



Southeastern Pennsylvania Synod
Evangelical Lutheran Church in America
God's work. Our hands.

ROSTERED MINISTRY
COMPENSATION GUIDELINES FOR 2018
Updated January 2018

Contents

INTRODUCTION.....	1
IMPORTANT NOTES FOR DETERMINING COMPENSATION.....	1
COMPENSATION FOR MINISTERS OF WORD AND SACRAMENT.....	3
I. DETERMINING AN INITIAL SALARY.....	3
Section 1: Unadjusted Minimum Salary.....	3
Section 2: Regional Cost of Living Salary Modifier.....	3
Section 3: Determining Salary Adjustment.....	4
Section 4: Determining Salary Range.....	6
Section 5: Calculating Social Security Allowance.....	7
Section 6: Planning for an Associate Pastor.....	8
PASTOR BENEFITS.....	8
PROFESSIONAL EXPENSE REIMBURSEMENT.....	10
2018 CLERGY SALARY RANGE DEVELOPMENT WORKSHEET.....	11
COMPENSATION FOR MINISTERS OF WORD AND SERVICE.....	12
Section 1: Unadjusted Minimum Salary.....	12
Section 2: Regional Cost of Living Salary Modifier.....	12
Section 3: Determining Deacon Salary Adjustment.....	13
Section 4: Determining Deacon Salary Range.....	15
ROSTERED DEACON BENEFITS.....	16
PROFESSIONAL EXPENSE REIMBURSEMENT.....	17
2018 MINISTER OF WORD AND SERVICE SALARY RANGE WORKSHEET.....	19
OPTIONS WHEN UNABLE TO PAY GUIDELINES.....	20
NAVIGATING PART-TIME ARRANGEMENTS.....	21
CONTRACTED SERVICES.....	23
INTERIM MINISTRY.....	24
SUPPLY PASTORS.....	24

INTRODUCTION

"The elders who direct the affairs of the church well are worthy of double honor, especially those whose work is preaching and teaching. For the Scripture says, 'Do not muzzle the ox while it is treading out the grain,' and 'The worker deserves their wages.'"
- 1 Timothy 5:17-18

These Rostered Ministry Compensation Guidelines are written to assist the members of your congregation in determining fair compensation for pastors and deacons. A compensation package includes, but is not limited to, salary, housing allowance, medical and other benefits, social security offsets and pension contributions. These guidelines are separated into sections for pastors and deacons.

As with all matters, the consideration of the issue of rostered ministry compensation should be entered into prayerfully and in recognition of many factors. As rostered ministers are expected to care for members of the church, part of the ministry of the laity includes care for the needs of the pastor and other rostered ministers who serve.

This manual is a resource to assist congregations and rostered ministers in conducting an annual review and determining a compensation package; pension and other benefits; agreements relative to time off for continuing education, vacation, holidays, and sick leave; and appropriate reimbursement for professional expenses. We also hope this manual will assist congregations in their budget planning process, and in the process of annually reviewing mission and ministry goals.

IMPORTANT NOTES FOR DETERMINING COMPENSATION

Every congregation has its own standards and practices for how financial decisions are made and how the resources of the congregation are used to move forward in mission. Ultimately though, it is the congregational council – as the duly elected governing Board – that has final responsibility for the governance of the congregation, in accordance with the ELCA Model Constitution for Congregations.

In determining compensation and conducting annual reviews of the partnership between the congregation and its leaders, it is particularly important that appropriate time and care be given to the process. Because of this, a group should be designated by the congregational council to oversee this process with care, sensitivity, and intentionality. In some congregations this group may be the Mutual Ministry committee or a similar group, while in others it may be the Council itself. Still other times it may be a temporary group created to

intentionally and sensitively review the overall ministry of the congregation before goals, budgets, and plans are made for the coming year. Regardless of the name of this group, it is critical that (a) everyone involved understands that ultimate responsibility for determining compensation rests with the council, and (b) this group works closely with, and reports regularly to, the congregational council.

When the group tasked with determining a recommendation for compensation is formed, it is critical that they understand their task properly and that extreme care and intention is taken in who is chosen for this team. When these conversations take place the process should include an annual review not only of the pastor or deacon's ministry, but of the ministry goals and priorities of the congregation as a whole. This is not a "performance review" of an individual performance – but a ministry assessment of the congregation as a whole, and the partnership between its leaders and members. The closest analogy to this process would be the annual review that a non-profit undergoes with its CEO. The executive leader is a key part of whether the organization will be moving in the right direction – but they are by no means the only factor influencing the ultimate success of the organization.

Following intentional reflection upon the ministry of the congregation, the priorities for ministry in the coming year, and the leadership of the congregation's rostered ministers, a compensation package can finally be determined based on the guidelines in this document. Once the group responsible for this work produces a recommendation, it will make a recommendation on Compensation Packages to the finance committee and congregational council. Council will then review and approve the final compensation package(s) for inclusion in the annual budget.

While budgets are technically given final approval at the annual meeting of the congregation, it is *strongly* recommended that compensation decisions not be made at this point. The responsibility for setting compensation rests with the congregational council, and if their decision as included in the annual budget is not approved at the congregational meeting, it is recommended that the council should then go back and work on addressing this with a new budget proposal. It is harmful and counterproductive to discuss compensation packages at a meeting of the whole congregation.

When intentionality, shared partnership of ministry, and mutually agreed upon missional priorities are attended to annually, the health, trust, and guiding principles of the congregation will be in place to promote the ministry of the congregation for years to come.

COMPENSATION FOR MINISTERS OF WORD AND SACRAMENT

I. DETERMINING AN INITIAL SALARY

Following are considerations and instructions for completing “Minister of Word and Sacrament Salary Range Development Worksheet” (page 10). This material is relevant for offering a salary package to a rostered Minister of Word and Sacrament in Southeastern Pennsylvania Synod.

