



North Carolina Synod

Evangelical Lutheran Church in America

PREFACE TO APPROVED 2021 COMPENSATION GUIDELINES FOR ROSTERED MINISTERS



The Compensation Guidelines Task Group recommends:

- no changes to the salary charts for 2021, after no changes in 2020, after slight changes in 2019, increases of zero in 2018, and 2017, 1.5% for 2016, 3.5% for 2015, 2.0% for 2014, 3.5% for 2013, 1% for 2012 and no increase for 2011;
- that the mileage reimbursement rate be in line with IRS guidelines; and,
- that appropriate annual adjustments to compensation for the natural increase of years of service, meritorious compensation increases, increases due to cost-of-living, etc. be considered in annual compensation discussions.

While these continue to be challenging times for congregations and the wider church, some encouraging stability seems to be manifesting itself. Congregations, especially those not in a position to comply with the current recommendation, should continue to consider other “non-budgetary” increases for Ministers of Word and Sacrament and Ministers of Word and Service such as, but not limited to, extra vacation, extra time for continuing education, one-time cash bonus, etc. What is most important is ongoing communication between rostered and congregational leaders regarding issues related to fair and adequate compensation.

2021 COMPENSATION GUIDELINES FOR ROSTERED MINISTERS

To: NC Synod Assembly
From: Compensation Guideline Task Force
Date: September 12, 2020
Re: Compensation Guideline Introduction

The NC Synod Compensation Guidelines Task Force's responsibility is to present guidelines for the compensation of rostered ministers 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 ministers.

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 rostered ministers.

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

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 an opportunity to reflect on accomplishments achieved and to identify goals for their 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 MINISTERS

This document refers to “rostered ministers.” The term refers to the rosters of the ELCA serving in the public ministries of this church. The two main categories are Ministers of Word and Sacrament and Ministers of Word and Service. Ministers of Word and Sacrament is clergy and are also referred to as pastors or chaplains. The Ministers of Word and Service roster includes what used to be three categories: 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 minister of a congregation involves the consideration of many factors, not the least of which is the rostered minister’s years of service to the Church. Salary compensation amounts for the rostered minister 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 minister 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 minister
- 7) the challenges of a solo minister/working alone in a parish
- 8) advanced degrees that enhance a rostered minister’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
- 13) the challenges of a minister serving a multi-point parish

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

The ELCA reported that one-half of 2013 M.Div. graduates left seminary with more than \$50,000 in educational debt, and 1 out of every 5 graduates left seminary with more than \$70,000 in educational debt. The average amount of educational debt has increased 30% since 2006 (13% when controlling for inflation).

Defined Compensation

Defined Compensation is made up of only a few items: the salary, housing, and social security allowance. That is what the salary guideline is based on. It does not however include other benefits such as health through Portico Benefit Services, retirement, disability, group life, retiree support, professional expenses, continuing education, etc. It is important to note all those things should be provided for the minister on top of the salary. Keep in mind that all benefits through Portico are derived from using the Defined Compensation.

Housing

Each minister is to be paid a housing allowance or provided with a parsonage. The housing allowance shall be an amount agreed upon by the minister 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 minister 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 minister must justify that the allowance is being spent for specific housing related items and does not exceed fair rental value. The minister is encouraged to consult with a tax professional to ensure 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 minister to live within the community in which he/she serves. The housing should be between 30 and 50% of the Defined Compensation minus the SECA tax.

Housing Equity Allowance Fund

When a congregation provides a parsonage, the minister 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.

Portico of the ELCA provides a “housing equity” account that has significant tax and ELCA retirement 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

Ministers of Word and Sacrament are considered self-employed for self-employment SECA tax. An amount that approximates the congregation’s (employer’s) share of the FICA tax paid for other staff is included in the charts for minister compensation. To calculate the SECA tax multiply the Defined Compensation by 0.9235 and then multiply by 0.153.

RETIREMENT, HEALTH & DISABILITY BENEFITS

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

The current definition of an eligible rostered minister is one serving under call and working at least 15 hours per week for six or more months per year. If this definition is changed by Portico, 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 ministers in the ELCA Benefits Program which includes retirement, medical, dental, disability and life insurance. Currently 95% of ELCA Ministers of Word and Sacrament are enrolled.

