

## 2014 Salary Guidelines for Rostered Leaders in the Northern Illinois Synod, ELCA

*“The gift he gave were that some would be ... evangelists, some pastors, some teachers, to equip the saints for the work of ministry, for building up the body of Christ.”  
(Ephesians 4:11-12)*

*“Ministry of the Baptized People of God – This church affirms the universal priesthood of all its baptized members. In its function and its structure this church commits itself to the equipping and supporting of all its members for their ministries in the world and in this church. It is within this context of ministry that this church calls some of its baptized members for specific ministries in this church.” (ELCA Constitution 7.10 & 7.11).*

*“We believe ministry in Christ’s name is a gift. Therefore, we encourage the rostered leader and congregation to be in careful and prayerful deliberation when discussing aspects of these guidelines. The gift of ministry must be cherished and respected.”  
(Purpose Statement for Salary Guidelines, NIS Ministry Support Committee)*

The 2014 Salary Guidelines for Rostered Leaders in the Northern Illinois Synod that follow are meant to assist congregations and other organizations in establishing appropriate compensation packages. They include information from a variety of sources. They deal with the general topics of compensation and are developed with awareness of various ministry settings in our synod. These are guidelines. They are not meant to address every situation in every congregation at every time.

As such, close attention and consideration should be paid to the current ministry context. If there are questions, the synod staff should be consulted for assistance and clarification. Although congregations may struggle to meet minimum guidelines, leaders who receive minimum pay are most vulnerable to current economic realities. Additionally, it is the expectation and practice of the Northern Illinois Synod that the guidelines be met for all first call rostered leaders.

These guidelines consider the following factors: the economic climate in our synod, the national economy looking forward, and all Region 5 synods’ compensation guidelines, with special attention given to those synods that border Northern Illinois. For 2014, the guidelines include a 2.3% cost of living increase for rostered leaders on the base salary, with a year of experience given a 1.5% increase. The year of experience increase was kept lower to acknowledge a difficult economic climate.

Major revisions for clarity and content were made in the following areas: benefits through Portico, wholeness/wellness resources, and continuing education, especially sabbatical leave.

May God bless our work together! God’s Work. Our Hands.

Submitted by NIS Salary Guidelines Subcommittee

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## Salary Guidelines

From the introduction:

These guidelines consider the following factors: the economic climate in our synod, the national economy looking forward, and all Region 5 synods' compensation guidelines, with special attention given to those synods that border Northern Illinois. For 2014, the guidelines include a 2.3% cost of living increase for rostered leaders on the base salary, with a year of experience given a 1.5% increase. These increases are based on current and predicted inflation data as well as how our synod compares with other Region 5 synods' compensation guidelines. The year of experience increase was kept lower to acknowledge the difficult economic climate.

### Justification

Economic Data:

Social Security COLA for period Dec. 2012-Nov. 2013 = 1.7%

CPI-W for period Feb. 2012- Feb. 2013 = 1.9%

### Synod Information

Two synods increased base by the SS COLA for Dec.2011- Nov. 2012, which was 3.6%.

Two other synods increased their base by 3.0%

NIS along with two other synods increased their base by 2.0%

Therefore, we are suggesting an increase larger than the economic data would suggest, due to the greater increases taken by a majority of our neighboring synods, with the goal of being no lower than the average and median. Additionally, a repeated concern is the effect on a congregation, especially a small one, of both a cost of living increase and increase due to experience gained. Giving less of an increase is an acknowledgement of that concern.

Unsorted Information			
Synod	2012 base	2013 base	'12 to '13
5A MCS	\$ 36,899.00	\$ 37,637.00	2.00%
5B NIS	\$ 34,030.00	\$ 34,710.00	2.00%
5C CSIS	\$ 34,614.00	\$ 35,652.00	3.00%
5D SE IA	\$ 32,650.00	\$ 33,625.00	2.99%
5F NE IA	\$ 34,122.00	\$ 35,350.00	3.60%
5J Milw.	\$ 33,128.00	\$ 33,791.00	2.00%
5K SC WI	\$ 33,111.00	\$ 34,303.00	3.60%
average/mean	\$ 34,079.14	\$ 35,009.71	2.74%

sorted lowest to highest by 2013 data

Synod	base salary
5D SE IA	\$ 33,625.00
5J Milw.	\$ 33,791.00
5K SC WI	\$ 34,303.00
5B NIS	\$ 34,710.00
5F NE IA	\$ 35,350.00
5C CSIS	\$ 35,652.00
5A MCS	\$ 37,637.00
average/mean	\$ 35,009.71
median	\$ 34,710.00