Section 1: Unadjusted Minimum Salary

“Unadjusted Minimum Salary” is set annually by the Executive Committee of Southeastern Pennsylvania Synod, and is the total of Salary and Housing Allowance. The amount of salary designated as a “Housing Allowance” must be proposed by the pastor and recorded as a vote of the congregation’s council prior to the beginning of each year.

Box 1: “Unadjusted Minimum Salary”

The 2018 minimum unadjusted salary amount is **\$56,320** without a parsonage, and should be written in Box 1. If use of a parsonage is included as a portion of compensation, enter the unadjusted minimum amount of **\$39,470** in Box 1. If the terms of a call are less than full-time, this figure should be adjusted accordingly as detailed in the section “Navigating Part-Time Arrangements” (Page 20). These figures were determined by averaging the minimum guidelines from our neighboring synods, and adjusting these numbers with a cost of living increase for 2018.

Section 2: Regional Cost of Living Salary Modifier

In many congregations, it is preferred that the pastor lives and identifies with the same community in which most of the members live. The Southeastern Pennsylvania Synod covers a large, economically diverse area where the cost of living varies widely between areas. A regionally-based cost of living modification to the unadjusted minimum salary acknowledges this diversity. The cost of living salary modifier *does not* generally change from year to year. In circumstances in which the pastor chooses to live outside the parish community in which most members live, figure the cost of living salary modifier using the church zip code and the pastor’s actual zip code. Average the two figures.

Box 2: Housing Cost

Enter in Box 2 the median single-family home price near the congregation, using the primary zip code(s) served by the congregation. The figure can be obtained by contacting a realtor or by using the “Search Home Values” tool found at <https://www.zillow.com/home-values/>.

Box 3: Cost Over Threshold

If the figure in Box 2 exceeds \$251,460 (the average cost of housing within the synod, as determined using the Home Value Calculation tool described above), subtract \$251,460 from Box 2 and enter the resulting figure in Box 3.

Box 4: Housing Cost Adjustment

Multiply Box 3 by .03 (3%) and write the result in Box 4.

(Example: The median price of a single-family home in area served by congregation is \$300,000. $\$300,000 - \$251,460 = \$48,540$. $\$48,540 \times .03 = \$1,456$ is recorded in Box 4.)

If use of a parsonage is included as a portion of compensation, a housing equity allowance should be calculated instead. This number should be 2-5% of the pastor's defined compensation and should be paid into an account in the name of the pastor. It is recommended that a congregation begin with a 2% housing equity allowance and works towards 5% of defined compensation annually. In no case should this be less than the equity allowance the pastor is already receiving.

Box 5: Regionally Modified Minimum Salary

Add Box 1 and Box 4 to obtain the Regionally Modified Minimum Salary for the congregation, and enter this figure in Box 5.

Section 3: Determining Salary Adjustment

This section seeks to quantify the value of experience and education a pastor may possess and the unique aspects of the congregation. These factors will become a basis for adjustment to the minimum salary.

Box 6: Years of Pastoral Experience

As per most professional salary systems, the synod seeks to reflect the value of acquired skills, wisdom and experiences that can only come from actual pastoral experience. Credit 0.5 points for each year of service as an ordained pastor, up to 8 points, and enter in Box 6.

Box 7: Worship Attendance

Pastors of large churches often bear increased responsibilities and expectations. The synod seeks to acknowledge these responsibilities with this adjustment. Credit is given for primary leadership in congregations where the average weekly worship attendance exceeds 100 persons at a rate of one point for each 12 persons over the 100 worshiper threshold.

Associate pastors would receive 0.5 points for each 12 persons over the 100 worshiper threshold.

To calculate the figure for Box 7, subtract 100 from the average number of worshipers (as reported on the congregation's annual parochial report). Divide that difference by 12, round to the nearest whole number, and enter the figure in Box 7.

(Example: Congregation reports an average of 175 worshipers. $175 - 100 = 75$.
 $75 / 12 = 6.25$. Round down to 6 points.)

Box 8: Continuing Education

Lutherans have long expected their pastors to be well-educated, and now more than ever it is critically important that clergy participate in ongoing continuing education on the latest trends, dynamics in ministry and organizational leadership for today's changing world. This credit seeks to account for and encourage life-long continuing education among the leaders of Southeastern Pennsylvania Synod, and equip its pastors to better serve their congregations. Two points should be given to those who have received any relevant advanced degrees, and one point to those who have received any relevant advanced certificates in addition to the Master of Divinity (not per degree or certificate). Additionally, one point should be given to those who have worked with their congregational council to create and fulfill the goals of an annual professional development plan, focused on the continued improvement of the rostered minister as a leader.

Box 9: Longevity in Current Call

Research has established that longer term pastorates are often associated with congregational health and stability. This adjustment seeks to reflect the shared valuing of healthy, longer-tenured pastorates. Credit 0.5 points for each year of service in the pastor's current call in Box 9, to a maximum of 5 points.

Box 10: Prior Non-Pastoral Experience

Increasingly, persons with prior experience in related fields are entering rostered ministry in our church. This adjustment seeks to acknowledge the value of prior experience in related fields that are helpful to the ministry (e.g. executive leadership, administration, full-time lay ministry work, counseling, etc.). Generally this experience will be acknowledged by the Call Committee and will be recognized by the Church Council as it sets the first salary package. Required work as part of the ordination process (internships, etc.) should not be included.

Credit is given for each year of prior experience in a related field up to ten years. Multiply the pastor's years of significant prior experience by 0.5 (# years x 0.5) and write either that figure or the number 5 (whichever is less) in Box 10.

