



**COMPENSATION GUIDELINES
ROSTERED MINISTERS
2022-2023**

*Proposed by the Delaware-Maryland Synod Clergy Compensation Committee
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ROSTERED MINISTER COMPENSATION GUIDELINES

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INTRODUCTION

Biblical Basis for Determining Compensation

Do you not know that those who are employed in the temple service get their food from the temple, and those who serve at the altar share in what is sacrificed on the altar? In the same way, the Lord commanded that those who proclaim the gospel should get their living by the gospel. (1 Corinthians 9:13-14, NRSV)

Rostered ministers of the ELCA are called by God and a congregation or organization to make known God's love and salvation through Jesus Christ. They have been set apart to use their gifts and talents to make Christ known with and for their congregation/organization.

When rostered ministers accept a Call or appointment to service, they make a commitment to faithful and full service to the best of their ability, with the help of God. Congregations and organizations also commit to provide for their rostered leader's needs.

There are four partners in this Call Process:

- God, who calls persons into ministries, through the church
- The congregation/organization, which issues the Letter of Call
- The rostered leader, who accepts the Call; and
- The Synod, who supports the call process, with the Synod Bishop attesting each Letter of Call

The compensation provided to a rostered leader is part of the Letter of Call documents that represent a covenant among the three human parties to the Call. In the Letter of Call, congregations/organizations and leaders pledge themselves to actions that enable effective ministry for the Gospel.

The Delaware-Maryland Synod of the ELCA offers these guidelines to congregations/organizations to assist them in determining adequate and fair compensation for those among them who labor for the Gospel. When compensation is appropriate and adequate, rostered ministers will have their basic needs cared for so they can focus their attention on the ministry to which they are called.

Application of the Guidelines

Every congregation/organization is concerned about fair compensation for its rostered ministers. These guidelines are proposed as a means for congregations/organizations to begin to deal with these concerns. As with all matters, consideration of the issue of rostered leadership compensation should be entered into prayerfully and in recognition of many factors.

Many factors influence these guidelines: changes in the cost of living, comparison with other synods in this region, and recognition of accumulated skills in the practice of ministry. Other considerations are the debt load carried by those new to the ministry and the growing shortage of rostered persons for ministries in the church. For these reasons, we urge congregations/organizations to study these guidelines closely and use

them for mutually affirming dialogue about the financial aspect of care for rostered ministers.

It is also urged that congregations/organizations consider that a rostered leader's total compensation package should, as much as possible, be comparable to the compensation received by members of the congregation/organization in professional occupations, considering level of education and the years of experience.

These guidelines contain worksheets that are intended to assist congregational/organizational members in setting a fair salary range for their rostered leadership. Also discussed are other components that make up the total compensation package for rostered ministers, including housing allowance, medical and dental benefits, social security offsets, and pension contributions.

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

If the compensation being paid to rostered ministers is not currently at the level prescribed in these guidelines, it is recommended that a plan be developed that will allow the compensation to gradually become more in line with these guidelines over a 5- to 7-year period.

Congregations/organizations and rostered ministers are urged to participate in the process of compensation determination in a spirit of cooperation. As the process of determining a mutually agreed upon salary is begun, all involved should be as honest with each other as possible and, above all, speak to each other with the love of Christ.

The best way to energize pastoral excellence is for the rostered leader and congregation to state goals and expectations, to review the outcome, and adjust accordingly. The conversations about compensation flow from a conversation about shared vision, mission, goals and expectations and regular mutual review.

Congregations that are not able to provide affirmation in monetary terms should consider other ways to encourage, affirm, support and equip their pastors by other means, such as letters of acknowledgement, time for retreats or other kinds of self-care.

COMPENSATION FOR ROSTERED MINISTERS

SALARY

Following are considerations and instructions for completing “Clergy Salary Range Development Worksheet” (page 8).

Section 1: Unadjusted Minimum Salary

“Unadjusted Minimum Salary” is set annually by the Delaware-Maryland Synod Council for clergy. Unadjusted minimum salary includes salary, housing allowance **and Social Security Offset**, and it assumes up to \$200,000 as the minimum price of a home in the service area of the congregation/organization. This definition is consistent with the term “defined compensation” as used by Portico. The amount of a salary designated as a “Housing Allowance” must be recorded as a vote of the congregation’s/organization’s Church Council/Board prior to the beginning of the year.

