

**NORTHWEST WASHINGTON SYNOD  
MINISTRY SITE  
2024 COMPENSATION GUIDELINES**

**For Ministry Leaders:**

**MINISTERS OF WORD AND SACRAMENT  
MINISTERS OF WORD AND SERVICE**

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To: Northwest Washington Synod Councils and Financial Teams  
From: Northwest Washington Synod Personnel Committee: Fred Row, Chair; Debbie Boyce, Ivar Hillesland, David Johnson, Le Brandes, Paul Benz, and Rev. Andy Yee, Assistant to the Bishop

We are grateful for the work of all of the rostered ministers and congregations in our Synod! It is indeed our duty and joy to partner in this work for the sake of Christ and the good news we share. With that, we are pleased to offer our compensation guidelines for the coming fiscal year.

[\(Link: Video Overview\)](#)

## Rationale

These guidelines are intended to assist ministry sites in providing adequate compensation to professional leaders in parish settings. In most ministry sites, the funds allocated for such compensation represent a significant portion of the budget. Each ministry site should assure that budget priority is also given to maintaining programs, benevolences, church partnership, and facilities. Balancing compensation and other program and ministry needs is a challenging responsibility, and it is impossible to develop guidelines applicable to all situations. The ultimate decision in each case rests with the ministry site, based upon prayerful analysis of the ministry and mission of the ministry site and the needs and concerns of its professional leaders.

Fair compensation should be determined out of a mutual trust between the professional leaders and the ministry site. This process should involve a forum where mutual concerns and expectations relating to compensation can be discussed with understanding and confidence. Necessarily, this process also includes periodic evaluation of the professional leaders as part of the evaluation of the strengths and weaknesses of the overall parish ministry.

These compensation guidelines apply to all rostered professional leaders which include lead pastors, co-pastors, assistant and associate pastors, deacons and interim pastors under call. In determining salaries for professional leaders, ministry sites may wish to consider similar experience in the church or other professional positions of the rostered leader before they became rostered.

These guidelines must be adjusted for part-time professional leaders. The ministry site may consider paying a part-time professional leader an hourly rate or salary based proportionately on these guidelines.

The ministry site is responsible for the pension and health insurance benefits for a part-time professional leader. Other benefits are negotiable, but the ministry site is urged to provide fair and equitable treatment to a part-time professional leader.

In all cases, compensation, benefits, allowances, and expenses must be based upon and consistent with a rostered professional leader's letter of call.

## Facts of Life

In considering compensation, a ministry site is likely to discuss such issues as the following: "What we can afford," anticipated income, and multiple demands on income. It is also important to discuss what might be a just and fair salary. This can be based on salaries of those in the community with comparable education, experience, and responsibilities.

For many first call professionals, the debt service on their university and seminary education loans is too great to allow them to take a call from a ministry site that cannot offer competitive compensation. As rostered leaders progress through their call, a pattern of low compensation also results in a pension income in retirement which may not be a livable income.

Fairness to the professional leader should be balanced with the ministry site's financial resources and other spending needs. When that situation exists, the list of the plans for the next year should start with the plan for increased outreach and focus on stewardship among members.

Another common statement is, "We're just a small congregation." The implication is that there is not as much work required of our professional leaders as there is in a larger congregation. While on the surface this may seem to be true, the reality is that professionals in a small congregation become "do it all" people and ought to be compensated the same as those in larger congregations with two pastors and two or three lay professionals to share the workload. The ministry site which identifies itself as "just a small congregation" should never use that for an excuse to be less than faithful in discipleship.

Again, we encourage a process of determining fair compensation that is developed out of a mutual trust between the professional leaders and the ministry site. This process should include the opportunity to share mutual concerns and expectations relating to compensation which can be discussed with understanding and confidence. A rostered leader who feels that the ministry site leadership is not fairly compensating them and/or will not discuss the subject openly with the rostered leader may request that a professional mediator work with both sides to help to resolve the disagreement.

It is good for ministry site leaders (e.g., Council leaders) to set an example of generosity and fairness if we expect to see the same kind of response from the ministry site. Fair and just salaries for professional leaders and all staff are one way to set that example.