Box 11: Related Non-Parish Experience

Additionally, over the course of a pastor's ministry they sometimes accrue significant experience outside of their normal ministry functions that significantly adds to their capacity as leaders in their congregations and communities. Such activities would include serving on

non-profit, seminary, or synod Boards of Directors, significant time spent serving on a large organization or synod's finance committee or fundraising team, and other similar experiences. As with non-pastoral service prior to entering Rostered Ministry, similar standards should be used while evaluating what experience should be included in this category.

Credit is given for each year of related non-pastoral experience up to twenty years. Multiply the pastor's years of significant prior experience by 0.25 (# years x 0.25) and write either that figure or the number 5 (whichever is less) in Box 11.

Box 12: Total Points

Add together the credits in Boxes 6 through 11 and write that point total in Box 12.

Box 13: Salary Adjustment

The number recorded in Box 12, multiplied by the pre-determined adjustment factor of **\$625**, generates the minimum salary adjustment. Transfer that dollar figure to Box 13.

Section 4: Determining Salary Range

As each congregation works to fairly compensate its pastors, it is recognized that some pastors exhibit exemplary leadership and significant skills that are not reflected in this calculation. Towards that end, we recommend that each congregation consider a range of compensation options when setting their pastor's compensation package.

Box 14: Minimum Salary

By adding the Regionally Modified Minimum Salary (Box 5) and the Salary Adjustment (Box 13) figures together, the appropriate minimum salary limit is determined. Write that figure in the Box 14.

Box 15: Median Salary

The median salary is calculated by multiplying Box 14 by 1.15 (15 %). Enter that figure in Box 15.

Box 16: Maximum Salary

The higher salary range limit is calculated by multiplying Box 14 by 1.3 (30%). Enter that figure in Box 16.

Box 17: Mutually-Negotiated Pastoral Salary

Although the synod may provide helpful guidelines and healthy ranges for an appropriate salary, it is the responsibility of the congregation to annually review the salary of their rostered ministers and set increases. Using the figure in Box 14 as a minimum and Box 16 as

a maximum, the congregational council should consider using the following questions as a starting point for determining where in this range the pastor's salary should fall:

- Does our pastor bring any unique or special skills to the position?
- What ways has our pastor grown and thrived in their ministry in the past year?
- Do we expect our pastor to take on any significant additional responsibilities as a leader of our congregation in the next year?
- Does the pastor face any unique financial issues that ought to be addressed?
- Does our pastor have additional responsibilities that go beyond the normal expectations for a pastor of our size congregation, such as the primary administration of a congregationally affiliated non-profit organization, sizeable school or preschool, or other such ministry?
- Are there ways, financially or through other means such as additional Sundays off or increased vacation time, that we can ensure we fairly compensate our pastor?

Once determined, enter this number in Box 17. This represents the mutually-negotiated pastoral salary (adjusted accordingly if the terms of call are less than full-time).

Section 5: Calculating Social Security Allowance

Unlike most salaried professionals, pastors are considered "self-employed" by the federal government for Social Security/Medicare tax purposes and *must pay 15.3% of their total annual cash salary and housing allowance* (or the fair rental value of the parsonage) as Social Security/Medicare tax. A Social Security/Medicare Allowance shares the burden of this tax by providing the employer's portion (7.65%) of the Social Security/Medicare tax.

Congregations are required to reimburse at least 7.65% of their pastor's Social Security/Medicare tax liability, as this is the employer's portion of this cost. This allowance is considered to be taxable income to the pastor and must be reported as part of their salary in box 1 on their W-2 form ("Wages, Tips and Other Compensation"). Use the following formula to calculate the appropriate Social Security Allowance for your pastor.

If your congregation does not provide a parsonage, multiply the total of Box 17 by .0765 (7.65 %), then enter this amount into Box 18. This is your pastor's Social Security Allowance.

If your congregation does provide a parsonage, multiply the total of Box 17 by .10131 (10.131 %), then enter this amount into Box 18. This is your pastor's Social Security Allowance.

After you have calculated Social Security Allowance, add together the amounts in Box 17 and Box 18. Enter the total in Box 19. This is your pastor's total compensation package, also known as **Total Defined Compensation**.

Section 6: Planning for an Associate Pastor

Calling an Associate Pastor is a unique and special process, different in nature from the calling of a Solo or Senior Pastor. This is equally true when establishing a compensation package. The information for salary minimums, ranges, and packages in Sections 1-4 is all equally applicable for establishing a compensation package for an Associate Pastor.

The only calculation that is different in determining the salary minimum and range for an Associate Pastor is when determining the points assigned in Box 7: Worship Attendance. Benefits, retirement contributions, and all other package guidelines are identical for an Associate Pastor.

PASTOR BENEFITS

Major Medical

Congregations should also be responsible for providing pension and major medical coverage. The Southeastern Pennsylvania Synod Council at minimum recommends Portico's Gold+ plan. Sponsored members and their spouses and children who are eligible for medical benefits coverage through a spouse's employer or through a former employer may waive ELCA Medical and Dental Insurance coverage, while continuing to participate in the ELCA Regular Pension Plan, ELCA Disability Benefits Plan, and the ELCA Survivor Benefits Plan. Should the rostered minister waive participation in the ELCA medical and dental program, the congregation must be prepared to pick-up coverage at any time. This should not primarily be considered a way to minimize a congregation's expenses, but a decision that a leader makes to provide the best coverage for his or her family.

When coverage of the pastor is waived due to other coverage, the congregation and the pastor should create a plan to mutually share in any financial savings. This is the case only when coverage is waived for the pastor, not when it is waived for a spouse or dependents. If coverage is waived and then later needed by the pastor, the amount paid as additional compensation to the pastor shall be forfeited. In the event that there are two rostered ministers in a family employed by different congregations, Portico should be consulted. There is a formula to determine the fair share payments for medical coverage to be paid by each congregation based on the compensation paid to each rostered minister.