sorted lowest to highest by 2013 data

Synod	2012 salary after 14yr exp /begin of 15yr	2013 salary after 14yr exp /begin of 15yr	% inc
5D SE IA	\$ 41,139.00	\$ 42,367.50	2.90%
5F NE IA	\$ 42,662.00	\$ 43,890.00	2.80%
5B NIS	\$ 43,970.00	\$ 44,846.00	1.95%
5K SC WI	\$ 43,401.00	\$ 44,963.00	3.47%
5C CSIS	\$ 44,904.00	\$ 46,258.00	2.93%
5A MCS	\$ 46,769.00	\$ 47,705.00	1.96%
5J Milw.	\$ 47,538.00	\$ 48,489.00	1.96%
average/mean	\$ 44,340.43	\$ 45,502.64	2.55%
median	\$ 43,970.00	\$ 44,963.00	

**Northern Illinois Synod, ELCA**  
**2014 Compensation Guidelines**  
Ordained/Licensed Pastor

*Creating and updating a compensation package for your pastor does not have to be a lengthy and confusing process. To that end, this document provides guidelines for congregations to use in determining a pastor's compensation. This document is in three (3) sections: Rationale, Appendices, and Worksheets. The sections are separated so that they could be used side-by-side, especially when using the rationale to fill out a worksheet.*

**Rationale**

**I. COMPENSATION**

**A. Cash Salary** – the following guidelines are considered appropriate for a called and ordained minister of the ELCA serving in the Northern Illinois Synod.

1. **Base Salary** - The suggested entry-level cash salary in 2014 is \$35,500. For additional years of service, use the table in Appendix A. For 2014, a year of experience is valued at \$735. Completion of continuing education can be an expectation for a pastor to receive the step increase for another year of experience. In addition to salary, compensation beyond 25 years of experience should be agreed upon by the pastor and congregation, taking in to consideration factors such retirement funding, additional vacation time, etc. Furthermore, it is recommended that compensation for part-time clergy positions, such as interim ministry, should be pro-rated according to time contracted with the congregation. For instance, a pastor serving one-half time with a congregation should be paid one-half the appropriate base salary.

Additionally, when determining Base Salary it is important to consider **Previous Career Experience**. As more “second career” people enter this ministry, the question of a fair and equitable salary takes on new ramifications. In many cases, previous experience is relevant to the work of the ministry. Therefore, pastors who enter the rostered ministry after years of work in other occupations should be compensated at a rate that recognizes the value of their work experience and maturity. Congregations are urged to consider giving experience credit for previous work. It is recommended for purposes of calculating cash salary, that for every two years of professional experience in another field, the minister be credited with one year of professional experience in the ministry.

2. **Annual Merit Increase** – An annual salary increase for merit is encouraged. A merit increase in the range of 0-15% of the base salary is recommended. Factors influencing this decision include: attainment of advanced degrees, serving multiple point parishes, or fulfilling additional responsibilities, such as serving as a senior pastor on a staff. Additionally, the congregation and pastor may perform a mutual evaluation, such as the professional evaluation forms available online at <http://www.nisynod.org/resources/mutualministry/index.htm>

**B. Housing (Choose either 1 or 2)**

1. **Pastor as Homeowner** - If a pastor owns or rents his/her own home, it is recommended that the congregation grant a **Housing Allowance**. The **Housing Allowance** is applied to the home's expenses, such as mortgage, taxes, rent, insurance, utilities, etc. With this Housing Allowance, the pastor (and family) should be able to acquire and maintain adequate housing within the church's service area.

One way to begin to determine a figure for **Housing Allowance** is to use an annual fair market rental value of a home in the community by the comparable sales method. To begin, find the median cost of a home in the community (use the

## Salary Guidelines

resource at <http://www.elca.org/Who-We-Are/Our-Three-Expressions/Churchwide-Organization/Research-and-Evaluation/ZIP-Code-Report.aspx>). Then, to figure fair rental value, multiply the median cost by a generally accepted rate of return. For this example, we will use 12%. The two examples following show how these values might vary between counties within the synod:

*(For these examples, county median home costs are used – specific city information is available)*

Example 1 – McHenry County: 2009 Median Home Price \$ 246,393

$\$246,393 \times 12\% (0.12) = \$ 29,567.16$  fair market rental value as guide for annual housing allowance

Example 2 – Lee County: 2009 Median Home Price \$ 122,406

$\$122,406 \times 12\% (0.12) = \$ 14,688.72$  fair market rental value as guide for annual housing allowance

*When the pastor receives a Housing Allowance, please note that there are complicated tax implications for both the congregation and the pastor that should be followed. For more information on these implications, please consult Appendices B and D.*

- 2. Parsonage provided by the congregation** - If the pastor lives in a parsonage, the Board of Pensions states that the **value** of such housing must be determined to figure the pastor's Defined Compensation. They use 30% of the pastor's base salary. Additional value is added for the Social Security Allowance paid on this amount as well.

