

## 2011 Approved COMPENSATION GUIDELINES

To: NC Synod Assembly  
From: Compensation Guideline Task Force  
Date: June, 2010  
Re: Compensation Guideline Introduction

The NC Synod Compensation Guidelines Task Force's responsibility is to present to you guidelines for the compensation of rostered leaders for the coming year. It is our goal to include in the guidelines suggestions for reasonable percentage increases to encourage fair compensation for our rostered leaders.

As compensation packages are determined, the congregation should consider not just what it can afford but should include issues of fairness and the needs of the staff. Balancing the compensation needs and the other program, facility and ministry needs of the congregation is a difficult task. It is not possible to develop guidelines that apply in all circumstances. It rests with each congregation to consider prayerfully, the ministry and mission of the church and the needs and concerns of its professional and lay leaders.

These guidelines are intended to assist congregation councils in determining appropriate compensation for the rostered leaders of the parish – fair compensation can best be determined when congregations have set procedures for regular review of the ministry of the church.

We recommend that congregations delegate to a particular group (a staff support committee, a mutual ministry committee or another sub-group of the congregation council) the task of making recommendations to the Congregation Council and ultimately to the congregation.

The responsibilities of this group would include:

1. developing and submitting to the council, personnel policies for all staff.
2. providing for regular reviews of staff ministry:  
Ministry reviews should give both the rostered person and the congregation opportunity to reflect on accomplishments achieved and to identify goals for growth and leadership needs. Such reviews should not coincide with budget preparations but should be directed toward the professional development of the staff and identification of the leadership needs of the parish.
3. meeting periodically with each staff member to discuss compensation needs and other concerns.
4. advocating with the church finance committee or the Congregation Council on behalf of the compensation needs of each staff member.

## **ROSTERED LEADERS**

This document refers to “rostered leaders.” The term refers to the roster of the ELCA serving in the public ministries of this church. The two main categories are ordained and lay. Ordained is clergy. Lay is commissioned associate in ministry, consecrated deaconess and consecrated diaconal minister.

## **IN EXPLANATION OF THE COMPENSATION CHARTS**

The endeavor to arrive at an amount of compensation which is both fair and appropriate for the rostered leader of a congregation involves the consideration of many factors, not the least of which is the rostered leader’s years of service to the Church. Salary compensation amounts for the rostered leader vary as widely as the personalities of congregations. The needs and expectations could differ based upon the setting and type of ministry.

A small congregation would appreciate particular qualities in a rostered leader while those same qualities might not be emphasized by a larger congregation. The synod believes that a yearly dialogue is needed in the matter.

*Some items to consider :*

- 1) years of service in the ministry
- 2) relevant non-parish experience or degrees which can enhance a person's skills
- 3) the size of the congregation/average attendance
- 4) the effectiveness in meeting the challenges of ministry and achieving goals set by the mutual ministry or staff support committee
- 5) supervisory responsibilities for other program staff
- 6) the responsibilities of a senior pastor
- 7) the challenges of a solo pastor/working alone in a parish
- 8) advanced degrees that enhance a rostered leader’s skills
- 9) additional certifications that can strengthen a ministry
- 10) completion of a residential year of clinical pastoral education
- 11) the cost of living in the local community that exceeds the average in the synod.
- 12) lack of support staff/increased workload

Special conditions for rostered leaders in the early years of their ministry:

Lutheran Theological Southern Seminary recently reported seminarians there faced an average student load debt of \$25,000 upon graduation. To pay this debt requires a monthly payment of as much as \$275 for up to ten years. The U.S. government recommends a salary of at least \$46,000 a year to meet other living expenses and to meet this kind of obligation.

## **Housing**

Each pastor is to be paid a housing allowance or provided with a parsonage. The housing allowance shall be an amount agreed upon by the pastor and the congregation. The allowance should reflect the cost of taxes, rent or mortgage payments, repairs, utilities, furniture, fixtures, appliances and maintenance. The cost of housing should be calculated based on typical housing costs in the church community where the pastor serves. Fair rental value including utilities and taxes is a guide toward determining this. The housing allowance usually should not be less than 35% of the monetary salary. In order for a housing allowance to be excluded for income tax purposes the pastor must justify that the allowance is being spent for specific housing related items and does not exceed fair rental value. The pastor is encouraged to consult with a tax professional to insure compliance with the Internal Revenue Code. The cost of housing may vary significantly from one community to another. The key for congregations is to provide a housing allowance that enables the pastor to live within the community in which he/she serves.

## **Housing Equity Allowance Fund**

When a congregation provides a parsonage, the pastor having to live in a church owned home has no opportunity to own a home and therefore, to build equity for retirement housing or when new a call is accepted and it becomes necessary to purchase a home. The synod strongly encourages congregations to provide an equity allowance of at least 5% of the guideline salary and housing allowance for the applicable years of service. There are a variety of ways in which this can be accomplished.

