



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

*2018 Compensation Guidelines
for
Synodically Authorized Ministers*

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

The Northwestern Minnesota Synod has prepared the following 2018 Compensation Guidelines for use by congregational councils, parishes, other ministry agencies, and church workers. These guidelines offer guidance regarding the minimum levels of compensation that are appropriate for rostered ministers, 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/parish and all church workers will be strengthened.

How have these guidelines been created?

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

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 Ministers of Word and Sacrament, Ministers of Word of Service, and other church workers are valuable resources for the whole church. Rostered ministers, in particular, are called to serve the whole church. When a Rostered Minister 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/parish** which issues the Letter of Call;
- C. The rostered minister** 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 rostered minister is part of the Letter of Call documents that represent a covenant among all parties. This Call may not be altered without consultation and agreement from all parties. Thus it is important that all negotiations for change in compensation be done in conversation with the rostered minister and congregation/parish.

Finally, it goes without saying that compensation decisions should be viewed in light of other significant commitments by a congregation/parish—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/parish is chronically under-compensating its staff, or if a congregation/parish 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
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Introduction: How Our Faith Informs Us

Decisions about compensation for rostered ministers¹ 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 staff members, and (d) all areas of the church's ministry thrive.

The following guidelines are designed to assist congregations/parish and ministry agencies (hereafter referred to simply as "congregations")² 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 minister refers to a person who is on the roster of Ministry of Word and Sacrament or Ministry of Word and Service of the Evangelical Lutheran Church in America.

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

I. MAKING COMPENSATION DECISIONS

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

- to develop, review, and revise personnel policies for the congregation/parish;
- 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 that includes goal review and goal setting;
- 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/parishes, 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/parish. 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/parish. The council should place the recommended compensation package(s) in the budget and present it to the congregation(s) 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 C - 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 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 rostered 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/parish 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 \$34,515 and \$41,294 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/parish 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 congregation/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

If a non-rostered church worker is expected to travel on behalf of the congregation/parish and its ministries, he/she should be reimbursed at the IRS millage rate.

E. 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 position be shared by the congregation/parish.

F. Continuing Education

The Lutheran Church has, throughout its history, emphasized life-long learning for all baptized Christians. **The synod expects Synodically Authorized Ministers 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/parish will grant the Synodically Authorized Minister two weeks and a continuing education allowance of \$750 per year for participation in the School for Lay Ministry and other appropriate continuing education.

It is also appropriate for the congregation/parish to pay registration fees for the Synodically Authorized Minister's participation in official synod events.

G. Sabbath Rest and Time Off

Because most Synodically Authorized Ministers function in the place of a Minister of Word and Sacrament, they should be regarded as pastors are regarded with respect to Sabbath rest, vacation and holidays.

Adequate time off for rostered ministers is essential. It is recommended that vacation time be 4 weeks (including 4 Sundays) for all rostered ministers regardless of how long they have served in rostered ministry. Two full days off per week are recommended.³

Vacation: Vacation time is offered purely for the rest, relaxation, and renewal of rostered ministers. The following should not be considered part of vacation time: official synod events at which attendance is required; continuing education; time spent in outdoor ministries and retreats with congregational/parish 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 rostered minister are required on recognized holidays, time off with pay should be granted at another time which causes minimal disruption to the congregation/parish. 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.

H. Review and Support

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

I. Mutual Ministry

In order to help each congregation/parish of the NW MN Synod function effectively, the Synod strongly recommends that each congregation/parish 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/parish together with the pastor. However, it may be that size and method of appointment may vary in a given entity.

The purpose of the Mutual Ministry (Staff Support) Committee is to affirm and strengthen the mission efforts of the congregation/parish 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/parish, 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 rostered minister 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/parish to solve problem situations.

It is important that congregations/parishes 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/parish with misunderstandings and hurt feelings. The committee should be understood as a significant element in the life of the rostered minister with regular reports to both the council and the congregation(s), although these reports will NOT include confidential matters.

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

³ 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 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 with Angles: That Shape of Pastoral Integrity* (Grand Rapids: Eerdmans, 1987) pg 82.

III. PROVISIONS THAT NORMALLY APPLY TO ALL 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/parish 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/parish 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/parish council.

C. Flexible Spending Accounts

All employees of congregations/parishes 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/parish council should provide clear, well-defined ministry descriptions for all employees of the congregation/parish. 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.⁴

F. Personal Days

The congregation/parish 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/parishes 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.

⁴ 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 Travel Expense Reimbursement

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

The automobile reimbursement⁵ may be the single largest item of reimbursement for the rostered minister, so it is important to plan wisely. Although the ministry of the congregation/parish must be of primary importance, pertinent tax issues must also be considered. The congregation/parish must fully reimburse the rostered minister 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 ministers and congregations/parishes may consider:

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

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

As leaders of congregations/parishes consider what is fair reimbursement for expenses incurred, they need to remember that the rostered minister 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/parish may be inhibited.

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

⁵ Congregations/Parishes should stay abreast of changes in IRS regulations pertaining to automobile reimbursement

Appendix B: Compensation Worksheet for SAMs

This worksheet is designed to help congregations/parishes and ministry agencies build a compensation package for *Synodically Authorized Ministers*. Each item listed below is described in this document.

Compensation	2017 Actual	2018 Guidelines	2018 Proposed
Base Salary	_____	_____	_____

Other:

Total Income	_____	_____	_____
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Taxes Paid

FICA tax – employer’s share

	_____	_____	_____
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Pension & Other Benefits

ELCA Pension & Other Benefits Program

	_____	_____	_____
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Other: _____

	_____	_____	_____
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Total Pension & Other Benefits	_____	_____	_____
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Expenses

Travel

	_____	_____	_____
--	-------	-------	-------

Professional

	_____	_____	_____
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Official synod meetings

	_____	_____	_____
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Continuing Education

	_____	_____	_____
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Other: _____

	_____	_____	_____
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Total Expenses	_____	_____	_____
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Nonfinancial Compensation

Vacation

	_____ wks	_____ wks	_____ wks
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Continuing Education

	_____ wks	_____ wks	_____ wks
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Other:

	_____	_____	_____
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Appendix C: Resources for Personnel and Compensation Issues in Congregations/Parishes of the ELCA

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