In addition, the congregation may choose to pay a **Utilities Allowance** and/or a **Furnishings Allowance** reflecting a fair estimate of costs, directly to the pastor. Costs of the allowances are tax deductible up to the actual amount expended. The actual amount of these allowances is added to the value of the parsonage when figuring Defined Compensation.

In addition, the congregation is also encouraged to provide an **Equity Allowance**. An equity allowance compensates the pastor for the loss of equity associated with not owning a home. An equity allowance helps provide for a pastor and his/her family in the event of retirement, death, disability, or paying for housing later in ministry when a parsonage is no longer available. An annual equity allowance that would represent an annual principal payment in the midst of a mortgage is sufficient. Our recommendation is an allowance in the range of 3-10% of the pastor's annual cash salary.

Finally, please note the Synod Parsonage Guidelines in Appendix C for detail on the relationship between the pastor and congregation regarding the parsonage.

*Unless the equity allowance is invested in a tax-sheltered account for the individual, it becomes taxable income and must be included when figuring Defined Compensation for the Board of Pensions. However, when such payment is made directly to the Board of Pensions Optional Pension Plan or other tax-advantaged account, it can be excluded. See note II.B.3. below.*

***When a congregation sells a parsonage, it is recommended that the assets be retained to assist in financing pastor-owned housing.***

## II. BENEFITS

### **A. Social Security Tax (Self-Employment Tax)**

Providing for the retirement of a pastor is the responsibility of the congregation. Pastors are considered "self-employed" by the federal government. They must pay to the Social Security Administration 15.3% of their total annual cash salary and EITHER housing allowance OR the fair rental value of the parsonage. A **Social Security Allowance** shares

the burden of this tax by providing what most employers provide - half of the Social Security tax. Congregations are encouraged to reimburse at least 50% (7.65%) of their pastor's Social Security tax liability. This allowance is taxable.

**B. ELCA Plan through Portico Benefit Services (formerly “Board of Pensions”)**

*Portico offers a wide variety of services ensuring wellness in all areas – while working and in retirement. Their offerings go beyond the scope this document. Congregations and leaders are highly encouraged to become familiar with them, using them as a base for a financial plan. [www.porticobenefits.org](http://www.porticobenefits.org)*

1. **Defined Compensation** –Portico uses **Defined Compensation** to determine the amount of a congregation’s required **Retirement/Pension Contribution** as well as the contribution for a pastor’s **Health and Other Benefits**. **Defined Compensation** is comprised of the pastor’s actual cash salary, a housing allowance, and the Social Security Allowance. If housing is provided, the calculation requires that the congregation take a minimum of 30% of the combined total of pastor’s annual cash salary plus Social Security Allowance, adding the value of the Social Security Allowance on the parsonage, and adding any furnishings and/or utility allowances paid to the pastor.
2. **Retirement/Pension Contribution** – The Northern Illinois Synod **strongly encourages** a minimum pension contribution of 12% for all pastors. Congregations may also choose to exceed the 12% level. If a congregation is unable to meet the salary guidelines, it should strongly consider making its pension contribution based on guidelines. This has small congregational impact yet assists the pastor greatly in retirement. Portico can be consulted to ensure the correct transactions occur.
3. **Optional Pension Contributions** – Also, pastors can use Portico to make additional pre-tax contributions toward their pension, deferring tax liability. These can come from: their salary, making regular deductions; the congregation, making housing equity contributions; or outside sources, such as previous retirement plans and inheritance. Again, Portico can be consulted to ensure correctness.
4. **Health and Other Benefits** – Each year Portico sets the percentage a congregation should contribute for the pastor’s Health and Other Benefits. The percentage is based on the expected cost of the plan.

