

EVANGELICAL LUTHERAN CHURCH IN AMERICA CENTRAL STATES SYNOD COMPENSATION GUIDELINES 2012

Compensation & Benefits for Clergy
and
Rostered Lay Professionals (Appendix G)

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PROPOSED GUIDELINES PRESENTED TO THE
THE 2011 CENTRAL STATES SYNOD ASSEMBLY

Dear Partners in Ministry,

These Compensation Guidelines are to be used in the congregation process for determining fair compensation for the Pastor and Rostered Lay Professionals. The Guidelines are prepared by a Committee of the Synod after studying the Guidelines from other Synods of the ELCA, especially those of the Synods adjacent to ours, and after taking into consideration the cost of living increases as predicted by economic analysts.

The Guidelines were presented to and approved by the Synod Council on March 11, 2011. They were then presented to and accepted by the Central States Synod Assembly in Kansas City, Missouri, on June 4, 2011

I encourage congregations to review the material contained on the following pages and thoughtfully consider the implementation of the Guidelines.

Sincerely,

A handwritten signature in cursive script that reads "Gerald L. Mansholt".

***The Rev. Dr. Gerald L. Mansholt
Bishop
Central States Synod
Evangelical Lutheran Church in America***

INTRODUCTION

Every congregation is concerned about fair compensation for their pastor and other rostered leaders. How much should we pay? What are other congregations doing? These guidelines are proposed as a means for congregations to begin to deal with these concerns.

The compensation guidelines for associates in ministry, deaconesses, and diaconal ministers are similar to the compensation guidelines for pastors. There is little difference in methods of determining compensation for ordained persons and rostered lay professionals. The same considerations are important - salary, benefits, and reimbursements.

Congregations, pastors, and rostered leaders are urged to participate in the process of compensation determination in a spirit of cooperation. Often, the staff member sees the amount of dollars on the paycheck as total compensation. Congregations sometimes look at the bottom line of what it costs to maintain a staff member and view that as the staff member's income. Neither position is accurate. There are at least three figures to consider regarding salaries:

- 1) What does the staff member receive?
- 2) What does it cost the congregation to keep the staff member?
- 3) What is it worth?

The final item is the most crucial.

Congregation expectations of pastors have changed dramatically in the past generation. The pastor is expected to be an effective preacher and teacher, as well as administrator, counselor, and friend. The pastor must be available at all times and relate well with all people. Ministry is not a 9-to-5 job, or a five-day workweek. For these reasons, we urge congregations to study these guidelines closely and take them into consideration as decisions are made regarding the salaries of pastors and rostered leaders.

TABLE OF CONTENTS

Bishop's Message	2
Introduction	3
Structuring a Compensation Package	5 – 8
I. Base Compensation Guidelines	5
II. Housing	5 – 6
III. Social Security	6
IV. Pension and Medical/Dental	6
V. Employee Assistance Program (EAP)	6
VI. Automobile Expense Reimbursement	6
VII. Professional Expense Allowance	6
VIII. Annual Vacation and Pulpit Supply	6 – 7
IX. Work Week	7
X. Continuing Education	7
XI. Holidays	7
XII. Disability and Leave	8
XIII. Additional Compensation	8
XIV. Interim Ministries	8
XV. Online Tools	8
Appendix A: CSS Compensation Worksheet 2012	9
Appendix B: Housing Allowance Declaration	10
“What About? – Housing Allowance”	11 – 12
Appendix C: Pension and Health Worksheet	13 – 14
Appendix D: Additional Compensation	15
Appendix E: Compensation & Cost Worksheet	16
Appendix F: Extended Leave (Sabbatical) Guidelines	17 – 18
Appendix G: 2012 Compensation Guidelines for Lay Rostered and Professionals	19

STRUCTURING A COMPENSATION PACKAGE

I. BASE COMPENSATION GUIDELINES

These guidelines are recommended as minimum base compensation, based on number of years of congregational experience. Local conditions may require adjustments. Adjustments should be made for workload, additional education, effectiveness, and accomplishments of the individual. Honoraria for weddings, funerals, etc., are never considered salary for tax purposes in establishing these guidelines. **(See base compensation schedules in appendix A & G.)**

II. HOUSING

A. Parsonage or Housing Allowance

An adequate parsonage or housing allowance should be furnished. Congregations located in areas where real estate is more easily bought and sold should give serious consideration to granting their Rostered Leader the option of owning or renting his/her own home. There are special tax laws that apply to housing for ordained pastors. Clergy who own or rent their homes must have an agreement on file clearly stipulating the amount of the housing allowance, before receiving housing allowance income. **This is an IRS requirement.** (See Appendix B for a sample agreement).

