

2017 SE MN Synod Minimum Compensation & Benefits Guidelines



What Are Minimum Guidelines?

The mission of our synod is “equipping congregations and leaders to follow Jesus into a changing world” and these guidelines are presented a tool for congregations and staff to use together so that compensation decisions can be made in such a way that God’s mission flourishes, staff members are cherished as servants of God, there is a sense of faithful partnership between church members and staff and all areas of the church’s ministry thrive. Minimum guidelines promote calls based on matching the pastor’s gifts with a congregation’s needs, rather than encouraging leaders to select positions based too heavily on the promise of better compensation. And they help congregations in researching what comparable salaries are being paid in the area. Currently two thirds of congregations in the synod pay their leaders at or above minimum guidelines. Most of the congregations who are below guidelines are within close proximity as well. More importantly than the ability of congregations to pay at or above guidelines, church staff need a team of members in their church who are willing to understand the guidelines and advocate for their use as the budget is being proposed. The tone and quality of conversation surrounding compensation matters may be as important as the substance or outcome of such conversations. Church workers are encouraged to focus on the privilege of serving Christ regardless of monetary reward and congregations are encouraged to be as generous as possible in supporting their paid leaders—each looking out for the good of the other. This only works well if compensation is determined with the mutual interests represented fairly. If your church does not have a team of advocates, you place your staff in an awkward position of needing to advocate for themselves. If you would like some help in understanding the guidelines, the deans of each conference have agreed to be facilitators for this discussion.

How Are They Developed?

A task force of seven lay and clergy members was commissioned by and in consultation with Bishop Delzer at the end of August in order to:

- Compare this year’s guidelines with neighboring synods’ 2016 guidelines, other mainline denominations in our area, and surveyed congregations and pastors in order to gather relevant information.
- Seek input in order to develop fair minimum guidelines for 2017.
- Provide recommendations to the bishop and synod council for review and input.
- Present guidelines at annual synod assembly for discussion and possible amendments before they are voted on for final approval and adoption.
- The members of the team this year are: David Knox, chair; Jay Dahlvang, Craig Nelson, Jim Nordstrom, Kris Opegard, Josh Kestner, and David Krinke.

Where Do We Stand?

SE MN Synod has been raising its guidelines for pastor salaries to be in closer alignment with surrounding synods (excluding Minneapolis and St. Paul which are 35% higher). A few years ago, we had the lowest guidelines of all surrounding synods. The 2016 guidelines were in the middle with two offering higher salaries than us and three offering lower salaries than us. This relative parity enables money to not be a disincentive in attracting pastors to fill the many vacancies within our synod. Last year, with over 50 churches in need of pastors, we had the most vacancies of any synod in the US. Currently we have approximately 25 pastoral vacancies.

Comparison of 2016 Surrounding Synods' Guidelines

1. Northwest Synod of Wisconsin 5-7% higher
2. Northeast Iowa Synod 1-2% higher
3. Southeastern MN Synod
4. Northeastern MN Synod 0-2% lower
5. Southwestern MN Synod 1% lower
6. LaCrosse Area Synod 3-6% lower

Understanding Your Pastor's Pay

Pastors historically were once compensated comparably with public school superintendents. Later this dropped to being in parity with school principals. Minimum guidelines for pastors are now roughly equivalent with the average teacher with a master's degree in MN. Teachers are paid on a nine-month or 187 day basis; however, pastors do not contribute directly toward the cost of their benefits plan as most teachers do. Each school district salary is negotiated separately so the benefits vary widely. We encourage you to ask your school district for its salary schedule for local comparison. Keep in mind that a pastor's salary is base salary plus housing. For comparison purposes, it should not be confused with the total costs to the congregation for employment and professional support.

Average Teacher with Master's Degree Salary in SE MN (2015-2016) Year	SE MN Synod 2016 Guidelines Salary & Housing Year
1 \$46,166	1 \$48,242
5 \$51,916	5 \$51,715
10 \$60,324	10 \$56,033
15 \$65,173	15 \$60,097
20 \$66,672	20 \$64,161
25 \$67,386	25 \$68,225

(Average teacher salary based on six rural school districts and six urban districts within SE MN Synod boundaries. Teachers typically reach the top of their pay scale at 25 years of experience.)

Why is There a Housing Allowance for Clergy?