**The percentages for the 2013 Board of Pensions amounts follow (this is for example only):**

Rate class: 3 Northern Illinois Synod		Monthly minimum	Monthly maximum
Coverages	Rates <sup>1</sup>		
<b>Health benefits</b>			
Member	13.3 %	\$550	\$744
Member & spouse	23.4 %	\$963	\$1303
Member & children	23.4 %	\$963	\$1303
Member, spouse & children	33.4 %	\$1376	\$1861
Coverage waived	0.00 %	0	0
<b>Disability</b>		0.8 %	
<b>Survivor</b>		0.8 % <sup>2</sup>	
<b>Retiree support</b>		0.7 % <sup>3</sup>	

**\*\*Note that calculators and charts for these and other computations are available at the Portico website – [www.porticobenefits.org](http://www.porticobenefits.org) Specifically, click on the “EmployerLink” button on the middle of that page. Then, once on the EmployerLink site, open the “Resources” tab.**

5. **Wellness Discount** – Portico has offered the enrolled member money that can be used toward health expenses. The first step is taking the online health assessment

tool designed by the Mayo Clinic. There are also follow-on activities to maximize the bonus, up to \$500. Additionally, if 65% of the enrolled members in our synod complete the health assessment, all the organizations within our synod will receive a 2% reduction in the health benefit rate. It is strongly recommended that members take advantage of this offering (if available in 2014) for the clear physical and financial benefits.

- 6. Flexible Spending Accounts (FSAs)** – Portico makes these accounts available with no administration fee. FSAs allow you to set aside pretax salary dollars for eligible health care and dependent (day) care expenses. There are specific tax benefits as well as requirements to open and use FSAs that go beyond the scope of this document. For more information, go to the “MyPortico” home page at <https://myportico.porticobenefits.org>, open the “Health and Other Coverage” tab, and follow the link for FSAs under the “Other Coverage’s” heading.

### **C. Other Benefits for the Wellness of Pastor & Congregation**

There are many other benefits to negotiate in the call process. Discussing the following items in advance can help pastors and congregations avoid conflict later in the call when it seems that the benefits are changing. A section on “Wellness” has been added to this category because of the importance of health to the life of a pastor and the congregation that the pastor serves.

- 1. Workweek** – Because of the “On Call” nature of ordained ministry, serious consideration needs to be given to pastor’s self-care. *It is recommended that pastors be encouraged to set aside 1.5 – 2.0 days a week for personal time.*
- 2. Vacation** - The need for annual vacation is self-evident. *The congregation should provide four weeks per year (encompassing four Sundays) of vacation with full pay.* This does not include continuing education. Time spent on continuing education, churchwide or synodical committees, congregational retreats or congregational camping programs is not to be considered as vacation time or time off. The congregation is encouraged to consider the tenure of the pastor and his/her individual needs in setting vacation limits. Additional vacation weeks may be negotiated.
  - a. Pulpit Supply** – The congregation is to assume responsibility for a substitute pastor during vacation time. The following fee structure is offered as a minimum reimbursement:
    - 1 service: \$150 plus mileage @ current IRS rate
    - Additional services on same date should be compensated @ \$25/service
    - Leading adult forums, teaching confirmation, etc. should be compensated @ \$50 each
    - These fees assume these tasks: lead worship, preach, and preside at Holy Communion.
- 3. Wholeness/Wellness** – It is important that church leaders be well in all areas of the wholeness wheel. In addition to Portico’s resources, our bishop has established a Task Force on Health and Wellness. Their resources can be found at <http://nisynod.org/wellness/index.htm>. Additionally, note the information above in II. B. 4. that demonstrates some of the benefits.
  - a. Spiritual Renewal** – It is recommended that all rostered leaders under call be given three days to one week or more per year for spiritual renewal that is not classified as vacation or educational leave. It is suggested that the rostered leader spend this time at a retreat center or facility where the leader is able to fully focus on “renewal.” Therefore, the pastor should have a colleague cover emergencies during this time away.
  - b. Spiritual Guidance** – It is recommended that all rostered leaders be encouraged

to have a spiritual guide during their time of call. Resources for finding and selecting a Spiritual Guide can be acquired from the synod's Spiritual Formation Sub-Committee.