The Board of Pensions of the ELCA provides a "housing equity" account that has significant tax and ELCA pension and health care cost benefits. Because of the tax implications, competent professional guidance on financial, tax and other considerations is advised before signing any contracts and payment of any funds into a designated fund.

## **Social Security**

Ordained clergy are considered self-employed for self-employment SECA tax. An amount that approximates the congregation's (employer's) share of the tax paid for other staff is included in the charts for pastor compensation.

## **PENSION, HEALTH & DISABILITY BENEFITS**

It is the expectation of the North Carolina Synod that all congregations and agencies provide pension, health and disability benefits to its eligible rostered leaders.

The current definition of an eligible rostered leader is one serving under call and working at least 15 hours per week for six or more consecutive months per year. If this definition is changed by the ELCA Board of Pensions, then the definition specified by them will govern.

It is encouraged, but not mandatory, that congregations and agencies and institutions fulfill this expectation by enrolling rostered leaders in the ELCA Benefits Program which includes pension, medical, dental, disability and survivor benefits. Currently 95% of ELCA clergy are enrolled.

If you choose to use other plans be sure that the coverage and tax aspects of them are appropriate. Please contact the Board of Pensions for help in comparing alternative plans.

### **Defined Compensation**

Contributions to the pension fund and other ELCA benefits are calculated as a percentage of "Defined Compensation."

For lay rostered leaders "defined compensation" is base salary and any other direct compensation.

For ordained rostered leaders not living in a parsonage "defined compensation" is the total of base salary, additional compensation paid directly to the leader, housing allowance, and Social Security allowance.

For ordained rostered leaders living in a parsonage "defined compensation" is the total of base salary, utility and equity allowance paid directly to the leader, Social Security allowance, plus 30% of all of the aforementioned items as an estimate of the parsonage rental value.

There is an easy-to-use calculator on the Board of Pensions website, [www.elcabop.org](http://www.elcabop.org) that can be used to compute defined compensation. Be sure to use the "Defined Compensation" calculator not the one for "Total Compensation." The "Total Compensation" calculator should be used only when you have allocated a specific dollar amount for salary and benefits and need to break it down into components.

### **Pension**

The minimum North Carolina guideline for pension contributions is 12% of defined compensation. You may choose to contribute at a higher level as a creative way to give bonuses, merit raises, etc. An addition to the minimum may also be appropriate for second career leaders who are beginning ministry at a later age.

## **Medical and Dental**

The guideline is to provide coverage for the leader and for spouse and children if other coverage is not available for them.

The cost of medical and dental coverage varies depending upon the category of coverage needed: leader only, leader and child, leader and spouse, or leader, spouse and children.

A rostered leader, spouse, or dependents can opt out of the medical and dental coverage if proof of coverage with another plan can be provided. If other insurance is available, contact the Board of Pensions. This may save money and avoid useless duplication.

Cost is based on compensation of the plan member with minimums and maximums that apply.

## **Disability**

Disability coverage is automatically a part of the plan. The coverage provides for 2/3 of the leader's regular salary in the event of disability and becomes effective two months after the disability occurs. The plan also continues health and pension contributions after the two month waiting period. Disability benefits vary depending on the individual circumstances. The Board of Pensions can assist you in getting the full information you need from the disability claims administrator. Anyone on leave from call or who has attained the full retirement age (as defined by Social Security) is not covered.

## **Contribution Amounts**

Rates for the health and dental, disability, survivor's benefit and administrative costs are set each year. The current rates and an easily used calculator tool, "Contribution Amounts", can be found on the Board of Pensions website, [www.elcabop.org](http://www.elcabop.org)

## **WELLNESS, LEAVE AND OTHER BENEFITS**

In being Christ's disciples we are all exhorted to be good stewards of God's creation and to remind one another of this calling. As creations of our heavenly Father, rostered leaders are reminded to practice that which is preached. God has given us the privilege of being called to lead in our churches, our congregations of faith. As such we are called to set good examples, to be models for people in the congregation. All rostered leaders need to take care of themselves, so that they can take care of those that have been placed in their care. Days off are to be taken. In addition, time should be taken for intentional prayer and spiritual self-care/well-care. These are times to recharge "batteries" as well as souls. Physical and emotional wellness is essential to positive ministry. All rostered leaders are expected to take care of themselves. All congregations are reminded that they should support all rostered leaders and their families in being good stewards in Christ's church.