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

Retirement

The minimum North Carolina guideline for retirement 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 ministers who are beginning ministry at a later age.

Medical and Dental

The guideline is to provide coverage for the minister 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: minister only, minister and child, minister and spouse, or minister, spouse and children.

A rostered minister, spouse, or dependents can opt out of the medical and dental coverage if proof of coverage with a spouse's group plan can be provided. If other insurance is available, contact Portico. 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 Portico's plan. The coverage provides for 2/3 of the minister's regular salary in the event of disability and becomes effective two months after the disability occurs. The plan also continues health and retirement contributions after the two-month waiting period. Disability benefits vary depending on the individual circumstances. Portico 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 Portico's health and dental, disability, life insurance and administrative costs are set each year. The current rates and an easily used calculator tool, can be found on Portico's website, <https://employerlink.porticobenefits.org> under the Resources tab.

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 ministers 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 ministers 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 ministers are expected to take care of themselves. All congregations are reminded that they should support all rostered ministers 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 minister, 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 minister and the congregation but should also provide for emergency rostered minister care when the rostered minister is unavailable. Clearly defined expectations of time off are important for both the rostered minister 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 minister 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. Keep in mind that vacation is accrued on a quarterly basis. This means that if you receive 4 weeks of vacation one week is accrued each quarter. So if a new call is taken in the second quarter of the year the maximum amount of time the congregation might be responsible for is two weeks.
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 ministers.

For ministers receiving a housing allowance, it should be continued. Those ministers 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 Portico 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. **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. Parental leave following the birth of a child - Eight weeks of parental leave should be available to the parent primarily responsible for childcare. Four weeks of paid parental leave is recommended for the second parent. The needs of each rostered minister 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 minister 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 minister's length of service with the congregation, vacation time available, housing costs, and the hardship to the rostered minister or the congregation.
- b. Parental leave following adoption - The above guidelines apply to parents who are adopting children, with parental leave being available to a rostered minister who will be the primary 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 minister should be negotiated by the rostered minister and the congregation. It is recommended that the congregation, at a minimum, provide full benefits for the rostered minister during any family leave granted.

5. **WELLNESS** – It is important that ministers 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 <https://myportico.porticobenefits.org> and the following recommendations to address these issues:

- a. Spiritual Renewal – It is recommended that all rostered ministers 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 minister 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 minister. The rostered minister should have a colleague cover emergencies during this time away.
- b. Spiritual Guidance – It is recommended that all rostered ministers 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 minister.

6. **CONTINUING EDUCATION** – It is expected that all rostered ministers complete at least 40 hours of continuing education programs that will enhance their skills and their ministry, which will then enrich the lives of those in their congregations annually. 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 minister for continuing education purposes. The rostered minister will contribute \$ 300.00 each year to this fund. Continuing Education days should not be paid out upon leaving a call.

- 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 ministry. This structured education is intended to enhance the quality of the transition from seminary to parish and to ensure that the newly rostered minister 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 minister 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/News-and-Events/2832>.

Beyond FCTE, the Life-long Learning program of the North Carolina Synod encourages and assists rostered ministers 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 minister 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 is available from the synod office or www.nclutheran.org under the Documents – For Leaders tab.

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

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 minister for his/her educational expenses being taxed as income. However, there may be an offsetting deduction for the expenses incurred if the rostered minister 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 ministers to enable them to maintain and improve their skills through continuing education. However, from time to time a rostered minister may desire, and the congregation/agency may 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 ministers and congregations or agencies in the contemplation of, and negotiation for, such sabbatical leaves.

- a. Rostered ministers 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 minister 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 minister may become entitled during the year(s) in which the sabbatical is taken.
- d. Any rostered minister 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 minister.
 - 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 minister and the congregation or agency. It is suggested, however, that the salary, housing and the Portico Benefits Program be maintained at the current budget level, with the rostered minister assuming responsibility for all other personal and family expenses.
 - i. When an extended study is granted, the rostered minister 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 minister 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 minister during the extended study, the rostered minister 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

1. **AUTOMOBILE EXPENSES** – The costs associated with the rostered minister 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. The rostered minister bears the burden of record keeping in each of the three methods.