## Influences to the Compensation

Several things caringly influenced the Personnel Committee as they brought for these recommendations:

- We have a wide range of congregations in various sizes and stages of ministry—with then a wide range of capacities to compensate as we should, can, or is just.
- The ongoing impact of the pandemic has been a financial hardship on many congregations.
- The housing prices in Northwest Washington have continued to increase, magnified in particular for those new to the Synod and coming in from other synods.
- More and more congregations prefer that their ministers live in the communities where their congregations are located.
- The cost of living increased moderately since this time last year.
- Deacons are part of our ordained rosters.
- Since this time last year, the Consumer Price Index (CPI) for Seattle increased 4.6% and 3.5% in the Western Region. The 2024 base salary reflects the median increase of 4%.

## Changes in Compensation

Changes in compensation must be by mutual agreement between congregational leaders and rostered leaders and should be communicated to the Synod Office using one of these forms:

1. [Definition of Compensation, Benefits & Responsibilities for Minister of Word & Sacrament](#)
2. [Definition of Compensation, Benefits & Responsibilities for Minister of Word and Service.](#)

*(Guidance at end of each form on how to complete.)*

## Compensation Worksheet

The compensation worksheet will be the only resource we are offering to help guide compensation discussions—allowing personnel teams to more fully appreciate the experience and expertise that our rostered ministers bring. Link to a downloadable worksheet (Excel) and tutorial video below (*you cannot modify the worksheet in the browser*):

- [Compensation Worksheet](#) (click link; "save as" (or download); open downloaded file to begin work)
- [Tutorial Video](#)

# Salary Components

As you work on the compensation package, we invite you to also reference the following more detailed guidelines:

## A. Base Salary

The ministry site must provide a salary for their rostered professional leaders. For Ministers of Word and Sacrament, that “base salary” is split into wages and a housing allowance. Separating out the housing allowance is necessary because the housing allowance for clergy is not subject to federal income tax. The full salary, however, less unreimbursed professional expenses, is subject to social security tax under the Self-Employed Contributions Act (SECA).

The amount of the housing allowance should be determined in conversation with each ordained clergy person and then approval of amounts recorded in the minutes of a council or ministry site meeting prior to beginning payment to those persons. These amounts may be changed but must be noted in meeting minutes prior to the actual change in payments.

## B. Compensation Guidelines

We encourage each ministry site’s Personnel Committee, in partnership with their professional leader, to work through the current year Compensation Guidelines and Worksheet to arrive at parity amounts for each individual position based on the education and scope of responsibility required for the position.

Our Synod includes urban and suburban cities, small towns and rural areas. Our ministry sites range from working class to upper middle class to wealthy. Given the range of economic contexts, one compensation guideline number, reflecting years of service, will not be appropriate for all settings. The Compensation Worksheet is one way to guide the work of determining a fair and just salary.

For another, local perspective, school districts make teacher compensation guidelines publicly available. While teaching responsibilities and church responsibilities are not strictly parallel, the education and preparation that teachers and church leaders bring to their positions do often compare. In this Synod’s experience, teacher and church leader salaries are often comparable.

## C. Tax-Related Issues (Housing Allowance & SECA rules)

Housing allowance often causes some confusion for treasurers and ministry site councils. Federal law limits the amount of housing allowance that can be claimed. It is always the lowest of the following:

1. Fair rental value of the home, including furnishings and utilities;
2. The amount spent for the home, including down payment, mortgage payments, utilities, real estate taxes, property insurance, furnishings and appliances (purchase and repair), remodeling and repairs, and yard maintenance and improvements, or;
3. The amount designated in advance by the ministry site.

**To be excluded from taxable income, housing allowance needs to be officially designated in a ministry site resolution, meeting minutes or budget before payment is made;** i.e., in advance of the calendar year or in advance of a new pastor starting employment. If a ministry site fails to designate an allowance in advance of a calendar year it should do so as soon as possible in the new year. The allowance will operate prospectively, but never retroactively.

If a parsonage is provided, 30 percent of any base salary is presumed to be housing. If the rostered leader is living in a parsonage, the ministry site should consider providing a housing equity allowance.