1. **WORKWEEK** – Church work requires a great deal of evening and weekend involvement. In order to set reasonable expectations for the rostered leader, it may be useful to think in terms of blocks of time. Each day may be divided into three blocks: morning, afternoon, and evening. A seven-day week consists of 21 time blocks. Working 14 or 15 of those segments, equaling approximately 45 hours, is suggested as the norm. During Lent and the Advent season more may be required. Correspondingly, some summer months may require less. Weekly time off to provide a normal opportunity for renewal, refreshment, exercise and personal business would usually involve 6-7 time blocks per week. Arrangements should be flexible for both the rostered leader and the congregation, but should also provide for emergency rostered leader care when the rostered leader is unavailable. Clearly defined expectations of time off are important for both the rostered leader and the congregation.

2. **VACATION** - The need for annual vacation is self-evident. The congregation should provide a minimum of four weeks per year (encompassing four Sundays) of vacation with full pay. This does not include continuing education. Time spent on continuing education, churchwide or synodical committees, congregational retreats or congregational camping programs is not to be considered as vacation time or time off. The congregation is encouraged to consider the tenure of the rostered leader and his/her individual needs in setting vacation limits; for example, granting a fifth week of vacation after 5 years of continuous call with the congregation. Additional vacation weeks may be negotiated.

3. **SICK LEAVE** - The NC Synod Sick Leave Policy calls for providing up to two (2) months of sick leave at full salary and social security/Medicare for rostered leaders. For pastors receiving a housing allowance, it should be continued. Those pastors living in a parsonage should continue at full salary, social security allowance, be allowed to remain in the parsonage, and if there is an equity allowance plan in effect all payments due to it during this period should be made.

a. The sick leave policy would cover only the first two months since the ELCA disability plan begins coverage on the first day of the third month.

b. These are minimum standards. Any congregation or agency is encouraged to go beyond these minimums should the situation warrant and they desire to do so.

4. **MATERNITY/PARENTAL/FAMILY LEAVE** - The church places a high value on family. These guidelines are offered to help congregations approach situations requiring maternal/parental/family leave in a caring manner.

a. Maternal/parental leave following the birth of a child - Six weeks of maternity leave should be available to mothers immediately following the birth of a child. Two weeks of paid parental leave is recommended for a father immediately after the birth of a child. The needs of each rostered leader and congregation may vary. It is recommended that the congregation pay full salary and benefits during this time. At a minimum, full benefits for the rostered leader should be maintained during a maternity or parental leave. Some factors that may be considered in determining salary and benefits during such a leave are the rostered leader's length of service with the congregation, vacation time available, housing costs, and the hardship to the rostered leader or the congregation.

b. Parental leave following adoption - The above guidelines apply to parents who are adopting children, with maternal leave being available to a rostered leader who will be the primary

As of 7/1/2010

care-taker.

c. Family leave at other times - Family leave may be granted by the congregation at other times, for example, during times of severe illness, trauma, or death of a child, spouse or parent. The length of the leave and the salary and benefits which the congregation will provide the rostered leader should be negotiated by the rostered leader and the congregation. It is recommended that the congregation, at a minimum, provide full benefits for the rostered leader during any family leave granted.

5. **WELLNESS** – It is important that leaders in our church take care of their physical and spiritual health. In addition to the items addressed elsewhere in these guidelines, please use the resources found at <http://www.elca.org/health> and the following recommendations to address these issues:

a. Spiritual Renewal – It is recommended that all rostered leaders under call be given three days to one week or more per year for spiritual renewal which is not classified as vacation or educational leave. It is suggested that the rostered leader spend this time at a retreat center or facility where she/he is able to fully focus on "renewal," with the cost of such a center or facility to be divided 2/3-1/3 between the congregation and the rostered leader. The rostered leader should have a colleague cover emergencies during this time away.

b. Spiritual Guidance – It is recommended that all rostered leaders be encouraged to have a spiritual guide during their time of call, with the cost of such a spiritual guide to be divided 2/3-1/3 between the congregation and the rostered leader.

6. **CONTINUING EDUCATION** - It is expected that all rostered leaders will participate in continuing education programs that will enhance their skills and their ministry, which will then enrich the lives of those in their congregations. Each congregation or agency should provide at least 2 weeks (including Sundays) of paid educational leave each year. This leave can be accumulated for a maximum of three years. This leave is **NOT** to be counted as vacation time. In addition, each congregation or agency is expected to set aside in an educational fund a minimum of \$ 700.00 per year, which will be accumulated for a maximum of three (3) years to be used by the rostered leader for continuing education purposes. The rostered leader will contribute \$ 300.00 each year to this fund.

a. First Call Theological Education. The 1995 Churchwide Assembly approved **First Call Theological Education ("FCTE")**, a program which requires that each seminary graduate will participate in structured theological education throughout the first three years of rostered leadership. This structured education is intended to enhance the quality of the transition from seminary to parish and to insure that the newly rostered leader makes this transition firmly grounded in Word and Sacrament.

