

2024 COMPENSATION GUIDELINES-GENERAL INFORMATION

Introduction

Conversations between congregational leaders and rostered ministers are essential for all aspects of healthy congregational life. This includes decisions regarding salaries and benefits. Because the congregation is too large a body to be deliberative on the facts and circumstances related to a rostered minister's compensation, it is strongly recommended that compensation be set by the congregation council. This is in keeping with the council's delegated responsibility and authority to manage the fiscal affairs of the congregation. Compensation for church staff requires prayerful study and deliberation. It is problematic and potentially embarrassing to any individual for their compensation to be debated at a meeting of the whole congregation.

Congregations are strongly encouraged to have a separate Compensation Committee or assign this duty to the Finance Committee or Executive Committee. This is different from a staff support or mutual ministry committee. Such a committee should be appointed by the congregation council and should provide input regarding compensation to the council or to the group developing the budget as requested. Compensation recommendations should account for the cost-of-living rate, years of experience, results of an annual performance review and the cost and scope of benefits. For the benefit of both the rostered minister and the ministry of the congregation, it is expected that a process for annual performance review be implemented. Resources for developing a process are available on the synod website.

Each year pastors, deacons, and church staff should receive a delineation of their compensation package that includes salary and benefits. For 2024 the calculations for Defined Compensation for different situations have been put into tables. Each table displays the calculations for 0 to 20 years of experience.

How to Use the Guidelines

The guidelines are just that-a guide in determining fair and just compensation and benefits for a rostered minister. At the time of a new call, the bishop expects the congregation to provide at least the minimum in these guidelines for the pastor or deacon. With that in mind, it is good practice for congregations to continue to provide at least the minimum for their rostered minister(s) to keep pace with the guidelines. If a congregation falls below the guidelines in one year, there should be a plan to catch up in subsequent years.

If the congregation has developed a worksheet for determining the annual compensation of the pastor or deacon that is working for all parties, then the worksheets provided are not meant to replace that work. The salary tables can be used to see if the congregation's calculations are keeping pace with the guidelines.

New for 2024

Pastors without a Parsonage: As a starting point for the conversation, congregations are encouraged to begin with the total available for compensation and benefits less the allowances for continuing education, books, mileage, and synod conferences. Beginning with this total and then removing the cost of benefits allows the pastor and congregation to see what is left for cash salary.

The cash salary, called Defined Compensation for Portico, includes an allowance equivalent to the employer's share of FICA. From this total cash salary, the pastor will designate a portion as their housing allowance for tax purposes. The IRS allows this to be up to the total cash salary.

For 2024, the salary range was calculated with a 2% and 5% increase to the 2023 base salary of \$40,626. To those values an additional 30% of each was included in the same way as in past years and called a housing allowance. That total was increased by 8.23% for the social security allowance. This is a grossed-up amount explained in the FAQ.

In areas where housing costs are higher than average within our synod, congregations are encouraged to provide additional compensation for the pastor to afford suitable housing in the area. The FAQ will provide some links for comparing the cost of living across the counties of this synod as a reference.

Pastors with a Parsonage: The guidelines look similar to last year with a base salary range and showing the same 2% and 5% increases for 2024. The columns shaded in gray are for reference. Congregations need to

determine the value of the benefit offered to the pastor by way of the parsonage. This includes fair rental value, utilities, maintenance and upkeep, and furnishing allowance. Once that total is added to the base salary and the social security allowance is added to that total, it is compared with the corresponding level of experience in the gray box. If the total the congregation calculates is lower than the total in the gray box, then the amount in the gray box is submitted to Portico to determine the cost of benefits. If the total is higher, then it is the amount submitted to Portico. The total determined by the congregation, whether higher or lower, is the actual amount of the pastor's compensation. For more information see the cover page for that section.

Deacons: The salary range for deacons shows a range that was calculated as a 2% increase to last year's base salary for deacons with a BS/BA up to a 5% increase to last year's base salary for deacons with a MA. The years of experience increase has been changed to match the same annual increases as pastors (2% per year for the first ten years of ministry and 1.5% per year for years 11-20.)

Other Considerations for Salary

Previous Experience: Many individuals possess valued previous professional experience which they carry with them into ministry. Congregations are encouraged to consider these prior occupational experiences when determining compensation. A suggested formula would be to credit every three years of previous work as one year of professional experience on the schedule, with a maximum of 15 years equaling 5 years of ministry experience.

Additional Salary Considerations: Factors which may differ from pastor to pastor and congregation to congregation may affect conversations about additional compensation. Examples of such factors may include: increased professional competency; complexity of ministry; advanced degrees; size of staff, and area cost of living. Any additional salary for pastors will also need a social security allowance calculated and added to that amount.

Part-Time Calls: The salary for pastors serving part-time calls should be determined as a percentage of the full-time salary. The definition of full-time should be defined in the congregation's personnel policies and should not exceed 40 hours per week. This means that the full-time salary is calculated first and then pro-rated by the percentage nature of the call (e.g., 25%, 50%, 75%, etc.). Reimbursement and other benefits for part-time rostered ministers are provided the same as for full-time rostered ministers. Models for part-time ministry are available on the synod website.

Rostered Spouses: When calling a rostered minister whose spouse is also rostered, the full spirit of these guidelines shall be applied in the formulation of each person's compensation package, irrespective of the compensation package of the spouse.

Reimbursement of Professional Expenses

This category is for reimbursement for costs undertaken. Congregations should develop a policy and practice for budgeting, planning, and approving expenses. All reimbursements are outside of salary considerations and unused, budgeted funds are never paid as compensation to the rostered minister or church professional.