A **housing equity allowance** is used by forward-thinking ministry sites to deal with the situation where a rostered leader has spent their career in ministry sites with parsonages and has essentially been prevented from building up equity over the years that is normal for rostered leaders who own their own home. Because parsonages are generally provided more for the economic benefit and convenience of the ministry site than for the rostered leader, the equity allowance is an appropriate response to the situation by the ministry site. This is best accomplished by providing the allowance in the form of a tax-sheltered annuity. This limits the tax burden on the rostered leader; funds in the annuity are not available until retirement. Contact the Portico Benefits Services (1-800-352-2876) for more information. (Housing equity contributions must be designated as a line item in the church's budget as a benefit over and above the rostered leader's defined compensation.)

Rostered leaders pay **social security taxes on housing allowance**, but not on pension plan withdrawals or housing equity. It's important for rostered leaders utilizing the housing allowance privilege to keep records of housing expenses for purposes of justifying the non-tax income to the IRS. Questions concerning the housing allowance exclusion or the completion of IRS Form 1040 should be addressed with a qualified tax adviser who is knowledgeable about the unique tax situations for ordained clergy.

Also keep in mind that the housing allowance privilege ends when the rostered leader dies; surviving spouses are not eligible. The same is true in cases of divorce.

*Ministers of Word and Service* are not allowed to exclude a housing allowance from their Federal taxable income. Therefore, their entire salary is subject to Federal income tax withholding and normal social security payment under FICA.

For income tax purposes, rostered leaders are considered employees of the ministry site. Therefore, they must be issued a W-2 because the Portico Benefits Systems declares a pension benefit to "employees" only. For social security (SECA), however, clergy are considered self-employed. **The ministry site is encouraged to provide an allowance to the rostered leader of at least 50 percent of the prior year's actual self-employment tax.** SECA rules dictate that this allowance be reported as taxable income and Portico Benefits Systems has deemed it to be part of income when computing pension plan contributions.

\*Added to be more helpful:

Pastors are considered employees of the church according to common-law rules, but it doesn't stop there. Pastors have what is known as a "dual-tax status." In short, this means that pastors are employees for the purposes of federal income tax, and, at the same time, they are considered self-employed for Social Security tax purposes.

This means that pastors are responsible for withholding and reporting their own taxes. In other words, a church is not allowed to withhold taxes from a minister's paycheck unless the two parties (i.e., the church and pastor) have entered into a voluntary withholding agreement. (See IRC section 3401 and Treasury Regulation 31.3402(p)-1.)

As a result, the reporting of a minister's income on Form W-2 will look a little different from Form W-2 of a non-ministerial employee.

If there is not a voluntary withholding agreement, a pastor's income should be reported on Form W-2 as follows:

- Box 1 should indicate the pastor's salary minus his/her qualifying housing allowance.
- Boxes 3, 4, 5, and 6 should be left blank since the pastor is responsible for withholding and paying his or her own taxes.
- Lastly, the housing allowance should be reported in Box 14 of Form W-2.
- Please note that this example of how to report a minister's income on Form W-2 is very general and may vary depending on your specific situation.

## D. Benefits Provided through the ELCA

Ministry sites are expected to enroll rostered persons in the **ELCA Pension and Other Benefits Program**. This one enrollment provides for a retirement account, for health insurance (medical, dental and disability coverage), and for a survivor's benefit plan. The contribution rates (a percentage of "defined compensation") are set annually. Current information can be found at [Portico](#). The NWWA Synod recommends that rostered leaders' healthcare contribution be at the Gold Plus level of the Portico offerings unless a careful analysis by the rostered leader determines that another plan would be better suited to their needs and the needs of any covered family members.

Participants in the ELCA Pension Plan normally participate in the medical and dental coverage, disability coverage, and survivors benefit plans. Individual professional leaders may waive medical and dental coverage; however, ministry sites are expected to offer all ELCA benefits. Ministry sites also should provide coverage for the spouse and children, if other coverage is not available.

For pension calculation purposes, a parsonage fair-market value should be the amount used to calculate the base salary. A ministry site contribution of 10% of defined salary to pension is the minimum required for all rostered leaders, ordained and lay. For non-rostered lay employees enrolled in Portico benefits, the minimum is 6%. Note: The ministry site may contribute amounts in excess of the prescribed contribution to the pension fund on behalf of the professional leader.