In order to accomplish this task, programs shall give special attention to three areas.

i. **Ministerial Identity:** the personal development of spiritual discipline, rostered leader identity, and leadership style.

ii. **Discernment of the Context:** the life of the particular congregation in its local and regional settings.

iii. **Ministerial Skills and Practice:** the overall enhancement of ministerial skills and integration of various facets of ministry.

Time spent in FCTE shall count as time devoted to continuing education, and the funds in the educational fund may be used for FCTE. More information on FCTE can be obtained from the synod office or at <http://www.elca.org/firstcall/>.

Beyond FCTE, the Life-long Learning program of the North Carolina Synod encourages and assists rostered leaders in continuing education opportunities. A primary focus of this program is the completion of a continuing education covenant by all rostered persons. The purpose of the covenant is to develop annual and long range plans for continuing education in partnership with the congregation or agency and the synod. The mutually agreed upon ministry needs for the congregation and the rostered leader should shape the continuing education plan, and once the covenant (continuing education plan) is completed, it should be filed in the synod office. The Life-long Learning program also provides the opportunity to request financial assistance. Information explaining the entire program is available from the synod office or at [http://www.nclutheran.org/Service\\_to\\_Leadership.239.html](http://www.nclutheran.org/Service_to_Leadership.239.html)

b. The Life-long Learning program shall inform and shape the continuing education program of the rostered leader.

**Note:** *Recent changes to the tax laws concerning grants for educational purposes could result in funds granted by the congregation or agency to be used by the rostered leader for his/her educational expenses being taxed as income. However, there may be an offsetting deduction for the expenses incurred if the rostered leader itemized their deductions. Check with a qualified tax advisor for the latest developments and rulings in this area!*

7. **SABBATICAL LEAVE** - Lutheran congregations and agencies have long been encouraged to provide time and financial assistance to its leaders to enable them to maintain and improve their skills through continuing education. However, from time to time a rostered leader may desire, and the congregation/agency realize the need for, an extended period of time away from the parish or job for study, and personal growth and reflection. Recognizing the importance of this extended time period, the NC Synod recommends that congregations and agencies consider sabbatical leaves as a privilege to be granted.

In accordance with this mutual desire, the following guidelines are provided to assist rostered leaders and congregations or agencies in the contemplation of, and negotiation for, such sabbatical leaves.

a. Rostered leaders and congregations or agencies should consult with the Bishop early in the process.

b. Sabbatical leaves are intended for in-depth study on one or two topics directly related to the appointment of the rostered leader, and should include time for personal and familial reflection.

c. Sabbatical leaves will normally be for a period of not less than three (3) months and not more than twelve (12) months. Sabbatical leave shall be in lieu of, and not in addition to, any two (2) week continuing education leave to which the rostered leader may become entitled during the year(s) in which the sabbatical is taken.

d. Any rostered leader who has a minimum of seven (7) years in the ministry, and who has served in his/her current appointment for a minimum of five (5) or more years may present a proposal for a sabbatical leave. A proposal for sabbatical leave shall include:

i. A rationale for the sabbatical, including personal goals and potential value for the congregation or agency.

ii. A detailed outline of the intended courses of study and use of time.

iii. An outline of financial implications for the sabbatical.

iv. An indication of the use of vacation time during the sabbatical. At least one half (1/2) of the period normally granted as annual vacation leave shall be designated as sabbatical leave when the sabbatical leave is three (3) to six (6) months in duration. Where the sabbatical leave is proposed for seven (7) to twelve (12) months, the entire annual vacation leave shall be included in the sabbatical.

e. Proposals for sabbatical leaves shall be presented to the governing body of the congregation or agency not less than six (6) months prior to the beginning of the leave.

f. Careful consideration shall be given to all aspects of the proposal and implications for the congregation or agency and the rostered leader.

g. Congregations or agencies may give sabbatical leaves as merit benefits.

h. The details of the financial consideration for the sabbatical shall be negotiated by the rostered leader and the congregation or agency. It is suggested, however, that the salary, housing and the ELCA Pensions and Benefits Program be maintained at the current budget level, with the rostered leader assuming responsibility for all other personal and family expenses.

i. When an extended study is granted, the rostered leader shall agree to serve that congregation or agency for a minimum of one (1) year following completion of the study.

j. Within six (6) weeks of the completion of the sabbatical leave, the rostered leader shall present to the congregation or agency and the bishop a detailed reflection on the experiences of the leave.

k. Realizing the parish or agency will be without the services of its regularly called rostered leader during the extended study, the rostered leader and the congregation or agency shall seek the counsel and consent of the bishop before finalizing the agreement.

