Northwestern Minnesota Synod
Evangelical Lutheran Church in America

2027 Compensation Guidelines

for Ministers of Word and Sacrament
Called to Congregations/Parishes
With Housing Allowance (no Parsonage)

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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 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/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 MINISTERS OF WORD AND SACRAMENT

A. Minimum Base Salary Guidelines

These 2027 guidelines are intended to assist congregations/parishes and pastors in their annual compensation review.

This chart to the right represents the minimum guidelines recommended for single point congregations. **These figures represent base salary only** and **do not** include housing and utilities, social security, pension, medical insurance, or any other benefits.

Additional Considerations:

1. Ministers of Word and Sacrament with advanced degrees: i.e., DMin, PhD, STM, or other degrees the congregation deems germane to their ministry, add $1,000.
2. For individuals supervising other professional staff, we recommend adding $750 to $2,000, commensurate with duties. Another option could be boosting the years of experience level 1 to 3 years.
3. Multi-point Parishes: If a solo Minister of Word and Sacrament serves two congregations, add $1,000; if three, add $2,000; etc.
4. When selecting the starting base salary for ministers entering their first call who have prior work experience outside the ordained ministry, congregations should consider granting ministers a credit of 50% of their total prior years of experience, recognizing the value of their acquired work skills and leadership experience.
5. Congregations are encouraged to provide a matching contribution of up to $100 per month to aid in reducing educational debt.
6. Part-time Ministers of Word and Sacrament will have consideration for salary and benefits corresponding to the duties, amount, and length of time of service.
7. Effectiveness: A congregation/parish should consider additional compensation based on exemplary service.

Years of Experience	Year of Ordination	Minimum Base Salary
Newly Ordained	2027	48,215
1	2026	48,908
2	2025	49,601
3	2024	50,296
4	2023	50,989
5	2022	51,684
6	2021	52,378
7	2020	53,073
8	2019	53,766
9	2018	54,459
10	2017	55,153
11	2016	55,846
12	2015	56,539
13	2014	57,234
14	2013	57,928
15	2012	58,623
16	2011	59,318
17	2010	60,011
18	2009	60,704
19	2008	61,397
20	2007	62,091
21	2006	62,784
22	2005	63,477
23	2004	64,171
24	2003	64,864
25	2002	65,557
26	2001	66,251
27	2000	66,944
28	1999	67,637
29	1998	68,332
30	1997	69,025
31	1996	69,719
32	1995	70,412
33	1994	71,106
34	1993	71,800
35	1992	72,493
36	1991	73,186
37	1990	73,880
38	1989	74,573
39	1988	75,266
40	1987	75,960

B. Housing

An adequate housing allowance or a parsonage should be furnished for all Ministers of Word and Sacrament under call.

Housing Allowance: If the rostered minister is given a cash housing allowance in lieu of a parsonage, the amount of the allowance must be designated by the congregation/parish council, in consultation with the rostered minister, prior to the beginning of the year.[3]

The housing portion of a minister's compensation is an essential factor in ensuring that ministers of word and sacrament, and, when applicable, word and service, can live within the communities they serve. Historically, a housing allowance of 30% of the base salary has been the recommended standard, largely due to IRS guidelines for valuing parsonages. However, actual housing costs vary significantly across the synod. In some areas, the cost of adequate housing far exceeds 30% of base salary, while in other locations, it may be somewhat lower. Congregations that expect their pastor to live in the community must consider the real costs of housing in their specific area to provide fair and sustainable compensation.

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 rostered ministers.

C. Social Security Reimbursement

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

The FICA tax for self-employed persons is currently 15.3%. Congregations/Parishes should stay abreast of any changes in this rate. Rostered ministers must pay FICA tax on their base salary and housing allowance/rental value of parsonage.

Congregations/parishes are expected to reimburse rostered ministers 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. Worship Supply

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

a. For Sunday mornings and midweek services, the congregation/parish shall compensate the supply pastor/worship leader $180 for the first worship service and $55 for each additional service paid 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 $175 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 prior to onset of services).

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

III. COMPENSATION AND BENEFITS

A. Letter of Call

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

B. Moving Expenses

Good beginnings are important. It is helpful that the relationship between a rostered minister and congregation/parish "get off on the right foot." The congregation/parish and rostered minister 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/parish and rostered minister 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/parish is normally responsible for moving all household, professional, and personal goods of a newly-called rostered minister and his/her family.
- This same principle applies during the course of a rostered minister's ministry if the congregation/parish takes steps that require a rostered minister 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 minister'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/parish. These policies are available from most insurance agencies.
- If a congregation reimburses a leader's moving expenses, these may be considered taxable income. Please check with your tax professional regarding moving expenses.

C. Portico Benefit Services (ELCA Pension) and Other Benefits Plan

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

We continue the recommendation to maintain appropriate level health benefits for our rostered ministers and lay church workers. All congregations and parishes of the NWMN Synod are encouraged to offer to pay for Portico's Gold+ plan option or the Silver+ plan option. 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/parishes.

a. 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.

b. Health Care Benefits should be provided through the ELCA Health Plan.

c. Rostered ministers 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.

d. In order to ensure adequate retirement income for all pastors, the synod encourages congregations that may be paying a pastor below "guidelines" to make Portico Benefit Services contributions/parishes based on a compensation package that is "at guidelines."