*If both spouses are enrolled in the ELCA Pension Plan, each ministry site will be billed for the medical and dental plan, rather than the entire amount for the couple being billed to the employer paying the higher salary.*

Questions regarding pensions, health insurance, and other ELCA benefits should be addressed to the Portico Benefit Services, 800 Marquette Avenue, Suite 1050, Minneapolis, MN 55402; (800) 352-2876; <http://porticobenefits.org>. You can email questions to [mail@porticobenefits.org](mailto:mail@porticobenefits.org).

## E. Congregational Staff Unemployment Insurance

The Synod Personnel Committee recommends that ministry sites in the NWW Synod adopt a policy of paying unemployment insurance and workers compensation for all eligible staff. If the ministry site does not cover Unemployment Insurance for employees, it is appropriate and just for the ministry site to pay severance for staff separated involuntarily for reasons other than cause.

## F. Professional Allowances and Expenses

The following allowances and expenses are a normal part of compensation, and ministry sites should provide them consistent with the letter of call.

### Reimbursement for Use of Privately Owned Vehicle

Revisions in the Internal Revenue Code dictate the elimination of non-accountable auto allowance. The preferred method is for the reimbursement of actual travel based on the current IRS mileage reimbursement recommendation. It is essential to maintain adequate records to support the payments. An alternative method is for the ministry site to own or lease an automobile for the use of the rostered leader. The professional leader, in order to comply with tax regulations, would be required to report and be taxed on personal use of such a vehicle.

### Continuing Education Allowance

The ministry site should provide time and funds to the rostered person for the purpose of continuing education, consistent with the letter of call. Such activities are designed for self-

improvement, which will result in strengthened ministry in this ministry site or in another to which the leader may be called in the future. The suggested amount for continuing education for professional leaders is \$1,000 annually; the suggested time allowance for a professional leader is two weeks per year, including two Sundays. As ministry sites review salaries annually, these benefits should also be reviewed.

The ministry site should encourage the professional leader to contribute an additional \$250 annually to their own continuing education. The professional leader and the ministry site may negotiate to "bank" funds and time allocated to continuing education for a period up to three years. Ministry sites may send continuing education allowance funds to the Financial Services Office (FSO) at Region 1 each year for the specific leader. The FSO will hold the funds and make them available through the proper form submitted by the professional leader. FSO will not calculate accruals nor will it attribute interest to the accounts. In all cases, the ministry site and the professional leader should plan together regarding continuing education programs and areas of study.

### First Call Theological Education

Newly ordained persons are required by the ELCA to participate in a First Call Theological Education program. The ministry site should provide time and funds for participation in this program. It should be noted that the program is three years in length and may extend to a "second call" if the rostered leader should accept another call during this three-year period.

### Allowance for Resource Material

The ministry site may provide a book/periodical allowance for the education requirements of the professional leader. If provided, this allowance should not be considered part of the continuing education allowance.

### Other Professional Expenses

The ministry site should provide for expenses of the rostered leader relating to attendance at the Synod Assembly, Bishop's convocations, cluster meetings, synod convocations and/or related conventions at which attendance is required or strongly encouraged. Ministry sites also should provide reimbursement for other out-of-pocket expenses incurred by the professional leader in the course of the day-to-day life of the ministry site.

## G. Creative Options & Part-Time Compensation

All ministry sites are encouraged to faithfully meet the Synod guidelines. We realize that some ministry sites may have greater difficulty doing this than others, particularly when circumstances beyond a ministry site's control arise which make it difficult to keep pace with the year-to-year incremental salary increases prescribed in these guidelines.

It is important to work openly and jointly with rostered leaders and other staff to develop alternatives; changes in compensation must be mutually agreed upon. Remember that the objective is to provide sufficient compensation for a minister to fully engage their ministry while still providing their family's livelihood. This is important even during times when full incremental cash salary increases may not seem feasible. We recommend that you consider ways to creatively "think outside of the box" relative to compensation choices that benefit both the rostered leader and the ministry site.

### **More Vacation Time**

To determine the value of one week of vacation time, divide the Guidelines compensation by 52.