- a. **Reimbursement of miles driven** – Reimbursement for actual business miles driven at the IRS established rate. The IRS rate changes periodically and at least annually. Please check the www.IRS.gov website to find the current rate.
 - b. **Congregation purchases or leases a car** – Congregations may consider the purchase or lease of an automobile for use by the rostered minister. 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 ministers will assume some IRS liability for non-business use of the vehicle. The congregation may also choose to have the rostered minister reimburse the congregation for personal use of the vehicle at a rate comparable with the applicable IRS standard.
 - c. **Payment of a lump sum** – The congregation may choose to pay the rostered minister a lump sum per year, pro-rated to a monthly basis. The rostered minister 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 minister gets a deduction for actual expenses incurred. This method might be least preferred due to tax requirements. The rostered minister bears the burden of record keeping.
2. **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 minister and others. To eliminate the possibility of any or all of this expense item being taxed as income to the minister 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.
 3. **CONFERENCE EXPENSES** – All rostered ministers 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.

Minister's Discretionary Fund

In many cases the congregation may establish a discretionary fund that the minister may use for unbudgeted expenses such as providing temporary assistance to congregational members or others that seek help from the church. The minister 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 minister's instructions. If that is not possible, the minister 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 minister's direct benefit and therefore, not be considered part of the minister's taxable compensation.

Tax Considerations

The tax laws regarding compensation, benefits, allowances, and expenses are increasingly complex, especially those regarding the Ministers of Word and Sacrament. 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 minister. 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 minister should consider maximizing the housing allowance.

The council must annually approve and note in their official minutes 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 ministers in order to overcome the wide disparities in the synod in total compensation. These guidelines for Ministers of Word and Sacrament rostered ministers include salary, 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 minister, these guidelines will prepare your parish for the next time that it calls a minister 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 minister. Ministers may wish to maximize the housing allowance portion for tax purposes within the limits set by the Internal Revenue Service.

The federal government considers ministers as self-employed persons who must pay their own self-employment tax (SECA). Most congregations provide an allowance to the minister to cover the additional amount that he or she has to pay under this self-employed designation. *The NC Synod recommendations include a 7.65% allowance in the total Defined Compensation as outlined in the charts below.*

In addition to housing allowance above, retirement, medical, dental, life insurance, 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 Portico website has easy to use calculator tools for this computation.

It is recommended that the Minimum Cash Compensation for members of the Ministers of Word and Sacrament and Ministers of Word and Service be based upon the following charts.

NORTH CAROLINA SYNOD ELCA

2021 Ministers of Word and Sacrament Compensation Guidelines

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

Yrs. Of Service	Minister with Housing Allowance	Minister with Parsonage
Entry	58300	45000
1	59400	46100
2	60500	47200
3	61600	48300
4	62700	49400
5	63800	50500
6	64900	51600
7	66000	52700
8	67100	53800
9	68200	54900
10	69300	56000
11	70400	57100
12	71500	58200
13	72600	59300
14	73700	60400
15	74800	61500
16	75900	62600
17	77000	63700
18	78100	64800
19	79200	65900
20	80300	67000
21	81400	68100
22	82500	69200
23	83600	70300
24	84700	71400
25	85800	72500
26	86900	73600
27	88000	74700
28	89100	75800
29	90200	76900
30	91300	78000
31	92400	79100
32	93500	80200
33	94600	81300
34	95700	82400
35	96800	83500
36	97900	84600
37	99000	85700
38	100100	86800
39	101200	87900
40	102300	89000

To derive the various components from the Ministers of Word and Sacrament Compensation Guidelines, perform the following operations

EXAMPLE OF WORD & SACRAMENT MINISTER / HOUSING ALLOWANCE

1) Minimum Cash Compensation for a minister with 12 years experience:	\$ 71,500
2) \$71,500 x .9235. This is taxable wages	66,030
3) \$66,030 x .0765. This is the SECA	5,051
4) Determine Housing Allowance which is between 30% and 50% of Line 1	21,450
5) Whatever is left is the base salary	44,999

The totals of lines 3, 4, and 5 should be equal to that of line 1

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.

