



2024 Compensation and Benefits Guidelines for Ministers of Word and Sacrament, Ministers of Word and Service, Non-Rostered Lay Church Staff

Introduction:

Decisions about compensation for rostered ministers¹ and other church staff workers, like other issues the church faces, are best made in light of our core biblical and theological convictions. What are some of the faith commitments that will influence our approach to this important subject?

1. Our starting point is that the grace of God in Jesus Christ can be neither bought nor sold. God insists on giving it freely. Indeed, all Christians receive in baptism a call to serve and proclaim the Good News of God's undeserved love in Jesus Christ.
2. All Christians are to declare the gospel, especially to those who have never heard it. Within the church, however, some are called to make this task a major occupational commitment. Some members of the church are asked to devote a significant amount of their time and energy to the ministry of equipping all of God's people for service in the world. When the church asks such persons to dedicate so much of their lives to public ministries that they cannot be employed elsewhere, the church takes upon itself a responsibility to pay those persons an appropriate wage.
3. The principle that "laborers deserve their food" (Matthew 10:10) is attested throughout the scriptures. In the Old Testament, priests were granted a portion of the sacrifices made by the people; tithes and other offerings were received to support God's servants. In the New Testament, Paul speaks of the duty of churches to support their leaders, even though Paul chose to waive this right for himself (I Corinthians 9).
4. Insofar as the church is institutionally embodied, it is subject to the same standards of justice to which all human institutions are accountable. The church, however, is more than a human institution. At a deeper level, the church is the community of faith – drawn together by God around the Word and Sacraments, empowered for witness in the world. Rostered ministers and other lay staff are simultaneously *employed* by congregations and *called* by the church to be fellow workers with all of God's people in the Body of Christ.

As churches and ministry agencies make decisions about compensation for staff members, they will bear in mind the identity and calling that are ours in Jesus Christ. Compensation decisions should be the fruit of mutual discernment and made in such a way that (a) God's mission flourishes, (b) staff members are cherished as servants of God, (c) there is a sense of faithful partnership between church members and staffs, and (d) all areas of the church's ministry thrive.

The following guidelines are designed to assist congregations² as they make decisions regarding the compensation of rostered ministers and other lay staff. For additional assistance in determining a fair salary and benefits package for rostered ministers, please contact a member of the synod pastoral staff.

¹ For the purposes of this document, the term "rostered minister" refers to a person who is on the roster of ministers of Word and Sacrament (ordained pastors) or the roster of ministers of Word and Service (ordained deacons) of the Evangelical Lutheran Church in America.

² For the purposes of this document, the term "congregation" may also refer to multi-point parishes and non-parish ministry agencies such as Bible camps, long-term care facilities, hospitals, campus ministries, etc.

I. MAKING COMPENSATION DECISIONS:

It is recommended that each congregation have a personnel committee with a minimum of three persons, whose responsibilities would be:

- To develop, review, and revise personnel policies for the congregation
- To provide for regular (annual or semi-annual) evaluation of all members of the staff
- To assist with any needs, concerns, problems that may arise among the members of the staff – rostered ministers and lay support staff
- To meet annually with each staff member to discuss compensation needs and concerns
- To recommend to the budgeting body (e.g. church council, board of trustees, etc.) specific salary and benefits for each staff member; and
- To advocate with the budgeting body on behalf of the salary needs of each staff member.

In congregations, compensation packages for staff persons should be set by the congregation council or whichever elected body has the responsibility and authority to manage the fiscal affairs of the congregation. This should be done in consultation with the staff person(s) and personnel committee. *Congregational meetings are too large to be deliberative regarding specific compensation packages.* Facts necessary for responsible decisions about compensation are not always available to all members of the congregation. The council should place the recommended compensation package(s) in the budget and present it to the congregation for ratification at the annual meeting.

II. COMPENSATION FOR ROSTERED MINISTERS:

These guidelines are intended to assist congregations and rostered ministers in their annual compensation review as set forth in the Letter of Call.

A. Base Salary Guidelines

The synod Leadership Support Team has attempted to arrive at a fair base salary, looking at cost of living increases and compensation guidelines for surrounding synods.

The synod's base salary guidelines are suggested **minimum** amounts based on total years of ministry experience. Congregations are free to give their rostered ministers an increase of more than the minimum, as befits church finances or circumstances. Congregations that have not provided increases on a regular basis should seek to catch up to the guidelines as quickly as possible.

Congregations that find themselves falling 5% or more below minimum guidelines should understand that they are moving into what we need to consider as less than a full-time call. We understand that when this happens, congregations often are disappointed that they cannot fully compensate their rostered minister. This often is happening when congregations are losing members to death or for other reasons and therefore are losing financial strength. It is an unfortunate reality that this will begin to affect the congregation's options when it enters the call process the next time. All of us will need to be honest about the reality. It may limit options for rostered ministers willing to consider interviewing. It also may provoke a conversation about doing some kind of mission redevelopment such as forming an area parish or finding another ministry partner in order to provide full-time pastoral compensation.

Rostered ministers who are less than full-time also may need to seek additional employment beyond their parish call in forms that are not in conflict with their primary role as rostered minister. Congregations that are 5% or more below guidelines should consider offering their rostered minister additional time off or more vacation time in lieu of guidelines salary. It may be that they also could find other ways to negotiate a mutually agreeable compensation.

The 2024 minimum base salary chart includes a 7% increase for inflation over the 2023 minimum base salary guidelines. Remember to select the appropriate years of service to include the recommended annual step increase.