Automobile: The congregation should expect to reimburse for mileage when a personal vehicle is used during the person's ministry. Reimbursement is done when sufficient documentation is provided such as a mileage log.

Continuing Education: There is an expectation for all rostered ministers in this church to continually grow in competence and understanding as faithful disciples. It enriches the ministry of the rostered minister or church professional in the current context and is therefore a shared venture in planning, time, and funding. Call documents recommend two weeks per year. An expected minimum level of funding of \$850 per year from the congregation and \$300 per year from the rostered minister. Funds may be accumulated for up to three years to provide for a mutually agreeable plan of extended study.

Books, Periodicals, and Other Expenses: A congregation may provide a budget of up to \$500 per year for the reimbursement of the purchase of books, journals, vestments, or other resources which remain the property of the professional.

Cell Phone: If the rostered minister is expected to use a personal cell phone for conducting congregation business rather than a church owned phone, the congregation should consider a cell phone reimbursement stipend.

Retirement and Other Benefits through Portico Benefits Services

Information and easy to use calculators are available on the Portico Benefit Services website: www.porticobenefits.org Please also visit the [ELCA Philosophy on Benefits \(https://porticobenefits.org/elca-together/philosophy-of-benefits/\)](https://porticobenefits.org/elca-together/philosophy-of-benefits/) to guide your decisions.

Regular Retirement: The minimum Retirement contribution for congregations for rostered ministers is 10% of defined compensation. A level of 12% is recommended. Congregations may choose to remit contributions at a higher level by making additional Retirement contributions for members.

Medical and Dental: It is recommended that congregations and organizations in the Southeastern Iowa Synod provide either the Gold+ or the Silver + ELCA health plan. There may be situations where a rostered leader is better served by a plan other than the Gold + ELCA health plan when paired with an accompanying Health Savings Account (HSA). The selection of a health plan is most faithfully accomplished **when agreeable to the rostered minister and to the congregation or organization.**

Other Expenses Covered by the Congregation

Meetings and Events: According to the synod constitution **\$14.25**, all pastors and deacons under call are expected to attend meetings of the Synod Assembly and other called meetings by the bishop. Attendance at the annual Synod Assembly and the Fall Conference for rostered ministers is part of the ministry of a congregation. Expenses should be budgeted and paid by the congregation if they are not reimbursed by the agency or group calling the meeting. The congregation should expect to cover the registration cost, mileage reimbursement, and lodging when required. The following are estimates for budgeting:

- Synod Assembly-Registration \$150, Lodging \$150, and mileage
- Fall Conference-Registration \$100, Lodging \$150, and mileage
- Annual Boundary Training \$75 and mileage

The planning committees for these events strives to keep the events affordable. The lodging cost is just an estimate with the actual cost often lower. A congregation may look at the mileage cost to commute against the cost of lodging to determine the most feasible action. Synod events are intentionally hosted in different parts of the synod to allow some to commute one year and then stay overnight another year. Congregations may consider budgeting the same amount each year and hold excess in reserve for years when the costs are greater.

Expenses and time away from the congregation to attend the meetings and events are in addition to the time and budgeting for continuing education.

Moving Expenses: The congregation is responsible for moving a rostered minister to the community. All reasonable moving expenses should be covered by the congregation and negotiated with the incoming leader. It is preferable to use a professional moving company. If other arrangements are made, they should be mutually agreeable to both parties. See IRS guidelines for moving expenses for further guidance at www.irs.gov

Sabbatical: Congregations are encouraged to develop a Sabbatical Policy for rostered ministers. Examples and resources can be found on the synod web site.

Other Benefits

Vacation: The congregation is to provide a minimum of four weeks per year (encompassing four Sundays) of vacation with full pay. This is separate from time allotted for continuing education, time to attend churchwide or synodical committees or meetings, time out of the office for congregational events.

Family-related Leaves:

- a. **Parental leave:** Ten (10) weeks of paid parental leave is available to a parent who is the primary caregiver following the birth or adoption of a child. Six (6) weeks of paid parental leave is available to the secondary caregiver. Accrued vacation may also be used to extend a parental leave. Professionals desiring additional leave, either prior to or following the birth of their child, may negotiate for unpaid leave.
- b. **Family leave:** Congregations should be sensitive to family needs such as extraordinary illness of children, spouse, and parents of the professional and arrange proper leave time for these circumstances.

Sickness: Sick leave recommendation is one day per month, cumulative to 60 days. The congregation assumes responsibility for the rostered leader's salary and benefits and pulpit supply during the illness.

Short-Term Disability: The congregation assumes responsibility for the rostered minister's salary and benefits until the short-term plan becomes effective, which is the third month of disability. The employer is expected to continue full salary until that time. The congregation is to assume responsibility for pulpit supply during the disability.

Military Leave: It is expected that any rostered minister interviewing for a new call who has commitments to the National Guard, or a reserve component of the military will disclose this information in his or her initial interview. Negotiations for time off for these commitments should be done with the congregational leadership prior to extension and acceptance of a call. For more guidance in this matter, please refer to www.elca.org/federalchaplains/involuntarycallupguidelines on the ELCA website.

Additional Compensation Considerations

Pulpit Supply: The congregation should expect to pay no less than \$200 for preaching and presiding at one worship service and no less than \$50 for each additional service. The congregation should pay at least \$60 for each class that is taught. The congregation pays travel costs at the current IRS rate per mile and provides overnight lodging and/or meals as necessary. Congregations should remember that deacons may provide pulpit supply but are not authorized to preside at Holy Communion.

Interim Ministry: Information for compensation and benefits for interim ministry can be found on the synod website under Call Process documents.