

# *Called to Serve*

## Northwestern Pennsylvania Synod Compensation and Benefits Guidelines for Rostered Leaders

Fiscal Year 2023

ADOPTED: May 15, 2021

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## **Summary of Revisions**

- Compensation Table updated to reflect June 2021 Synod Assembly action. Pages 4-5
- Compensation Table updated to reflect June 2022 Synod Assembly action. Pages 4-5

## Introduction

The compensation and benefits guidelines is a tool used to develop a well stewarded compensation package for rostered leaders (pastors and deacons) within our synod. Ministry is often thought of as a rostered leader's efforts on behalf of the members of a congregation (or other agencies and institutions issuing calls to rostered leaders). In the same way, the ministry of the laity includes the care of the rostered leader and their family. This mutual concern for one another is a witness to what we believe and practice in the life of the church.

Communities of believers through mutual ministry committees, executive committees, personnel committees and by various other gatherings continue a conversation between the rostered leader and the community over the course of a year and sometimes longer. This conversation centers around a vision for mission, ministry within and outside of the gathered community, follows the cycle of the church year, concerns itself with visitation of the sick, the homebound, the long term and new members of the community of believers. On scripture study and a deepening desire to understand the triune God from a Lutheran perspective and a myriad of other topics and concerns in the life of the community of believers.

Each congregation/agency/institution has its own means of developing a budget/spending plan for the fiscal year. At the start of this planning process all of these conversations and interplay between community and rostered leader results in developing a fair compensation package for the one(s) called to ordained ministry within the community of believers.

Annually our Northwestern Pennsylvania Synod gathers in assembly to set a base line for compensation (base salary) of our synod's rostered leaders. The 2023 guidelines are as follows:

The minimum base salary of a full-time newly rostered leader of Word and Sacrament with a masters' degree will be \$37,875.00. The minimum base salary of a full-time newly rostered leader of Word and Sacrament with a bachelors' degree will be \$35,278.00. The minimum base salary of a full-time newly rostered leader of Word and Sacrament with a certificate will be \$33,005.00.

The minimum base salary of a full-time newly rostered leader of Word and Service with a masters' degree will be \$47,298.00. The minimum base salary of a full-time newly rostered leader of Word and Service with a bachelors' degree will be \$44,692.00. The minimum base salary of a full-time newly rostered leader of Word and Service with a certificate will be \$40,688.00.

The base salaries reflect a 3.1% COLA over the 2022 base salary table.

For rostered leaders continuing in service, in the same call, or when a rostered leader begins another call \$400 should be added to the base figure for each year of experience in rostered ministry.

The next page contains a base salary pay table which factors in all the above base and steps in pay for compensation of rostered leaders in our synod.

For simplicity, the word "congregation" will be used to include all agencies and institutions issuing calls within our synod throughout the remainder of this document.

## Base Salary Pay Table for Rostered Leaders 2023

Year of Ordination	Years Ordained	Pastor with Masters	Pastor with Bachelor	Pastor with Certificate	Deacon with Masters	Deacon with Bachelor	Deacon with Certificate
2023	0	\$ 37,875.00	\$ 35,278.00	\$ 33,005.00	\$ 47,298.00	\$ 44,692.00	\$ 40,688.00
2022	1	\$ 38,275.00	\$ 35,678.00	\$ 33,405.00	\$ 47,698.00	\$ 45,092.00	\$ 41,088.00
2021	2	\$ 38,675.00	\$ 36,078.00	\$ 33,805.00	\$ 48,098.00	\$ 45,492.00	\$ 41,488.00
2020	3	\$ 39,075.00	\$ 36,478.00	\$ 34,205.00	\$ 48,498.00	\$ 45,892.00	\$ 41,888.00
2019	4	\$ 39,475.00	\$ 36,878.00	\$ 34,605.00	\$ 48,898.00	\$ 46,292.00	\$ 42,288.00
2018	5	\$ 39,875.00	\$ 37,278.00	\$ 35,005.00	\$ 49,298.00	\$ 46,692.00	\$ 42,688.00
2017	6	\$ 40,275.00	\$ 37,678.00	\$ 35,405.00	\$ 49,698.00	\$ 47,092.00	\$ 43,088.00
2016	7	\$ 40,675.00	\$ 38,078.00	\$ 35,805.00	\$ 50,098.00	\$ 47,492.00	\$ 43,488.00
2015	8	\$ 41,075.00	\$ 38,478.00	\$ 36,205.00	\$ 50,498.00	\$ 47,892.00	\$ 43,888.00
2014	9	\$ 41,475.00	\$ 38,878.00	\$ 36,605.00	\$ 50,898.00	\$ 48,292.00	\$ 44,288.00
2013	10	\$ 41,875.00	\$ 39,278.00	\$ 37,005.00	\$ 51,298.00	\$ 48,692.00	\$ 44,688.00
2012	11	\$ 42,275.00	\$ 39,678.00	\$ 37,405.00	\$ 51,698.00	\$ 49,092.00	\$ 45,088.00
2011	12	\$ 42,675.00	\$ 40,078.00	\$ 37,805.00	\$ 52,098.00	\$ 49,492.00	\$ 45,488.00
2010	13	\$ 43,075.00	\$ 40,478.00	\$ 38,205.00	\$ 52,498.00	\$ 49,892.00	\$ 45,888.00
2009	14	\$ 43,475.00	\$ 40,878.00	\$ 38,605.00	\$ 52,898.00	\$ 50,292.00	\$ 46,288.00
2008	15	\$ 43,875.00	\$ 41,278.00	\$ 39,005.00	\$ 53,298.00	\$ 50,692.00	\$ 46,688.00
2007	16	\$ 44,275.00	\$ 41,678.00	\$ 39,405.00	\$ 53,698.00	\$ 51,092.00	\$ 47,088.00
2006	17	\$ 44,675.00	\$ 42,078.00	\$ 39,805.00	\$ 54,098.00	\$ 51,492.00	\$ 47,488.00
2005	18	\$ 45,075.00	\$ 42,478.00	\$ 40,205.00	\$ 54,498.00	\$ 51,892.00	\$ 47,888.00
2004	19	\$ 45,475.00	\$ 42,878.00	\$ 40,605.00	\$ 54,898.00	\$ 52,292.00	\$ 48,288.00
2003	20	\$ 45,875.00	\$ 43,278.00	\$ 41,005.00	\$ 55,298.00	\$ 52,692.00	\$ 48,688.00
2002	21	\$ 46,275.00	\$ 43,678.00	\$ 41,405.00	\$ 55,698.00	\$ 53,092.00	\$ 49,088.00
2001	22	\$ 46,675.00	\$ 44,078.00	\$ 41,805.00	\$ 56,098.00	\$ 53,492.00	\$ 49,488.00
2000	23	\$ 47,075.00	\$ 44,478.00	\$ 42,205.00	\$ 56,498.00	\$ 53,892.00	\$ 49,888.00
1999	24	\$ 47,475.00	\$ 44,878.00	\$ 42,605.00	\$ 56,898.00	\$ 54,292.00	\$ 50,288.00
1998	25	\$ 47,875.00	\$ 45,278.00	\$ 43,005.00	\$ 57,298.00	\$ 54,692.00	\$ 50,688.00
1997	26	\$ 48,275.00	\$ 45,678.00	\$ 43,405.00	\$ 57,698.00	\$ 55,092.00	\$ 51,088.00
1996	27	\$ 48,675.00	\$ 46,078.00	\$ 43,805.00	\$ 58,098.00	\$ 55,492.00	\$ 51,488.00
1995	28	\$ 49,075.00	\$ 46,478.00	\$ 44,205.00	\$ 58,498.00	\$ 55,892.00	\$ 51,888.00
1994	29	\$ 49,475.00	\$ 46,878.00	\$ 44,605.00	\$ 58,898.00	\$ 56,292.00	\$ 52,288.00
1993	30	\$ 49,875.00	\$ 47,278.00	\$ 45,005.00	\$ 59,298.00	\$ 56,692.00	\$ 52,688.00
1992	31	\$ 50,275.00	\$ 47,678.00	\$ 45,405.00	\$ 59,698.00	\$ 57,092.00	\$ 53,088.00
1991	32	\$ 50,675.00	\$ 48,078.00	\$ 45,805.00	\$ 60,098.00	\$ 57,492.00	\$ 53,488.00
1990	33	\$ 51,075.00	\$ 48,478.00	\$ 46,205.00	\$ 60,498.00	\$ 57,892.00	\$ 53,888.00
1989	34	\$ 51,475.00	\$ 48,878.00	\$ 46,605.00	\$ 60,898.00	\$ 58,292.00	\$ 54,288.00
1988	35	\$ 51,875.00	\$ 49,278.00	\$ 47,005.00	\$ 61,298.00	\$ 58,692.00	\$ 54,688.00
1987	36	\$ 52,275.00	\$ 49,678.00	\$ 47,405.00	\$ 61,698.00	\$ 59,092.00	\$ 55,088.00
1986	37	\$ 52,675.00	\$ 50,078.00	\$ 47,805.00	\$ 62,098.00	\$ 59,492.00	\$ 55,488.00
1985	38	\$ 53,075.00	\$ 50,478.00	\$ 48,205.00	\$ 62,498.00	\$ 59,892.00	\$ 55,888.00
1984	39	\$ 53,475.00	\$ 50,878.00	\$ 48,605.00	\$ 62,898.00	\$ 60,292.00	\$ 56,288.00
1983	40	\$ 53,875.00	\$ 51,278.00	\$ 49,005.00	\$ 63,298.00	\$ 60,692.00	\$ 56,688.00
1982	41	\$ 54,275.00	\$ 51,678.00	\$ 49,405.00	\$ 63,698.00	\$ 61,092.00	\$ 57,088.00
1981	42	\$ 54,675.00	\$ 52,078.00	\$ 49,805.00	\$ 64,098.00	\$ 61,492.00	\$ 57,488.00
1980	43	\$ 55,075.00	\$ 52,478.00	\$ 50,205.00	\$ 64,498.00	\$ 61,892.00	\$ 57,888.00
1979	44	\$ 55,475.00	\$ 52,878.00	\$ 50,605.00	\$ 64,898.00	\$ 62,292.00	\$ 58,288.00
1978	45	\$ 55,875.00	\$ 53,278.00	\$ 51,005.00	\$ 65,298.00	\$ 62,692.00	\$ 58,688.00
1977	46	\$ 56,275.00	\$ 53,678.00	\$ 51,405.00	\$ 65,698.00	\$ 63,092.00	\$ 59,088.00
1976	47	\$ 56,675.00	\$ 54,078.00	\$ 51,805.00	\$ 66,098.00	\$ 63,492.00	\$ 59,488.00
1975	48	\$ 57,075.00	\$ 54,478.00	\$ 52,205.00	\$ 66,498.00	\$ 63,892.00	\$ 59,888.00
1974	49	\$ 57,475.00	\$ 54,878.00	\$ 52,605.00	\$ 66,898.00	\$ 64,292.00	\$ 60,288.00
1973	50	\$ 57,875.00	\$ 55,278.00	\$ 53,005.00	\$ 67,298.00	\$ 64,692.00	\$ 60,688.00
1972	51	\$ 58,275.00	\$ 55,678.00	\$ 53,405.00	\$ 67,698.00	\$ 65,092.00	\$ 61,088.00
1971	52	\$ 58,675.00	\$ 56,078.00	\$ 53,805.00	\$ 68,098.00	\$ 65,492.00	\$ 61,488.00
1970	53	\$ 59,075.00	\$ 56,478.00	\$ 54,205.00	\$ 68,498.00	\$ 65,892.00	\$ 61,888.00
1969	54	\$ 59,475.00	\$ 56,878.00	\$ 54,605.00	\$ 68,898.00	\$ 66,292.00	\$ 62,288.00
1968	55	\$ 59,875.00	\$ 57,278.00	\$ 55,005.00	\$ 69,298.00	\$ 66,692.00	\$ 62,688.00
1967	56	\$ 60,275.00	\$ 57,678.00	\$ 55,405.00	\$ 69,698.00	\$ 67,092.00	\$ 63,088.00
1966	57	\$ 60,675.00	\$ 58,078.00	\$ 55,805.00	\$ 70,098.00	\$ 67,492.00	\$ 63,488.00
1965	58	\$ 61,075.00	\$ 58,478.00	\$ 56,205.00	\$ 70,498.00	\$ 67,892.00	\$ 63,888.00
1964	59	\$ 61,475.00	\$ 58,878.00	\$ 56,605.00	\$ 70,898.00	\$ 68,292.00	\$ 64,288.00
1963	60	\$ 61,875.00	\$ 59,278.00	\$ 57,005.00	\$ 71,298.00	\$ 68,692.00	\$ 64,688.00