### **Increased Retirement Contributions**

These contributions actually save the church and rostered leader money because (1) the sum of the contributions is not considered part of "Defined Compensation" and therefore does not figure into the cost of health insurance under the ELCA plan, and (2) the contributions are fully



exempt from state and federal income tax and Social Security tax (SECA).

### **Deferred Compensation Plan**

Contribution to a tax-deferred annuity plan could help build additional retirement income for a rostered leader. An attorney or tax advisor must be consulted in drawing up such agreements.

### **Potential Negative Effects on Retirement Income**

The above strategies have a net effect of cutting the ministry site's total compensation costs by substituting different forms of compensation in place of straight "cash salaries." Several of these strategies also have a net effect of increasing after-tax income by reducing the amounts that are subject to state and federal income taxation and Social Security taxation (SECA).

Be aware, however, the above techniques also reduce the required amount that must be paid by the ministry site to Portico. This includes the retirement portion of those payments, which can have an effect on the rostered leader's ability to save enough for retirement in their ELCA Retirement Plan account. To minimize this negative outcome, a ministry site that utilizes non-cash strategies to augment the rostered leader's salary may make additional contributions on the rostered leader's behalf to their ELCA Retirement Plan account with Portico. *We strongly urge that ministry sites using any of these strategies restore the retirement portion of payments made to Portico to the full amount based on guidelines figures regardless of the actual "Defined Compensation."* This prevents a potentially dramatic reduction in the future retirement income of a rostered leader who has helped their ministry site reduce current expenses.

With respect to disability benefits, rostered leaders will have to assess the risk for themselves. ELCA disability benefits provided by Portico are based on a percentage of "Defined Compensation" at the time of disability.

### **Part time Ministry (also called Shared-Time Ministry or Bi-vocational Ministry)**

***As long as all parties agree to such an arrangement***, part-time ministry may allow ministry sites to meet salary guidelines while still maintaining a tight budget. For example, perhaps a ministry site desires a full-time rostered leader for a call, and yet is only able to come up with a package that corresponds to 75% of the recommended guidelines. In this case, the ministry site could offer a  $\frac{3}{4}$ -time call rather than a full-time call, and comply with the synod guidelines by paying  $\frac{3}{4}$  of the recommended full-time guidelines. The same could be done for a half-time position or any other position with a percentage less than full-time. In general, the ELCA restricts calls to half time or greater. (Please contact the synod office if a call less than half time is being considered.)

This arrangement anticipates that the time and workload would be reduced proportionally to the reduction in compensation. For example, offering a  $\frac{3}{4}$ -time position and then expecting full-time work would be a dishonest arrangement and an injustice to the rostered leader. In arrangements such as these where the ministry site is supportive of the reduced workload and increased time away, the rostered leader needs to maintain healthy boundaries and *not* work themselves into a full-time workload.

To provide clarity of role and expectations for both rostered leader and ministry site, it is important that the two parties work together to create a written plan before implementing the change. The changes in responsibility (both for rostered leader and ministry site) should be spelled out in enough detail that both leader and ministry site will understand and feel well supported. The ELCA's Definition of Compensation, Benefits, and Responsibilities form should also be sent to the synod office to document when a change from full-time to part-time is made.

In co-creating this document, there are some questions that should be addressed.

- 1) How will pastoral emergencies be covered? This is a significant issue if the rostered leader takes on other employment. Will ministry site members take on this responsibility?

- 2) How many Sundays a month is the part-time rostered leader to cover? (i.e., 3 out of 4 for a ¾ time call?)
- 3) How can the time away be coordinated so that the rostered leader could arrange other employment if necessary? How much flexibility can the ministry site provide?
- 4) What aspects of the rostered leader's work can either be turned over to the ministry site or let go? (note that the constitution lists some tasks required of the pastor)

Based on the gifts of both ministry site members and rostered leader, could the ministry site:

- provide for the routine administrative tasks of the ministry site?
  - provide for leadership of various ministries currently led by rostered leader?
  - share in visitation of and connection with prospective new members?
  - share in providing pastoral care to each other as members of the ministry site?
- 5) How will the ministry site address particularly busy times (like Holy Week or multiple funerals)? Will the rostered leader be able to take compensatory time off when workload of necessity exceeds compensated time?
  - 6) How will these changes impact the mission and future of this ministry site? Does the ministry site have a plan for either growth or eventual closure, and will this staffing model achieve the goal? If not, please consider the foregoing details and suggestions for alternative compensation mechanisms which might avoid the part-time discussion.