A pastor's salary is divided up into base salary and housing allowance. If a pastor lives in a parsonage, the value of housing is calculated at 30% of base salary. Because of IRS regulations, pastors do not need to pay income tax on the portion of their salary spent on housing if it has been designated for this purpose in the annual budget and it is used for the purpose of housing. Every December the pastor should notify the Congregation Council that a specific amount of his/her compensation for the coming year be designated as housing allowance. The Council acknowledges this request by a motion and vote that is entered into the meeting minutes. It needs to be understood that dividing housing allowance and salary is for income tax purposes, and the division can appear unusual. The Council may choose to use this format within the minutes of its meeting: A motion was duly made, seconded, and approved that the ministry compensation paid to Rev. _____ during the year 20__ include a designated housing allowance in the amount of \$_____. This amount shall remain in effect annually until amended or rescinded. (Source: Clergy Financial Services, Inc.)

Core Biblical Convictions For Paying Church Workers

Decisions about compensation for rostered leaders¹ 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. Pastors, associates in ministry 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. The following guidelines are designed to assist congregations² as they make decisions regarding the compensation of rostered leaders and church staff. For additional assistance in determining a fair salary and benefits package for rostered leaders, please contact a member of the synod pastoral staff.

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 leaders and support staff;

¹ For the purpose of this document, the term “rostered leader” refers to a person who is on the roster of ordained pastors and rostered lay leaders of the Evangelical Lutheran Church in America. Rostered lay leaders typically serve as Christian education directors, youth directors, parish musicians, etc.

² For the purpose 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.

- 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;
- 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.

COMPENSATION FOR ROSTERED LEADERS

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

A. Base Salary Guidelines

The synod task force on compensation and benefits has attempted to arrive at a fair base salary. The synod's base salary guidelines are a suggested minimum amount based on total years of ministry experience. Congregations are free to give their rostered leaders an increase of more than the minimum, as befits church finances or circumstances.

Congregations that find themselves falling 10% 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 pastor. 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 pastors 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. Pastors 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 pastor. Congregations that are 5% or more below guidelines should consider offering their pastors 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.

2017 Salary Scale

The 2017 guidelines include no inflation or other increases. Each individual pastor, however, would receive a step increase of \$620-\$625 for the additional year of experience. This is the recent history for Southeastern MN Synod's salary increases:

2012 — no increase, just step increase; 2013 — 3.5% increase, plus step increase.

2014 — increase of between \$563-\$2,985 (or between 1.8% to 9%) to provide a range. The top end of the range equaled parity with other neighboring synods on our borders (excluding Mpls/St. Paul).

A range was given so that congregations could work toward this increase over time.

2015 — 1.5% increase to the range given the previous year, plus step increase.

2016 — 1.5% increase, plus step increase. No more range given. Only the higher number which reflects parity with border synods remains.

Years of Service	Base Salary MINIMUM 2017	Years of Service	Base Salary MINIMUM 2017	Years of Service	Base Salary MINIMUM 2017
Graduate.....	36,490	14	45,603	28.....	54,356
1	37,109	15	46,228	29.....	54,982
2	37,728	16	46,853	30.....	55,607
3	38,348	17	47,479	31.....	56,212
4	39,159	18.....	48,104	32.....	56,837
5	39,781	19.....	48,729	33.....	57,462
6	40,403	20.....	49,354	34.....	58,087
7	41,025	21.....	49,980	35.....	58,712
8	41,647	22.....	50,605	36.....	59,337
9	42,269	23.....	51,230	37.....	59,962
10	43,102	24.....	51,855	38.....	60,587
11	43,727	25.....	52,481	39.....	61,212
12	44,352	26.....	53,106	40.....	61,837
13	44,978	27.....	53,732		

Pastors and other rostered leaders with more than 40 years of ministry experience and their congregations are asked to negotiate appropriate salary increases.

Other Considerations

The total compensation package should also take into account workload, additional education, and effectiveness of the rostered leader. Many pastors, as they go through college and seminary, have incurred high levels of educational debt. Congregations are encouraged to discuss this matter with their pastors. If you pastor is still paying off educational debt, the congregation is encouraged to provide a matching contribution up to \$100 per month to aid in reducing the educational debt. 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. Pastors will be granted housing (either a parsonage or housing allowance) in addition to the base salary. Rostered lay leaders will be granted the same base salary but will not be furnished with housing.

Housing Allowance

An adequate housing allowance or a parsonage should be furnished for all ordained pastors under call.³

⁴ 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.⁵ 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. You may find the median home prices by county on http://www.trulia.com/home_prices/.

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. Pastors who live in an unfurnished parsonage also may receive a furnishings allowance⁶ or have a portion of their base salary designated as a Furnishings Allowance. 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 (www.PorticoBenefits.org), and it may also be valuable to contact a qualified tax adviser who is knowledgeable about the unique tax situations for ordained pastors.