The pastor should submit a request for a housing allowance to the congregation council and the congregation council must designate the amount of the housing allowance when a call is extended **and before the beginning of each calendar year.** *The amount may be changed from year to year, depending on the needs of the pastor. The pastor may designate as much of the total amount budgeted for base salary and housing as the pastor thinks can be justified under IRS regulations. The amount designated by the pastor has no impact on the total compensation paid by the congregation. In any event, the amount should be enough to cover the cost of housing, utilities, furnishings, taxes, upkeep, maintenance, etc. (The pastor is not required to report as income an amount that does not exceed the fair rental value of the house and furnishings plus the cost of utilities, maintenance, repairs, services, etc., provided that those dollars are actually expended and the overall requirements established by the IRS are met.) (See Appendix B-1 for an explanation of these matters. See also applicable IRS publications and information available through the ELCA Board of Pensions)*

Congregations that provide a parsonage rather than a housing allowance should provide major appliances, regular maintenance and upkeep, and the full cost of utilities, including telephone.

Consideration should be given to providing insurance on the contents.

Congregations that provide a parsonage should also designate a portion of the pastor's compensation as a furnishings allowance. This is a simple tax saving for the pastor that does not impose any financial burden on the congregation. (See page 11).

B. Housing Equity Allowance

When a parsonage is provided, it is recommended that the congregation provide for a Housing Equity Allowance. The purpose of this allowance is to provide financial resources for a pastor to purchase housing upon retirement or upon the purchase of a home by the pastor, or when a new call requires the purchase of a home. Each year, the congregation should place an amount not less than \$125 per month into a fund to accumulate interest in the pastor's name. The congregation and the pastor should determine the type of fund. The following are possibilities:

- 1) Savings account;
- 2) Optional pension contribution through ELCA Board of Pensions
- 3) Purchase of a separate tax-sheltered annuity program
- 4) Purchase of an endowment-type life insurance policy
- 5) U.S. Savings Bonds purchased by the congregation and given to the Pastor as a gift.

(In the case of #1 and #4, the amount plus interest is subject to annual income tax. In the case of #2, #3, and #5, the total amount, including earned income, may be subject to income tax when withdrawn. In the case of #2, the amount may be designated a Housing Allowance For Clergy and therefore may be nontaxable to the extent that it is justified as housing allowance under Internal Revenue Code Section 107.) **(Consult your tax advisor).**

The Housing Equity Fund is to provide for the pastor's personal housing. When the pastor leaves the congregation to move to another call, the housing equity is to be transferred, either to be continued for the pastor by his/her new congregation, or to be used for the purchase of a home by the pastor.

III. SOCIAL SECURITY

Since employers pay half of the total social security tax for employees, at least the same should be paid to the pastor. Please note that a congregation cannot pay the pastor's social security tax directly, but designates the amount as an allowance, which is additional taxable income. As of January 2008, that share is 7.65% (6.2% FICA and 1.45% Medicare). Each congregation may use different approaches to determine the amount of Social Security/Medicare allowance to provide a pastor. We encourage each congregation to work with the pastor to determine the amount and way in which Social Security/Medicare allowance is best calculated for their circumstances, as results may have different tax and benefit effects. For more information go to:

https://www.elcabop.org/Home/BenefitsAdmin/Budgeting_benefits/Defined_compensation/Social_security_tax_allowances.aspx

IV. PENSION AND MEDICAL/DENTAL

The congregation shall budget for and participate in the ELCA Pension, Medical and Dental plan. To determine the amount to be contributed, see Appendix C, or visit www.elcabop.org. Click on "calculators" button on the main page. The synod recommends a minimum 12% pension contribution, regardless of the age of the Rostered Leader. Clergy couples are alerted to unique provisions applicable to them.

V. EMPLOYEE ASSISTANCE PROGRAM (EAP)

EAP is available through CIGNA as part of the ELCA Health Benefit Plan.

VI. AUTOMOBILE EXPENSE REIMBURSEMENT

Automobile expense and other work-related travel are business expenses of the congregation, and should not be considered by the congregation as part of the Rostered Leader's compensation.

Automobile allowances should be sufficient to cover all congregation-related activities. Car expense will include actual expense plus depreciation. The Internal Revenue Service requires accurate records to support automobile expenses incurred in connection with congregation-related travel. The pastor, other rostered person or other staff person is responsible for maintaining adequate records for every vehicle used for work-related travel.