This is the recent history for Southwestern Minnesota Synod's salary guidelines:

- 2019: \$800 inflation increase, plus annual step increase
- 2020: 1.5% inflation increase, plus annual step increase
- 2021: 1.4% inflation increase, plus annual step increase
- 2022: 1.4% inflation increase, plus annual step increase
- 2023: 5% inflation increase, plus annual step increase
- 2024: 7% inflation increase, plus annual step increase

Other considerations: The total compensation package should also consider workload, additional education, and effectiveness of the rostered minister. Persons who have had other careers prior to entering rostered ministry should be given credit for that experience to the extent that it was pertinent in preparing them for ministry, such as counseling, teaching, lay program staff, and supervisory positions. *Examples: a person who taught school for 10 years could be given 5 years' credit on the salary guidelines; a person who had supervisory responsibilities for 7 years could be given 7 years' credit.*

Ministers of Word and Sacrament will be granted housing (either a parsonage or housing allowance) in addition to the base salary. **Ministers of Word and Service** will be granted the same base salary but will not be furnished with housing. **Lay people** who are newly serving in a **Synodically Authorized Ministry Site** will be compensated 20% below the minimum base salary for years of service.

2024 MINIMUM BASE SALARY CHART

Years of Experience	min base salary						
0	\$44,476	9 yrs	\$51,911	18 yrs	\$57,927	27 yrs	\$62,855
1 yr	\$45,322	10 yrs	\$52,580	19 yrs	\$58,473	28 yrs	\$63,390
2 yrs	\$46,168	11 yrs	\$53,247	20 yrs	\$59,019	29 yrs	\$63,937
3 yrs	\$47,014	12 yrs	\$53,917	21 yrs	\$59,566	30 yrs	\$64,482
4 yrs	\$47,859	13 yrs	\$54,585	22 yrs	\$60,113	31 yrs	\$65,029
5 yrs	\$48,705	14 yrs	\$55,254	23 yrs	\$60,658	32 yrs	\$65,576
6 yrs	\$49,552	15 yrs	\$55,921	24 yrs	\$61,205	33 yrs	\$66,123
7 yrs	\$50,398	16 yrs	\$56,544	25 yrs	\$61,751	34 yrs	\$66,668
8 yrs	\$51,244	17 yrs	\$57,259	26 yrs	\$62,299	35 yrs	\$67,215

**Pastors and deacons with more than 35 years of ministry experience, and their congregations, are asked to negotiate appropriate salary increases. For each year of experience beyond 35 years, use the COLA guidelines provided by the synod for yearly increases. **

Examples of Calculating Defined Compensation

2024 Defined Compensation <i>without</i> Parsonage		
<i>If Candidate is a recent Graduate</i>	44,476.00	
Housing Allowance	13,342.80	30% of base salary
FICA Allowance	4,423.14	7.65% of base salary + housing allowance
Minimum Cash Compensation	62,241.94	
<i>If Candidate has 15 Years of Service</i>	55,921.00	
Housing Allowance	16,776.30	30% of base salary
FICA Allowance	5,561.34	7.65% of base salary + housing allowance
Minimum Cash Compensation	78,258.64	
The minimum compensation figure does not include medical/dental/pension benefits		

2024 Defined Compensation <i>with</i> Parsonage		
<i>If Candidate is a recent Graduate</i>	44,476.00	
Housing Allowance (not paid to pastor, but used in Portico calculations)	13,342.80	30% of base salary
FICA Allowance	4,423.14	7.65% of base salary + housing allowance
Minimum Compensation for Benefits	62,241.94	
Minimum Cash Compensation (paid to pastor)	48,899.14	
**Pastors in a Parsonage should receive Housing Equity allowance which is paid directly to Portico=3% [130% (base salary + FICA allowance)].		
<i>If Candidate has 15 Years of Service</i>	55,921.00	
Housing Allowance (not paid to pastor but used in Portico calculations)	16,776.30	30% of base salary
FICA Allowance	5,561.34	7.65% of base salary + housing allowance
Minimum Compensation for Benefits	78,258.64	
Minimum Cash Compensation (paid to pastor)	61,482.34	
**Pastors in a Parsonage should receive Housing Equity allowance which is paid directly to Portico=3% [130% (base salary + FICA allowance)].		
The minimum compensation figure does not include medical/dental/pension benefits		

B. HOUSING:

An adequate housing allowance or a parsonage should be furnished for all ministers of Word and Sacrament under call.³ For a clergy couple, each pastor is entitled to either a housing allowance or a parsonage, whether they are serving in separate congregations or together in one congregation.

Housing allowance: If the pastor is given a cash housing allowance in lieu of a parsonage, the amount of the allowance must be designated by the congregation council prior to the beginning of the year.⁴ The housing allowance should be enough to provide housing that is adequate for the clergy family's needs. Factors to consider in determining the amount of a housing allowance include representative rental costs in the community or the cost of purchasing a home, utilities, property taxes, homeowner and/or personal property insurance, maintenance, etc. The standard amount is 30% of the base salary. In some communities of the synod where housing costs are higher, a percentage greater than 30% may be more appropriate.

Parsonage: If a congregation provides a parsonage, the congregation should assume all costs for maintenance and utilities. These costs may be paid directly, or the pastor may be given a *utilities allowance* sufficient to cover these expenses. In addition to these costs, the congregation should provide and maintain major appliances in the parsonage.

For additional recommendations on parsonages, please see *Appendix A – Southwestern Minnesota Synod Parsonage Guidelines*.

Pastors who live in an unfurnished parsonage also may receive a furnishings allowance or have a portion of their base salary designated as a *furnishings allowance*.⁵ If the pastor is offered such an allowance, it must be designated by the congregation council prior to the beginning of the year.

If a parsonage is provided, the congregation is encouraged to help provide for the future housing needs of the pastor at such a time when he/she decides to purchase a home by establishing a *housing equity account*. To accomplish this, the congregation may simply make **additional** employer contributions to the ELCA Retirement Plan account. It is recommended that these contributions be equal, at a minimum, to the amount of the following calculation: 3% [130% (base salary + FICA allowance)].