³ For example, if a clergy couple serves two different congregations, each pastor is entitled to either a housing allowance or a parsonage.

⁴ Under U.S. tax codes a pastor's housing allowance or fair rental value of a parsonage is subject to FICA tax but is not subject to income tax.

⁵ A congregation can amend its housing allowance designation during the course of 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

⁶ This allowance could be used to cover the costs of furniture, appliances not provided by the parish, vacuum cleaner, televisions, beds, decorator items, curtains, paintings, wallpaper, throw rugs, lawn mowers, cleaning supplies for home, brooms, light bulbs, etc. This allowance cannot be used for toiletries such as soaps, paper products, toothpaste, etc.

Moving Expenses

Good beginnings are important. It is helpful that the relationship between pastor and congregation “get off on the right foot.” Congregation and pastor 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. The congregation shall be responsible for moving all household, professional, and personal goods of the pastor and his/her family, for arriving rostered staff 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 pastor’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.

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.

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 ordained clergy. The FICA tax for self-employed persons in 2016 is 15.3%⁷. 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.

Portico Benefit Services

The congregation shall budget for and participate in Portico Benefit Services Pension and Other Benefits Program for clergy and rostered lay leaders and their families. This plan provides health, dental, prescription drug, retirement, disability, wellness programs, and group life insurance benefits in one bundled program.⁸ Each fall, each sponsoring employer must make a selection with Portico for the ELCA-Primary health benefit option they will offer their sponsored plan members for the following year. The recommended option is either Gold+ or Silver+ with level “A” contribution to the employee’s HSA. The contribution is based on Annual Defined Compensation, which includes base salary before payroll deductions, plus any Social Security (FICA) allowance, housing allowance, and furnishings and utility allowance. If a parsonage is provided, defined compensation is also increased by 30% of the sum of

⁷ Congregations should stay abreast of any changes in the FICA tax rate.

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.

base salary. 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, 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. Both sponsoring employers and plan members can make contributions to an HSA. Sponsored members can also purchase supplemental life insurance on themselves, their spouses and dependents. Long-term care coverage is also available. For more information, visit the Portico Benefit Services website at www.PorticoBenefits.org or call 800-352-2876.

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 and reported by the staff person in his/her personal vehicle, is recommended for use by congregations to calculate reimbursement. When these guidelines were drafted, the IRS standard mileage rate was \$.535 per mile for business miles driven. 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. 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.

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 leaders, and all costs for these events are to be paid by the congregation.

Technology Tools

In many places, the use of technology enhances effective ministry by providing for better use of time and by helping pastors and rostered leaders 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 leader 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 leader.

Continuing Education

All full- and part-time rostered leaders of the ELCA are expected to complete at least 50 contact hours of continuing education annually.⁹ 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 person'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. Congregations are encouraged to consider a sabbatical policy for their rostered leaders. The 1997 ELCA Churchwide Assembly recommended that rostered leaders be granted a period of extended study and renewal, a minimum of 1-3 months every 5-7 years in the current call.¹⁰

Time Off

Adequate time off for rostered leaders is essential. It is recommended that vacation time be a minimum of 4 weeks (including 4 Sundays) for all rostered leaders regardless of years' experience. Full time pastors should be encouraged off two full days per week.

Vacation

Vacation time is offered purely for the rest, relaxation, and renewal of rostered leaders. The following should not be considered part of a rostered person's vacation time: official synod events at which attendance by rostered leaders 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 leader are required on recognized holidays, time off with pay should be granted at another time which causes minimal disruption to the congregation. The following days are traditionally considered paid holidays: New Year's Day, Martin Luther King Day, Good Friday or Easter Monday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

Other Circumstances

On rare occasions the rostered leader and congregation may need to negotiate the carrying over of unused vacation time into the following year. An additional 2 Sundays a year may be granted a pastor serving in a solo ministry setting, with the parish providing worship supply.

⁹ Newly-rostered pastors and lay leaders are required to participate in First-Call Theological Education during the first three years of rostered service.

¹⁰ For rostered persons involved in the First-Call Theological Education program, this 5- to 7-year period begins upon completion of that program.

Emergency Leave

Absence of three days (up to five 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 leader has no remaining vacation time for that year. Compassion and grace should be the guiding values.

Disability - Sick Leave

In the event that a rostered leader becomes medically disabled, it is expected that the congregation provide up to 2 months of continued salary, housing, and contributions to the ELCA Retirement and Other Benefits plans in a 12-month period. It is recommended that each congregation develop explicit written policy relating to disability and sick leave before such need arises. Such a policy might include allowing rostered persons to use some sick leave days to care for immediate family members who are ill. Consideration for sick leave during interim ministries might also be included.