## The role of the Mutual Ministry Committee

As noted in the Introduction, the development of a compensation package involves conversation and reflection. Congregations are expected to have a mutual ministry committee as specified in the Model Constitution for Congregations, C13.04. Committee members are appointed jointly by congregation council president and the rostered leader. The congregation council executive committee (officers and pastor) function as the mutual ministry committee when one does not exist.

The role of the mutual ministry committee is to support and nurture a healthy relationship between rostered leader(s) and congregation members. It does so by:

- 1) encouraging and holding the rostered leader accountable for the care of the rostered leaders spiritual, emotional and physical well-being;
- 2) working with the rostered leader to plan and hold rostered leader accountable for continuing education which is based on the needs of the congregation as well as the professional development needs of the individual;
- 3) providing a forum of mutuality and trust in which a rostered leader can reflect on the work they are doing and their role in providing leadership and direction.

*The goal is to foster mutual accountability, investment, and growth, for the sake of successful overall ministry together in Christ.* Working with a mutual ministry committee, regular reviews of rostered leaders can provide an opportunity for both the rostered leader and the congregation to identify and develop ministry and leadership needs for the congregation. This review of ministry is a mutual rather than one-way process. As such, time is taken to review *both* the rostered leader's role in the effectiveness of ministry *and* the congregation's role in the effectiveness of ministry, as well as the effectiveness of the rostered leader and congregation working together.

While an annual review may be regarded as sufficient, it may not provide the best overall assessment of an individual's ministry or of the congregations' ministry. More frequent reviews can aid in further development of positive leadership qualities as well as pinpointing potential areas of conflict. Early identification can lead to more effective ministry.

A good evaluation starts with a good job description and a set of achievable goals. When accepting a call, a rostered leader starts with job description and set of priorities as part of their letter of call. Through mutual conversation, in an open forum where all topics are discussed and valued, the set of priorities under which a rostered leader operated in the year prior can be updated to allow the most valued priorities in the congregation to have the highest priority of the rostered leaders time and effort and the congregations willing support.

To help facilitate this process, we strongly encourage the appropriate leadership within the congregation (council president, personnel committee, mutual ministry committee, etc.) to complete the "Definition of Compensation, Benefits, and Responsibilities of the Rostered Leader" form on a yearly basis. All pages are necessary as they promote review and assessment of shared ministry goals and expectations.

The 2019 Model Constitution for Congregations sets a baseline for regarding the roles and expectations of pastors and deacons within a congregation. The mutual ministry committee works to support the rostered leader in these roles and expectations and the rostered leader works to support the congregation in their vision for and call to ministry.

**\*C9.03.** Consistent with the faith and practice of the Evangelical Lutheran Church in America,

a. Every minister of Word and Sacrament shall:

- 1) preach the Word;
- 2) administer the sacraments;
- 3) conduct public worship;
- 4) provide pastoral care;
- 5) seek out and encourage qualified persons to prepare for the ministry of the Gospel;
- 6) impart knowledge of this church and its wider ministry through available channels of effective communication;
- 7) witness to the Kingdom of God in the community, in the nation, and abroad; and
- 8) speak publicly to the world in solidarity with the poor and oppressed, calling for justice and proclaiming God's love for the world.

b. Each pastor with a congregational call shall, within the congregation:

- 1) offer instruction, confirm, marry, visit the sick and distressed, and bury the dead;
- 2) relate to all schools and organizations of this congregation;
- 3) install regularly elected members of the Congregation Council;
- 4) with the council, administer discipline;
- 5) endeavor to increase the support given by the congregation to the work of the churchwide organization and of the Northwestern Pennsylvania Synod; and
- 6) encourage adherence to covenantal relationship with this church as expressed in the *Constitutions, Bylaws, and Continuing Resolutions of the Evangelical Lutheran Church in America*.