EXAMPLE OF WORD & SACRAMENT MINISTER / PARSONAGE PROVIDED

Begin with the same Minimum Cash Compensation figure as a **Minister with Housing Allowance** (as above) and follow steps 1 through 4.

1) Minimum Cash Compensation for a minister with 12 years experience:	\$ 71,500
2) \$71,500 x .9235. This is taxable wages	66,030
3) \$66,030 x .0765. This is the SECA	<u>5,051</u>
4) Determine Housing Allowance which is between 30% and 50% of Line 1	
\$71,500 X .30	21,450

Now go back to the table above and use the **Minister with Parsonage** value and subtract Lines 3 and 4 to determine the base salary.

5) Minimum Cash Compensation for a minister with 12 years experience:	\$ 58,200
SECA	5,051
Housing Allowance	<u>21,450</u>
6) Whatever is left is the base salary	31,699

The minister’s income tax is figured on the base salary plus the cash allowance for self-employment tax. The minister’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.

Housing Equity Allowance Fund should be calculated using the appropriate experience level and using the **Minister with Housing Allowance** guideline times a rate of 5%.

e.g., Minimum Cash Compensation for a minister with 12 years of experience is \$71,500

$$\$71,500 \times .05 = \text{Housing Equity Allowance Fund of } \$3,575$$

WORKSHEET: Minister of Word and Sacrament with Housing Allowance

	<u>This Year</u>	<u>Proposed</u>	<u>Guidelines</u>
I. COMPENSATION			
A.* Minimum Cash Compensation	\$ _____	\$ _____	\$ _____
B. Additional Compensation Paid directly to Ministers of Word and Sacrament rostered minister			
1. Relevant non-parish experience or degrees prior to ordination which can enhance a person's skills	\$ _____		
2. Size of the congregation or 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 minister	\$ _____		
6. Challenges of a solo minister/working alone in a parish	\$ _____		
7. Advanced degrees that enhance a minister'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	\$ _____		
<i>Total Additional Compensation</i>	\$ _____	\$ _____	\$ _____
C*. Housing Allowance	\$ _____	\$ _____	\$ _____
D. <i>Sum of A, B and C</i>	\$ _____	\$ _____	\$ _____
E.* Social Security Allowance	\$ _____	\$ _____	\$ _____
F. Defined Compensation (<i>Sum lines D & E</i>)	\$ _____	\$ _____	\$ _____

***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. RETIREMENT AND OTHER BENEFITS

G. Retirement	\$ _____	\$ _____	\$ _____
H. Health Plan	\$ _____	\$ _____	\$ _____
I. Disability	\$ _____	\$ _____	\$ _____
J. Group Life	\$ _____	\$ _____	\$ _____
K. Retiree Support	\$ _____	\$ _____	\$ _____
L. Additional Benefits	\$ _____	\$ _____	\$ _____
M. SUM of lines in Section II	\$ _____	\$ _____	\$ _____

III. REIMBURSED PROFESSIONAL EXPENSES

N. Auto Allowance or Reimbursed Mileage	\$ _____	\$ _____	\$ _____
O. Continuing Education Allowance	\$ _____	\$ _____	\$ _____
P. Publications and Media Resources	\$ _____	\$ _____	\$ _____
Q. Spiritual Renewal and Guidance	\$ _____	\$ _____	\$ _____
R. SUM of lines in Section III	\$ _____	\$ _____	\$ _____

IV. NON-FINANCIAL COMPENSATION

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

WORKSHEET: Minister of Word and Sacrament with Parsonage

		<u>This Year</u>	<u>Proposed</u>	<u>Guidelines</u>
I. COMPENSATION				
A.*	Minimum Cash Compensation	\$ _____	\$ _____	\$ _____
B.	Additional Compensation			
	Paid directly to Ministers of Word and Sacrament rostered minister			
1.	If paid directly to minister, 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 or 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 minister	\$ _____		
7.	Challenges of a solo minister/working alone in a parish	\$ _____		
8.	Advanced degrees that enhance a minister'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	\$ _____		
	<i>Total Additional Compensation</i>	\$ _____	\$ _____	\$ _____
C.	<i>Sum of A and B</i>	\$ _____	\$ _____	\$ _____
D.*	Social Security Allowance	\$ _____	\$ _____	\$ _____
E.	<i>Sum of C and D</i>	\$ _____	\$ _____	\$ _____
F.	Estimate of Parsonage rental (Line E x 30%)	\$ _____	\$ _____	\$ _____
G.	Defined Compensation (Sum lines E & F)	\$ _____	\$ _____	\$ _____