8. **ROSTERED COUPLES** - Rostered couples are a unique and important gift to the church. As a general rule, each should be treated by the congregation as separate individuals for all compensation related issues. However, every effort should be made to allow and encourage rostered couples to coordinate their schedules so that they are able, if they desire, to take days off and vacations together.

## **REIMBURSED PROFESSIONAL EXPENSES**

### **A. AUTOMOBILE EXPENSES**

The costs associated with the pastor operating his/her personal vehicle while performing the functions of his/her office is a direct operating expense of the

congregation or agency and is NOT salary. It must be a budgeted congregational operating expense. Reimbursement can be handled in one of three ways.

1. **Reimbursement of miles driven** – Reimbursement for actual business miles driven at the IRS established rate. The IRS rate changes periodically and at least annually. The beginning rate for 2010 is 50 cents per mile and can be checked on the IRS website.
2. **Congregation purchases or leases a car** – Congregations may consider the purchase or lease of an automobile for use by the rostered leader. In this case the congregation pays for all other operating expenses. Often the cost to the congregation is no greater than a fair cents-per-mile reimbursement. Rostered leaders will assume some IRS liability for non-business use of the vehicle. The congregation may also choose to have the rostered leader reimburse the congregation for personal use of the vehicle at a rate comparable with the applicable IRS standard.
3. **Payment of a lump sum** – The congregation may choose to pay the rostered leader a lump sum per year, pro-rated to a monthly basis. The rostered leader must maintain accurate records of actual business mileage and provide that documentation to the IRS. Under this method, the entire lump sum is taxable. The rostered leader gets a deduction for actual expenses incurred. This method might be least preferred due to tax requirements. The rostered leader bears the burden of record keeping.

## **B. BOOKS/PERIODICALS/RESOURCE MATERIALS**

The congregation or agency is encouraged to provide in its budget for the purchase of books and periodicals for the use of the pastor and others. To eliminate the possibility of any or all of this expense item being taxed as income to the pastor or others it is suggested that all purchases and subscriptions be entered in the name of the church or agency, that the items purchased be sent or delivered to the church or agency, and that payment be made directly by the church or agency. The recommendation is for a minimum of \$300 annually.

## **C. CONFERENCE EXPENSES**

All pastors are required to attend the Synod Assembly. Therefore all expenses (travel, lodging, registration) should be paid by the congregation.

Other meetings that should be covered might include the Fall Convocation, retreats and meetings for church business.

## **Pastor's Discretionary Fund**

In many cases the congregation may establish a discretionary fund that the pastor may use for unbudgeted expenses such as providing temporary assistance to congregational members or

others that seek help from the church. The Pastor should have ultimate authority to decide how these funds are distributed. However, it is suggested that the congregation develop a system to distribute these funds, so that there could be no question that the funds are used to further the ministry of the church. It is recommended that the church disburse the funds directly to the individuals or organizations based on the pastor's instructions. If that is not possible, the pastor shall turn in an expense report with the documentation supporting the expense and be reimbursed for his or her personal funds. Using this method should establish that the disbursements were not for the pastor's direct benefit and therefore, not be considered part of the pastor's taxable compensation.

## **Tax Considerations**

The tax laws regarding compensation, benefits, allowances, and expenses are increasingly complex, especially those regarding the clergy. These guidelines are not intended to provide tax or financial planning advice. Each congregation is encouraged to obtain expert and up-to-date guidance on specific issues they face on tax reporting issues, since the tax laws are constantly being revised. You are urged to seek advice from qualified tax professionals with clergy tax experience, since the guidelines are more unique for clergy related matters.

Among the items that you may wish to discuss with a professional include the adoption of plans to redistribute cash salary to various reimbursement plans that are not considered taxable compensation to the pastor. Some of the most common plans include a medical expense reimbursement plan, a professional expense reimbursement plan, or a designated household furnishings allowance.

For congregations that do not provide a parsonage, the congregation and the pastor should consider maximizing the housing allowance.

The council must annually approve allowances for each of these plans in order that they be legally excluded from income for IRS reporting purposes.

## **Minimum cash compensation**

The compensation guidelines task force recommends a “Minimum Cash Compensation” instead of a minimum “salary” for pastors in order to overcome the wide disparities in the synod in total compensation. These guidelines include both housing allowance and social security compensation.

We are aware that these guidelines may seem beyond the means of some parishes. However we strongly encourage movement towards these levels. In addition to providing fair compensation to your current rostered leader, these guidelines will prepare your parish for the next time that it calls a pastor enabling you to call the person needed for your ministry not limited by the monetary requirements.