Disability Insurance is included as a member of the ELCA Pension and Other Benefits Plan. The ELCA Disability Plan will pay 66 2/3% of defined compensation less any social security

and worker's compensation disability benefits received. As part of the plan, the parish will provide full defined compensation – including Social Security tax Coverage allowance, and housing allowance – for the first two months of disability on a self-insured basis. The parish also is expected to pay the medical, dental, and survivors insurance contributions during the first two months of disability. Current contribution rates for the ELCA's Portico coverage can be found at <https://porticobenefits.org>.

Pension

ELCA pension contributions should be provided for all pastors in the Southeastern Pennsylvania Synod at 12% of annual defined compensation. Defined compensation is the total of the pastor's salary, housing, and social security allowance. If a parsonage is provided, annual defined compensation includes an additional 30% of the pastor's base salary plus any household furnishings or utilities allowance paid to the pastor. The cost of utilities paid to the utility company by the congregation or organization is not included.

Vacation

A minimum of four weeks of vacation, including four Sundays off, shall be provided.

Continuing Education

A minimum of two weeks paid continuing education time is recommended annually, in addition to the time that is given as vacation.

Parental/Family Leave

It is recommended that congregations develop a program for parental leave which includes childbearing and childcare leave. The program should include both the birth and adoption of children and cover full salary, housing and benefits with the understanding that the individual would return to work for a minimum of six months after taking the leave. It is recommended that congregations provide paid childbearing leave of at least six weeks for all pastors, regardless of gender. This allows time to recover from the physical demands of childbirth, as well as for parents to spend time bonding with the child. Congregations are also encouraged to consider the provisions of the federal Family Medical Leave Act (FMLA) which allow for up to 12 weeks leave (which can be a combination of paid and unpaid leave). FMLA leave can be used for personal or family member care situations.

Sabbatical

An extended leave/sabbatical of one to three months may be granted after the pastor has served a congregation for more than five years. When and how this sabbatical is negotiated should be determined through conversation between the pastor and congregational council. The Synod is able to provide additional guidance as needed.

PROFESSIONAL EXPENSE REIMBURSEMENT

Automobile Expense

Pastors using personal cars for business shall be reimbursed for the actual costs they incur for church business, based upon the Internal Revenue Service (IRS) guidelines. Alternately, an agreed upon auto allowance of not more than \$4,000 may be paid to the pastor annually, and should be taxed as normal salary. If a lump sum allowance is selected, there are tax repercussions that should be considered on conversation with a tax professional, and may include taking a penalty on Job Related Expenses or otherwise paying taxes on this amount.

Continuing Education

As part of every congregational call in Southeastern Pennsylvania, a continuing education plan should be created by conversation between the pastor and congregational leadership to provide for the shared investment in the congregation's leaders. A pooled Continuing Education Fund of \$1000 from the congregation and \$300 from the pastor should be gathered annually and used to reimburse continuing education costs incurred by the pastor. Required events such as Synod Assembly and Bishop's Convocation should NOT be paid for from this fund, and unused funds are carried forward each year. When a pastor completes their service to the congregation, 30% of the unused pooled fund will be returned to the pastor.

Conventions, Assemblies, and Pastoral Conferences

Coverage of expenses for official meetings of the synod is required, including Synod Assembly and Bishop's Convocation.

Books and Supplies

A minimum book and supplies allowance of \$300 per year is recommended. Additionally, a cell phone plan should either be provided or reimbursed by the congregation, up to 2 GB/month. The phone should be the property of the pastor, purchased by the pastor.

2018 MINISTER OF WORD AND SACRAMENT SALARY RANGE DEVELOPMENT WORKSHEET

Southeastern Pennsylvania Synod of the ELCA

Section 1: Unadjusted Minimum Salary

Unadjusted Minimum Salary 1

Section 2: Regional Cost of Living Salary Modifier

Median Housing Cost 2

Cost Over Threshold (subtract \$250,000 from box 2) 3

Housing cost adjustment (multiply box 3 by 0.03) 4

(If parsonage provided, enter agreed upon housing equity instead.)

Regionally Modified Minimum Salary (add boxes 1 and 4) 5

Section 3: Determining Salary Adjustment

Years of Pastoral Experience (maximum 8 points) 6

Worship Attendance 7

Continuing Education 8

Longevity in Current Call (maximum 5 points) 9

Prior Non-Pastoral Experience (maximum 5 points) 10

Related Non-Parish Experience (maximum 5 points) 11

Total Points (Add boxes 6 through 11) 12

Salary Adjustment (multiply box 12 by \$625) 13

Section 4: Determining Pastor Salary Range

Minimum Salary (add boxes 5 and 13) 14

Median Salary (multiply box 14 by 1.15) 15

Maximum Salary (multiply box 14 by 1.30) 16

Section 5: Calculating Social Security Allowance

Mutually-Negotiated Pastoral Salary..... 17

Social Security Allowance..... 18

Total Defined Compensation (add boxes 17 and 18)..... 19

COMPENSATION FOR MINISTERS OF WORD AND SERVICE

The term Minister of Word and Service applies to all non-ordained persons who are on the roster of the Southeastern Pennsylvania Synod, ELCA, also known as Deacons. Compensation guidelines for Ministers of Word and Service are for those employed at least 15 hours per week in a paid position with programmatic responsibilities.

Because of the diversity of skills, jobs, and responsibilities, compensation for Ministers of Word and Service is more customized and needs to be subjected to a greater degree of interpretation than with the guidelines for pastors.

The following are considerations and instructions for completing “2018 Minister of Word and Service Salary Range Development Worksheet” (page 17).

Section 1: Unadjusted Minimum Salary

The Executive Committee of Southeastern Pennsylvania Synod sets an Unadjusted Minimum Salary for rostered Ministers of Word and Service annually.

Box 1: Unadjusted Minimum Salary

Write the baseline salary amount of **\$40,525** in Box 1.