Box 1: Unadjusted Minimum Salary

Write the 2016 minimum unadjusted salary amount of \$ 56,235 in Box 1. If the terms of call are less than full-time, this figure should be adjusted accordingly in consultation with synod staff.

Box 2: Unadjusted Minimum Salary with Parsonage

If use of a parsonage is included as a portion of compensation, enter the unadjusted minimum amount of \$ 39,365 in Box 2.

Section 2: Regional Cost of Living Salary Modifier

There is great value in having the pastor living and identifying with the same parish community in which most of the members live. The Delaware-Maryland Synod covers a large, economically diverse area where the cost of living varies widely within and between the Maryland and Delaware areas. A regionally-based cost of living modification to the unadjusted minimum salary acknowledges this diversity.

Box 3: Median Housing Cost

Enter in Box 3 the median single-family home price near the congregation/organization, using the primary zip code(s) served by the congregation/organization. The figure can be obtained by contacting a local realtor or by using the Zillow web site (steps follow, personal information not required).

1. Log onto www.zillow.com
2. Type in a city, state, or zip code in search box
3. Click onto “Local” tab at top
4. Click onto “Home Values” tab underneath
5. The home value will be displayed

Box 4: Cost Over Threshold

If the figure in Box 3 exceeds \$200,000 (the minimum cost of housing within the Delaware-Maryland Synod area), subtract \$200,000 from Box 3 and enter the resulting figure in Box 4. If the figure in Box 3 is less than \$200,000, the result will be a negative number, therefore reducing the Housing Cost Adjustment.

Box 5 or 5a: Housing Cost Adjustment

Multiply Box 4 by .03 (3%) and write the result in Box 5.

(Example: The price of a median single-family home in area served by congregation/organization is \$300,000. $\$300,000 - \$200,000 = \$100,000$. $\$100,000 \times .03 = \$3,000$ is recorded in Box 5.)

If use of a parsonage is included as a portion of compensation, a housing equity allowance should be calculated instead. This number will be a minimum of 30% of the amount determined above.

(Example: $\$3,000 \times .30 = \900 is recorded in Box 5a.)

In no case should this number be less than the equity allowance the pastor is presently receiving.

Box 6: Regionally Modified Minimum Salary

Add Box 1 (or Box 2) and Box 5 or Box 5a to obtain the Regionally Modified Minimum Salary for the congregation/organization, and enter this figure in Box 6.

Section 3: Determining Clergy Salary Adjustment

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

Box 7: 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 one point for each three (3) years of service as an ordained pastor and enter in Box 7.

Box 8: Ministry Context

Each congregation needs to be aware of the context in which the pastor serves so that the pastor can be encouraged and equipped for what may be particularly challenging work. Examples of service that may be particularly strenuous include, work in rapidly growing churches, and work with a strong outreach to the homeless or other marginalized groups. Adding 3-10 points is a good way to acknowledge the importance of this service. Box 8 may also be used to affirm particular excellence in ministry, including increasing worship attendance.

Ministry in inner city and small rural congregations is very challenging and often presents increased demands on a pastoral leader where no other paid staff is present. Often, these settings are strategic places where the church needs to be present for the sake of God's mission in the world. To encourage pastors to consider such places, consideration of such ministry should be included in calculating points in Box 8.

Box 9: Advanced Education

Lutherans have long expected that their pastors be well-educated. This credit seeks to account for and encourage life-long learning for leadership in divinity or related fields. Credit is given to those who have taken the time and made the commitment to earn a ministry-related degree or certification in addition to the Master of Divinity and/or to those who continue to engage in life-long learning through continuing education of 50 contact hours per year. If such is the case, enter up to 5 points in Box 9.

Box 10: Longevity in Current Call

Research has established that vibrant, long-term pastorates are often associated with congregational/organizational growth. This adjustment seeks to reflect the shared valuing of healthy, longer-tenured pastorates. Credit one point for each year of service in the pastor's current call in Box 11, to a maximum of 10 points.

Box 11: Related 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. teaching, administration, financial management, counseling, social work, etc.). 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 lesser) in Box 12. If the pastor does not have any years of significant prior experience, enter "0" in Box 12.

Box 12: Total Points

Add together the credits in Boxes 7 through 12 to create a point total and write that number in Box 13.

Box 13: Salary Adjustment

The number recorded in Box 13, multiplied by the pre-determined adjustment factor of \$562 (1% of the unadjusted minimum salary), generates the minimum salary adjustment. Transfer that dollar figure to Box 14.