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

II. RETIREMENT AND OTHER BENEFITS

H. Retirement	\$ _____	\$ _____	\$ _____
I. Health Plan	\$ _____	\$ _____	\$ _____
J. Disability	\$ _____	\$ _____	\$ _____
K. Group Life			
L. Retiree Support	\$ _____	\$ _____	\$ _____
M. Additional Benefits	\$ _____	\$ _____	\$ _____
N. SUM of lines in Section II	\$ _____	\$ _____	\$ _____

III. REIMBURSED PROFESSIONAL EXPENSES

O. Auto Allowance or Reimbursed Mileage	\$ _____	\$ _____	\$ _____
P. Continuing Education Allowance	\$ _____	\$ _____	\$ _____
Q. Publications and Media Resources	\$ _____	\$ _____	\$ _____
R. Spiritual Renewal and Guidance	\$ _____	\$ _____	\$ _____
S. SUM of lines in Section III	\$ _____	\$ _____	\$ _____

IV. NON-FINANCIAL COMPENSATION

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

NORTH CAROLINA SYNOD ELCA
2021 Ministers of Word and Service Compensation Guidelines

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

In addition to numbers below, retirement, 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 Portico website has easy to use calculator tools for this computation.

Yrs. Of Service	Minister with a Masters Degree	Minister without a Masters Degree
Entry	45000	40000
1	45750	40750
2	46500	41500
3	47250	42250
4	48000	43000
5	48750	43750
6	49500	44500
7	50250	45250
8	51000	46000
9	51750	46750
10	52500	47500
11	53250	48250
12	54000	49000
13	54750	49750
14	55500	50500
15	56250	51250
16	57000	52000
17	57750	52750
18	58500	53500
19	59250	54250
20	60000	55000
21	60750	55750
22	61500	56500
23	62250	57250
24	63000	58000
25	63750	58750
26	64500	59500
27	65250	60250
28	66000	61000
29	66750	61750
30	67500	62500
31	68250	63250
32	69000	64000
33	69750	64750
34	70500	65500
35	71250	66250
36	72000	67000
37	72750	67750
38	73500	68500
39	74250	69250
40	75000	70000

WORKSHEET: Minister of Word and Service

	<u>This Year</u>	<u>Proposed</u>	<u>Guidelines</u>
I. COMPENSATION			
A. Base Salary	\$ _____	\$ _____	\$ _____
B. Additional Compensation			
1. Relevant non-parish experience or degrees which enhance a person's skills	\$ _____		
2. Size of the congregation or 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	\$ _____		
<i>Total Additional Compensation</i>	\$ _____	\$ _____	\$ _____
C. Defined Compensation (Sum lines A & B)	\$ _____	\$ _____	\$ _____

II. RETIREMENT AND OTHER BENEFITS

D. Retirement	\$ _____	\$ _____	\$ _____
E. Health Plan	\$ _____	\$ _____	\$ _____
F. Disability	\$ _____	\$ _____	\$ _____
G. Group Life			
H. Retiree Support	\$ _____	\$ _____	\$ _____
I. Additional Benefits	\$ _____	\$ _____	\$ _____
J. SUM of lines in Section II	\$ _____	\$ _____	\$ _____

III. REIMBURSED PROFESSIONAL EXPENSES

K. Transportation Mileage or Allowance	\$ _____	\$ _____	\$ _____
L. Continuing Education Allowance	\$ _____	\$ _____	\$ _____
M. Publications and Media Resources	\$ _____	\$ _____	\$ _____
N. Spiritual Renewal and Guidance	\$ _____	\$ _____	\$ _____
O. SUM of lines in Section III	\$ _____	\$ _____	\$ _____

IV. NON-FINANCIAL COMPENSATION

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