Expenses for auto use may be handled in one of the following manners:

- A. The congregation purchases or leases a vehicle and assumes the total expense.
- B. The congregation provides a determined amount on an annual basis. For example, in 2011, one who drives 15,000 miles per year on business will receive \$7,650 (15,000 x .51 = \$7,650). Current mileage rates may be found at <http://www.irs.gov/taxpros/article/0,,id=156624,00.html>. Actual expenses will need to be documented for the IRS. Allowance in excess of expenses is taxable income.
- C. The congregation reimburses for actual miles driven at a specific rate per mile. The rate might vary depending on where the vehicle is driven and how many miles are driven each year. The IRS allowance is \$.51 cents per mile for the year 2011. Current mileage rates may be found at <http://www.irs.gov/taxpros/article/0,,id=156624,00.html>.

VII. PROFESSIONAL EXPENSE ALLOWANCE

The congregation should share professional expenses such as books, robes, periodicals, professional dues, entertaining, and hospitality costs incurred in the performance of the duties of the ministry. Here are three possible ways to fund this allowance:

- A. Pay amounts as they occur with no maximum.
- B. Set up a line item in the budget and pay these as the expenses occur.

- C. Set up a monthly or annual allowance.

VIII. ANNUAL VACATION and PULPIT SUPPLY

Because a Pastor is "on call" day and night and carries heavy responsibilities daily, the recommended annual vacation time is four weeks, including four Sundays. Pulpit supply is to be arranged for and paid for by the congregation (\$125 for one worship service, plus \$30 each additional service is a recommended minimum). A mileage rate should also be determined, usually based on the current IRS rate. Vacation time should be used within the calendar year and not accumulated, except by special agreement with the Congregation Council. Vacation time is available during the first year of any call. Vacation time is a good investment in the health and well being of the Pastor and his/her family.

Time spent in outdoor ministries and retreats with congregation youth and adults, or work on area ministry, synod, or ELCA committees should not be considered vacation time or educational leave.

IX. WORK WEEK

At least one, and preferably two, full days off should be granted each week. It is understood that congregation emergencies may require a change in schedule from time to time.

X. CONTINUING EDUCATION

The Lutheran Church has a history of an educated and well-trained leadership. The congregation should expect its Rostered Leaders to be involved in continuing education programs which will provide opportunity for personal development, enrichment of devotional life, and growth in effectiveness and competency. The ELCA expects each pastoral leader to participate in an average of 50 contact hours of CE annually. Continuing education is regarded as an essential ongoing process that assists the leader in maintaining and sharpening the professional skills required for congregation clergy in a rapidly changing world. Congregation and synod staff should give consideration to a rostered leader's continuing education record when granting compensation increases, and in the call process.

- A. Continuing education is understood to be "professional growth" and "self renewal," as distinguished from program development, vacation, or a theological convocation. Both the leader and the congregation will benefit from the leader's involvement in continuing education. It is therefore suggested that any continuing education program be mutually studied and agreed upon by the leader and the congregation council. Continuing education may include courses, seminary classes, workshops, or independent study when directed toward a goal.

Conferences and events provided by this synod (such as the annual Bishop's Convocation) are not to be considered as part of the continuing education leave or allowance.

It is expected that the leader be granted at least two weeks, including two Sundays leave for continuing education, plus \$700 to \$1,000 per year to fund continuing education. It is recommended that this amount accumulate in a separate fund so that the equivalent of three years funds is available. (This was adopted by the 1997 ELCA Churchwide Assembly. Rostered leaders are expected to contribute an additional \$300 annually toward their continuing education). It is recommended that the pastor use at least one week per year. Each congregation should develop an explicit written policy relating to the use of continuing education time and funds, especially relating to the termination of a call.

- B. **Sabbatical:** Where a rostered leader has served a congregation longer than five years, the congregation is encouraged to grant sabbatical leave to permit participation in a longer program of continuing education. The leader should be encouraged to take at least a one- to three-month sabbatical leave for study every five years without reduction in compensation. (*See Appendix F*).

In all study situations, it is important that the leader be expected to plan a program of study and present a detailed plan to the congregation council for approval. The nature of the sabbatical is ultimately a matter of agreement between leader and council. The synod office is available to assist in planning and can offer guidelines. (*See Appendix F*). The synod staff and area ministry deans are also available to assist in securing pulpit supply.

XI. HOLIDAYS

It should be noted that the pastor is seldom able to take advantage of three-day weekends and other holidays such as Christmas and Easter. Consideration is to be given and the pastor encouraged to take days off another time during the week to compensate for these holidays. Compensation time is not to be counted as vacation time.