Parental Leave

Parental leave with full salary, housing, and benefits for up to 6 weeks is appropriate when a child is born or adopted. It is recommended that each congregation develop an explicit written policy relating to parental leave.¹¹

Military Leave

A congregation whose pastor serves simultaneously as a chaplain in a military reserve unit must by law grant leave time for the pastor to fulfill his/her military obligations. Such military leave time is to be granted exclusive of vacation and continuing education time. It is recommended that each congregation develop explicit written policies relating to compensation issues for rostered leaders while on military leave. Policy guidelines are available from the ELCA Federal Chaplaincy website (<http://www.elca.org/Our-Work/Leadership/Federal-Chaplaincy-Ministries>).

Part-Time Staff

Part-time rostered staff persons should have consideration for salary and benefits corresponding to a percentage of a full-time salary and benefits package. The required minimum continuing education should not be reduced by a percentage, however.

Severance Policy

It is recommended that each congregation develop explicit written policies relating to severance compensation for rostered leaders. See appendix B.

Unemployment Compensation

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

¹¹ Congregations that have called a rostered couple (two rostered persons married to each other) should give particular attention to the question of whether both rostered persons will receive a full parental leave.

SYNOD POLICY FOR INTERIM MINISTRIES

The interim pastor plays a very significant role in the life of a congregation. When a pastor 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 permanent pastor. The interim pastor 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 pastor is selected by the congregation after consultation with the synod staff.
- The interim pastor serves under a Letter of Agreement from the congregation. At the pastor's request, a Letter of Call may be extended by the synod council. (The synod staff will provide sample Letter of Agreement forms for this purpose.)
- The interim pastor is employed by and accountable to the congregation. The interim pastor 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 pastor.
- The interim pastor shall keep the synod staff informed of particular concerns or needs of the ministry setting, especially those that may affect the calling of a pastor. Upon completion of an interim pastorate, the interim pastor shall submit a written report to the synod staff.
- The interim pastor shall normally not be a candidate for call to the congregation in which he/she is doing interim ministry.
- While serving as an interim pastor, 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 pastor.

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

Compensation and Benefits for Interim Pastors

The total compensation package for an interim pastor is normally no greater than the compensation package of the pastor who departed. This means that in most cases the interim pastor's total compensation package will be negotiated on the basis of (a) a base salary appropriate for his/her years of ordained experience according to the synodical compensation guidelines, (b) the base salary of the departed pastor, and (c) 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 pastor 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 pastor may be much more difficult and exhausting than regular parish ministry.

For interim pastors, the congregation shall also provide:

1. One week of paid vacation and benefits for every 13 weeks of full-time service.
2. Contributions toward Portico Benefit Services for all clergy who are not already retired.
3. Premium payments for retired clergy who are still contributing to their coverage for medical insurance.
4. Consideration for disability/sick leave for interim ministries is recommended.
5. Four days of paid continuing education leave and a continuing education allowance of \$187.50 for every 3 months of full-time service.
6. Payment of registration costs for attending the Synod Assembly and Synod Theological Conference when these events occur during the interim.
7. Reimbursement for auto expenses and professional expenses incurred in doing ministry in the

parish. An interim pastor 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 pastor's home and the place where he/she serves.

8. 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.

9. If the interim call contract is ended early by a congregation and the interim pastor 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 pastor based on a percentage of the compensation package of the previous pastor. This percentage is based on the time worked by the interim minister in comparison with the time worked by the previous pastor.

Worship Supply

For Sunday mornings and midweek services, the congregation or parish shall compensate the supply pastor or worship leader \$150 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 pastor or worship leader \$150. For both of the above, auto reimbursement shall be at the current IRS standard mileage rate of \$.535 per mile.

NON-ROSTERED LAY 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.

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 for 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.¹² Provision for continuing education should also be included as a benefit for non-rostered program and support staff.

COMPENSATION WORKSHEETS

The following worksheets are provided in order to aid the congregation in establishing a total compensation package. Each item on the worksheets is described within this synod guidelines document. The worksheets lend themselves to building a compensation package using synod guidelines. If staff are below guidelines, it is strongly recommended that these worksheets are presented in the annual report of the congregation to ensure that everyone is fully aware of the situation.

¹² Pastors and rostered laypersons 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. Lay (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.

