



2024 Rostered Minister Suggested Minimum Compensation Guidelines Narrative

INTRODUCTION

These guidelines provide a convenient way for congregations to determine, administer and evaluate appropriate compensation for rostered ministers. Appropriate compensation takes into account a lifelong ministry and looks to provide for the present needs of rostered ministers, as well as an adequate retirement.

It is helpful to remember that the method for determining compensation is a process that must be marked by openness, honesty, and graciousness. Both professional leaders and ministry representatives should be able to clearly articulate their needs at the beginning of a ministry together, and then, during the ministry journey, develop a regular ministry evaluation process to report and adjust for changes in the ministry context and needs. Compensation is meant to be a statement of the value the congregation places on the rostered minister's ministry and provides a reasonable standard of living within the community in which they are serving.

Professional expense reimbursement costs are also reviewed as part of this document. However, expenses are not considered part of the compensation and benefit package. Reimbursable expenses are those expenses that are required for the position. These expenses should be part of the Administrative Expenses of your financial plan.

However, carefully crafted guidelines do not give congregations automatic, concise, and simple answers to inherently complex issues. The following criteria should assist in identifying expectations and critical elements of the total compensation package.

As you use this document, please be encouraged to submit recommendations or suggestions to assist the Office of the Bishop in making this tool easier to use or understand.

COMPENSATION AND BENEFITS DEFINED

Direct Compensation

Baseline Compensation

Baseline Compensation is the minimum recommended amount prescribed for the position as determined by the job description. For example, a pastor must have a Master of Divinity

degree, the minimum baseline compensation begins with the amount set out for that degree status. Baseline Compensation includes the housing allowance.

If your ministry provides a parsonage, the minimum guideline should be divided by 1.3 to account for the value of the house provided. (IE: if the baseline compensation is \$ 56,965 and a parsonage is provided, the baseline compensation will be \$ 43,819. Calculated as \$ 56,965 / 1.3= \$ 43,819 rounded).

Housing Allowance

Word and Sacrament Ministers, called to congregational or specialized ministry, may designate a portion of their compensation as a “housing allowance.” This is a significant tax advantage, allowing clergy to exclude from federal taxable income that part of compensation used to provide a home.

Word and Sacrament Ministers and Word and Service Ministers are urged to consult a professional tax advisor to take full advantage of this provision in the tax code. Setting the housing allowance to cover actual expenses incurs no additional cost to the congregation or agency. To meet IRS requirements, the agency or Congregation Council **must specify the annual amount before the beginning of the calendar year.**

Total defined compensation adds base salary with any housing allowance, Social Security allowance, and furnishings and utility allowance. For plan members living in employer-provided housing, such as a parsonage, defined compensation is increased by 30% of salary and Social Security allowance. This allows Portico to provide appropriate contributions to the retirement account.

Portico provides an overview of the Housing Allowance and a helpful worksheet at: <https://employerlink.porticobenefits.org/Home/Resources/ClergyHousingAllowance.aspx>

Equity Allowance

Where a congregation provides a parsonage, the congregation should assume costs for maintenance and utilities. The congregation may pay these costs directly or provide an allowance to cover the expenses. The congregation should provide and maintain major appliances in the parsonage.

While living in a parsonage has many advantages, it does not build home equity for retirement. The congregation is encouraged to provide a housing equity retirement contribution if a parsonage is provided. A housing equity retirement contribution is an additional retirement plan contribution some employers choose to make for their clergy. This money is more flexible than traditional retirement account contributions and has different withdrawal rules. In some situations, clergy can withdraw these contributions without penalties (if they move from a parsonage to a purchased home, for example).

It is recommended that the congregation fund this plan at 3% of the base salary. This can be done via the ELCA Portico Optional Pension Plan or other annuity vehicles.

Social Security Allowance

As self-employed persons, pastors will pay 15.30% of their salary and housing allowance for social security benefits (FICA). Many congregations provide an allowance for part of this expense. This allowance, if provided, is part of the taxable income for the pastor. Since congregations are required to pay 7.65% of a lay employee's salary for social security benefits, it would be appropriate to pay this amount as a social security allowance for the pastor.

Household Furnishings Allowance

When a parsonage is provided, the congregations may consider a Furnishings Allowance. This is an allowance equal to the rental value of the pastor's furnishings. This would help cover costs at the parsonage not otherwise reimbursed (i.e. minor repairs, personal furnishings, insurance, etc.)

Localized Cost of Living Adjustment

The Florida-Bahamas Synod is geographically large and diverse; consequently, not all areas have the exact cost of living, including housing. The guidelines recommend that the congregational leadership and rostered leader review the cost of living in the community where the ministry serves as part of their decision-making process.

Benefits Package

ELCA Pension and Medical/Dental Benefits (Portico)

It is an expectation that the congregation will provide for the rostered minister's participation in the Pension and Other Benefits Plan of the ELCA. Portico Benefits Services administer the Pension and Other Benefits Plan of the ELCA.