Pastors should be aware of the tax issues associated with receiving a cash housing allowance or a parsonage. Helpful information is available on the Portico Benefit Services website at www.PorticoBenefits.org and it may also be valuable to contact a qualified tax advisor who is knowledgeable about the unique tax situations for ministers of Word and Sacrament.

Moving expenses: Good beginnings are important. It is helpful that the relationship between rostered minister and congregation “get off on the right foot.” Congregation and rostered minister are urged to give thoughtful consideration to the needs of the other when undertaking a move. Because moving can be an exciting and very stressful event in a person's life, it is important that the congregation and pastor reach a mutually satisfactory decision about the move as part of the compensation negotiations.

³ Under U.S. tax codes a pastor's housing allowance or the fair rental value of a parsonage is subject to FICA tax but is not subject to income tax.

⁴ A congregation or ministry agency can amend its housing allowance designation during the year, if changed circumstances render the original allowance inadequate; however, the amended allowance will only operate **prospectively** (for the remaining portion of the year), not retroactively (i.e. applying it back to the beginning of the year). See *Church Law and Tax Report, 1996 Church and Clergy Tax Guide*, p. 134.

⁵ This allowance could be used to cover the costs of furniture, appliances not provided by the parish, vacuum cleaner, television, beds, decorator items, curtains, paintings, wallpaper, throw rugs, lawn mower, cleaning supplies for home, brooms, lightbulbs, etc. This allowance cannot be used for personal toiletries such as soaps, paper products, toothpaste, etc.

The congregation shall be responsible for moving all household, professional, and personal goods of the rostered minister and his/her family, both for arriving and for congregation-required local moves. It is recommended that professional movers be utilized. If their services are not used, the means of transporting the rostered minister's belongings must be mutually agreed upon ahead of time. When the services of professional movers are not used, it is strongly recommended that a separate insurance policy covering the transported goods will be purchased by the congregation. These policies are available from most insurance agencies.

C. WORKERS' COMPENSATION:

All congregations are required by law to provide workers' compensation coverage for all employees. For purposes of workers' compensation, clergy are employees and therefore must be covered under workers' compensation.

D. FICA ("Social Security")

Congregations are required to pay FICA taxes for all lay employees. Since IRS considers clergy as self-employed for FICA purposes (but employed for income tax purposes), congregations/ ministry agencies cannot legally pay FICA directly for ministers of Word and Sacrament.

The FICA tax for self-employed persons in 2024 is 15.3%.⁶ Clergy must pay FICA tax on their base salary and housing allowance/rental value of parsonage. Congregations are expected to reimburse pastors the employer's share of FICA, 7.65%. (The pastor's share is the remaining 7.65%, including Social Security and Medicare.) Such a *FICA allowance*, however, is still fully taxable for both income tax and FICA purposes.⁷

E. PORTICO BENEFIT SERVICES:

The congregation shall budget for and participate in Portico Benefit Services for clergy and deacons and their families.⁸ The contribution is based on **Annual Defined Compensation**, which includes base salary before payroll deductions, plus any FICA allowance, housing allowance, and furnishings and utilities allowance. If a parsonage is provided, defined compensation is also increased by 30% of the sum of base salary plus FICA allowance. The current contribution rates are available on the EmployerLink website:

<https://employerlink.porticobenefits.org/Home/Resources/Calculators.aspx>

or by calling 800-352-2876.

Flexible spending, health savings accounts, and other voluntary opportunities: All employees of congregations covered under Portico Benefit Services have the option of setting up a flexible spending account (FSA), a health savings account (HSA), and other voluntary insurance opportunities. Payroll dollars may be set aside on a pretax basis to pay for eligible health care and dependent (day) care expenses for their family. This benefit is offered at no additional cost to sponsors. Life insurance, disability benefits, and long-term care coverage are also available. For more information, visit the Portico Benefit Services website at www.PorticoBenefits.org or call 800-352-2876.

⁶ Congregations should stay abreast of any changes in the FICA tax rate.

⁷ Some congregations find it helpful to phase in the FICA allowance over a period of years, e.g. offer 1/3 of the 7.65% amount over three years.

⁸ If the spouse of a Portico Benefit Services member, through his/her employer, has medical insurance coverage for the entire family, the plan member may opt out of the Portico Benefit Services plan. ELCA health benefits costs range \$6,000-20,000 per year for pastors and their families in our synod. Congregations are encouraged to maintain a line item for such an amount in their annual budgets for future pastoral calls.

F. Auto Expense Reimbursement

Automobile and other work-related travel expenses are business expenses for the congregation and should not be regarded as part of the staff person's salary. The current IRS standard mileage rate, based on actual miles driven in his/her personal vehicle and reported by the staff person, is recommended for use by congregations to calculate reimbursement.

The standard rate is intended to cover gasoline and gas tax, depreciation or lease payments, insurance, registration, licensing fees, oil, tires, routine maintenance, and repairs. Congregations are advised to stay abreast of current IRS regulations pertaining to the standard mileage rates. IRS standard Mileage rates may change during the year.

Instead of reimbursing the staff person for use of his/her personal vehicle, the congregation may choose to lease or purchase a car for the staff person and assume all operating costs for the vehicle. For additional guidelines on auto reimbursement options, see *Appendix B – Southwestern Minnesota Synod Automobile Business Expense Reimbursement*.