Section 4: Determining Clergy Salary Range

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 15.

Box 15: Median Salary

The median salary is calculated by multiplying Box 14 by 1.20 (20%). Enter that figure in Box 16.

Box 16: Maximum Salary

The higher salary range limit is calculated by multiplying Box 14 by 1.35 (35%). Enter that figure in Box 17.

Box 17: Mutually-Negotiated Pastoral Salary

Although the synod may produce helpful guidelines and suggested ranges for appropriate salary, congregations/organizations need to annually review and revise salary for their rostered ministers. Using the figure in Box 14 as a minimum and Box 16 as a maximum, it is the responsibility of the congregation/organization to determine actual annual salary. During the course of the conversation between the pastor 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:

- Does our pastor bring any additional or special skills to the position that ought to be rewarded?
- Do we expect our pastor to take on any significant additional responsibilities as a leader of our congregation/organization?
- Does the pastor face any unique financial issues that ought to be addressed by the congregation/organization?
- Are we in an area where housing costs are unusually high such that special consideration may need to be made?

The figure entered in Box 17 represents the mutually-negotiated pastoral salary (adjusted accordingly if the terms of call are less than full-time).

PART-TIME CALLS

In cases where a call or appointment is less than full-time, compensation should be pro-rated based on synod guidelines. A detailed job description is required to determine the percentage for both work and compensation. A minimum requirement for a call is 15 – 20 hours/week. Rostered ministers engaged for less than 15 hours/week serve under appointment from the bishop rather than under call.

Pension payments are calculated on the part-time compensation, but additional payments are encouraged to help boost retirement savings. If the rostered leader is not covered otherwise, health insurance is to be provided as a first priority.

SUPPLY PASTORS AND VICE PASTORS

Vice pastors (i.e. a neighboring pastor appointed by the bishop to provide minimal pastoral coverage during a vacancy where an interim pastor is not present) are compensated with a stipend of no less than \$400/month.

The Synod-Council **minimum** supply compensation rates
\$185 for one service
\$225 for two services
\$40 for each additional service
\$75 for teaching a class.

In addition, supply pastors are reimbursed for mileage at the rate set by the IRS.

CLERGY SALARY RANGE DEVELOPMENT WORKSHEET



Click Here
Drop Down
Select 0 or 1

Section 1: Unadjusted Minimum Salary (includes Social Security offset)

Unadjusted Minimum Salary without Parsonage Box (1) \$ -

Unadjusted Minimum with Parsonage provided (subtract 30% of Line 1) Box (2) \$ -

Section 2: Regional Cost of Living Salary Modifier

Median Housing Cost Box (3) \$ 200,000 ← Input

Cost Over/Under Threshold (subtract \$200,000 from Box 3) Box (4) \$ -

If no parsonage, a housing cost adjustment is 3% of Box 4 Box (5) \$ -

If parsonage provided, a housing equity allowance is 30% of Box 5 Box (5a) \$ -

Regionally Modified Minimum Salary (add either Boxes 1 or 2 and 5) Box (6) \$ -

Section 3: Determining Salary Adjustment

Years of Pastoral Experience Box (7) 0 0 0,3,6,9....

Ministry Context Box (8) 0 0 3-10

Advanced Education Box (9) 0 0 0-5

Longevity in Current Call (maximum 10 points) Box (10) 0 0 0-10

Related Non-Pastoral Experience (maximum 5 points) Box (11) 0 0 # of Years

Total Points (Add Boxes 7 through 11) Box (12) 0

Salary Adjustment (multiply Box 13 by \$562) Box (13) \$ -

Section 4: Determining Clergy Salary Range

Minimum Salary (add Boxes 6 and 13) Box (14) \$ -

Median Salary (multiply Box 14 by 1.20) Box (15) \$ -

Maximum Salary (multiply Box 14 by 1.35) Box (16) \$ -

Mutually-Negotiated Pastoral Salary Box (17) \$ - Input Agreed Salary

Refer to the Portico website to calculate the cost of benefits: <https://www.porticobenefits.org/>

Refer to the Rostered Leaders' Compensation Worksheet to calculate total compensation costs: http://www.demdsynod.org/uploads/2/4/0/3/24034994/worksheet_definition_of_compensation_and_benefits_for_the_pastor.pdf

Select = Select from drop down
Enter = Type in whole numbers

Double click on this icon below to open Clergy worksheet



**2016 CLERGY
SALARY RANGE DEVE**

ROSTERED MINISTER BENEFITS

Pension and Major Medical

Congregations/organizations should also be responsible for providing pension and major medical coverage. Sponsorship will include medical-dental coverage for the leader's spouse and children unless they have other employer provided group medical insurance coverage and the leader consents to waiving medical-dental coverage for them under the ELCA Pension and Other Benefits Program. Current contribution rates for the ELCA's Portico coverage can be found at <https://porticobenefits.org>.