As the agreement is written and mutually agreed upon, salary should be prorated relative to the Synod's recommended guidelines at a minimum. Time away would also be reduced; for example, a part-time rostered leader working three days per week would still receive four of their regular (part-time) work weeks off.

If it is not possible to come to mutual agreement on a plan, the next step would include bringing in a mediator to facilitate a discussion based on these recommendations.

## Non-Monetary Benefits

### A. Vacations

The ministry site should grant an annual vacation to the professional leader, consistent with the letter of call. The recommended vacation minimum for a pastor is four weeks (28 days including four Sundays). The amount of vacation for other professional leaders depends upon their position, responsibilities, and other factors, but should not be less than two weeks. Additional vacation time, based on length of time with the ministry site, service in the ministry, and other factors, should be determined by the personnel committee. Those functions requiring the rostered leader's attendance, whether church-related or military duties, should not be considered vacation.

### B. Days Off

The ministry site should see that the rostered leader receives and takes a minimum of one regular day per week, and as often as possible, two days, as time off. Meetings and events normally should not be scheduled on the day off, and the rostered leader should be available for consultation only in the event of an emergency.

### C. Sick Days

The ministry site should create a written policy regarding sick leave that is consistent with the letter of call and *coordinated with Portico pension and benefit guidelines*. Policy should specify

how many days of sick leave are granted each year, when it accrues (i.e., monthly or every 6 months), whether unused sick leave is cumulative year-to-year, and whether the employee will be paid for unused sick leave when the call terminates.

Sick days may be used to care for a sick dependent child or other relative under certain circumstances.

Churches, at a minimum, must follow State Laws regarding awarding sick leave based on hours worked. A congregation could award more days based on the individual contract negotiations with the Pastor but as a minimum must comply with [State Laws](#).\*

#### D. Childbirth/Adoption Leave

The ministry site should consider granting childbirth/adoption leave to a rostered leader. The Synod recommends provision for childbirth/adoption leave of six weeks with full salary, housing, and benefits. It is important that the specific benefits be clearly defined and consistent with the letter of call. Some ministry sites also allow paternity leave, which may be considered on an individual basis.

#### E. Bereavement Leave

The ministry site is encouraged to provide regular, full-time and part-time ministers who have completed their first three months of ministry with paid leave for up to five days in the event of the death of a spouse, domestic-living partner, child, parent, sibling, grandparent, grandchild, or corresponding in-laws or "step" relations. In emergency situations leave with pay may be granted for a reasonable period of time by the Council President and then communicated with the Council.

#### F. Sabbatical or Extended Study Leave

The ministry site should periodically consider granting a professional leader an extended period for study, personal growth and reflection. Information regarding sabbatical or extended leave may be obtained from the Synod office.

#### G. Jury Duty

The ministry site is encouraged to pay a professional leader full pay during jury duty leave of up to two weeks each time they are called for jury service. If the leader chooses to receive full pay, fees paid to him or her for serving on jury duty are to be given to the ministry site. The professional leader is required to provide the ministry site with proof of jury service.

#### H. Health and Wellness

Since Portico Benefits Systems has called to our attention the generally poor health of our professional leaders, we encourage each ministry site to take steps to make health and wellness a priority item. In the past we have recommended that ministry sites support their rostered leaders in having a yearly physical exam and assist in paying for what the insurance does not cover.

Health care costs are determined by the health risk of the pool of participants. Rising costs of health care reflect the declining overall general health of rostered leaders, making them a higher risk group. Now is the time to encourage more preventive health care and health maintenance for our rostered leaders for their sake and for the stewardship of the church's resources.

We believe that it is important to go beyond simply having a physical exam. Healthy eating, regular exercise, and stress reduction activities need to be part of the preventative regimen. To

this end, we encourage you to provide the opportunity for your rostered leader to have a regular exercise program by providing for an athletic club or YMCA membership. In working with stress reduction, we encourage the use of regular professional meditation classes, working with a nutritionist, a therapist or Spiritual Director, a personal coach, a personal trainer, and/or personal silent retreats.