**\*C9.23.** Consistent with the faith and practice of the Evangelical Lutheran Church in America, every minister of Word and Service shall:

- a. Be rooted in the Word of God, for proclamation and service;
- b. Advocate a prophetic diakonia that commits itself to risk-taking and innovative service on the frontiers of the Church's outreach, giving particular attention to the suffering places in God's world;
- c. Speak publicly to the world in solidarity with the poor and oppressed, calling for justice and proclaiming God's love for the world, witnessing to the realm of God in the community, the nation, and abroad;
- d. Equip the baptized for ministry in God's world that affirms the gifts of all people;
- e. Encourage mutual relationships that invite participation and accompaniment of others in God's mission;
- f. Practice stewardship that respects God's gift of time, talents, and resources;
- g. Be grounded in a gathered community for ongoing diaconal formation;
- h. Share knowledge of this church and its wider ministry of the gospel and advocate for the work of all expressions of this church; and
- i. Identify and encourage qualified persons to prepare for ministry of the gospel.

There are several resources available for evaluating a rostered leader. [alban.org/archive/ask-alban-evaluating-our-pastor/](http://alban.org/archive/ask-alban-evaluating-our-pastor/); [congregationalconsulting.org/five-pitfalls-to-avoid-when-evaluating-the-senior-minister/](http://congregationalconsulting.org/five-pitfalls-to-avoid-when-evaluating-the-senior-minister/)

## Budget for Pastor

### A. COMPENSATION

*With a Parsonage:*

- |  |          |
|--|----------|
| 1. Base Salary                               | \$ _____ |
| 2. Social Security tax allowance             | \$ _____ |
| 3. Total of 1 and 2                          | \$ _____ |
| 4. Housing as parsonage (use 30% of line 3)  | \$ _____ |
| 5. A. Household furnishings allowance*       | \$ _____ |
| B. Utilities allowance*                      | \$ _____ |
| (*Note: only if paid to the pastor directly) |          |
| 6. Total of 3, 4, 5 (Defined Compensation)   | \$ _____ |
| 7. Total of 3 + 5 (Actual pay to pastor)     | \$ _____ |

*Without a Parsonage:*

- |  |          |
|--|----------|
| 1. Base Salary + Housing Allowance   | \$ _____ |
| 2. Social Security Tax Allowance (.0765%)  | \$ _____ |
| 3. Total of 1 and 2 (Defined Compensation)<br>(Defined Compensation is what is paid to pastor) | \$ _____ |

### B. PENSION AND OTHER BENEFITS

- |  |                                     |
|--|-------------------------------------|
| 1. ELCA Pension at _____% of defined compensation                  |                                     |
| 2. ELCA Medical and Dental Insurance (check one below):            |                                     |
| a. _____ Member only   | d. _____ Member, spouse, & children |
| b. _____ Member & spouse   | e. _____ Coverage waived            |
| c. _____ Member and children                                       |                                     |
| 3. Other insurance or benefits: _____                              | \$ _____                            |
| 4. Housing Equity Contribution ( <i>if parsonage is provided</i> ) | \$ _____                            |

### C. EXPENSES

The congregation will provide for the following expenses related to this rostered leader's ministry.

- |   |          |
|---|----------|
| 1. Automobile and travel allowance                              | \$ _____ |
| 2. Other professional expenses                                  | \$ _____ |
| 3. Expenses for official meetings of the synod                  | \$ _____ |
| 4. Continuing education   | \$ _____ |
| 5. Other _____  | \$ _____ |
| 6. Pay the moving expenses to this field of service as follows: |          |
| _____   | \$ _____ |



**D. AGREEMENT**

- 1. Vacation time of \_\_\_\_\_ days per year, including \_\_\_\_\_ Sundays;
- 2. Continuing education time of \_\_\_\_\_ weeks per year;
- 3. Participation in a First-Call theological Education Program, where applicable;
- 4. Ongoing care through a Mutual Ministry Committee;
- 5. Up to two months of continued salary and contributions to the ELCA Pension and Other Benefits Program in a 12-month period in the event the pastor 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 sick leave will not be compensated at the end of this call.)  
and
- 6. Maternity/Paternity or Adoptive leave of \_\_\_\_\_ weeks with full salary, housing, and benefits.

**E. OTHER PROVISIONS**

Special emphases of the pastor and special encouragement by the congregation:

- 1. During this time period, the pastor will give special attention to the following:
  - (a) \_\_\_\_\_
  - (b) \_\_\_\_\_
  - (c) \_\_\_\_\_
  - (d) \_\_\_\_\_
  - (e) \_\_\_\_\_
  
- 2. The congregation will encourage and support this pastor’s ministry in the following ways:
  - (a) \_\_\_\_\_
  - (b) \_\_\_\_\_
  - (c) \_\_\_\_\_
  - (d) \_\_\_\_\_
  - (e) \_\_\_\_\_

**F. OTHER MATTERS**

(Such as accountabilities, service on synodical or churchwide boards and committees, work in church-camp programs, or other such details.)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**TOTAL BUDGET FOR PASTORAL MINISTRY FOR 2022:**                      \$ \_\_\_\_\_

## Budget for Deacon

### A. COMPENSATION

The congregation will provide the following annual compensation: \$ \_\_\_\_\_

### B. PENSION AND OTHER BENEFITS

The congregation will sponsor the deacon in the Pension and Other Benefits Program of the Evangelical Lutheran Church in America, which provides retirement, disability, survivor and medical-dental coverage. (Sponsorship will include medical-dental coverage for the individual's spouse and children unless they have other employer-provided group medical insurance coverage and the individual consents to waiving medical-dental coverage for them under the ELCA Pension and Other Benefits Program.)

1. ELCA Pension at \_\_\_\_\_% of defined compensation
2. ELCA Medical and Dental Insurance (check one below):
  2. ELCA Medical and Dental Insurance (check one below):

a. _____ Member only	d. _____ Member, spouse, & children
b. _____ Member & spouse	e. _____ Coverage waived
c. _____ Member and children	
3. Other insurance or benefits: \_\_\_\_\_ \$ \_\_\_\_\_

### C. EXPENSES

The congregation will provide for the following expenses related to this rostered leader's ministry.

1. Automobile and travel allowance \$ \_\_\_\_\_
2. Other professional expenses \$ \_\_\_\_\_
3. Expenses for official meetings of the synod \$ \_\_\_\_\_
4. Continuing education \$ \_\_\_\_\_
5. Other \_\_\_\_\_ \$ \_\_\_\_\_
6. Pay the moving expenses to this field of service as follows:  
\_\_\_\_\_ \$ \_\_\_\_\_

### D. AGREEMENT

1. Vacation time of \_\_\_\_\_ days per year, including \_\_\_\_\_ Sundays;
2. Continuing education time of \_\_\_\_\_ weeks per year;
3. Participation in a First-Call theological Education Program, where applicable;
4. Ongoing care through a Mutual Ministry Committee;
5. Up to two months of continued salary and contributions to the ELCA Pension and Other Benefits Program in a 12-month period in the event the deacon is physically or mentally disabled\*; and
6. Maternity/Paternity or Adoptive leave of weeks with full salary, housing, and benefits. (Recommended 6 weeks; 4 weeks minimum).

\* Provision may be made for further unpaid time for disability recovery as agreed by the congregation, but with the stipulation that unused accumulated sick leave will not be compensated at the end of this call.