G. Professional Expense Reimbursement

It is recommended that professional expenses such as books, vestments, periodicals, professional dues, entertaining and hospitality costs incurred in the performance of the duties of the pastoral office be shared by the congregation. ***Attendance at the Synod Assembly and Synod Theological Conference is required of all rostered ministers, and all costs for these events are to be paid by the congregation.***

H. Technology Tools

The use of technology enhances effective ministry by providing for better use of time and by helping pastors and deacons to be more accessible. Legitimate technology expenses incurred for church-related work should be reimbursed. Examples include cell phones, email, Internet prayer groups, and computers. For cell phones that are used both for church business and personal calls, it is suggested that the congregation and rostered minister each pay 50% of the base plan. Unless otherwise agreed to, equipment will remain with the congregation or be purchased at current market value by the rostered minister.

I. Continuing Education

All full- and part-time rostered ministers of the ELCA are expected to complete at least 50 contact hours of continuing education annually. Newly rostered ministers are required to participate in First-Call Theological Education during the first three years of rostered service. Therefore, continuing education time and funding should be provided for them for updating skills and for professional growth in order to strengthen their ministries.

It is recommended that a minimum of two weeks (including up to two Sundays) and \$750 be granted annually for continuing education. The unused portion of a rostered minister's annual continuing education leave or continuing education allowance may be accumulated over a period of no more than three years for more major continuing education opportunities. Continuing education may include courses, seminary classes, workshops, or independent study when directed toward a specific goal.

Use of continuing education funds is granted by the congregation council or other appropriate authority. Termination of employment may cancel all time and money contributed by the employer for that employee.

J. Sabbatical Policy

Biblical Understanding/Definition of Sabbatical

A Minister of Word and Sacrament or Minister of Word and Service is eligible for a sabbatical after five full years of service in the same congregation. The concept of sabbatical is grounded on the biblical idea of Sabbath rest. The example of Jesus, who frequently sought out a quiet place where he could meditate and pray, away from the constant demands of the crowds, is a strong model for a sabbatical. Unlike a vacation, a sabbatical is intended for purposeful reflection and restoration. A sabbatical also provides the opportunity for the congregation to experience the freshness of a break in the rhythm of parish life and leadership. With the increased complexity of life in ministry, the puzzles become more difficult to solve. The demands for more effective ministry grow more urgent. The explosion of knowledge requires ceaseless learning. The mission of the Church is best served by the health, energy, spiritual renewal, and knowledge which a sabbatical leave provides for its rostered leaders and congregations. Conversation about a sabbatical could begin with the mutual ministry committee, executive/personnel committee, congregation council or a task force formed for this particular assignment.

Sabbatical Guidelines

1. A sabbatical provides the professional leader a measured time to step aside from congregational responsibilities to pursue opportunities for a renewal of vision and perspective. A sabbatical is not a vacation, nor is it only continuing education; it is to renew the leader for a new season of ministry benefitting the mission of the congregation. It creates space for creativity, rest and renewal, and may include continuing education, travel, a concentrated time to study or read, reconnection with immediate or extended family, reflection and time away for spiritual renewal. Rested and energized rostered ministers are likely to have longer and healthier calls in a congregation. Sabbaticals give congregations the opportunity to provide and experience new leadership opportunities. A sabbatical is a way for a congregation to express how much it values the rostered minister.
2. When a congregation issues a call to a rostered minister, consideration should be given to the inclusion of sabbatical leave in the call documents.
3. A sabbatical may be taken after five full years of service in a particular parish and every five years thereafter in conjunction with congregational mission planning. Years of service can accumulate between calls but should be agreed upon at the time of the new call. The recommended time for sabbatical leave is twelve weeks. Up to 2 weeks of vacation time may be added. Regardless of the length, the sabbatical needs to be consecutive weeks of time away. Clergy are expected to continue ministry in that congregation for at least one year after the sabbatical.
4. The congregation will continue to pay full salary and benefits including the housing, retirement contributions, and other remuneration of the rostered minister who is on sabbatical. The congregation will recruit a temporary minister and provide a salary in the rostered minister's absence. There are a variety of options for leadership including members of the congregation assume new leadership roles, a retired rostered minister, a neighboring ELCA or full communion partner pastor and your rostered minister take a sabbatical at different times and exchange pastoral coverage, the bishop authorizes a properly qualified lay person of his/her choice for word and sacrament ministry for this specific time and place.

Congregations are encouraged to begin putting money aside for a sabbatical when a newly called rostered minister begins. Grants are available through We Raise Foundation (formerly Wheat Ridge Ministries) at <https://weraise.org/> or the Lilly Foundation at www.lillyendowment.org.

For planning resources on Sabbaticals see *Appendix C-Sabbatical Planning Resources*

J. Sabbath Rest and Time Off

Adequate time off for rostered ministers is essential. It is recommended that vacation time be four (4) weeks (including 4 Sundays) for all rostered ministers regardless of years' experience. At least one (1) full day of sabbath rest⁹, free of church leadership responsibilities, should be granted each week. In addition, congregations are encouraged to grant at least one (1) additional half-day per week to allow staff persons to attend to family and household chores and other personal matters. "Sabbath" rather than "day off" is recommended terminology for use in church bulletins and newsletters.

Vacation: Vacation time is offered purely for the rest, relaxation, and renewal of rostered ministers. The following should not be considered part of a rostered minister's vacation time: official synod events at which attendance by rostered ministers is required; continuing education; time spent in outdoor ministries and retreats with congregational youth and family groups; work on synod or churchwide boards or committees.

Holidays: Holidays should be granted as days off in addition to vacation days. When the services of the rostered minister are required on recognized holidays, time off with pay should be granted at another time which causes minimal disruption to the congregation. The congregation is to provide 10 paid holidays that are mutually agreed to by the rostered leader and the congregation council from the following list: New Year's Day, Dr. Martin Luther King Jr. Day, Good Friday or Easter Monday, Memorial Day, Juneteenth, Fourth of July, Labor Day, Columbus Day/Indigenous People's Day, Veteran's Day, Thanksgiving Day, and Christmas Day or the day after Christmas.