The Cash Compensation figure should be seen as a “pie” which may be divided in whatever way seems fair and beneficial to the pastor. Pastors may wish to maximize the housing allowance portion for tax purposes within the limits set by the Internal Revenue Service.

The federal government considers pastors as self-employed persons who must pay their own self-employment tax (SECA). Most congregations provide an allowance to the pastor to cover the additional amount that he or she has to pay under this self-employed designation. The NC Synod recommends a 75% allowance in order that pastors are treated in a manner similar to other parish employees.

In addition to housing allowance above, pension, medical, dental, disability and administration must be added to salary and housing to reach total compensation. These items will normally range from 24% to 58% of base salary and housing. The ELCA Board of Pensions website has easy to use calculator tools for this computation.

It is recommended that the Minimum Cash Compensation for members of the clergy be based upon the following chart.

**NORTH CAROLINA SYNOD ELCA**

**2011 Ordained Rostered Leaders Compensation Guidelines**

Note: The guidelines offered here are based upon CASH COMPENSATION (CC) which consists of base salary, housing and Self-Employment Tax compensation.

	<b>Pastors with Parsonage</b>	<b>Pastors with Housing Allowance</b>
Yrs. of Service:		
Entry	39,949	52,058
1	40,649	52,968
2	41,361	53,895
3	42,085	54,838
4	42,821	55,799
5	43,570	56,774
6	44,333	57,769
7	45,109	58,780
8	45,899	59,808
9	46,703	60,855
10	47,520	61,919
11	48,350	63,004
12	49,193	64,105
13	50,057	65,228
14	50,934	66,368
15	51,825	67,532
16	52,732	68,713
17	53,654	69,915
18	54,594	71,139
19	55,550	72,385
20	56,384	73,471
21	57,229	74,573
22	58,086	75,690
23	58,959	76,826
24	59,843	77,979
25	60,740	79,147
26	61,347	79,941
27	61,961	80,739
28	62,581	81,546
29	63,206	82,362
30	63,838	83,185
31	64,477	84,017
32	65,122	84,858
33	65,773	85,706
34	66,431	86,563
35	67,094	87,428
36	67,766	88,302
37	68,444	89,186
38	69,128	90,078
39	69,820	90,979
40	70,518	91,889

To derive the various components from the Minimum Cash Compensation Chart, perform the following operations

### **PASTOR WITH HOUSING ALLOWANCE**

- 1) Minimum Cash Compensation
- 2) Multiply x .8971 (for SECA)
- 3) Subtract to obtain the self-employment tax allowance (SECA) which is figured here at 75%
- 4) Multiply line 2 x .7407 for base salary
- 5) Subtract line 4 from line 2 for housing

*Example:*

- |   |        |
|---|--------|
| 1) Minimum Cash Compensation for a pastor with<br>12 years experience | 64,105 |
| 2) x .8971  | 57,509 |
| 3) Subtract to get the SECA   | 6,596  |
| 4) Multiply line 2 x .7407 for base salary                            | 42,597 |
| 5) Subtract line 4 from line 2 for housing                            | 14,912 |

Remember that these figures should be shaped to your situation so that the housing component, the base salary or the self-employment tax allowance may be larger or smaller than the figures we have used.

### **PASTOR WITH PARSONAGE PROVIDED**

Begin with the same Minimum Cash Compensation figure as a pastor with Housing Allowance and follow steps 1 through 4. The cash compensation will be the sum of lines 3 and 4.

The pastor's Income tax is figured on the base salary plus the cash allowance for self-employment tax. The pastor's self-employment tax (SECA) is figured on the base salary, plus the housing allowance or the fair rental value of the parsonage, plus the cash allowance for the self-employment tax.

Equity allowance should be calculated using the appropriate experience level and using the Pastors With Housing Allowance guideline times a rate of 5%.

*Example:*

1. Minimum cash compensation for a pastor with housing allowance with 12 years of experience is \$64,105.
2. \$64,105 x (times) 5% = Equity Allowance of \$3,205

For easy-to-use electronic worksheet that calculates totals for you, see [www.elcabop.org](http://www.elcabop.org)