**E. OTHER PROVISIONS**

Special emphases of the minister of Word and Service under call and special encouragement by the congregation:

1. During this time period, the rostered minister under call will give special attention to the following:

- (a) \_\_\_\_\_
- (b) \_\_\_\_\_
- (c) \_\_\_\_\_
- (d) \_\_\_\_\_
- (e) \_\_\_\_\_

2. The congregation will encourage and support this rostered minister in the following ways:

- (a) \_\_\_\_\_
- (b) \_\_\_\_\_
- (c) \_\_\_\_\_
- (d) \_\_\_\_\_
- (e) \_\_\_\_\_

**F. OTHER MATTERS**

(Such as accountabilities, service on synodical or churchwide boards and committees, work in church-camp programs, or other such details.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**TOTAL BUDGET FOR DEACONAL MINISTRY FOR 2022**                      \$ \_\_\_\_\_

## **A. Compensation**

### **Base Salary**

Those charged within the congregation to develop the rostered leader's compensation package begin by determining the base salary for years of ordained ministry. This amount is the minimum recommendation based on approved synod guidelines. There are items which might cause an increase in this base line amount. Consider:

#### **Related non-rostered experience**

Many rostered leaders, especially those entering ministry as a second career, bring valuable related career experience to their called role. The value of this applicable experience is determined when developing the compensation package. For example, an individual with 20-years prior experience ordained in 2021, might start with a base salary at a 2001 base salary level as a means of recognizing their years of experience. Examples of relevant experience might include nursing, counseling, teaching, corporate administration, management, ministry in another denomination, etc.

#### **Related advanced degrees**

If the rostered leader has any additional and relevant related degree (above what is required for rostered ministry) then consider the value this educational experiences brings and factor in a compensable amount in the base salary or other benefits.

#### **Community living adjustment**

While the base salary guidelines for our synod have a cost-of-living adjustment already factored into the base salary, there may be a need for additional adjustment in pay based on the location of the congregation. There are several websites available to help determine community living adjustments. [www.incomebyzipcode.com/](http://www.incomebyzipcode.com/), [www.payscale.com/cost-of-living-calculator](http://www.payscale.com/cost-of-living-calculator), [www.thebalance.com/what-is-the-cost-of-living-adjustment-3305736](http://www.thebalance.com/what-is-the-cost-of-living-adjustment-3305736) or [www.salary.com/](http://www.salary.com/)

#### **Other adjustments**

Based upon the needs of the calling congregation, the staffing of the church, and the demands on the rostered leader, additional adjustments may be appropriate. Give consideration to the complexity of the call, including average worship attendance, job expectations, supervisory responsibilities, travel demands, schools, or other unusual circumstances.

#### **Educational debt**

Additionally, if the rostered leader is in a first or second call with educational debt from undergraduate or graduate degrees, consider assisting in paying down their student debt.

## Housing

**If a pastor is not provided** church owned or paid for housing (parsonage or other rental) **then** a housing allowance equal to 30% of the base salary will be provided. This housing allowance will not be less than \$10,600 for pastors with certificate degrees and \$12,800 for masters/bachelor's degrees per year.

Housing allowance for the pastor and family, is an amount sufficient to provide adequate housing as well as care for the related expenses of utilities and upkeep. A pastor may exclude the housing allowance from their taxable income up to the "fair rental value" of a furnished home plus utilities, to the extent the allowance is expended for housing. Expenses which qualify include payments on purchase, principal and interest payments on mortgages, taxes, utilities, maintenance, insurance, furnishings, landscaping, etc.

**If a pastor is provided** a church owned or paid for housing, **then** utilities will be included in providing housing. **Additionally**, a household furnishings allowance may be provided and:

When housing is furnished rent-free as a part of the pastor's compensation, the pastor does not have the opportunity to build equity as do homeowners. Some congregations choose to compensate for the lack of equity by making housing equity payments (a housing equity allowance) to their pastor's ELCA Retirement Plan account or another qualified deferred plan. (Only church plans, like the Portico Benefit plan allow funds to be treated as a "housing allowance" when distributed. Housing allowances are subject to the following limitation, whichever is smallest: the declared housing allowance, the actual expenses in providing a home, the fair rental value plus utilities.)

Not considered as income for either federal income taxes or Social Security taxes are housing equity contributions and they can be withdrawn any time and used to purchase a home. When a pastor makes a withdrawal, the pastor must justify to the IRS how much may be excluded as housing allowance, based on sec. 107 tax code limits. If the pastor cannot justify the entire withdrawal as eligible for housing allowance, the pastor will be subject to income tax on the difference and if under age 59 ½ also subject to an IRS early withdrawal penalty.

The following are recommended contractual provisions in support of a housing equity allowance for pastors whose congregations provide a parsonage:

1. the housing equity allowance be an amount equal to at least 3% of Defined Compensation;
2. the congregation pay this amount in regular installments to a depository agreed to by the congregation and the pastor;
3. use of the funds be limited to the provision of housing whenever it is needed, specifically at the time of retirement, disability or death or when a congregation disposes of its parsonage;
4. provision be made for changes of depository when required by relocation provided the original contractual limitations for the use of funds be maintained.

**A deacon** does not have the same tax benefits as a pastor. Housing allowances and housing equity allowances are taxed differently.

## **Social Security Allowance**

For income tax purposes, **pastors** are considered “self-employed” and are responsible for contributing 15.3% of their total compensation under the Federal Insurance Contributions Act for Social Security and Medicare insurance. Pastors receive reimbursement for self-employment taxes equal to at least one-half of the pastor’s self-employment tax. The current tax rate for self-employment is 15.3%, one half is 7.65%. The reimbursement is paid directly to the pastor.

If a congregation is the employer of a **deacon**, the ministry site will withhold social security and submit this withholding directly to the Internal Revenue Service.

## **Defined Compensation**

For a *pastor with housing provided* by the congregation, defined compensation is the total amount of the Base Salary + Social Security Allowance + (.30% of Base + Social Security Allowance) + Household Furnishing Allowance (if paid directly to the pastor) + Utilities Allowance (if paid directly to the pastor).

For a *pastor without housing provided* by the congregation, defined compensation is the total amount of the Base Salary + Housing Allowance + Social Security Allowance.

## **B. Benefits**

Portico Benefit Services provides the benefit program for rostered leaders, lay employees, and their families. Portico provides health, dental, prescription drug, retirement, disability, and group life insurance benefits in one bundled program. The program is designed to address the needs of rostered leaders and provide seamless benefits during change of call, leave from call, and other events unique to ministry.

A bundled approach helps ensure rostered leaders and lay employees are protected against significant financial loss from a variety of risks. Through Portico, congregations in this synod and across the country pool their collective purchasing power to provide benefits in a cost-effective manner.

Congregations and plan members share the cost of benefits. Congregations are expected to support the well-being of their covered plan members by paying all or a significant portion of the contributions for benefits. Plan members expect to participate in the cost of utilizing the benefits (e.g., deductibles, coinsurance, and copays).

Portico offers a choice of ELCA-Primary health benefit options based on the ELCA church council approved balanced cost-sharing plan between congregations and members of Portico. Each fall, congregations in this synod select one of these approved options to offer their sponsored plan members for the following year. During annual enrollment, Portico will notify congregations which options fit within the range the ELCA Church Council has approved. Congregations engage in conversation with their rostered leader to determine the option which best fits their needs. Current contribution rates are available on at [EmployerLink/PorticoBenefits.org](https://EmployerLink/PorticoBenefits.org) or by calling Portico at 800.352.2876.

A plan member may waive health coverage if they have access to valid medical insurance coverage through their spouse or another employer. Even though the health care coverage is waived, participation in the ELCA disability, survivor, retiree support and retirement are required. If a rostered leader declines health coverage, the congregation may consider using a portion or all of the savings from not paying the health care coverage to be used to make additional retirement contributions through Portico for the rostered leader.

### **Portico Benefits Pension Contribution (ELCA Retirement)**

The ELCA maintains a defined contribution retirement plan for rostered leaders. The Northwestern Pennsylvania Synod expects each congregation to contribute a minimum of 12% of the rostered leader's defined compensation to the retirement plan unless the contribution exceeds the IRS limits.