Section 2: Regional Cost of Living Salary Modifier

Although Ministers of Word and Service are not paid a housing allowance, it is recommended that the cost of living and housing should be considered and a salary modifier added to the unadjusted minimum salary of a deacon.

As stated in the salary guidelines for pastors, the average cost required for a home in this area is \$250,000. Although costs fluctuate, many of the regional areas in the synod have even higher housing costs.

Box 2: Housing Cost

Determine the median single-family home prices near the congregation, using the primary zip code(s) served by the congregation. The figure can be obtained by contacting a realtor or by using the “Search Home Values” tool found at <https://www.zillow.com/home-values/>.

Box 3: Cost Over Threshold

If the figure in Box 2 exceeds \$251,460 (the average cost of housing within the synod, as determined using the Home Value Calculation tool described above), subtract \$251,460 from Box 2 and enter the resulting figure in Box 3.

Box 4: Housing Cost Adjustment

Multiply Box 3 by .03 (3%) and write the result in Box 4.

(Example: The median price of a single-family home in area served by congregation is \$300,000. $\$300,000 - \$251,460 = \$48,540$. $\$48,540 \times .03 = \$1,456$ is recorded in Box 4.)

By increasing the baseline salary of a deacon in this fashion, the congregation recognizes the higher cost of living in their community. However, the congregation may also choose to make no adjustment in this category and would write "0" in Box 4.

Box 5: Regionally Modified Minimum Salary

Add Box 1 and Box 4 to obtain the Regionally Modified Minimum Salary for the congregation, and enter this figure in Box 5.

It is not a requirement that the congregation consider the cost of housing when determining a deacon's baseline salary. However, it is strongly recommended that the congregation perform this exercise so that it clearly understands the total cost of living in their community, and strives to pay deacons a "living wage" to retain these gifted partners in ministry.

Section 3: Determining Deacon Salary Adjustment

This section seeks to quantify the value of experience and education a deacon may possess. These factors will become a basis for possible adjustment to the minimum salary.

Box 6: Years of Experience

As per most professional salary systems, the synod seeks to reflect the value of acquired skills, wisdom and experience that can only come from actual rostered ministry experience. Credit 0.5 points for each year of rostered service a deacon has, up to 8 points, and enter this in Box 6.

Box 7: Worship Attendance

Deacons of large churches often bear increased responsibilities and expectations. The synod seeks to acknowledge such with this adjustment. Credit is given for leadership in congregations where the average worship attendance exceeds 100 persons at a rate of 0.5 points for each 12 worshipers over the 100 worshiper threshold. To calculate, subtract 100 from the average worship attendance as reported on the congregation's annual parochial report. Divide that difference by 12, round to the nearest whole number, and multiply by 0.5. Then enter the figure in Box 7.

(Example: Congregation reports average worship attendance of 155. $155 - 100 = 55$. $55 / 12 = 4.4$. Round to 4, and multiply by 0.5 = 2 points.)

Box 8: Continuing Education

Lutherans have long expected their leaders to be well-educated, and now more than ever it is critically important that our leaders participate in ongoing continuing education on the latest trends, dynamics in ministry and organizational leadership for today's changing world. This credit seeks to account for and encourage life-long continuing education among the leaders of Southeastern Pennsylvania Synod, and equip its deacons to better serve their congregations. Two points should be given to those who have received any relevant advanced degrees, and one point to those who have received any relevant advanced certificates in addition to their seminary Master degree (not per degree or certificate). Additionally, one point should be given to those who have actively participated in continuing education over the past year, as determined in conversation with their congregational council (not including First Call Continuing Education). One final point should be given to those who have worked with their congregational council to create and fulfill the goals of an annual professional development plan, focused on the improvement of the deacon as a leader.

Box 9: Longevity in Current Call

To effectively maintain healthy and stable ministry, the synod seeks to recognize deacons' longer term calls. Credit 0.5 points for each year of service in their current call in Box 9, to a maximum of 5 points.

Box 10: Prior Non-Rostered Experience

Increasingly, persons with prior experience in related fields are entering rostered ministry in our church. This adjustment seeks to acknowledge the value of prior experience in related fields that are helpful to the ministry (e.g. executive leadership, administration, full-time lay ministry work, counseling, etc.). Generally this experience will be acknowledged by the Call Committee and will be recognized by the congregational council as it sets the first salary package. Required work as part of the ordination process (e.g. internships, etc.) should not be included. Credit is given for each year of prior experience in a related field up to ten years. Multiply the deacon's years of significant prior experience by 0.5 (# years x 0.5) and write either that figure or the number 5 (whichever is less) in Box 10.

Box 11: Related Non-Parish Experience

Additionally, over the course of a deacon's ministry they sometimes accrue significant experience outside of their normal ministry functions that significantly adds to their capacity as leaders in their congregations and communities. Such activities would include serving on non-profit, seminary, or synod Boards of Directors, significant time spent serving on a large organization or synod's finance committee or fundraising team, and other similar experiences. As with non-pastoral service prior to entering Rostered Ministry, similar standards should be used while evaluating what experience should be included in this category.

Credit is given for each year of related non-rostered experience up to twenty years. Multiply the deacon's years of significant prior experience by 0.25 (# years x 0.25) and write either that figure or the number 5 (whichever is less) in Box 11.

Box 12: Total Points

Add together the credits in Boxes 6 through 11 to create a point total and write that number in Box 12.

Box 13: Salary Adjustment

The number recorded in Box 12, multiplied by the pre-determined adjustment factor of **\$425**, generates the minimum salary adjustment. Transfer that dollar figure to Box 13.

Section 4: Determining Deacon Salary Range

Box 14: Minimum Salary

By adding the Regionally Modified Minimum Salary (Box 5) and the Salary Adjustment (Box 13), the appropriate minimum salary limit is determined. Write that figure in Box 14.