Other circumstances: On rare occasions the rostered minister and congregation may need to negotiate the carrying over of unused vacation time into the following year. An additional two (2) Sundays a year may be granted a rostered minister serving in a solo ministry setting, with the parish providing worship supply. Employers may find it useful to negotiate with the staff person for additional vacation time in lieu of appropriate full salary increases, if acceptable to all parties.

K. Emergency Leave

Absence of three (3) days (up to five [5] days, depending on distance) due to a death in the immediate family is normally permitted. Immediate family is defined to include spouse, parents, siblings, children, in-laws, grandparents, and grandchildren. Congregations are encouraged to provide additional paid leave after the death of a spouse or child, especially in cases where the rostered minister has no remaining vacation time for that year. Compassion and grace should be the guiding values.

L. Disability and Sick Leave

It is recommended that each congregation develop explicit written policy relating to disability and sick leave before such need arises.

⁹ Author and pastor, Eugene Peterson, describes "sabbath rest" as follows: "At regular intervals we all need to quit *our* work and contemplate [*God's* work], quit talking to each other and listen to *him*. God knows we need this and has given us a means in sabbath – a day for praying and playing, simply enjoying what he is. One of my tasks [as a pastor] is to lead you in the celebrative keeping of sabbath each Sunday. But that is not a sabbath for me. I wake up on Sunday morning with the adrenalin flowing. It is a workday for me. Monday is my sabbath, and I need your help to observe it." From *Working the Angles – The Shape of Pastoral Integrity* (Grand Rapids: Eerdmans, 1987) p. 82

In the event that a rostered minister becomes medically disabled, it is expected that the congregation provide up to two (2) months of continued salary, housing, and contributions to the ELCA Retirement and Other Benefits plans in a 12-month period.

Paid sick time is designed to provide support for short-term illnesses, injuries, conditions, or medical appointments. The sick leave policy might include the rate of accrual of paid sick leave. It might also allow rostered ministers, including during interim ministries, to use some sick leave days to care for immediate family members who are ill.

M. Parental Leave

As we care for our rostered ministers and build healthy and life-giving relationships with congregations, it is important to consider how to best attract and retain healthy rostered ministers, especially in this age of tightening clergy supply. Benefits such as parental and/or family leave and sabbaticals help to make a congregation an attractive place where healthy partnerships between the rostered minister and the congregation will grow for many years.

Parental leave with full salary, housing, and benefits of six (6) weeks or the written amount of time recommended by a physician is appropriate when a child is born or adopted. It is recommended that each congregation develop an explicit written policy relating to parental leave.¹⁰

Parental leave is calculated separately from vacation time; however, a rostered minister may choose to use accrued vacation time in conjunction with parental leave.

N. Military Leave

It is recommended that each congregation develop explicit written policy relating to compensation issues for rostered ministers on military leave. Mobilization guidelines and other resources are available from the ELCA Federal Chaplaincy website (www.elca.org/OurWork/Leadership/Federal-Chaplaincy-Ministries).

O. Part-time Staff

Rostered ministers in part-time ministry settings should have consideration for salary and benefits corresponding to a percentage of a full-time salary and benefits package. As this is negotiated in each congregation, items for discussion should include salary or hourly wage; hours to be worked per week depending on $\frac{3}{4}$ -, $\frac{1}{2}$ -, or $\frac{1}{4}$ -time; insurance; vacation time; days off; and technology needs. The required minimum continuing education should not be reduced by a percentage, however.

P. Severance Policy

It is recommended that each congregation develop explicit written policy relating to severance compensation for rostered ministers.

Q. Unemployment Compensation

Federal and state laws generally exempt churches from this requirement as service performed in the employ of a religious organization.

¹⁰ Congregations that have called a rostered couple (two rostered ministers married to each other) should give particular attention to the question of whether or not both rostered ministers will receive a full parental leave.

III. SYNOD POLICY FOR INTERIM MINISTRIES

The interim rostered minister plays a very significant role in the life of a congregation. When a rostered minister leaves a congregation, there are a number of termination emotions that must be dealt with if the congregation is to be healthy and prepared for the arrival of the new rostered minister. The interim rostered minister is one who facilitates the expression of these emotions and brings leadership and stability to that situation. There are some ministry settings that require normal ministry between pastorates; other settings may need an interim specialist to help address specific needs.

When there has been a very long pastorate (more than 15 years) or when a congregation has experienced unusual challenges, an interim ministry of 6-12 months may be warranted. It is helpful for an interim pastor to know that he/she has a specific period of time to accomplish the goals negotiated in the contract.

The following guidelines are offered to congregations needing interim ministry:

- The interim rostered minister is selected by the congregation after consultation with the synod staff.
- The interim rostered minister serves under a Letter of Agreement from the congregation. At that rostered minister's request, a Letter of Call may be extended by the synod council.
- The interim rostered minister is employed by and accountable to the congregation. The interim rostered minister is accountable to the synod in the same way as any other pastor.
- The synod staff shall share pertinent information about the congregation with the interim rostered minister.
- The interim rostered minister shall keep the synod staff informed of particular concerns or needs of the ministry setting, especially those that may affect the calling of a new rostered minister. Upon completion of an interim ministry, the interim rostered minister shall submit a written report to the synod staff.
- The interim rostered minister normally shall not be a candidate for call to the congregation in which he/she is doing interim ministry.
- While serving as an interim rostered minister, he/she shall not participate in the call process in that congregation.
- New programs or organizations may be initiated by the congregation council during the interim, after consultation with the interim rostered minister.