XII. DISABILITY AND LEAVE

- A. **TEMPORARY DISABILITY / SICK LEAVE.** In the case of disability due to accident, illness, surgery, maternity, etc., it is expected that the congregation continue to pay the full compensation and housing for the first sixty days of disability, until the temporary disability benefits of the ELCA Pension Plan go into effect. (It is assumed that the congregation will provide for necessary vacancy supply). After these sixty days, the ELCA Plan will pay 66-2/3% of "monthly defined compensation." (See *Appendix C.*) It is recommended that congregations pay the remaining 33-1/3% until termination of call.
- B. **PERMANENT DISABILITY.** We recommend each congregation develop an explicit written policy relating to permanent disability, and other contingencies not addressed by these guidelines.
- C. **LEAVE WITHOUT PAY** may be requested for up to six months upon written application at least three months in advance of the time the leave is to begin.
- D. **NEW PARENT LEAVE** Bringing children into a family, by birth or adoption, is an important time of adjustment. With changing parental roles, it is common for both parents to be actively engaged in their children's care-giving. Since each family's situation is unique, congregations are encouraged to be flexible and understanding in granting the necessary time for the pastor and his/her family to make this adjustment. As a general recommendation, congregations may consider granting between two and six weeks paid leave. New Parent Leave is a good investment in the health and well being of the Pastor and his/her family as well as a positive way to lift up and model healthy familial commitments to the whole congregation.
- E. The congregation council and pastor should contact the synod office and the Board of Pensions prior to taking actions related to disability.

XIII. ADDITIONAL COMPENSATION

Congregations that would like to reward faithful leaders for their service might consider a variety of means of additional compensation. A few ideas are included on an attachment. (*See Appendix D.*)

XIV. INTERIM MINISTRIES

Guidance for structuring and compensating these ministries will be provided by the synod office staff as needed

XV. ONLINE TOOLS

<http://www.elca.org/Who-We-Are/Our-Three-Expressions/Churchwide-Organization/Research-and-Evaluation.aspx> This site provides links to a variety of statistical and other information related to specific congregations and the ELCA with links to census and other demographic information.

<http://www.zipskinny.com> This site provides census data regarding specific zip codes and neighboring zip codes.

<http://www.elcabop.org> This is the home page for the ELCA Board of Pensions

<https://www.elcabop.org/calculators.aspx> This page on the ELCA Board of Pensions site provides a variety of useful online calculators for making various compensation and benefits calculations.

STUDENT LOAN SERVICING The following two sites provide information regarding consolidation of student loans that may result in reduced debt repayment terms.

<http://loanconsolidation.ed.gov/borrower/bupdate.html>

<http://loanconsolidation.ed.gov/help/faq.html#option>

https://www.elcabop.org/Home/BenefitsAdmin/Budgeting_benefits/Defined_compensation/Social_security_tax_allowances.aspx provides assistance from the ELCA Board of Pensions for determining a Social Security/Medicare allowance for pastors.