Box 15: Median Salary

The median salary is calculated by multiplying Box 14 by 1.15. Enter that figure in Box 15.

Box 16: Maximum Salary

The maximum salary is calculated by multiplying Box 14 by 1.3. Enter that figure in Box 16.

Box 17: Mutually-Negotiated Deacon Salary

Although the synod may produce helpful guidelines and suggested ranges for appropriate salary, congregations need to annually review and revise salary for their deacons. Using the figure in Box 14 as a minimum and Box 16 as a maximum, it is the responsibility of the congregation to determine the actual annual salary. During the course of the conversation between the deacon and those responsible for annual salary recommendations, consider using the following questions as guides for allowing one to move up or down in the range presented.

- What are the duties and responsibilities of the deacon in our congregation?
- Does our deacon bring any additional or special skills to the position that ought to be rewarded?
- Does our deacon have additional responsibilities that go beyond the normal expectations for a deacon of our size congregation, such as the primary administration of a congregationally affiliated non-profit organization, sizeable school or preschool, or other such ministry?
- Do we expect our deacon to take on any significant additional responsibilities in our congregation in the coming year?

Once you have determined your Mutually-Negotiated Deacon Salary, enter this number into box 17. This is your Deacon's **Total Defined Compensation**.

ROSTERED DEACON BENEFITS

Major Medical

Congregations should also be responsible for providing its deacons with pension and major medical coverage. The Southeastern Pennsylvania Synod Council recommends Portico's Gold+ plan. Sponsored members and their spouses and children who are eligible for medical benefits coverage through a spouse's employer or through a former employer may waive ELCA Medical and Dental Insurance coverage, while continuing to participate in the ELCA Regular Pension Plan, ELCA Disability Benefits Plan, and the ELCA Survivor Benefits Plan.

Should the rostered minister waive participation in the ELCA medical and dental program, the congregation must be prepared to pick-up coverage at any time. This should not primarily be considered a way to minimize a congregation's expenses, but a decision that a leader makes to provide the best coverage for his or her family. When coverage of the deacon is waived due to other coverage, the congregation and the deacon should come to an arrangement to mutually share in any financial savings. This is the case only when coverage is waived for the deacon, not when it is waived for a spouse or dependents. If coverage is waived and then later needed by the deacon, the amount paid as additional compensation to the deacon shall be forfeited. In the event that there are two rostered ministers in a family employed by different congregations, Portico should be consulted. There is a formula to determine the fair share payments for medical coverage to be paid by each congregation based on the compensation paid to each rostered minister.

Disability Insurance is included as a member of the ELCA Pension and Other Benefits Plan. The ELCA Disability Plan will pay 66 2/3% of defined compensation less any social security and worker's compensation disability benefits received. As part of the plan, the parish will provide full defined compensation – including Social Security tax Coverage allowance, and housing allowance – for the first two months of disability on a self-insured basis. The parish also is expected to pay the medical, dental, and survivors insurance contributions during the first two months of disability. Current contribution rates for the ELCA's Portico coverage can be found at <https://porticobenefits.org>.

Pension

ELCA pension contributions should be provided for all deacons in the Southeastern Pennsylvania Synod at 12% of annual defined compensation. Defined compensation is the total of the deacon's salary and any additional allowances.

Vacation

A minimum of four weeks of vacation, including four Sundays off, shall be provided.

Continuing Education

A minimum of two weeks paid continuing education time is recommended annually, in addition to the time that is given as vacation.

Parental/Family Leave

It is recommended that congregations develop a program for parental leave which includes childbearing and childcare leave. The program should include both the birth and adoption of children and cover full salary, housing and benefits with the understanding that the deacon would return to work for a minimum of six months after taking the leave. It is recommended that congregations provide paid childbearing leave of at least six weeks for all deacons, regardless of gender. This allows time to recover from the physical demands of childbirth, as well as for parents to spend time bonding with the child. Congregations are also encouraged to consider the provisions of the federal Family Medical Leave Act (FMLA) which allow for up to 12 weeks leave (which can be a combination of paid and unpaid leave). FMLA leave can be used for personal or family member care situations.

Sabbatical

An extended leave/sabbatical of one to three months may be granted after the deacon has served a congregation for more than five years. When and how this sabbatical is negotiated should be determined through conversation with the pastor and congregational council. The Synod is able to provide additional guidance as needed.

PROFESSIONAL EXPENSE REIMBURSEMENT

Automobile Expense

Deacons using personal cars for business shall be reimbursed for the actual costs they incur for church business, based upon the Internal Revenue Service (IRS) guidelines. Alternately, an agreed upon auto allowance of not more than \$4,000 may be paid to the deacon annually, and should be taxed as normal salary. If a lump sum allowance is selected, there are tax repercussions that should be considered on conversation with a tax professional, and may include taking a penalty on Job Related Expenses or otherwise paying taxes on this amount.

Continuing Education

As part of every congregational call in Southeastern Pennsylvania, a continuing education plan should be created by conversations between the deacon, pastor, and congregational leadership to provide for the shared investment in the congregation's leaders. A pooled Continuing Education Fund of at least \$700 from the congregation and \$300 from the deacon should be gathered annually and used to reimburse continuing education costs incurred by

the deacon. Required events such as Synod Assembly and Bishop's Convocation should NOT be paid for from this fund, and unused funds are carried forward each year. When a deacon completes their service to the congregation, 30% of the unused pooled fund will be returned to the deacon.

Conventions, Assemblies, and Conferences

Coverage of expenses for official meetings of the synod is required, including Synod Assembly and Bishop's Convocation.

Books and Supplies

A minimum book and supplies allowance of \$300 per year is recommended. A cell phone plan or phone allowance may also be considered.

