Northwestern Minnesota Synod
Evangelical Lutheran Church in America

# 2027 Compensation Guidelines
for Lay Church Workers

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

The Northwestern Minnesota Synod has prepared the following 2027 Compensation Guidelines for use by congregation councils, parishes, other ministry agencies, and church workers. These guidelines offer guidance regarding the minimum levels of compensation that are appropriate for rostered ministers, Synod Authorized Ministers and non-rostered employees of congregations/parishes 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/parish 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/parish, 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 among 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/synod 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 synod guidelines, it may be important to ponder the implications of this and consider alternatives. Congregation 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

# Introduction: How Our Faith Informs Us

Decisions about compensation for rostered ministers[1] 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, deacons and other lay staff are simultaneously *employed* by congregations/parishes and *called* by the church to be fellow workers with all of God's people in the Body of Christ.

As churches/parishes 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/parishes and ministry agencies (hereafter referred to simply as "congregations/parishes")[2] as they make decisions regarding the compensation of rostered ministers and non-rostered church staff. For additional assistance in determining a fair salary and benefits package for rostered ministers, 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 ministers, 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/parish council, board of trustees, etc.) specific salary and benefits for each staff member;
- to advocate with the budgeting body on behalf of each staff member's compensation needs.

In congregations/parishes, compensation packages for staff persons should be set by the congregation/parish 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. *Congregation 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)/parish for ratification at the annual meeting (or at a special congregation meeting when a new call is being extended).

The ESST (Earned Sick and Safe Time) went into effect on January 1, 2024. All employers in the State of Minnesota, including congregations, are required to comply with Minnesota's "Safe and Sick" law. This also applies to rostered ministers. See Appendix E for more information.

Starting on January 1, 2026, all employers in the State of Minnesota, including congregations, were required to comply with Minnesota's "Paid Leave" law. This also applies to rostered ministers. Please see the link included which explains how to comply with this law. Employers: your role and responsibilities / Minnesota Paid Leave See Appendix F for more information.

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/parish 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 LAY 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/parish council, in consultation with the pastor or appropriate rostered minister, should describe the expectations of and compensation for the position in a letter of employment or other suitable document.

### B. Salary

Congregations/parishes must conform to applicable federal and state laws regarding non-rostered employees. Accordingly, the personnel policies of the congregation/parish 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/parish, we recommend the following guidelines:

Helpful Salary guidelines for areas in Minnesota are available online using salary search tools. Also, calling other churches/parishes 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.

### 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 plan. 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/parishes prefer to provide other benefit options to non-rostered church workers. Such benefits should be described in the personnel policies of the congregation/parish 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/parish and its ministries, he/she should be reimbursed at the IRS mileage rate.

### E. Professional Expense Reimbursement

If the congregation/parish expects a non-rostered church worker to pay for ministry-related expenses that are the financial responsibility of the congregation/parish, these expenses should be reimbursed according to the same guidelines provided for rostered ministers.

## 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 $600 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**:

| | |
|---|---|
| a. Years 1-4 | 10 days or two proportional work weeks for part-time employees |
| b. Years 5-7 | 15 days or three proportional work weeks for part-time employees |
| c. Years 8 & beyond | 20 days or four proportional work weeks for part-time employees |
| **Sick and Safe Leave Days**: | See Appendix D. |
| **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 50% of vacation hours earned each year are allowed to accumulate to a set maximum determined by the congregation/parish council.

**Scheduling Consideration:** In smaller or resource-constrained settings, paid time off may be difficult to provide, particularly for part-time staff. Congregations should ensure humane schedules that support rest and renewal, recognizing their importance for sustainable ministry.

## H. Mutual Ministry

In order to help each congregation/parish of the Northwestern Minnesota 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)/parish, 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.

**I. Other Provisions**

Please see section III for provisions that normally apply to all employees of congregations/parishes. Please also see *Appendix B:Worksheet for Lay Church Workers.*

## III. PROVISIONS THAT NORMALLY APPLY TO ALL EMPLOYEES OF CONGREGATIONS/PARISHES

**A. Disability**

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.