The ELCA Pension and other benefit programs include the following components:

ELCA Health Benefits Plan — Health benefits including medical and mental health, dental, prescription drugs, support services, and wellness programs. The Synod recommendation is to provide the Gold+ Plan for each rostered minister. Each congregation may only designate one plan for all rostered ministers working for the same congregation. Should a higher cost plan be elected, the additional cost may be reduced from the base pay. Should a lower-cost or no plan be selected, 75% of the reduced cost may be added to the base pay. If no medical coverage is selected, verification of appropriate coverage elsewhere must be provided. If a waiver of coverage is no longer available, the leader must resume participation in the Portico Plan. (Adjustments to base pay must be carefully documented and re-adjusted if changed in the future. A separate budget line is recommended.)

ELCA Flexible Benefits Plan — Health flexible spending accounts (FSA), dependent (day) care accounts FSA, health savings accounts (HSA), limited-purpose flexible spending accounts (FSA), and personal wellness accounts, which can be used to pay for

eligible expenses. Each congregation should discuss the needs of the rostered minister and support participation, as appropriate and necessary, in each of the above plans. The rostered leader funds these accounts and allows the use of “pretax” earnings for the designated purposes. The use of these accounts does not increase the rostered minister’s total compensation.

ELCA Survivor Benefits Plan — Life insurance helps your family take care of financial obligations in the event of a death. Please refer to the percentage of the congregation’s premium allocated to that benefit.

ELCA Disability Benefits Plan — Provides eligible disabled members monthly income, ELCA Retirement Plan contributions, and health and survivor benefits. Please refer to the percentage of the congregation’s premium allocated to that benefit.

ELCA Retirement Plan — A defined contribution retirement plan assists the rostered leader toward living well in retirement. The Synod expectation is for congregations to fund each rostered minister’s retirement at a minimum rate of 12% of defined compensation.

In addition to the above elements of the Pension and other benefits, a contribution for “Retiree Support” is included each month in the payment to Portico Benefit Services. Please refer to the percentage of the congregation’s premium allocated to that benefit.

Stewardship of Time

Days off/Time Management

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

Vacation

The guideline of the Florida-Bahamas Synod regarding vacation for full-time and part-time rostered ministers is four weeks, including four Sundays for all rostered ministers whose position descriptions include expectations for regular Sunday responsibilities. It is recommended that a minimum of 2 weeks be taken contiguously per year for personal renewal.

In addition, congregations are encouraged to provide an additional 2 Sundays off (or Saturday and Sunday if worship occurs on both days each week) each year to foster, support, and promote a more balanced personal and family life.

Vacation is normally to be taken during the fiscal year in which that vacation is budgeted. With the prior approval of the congregation, or congregation council, up to two weeks' vacation time may be carried over into the following year, thus allowing for an extended vacation time in that year. Absent prior approval by the congregation or congregation council, unused vacation time from a previous year is lost.

Because vacation time is accrued (earned) based on the calendar/worked year, upon the ending of the call or employment, vacation that was not used should be paid in the last paycheck. Vacation time used above the accrued amount should be deducted from the final paycheck. Accrued vacation time will be 1/12 of the yearly vacation amount on the 1st of each month. (IE: January 1 – earned, .33 weeks / December 1 – earned 4 weeks.) Approved carry-over vacation will also be paid.

Sabbatical/Extended Study Leave

Congregations and agencies are expected to offer a paid sabbatical/extended study leave for their rostered minister(s). The Bishop and our Florida-Bahamas Synod expect each full-time rostered minister to receive two months of paid sabbatical leave after each four years of service in the same ministry setting. Florida-Bahamas Synod policy is that sabbatical time should be devoted to rest, personal study and reflection, and (and/or) study that will benefit the ministry setting. It is recommended that the rostered minister and congregation collaborate in the planning and development of the sabbatical leave to maximize the value for both the rostered minister and congregation. The sabbatical leave in any fiscal or calendar year is to be considered a separate leave for specific sabbatical purposes, and all current benefits, including vacation, for the calendar/fiscal year in which the sabbatical is taken remain for that calendar/fiscal year.

It is recommended that the congregation establish a separate fund or account to draw from during the minister's sabbatical to cover additional costs of providing pastoral care and worship leadership.

Absences – Short Term, Illness/Accident

A policy should be established for short-term absences due to illness or accidents which prevent an individual from performing their normal work requirements. A suggested standard is one (1) day of paid sick leave earned for each full month worked. Once called, rostered ministers will be provided 6 earned days for short-term absences. Earned sick time may be accumulated, and a maximum of twenty-four (24) days may be carried over yearly.

For an illness/accident that exceeds earned short-term coverage, the Congregational Council may approve exceptions for pay and as appropriate, apply the provisions for disability coverage.

Parental Leave

A specific Parental Leave Plan should be developed by each congregation and discussed with the rostered leader(s) before call.

Parental leave is intended for a child's birth, adoption, or foster placement. Suppose there are multiple adoptions or foster care placements within a year. In that case, the rostered leader and congregation are encouraged to balance the needs of the family and the congregation to the extent possible.