### **Portico Benefits Medical and Dental Insurance (ELCA Medical Insurance)**

It is expected of congregation to provide rostered leaders participation in the ELCA's medical plan which covers the following areas: medical, hospital, mental health services, dental care, prescription coverage, support services, and wellness programs. The Northwestern Pennsylvania

Synod recommends congregations enroll rostered leaders in the Silver Plus level coverage. If a rostered leader selects a higher cost plan, then the difference in cost is deducted from the base salary of the rostered leader. If a rostered leader selects a lower cost plan then the difference is set aside into a health savings account administered by the congregation council treasurer and used to offset health related expenses incurred by the rostered leader and their dependents.

If the rostered leader selects no medical coverage plan, then appropriate documentation of other forms of coverage must be provided to the congregation and Portico Benefits.

### **Portico Benefits Disability, Survivor Benefits and Administrative Expenses**

The ELCA offers disability benefit plans which provide monthly income, retirement plan contribution, health, and survivor benefits. There are two types of disability benefits: short term and long term. Short term (60 days) disability benefits are paid by the congregation. Long term (over 60 days) disability benefits are paid by the ELCA's disability benefit plan. The congregation's amount of contribution to these plans be determined by using the rate calculators found at the [Portico Benefits](#) website.

The ELCA offers life insurance plans for rostered leaders. These plans provide death benefits to the survivors upon the death of the rostered leader. The congregation's amount of contribution to these plans is determined by using the rate calculator found at the [Portico Benefits](#) website.

Administrative expenses relating to plan management are determined using the rate calculator found at the [Portico Benefits](#) website.

### **Other Insurances**

Congregations will ensure rostered leaders are covered under the congregation's **workers' compensation** insurance.

Changes in societal attitudes are making rostered leaders, staff, and congregations more vulnerable to malpractice claims. Congregations, on an annual basis, should review their insurance coverages for their rostered leaders and other employees to ensure coverages related to **professional liability and malpractice** coverages.

### **Other Benefits**

**Health Savings Accounts/Flexible Spending Accounts** – Congregations and rostered leaders should review their insurance coverages together and where possible congregations establish a form of reimbursement to reduce the out-of-pocket expenses for rostered leaders and their families for health-related expenses.

**Member Pre-Tax Retirement Contribution** – Contributions made as a member pre-tax contribution on behalf of the rostered leader are not taxable for federal income tax purposes in the year made, but are taxable in the year funds are withdrawn, that is in retirement. Additional contributions up to the amount permissible by the Internal Revenue Service may be made to



Portico Benefit Services and/or other approved depositories. Consult the IRS for the current maximum annual contribution limit for additional member contributions. If you have questions please contact [Portico Benefit Services](#) or call 800.352. 2876.

**Individual Retirement Account (IRA)** – Contributions by rostered leaders to various types of IRAs may be made in addition to the congregation’s ELCA pension contribution. IRAs allow the accumulating of retirement savings and for receiving a tax deferral on accumulated earnings. Because of the many changes to IRAs in recent years, please review competent publications or consult a tax attorney or CPA.

## C. Expenses

### Reimbursed Professional Expenses

These items represent costs borne by the congregation as part of the normal expense of ministry. They are not part of the salary a rostered leader receives.

For business and tax reasons, it is in the best interest of the congregation and its staff to have an accountable reimbursement policy. Accountable reimbursement policies are simply a method for reimbursing business expenses on an actual-cost basis rather than providing an expense allowance.

Establishing an accountable reimbursement policy is simple: A congregation first sets up a budget for the rostered leader's professional and business expenses, such as travel, continuing education, subscriptions, etc. When the rostered leader incurs a ministry-related expense, they submit a reimbursement claim with appropriate documentation. Or, instead of paying the expense directly, the rostered leader can request the congregation make the payment (See Appendix B for a sample of accountable reimbursement).

Remember a church is like any other organization to the Internal Revenue Service for the purpose of reimbursements to its rostered leader(s) and church employees for expenses incurred while conducting church business.

### Automobile Expenses

The most common business expense is the reimbursement for automobile business mileage. The two most used options available are:

1. The per mile reimbursement by a congregation to a rostered leader based on the current [IRS rate](#). If this amount is equal to or less than the IRS rate it is treated as being substantiated and as paid under an accountable plan, providing the employee documents the time, place, and business purpose of the reimbursement.
2. Where extensive driving is required, a church owned, or leased car may be the most economical approach. If your congregation provides an owned or leased car or pays a flat rate requiring no substantiation, the congregation council treasurer is urged to become knowledgeable of the IRS rules through competent tax publications or to consult a tax attorney or CPA.

### Professional Expenses

Several other frequent expenses are travel expenses (lodging and meals, etc.), vestments, professional dues, etc. There may be additional professional expenses in your congregation. Discuss with your rostered leader(s) any other professional expense they might have for accountable reimbursement.

### Synod Assembly/Conference Expenses

*All leaders of Word and Sacrament under a call shall attend meetings of the Synod Assembly, and the pastors of congregations shall also attend the meetings of the conference, cluster, coalition, or other area subdivision to which the congregation belongs. (S14.25)* Rostered leader's attendance at Synod Assembly and synod sponsored meetings is an expense of the congregation.

Attendance at the assembly of this synod is constitutionally mandated and expenses for registration, lodging, meals, transportation, and other expenses are the responsibility of the congregation. The congregation also supports attendance at synod sponsored meetings by payment of registration fees and other expenses. Discuss with your rostered leader their anticipated expenses in connection with assemblies and meetings in the coming year.

**First Call Theological Education (FCTE)** – First Call Rostered Leaders are required to participate in 25 Contact hours specified by the First Call Theological Education Program in each of the first three years. FCTE time and expenses are included in the overall planning of continuing education as per the First Call Theological Education Covenant.

### **Continuing Education Funds**

The ELCA (1997 Assembly Action – “Life-Long Learning and Development for Faithful Leaders”) recommends all rostered leaders participate in a minimum of fifty (50) hours of continuing education annually. One contract hour represents 50 minutes of classroom instructional session or equivalent, which include courses, workshops, seminary classes, independent study toward a specific goal, etc.

Two (2) weeks of continuing education time (including Sundays) are expected, per the letter of call.

Continuing education time is understood to incorporate a holistic and systematic approach to life-long learning and development including but not limited to “spiritual disciplines, habits of personal study, regular worship, self-care, involvement in the wider community, participation in intentional colleague groups, and peer review as appropriate for personal and vocational development.” (ELCA document “Life-Long Learning and Development for Faithful Leaders”) Continuing education activities are intended to improve ministry and are not considered vacations. The rostered leader and the congregation should set aside funds in a special account for continuing education. The congregation's share is a minimum of \$750 per year and at least \$250 for books and publications.

### **Relocation Reimbursement**

It is appropriate for congregations to assist in providing financial support for relocation expenses when a rostered leader accepts a call. Negotiation of such support is part of the initial Definition of Compensation of Benefits as part of all terms agreed upon before the rostered leader accepts the call.

Congregations can agree to a particular dollar amount, or a maximum allowed dollar amount, which should be based on estimates attained from moving companies. In arriving at a dollar amount, congregations should note moving expense reimbursements are taxable and should factor in the income tax expense incurred by the rostered leader as well as the actual moving costs.

### **Pastoral Supply Rates**

As of July 1, 2015, the new rate is as follows:

\*\$125 for one service, \$25 for each additional service occurring on the same day

\*\$125 per service occurring on different days or overnight accommodations and breakfast.

EXAMPLE 1: Saturday evening service = \$125; Sunday morning service = \$125 or

EXAMPLE 2: Saturday evening & Sunday morning = \$150 plus overnight accommodations and breakfast

Mileage reimbursement is based on the IRS rates, please double check the IRS website for current rates.

## **D. Stewardship of Time**

### **Days off/Time management**

A full-time rostered leader is encouraged to take at least one full day off per week. A suggested normal week is 45 hours per week, recognizing seasonal demands may require more or fewer hours in any given week. It is recommended rostered leaders take two consecutive days off at least once a month.