Appendix A CSS Compensation Worksheet 2012

Year	Base Salary			Housing	Fica	Average	Pension	Health and Dental		Average Total Cost to	
	Low	Midpoint	High	30.00%	7.65%	Defined	12.00%	Insurance		Congregation	
				Midpoint	Salary & Housing	Compensation		12.90% Min	32.20% Max	Individual	Family
1	30,818	33,746	36,674	10,124	3,356	47,225	5,667	6,092	15,207	58,985	68,099
2	31,275	34,246	37,217	10,274	3,406	47,926	5,751	6,182	15,432	59,860	69,109
3	31,731	34,745	37,760	10,423	3,455	48,623	5,835	6,272	15,657	60,731	70,115
4	32,186	35,244	38,301	10,573	3,505	49,322	5,919	6,363	15,882	61,604	71,123
5	32,641	35,742	38,843	10,722	3,555	50,019	6,002	6,452	16,106	62,473	72,127
6	33,154	36,303	39,453	10,891	3,610	50,805	6,097	6,554	16,359	63,455	73,260
7	33,610	36,803	39,995	11,041	3,660	51,504	6,180	6,644	16,584	64,328	74,268
8	34,067	37,303	40,539	11,191	3,710	52,204	6,265	6,734	16,810	65,203	75,279
9	34,522	37,802	41,082	11,341	3,759	52,902	6,348	6,824	17,034	66,074	76,284
10	34,977	38,299	41,622	11,490	3,809	53,598	6,432	6,914	17,259	66,944	77,288
11	35,717	39,110	42,503	11,733	3,890	54,733	6,568	7,061	17,624	68,361	78,925
12	36,286	39,733	43,181	11,920	3,951	55,605	6,673	7,173	17,905	69,450	80,182
13	36,856	40,357	43,858	12,107	4,014	56,478	6,777	7,286	18,186	70,541	81,441
14	37,426	40,981	44,537	12,294	4,076	57,352	6,882	7,398	18,467	71,632	82,701
15	37,996	41,606	45,215	12,482	4,138	58,225	6,987	7,511	18,748	72,723	83,960
16	38,622	42,292	45,961	12,688	4,206	59,186	7,102	7,635	19,058	73,923	85,346
17	39,193	42,916	46,640	12,875	4,268	60,059	7,207	7,748	19,339	75,014	86,605
18	39,762	43,539	47,318	13,062	4,330	60,931	7,312	7,860	19,620	76,103	87,862
19	40,332	44,163	47,994	13,249	4,392	61,804	7,417	7,973	19,901	77,193	89,122
20	40,902	44,787	48,673	13,436	4,454	62,678	7,521	8,085	20,182	78,284	90,381
21	41,527	45,473	49,418	13,642	4,522	63,637	7,636	8,209	20,491	79,482	91,764
22	42,098	46,098	50,097	13,829	4,584	64,512	7,741	8,322	20,773	80,575	93,026
23	42,667	46,721	50,774	14,016	4,646	65,384	7,846	8,434	21,053	81,664	94,283
24	43,237	47,344	51,452	14,203	4,708	66,255	7,951	8,547	21,334	82,753	95,540
25	43,759	47,915	52,073	14,375	4,765	67,055	8,047	8,650	21,592	83,752	96,693

- Notes:
- 1) FICA optional, but strongly recommended. FICA is computed on base salary plus the housing allowance (30% in this example). Actual housing may vary depending on the cost of housing in local areas.
 - 2) Health insurance percentages are subject to change for 2012; the above figures are based on 2011 percentages.
 - 3) For years 26 and above, add a minimum of \$500 for each year above the last 25-year level. No ordained clergy should be expected to serve for less than first-year.
 - 4) Based on the projected cost of living increase by the U.S. Bureau of Labor Statistics, this table includes a 1.5% compensation increase for 2012.
 - 5) Housing allowance of 30% is only an example, see page 4 for explanation.

Appendix B

Housing Allowance Declaration

Congregations that pay their clergy a housing allowance must complete a form similar to this prior to the beginning of each calendar year. Both pastor and congregation should keep a copy for their files. The original should be in the records of the congregation.

Council Secretary: _____

Date: _____

Resolution of _____ Lutheran Church, _____ (location) _____

The congregation council of _____ Lutheran Church on _____ (date) _____, after discussing the amount to be paid to the Rev. _____ (name) _____ as housing allowance, on a motion duly made and, seconded, adopted the following resolution. RESOLVED, that the Rev. _____ (name) _____ will receive compensation of \$(amount) for the calendar year 20____, and a housing allowance of \$(amount) for the calendar year 20____.

Date: _____

(Council Secretary Name), Secretary

Original: Congregation Council Records

Copy: The Rev. _____ (name) _____

Note:

1. **A housing allowance declaration needs to be submitted to the Congregation Council and voted on prior to the end of the calendar year. See IRS publication 517.**

The amount of the housing allowance listed here need not agree with the amount listed in the Church budget. Be sure to make this amount large enough that it will cover all possible costs for the coming year. (Example: the budget may show a compensation of \$30,000 and a housing allowance of \$10,000 for a total of \$40,000. This document might show a compensation of \$25,000 and a housing allowance of \$15,000 for a total of \$40,000. The actual total amount is the same. The total Defined Compensation allocated between Housing and Base Compensation may vary yearly depending on individual circumstances of the Pastor).

WHAT ABOUT?

ELCA PENSION AND OTHER BENEFITS PROGRAM

HOUSING ALLOWANCE

For ordained pastors living in owned or rented home

The ELCA Board of Pensions recognizes the unique and complex nature of taxes for pastors. The following information will help you understand the federal income tax rules.

As a pastor who rents or owns a home, you do not pay federal income taxes on the amount of your compensation designated in advance as a housing allowance. However, the allowance must represent compensation for ministerial services, be used to pay housing expenses, and cannot exceed the annual fair rental value of your home (furnished, plus utilities).