PORTICO HEALTH BENEFITS COVERAGE

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

Congregations and plan members share the cost of benefits. Congregations are expected to support the well-being of their covered plan members by paying all or a significant portion of the contributions for benefits. Plan members are expected to participate in the cost of utilizing the benefits (e.g., deductibles, coinsurance, and copays).

The ELCA Church Council has approved a balance of cost-sharing between congregations and plan members. Portico offers a choice of ELCA-Primary health benefit options that fit this approved balance. The current options are Select copay 2000, Select HDHP 2000 with HSA, Value Copay 4000 and Value HDHP 4000 with HSA. Each fall, congregations should engage in conversation with their sponsored plan members to determine the option that best fits their needs, and then make their selection during annual enrollment. Current contribution rates are available at EmployerLink.PorticoBenefits.org or by calling Portico at 800.352.2876.

* *A plan member may waive health coverage if they have access to valid medical insurance coverage through their spouse or another employer.*

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

D. Travel Expense Reimbursement

Automobile and other work-related travel expenses are business expenses for the congregation/parishes 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/parishes. Congregations/parish 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/parish may choose to lease or purchase a car and assume the operating costs of the vehicle. For additional guidelines on auto reimbursement, see *Appendix A- Northwestern Minnesota Synod Travel Expense Reimbursement.*

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 call be shared by the congregation/parish.

F. Official Synod Events

The constitution of the Northwestern Minnesota Synod requires all Rostered Ministers under call to attend meetings of the Synod Assembly.

In addition to the Synod Assembly, the synod expects that all rostered ministers under call will attend the

- **Synod Theological Day/Joint Theological** (normally in the spring)
- **Theology for Ministry Retreat/Fall Theological** (normally in the fall)
- **First Call Theological Education core event** (for rostered ministers in their first three years of

called ministry)[4]

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 rostered ministers under call, congregations/parishes 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/parish.

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

G. Continuing Education

All full- and part-time rostered ministers of the ELCA are expected to complete at least 50 contact hours of continuing education annually. 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 $1,100 be granted annually for continuing education. The unused portion of the rostered minister'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. 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/parish council or other appropriate authority. Termination of employment may cancel all time and money contributed by the employer for that employee.

Congregations/parishes are encouraged to consider a sabbatical policy for their rostered ministers. The Evangelical Lutheran Church in America recommends that rostered ministers be granted a period of extended study and renewal, a period of 1-3 months every 5-7 years in the present call.

H. Sabbath Rest and Time Off

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.[5]

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 congregation/parish youth and family groups; work on synod or Churchwide boards or committees.

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.

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.

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

[5] 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.

Other Circumstances:

- On rare occasions the pastor and congregation/parish 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 congregation/parish providing for worship supply. This may be especially appropriate in congregations/parishes that have only one pastor.

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)/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.

J. Military Leave

A congregation/parish whose rostered minister 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.[6]

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

K. Part-Time Staff

Rostered Minsters serving part-time in congregations/parishes should have consideration for salary and benefits corresponding to a percentage of a full-time salary and benefits package. The required minimum

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

continuing education should not be reduced by a percentage, however.

L. Severance Policy
It is recommended that each congregation/parish develop written policies relating to severance compensation for rostered ministers

M. Other Provisions
Please see section IV for provisions that normally apply to all employees of congregations/parishes.

Please also see: *Appendix B:Worksheet for Ministers of Word and Sacrament with a Housing Allowance.*

IV. PROVISIONS THAT APPLY TO ALL EMPLOYEES

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 plan 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 E***

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** **https://pl.mn.gov** ***See Appendix F***

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 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 reimbursement[7] 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 congregation 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.

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

Appendix B: Worksheet for Ministers of Word and Sacrament 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. Also consider pertinent *Additional Considerations* box recommended amounts.)

2) Housing Allowance
[line 1 (base salary) x .30] $_____

3) *Subtotal of line 1 & 2* $_____

4) Social Security Reimbursement on subtotal x .0765 $_____
[Base Salary and Housing Allowance]
(Because pastors are considered self-employed by the IRS for social security computations only and must pay this amount on all salary and allowances, the synod council recommends that congregations/parishes/Synod contribute a minimum of ½ of the total self-employment social security tax.)