### **Vacation**

Northwestern Pennsylvania Synod's minimum standard is four weeks, including four Sundays per year. Congregations may consider offering additional weeks of vacation for decades served as a rostered leader. For example, after 10 years of rostered ministry a congregation may offer an additional week, including Sunday, as vacation. Additionally, congregations may desire to set a vacation roll over policy allowing rostered leaders to move unused vacation time from one calendar year to the next, up to a certain limit. However, the Synod recommends rostered leaders take all available vacation each year to foster, support and promote a more balanced personal and family life.

### **Holidays**

According to ELCA Churchwide policy and Northwestern Pennsylvania Synod policy, the following days are recognized as holidays: New Year's Day, Martin Luther King Day, Good Friday or Easter Monday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Holidays are granted as days off, in addition to regular days off and vacation days. When the services of the rostered leader are required on a recognized holiday, an alternative day off is to be provided.

### **Personal Sick Leave**

The Synod recommends up to 20 days of sick leave in a 12-month period. These should not be accrued and nor carried forward from year to year.

In catastrophic situations, short term disability and long-term disability coverage will be arranged, provided the rostered leader has proper documentation from the appropriate physician. Conversation on disability, both short and long term, needs to occur with the office of the bishop and Portico Benefits at the earliest point in the illness.

### **Family Care Leave**

The Synod recommends a family care leave plan be established between the rostered leader and the congregation. Such a plan should include specific conditions for the rostered leader to take a leave of absence from their duties to care for an immediate family member who is seriously ill.

Immediate family includes, but is not limited to: spouse, children, and parents of the rostered leader. Such leave should include up to four weeks of full salary and benefits. Leave can be taken all at one time or broken down as daily time off. This plan should be discussed and negotiated in writing in advance of any need. Any unused time during the current calendar year will not be carried over to the next year.

**Parental Leave**

The Synod recommends providing parental leave. A parental leave plan will be developed in open consultation with the rostered leader and the appropriate committee, with the final approval of the congregation. Specific conditions, including number of weeks leave before and after the birth or adoption of a child, is negotiated in advance in writing. The synod recommends a minimum of eight weeks of full salary and benefits. When both parents are rostered leaders both should be given the recommended leave.

**Sabbatical**

The Synod is an advocate of sabbaticals for rostered leaders. The synod council and synod assembly urge congregations to recognize the value of a time for Sabbath rest and renewal through prayer, biblical and theological reading and reflection, spiritual direction, professional skill development, personal relationship strengthening, and relaxation.

Congregations are asked to provide time and financial support to allow rostered leaders to experience not only the blessing of weekly Sabbath time, but also the blessing of extended Sabbath time a sabbatical allows.

Sabbatical leave normally will be for a minimum of three months. Durations beyond the minimum three-month guidelines should be mutually determined and agreed to in the sabbatical covenant between congregation and rostered leader.

Rostered leaders who have a minimum of seven years in rostered, full-time ministry are eligible for a sabbatical leave every five years of continuous service in their current call.

See Appendix C for further information.

## **E. Frequently Asked Questions**

### ***Why is a housing allowance included in a pastor's compensation?***

There are two primary reasons: tradition and tax advantage (IRS). In church history dating back to the 12<sup>th</sup> century, pastors were provided a parsonage in which to live while serving a congregation. The parsonage house was owned and maintained by the congregation for the convenience and care of the pastor. In addition, a salary was paid. Today, in lieu of providing a parsonage, pastors are paid an allowance to cover cost of today's housing.

### ***If we cannot afford to pay at the current guidelines, what should we do?***

First of all, recognize paying your rostered leader below the synod guidelines often results in friction between the rostered leader and the congregation. Turnover may result and you will be faced with difficulty in replacing your rostered leader. The best advice is to lay out a two to three year plan and work toward bringing your rostered leader's salary in line with synod guidelines. Sharing this plan with the rostered leader will create an open environment based on trust and understanding. Then follow through with your commitment.

### ***How do we get feedback from the rostered leader regarding his/her compensation?***

The first thing to do is to build an atmosphere of trust and openness. We suggest you form a mutual ministry committee. The purpose of this group is to look at all issues such as working with the congregation, spiritual needs of the rostered leader, physical needs, and family needs. The mutual ministry committee can be the advocate for the rostered leader and provide recommendations to the council. However, it is assumed matters discussed with the rostered leader remain with the committee and confidences must not be violated.

### ***We have members in our congregation who believe the total package is too high. How do we explain a total package in a way makes sense?***

You need to distinguish between cost to the congregation and what the rostered leader receives. A large part of the cost to the congregation comes in the form of health care, retirement, and travel expenses. For those who worked in industry, you probably received these same items, but never considered them part of your compensation. These are expenses to the congregation much like the expenses a corporation has for the work of an employee. Therefore, it is inaccurate to consider them part of the rostered leader's salary. Base pay plus housing constitutes the bulk of what a rostered leader actually receives.

### ***How do we reward the rostered leader for holidays worked or days off, missed, or interrupted by emergencies?***

Insist your rostered leader take days off to compensate for the lost time. Make sure the congregation respects this time off. Rostered leaders need time away to refresh themselves and we need to respect leader. Inform your congregation of the rostered leader's personal time, and ask them to respect this need for time away. The rostered leader needs to model sabbath time off to the congregation and the congregation needs to model sabbath time off to the rostered leader.

Insist your rostered leader take a sabbatical leave on a regular basis. An alternative, not preferred or to be encouraged, is to consider pay in lieu of vacation days.

***Do the pulpit supply guidelines apply to all rostered leaders?***

Yes.

***Does the ELCA offer flexible benefit plans?***

The ELCA offers the following flexible benefit plans: health flexible spending accounts, dependent care accounts, health savings accounts, limited purpose flexible spending accounts and personal wellness accounts. These plans provide money to pay for eligible expenses. The rostered leader is responsible for paying into the plan.

***How is participation in these plans decided?***

Participation in these plans is determined through consultation between the congregation and the rostered leader.

***Where can the congregation find more information regarding the ELCA benefits plans?***

Detailed information, including rates and rate calculators, can be found at the Portico website.

The website is located at [employerlink.porticobenefits.org/Home/Resources](http://employerlink.porticobenefits.org/Home/Resources)



## **F. Additional Resources**

### Church Law and Tax Report

(\*order from: Christian Ministry Resources, PO Box 1098, Matthews, NC 28106; 707- 846-2507)

A number of helpful resources can be obtained from the Alban Institute, a division of the Duke Divinity School at [alban.org](http://alban.org).

Rostered minister and People: Making Mutual Ministry Work (Augsburg Fortress, 1-800-328-4648; Item No. 9780806646510)

Information on health, benefits, retirement, and future retirement planning available through our ELCA benefit partner, Portico Benefits – [www.porticobenefits.org](http://www.porticobenefits.org)

## Appendix A: Housing Allowance Resolution

*(Insert for Congregation Minutes)*

In order to permit           (Name of Rostered Leader)           to benefit from the provisions of Section 107 of the Internal Revenue Code of 1954, the council specifies the total compensation paid to her/him during the fiscal year ended           (Subsequent Year)           includes a housing allowance.

*(Name of Rostered Leader)* estimates she/he will spend \$                      during the year for housing expenses. Since such approval by the council would permit her/him to deduct dollars actually spent up to the maximum allowed by the council action, provided the expenditure is within fair rental value, it is resolved:

The total compensation of \$           (Amount)           paid to           (Name of Rostered Leader)           include a housing allowance of \$                     .

\_\_\_\_\_

Signature	Title	Date
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(The above resolution should be included in the minutes of the congregation prior to January 1 of each year. A copy should be made, signed and titled by the president or secretary of the congregation, and given to the rostered leader(s) for his/her records.)

## **Appendix B: Professional Expense Accountable Reimbursement Policy**

The following resolution was duly adopted by the congregation council of (*Name of Congregation*) at a regularly called meeting held on (*date*), a quorum being present.