4. **Parental Leave** - The church places a high value on family. These guidelines are offered to help congregations approach situations requiring parental leave in a caring manner.
  - a. **Parental leave following the birth of a child** - Six weeks of maternal leave should be available to mothers immediately following the birth of a child. For maternal leave, it is recommended that the congregation pay full salary and benefits. A two-week paid parental leave is recommended for a father immediately after the birth of a child. For paternal leave, at a minimum, full benefits should be maintained. Factors to be considered in determining salary and benefits during such a leave are vacation time available, housing costs, the pastor's length of service with the congregation, and the hardship to the pastor or the congregation.
  - b. **Parental leave following adoption** - Guideline 4a. above applies to parents adopting children.
  - c. **Parental leave granted at other times** - Parental leave may be granted by the congregation at other times, such as during times of severe illness, trauma, or death of a child. The length of the leave and the salary and benefits that the congregation will provide the pastor should be mutually negotiated. It is recommended that the congregation, at a minimum, provide full benefits for the pastor during any parental leave granted.
  - d. **Pulpit supply** – During the leave period, a substitute pastor is to be paid by the congregation. See “Pulpit Supply” under II. C. 2. a.
5. **Temporary Disability**
  - a. **Full compensation and benefits for the first 60 days** – In the event of the temporary disability of a full time pastor, it is recommended that the congregation continue to pay the individual's full compensation and benefits for the first 60 days of disability.
  - b. **Providing compensation to supplement the ELCA disability plan** – After the first 60 days of disability, the ELCA disability plan becomes effective and will pay 66 and 2/3% of *Monthly Defined Compensation*. Consideration should be given by the congregation to paying the remaining 33 and 1/3% of *Monthly Defined Compensation*.
  - c. **Pulpit supply** - The congregation is to assume responsibility for a substitute pastor during the term of disability. See “Pulpit Supply” under II. C. 2. a.
  - d. **Other compensation** - If a full time pastor, because of the disability, receives compensation from some source other than the ELCA disability plan, such as Workman's Compensation, then the congregation and the recipient should negotiate compensation so that it shall not exceed the usual monthly compensation.

### III. REIMBURSABLE EXPENSES

Reimbursable expenses are not compensation to the pastor, but are business expenses of the congregation. Special care should be given to document these expenses. Pastors should file expense reports with their congregations (an IRS requirement).

*(In general, due to tax implications, it is usually better for a pastor to be reimbursed for the actual expense instead of receiving an allowance for an expense that may or may not be incurred. For suggestions for handling expenses, consult a reputable tax guide. Portico regularly makes a guide available. In 2013, it was written by Richard Hammar and was available for free download online at the Portico website..)*

## Salary Guidelines

**A. Automobile** - Reimbursement of automobile expenses for congregational business can be handled in one of three ways. Regardless of the method chosen, the amount should be for a yearly basis.

- 1. Reimbursement of miles driven** - Reimbursement for actual business miles driven at the IRS established rate. (*You can find this rate easily using an internet search engine.*) Be aware that in the past several years, the IRS changed mileage rate during the year, so be informed!
- 2. Payment of a lump sum** - The congregation may choose to pay the pastor a lump sum per year, pro-rated to a monthly basis. The pastor must maintain accurate records of actual business mileage and provide documentation to the IRS. Under this method, the lump sum, minus expenses, is taxable.
- 3. Congregation purchases or leases a car** – Congregations may consider the purchase or lease of an automobile for use by the pastor. Often the cost to the congregation is no greater than a fair cents-per-mile reimbursement. Pastors will assume some IRS liability for non-business use of the vehicle. The congregation may also choose to have the pastor reimburse the congregation for personal use of the vehicle at a rate comparable with the above IRS standard.

**B. Continuing Education** - The 1997 Churchwide Assembly affirmed the importance of lifelong learning for healthy and effective leaders of the church. The pastor, in consultation with the congregation, is strongly encouraged to annually prepare and submit a continuing education covenant to the synod office. Such a covenant covers the following topics:

- 1. Continuing education reimbursement** - The ELCA recommends \$1,500 per year as an appropriate amount to be spent for the continuing education of a pastor. The pastor is encouraged to provide 1/3 of this amount, with the congregation providing 2/3. Therefore, it is recommended that the congregation budget \$1,000 annually for the continuing education of its pastor.
- 2. First Call Theological Education (FCTE)** - FCTE is a requirement of the ELCA for a pastor in his/her first three years of ministry. This program helps pastors make the transition from seminary to congregational ministry. This replaces the continuing education requirement for the first 3 years of the pastor's ministry. As above, it is recommended that the congregation budget \$1,000 annually for the continuing education of its pastor, with the pastor encouraged to pay 1/3 of this amount or \$500.
- 3. Required time for continuing education** – A minimum of 50 contact hours per year of intentional continuing education is strongly encouraged. To meet this requirement, it is recommended that the congregation allow 14 days (including two Sundays) for continuing education. The congregation and the pastor should negotiate the way to handle congregational ministry during the pastor's absence.
- 4. Resource reimbursement** - Congregations are also encouraged to provide reimbursement of books and resource materials up to \$700 per year.
- 5. Sabbatical leave** - Each congregation is strongly encouraged develop a sabbatical leave policy. A policy should especially be in place before the calling of a new pastor. Additional information regarding sabbaticals is available at <http://www.nisynod.org/resources/>. Details of such a policy should consider the following basic points:
  - a. A sabbatical leave is encouraged after 6 years** - When a pastor has served longer than six (6) years in a given congregation, the congregation is encouraged to grant sabbatical leave to permit participation in a longer program of continuing education. The pastor should be encouraged to take not less than two months sabbatical leave for every six (6) years of service without reduction in salary. Some



church consultants believe that a sabbatical could be taken more frequently, especially when paired with congregational planning – perhaps every three (3) to five (5) years. These might be shorter but could provide time for rejuvenation to plan for the new ministries ahead.