Compensation Worksheet

For Clergy Who Own a Home



Building the Compensation Package			
Salary and Housing	Current Year	Guidelines	Proposed
Salary and Housing	\$	\$	\$
Social Security Reimbursement (7.65%)	\$	\$	\$
TOTAL	\$	\$	\$
Benefits			
ELCA Bundled Benefits Plan ¹	\$	\$	\$
Other (e.g., Health Savings Account, additional retirement contribution, etc.)	\$	\$	\$
TOTAL BENEFITS	\$	\$	\$
Reimbursed Professional Expenses			
Automobile	\$	\$	\$
Sabbatical	\$	\$	\$
Continuing Education	\$	\$	\$
Professional Ministry Expense	\$	\$	\$
Other	\$	\$	\$
TOTAL PROFESSIONAL EXPENSES	\$	\$	\$
Non-Financial Compensation			
Vacation (Number of Weeks)			
Continuing Education (Number of Weeks)			
Other			

Compensation Worksheet

For Clergy Who Live in a Parsonage



Building the Compensation Package			
Salary and Housing	Current Year	Guidelines	Proposed
Salary and Furnishings Allowance	\$	\$	\$
Social Security Reimbursement (7.65%)	\$	\$	\$
TOTAL	\$	\$	\$
Benefits			
Housing Equity Account	\$	\$	\$
ELCA Bundled Benefits Plan ¹	\$	\$	\$
Other (e.g., Health Savings Account, additional retirement contribution, etc.)	\$	\$	\$
TOTAL BENEFITS	\$	\$	\$
Reimbursed Professional Expenses			
Automobile	\$	\$	\$
Sabbatical	\$	\$	\$
Continuing Education	\$	\$	\$
Professional Ministry Expense	\$	\$	\$
Other	\$	\$	\$
TOTAL PROFESSIONAL EXPENSES	\$	\$	\$
Non-Financial Compensation			
Vacation (Number of Weeks)			
Continuing Education (Number of Weeks)			
Other			

Compensation Worksheet



For Rostered Lay Leaders & Staff

Building the Compensation Package			
Salary	Current Year	Guidelines	Proposed
Annual Base Salary	\$	\$	\$
Other (see guidelines for other considerations)	\$	\$	\$
TOTAL	\$	\$	\$
Benefits			
FICA Tax — Employer's Share	\$	\$	\$
Portico Benefit Services	\$	\$	\$
Other (e.g., Health Savings Account, additional retirement contribution, etc.)	\$	\$	\$
TOTAL BENEFITS	\$	\$	\$
Reimbursed Professional Expenses			
Automobile	\$	\$	\$
Professional	\$	\$	\$
Official Synod Meetings (Assembly, Fall Theol.)	\$	\$	\$
Continuing Education	\$	\$	\$
Other	\$	\$	\$
TOTAL PROFESSIONAL EXPENSES	\$	\$	\$
Non-Financial Compensation			
Vacation (Number of Weeks)			
Continuing Education (Number of Weeks)			
Other			

Appendix A

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 (1) become aware of needed improvements, (2) achieve synod-wide standards for church-owned homes, and (3) 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 in 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 families. 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

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 antenna unless cable is provided.
3. It is recommended that the following utilities be paid directly by the congregation or by utility allowance: electricity, gas, fuel oil, telephone (except personal long distance calls), Internet, soft water service (if needed), trash removal (metered bags or monthly pickup 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 permanent 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 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.

Appendix B

Guidelines for Severance Benefits

Rostered leaders and other staff are highly valued and dedicated servants in the church. Yet there are times when, unfortunately, it becomes wise for an individual's call or employment to end earlier than expected. Perhaps the individual's gifts do not meet the needs of the congregation. Perhaps the resources in the congregation have changed. In such difficult situations, the Southeastern Minnesota Synod encourages congregations to be as fair and caring as possible.

Severance pay is offered because church workers are not eligible for unemployment compensation. Severance pay shall be based on the average weekly compensation during the last 12 months, including housing in case of a called pastor.

A severance package is best arranged in consultation with the synod office. For mutual clarity, a signed release agreement is strongly recommended before any severance is paid.

Severance Formula

Age, previous experience in other settings, and years of service in the current congregation are considered. The result is expressed in units of weeks of pay.

1	Minimum severance amount, independent of age and experience	4
2	Write '4' if the person is 50 years or older. Otherwise write '0'	
3	Write the number of years of relevant service before coming to this congregation, divided by 2. For example, for 12 years' service in previous congregations, write '6'	
4	Add lines 2 and 3.	
5	Write '9' or the value from line 4, whichever is smaller	
6	Write the number of years of service in the current congregation.	
7	Add lines 1, 5, and 6	
8	Final result: Write '26' or the value from line 7, whichever is smaller, to determine weeks of severance pay	