Whereas income tax regulations 1.162-17 and 1.274-5(e) provide an employee "need not report on his tax return" expenses paid or incurred by him or her solely for the benefit of his/her employer for which he/she is required to account and does account to the employer and which are charged directly or indirectly to the employer; and

Whereas income tax regulation 1.274-5(e) further provides "an adequate accounting means the submission to the employer of a ... statement of expense or similar record maintained by the employee in which the information as to each element of expenditure (amount, time and place, business purpose, and business relationship) is recorded at or near the time of the expenditure, together with supporting documentary evidence, in a manner which conforms to the 'adequate records' requirements" set forth in the regulation; and

Whereas (*Name of Congregation*) desires to establish a reimbursement policy pursuant to regulations 1.162-17 and 1.274-5(e); therefore be it

Resolved, (*Name of Congregation*) hereby adopts a reimbursement policy pursuant to income tax regulations 1.162-17 and 1.274-5(e), upon the following terms and conditions:

1. Any rostered leader called, or any person now or hereafter employed by (*Name of Congregation*) shall be reimbursed for any ordinary and necessary business and professional expense incurred on behalf of the congregation, if the following conditions are satisfied: (1) the expenses are reasonable in amount; (2) the person incurring the expense documents the amount, time and place, business purpose, and business relationship of each such expense with the same kinds of documentary evidence as would be required to support a deduction of the expense on the person's federal income tax return; and (3) the person documents such expenses by providing the congregation treasurer with an accounting of such expenses no less frequently than monthly. In no event will an expense be reimbursed if substantiated more than 60 days after the expense is paid or incurred by a rostered leader, associate in ministry or employee.
2. The church shall not include in a rostered leader's or employee's W-2 form the amount of any business or professional expense properly substantiated and reimbursed according to the preceding paragraph, and these persons should not report the amount of and such reimbursement on his/her Form 1040.
3. Any church reimbursement exceeds the amount of business or professional expenses properly accounted for pursuant to this reimbursement policy must be returned to the church within 120 days after the associated expenses are paid or incurred and shall not be retained by the rostered leader, associate in ministry or employee.
4. If, for any reason, the church's reimbursements are less the amount of business and professional expenses properly substantiated by a rostered leader or other employee, the church will report no part of the reimbursements on the person's W-2. From 2018 to

2026, the rostered leader or employee may not deduct un-reimbursed employee expenses and it is recommended the church make every effort to fully reimburse such expenses. (See IRS Notice 2018-42).

5. Under no circumstances will the church reimburse a rostered leader or other employee for business or professional expenses incurred on behalf of the church are not properly substantiated according to this policy. Church and staff understand this requirement is necessary to prevent our reimbursement plan from being classified as a "non-accountable" plan.
6. All receipts and other documentary evidence used by a rostered leader or other employee to substantiate the business nature and amount of business expenses incurred on behalf of the church shall be retained by the church. The rostered leader or employee may, at his/her election, make copies of such evidence.

## **Appendix C: Guidelines for Sabbaticals for Rostered leaders**

1. The following guidelines are provided to assist rostered leaders and congregations in the provision of sabbatical leave.
2. Letters of call for rostered leaders should include the congregations' intention to provide a sabbatical at the appropriate time.
3. Rostered leaders and congregations ideally should begin planning sabbatical leave at least a year in advance of the proposed leave and are asked to consult with the office of the bishop as planning begins.
4. Sabbatical leave normally will be for a minimum of three months. Durations beyond the minimum three-month guidelines should be mutually determined and agreed to in the sabbatical covenant between congregation and rostered leader.
5. Rostered leaders who have a minimum of seven years in rostered, full-time ministry are eligible for a sabbatical leave every five years of continuous service in their current call.
6. A rostered leader shall agree to serve the congregation for a minimum of one year following the completion of sabbatical leave. Exceptions to this policy because of unusual circumstances must be discussed by the rostered leader with the congregation and the bishop.
7. The base salary, housing allowance or housing equity allowance (if applicable), Social security offset, retirement contribution, and health care coverage are maintained at the current level, with the rostered leader assuming responsibilities for all other personal and family expenses. Continuing education funds may be used for seminars, workshops, retreat time, etc. in accordance with the guidelines for continuing education.
8. During the time when the rostered leader and congregation are apart from each other, both the congregation and the rostered leader will be blessed by new experiences. Those experiences will bring about change in the relationship between the rostered leader and congregation. It can be helpful for both to anticipate this, plan for it, and prepare to celebrate the growth in discipleship which can occur.
9. It is suggested that mutual sabbatical goals for both the rostered leader and for the congregation be discussed, set, worked toward during the sabbatical, and reviewed when the sabbatical leave is concluded.
10. These goals should be established at least three months before the sabbatical leave begins, in consultation with the office of the bishop, and should be approved by the rostered leader, the congregation council or supervisory group, and should be shared with the bishop.
11. When the congregation begins to make plans for having others assume the normal responsibilities of the rostered leader during the sabbatical leave, the office of the bishop may be consulted for suggestions and ideas. During the rostered leader's sabbatical leave, a member of the bishop's staff may be present for a worship service or other occasion to represent the synod's support for this program.

12. Rostered leaders on sabbatical leave are not expected to return to their congregation for pastoral or other responsibilities that others can assume, e.g. baptisms, weddings, funerals, youth retreats, council or board meetings, etc.
13. When the sabbatical leave is over, the rostered leader and congregation will prepare a report summarizing goal accomplishment and re-entry challenges, and present that report to the council, board, or supervisor in the congregation, and to the office of the bishop. This report should be completed no longer than six weeks after the conclusion of sabbatical leave. A time of communal celebration should accompany both the beginning and the end of this time apart.

An excellent resource for sabbatical planning is *Clergy Renewal – The Alban Guide to Sabbatical Planning*, by A. Richard Bullock & Richard J. Bruesehoff.

## Appendix F: Flexible Ministry Considerations

Various settings including multi-staff congregations and agencies, as well as smaller congregations and other settings, may warrant flexible ministry calls as an ideal stewardship and resource solution for ministry. Interim ministry may be another suitable opportunity to consider a flexible ministry call, particularly if the predecessor rostered leader was less than full-time and/or if resource limitations need to be considered.

When reviewing and discerning flexible ministry options, be aware not one model will work for every situation. Congregations need to be aware that utilizing a flexible ministry call is a different model of ministry, which may require a different level of lay leadership. All this needs to be negotiated between the congregation leadership and the rostered leaders, and then communicated continually with the congregation.

Specificity is also paramount when considering the creation of a new flexible call. In multi-staff settings, clarity of expectations is essential for:

1. Coverage of specific duty area(s) for ministry,
2. Coverage details of any general ministry, and
3. Coverage of ministry *not* expected to be included.

In flexible positions, specificity and clarity of teamwork is also essential. Clearly discern the top primary areas of focus for the new call, and plan as a congregation to invest considerable time and energy in other areas of ministry. For example, if preaching and worship are top priorities, invest as a congregation in helping coordinate much of the visitation. If visitation is a primary focus for the rostered leader, invest as a congregation in helping with teaching, youth ministry, etc. For the sake of a healthy call and for long-term success, do not expect the rostered leader to do “everything.” Even in full-time ministry settings, it is truly a shared ministry together. This is even more essential in the planning and living out of less than full time ministry together.

What are the hours for this ministry? 45 hours per week is the suggested norm. With this model,  $\frac{3}{4}$  time would be approximately between 30-35 hours and  $\frac{1}{2}$  time would be approximately 20-25 hours. Any percentage of time is theoretically possible, though please note if you consider anything less than 15 hours, this ministry is generally considered contractual rather than a call, and is typically paid specifically by the hour with ELCA benefits not included.

What about salary and benefits? To be within the compensation guidelines, simply pro-rate the full-time amount. For example, a half-time call of 20-25 hours a week should include half of the suggested salary guidelines as a minimum amount. *Percentages* such as Social Security offset and Pension should stay the same, since they will be based on the lower (half-time) dollar amount. Vacation minimums, etc. should be the same as well, since they will be essentially pro-rated. For example, if a full-time rostered leader receives 5 weeks’ vacation, the same should be true for half-time. Simply account for the difference in time. If a half-time rostered leader works 3 days per week, a “week” of vacation would be those 3 days off. One exception to note is Portico, for ELCA health benefits. Their rates will not necessarily be half for a half-time rostered leader. However, since they base their rates in part on defined compensation, the rate for a congregation to pay for a half-time rostered leader should be significantly lower than a full-time rostered leader. See [porticobenefits.org](http://porticobenefits.org) for details.