(Manual)  
**WORKSHEET**

**Ordained Rostered Leader with Housing Allowance**

	<u>This Year</u>	<u>Proposed</u>	<u>Guidelines</u>
<b>I. COMPENSATION</b>			
* A. Minimum Cash Compensation	\$ _____	\$ _____	\$ _____
B. Additional Compensation -- paid directly to ordained rostered leader			
1. Relevant non-parish experience or degrees prior to ordination which can enhance a person's skills	\$ _____		
2. Size of the congregation/average attendance	\$ _____		
3. Effectiveness in meeting the challenges of ministry and achieving goals set by the mutual ministry or staff support committee	\$ _____		
4. Supervisory responsibilities for other program staff	\$ _____		
5. Responsibilities of a senior pastor	\$ _____		
6. Challenges of a solo pastor/ working alone in a parish	\$ _____		
7. Advanced degrees that enhance a pastor's skills	\$ _____		
8. Additional certifications that can strengthen a ministry	\$ _____		
9. Completion of a residential year of clinical pastoral education	\$ _____		
10. Cost of living in the local community that exceeds the average in the Synod	\$ _____		
11. Lack of support staff/increased workload	\$ _____		
Total Additional Compensation	\$ _____	\$ _____	\$ _____
* C. Housing Allowance	\$ _____	\$ _____	\$ _____
D. Total of <b>A, B</b> and <b>C</b>	\$ _____	\$ _____	\$ _____
* E. Social Security Allowance	\$ _____	\$ _____	\$ _____
F. Defined Compensation (Total of Lines <b>D</b> & <b>E</b> )	\$ _____	\$ _____	\$ _____

\* If you used cash compensation from the chart, that number includes housing and Social Security. If not, you should add it on lines C & E.

**II. PENSION AND OTHER BENEFITS**

G. ELCA Pension Plan	\$ _____	\$ _____	\$ _____
H. ELCA Medical and Dental Plan	\$ _____	\$ _____	\$ _____
I. Disability	\$ _____	\$ _____	\$ _____
J. Administration	\$ _____	\$ _____	\$ _____
K. Additional Benefits	\$ _____	\$ _____	\$ _____
L. Total of Lines G thru K	\$ _____	\$ _____	\$ _____

**III. REIMBURSED PROFESSIONAL EXPENSES**

M. Auto Allowance or Reimbursed Mileage	\$ _____	\$ _____	\$ _____
N. Continuing Education Allowance	\$ _____	\$ _____	\$ _____
O. Publications and Media Resources	\$ _____	\$ _____	\$ _____
P. Total of Lines M, N and O	\$ _____	\$ _____	\$ _____

**IV. NON-FINANCIAL COMPENSATION**

Vacation Time	_____ Weeks (including Sundays)
Sick Leave	_____ Weeks
Continuing Education	_____ Weeks

**For easy-to-use electronic worksheet that calculates totals for you, see [www.elcabop.org](http://www.elcabop.org)  
(Manual)  
WORKSHEET**

**Ordained Rostered Leader Living in a Parsonage**

	<u>This Year</u>	<u>Proposed</u>	<u>Guidelines</u>
<b>I. COMPENSATION</b>			
* A. Minimum Cash Compensation	\$ _____	\$ _____	\$ _____
B. Additional Compensation			
1. If paid directly to pastor, Utilities and Equity Allowance	\$ _____		
2. Relevant non-parish experience or degrees prior to ordination which can enhance a person's skills	\$ _____		
3. Size of the congregation/average attendance	\$ _____		
4. Effectiveness in meeting the challenges of ministry and achieving goals set by the mutual ministry or staff support committee	\$ _____		
5. Supervisory responsibilities for other program staff	\$ _____		
6. Responsibilities of a senior pastor	\$ _____		
7. Challenges of a solo pastor/ working alone in a parish	\$ _____		
8. Advanced degrees that enhance a pastor's skills	\$ _____		
9. Additional certifications that can strengthen a ministry	\$ _____		
10. Completion of a residential year of clinical pastoral education	\$ _____		
11. Cost of living in the local community that exceeds the average in the synod	\$ _____		
12. Lack of support staff/increased workload	\$ _____		
 Total Additional Compensation	 \$ _____	 \$ _____	 \$ _____
C. Total of <b>A</b> and <b>B</b>	\$ _____	\$ _____	\$ _____
* D. Social Security Allowance	\$ _____	\$ _____	\$ _____
E. Total of <b>C</b> and <b>D</b>	\$ _____	\$ _____	\$ _____
F. Estimate of Parsonage rental (Line E X <b>30%</b> )	\$ _____	\$ _____	\$ _____
G. Defined Compensation (Total <b>E</b> and <b>F</b> )	\$ _____	\$ _____	\$ _____

**\* If you used cash compensation from the chart, that number includes Social Security. If not, you should add it to line D.**

**II. PENSION AND OTHER BENEFITS**

H. ELCA Pension Plan	\$ _____	\$ _____	\$ _____
I. ELCA Medical and Dental Plan	\$ _____	\$ _____	\$ _____
J. Disability	\$ _____	\$ _____	\$ _____
K. Administration	\$ _____	\$ _____	\$ _____
L. Additional Benefits	\$ _____	\$ _____	\$ _____
M. Total of Lines H thru L	\$ _____	\$ _____	\$ _____