2018 MINISTER OF WORD AND SERVICE SALARY RANGE DEVELOPMENT WORKSHEET

Southeastern Pennsylvania Synod of the ELCA

Section 1: Unadjusted Minimum Salary

Unadjusted Minimum Salary 1

Section 2: Regional Cost of Living Salary Modifier

Median Housing Cost 2

Cost Over Threshold (subtract \$250,000 from box 2) 3

Housing cost adjustment (multiply box 3 by 0.03) 4

Regionally Modified Minimum Salary (add boxes 1 and 4) 5

Section 3: Determining Deacon Salary Adjustment

Years of Experience (maximum 8 points) 6

Worship Attendance 7

Continuing Education 8

Longevity in Current Call (maximum 5 points) 9

Prior Non-Rostered Experience (maximum 5 points) 10

Related Non-Parish Experience (maximum 5 points) 11

Total Points (Add boxes 6 through 11) 12

Salary Adjustment (multiply box 12 by \$425) 13

Section 4: Determining Deacon Salary Range

Minimum Salary (add boxes 5 and 13) 14

Median Salary (multiply box 14 by 1.15) 15

Maximum Salary (multiply box 14 by 1.30) 16

Mutually-Negotiated Salary 17

OPTIONS WHEN UNABLE TO PAY GUIDELINES

Every congregation desires to have high-quality leadership, but sometimes it is not financially feasible for a congregation to provide full-time compensation to a pastor or deacon. Although this may seem like a barrier to ministry, it is often still possible for a congregation to do meaningful and effective ministry in this situation. There are many options open to a congregation when it is not able to meet the minimum guidelines necessary for a pastor at the skill level that they wish to call (or continue to call).

This conversation should always start with discussions of stewardship, congregational giving, and the ongoing mission, vision, and goals of the congregation. Sometimes a congregation that desires a full-time pastor does not have the financial resources to call one. Other times, a congregation may have the financial resources but a lack of desire to grow their mission or adapt their church to our changing world. In both cases, a congregation may want to consider what God is calling them to at this point in their ministry, and whether a full-time pastor is part of that wider vision.

When calling a new pastor, it may sometimes be necessary to consider whether calling a less experienced pastor is financially a better choice for the congregation. As with experienced pastors, there are many wonderful first and second call pastors that may be the right fit for your congregation, and this is important to explore. When unable to pay at guidelines for an existing pastor, there are many contingencies to consider. For an existing call, significantly decreasing compensation, benefits, or otherwise altering the terms of the call breaks the agreement and requires a new call to be issued. For this reason any significant changes to an existing call (i.e. changing from full to part time) must be navigated in communication and partnership with your conference dean and the Office of the Bishop.

For an existing full-time call, as with a new one, there are always areas of flexibility that can be navigated to successfully ensure that the mission of the congregation is maintained AND the rostered minister is compensated fairly. What is always most significant is whether these efforts are being made by everyone involved and whether or not the congregation is working towards fair compensation at synod guidelines.

When a congregation is unable to pay at guidelines, it is important that a written, mutually agreed upon plan is created by the congregational council and pastor in conversation with their conference dean for how they intend to work towards compensation at guidelines in a fair length of time. What is most critical in these conversations is the shared ministry of everyone involved, the forwarding of Christ's work in the community, and care and sensitivity for the financial and personal needs of the rostered minister and their family.

Additionally, there are sometimes mutually agreeable ways to fairly compensate a rostered minister, even when a congregation is unable to pay at guidelines. When all parties involved

agree, and the conversations are handled with sensitivity, compassion, and Christian love, some possible points of negotiation include:

- Providing additional vacation time and Sundays off to supplement the congregation's inability to pay at guidelines. When this is done, the "value" of these additional weeks of vacation should be calculated using the formula described below in the "Navigating Part-Time Arrangements" section.
- Exploring non-financial ways that a congregation can compensate their pastor for some of their work. There is a limit to how this can be utilized, but when mutually agreeable there are ways that this can be done.
- Partnering with a nearby Lutheran OR ecumenical full communion partner congregation to mutually call a pastor to serve both congregations – or to work to collaborate with a part of their ministry. (i.e. calling a pastor to serve one congregation $\frac{3}{4}$ time, and a neighboring congregation $\frac{1}{4}$ time as a visiting pastor, faith formation coordinator, etc.)
- Other options as explored in conversation with and direction by the synod.

When, even utilizing these options, it is not possible to develop a full-time call for a rostered minister, it may be necessary to consider part-time ministry arrangements. For more information on navigating these, please see the section below.

NAVIGATING PART-TIME ARRANGEMENTS

In today's changing world – with shifts in congregational giving, changing neighborhoods, and the rising cost of health and other benefits – some congregations will find themselves in a situation where they are unable to fund the expense of a full-time rostered minister. When this is the case, there are a number of ways that the ministry of the congregation can still continue strongly. When exploring part-time or bi-vocational arrangements with rostered ministers, there are many important things to keep in mind. The minimum number of weekly hours for a call in Southeastern Pennsylvania Synod is 15 hours per week. Should your congregation need less staff support than this, please see the section below on "Contracted Service".

If a rostered minister is called to part-time ministry, some compensation figures will be easily adjusted by providing a commensurate proportion of funds. Others will not. The cost of attending the annual Synod Assembly, for instance, is the same for full-time and part-time rostered ministers. Careful attention to each line in the worksheet, with open discussion between the rostered minister and the team establishing compensation, is essential. No rostered minister should move from a full-time call to a part-time call, or vice-versa, without consultation with the Office of the Bishop. At the time of call, rostered ministers, congregations and the Office of the Bishop enter into an agreement on the compensation

package and sign the “DEFINITION OF COMPENSATION, BENEFITS, AND RESPONSIBILITIES” form. Significantly altering the terms of the call breaks the agreement and requires a new call to be issued. It is very important to enter into compensation and job description conversations honestly, openly, and with the best interest of everyone involved in mind. Healthy, fairly-compensated leaders serve their community best, even when that service is in a part-time arrangement.