In addition to specific ministry concerns, various items pertaining to compensation shall be included in the Letter of Agreement between the interim rostered minister and the congregation.

A. Compensation and Benefits for Rostered Ministers

The total compensation package for an interim rostered minister is normally no greater than the compensation package of the rostered minister who departed. This means that in most cases the interim rostered minister's total compensation package will be negotiated on the basis of:

- a base salary appropriate for his/her years of ordained experience according to the synod compensation guidelines,
- the base salary of the departed rostered minister, and
- other pertinent factors unique to the congregation's situation.

If the situation requires concentrated effort above the normal routine, serious consideration should be given to an interim rostered minister with specialized training expertise even if this requires a higher salary. It must be remembered that restorative and creative ministry on the part of the interim rostered minister may be much more difficult and exhausting than regular parish ministry.

For interim rostered ministers, the congregation shall also provide:

- One (1) week of paid vacation and benefits for every 13 weeks of full-time service.
- Contributions toward Portico Benefit Services for all clergy who are not already retired.
- Premium payments for retired rostered ministers who are still contributing to their coverage for medical insurance.
- Consideration for disability/sick leave for interim rostered minister is recommended.
- Four (4) days of paid continuing education leave and a continuing education allowance of \$187.50 for every three (3) months of full-time service.
- Payment of registration costs for attending the Synod Assembly and Synod Theological Conference when these events occur during the interim.
- Reimbursement for auto expenses and professional expenses incurred in doing ministry in the parish. An interim rostered minister who commutes may be reimbursed for all or a portion of his/her commuting costs, as agreed upon by the congregation council. It is often the case that congregations cover mileage for one round trip per week between the rostered minister's home and the place where he/she serves.
- Housing allowance may be granted to an interim pastor, even when a parsonage is available, in recognition of the need for intentional interim pastors to maintain permanent housing.
- If the interim call contract is ended early by a congregation and the interim rostered minister does not have another call, it is recommended that the congregation consider providing ongoing support for another 30 days.

For part-time interim ministry, the congregation shall compensate the interim rostered minister based on a percentage of the compensation package of the previous rostered minister. This percentage is based on the time worked by the interim rostered minister in comparison with the time worked by the previous rostered minister.

B. Worship Supply

For Sunday mornings and midweek services, the congregation or parish shall compensate the supply rostered minister or worship leader \$175 for the first worship service, plus \$50 for each additional worship service on the same day.

For weddings and funerals, if the congregation makes the arrangements, the congregation shall compensate the supply rostered minister or worship leader \$150.

For both of the above, auto reimbursement shall be at the current IRS standard mileage rate.

IV. NON-ROSTERED LAY STAFF

A. Programmatic Staff

Church staff persons in programmatic ministries who are not rostered should receive fair and adequate remuneration for their labors. Their salaries should take into account the level of responsibility, effectiveness in ministry, educational background, length of service, and the number of hours worked per week. For example, in setting the salary of music staff persons, consideration should be given for specialized training in church music and time spent preparing for rehearsals or worship services. Salaries for comparable positions in the community can provide guidance.

Many program staff members, such as those in youth and family ministry, find it essential to have a cell phone to do their work. Congregations and non-rostered staff should negotiate a monthly stipend for a cell phone for church-related work. For cell phones that are used both for church business and personal calls, it is suggested that the congregation and staff member each pay 50% of the base plan.

B. Support Staff

Positions of support in a congregation, such as secretary or custodian, also need to be compensated fairly. ***It is important to develop a position description which effectively describes the responsibilities involved.*** A comparison of the requirements of the position with comparable positions in the community can be helpful in setting salary and benefits.

For persons working 20 or more hours per week, benefits in addition to salary should be offered. Benefits should include medical coverage and retirement contributions.¹¹ Provision for continuing education should also be included as a benefit for non-rostered programmatic and support staff.

C. Seminary and TEEM Interns

Financial guidelines for “traditional” ELCA interns are set by the ELCA. Current guidelines can be found on the Luther Seminary website at: https://www.luthersem.edu/contextual_learning/internship/financial.aspx.

It is recommended that Theological Education for Emerging Ministries (TEEM) interns receive no less compensation than traditional full-time interns with similar responsibilities.

Part-time interns would receive a proportionately lower stipend. Higher stipends may be negotiated based on the intern’s responsibilities.

These compensation guidelines were drafted by the Southwestern Minnesota Synod Leadership Support Team for presentation to the 2023 Synod Assembly. Members of the team are Rev. Jeffrey Sackett, Sartell; Rev. Janel Kuester, Cottonwood; Timothy Ostby, Spicer; and Rev. Stephanie Christoffels, St. Cloud.

¹¹ Rostered ministers are eligible for membership in Portico Benefit Services if they are scheduled to work at least 15 hours per week, 6 or more months a year. Non-rostered employees must be scheduled to work at least 20 hours per week, 6 or more months a year, in order to qualify for membership in Portico Benefit Services. State law also requires that all employees be provided with workers’ compensation coverage.

Appendix A Southwestern Minnesota Synod Parsonage Guidelines

A parsonage is the home provided by the congregation for its pastor(s). It is to be an aid in the carrying out of ministry. In its care of the church, the congregation will want to provide a good home. The guidelines on the following pages are a way to help both pastor and congregation. Following them will help the congregation become aware of needed improvements, achieve synod-wide standards for church-owned homes, and become aware of abuses of the parsonage property.

Since the parsonage is the pastor's home, privacy should be respected. Congregation members are expected to follow the same standards of privacy consideration for such things as entering the parsonage as they would for any other home in the community. In the interest of enhancing effectiveness and healthy pastoral availability, congregations are encouraged to consider the advantages of having church offices in locations other than the pastoral residence/parsonage.

