



2022 Recommend Compensation Guidelines

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Summary of 2022 Guidelines

The 2022 recommended compensation guidelines has taken on some changes from past years. This year you will notice two documents about the guidelines plus worksheets to help congregations figure out the compensation for their rostered ministers. Though the salary charts did not change in the 2022 guidelines keep in mind the rostered minister should receive an increase for years of service and the cost of insurance goes up annually and those costs are covered by the organization. The compensation task force looked at previous guidelines and other synods guidelines in the preparation of these guidelines. It was decided that our guidelines should set a standard for what it is expected. Some notable changes include increase in parental leave at the birth or adoption of a child for the primary and secondary care giver, adjustments for where congregations are, clearly defined information on defined compensation, and a section about the roles of rostered ministers and considerations for those pastors.



PREFACE TO COMPENSATION CHARTS

The charts outlined below show what is recommended for compensation of your rostered minister. Keep in mind that these charts only show the defined compensation. Defined compensation is the total of housing, social security allowance (SECA), and salary. These are considered minimum standards and should not be viewed as maximum standards.

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.

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

Lump Sum Guidance:

In some cases congregations choose to pay their minister with a set amount of monies and require the rostered minister to split out those funds accordingly. If that is the case, you will want to refer to the calculator on the Portico Benefits website to calculate how to split the compensation among salary, housing, and social security allowance portions.

Congregation location Adjustment:

In some cases congregations are in parts of the state that have a higher cost of living than other parts of the state. It is recommended that congregations consider an increase of \$1,000 to \$2,000 annually if your congregation is in Asheville, Cary, Chapel Hill, Charlotte, Durham, Greenville, Jacksonville, Raleigh, Rocky Mount, Wilmington, Winston Salem, Southport, Ocean Isle, and Kure Beach.



Worksheets:

Worksheets to help determine costs for your rostered minister are now in excel format and on the our website www.nclutheran.org. Use those worksheets to determine the total costs for employing your rostered minister

NORTH CAROLINA SYNOD ELCA

2022 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

For word and sacrament ministers beyond 20 years. Organizations should consider a 1.5% increase on each year of service beyond 20 years.



**NORTH CAROLINA SYNOD ELCA
2022 Ministers of Word and Service Compensation Guidelines**

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

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

For word and service ministers beyond 20 years. Organizations should consider a 1.5% increase on each year of service beyond 20 years.



EXAMPLE OF WORD AND SACRAMENT MINISTER WITH A 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 WITH A 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
6) Whatever is left is the base salary	53,149

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



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

EXAMPLE OF WORD & SERVICE MINISTER WITH A HOUSING ALLOWANCE

1) Minimum Cash Compensation for a minister with 8 years experience:	\$ 51,000
2) $\$71,500 \times .9235$. This is taxable wages	47,099
3) $\$66,030 \times .0765$. This is the SECA	3,603
4) Determine Housing Allowance which is between 30% and 50% of Line 1	24,000
5) Whatever is left is the base salary	23,397

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.