When a rostered leader welcomes a child into their family, it is recommended that the congregation provide family leave of at least eight weeks for the parent, regardless of the gender of the parent. Such leave includes full salary, housing, and benefits.

Extended parental leave is directed toward illness or other special needs. Such leave should include up to two weeks of full salary and benefits. Any other specific conditions should be clearly defined in writing.

Parental Leave and Extended Parental Leave apply to full and part-time rostered leaders consistent with the level of their full and/or part-time benefits. For example, it is suggested that a part-time rostered leader be granted the same number of weeks of leave but at the pro-rated salary currently earned.

Disability

It is recommended that each congregation develop a written policy relating to disability. In case of a total disability, the congregation is expected to continue to pay full salary, housing, and benefit contributions for the first 60 days of disability. At this time, the disability benefits of the ELCA Portico Plan would go into effect. Any period of disability must be based on a written physician's recommendation.

The Congregation Council will approve absences due to less than a total disability or other medical reasons based upon a written physician's recommendation. The Congregation Council should consult with the Bishop's office for guidance.

Compassionate Leave

For full and part-time rostered ministers, it is recommended:

In the event of the death of a child, grandchild, spouse, or life partner –

At the sole discretion of the rostered leader, they may take up to one month of paid time off. The rostered leader may also take up to a second month of unpaid time off at their sole discretion.

In the event of the death of a parent, sibling, grandparent, mother/father-in-law, or legal guardian – At the sole discretion of the rostered leader, they may take up to two weeks of paid time off. The rostered leader may also take up to two additional weeks of unpaid time off at their sole discretion.

REIMBURSABLE BUSINESS EXPENSES

Automobile Mileage Reimbursement

The congregation/agency should reimburse miles traveled in carrying out duties as a rostered minister at the rate allowed by the IRS. Check IRS guidelines: Continuing Education Expenses and Incentive.

A minimum of 50 contact hours per year of continuing education is required of every rostered minister of the ELCA. The ELCA expects persons within their first three years in ministry to attend the required First Call Theological Education (FCTE) programs. A contact hour is a typical 50-minute class or the equivalent.

Continuing education may be courses, seminary classes, or workshops. It is recommended that rostered ministers and congregational leadership develop a professional development plan that is part of the yearly review process of leadership goals and expectations, with 2 weeks of professional development/continuing education as the objective.

Continuing Education Expenses the continuing education plan should include an appropriate budget to assist the rostered minister with expenditures (verified by receipts). A minimum budget of \$1,000 is suggested for all rostered ministers. It is recommended that this continuing education budget be increased by \$500 for additional expenses incurred by a First Call rostered minister for required training.

Continuing Education Incentive - completing continuing education in a previous year should be given consideration when determining the compensation for a rostered minister for the upcoming year. The guidelines recommend an additional salary adjustment of \$750 for every 25 hours of continuing education taken during the year, up to a maximum of \$1,500 or 50 hours, unless otherwise pre-approved by congregation leadership. This continuing education adjustment is NOT automatic and is not intended to carry over from year to year unless the rostered minister participates in continuing education each year.

Periodicals/Books

The congregation/ agency is encouraged to provide reimbursement for the purchase of or subscriptions to books and periodicals, enabling the rostered minister to keep abreast of developments in theology and the ministry profession. A suggested budgeted amount is \$300, with expenditures verified by receipts.

2024 Compensation Guidelines | Please send questions and suggestions to robr@fbsynod.org.

<https://www.irs.gov/> ... The rostered minister should submit a signed report each pay period, or no less than monthly, to the responsible financial officer of the church.

Cell Phone

The congregation/ agency is encouraged to provide reimbursement for the monthly costs of service for a cell phone, enabling the rostered minister to maintain current communications. Suggested reimbursement: Personal/Ministry – 50%; Ministry use only – 100%, with expenditures verified by receipts.

Student Debt Relief

Recognizing that rostered ministers incur considerable debt to attend seminary, the Synod encourages congregations to assist in easing this burden. Congregations should consider budgeting a specified amount to contribute toward student debt relief.

Other Professional Expenses

The congregation should budget for other professional expenses incurred in performing duties of the rostered minister with a suggested amount of \$200. All expenses associated with required attendance at Synod Assembly, Conference meetings and the annual Conference on Ministry should be budgeted, and expenditures verified by receipts.

OTHER FINANCIAL CONSIDERATIONS

The Congregational Financial Plan

Please see Section 8-G-1 of our Florida-Bahamas Synod Transition Manual, which follows these definitions.

Pastoral Care Supply

Occasionally, and during a sabbatical, a congregation may be required to seek out a pastor to serve in care and/or preaching. The following are some guidelines. All terms and compensation are to be negotiated between the supply pastor and the appropriate congregational leadership.

Preaching:

One service -- \$225 or higher

For each additional service, the compensation should be \$50/ additional services. Reasonable hotel and meal costs.

Mileage reimbursement at the current IRS rate per mile. Check the IRS for current rates.

<https://www.irs.gov/tax-professionals/standard-mileage-rates>