First and foremost, it is the congregation’s responsibility to ensure that the amount of work they are asking for is aligned with the amount they are fairly compensating their rostered minister for. To this end, it is important to establish a fair minimum hourly rate – as well as a salary range – exactly as for a full-time rostered minister. When determining the fair minimum hourly rate for a part-time leader, the same process detailed in Sections 1-4 above should be utilized.

For example, assume that a congregation is making a part-time arrangement with a pastor who, based on Sections 1-4, should receive a minimum full-time salary of \$62,180. To determine the fair minimum hourly rate for this pastor, you should divide this annual amount by 2,080 (40 hours a week x 52 weeks in a year). This gives you the fair minimum hourly rate for this pastor. While many pastors work significantly more than 40 hours a week, for the purposes of establishing a fair minimum rate for part-time pastors, the number 40 should be used.

(Example: $\$62,180 / 2080 = \29.89 fair minimum hourly rate)

This fair minimum hourly rate would then be multiplied by the number of hours the pastor is expected to work weekly, then by 52 to determine the adjusted annual compensation.

(Example: $\$29.89 \times 20 \text{ hours a week} \times 52 \text{ weeks per year} = \$ 31,085$ annual minimum compensation)

There are several additional considerations to be made when entering into a part-time arrangement with a rostered minister, and the overriding consideration should always be if the overall compensation is fair for the amount of work being provided. When navigating this conversation, questions such as the following should be considered:

- What boundaries and expectations will we, as the leadership of the congregation, establish to ensure that our rostered minister is not pressured to work more hours than they are being fairly compensated for?
- Are health benefits being provided? In a half-time situation, the congregation should consider itself obligated to provide half of the health benefits and retirement funds that it would for a full time rostered minister. If the congregation is not asked to provide these benefits, then it should add to its cash compensation by a comparable

amount. If the congregation is asked to provide these benefits in full, then the cash compensation should be appropriately reduced.

Under the right circumstances, a part-time ministry arrangement can be a wonderful and fruitful partnership, providing meaningful ministry to a congregation and community at the needed scale. As always, faithfulness, love, and mutual commitment to the mission of the church by everyone involved are absolutely essential if this relationship is to thrive.

CONTRACTED SERVICES

Rostered Ministers in this church typically serve under call. Occasionally a congregation is in need of the services of a pastor or deacon on a limited basis for a brief period, or elects to contract with a retired pastor or deacon for specific ministry at an hourly rate. All such agreements must be for a specified term. Eligibility for renewal may be written into the contract, but it should not be open ended. As the minimum number of weekly hours for a call in Southeastern Pennsylvania Synod is 15 hours per week, any arrangement for less than 15 hours per week will by definition fall into this category.

The recommended hourly rate is \$30 - \$35 per hour for pastoral services and \$25 - \$30 for a deacon's services. Typically at this rate the pastor or deacon is responsible for his or her own housing and health benefits, but allowances and reimbursements for ministry expenses (i.e. auto allowance, synod assembly, etc.) should continue to be provided above the hourly compensation. Preparation time for teaching and preaching is expected to be compensated in addition to the time spent delivering the sermon or teaching the class. Time spent at church related functions or interacting with members is considered work time unless it is mutually agreed that the pastor or deacon is not expected to be present and will not be compensated for that specific activity.

Contracted work agreements should specify a range of hours that the pastor or deacon is expected to work, and procedures to be followed if circumstances demand that more hours are worked than are covered by the contract. It is possible to specify that approval must be granted for hours beyond the scope of the agreement. When a contracted pastor is serving as a solo pastor in a congregation care must be taken to make provisions for emergencies, when the approving body may not be accessible and the need is urgent. Contracted services arrangements with pastors **MUST BE** for situations that for some reason mutually determined in consultation with the synod, a regular call would not be possible.

INTERIM MINISTRY

Full-time interim pastors are expected to carry on the regular ministry of the congregation and assist the congregation through their transition by focusing on the specific tasks the congregation is to address before calling a new pastor. The establishment of additional goals to be achieved during the transition should also be determined mutually. Remember that the congregation's leaders will need to engage in compensation conversation with a candidate during the call process. Open, healthy dialogue, aimed at establishing fair compensation with the interim pastor is good practice. The combination of a congregation in transition with an interim pastor is a unique opportunity for ministry, and the compensation and benefit components of that relationship should be discussed with intention and forethought.

A congregation in pastoral transition is expected to use the Southeastern Pennsylvania Synod Compensation Guidelines as described in this document to establish a fair compensation for a full-time interim pastor, as determined by the Clergy Salary Range Development Worksheet on page 10. If there is a significant difference between this amount and the salary of the outgoing pastor, a conversation will take place between the congregational leadership, interim pastor, and synod representative to define compensation. As determined by the financial situation of the congregation, in conversation with the synod representative, other options may be explored including a part-time interim consultant or other arrangements. The primary goal for a congregation during transition is to continue to have a full-time pastor whose salary is comparable to what they intend to pay their next called pastor. This has been proven to help the congregation navigate transition in the healthiest way possible and receive critical interim expertise during their time of transition.

Sometimes it becomes apparent during a transition that a congregation will not be able to afford the financial commitment needed to call another full-time pastor. When this is the case, the interim arrangement should be modified to reflect the financial and missional realities of the congregation, as determined in consultation with the guidelines on "Navigating Part-Time Ministry Arrangements" on page 21.

SUPPLY PASTORS

Compensation for supply pastors is the responsibility of the congregation. Congregations should consider the following to be a guideline in compensating supply pastors:

One Service \$175.00

Each Additional Service \$ 50.00

Preparing for and Teaching Classes or Learning Hours \$ 50.00

Mileage over 25 miles round trip should be paid at the IRS rate for business travel.