#### Flexible Model 1: More Days a Week Off

This is currently the most common less than full time model. The less than full time rostered leader working in this model should receive the full-time number of Sundays off (vacation), which is often 4 Sundays per year. (Note: Otherwise less than full time rostered leaders will be working more Sundays than full-time rostered leaders.) In addition to this, a less than full time rostered leader will have more than one day completely off, when no work is expected. At a minimum, this will mean the congregation will need lay visitation people and some lay assistance with office tasks (phone messages, etc.), so the less than full time rostered leader truly is off those days, including being free to work at another job. For example – For  $\frac{3}{4}$  time, 2 days per week will be off (plus standard 4 weeks of vacation)

#### Flexible Model 2: Weeks (Including Sundays) Off Per Month

This model allows for a congregation to have a true picture of what less than full time ministry looks like on a Sunday, and many rostered leaders who have worked less than full time consider a model that includes proportionate Sundays off the only fair model for rostered leaders, who are expected to do a full-time job at a lower salary. This approach would give a less than full time rostered leader the benefit of being able to have some full weekends with family who are often on more traditional work and school schedules. In this model, the rostered leader's vacation would be proportional as well ( $\frac{3}{4}$ -time rostered leaders would have 3 weeks,  $\frac{1}{2}$  time rostered leaders would have 2 weeks). For example – for  $\frac{1}{2}$  time, 2 weeks (including Sundays) per month will be off (plus 2 weeks of vacation)

#### Flexible Model 3: Months Off Per Year

This model is a variation of Model 2. This model might make less than full time ministry an attractive option (rather than just a lower paying option) for rostered leaders who are parents of school- aged children or spouses of teachers/school staff. This could involve either the summer months off, and/or January, for example. In this model, the rostered leader's vacation would be proportional as well ( $\frac{3}{4}$  time rostered leaders would have 3 weeks,  $\frac{1}{2}$  time rostered leaders would have 2 weeks, etc.).

Flexible Model 4: Combination Models Some rostered leaders have chosen a compromise model between Model 1, 2 and 3 to make the less than full time position workable for the small congregation and also a benefit for the rostered leader. In this model, the rostered leader might take extra days or partial days off a week, and additional Sundays off, with less official vacation; OR work full-time most of the year, take full 4 weeks of vacation, and take more Sundays off. These off Sundays can be Sundays not crucial liturgically, but important for families (Thanksgiving, Spring Break, and some during summer vacation months). This could look like one of the following scenarios: For  $\frac{3}{4}$  time, work full-time hours/days and 6 Sundays off per year (plus 4 weeks of vacation)



### Flexible Model 5: Job Share

This model fills a full-time position with two-part time rostered leaders. As with a corporate job share, the rostered leaders are responsible for the entire role of a rostered leader, but they share the job and are interchangeable. Both rostered leaders are not expected to attend every event, including worship. One day of the week is an overlap day, where the rostered leaders catch each other up and do planning. The other days are covered by one rostered leader. The rostered leader “in” the office will cover whatever comes up, is scheduled, and needs continuation, even if started by the other. Outstanding communication skills are essential for the two rostered leaders, as information is continually passed from one to the other. The advantage for the congregation is the wealth of experience and skill sets brought by two rostered leaders plus two voices from the pulpit. The advantage for the rostered leaders is they can hold a part time position, likely in a larger congregation, work closely with another rostered leader, and are energized and fresher for the role. The ability for rostered leaders to share ministry with another should not be underestimated. This model may be attractive for parents, those with caregiving responsibilities, those winding down their career and those who want to share ministry.

### Flexible Model 6: Job Split

In this model, two rostered leaders fill a full-time position, but the role of rostered leader is split, not shared. Splits could be based on needs of the congregation or skills sets of the rostered leaders. For example, one rostered leader could do children and youth ministry, another adult education. One could be responsible for outreach, another stewardship and evangelism. The advantage for the congregation is a wealth of experience and skill sets by having two rostered leaders, as well as two voices from the pulpit. The rostered leaders would rotate Sunday responsibilities. The advantage for the rostered leaders is they can have a part time flexible position in what would likely be a larger congregation and also focus on their gifts. The ability for rostered leaders to share ministry with another should also not be underestimated.

## Appendix G: Forms

*[The following forms may be utilized in developing a housing allowance for the pastor, and can be adapted for Utility and/or Furnishing Allowance]*

### Pastor's Estimate of Expenses to Provide a Home

TO: *[Name of Congregation]*

FROM: *[Name of Pastor]*

DATE:

SUBJECT: Housing (Utility and/or Furnishing) Allowance for the Calendar year 202x.

The amounts set forth below are the amounts I expect to spend during the period indicated above to rent or otherwise provide a home for my family and me.

1. Rent expense to provide a home \$ \_\_\_\_\_
2. Expenses toward the purchase of a home (down payment, settlement costs, mortgage payments of principal and interest) \$ \_\_\_\_\_
3. Garage rental (if not included above) \$ \_\_\_\_\_
4. Utilities (gas, electricity, telephone, water, sewer, fuel oil, refuse removal, firewood, cable) \$ \_\_\_\_\_
5. Insurance (homeowner, fire, extended coverage, liability, contents, flood)  
\$ \_\_\_\_\_
6. Repairs and maintenance (lawn mowing, snow removal, payments to plumbers, electricians, etc.) \$ \_\_\_\_\_
7. Furnishings and improvements \$ \_\_\_\_\_
8. Real estate taxes (County, City/Township, School) \$ \_\_\_\_\_
9. Other housing expense incurred to provide a home (attach an itemized list) \$ \_\_\_\_\_

Total \$ \_\_\_\_\_

*Pastor's Signature*

**Congregation Council Action on Housing (Utility and/or Furnishing) Allowance**  
(For Ordained Minister Only)

Whereas, the Internal Revenue Code (section 107) provides that ordained ministers of the Gospel who rent or own their homes exclude from Federal Income Tax that portion of gross income used to rent or provide a home; and

Whereas, to take advantage of such exclusion, the congregation must designate an allowance paid to the pastor as part of compensation; and

Whereas, the Internal Revenue Code only permits housing allowance designations to be effective from the date of enactment (enacted prospectively); and

Whereas, the Congregation Council has reviewed and gave consideration to the pastor's estimate of expenses to provide a home for the calendar year 20xx; therefore, it is hereby

Resolved, that the total compensation paid to the (*title and name*) for the calendar year 202x, shall be \$ \_\_\_\_\_, of which \$ \_\_\_\_\_ is hereby designated to be a housing (utility and/or furnishing) allowance pursuant to section 107 of the Internal Revenue Code; and it is further

Resolved, that the designation of \$ \_\_\_\_\_ as a housing (utility and/or furnishing) allowance shall apply to calendar year 20xx and all future years unless otherwise provided.

The above resolution was duly adopted by the Congregation Council of (*congregation name*) at a regularly scheduled meeting held on (*date*), a quorum being present.

(Congregation Council Secretary Signature)

**Notification of Housing Allowance by Congregation**

*(date)*

Dear Pastor *(name)*:

This is to advise you at a meeting of the Congregation Council held on *(date)*, a housing allowance for the year 202x, was designated in the amount of \$ \_\_\_\_\_. Accordingly, \$ \_\_\_\_\_ of the total compensation payable to you during the year 202x will constitute housing allowance and \$ \_\_\_\_\_ will constitute “salary.”

Sincerely yours,

Secretary of Congregation Council  
*(name of congregation)*

**Notification of Utilities and/or Furnishings Allowance by Congregation**

*(date)*

Dear Pastor *(name)*:

This is to advise you at a meeting of the Congregation Council held on *(date)*, a utilities and/or furnishings allowance for the year 202x was designated in the amount of \$ \_\_\_\_\_. Accordingly, \$ \_\_\_\_\_ of the total compensation payable to you during the year 202x will constitute utilities/furnishings allowance and \$ \_\_\_\_\_ will constitute “salary.”

Sincerely yours,  
Secretary of Congregation Council  
*(name of congregation)*