a neighboring congregation or congregations;<sup>15</sup>
- Exploring options for merging with another congregation or perhaps even closing the congregation.

If a congregation is regularly compensating some staff at a level significantly *higher than* synodical guidelines, the congregation may need to discuss topics such as

- Examining issues of parity in compensation among members of your church staff;
- Re-assessing all of the congregation's current spending priorities—including its current staffing pattern;
- Increasing its giving to ELCA/synod mission support, the ELCA Hunger Appeal, global missionary sponsorship, local food shelves.

---

14. The congregation might want to begin this discussion by contacting our synod's stewardship specialist, Pastor Steve Peterson, assistant to the bishop at [speterso@cord.edu](mailto:speterso@cord.edu) or by calling 218.299.3019.

15. The congregation might want to begin this discussion by contacting our synod's ELCA Director for Evangelical Mission, Pastor Keith Zeh at [keith.zeh@elca.org](mailto:keith.zeh@elca.org) or by calling 218.299.4447 or [zeh@cord.edu](mailto:zeh@cord.edu) or by calling 218.299.3

## **APPENDIX F**

### **RESOURCES FOR PERSONNEL AND COMPENSATION ISSUES IN CONGREGATIONS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA**

Bacher, Robert and Cooper-White, Michael, *Church Administration: Programs, Process, Purpose*, Minneapolis: Augsburg Fortress, 2007.

Berry, Erwin, *The Alban Personnel Handbook for Congregations*, Washington DC: Alban Institute, 1999.

*The Compensation Handbook for Church Staff* (published by *Christianity Today* magazine). Information on the latest issue of this resource is available at <http://store.churchlawtodaystore.com/20cohaforchs.html>

Holford, Trish, *Our Staff: Building Our Human Resources*, Minneapolis: Augsburg Fortress, 2002.

*Pastor and People: Making Mutual Ministry Work*, Minneapolis: Augsburg Fortress, 2003.

Peterson, Eugene, *Working the Angles: The Shape of Pastoral Integrity*, Grand Rapids: Eerdmans, 1987

Rueter, Alvin C., *Personnel Management in the Church*, Minneapolis: Augsburg 1984

*Smart Church Management* available at <http://smartchurchmanagement.com/category/church-human-resources/>

## APPENDIX G

### ELCA HEALTH COVERAGE FOR ROSTERED LEADERS AND LAY CHURCH WORKERS

#### **NW MN Synod Guidelines Relative to Health Care Reform**

Beginning January 1, 2014, the most significant changes brought about by the Patient Protection and Affordable Health Care Act of 2010 (PPACA), also known as health care reform, took effect. This has implications for many employers, including congregations. Our ministry partners at Portico Benefit Services have been helping us through this change. This appendix discusses what health care reform means for you. You can also continue to check the Portico website (*PorticoBenefits.org*) for updates. Please feel free to contact Portico with questions related to health care reform.

1. Prior to January 1, 2014, ELCA-Primary health contribution rates were based on geographic region and salary. To offer current competitive pricing relative to the exchanges, Portico offers ELCA- Primary health contribution rates that also reflect plan member age.
2. Starting in 2014, each ELCA employer must select one ELCA health plan option (Bronze, Silver, Gold Plus, and Platinum) for all employees (rostered leaders and lay church workers) that they will pay for.
3. Once the employer makes a selection, the employee confirms that choice or chooses to buy up to another plan option, and is responsible for the cost difference. For example, if the employer selects the option similar to the gold plan and the employee opts to buy up to the option similar to the platinum plan, the employee will pay the difference in cost.

#### Other considerations:

1. It may be tempting to offer the least expensive health plan option. Collectively over the years, this church has sought to provide benefits that support our shared ministry and overall well-being to all rostered leaders and lay church workers. The ELCA Church Council acted to endorse as a benchmark the proposed plan option that approximates the current level of benefits provided by ELCA-Primary health coverage, and to encourage congregations, synods, the Churchwide organization, the churchwide organization, other ELCA-related organizations, and other interested persons to advocate for selection of this plan option.
2. Relative to the ELCA health plan, Portico developed a final proposal and recommendations on its health care plan that was approved by the ELCA Church Council.
3. Given these changes, it may be tempting to come to call or employment decisions based upon youth or marital status, and to avoid older, more experienced persons with families. However, this church has always valued calling a rostered person and hiring a lay church worker based upon his or her gifts for ministry and the needs of the congregation, and we believe this practice should continue.

#### **Recommendation:**

**To maintain appropriate level health benefits for our rostered leaders and lay church workers, all the congregations and parishes of the NW MN Synod are encouraged to offer to pay for Portico's GOLD PLUS plan option that is comparable to gold plans offered on the exchanges. This will both continue to care for the health of all who serve under call or terms of employment and eliminate many of the variables facing congregations.**

*This is a revised version of an appendix first adopted by the NW MN Synod Assembly in 2013.*