A housing allowance can be excluded only if it is officially designated by your congregation or church organization through a resolution, meeting minutes or a budget before payment is made. To assist your employer in designating an appropriate housing allowance, you can estimate the housing expenses you expect to pay next year on the worksheet on the reverse side.

The amount that can be excluded from taxable income as housing allowance is always the smallest of the

- amount officially designated in advance as "housing allowance" by your congregation or church organization or
- amount spent for your primary residence (mortgage principal and interest, utilities, taxes, insurance, furnishings, maintenance, etc.) or
- fair rental value of your home, including furnishings and cost of utilities and maintenance (owned or rented).

For more information

A real estate agent can help establish the fair rental value of a furnished home in your area. One method is to take 12 percent of the appraised value of a house as the annual allowance limit. For example, a \$100,000 house might have a fair rental value of \$12,000 per year. However, because rental costs vary from area to area, this method may not be appropriate for your community.

The Board of Pensions cannot provide specific tax advice to pastors. If you have questions concerning your housing allowance exclusion or IRS Form 1040, contact a qualified tax adviser who is knowledgeable about the unique tax situations for ordained pastors.



MINISTER'S GUIDE FOR INCOME TAX

This guide is a good source of information to assist pastors in preparing their federal income tax returns. Contact the Service Center for a free copy if you have not received one.



Board of Pensions
Evangelical Lutheran Church in America

HOUSING ALLOWANCE WORKSHEET		
FOR PASTORS WHO OWN OR RENT THEIR HOME		
	Estimated annual expenses	Actual expenses
Housing expense		
Down payment on a home	\$ _____	_____
Mortgage payments on a loan to purchase or improve your home (include both principal and interest)	_____	_____
Real estate taxes	_____	_____
Homeowners association dues	_____	_____
Rental expense		
Rental payments	_____	_____
Rental or housing expense		
Property insurance	_____	_____
Utilities (electricity, gas, water, trash pickup, local telephone charges)	_____	_____
Furnishings and appliances (purchase and repair)	_____	_____
Structural repairs and remodeling	_____	_____
Yard maintenance and improvements	_____	_____
Maintenance items (household cleansers, light bulbs, pest control, etc.)	_____	_____
Miscellaneous	_____	_____
Total annual expenses	_____	_____ (A)
Fair rental value of comparably furnished home, plus utilities	_____	_____ (B)
Properly designated housing allowance*	_____	_____ (C)
The actual amount excludable from income for federal income tax purposes is the lowest of A, B or C above.		
*The housing allowance must be officially designated in advance by your congregation or church organization.		

Used with permission from the *Church & Clergy Tax Guide*, 2003 edition, Christian Ministry Resources.

Appendix C

Pension & Health Worksheet

(Using midpoints as example)

Note: All rates used in this appendix are for 2011. The rates will change for 2012.

- The basic number to start with is **Defined Compensation**.

For pastors in parsonages:

Defined Compensation is determined by adding:

Base Salary + Social Security Allowance + 30% of the sum of Base Salary and Social Security (Parsonage Value) + Household Furnishings Allowance and Utility Allowance (if paid directly to the Pastor and a parsonage is provided).

Example: \$32,755 (Base) + \$5,827 (Parsonage) + \$3,257 (Social Security) + \$1,500 (Furnishings) + \$2,500 (Utilities) X 30% = **\$45,839**

For Pastors in their own homes:

Defined Compensation is determined by adding:

Base Salary + Social Security + Housing Allowance.

- Example: \$32,755 (Base) + \$3,257 (Social Security) + \$9,826 (Housing) = **\$45,839**
- The amount for Medical/Dental ranges from 12.90% to 32.20% of the above (32.20 % is used in this example) = **\$14,760**
- The amount for Pensions is 12% of the figure in step one. **\$5,501**
- Congregations may wish to provide additional pension payments through the Church or private programs. **\$1,000**
- Total of pension and health in this example. **\$21,261**
- Total Compensation Package cost to the congregation. **\$67,099**

Assistance in determining any of these calculations can be found by visiting www.elcabop.org, clicking on "Calculators" button.

Appendix C (cont'd)

**For 2011 (These Rates will change for 2012)
PENSION & HEALTH CONTRIBUTION CHART
(as a percentage of defined compensation)**

Pension Contribution	Medical & Dental	Other*	Total
12 %	12.90% - 32.20%	3.6%	28.52% - 47.8%

*Disability/Survivors Insurance (2.60%), Retiree support (.07%).