- b. *A sabbatical program should be planned*** - Though a sabbatical includes time for re-creation and rejuvenation for the pastor, the benefit to the congregation must be considered as well. It is advisable to begin planning a sabbatical at least one (1) year before it will be taken. This planning should be done with the pastor and a committee established for this purpose. Then the committee can bring it before the congregational council for approval. It is recommended that the synod office be notified of the sabbatical leave and the plan.
  - c. *A sabbatical program should be funded early*** – To spread the cost of a sabbatical over time, it is recommended that both the congregation and the pastor establish some sort of savings plan. Without this foresight, it becomes a huge burden to leave when the time comes.
  - d. *Responsibility to remain*** - A pastor is expected to remain with a congregation for at least one (1) year, or an appropriate time agreed upon by the pastor and congregation, after completion of the sabbatical leave.
- 6. Pulpit Supply** – During all Continuing Education time away, a substitute pastor is to be secured and paid by the congregation. See “Pulpit Supply” under II. C. 2. a. For sabbatical leaves, compensation should be more than the standard supply preaching rate because of the interim pastor’s additional duties.

**C. Conference Expenses** - All pastors under call are required to attend meetings of the Synod Assembly and other meetings called by the bishop. Attendance of the pastor at the Synod Professional Leadership Conference is also normally a part of the business of the congregation. Expenses for attendance at these events should be budgeted and paid by the congregation, unless the agency or group calling the meeting reimburses the expenses.

**D. Expenses of employment for a pastor’s accompanying spouse –**

Congregations are encouraged to be sensitive to the employment needs of a relocating pastor’s accompanying spouse. Recognizing that two income families are now the norm, the congregation may choose to aid an accompanying spouse’s employment by negotiating payment of re-certification or re-licensing. The congregation may also aid the accompanying spouse in other non-monetary ways, such as offering to connect the spouse with local employment agencies or even potential employers.

**E. Other expenses** - Congregations are encouraged to reimburse the pastor for other expenses incurred if they are related to the ministry of the congregation.

*Approved by the Northern Illinois Synod Mutual Ministry Committee on April 6, 2013*  
*Approved by the Northern Illinois Synod Council on April 13, 2013*

**Appendix A – 2014 Pastor’s Base Salary Chart**

Pastor

		<u>base</u>		<u>base</u>
starting -- yr	0	35,500.00	13	45,055.00
after yr	1	36,235.00	14	45,790.00
	2	36,970.00	15	46,525.00
	3	37,705.00	16	47,260.00
	4	38,440.00	17	47,995.00
	5	39,175.00	18	48,730.00
	6	39,910.00	19	49,465.00
	7	40,645.00	20	50,200.00
	8	41,380.00	21	50,935.00
	9	42,115.00	22	51,670.00
	10	42,850.00	23	52,405.00
	11	43,585.00	24	53,140.00
	12	44,320.00	25	53,875.00

To figure base salary beyond 25 years of service, begin with the starting salary and then add the multiple of the value of a year of service by the years of service.

For example, for 30 years of service:  
 $\$35,500 + 30(735) = \$57,550.00$

## Appendix B – Tax Implications for Housing Allowance

### Difference between Housing Allowance in Guidelines and Housing Allowance for Taxes

When figuring housing allowance for these guidelines, this figure might be considered “hypothetical.” That is, it is a number that both the pastor and the congregation can agree on based on the given circumstances.

However, due to tax requirements and implications (as stated below), a pastor can ask for a “real” housing allowance number that reflects the pastor’s actual costs, as long as this meets the IRS requirements. If the pastor suggests a “real” housing allowance number greater than the “hypothetical” one calculated in the salary guidelines, the difference is taken from the pastor’s total salary. This way, the figure has zero net effect on the pastor’s total compensation in the congregation’s annual budget or defined compensation figures for Portico. Congregations may want to merge the “salary” and “housing allowance” line items in the budget to reflect this computation. See Appendix D “Clergy Housing Resolution & Forms” for details.