**B. Sick Leave (ESST)**

Earned sick and safe time is paid leave employers must provide to employees in Minnesota that can be used for certain reasons, including when an employee is sick, to care for a sick family member or to seek assistance if an employee or their family member has experienced domestic abuse. https://www.dli.mn.gov/sick-leave ***See Appendix D***

**C. 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.

**D. 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/.

**E. 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.

**F. Paid Leave** Starting on January 1, 2026, all employers in the State of Minnesota, including congregations, were required to comply with Minnesota's "Paid Leave" law. This also applies to rostered ministers. Please see the link included which explains how to comply with this law. **Employers: your role and responsibilities / Minnesota Paid Leave** (Appendix F:Paid Leave) **https://pl.mn.gov** ***See Appendix E***

**G. 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.

**H. Unemployment Compensation**

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

**I. 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.

# Appendix A: Northwestern Minnesota Synod Travel Expense Reimbursement

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

The automobile reimbursement[3] may be the single largest item of reimbursement for the individual, 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 individual for official use of his/her vehicle for church business. Automobile expense reimbursement should be considered a congregation ministry expense not a part of the salary.

The following are options that individual 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 individual owns his/her car and is reimbursed from a draw account by the church treasurer.

3. The individual 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 individual must file a Form 2106 detailing his/her costs and reimbursements. If the individual cannot verify that all dollars received were for professional miles driven, the residue must be claimed as taxable income.

4. The individual leases a vehicle and is reimbursed from a draw account by the church treasurer.

Regardless of the option used, the individual 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 individual 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.*

[3] Congregations/Parishes should stay abreast of changes in IRS regulations pertaining to automobile reimbursement

# Appendix B: Worksheet for Lay Church Workers

This worksheet is designed to help congregations/parishes and ministry agencies build a compensation package for ***Lay Church Workers***. Each item listed below is described in this document. For 2027, it is being recommended by the Synod Council that wages increase by 3.5%.

| **Compensation** | **2026 Actual** | **2027 Guidelines** | **2027 Proposed** |
|---|---|---|---|
| **INCOME** | | | |
| Base Salary | | | |
| Other | | | |
| **Total Income** | | | |
| **TAXES PAID** | | | |
| FICA Tax – Employer's Share | | | |
| **PENSION & OTHER BENEFITS** | | | |
| ELCA Pension & Other Benefits Program | | | |
| Other | | | |
| **Total Pension and Other Benefits** | | | |
| **EXPENSES** | | | |
| Travel | | | |
| Professional | | | |
| Official Synod Meetings | | | |
| Continuing Education | | | |
| Other | | | |
| **Total Expenses** | | | |
| **NONFINANCIAL COMPENSATION** | | | |
| Vacation | wks | wks | wks |
| Continuing Education | wks | wks | wks |
| Other | | | |

# 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.

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

Church Salary—website information from *Christianity Today*

# Appendix D: Earned Sick and Safe Time (ESST)

A guide to Minnesota's laws about sick and safe leave

**Employer checklist**

Earned sick and safe time checklist

**An example of the notice to be given to employees.**

ESST sample notice.docx

**Frequently asked questions**

**FAQs: Earned sick and safe time (ESST) | Minnesota Department of Labor and Industry**

# Appendix E: Paid Leave

**Employers Role and Responsibilities**

**Employers: your role and responsibilities / Minnesota Paid Leave**

**Employers Toolkit**

**Employer resource toolkit / Minnesota Paid Leave**

**Equivalent Plans**

**Equivalent plans for paid leave / Minnesota Paid Leave**

**Frequently Asked Questions**

**Frequently asked questions / Minnesota Paid Leave**

**Comparison for ESST and Paid Leave**

**Comparison of Earned Sick and Safe Time and Paid Leave**