Because it is the home of the pastor, the desires of the pastor should be consulted when changes become necessary. Further details about this are in the following guidelines.

The quality of the parsonage should meet a standard set by the homes of the majority of the congregation's members. The size should be adequate to accommodate a family.

The tenant/landlord model may apply on occasion, but its application is quite limited. Unlike a renter, the pastor normally has little choice of residence. The relationship between the pastor and congregation is not based on a lease or rental agreement, but upon a common bond in the service of Christ Jesus.

Specific Guidelines Regarding Parsonages

These are suggested specific guidelines for congregations with parsonages. These are guidelines that congregations and pastors may use to discuss the maintenance, repair, and responsibilities relative to a church-owned home:

1. It is recommended that the congregation either appoint a parsonage committee or designate another congregational leadership group (e.g. the property committee or the board of trustees) to administer these parsonage guidelines.
2. It is recommended that the following appliances be provided in the parsonage: stove, dishwasher, soft water system (if needed), humidifier/dehumidifier (if needed), refrigerator, washer and dryer, garbage disposal, air conditioning, TV service.
3. It is recommended that the following utilities be paid directly by the congregation or by utilities allowance: electricity, gas, fuel oil, telephone (except personal long-distance calls), Internet, soft water service (if needed), trash removal (metered bags or monthly pick-up charges).
4. Items that would normally be supplied by the congregation include; paint, wallpaper, window coverings, floor coverings, light fixtures, ceiling fans.
5. When a pastor first moves into a parsonage, the congregation should see that it is thoroughly clean and should usually plan to redecorate.
6. The colors, fabric, design, etc., selected in the redecoration would normally be selected by those who will be living in the house in consultation with the appropriate committee. The congregation, of course, would determine the price ranges for these items.
7. Parsonage maintenance and repair should be listed as a separate line item in the annual budget with a clear understanding of who has the authority to spend these budgeted funds.

8. There should be an annual inspection of the parsonage that is conducted with the pastor.
9. The pastor and congregation should develop and annually update a list of necessary and desired repairs, maintenance, modernization, redecorating, and remodeling projects and together prioritize these projects.
10. There should be clear understanding about how regular maintenance and emergency repairs are to be handled. It is suggested that the pastor be authorized to spend a specified dollar amount at his/her own discretion. Any repairs in excess of this amount would require approval of the property committee or the congregation council.

The pastor should be held responsible for any excess wear or damage caused to the parsonage while he/she was living there. This would include damage caused by all inhabitants including pets. When a pastor moves out of a parsonage and before all financial obligations are completed, there should be an inspection of the property to see that it is left clean and in good repair. Congregations may require a damage deposit of \$500 in advance. This amount could be paid at the beginning of a call or withheld from paychecks during the first 10 months (\$50 x 10 monthly paychecks, or \$25 x 20 semi-monthly paychecks). Funds are to be held in a separate interest-bearing account, to be returned when the parsonage is vacated in good condition. This does not limit the damage liability to the balance of that account. This concerns both interim and settled call situations involving parsonages. It is especially important that pastor and congregation mutually assess and verify the age and condition of carpets before residency begins in the parsonage.

The grounds around the parsonage are primarily the responsibility of the congregation. The congregation should see that the lawn, shrubbery, and flower beds are in good condition when a pastor moves into the parsonage. The pastor may be expected to care for these grounds (mow, rake, remove snow, apply fertilizer, insecticides, herbicides) or these responsibilities may be shared by the congregation. (The division of labor should be negotiated by the pastor and the congregation council immediately after the pastor's arrival.)

Congregations should consider taking care of the grounds around the parsonage while the pastor is on vacation or study leave.

The congregation should provide suitable garage space for the pastor's automobile(s). Normally this would be space for two vehicles.

Adapted from a document of the Nebraska Synod.

First Edition – Approved by 1993 Southwestern Minnesota Synod Assembly

Appendix B Southwestern Minnesota Synod Automobile Business Expense Reimbursement

In the total planning of the compensation/reimbursement package for the rostered minister, it is important to disconnect compensation from reimbursement. One is salary; the other is repayment to the rostered minister for out-of-pocket expenses incurred during his/her ministry on behalf of the congregation/ministry agency (hereafter referred to as congregation).

The automobile reimbursement¹² may be the single largest item of reimbursement for the rostered minister, so it is important to plan wisely. Although the ministry of the congregation must be of primary importance, pertinent tax issues must also be considered. The congregation must fully reimburse the rostered minister for official use of his/her vehicle for church business. Automobile expense reimbursement should be considered a congregational ministry expense, not a part of the salary.

The following are options that rostered ministers and congregations may consider:

1. The congregation leases the automobile and provides insurance, tolls, parking fees, maintenance, and repair coverage including a credit card for fuel.
2. The rostered minister owns his/her car and is reimbursed from a draw account by the church treasurer.
3. The rostered minister owns his/her vehicle, and the congregation pays a flat automobile allowance as detailed in the church budget. If this option is chosen, the rostered minister must file a Form 2106 detailing his/her costs and reimbursements. If the rostered minister cannot verify that all dollars received were for professional miles driven, the difference must be claimed as taxable income.
4. The rostered minister leases a vehicle and is reimbursed from a draw account by the church treasurer.

Regardless of the option used, the rostered minister must keep complete records of automobile expenses, professional miles driven, and personal miles driven.

As leaders of congregations consider what fair reimbursement for expenses incurred is, they need to remember that the rostered minister is assisting them in their ministry. The automobile is as important a ministry tool as is the telephone. Without full access to such tools, the entire ministry of a congregation may be inhibited.

Adapted from a document used in the St. Paul Area Synod, Revised 1996

¹² Congregations should stay abreast of changes in IRS regulations pertaining to automobile reimbursement.