Here are the tax requirements: (from Portico’s website):

*The clergy housing allowance exclusion allows pastors to exclude a portion of their income from taxes if it can be justified to the IRS as housing expenses. The amount that can be excluded from taxable income as housing allowance is always the smallest of the following:*

1. *Amount officially designated in advance as “housing allowance” by your congregation or church organization*
2. *Amount spent for the pastor’s primary residence (i.e., down payment, mortgage principal and interest, utilities, taxes, insurance, furnishings, maintenance, etc.)*
3. *Fair rental value of the pastor’s home, including furnishings and cost of utilities (owned or rented)*

### Justification and Documentation of Housing Allowance

It should also be noted that it is the pastor’s responsibility, and not the congregation’s, for justifying a “real” housing allowance. This justification is between the pastor and the IRS; not the congregation. As such, when the pastor asks for a resolution from the congregational council to satisfy IRS requirements for the documentation of housing allowance, it should be accepted. This resolution should be made at the December council meeting for the following year. To review, it is the pastor’s responsibility to justify the allowance, it is the congregation’s responsibility to document it. This rule is true for all allowances, whether for a rostered or lay leader.

Here are the tax requirements: (from Portico’s website):

**Reporting housing allowance** – *You (the employer) must officially designate a certain portion of the pastor’s income in writing (e.g., a council resolution, meeting minutes or budget line item) as housing allowance, prior to payment being made. You will need to provide this information to your pastor whether or not you provide housing. You must report housing allowance separate from gross income on IRS Form W-2 in Box 14. Label the income as housing allowance.*

**\*\*NOTE:** This requirement states that a housing allowance must be designated before it is paid. Therefore, if the pastor knows of a previously unforeseen expense during the year, an addendum to the previous housing allowance for such expense might be made, as long as it is documented before the expense is incurred.

### Additional Resources

A detailed discussion of the tax implications of housing allowance for clergy is beyond the scope of this document. However, Portico provides excellent resources on both their “MyPortico” and “EmployerLink” websites to inform the pastor and the employer on the specific implications. In 2013, they provided for free download this publication: *2013 Tax Preparation Guide for 2012 Returns*, by Richard R. Hammar. In addition, the following resource is recommended:

## Salary Guidelines

- *IRS Publication 517: Social Security and Other Information for Members of the Clergy and Religious Workers* (On the IRS web site at <http://www.irs.gov/> )
- It is highly advisable that the pastor, as well as the congregational treasurer become familiar with these resources. It might also be in the best interest of the pastor to be in consultation with a tax professional familiar with clergy compensation.

## Appendix C – Synod Parsonage Guidelines

A parsonage is the home provided by the congregation for its pastors. It is to be an aid in the carrying out of ministry. In its care of the church, the congregation will want to provide a good home.

The guidelines on the following pages are a way to help both pastor and congregation. Following them will help the congregation become aware of needed improvements and let it know if a synod-wide standard has been achieved. It will be in a position to become aware of abuses of the parsonage property.

Since the parsonage is the pastor's home, privacy should be respected. Congregation members are expected to follow the same standards of politeness for such things as entering the parsonage as they would for any other home in the community.

Because it is the home of the pastor, the desires of the pastor should be consulted as changes are necessary. Further details about this are in the following guidelines.

The quality of the parsonage should meet a standard set by the homes of the majority of the congregation's members. The size should be adequate to accommodate families. Contrary to renters, the pastor normally has little choice of residence. The relationship between the pastor and congregation is not based on a lease or rental agreement, but upon a common bond in the service of Christ Jesus.

The following are specific guidelines for congregations with a parsonage. These are guidelines that congregations and pastors should use to discuss the maintenance, repair, and responsibilities relative to a church owned house. These suggestions are not exhaustive; if a local situation is not covered by this document, it should be noted and addressed locally.

1. It is recommended that the following appliances be provided in the parsonage:
 

<ul style="list-style-type: none"> <li>• stove</li> <li>• garbage disposal (optional)</li> <li>• refrigerator</li> <li>• soft water system (if needed)</li> <li>• dishwasher</li> </ul>	<ul style="list-style-type: none"> <li>• humidifier/dehumidifier (if needed)</li> <li>• washer and dryer</li> <li>• TV antenna (unless cable/satellite provided)</li> <li>• air conditioning</li> </ul>
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2. It is recommended that the following utilities be paid directly by the congregation:
 

<ul style="list-style-type: none"> <li>• electricity</li> <li>• gas</li> <li>• soft water service (if needed)</li> </ul>	<ul style="list-style-type: none"> <li>• cable/satellite TV</li> <li>• telephone (ex. personal long distance calls)</li> <li>• internet access</li> </ul>
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3. Items that would normally be supplied by the congregation include:
 

<ul style="list-style-type: none"> <li>• paint</li> <li>• wallpaper</li> <li>• window coverings</li> </ul>	<ul style="list-style-type: none"> <li>• floor coverings</li> <li>• light fixtures</li> <li>• ceiling fans</li> </ul>
--	---
  
4. When pastor first moves into a parsonage the congregation should see that it is thoroughly clean and should usually plan to redecorate.
  