## I. Malpractice Insurance

The ministry site should provide professional liability coverage for the rostered leader. Coverage for rostered leaders should be evaluated on a case-by-case basis, depending on the nature of their ministry. Questions regarding this insurance coverage should be addressed to the ministry site's insurance agent.

## J. Additional Benefits

The ministry site may consider: supplemental health insurance, tax-sheltered annuities, 403B tax-deferred plans, individual retirement plans, and Keogh retirement plans. In all cases the complexities of these programs require research and assessment of each individual's specific situation. Further information can be acquired from professionals trained in these fields.

## Payment to Supply Pastors & Visitation Ministers

When the called minister is unavailable due to vacation, illness, attendance at a church event, military duty, sabbatical, or the like, the ministry site should establish reasonable reimbursement rates for supply pastors who conduct worship services, teach classes and provide visitation ministries. Compensation for supply pastors includes reimbursement of travel expenses at the recommended IRS rate.

Recommended rates for:

Preaching and presiding at one worship service, \$250, for two services \$375.

Preaching, but not presiding, \$200

Presiding, but not preaching, \$125.

Teaching a class, \$100.

Hourly rate for visitation ministers is \$45 per hour, with preparation, travel time and taxes to be taken into consideration.

## Taxes

Tax laws related to compensation, benefits, allowances, and expenses are increasingly complex in general and particularly regarding the clergy. These guidelines are not intended to provide tax or financial planning advice. Rostered leaders and ministry sites are advised to consult professionals in these areas to address specific questions regarding the tax consequences of particular payments.

## Rationale for Only One Worksheet

Many synods have begun to make the switch from salary charts to a worksheet. The reasons for this are manifold:

1. A worksheet is more dynamic and enables both churches and rostered leaders to have more in-depth and open conversation about salaries and benefits. This helps to illumine all the facets of how pay is determined, many of which might normally go unrecognized or stay under the water line as potential points of tension. Transparency is incredibly important when it comes to church finances.
2. Housing in Concrete, WA is not the same cost as housing in Seattle, WA. We must consider the diversity of cost throughout our synod when assessing reasonable compensation. If churches want their rostered leaders to live in close proximity they must consider the financial ramifications of that desire.
3. Previous experience. A 50-year-old woman with a PhD in Management and extensive experience with decision making, managing staff, budgeting, etc. is ordained after working for 25 years in an executive level position at a prestigious non-profit company. Under the former salary scale system, all that experience would potentially be disregarded. This worksheet helps to accentuate the immense value of past experiences and wisdom for the work of ministry. We can probably all agree that seminary does not teach all the skills required to shepherd a congregation well.
4. Advanced education/language proficiency. Our churches support the continuing education of our leaders through time off and financial commitments because they know it will benefit both the individual and the community itself. Likewise, having a leader who is proficient in more than one language is a gift that our ministries should value and compensate.
5. The format of the salary chart was set up almost 20 years ago based on salary studies at the time. Year after year the amounts were increased based on cost-of-living increases. Over time, the impact of a blanket percentage increase to the chart means that salaries on the upper end of the scale are going to increase significantly more than those at the lower end. The result is that over years there is far more income disparity from the bottom and top and injustice towards those on the lower end of the spectrum. There was also a decision at some point in the past to make salary increases based on experience happen every two years instead of every year from 10 years of experience onwards.

Some considerations:

1. One could argue that rostered leaders should be responsible for negotiating their salaries based on all these considerations, putting the impetus on them. We believe rostered leaders should not be punished for having poor salary negotiating tactics or for being sheepish about requesting salary changes. Our desire is to automate this process as best as possible for the sake of accountability, trust, and accuracy.
2. It is true that our economic and educational systems have produced far more student debt than ever before. Our youngest clergy often begin ministry with massive amounts of student loans, even after working while going to school and living as cheaply as they are able. Compensation should take into account this burden faced by many of our less experienced rostered leaders. This is a larger justice issue than our individual congregations can solve, but it also can't be ignored.