Appendix C Planning for a Sabbatical

1. Planning for the sabbatical should begin the calendar year before in order to take advantage of grant opportunities (We Raise Foundation, formerly Wheat Ridge Ministries, at <https://weraise.org/> or the Lilly Foundation at www.lillyendowment.org) and so that the congregational budget can allow for additional expenses. Although the congregation is not under obligation to fund the cost of the sabbatical itself, continuing education dollars, which can be accrued up to three years, can be used for the educational costs of the sabbatical. This should be discussed during a new call process or as soon thereafter to plan accordingly. Another option is that the congregation costs of a sabbatical could be covered by budgeting for two weeks' extra salary each non-sabbatical year and placing those funds in an interest-bearing reserve account.
2. A written proposal of the sabbatical study and renewal plan should be approved by the congregation council at least six months before the sabbatical leave is to begin. The rostered minister should submit a written report and evaluation of the sabbatical leave to the congregation council within six weeks after completing the leave.
3. The congregation should plan for coverage as follows:
 - Provide pulpit supply as needed and requested.
 - Coverage for other ministerial duties (hospital visits, nursing home services, weddings, funerals, baptisms, etc.) as needed.
 - Coordination of programming needs (VBS, Sunday School, Confirmation, etc.) as needed.
 - Neighboring congregations and ministers might consider partnering together to support sabbatical leave.
4. Someone within the congregation should be appointed to keep a weekly journal of events during the rostered minister's absence so that upon return, the rostered minister might be "caught up."

Here are some resources that congregations and Ministers of Word and Service and Ministers of Word and Sacrament may find helpful:

1. "Creating a Sabbatical Plan", a Lutheran Partners article by Pastor John R. Gugel.
2. "Sabbaticals are a win-win", an article in the July 2007 issue of The Lutheran, <https://www.livinglutheran.org/>.
3. "Changing the Rhythm of Parish Ministry: Sabbatical Policy Insights," a 13-minute video that looks at sabbaticals through the experiences of three pastors and one congregational member. It comes with an 11-page study guide and is available at the Lutheran Resource Center at <https://associationoflutheranresourcecenters.wordpress.com/>.
4. "Clergy Renewal: The Alban Guide to Sabbatical Planning" by A. Richard Bullock and Richard J. Bruesehoff.
5. "Why Should You Give Your Pastor a Sabbatical?" a video featuring Roy Oswald that is available from the Alban Institute.
6. We Raise Foundation, formerly Wheat Ridge Ministries, (<https://weraise.org/>) and the Lilly Endowment (<http://www.lillyendowment.org/religion.html>) both offer sabbatical grant opportunities to congregations.
7. For additional resources go to <https://www.elca.org/Resources>.

V. COMPENSATION WORKSHEETS

The following worksheets are provided to aid the congregation in establishing a total compensation package. Each item on the worksheets is described within this synod compensation guidelines document. The worksheets lend themselves to building a compensation package using synod compensation guidelines.

Compensation Worksheet for Ministers of Word and Service, TEEM Candidates, and Other Lay Staff

This worksheet is designed to help congregations and ministry agencies build a compensation package for *ministers of Word and Service, TEEM candidates, and other lay staff*. Each item listed below is described in this document.

<u>Compensation</u>	<u>2023 Actual</u>	<u>2024 Guidelines</u>	<u>2024 Proposed</u>
Annual Base Salary	_____	_____	_____
Other (see guidelines):			
_____	_____	_____	_____
Total Compensation	_____	_____	_____
FICA Tax – Employer’s Share	_____	_____	_____
Pension and Other Benefits			
Portico Benefit Services	_____	_____	_____
Other: _____	_____	_____	_____
Total Pension and Other Benefits	_____	_____	_____
<u>Expenses</u>			
Automobile/Travel	_____	_____	_____
Professional	_____	_____	_____
Required Synod Meetings	_____	_____	_____
Continuing Education	_____	_____	_____
Other: _____	_____	_____	_____
Total Reimbursed Expenses	_____	_____	_____
<u>Nonfinancial Compensation</u>			
Vacation	_____ wks.	_____ wks.	_____ wks.
Continuing Education	_____ wks.	_____ wks.	_____ wks.
Other (see guidelines):			
_____	_____	_____	_____

Compensation Worksheet for Ministers of Word and Sacrament

This worksheet is designed to help congregations and ministry agencies build a compensation package for *ministers of Word and Sacrament* using the synodical guidelines. Each item listed below is described in this document.

<u>Compensation</u>	<u>2023 Actual</u>	<u>2024 Guidelines</u>	<u>2024 Proposed</u>
Annual Base Salary	_____	_____	_____
Housing Allowance (if no parsonage)	_____	_____	_____
FICA Allowance	_____	_____	_____
Housing Equity: 3% (130 % of Base Salary + FICA Allowance, if parsonage)	_____	_____	_____
Utilities Allowance	_____	_____	_____
Furnishings Allowance Other (see guidelines):	_____	_____	_____
_____	_____	_____	_____
Total Annual Defined Compensation	_____	_____	_____
Pension and Other Benefits			
Portico Benefit Services	_____	_____	_____
Other: _____	_____	_____	_____
Total Pension and Other Benefits	_____	_____	_____
<u>Expenses</u>			
Automobile/Travel	_____	_____	_____
Professional	_____	_____	_____
Required Synod Meetings	_____	_____	_____
Continuing Education	_____	_____	_____
Other: _____	_____	_____	_____
Total Reimbursed Expenses	_____	_____	_____
<u>Nonfinancial Compensation</u>			
Vacation	_____ wks.	_____ wks.	_____ wks.
Continuing Education	_____ wks.	_____ wks.	_____ wks.
Other (see guidelines):	_____	_____	_____
_____	_____	_____	_____