5) **Defined Compensation** [Add together Lines 3 and 4] $_____

B. PENSION & OTHER BENEFITS

Step by step procedure:
Please note that the Portico Benefit Calculators are no longer accessible without a User Name and Password. Most Congregation Treasurers and current plan members should already have User Names and Passwords.
Also, you will need to know the Health Benefit Option chosen by your congregation council or sponsoring organization before proceeding.

a) Go online to https://porticobenefits.org
b) Click on the "myPortico" button for an individual plan member or the "EmployerLink" button for a sponsoring organization.
c) Enter User Name and Password in the proper boxes. Then, click the "Sign In" button.
d) Click on "Overview & Life Changes."
e) Under "Understanding Your Benefits," click on the "Calculating the Cost of Benefits" line.
f) Under "Plan Member Benefit Costs," click on the "Benefits Costs Calculator" button.
g) On this page you will need to select the proper plan year, select the proper Health Benefit Option (chosen by your congregation council or your sponsoring organization), select "Northwestern Minnesota Synod-3D" in the "Synod, Seminary, or Churchwide Ministry" box, then click on the continue button.
h) On this page you will need to enter the Total Defined Compensation (line 5 of the worksheet).
i) Next, in the "Plan Member Health Coverage" box, you will need to select between "ELCA primary," "ELCA Medicare-Primary," and "Waive Health Benefits," then enter the plan members birth date.
j) Next, under "Spouse Health Coverage" and "Children Health Coverage" you will need to select between these four options under each: None, ELCA-Primary, ELCA Medicare-Primary, and Waive.
k) Under "Special Circumstances" you will need to answer "yes" or "no" to two questions.
l) Under Retirement Contributions, enter Employer Retirement Contribution Percentage. In most cases, unless otherwise negotiated, this would be 10%. Some long-serving pastors, from ELCA predecessor churches, are to be compensated at 12%.
m) Under "Housing Equity Retirement Contribution" you will need to select between three options: None, Flat Rate, and Percentage of Total Defined Compensation. If the plan member is receiving a housing

allowance, in the vast majority of cases, "None" would be the proper selection. If the plan member is to live in housing (a parsonage) provided by the congregation or sponsoring organization, then the latter two options are in play. If you select "Flat Rate," you will need to then enter a dollar figure per month. If you select the "Percentage" option, you will need to enter the proper percentage. (see the Housing Equity section of the guidelines for the recommended percentage. Then click on the "Continue" button.

n) On the page next generated, you can review the Input Summary by clicking on the small blue downward arrow on the right side of the page.

o) By clicking on the small blue downward arrow on the right side of the page corresponding to the Health Benefit Option, you will get the calculated numbers of benefit costs per month and per year.

Carry total from line 5 (Defined Compensation) to here: $_____

6) ELCA Medical, Dental & Pension Plan (enter "Total Benefits Contribution") $_____

7) Additional Benefits $ _____

8) **Compensation, Pension & other Benefits Total** [Add lines 5-7] $ _____

C. EXPENSES

9) Transportation Mileage/Travel Expense Reimbursement $ _____
(See page 9 of Synod Guidelines and Appendix A)

10) Professional Expense Reimbursements (cell phone, vestments, etc.) $ _____
(See page 9 of Synod Guidelines)

11) Official Synod Events (*includes Synod Assembly, Synod Theological Day, Theology for Ministry Conference, and First Call Theological Education Core Events)* $ _____

12) Continuing Education (Minimum $1,100) $ _____

Total Compensation, Pension and other Benefits, & Expenses $_____
[add lines 8, 9, 10, 11 and 12]

D. NONFINANCIAL COMPENSATION

Vacation: _____Weeks, including _____Sundays

Continuing Education: _____Weeks, including _____Sundays

Appendix C: SAMPLE Worksheet for Ministers of Word and Sacrament with a Housing Allowance

A. COMPENSATION

6)	Base Salary (See page 6 of Compensation Guidelines Document for the minimum salary amount for the appropriate year of service. Also consider pertinent Additional Considerations Box recommended amounts.)	$ 43,698
7)	Housing Allowance [line 1 (base salary) x .30]	$ 13,109
8)	*Subtotal lines 1 & 2*	$ 56,807
9)	Social Security Reimbursement on subtotal x .0765] (Because pastors are considered self-employed by the IRS for social security computations only and must pay this amount on all salary and allowances, the synod council recommends that congregations/parishes/Synod contribute a minimum of ½ of the total self-employment social security tax.)	$ 4,346
5)	**Defined Compensation** [Add together Lines 3 & 4]	$ 61,153
6)	ELCA Medical, Dental & Pension Plan (enter "Total Benefits Contribution")	$ 30,210
7)	Additional Benefits	$
8)	**Compensation, Pension & other Benefits Total** [Add lines 5-7]	$ 91,363

B. EXPENSES

9)	Transportation Mileage/Travel Expense Reimbursement (See page 9 of Synod Guidelines and Appendix A)	$ 1,100
10)	Professional Expense Reimbursements (cell phone, vestments, etc.) (See pages 9 of Synod Guidelines)	$ 800
11)	Official Synod Events (*includes Synod Assembly, Synod Theological Day, Theology for Ministry Conference, and First Call Theological Education Core Events)*	$ 1.500
12)	Continuing Education (Minimum $1,100)	$ 1.100
	Total Compensation, Pension and other Benefits, & Expenses [add lines 8, 9, 10, 11 and 12]	$ **95,863**

C. NONFINANCIAL COMPENSATION

Vacation: 4 Weeks, including 4 Sundays

Continuing Education: 2 Weeks, including 2 Sundays

Excel Worksheet

Appendix D: 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.com—website information from *Christianity Today*

Appendix E: 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 F: 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