MEDICAL & DENTAL CONTRIBUTION CHART

	Contribution as a Percent of Defined Compensation	Minimum Monthly Contribution	Maximum Monthly Contribution
Member	12.90%	\$514	\$695
Member & Spouse	22.50%	\$899	\$1,216
Member & Children	22.50%	\$899	\$1,216
Member, Spouse & Children	32.20%	\$1,285	\$1,737
Waiver of Coverage	0%	\$0	\$0

Total Required Contribution Ranges From 28.4% to 48.1%

Assistance in determining any of these calculations can be found by visiting www.elcabop.org, clicking on "Calculators" button.

Appendix D

Congregations who wish may consider additional compensation for Pastors whose service is valued and appreciated. Some suggestions are:

1. Consideration may be given to granting the Pastor an occasional Sunday off (three or four times during the year) in addition to annual vacation.
- 2a. Provide 100% of the cost of FICA as an allowance based on total compensation (base salary plus housing) up to \$106,800 (the earnings cap for FICA in 2011).
- 2b. In 1992 Medicare tax was separated from Social Security tax and beginning in 2005 the Medicare Tax Limit was applied on total wages. The pastor will continue to pay 2.9% Medicare tax on total compensation in excess of \$106,800.
3. Pay Medical/Dental deductible.
4. Provide additional disability and/or life insurance.
5. Provide an education fund for children.
6. Provide additional contributions to the Board of Pensions as a Tax Sheltered Annuity, or make contributions to a private TSA.
7. Consideration may be given to providing expenses for the spouse to attend conventions and conferences of the Church.
8. Child care allowance may be granted.
9. Consideration may be given to deferred compensation arrangements.

Appendix E

Compensation & Cost Worksheet

This worksheet is provided to aid congregations in arriving at budget figures for Pastor Compensation and Congregation Business Costs.

Income	2010 Budget	2011 Guidelines	Recommended 2012 Budget
(R) Base Salary			
(S) Social Security			
*(S) Housing Equity			
*(R) Utilities			
(R) Utilities			
TOTAL COMPENSATION			
PENSION & OTHER BENEFITS			
(R) Pension & Health			
(O) Extra Pension			
(O) Supplemental Insurance			
BUSINESS EXPENSE			
(R) Automobile			
(R) Continuing Education (2 weeks)	700 - 1000	700 - 1000	700 - 1000
(S) Professional Expense			
Other			
TOTAL			

Vacation Time:

(S) Number of Weeks: 4 **(S)** Number of Sundays: 4

Continuing Education:

(R) Number of Weeks: 2 Number Accrued from Past Years: _____

KEY:

R = REQUIRED

S = STRONGLY RECOMMENDED

O = OPTIONS

***S = STRONGLY RECOMMENDED FOR PASTORS IN PARSONAGES**

***R = REQUIRED FOR PASTORS PROVIDING OWN HOUSING**

Appendix F
Extended Study Leave (Sabbatical) Guidelines
Central States Synod

PREFACE

The Biblical witness is the story of God's continuing faithfulness to invest the Gospel into human hands and lives. The Apostle Paul speaks of it as pouring God's love into earthen vessels: "We have this treasure in earthen vessels to show that the transcendent power belongs to God and not to us." (11 Cor. 4-2). Earthen vessels are meant to be filled and emptied, again and again. But care must be taken that, once emptied, the vessels can be filled once again.

St. Paul cautions us that spiritual strength essential to effective ministry comes from God and does not come from ourselves. Both in the strength and in the filling, it is a transcendent power given to us, poured into us as God's people. This is true for all the baptized. It is equally true, perhaps even to a greater degree, of those we look to for filling and spiritual nurture, the rostered persons who serve among us: pastors, associates in ministry, diaconal ministers and deaconesses.

The concept of wholeness and wellness in ministry is an important principle in the life of the Church. Healthy congregations and healthy pastors and other rostered persons are essential to a healthy community of faithful people. It is our belief that an extended time of study and inward renewal for rostered persons is an expression of mutual care for one another. The Central States Synod has developed the following guidelines for congregations, institutions, and agencies of the church to make a sabbatical leave possible for the rostered persons who serve among us.

An extended sabbatical leave provides an opportunity for rostered persons to reflect on their call to ministry and relationship to God. While continuing education on an annual basis provides regular short-term opportunities for growth in learning, an extended sabbatical leave provides the needed opportunity for in-depth learning and renewal, free from current responsibilities, following a length of service to the congregation, agency, or institution. An extended sabbatical leave should be holistic, including time for prayer, reflection, relaxation, and refreshment of body and spirit, as well as further developing gifts for future ministry.