**III. REIMBURSED PROFESSIONAL EXPENSES**

N. Auto Allowance or Reimbursed Mileage	\$ _____	\$ _____	\$ _____
O. Continuing Education Allowance	\$ _____	\$ _____	\$ _____
P. Publications and Media Resources	\$ _____	\$ _____	\$ _____
Q. Total of Lines N, O and P	\$ _____	\$ _____	\$ _____

**IV. NON-FINANCIAL COMPENSATION**

Vacation Time	_____ Weeks (including Sundays)
Sick Leave	_____ Weeks
Continuing Education	_____ Weeks

## North Carolina Synod of the ELCA 2011 Compensation Guidelines

### LAY ROSTERED LEADERS (Non-Clergy) RECOMMENDED BASE SALARY RANGE

Note: No housing allowance is to be added to these figures.

In addition to numbers below, Social Security, pension, medical, dental, disability, and administration must be added to salary to reach total compensation. These items will normally range from 24% to 58% of base salary. The ELCA Board of Pensions website has easy to use calculator tools for this computation.

<u>Years</u> <u>Service</u>	<u>Salary</u> <u>Range</u> <u>from</u>	<u>Salary</u> <u>Range</u> <u>To</u>		<u>Years</u> <u>Service</u>	<u>Salary</u> <u>Range</u> <u>from</u>	<u>Salary</u> <u>Range</u> <u>To</u>
Entry	36,077	44,846		20	47,018	55,788
1	36,453	45,223		21	47,934	56,703
2	36,851	45,598		22	48,854	57,622
3	37,206	45,975		23	49,606	58,375
4	37,581	46,351		24	50,358	59,127
5	37,958	46,726		25	51,099	59,572
6	38,333	47,103		26	51,432	60,201
7	38,772	47,551		27	51,753	60,522
8	39,234	48,004		28	52,075	60,845
9	39,685	48,454		29	52,397	61,167
10	40,138	48,904		30	52,720	61,488
11	40,587	49,354		31	53,041	61,809
12	41,138	49,906		32	53,366	62,133
13	41,690	50,458		33	53,740	62,511
14	42,240	51,009		34	54,116	62,886
15	42,792	51,560		35	54,493	63,262
16	43,344	52,111		36	54,868	63,638
17	44,261	53,031		37	55,244	64,013
18	45,180	53,948		38	55,621	64,389
19	46,099	54,868		39	55,933	64,713

For easy to-use-electronic worksheet that calculates totals for you, see [www.elcabop.org](http://www.elcabop.org)

**WORKSHEET (Manual)  
 Lay Rostered Leaders**

<u>Proposed</u>	<u>This Year</u>	<u>Proposed</u>	<u>Guidelines</u>
<b>I. COMPENSATION</b>			
A. Base Salary	\$ _____	\$ _____	\$ _____
B. Additional Compensation			
1. Relevant non-parish experience or degrees which can enhance a person's skills	\$ _____		
2. Size of the congregation/average attendance	\$ _____		
3. Effectiveness in meeting the challenges of ministry and achieving goals set by the mutual ministry or staff support committee	\$ _____		
4. Supervisory responsibilities for other program staff	\$ _____		
5. Advanced degrees that enhance a person's skills	\$ _____		
6. Additional certifications that can strengthen a ministry	\$ _____		
7. Cost of living in the local community that exceeds the average in the synod	\$ _____		
8. Lack of support staff/increased workload	\$ _____		
Total Additional Compensation	\$ _____	\$ _____	\$ _____
C. Defined Compensation (Total of <b>A</b> and <b>B</b> )	\$ _____	\$ _____	\$ _____
<b>II. PENSION AND OTHER BENEFITS</b>			
D. ELCA Pension Plan	\$ _____	\$ _____	\$ _____
E. ELCA Medical and Dental Plan	\$ _____	\$ _____	\$ _____
F. Disability	\$ _____	\$ _____	\$ _____
G. Administration	\$ _____	\$ _____	\$ _____
H. Additional Benefits	\$ _____	\$ _____	\$ _____
I. Total of Lines <b>D</b> thru <b>H</b>	\$ _____	\$ _____	\$ _____
<b>III. REIMBURSED PROFESSIONAL EXPENSES</b>			
J.. Transportation Mileage or Allowance	\$ _____	\$ _____	\$ _____
K. Continuing Education Allowance	\$ _____	\$ _____	\$ _____
L. Publications and Media Resources	\$ _____	\$ _____	\$ _____
M. Total of Lines J, K and L	\$ _____	\$ _____	\$ _____
<b>IV. NON-FINANCIAL COMPENSATION</b>			
Vacation Time	_____	Weeks (including Sundays)	
Sick Leave	_____	Weeks	
Continuing Education	_____	Weeks	