While 10% of defined compensation is the required minimum for the pension program, the Delaware-Maryland Synod requires a minimum of a 12% pension contribution in order to more adequately provide for rostered ministers' needs in retirement, especially in cases where compensation has been below guidelines, thus negatively impacting pension payments.

Vacation

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

Sick Leave

Up to two months of continued salary, housing, and contributions to the ELCA Pension and other Benefits Program is recommended in a 12-month period in the event that the leader is physically or mentally disabled (provision may be made for further unpaid time for disability recovery as agreed by the congregation but with the stipulation that unused accumulated disability leave will not be compensated at the end of this call).

Continuing Education

A minimum of two weeks paid time off for continuing education, including weekends, is recommended annually with the provision for the accumulation of unused time off for continuing education, up to six weeks.

Parental/Family Leave

It is recommended that congregations/organizations 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/organizations provide paid childbearing leave of at least ten weeks. This allows time to recover from the physical demands of childbirth as well as time for the emotional adjustment to a new child.

It is also recommended that congregations/organizations provide paid parental leave of at least six weeks to a new parent. This leave recognizes the need for parents to spend time bonding with the child.

Federal Family Medical Leave Act

Congregations/organizations are 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

Sabbatical leave is a privilege granted by a congregation to its leader. It is an opportunity the congregation provides for its leader to experience a renewal of oneself and of one's mission. It is a time for reflection, spiritual re-encounter, renewal, and community.

A sabbatical leave is a plan developed by the congregational council and leader. Although it may be a part of the call, it is usually developed after a leader has been in the congregation for a number of years, often seven, and is the result of planning between the congregation and its leader. It also involves a commitment by the leader to remain in the call at least one year.

When a sabbatical is being considered, it is appropriate that the bishop be consulted. It may be useful for the leader to consult with a colleague or nearby continuing educator to determine focus, goals, etc., whether a structured course or an informal type of growth opportunity will be undertaken, and/or whether a mentor will be used. The focus of the leave, timing and expected benefits are critical areas for joint planning. It is most useful in the pre-planning stage to determine specific expectations and the nature of a final report.

The usual sabbatical is of three to six months in duration, during which time the congregation is responsible for continuing the leader's salary and benefits and funding the salary of the interim leader. Any expenses relative to study or travel are the responsibility of the leader. If a continuing education item is in the congregation's budget, this could be made available.

Experience has shown that it is most beneficial for the leave to be taken outside of the locale of the call. This protects the leader from parish interruptions, allowing him or her the opportunity for a total experience of renewal and removing the concerns of coverage in his or her absence. The time of the sabbatical may provide the congregation an opportunity for growth (as opposed to maintaining status). Any change in focus and responsibility of lay leaders needs to be planned along with other aspects of the sabbatical.

The following are guidelines to assist the congregation and the leader who are considering a sabbatical leave.

1. The leader, in consultation with the leader-parish committee, will develop a proposal to include:
 - a. A rationale for the sabbatical, including personal goals and potential value for the congregation.
 - b. A detailed outline of the intended use of time.
 - c. An outline of financial implications of the sabbatical.
 - d. An indication of the use of vacation time during the sabbatical. At least one-half of the period normally granted as annual vacation should be so designated in sabbatical leaves of three to six months.
2. The proposal for the sabbatical leave should be presented to the governing body of the congregation not less than one year prior to the beginning of the leave.
3. Within six weeks of the completion of the leave, the leader should present to the congregation and the bishop a detailed reflection of the experience of the sabbatical leave.

PROFESSIONAL EXPENSES REIMBURSEMENT

Automobile Expense

Ministers 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.

Continuing Education

A contribution of \$1,200 per year toward the leader's continuing education is recommended with the provision of accumulation of unused funds. This shall include participation in a First Call Theological Education Program, where applicable.

Books and Periodicals

A minimum allowance of \$700 per year is recommended.

Conventions, Assemblies, and Conferences

Coverage of expenses for official meetings of the synod is required.