EXTENDED SABBATICAL LEAVE GUIDELINES

1. An extended sabbatical leave of one to three months be granted to rostered persons, ordinarily after serving in a ministry site for five years.
2. The rostered person is normally expected to serve the congregation, agency, or institution for at least one year following completion of the sabbatical leave.
3. An Extended Sabbatical Leave Covenant is the centerpiece of the sabbatical leave plan and experience. It is developed through conversation with key leaders: executive committee, staff support committee, supervisor, or others that relate to the Rostered person's continuing education needs in light of the ministry emphases of the congregation, institution, or agency.
 - a. Identify ministry highlights and give thanks for ministry accomplished.
 - b. Determine the ministry priority most affected by the rostered person's leadership and ministry, and explore how s/he can become an even more effective leader through further study and renewal.
 - c. Develop a specific education plan and focus for the sabbatical. The focus of the sabbatical leave should be for in-depth study on one or two topics directly related to the regular call of the rostered person, and should include time for personal and familial reflection.
 - d. An outline of financial implications for the sabbatical leave and funding arrangements.
 - e. Identify a specific means through which the congregation, agency, or institution will share in the success of the sabbatical experience upon its completion.
4. The rostered person will submit a report to the congregation, agency, or institution s/he serves within a mutually agreed-upon period of time following completion of the study leave.
5. The congregation, institution, or agency is encouraged to provide the rostered person full pay and benefits during the extended sabbatical leave.
6. Proposals for extended sabbatical leave shall be presented to the congregation council or governing body of the agency or institution not less than twelve (12) months prior to the beginning of the proposed leave. Careful consideration shall be given to all aspects of the proposal and implications for the congregation, agency, or institution and the rostered person.
7. Expenses incurred during the sabbatical leave will be borne by the rostered person (i.e., tuition, books, supplies, travel, living expenses, etc.). Continuing education funds would normally be used to cover some of the expenses.
8. Realizing the congregation, agency, or institution will be without the services of its regularly called person, it should consult with the synodical bishop regarding possible options for continuing coverage during the period of the sabbatical leave.
9. It is understood that the extended sabbatical leave and the terms of the covenant are a mutually negotiated agreement between the rostered person and the congregation, agency, or institution. The covenant will be completed and filed with the synod office ordinarily at least three months prior to the beginning date of the sabbatical leave.

(Adopted by the Synod Executive Committee on 4/18/97 and amended on May 8, 2009.)

Appendix G

2012 Compensation Guidelines for Lay Rostered and Professionals

The guidelines for associates in ministry, deaconesses, diaconal ministers, and other lay professionals are similar to the guidelines for pastors. There is little difference in methods of determining compensation for ordained persons and rostered lay professionals. The same considerations are important - salary, benefits, and reimbursements. The best approach is to make compensation comparable to that of other professionals in the same locale with similar responsibilities and experience. Effective ministry should be adequately compensated. Congregations are encouraged to examine their giving and develop stewardship programs which enable adequate compensation. For more information and suggestions on benefits and reimbursements see the guideline for pastors.

Year of Service	Bachelor's Degree		Master's Degree	
	Low	High	Low	High
1	30,818	36,674	33,900	40,342
2	31,275	37,217	34,403	40,939
3	31,731	37,760	34,904	41,536
4	32,186	38,301	35,405	42,133
5	32,641	38,843	35,905	42,727
6	33,154	39,453	36,469	43,399
7	33,610	39,995	36,971	43,995
8	34,067	40,539	37,473	44,593
9	34,522	41,082	37,974	45,190
10	34,977	41,622	38,506	45,785
11	35,717	42,503	39,289	46,754
12	36,286	43,181	39,915	47,499
13	36,856	43,858	40,541	48,245
14	37,426	44,537	41,169	48,991
15	37,996	45,215	41,796	49,642
16	38,622	45,961	42,484	50,556
17	39,193	46,640	43,113	51,304
18	39,762	47,318	43,739	52,048
19	40,332	47,994	44,365	52,794
20	40,902	48,673	44,992	53,541
21	41,527	49,418	45,681	54,360
22	42,098	50,097	46,308	55,107
23	42,667	50,774	46,934	55,851
24	43,237	51,452	47,560	56,597
25	43,759	52,073	48,134	57,280

For 26 years and above, add a minimum of \$500 for each year above the 25-year level.

Notes: 1) Based on the projected cost of living increase by the U.S. Bureau of Labor Statistics, this table includes a 1.5% compensation increase for 2012.