5. The colors, fabric, design, etc., selected in the redecoration would normally be selected by those who will be living in the house in consultation with the appropriate committee. The congregation, of course, would determine the price ranges for these items.

## Salary Guidelines

6. Parsonage maintenance and repair should be listed as a separate line item in the annual budget, with a clear understanding of who has the authority to spend these budgeted funds.
7. There should be an annual inspection of the parsonage that is conducted with the pastor.
8. The pastor and congregation should develop and annually update a list of necessary and desired repairs, maintenance, modernization, redecorating and remodeling projects and together prioritize these projects.
9. There should be clear understanding about how regular maintenance and emergency repairs are to be handled. It is suggested that the pastor be authorized to spend a specified dollar amount at his or her own discretion. Any repairs in excess of this amount would require approval of the property committee or the congregation council.
10. The grounds around the parsonage are primarily the responsibility of the congregation. The congregation should see that the lawn, shrubbery and flower beds are in good condition when a pastor moves into the parsonage. The pastor may be expected to care for these grounds (mow, rake; remove snow; apply fertilizer, insecticides, and herbicides) or these responsibilities may be shared by the congregation. *(The division of labor should be negotiated by the pastor and the council immediately after the pastor's arrival.)*
11. Congregations should consider taking care of the grounds around the parsonage while the pastor is on vacation or study leave, if it is decided this is the pastor's responsibility.
12. The congregation should provide suitable garage space for the pastor's automobile(s). Normally, this would be space for two vehicles.

Revised March 2009

(adopted from the Nebraska & Southeast Iowa Synods, ELCA)

**Appendix D – Clergy Housing Resolution & Forms**

The Internal Revenue Service requires congregations and agencies to pass a resolution annually designating a specific amount of compensation to be used toward housing. The amount to be designated should be decided with the ordained minister based on his or her anticipated housing costs. This amount is one of three factors affecting the amount of housing a minister can claim on their taxes.

Draft Language for Church Council Action on Housing Allowance  
*(This wording may be used to officially describe the Council’s action on a housing allowance and should be revised as appropriate for your setting.)*

The \_\_\_\_\_ Committee advises the church council that under the U.S. income tax laws outlined in the Internal Revenue Code (IRC), enacted by Congress in Title 26 of the United States Code (26 U.S.C.) an ordained minister of the Gospel is not subject to Federal Income Tax on the amount of his or her compensation that the employing church designates in advance as a housing allowance, to the extent that the allowance represents compensation for ministerial services, is used to pay housing expenses, and does not exceed the fair rental value of the home including furnishings and appurtenances such as a garage, plus cost of utilities.

The council, after considering the request of the Rev. \_\_\_\_\_ to designate an amount of compensation as a housing allowance for the amount expected to be spent to rent or otherwise provide a home during the period \_\_\_\_\_ 201\_ to \_\_\_\_\_ 201\_, and in light of the Federal Income Tax law and of the established salary level, on motion duly made and seconded, voted to adopt the following resolution:

Resolved that the Rev. \_\_\_\_\_ is to receive a total cash salary of \$\_\_\_\_\_ for the year 201\_, of which \$\_\_\_\_\_ is hereby designated as housing allowance in response to his/her request and acknowledgement. While Rev. \_\_\_\_\_ is called to serve this congregation (\_\_\_\_\_ ) in his/her current position, the above amount of designated housing allowance shall apply to all future years until modified.

Secretary’s Signature \_\_\_\_\_ Date \_\_\_\_\_

Draft Language for Notification of Housing Allowance by Congregation  
*(This may be used to officially notify a pastor of the approved housing allowance.)*  
Date \_\_\_\_\_

Dear Rev. \_\_\_\_\_,

This is to advise you that at a meeting of the church council held on \_\_\_\_\_, your housing allowance for the year \_\_\_\_\_ was officially designated and fixed in the amount of \$\_\_\_\_\_. Accordingly, \$\_\_\_\_\_ of the total compensation payable to you during the year \_\_\_\_\_ will constitute housing allowance and the balance will constitute “salary” (as interpreted by the U.S. income tax laws outlined in the Internal Revenue Code (IRC), enacted by Congress in Title 26 of the United States Code (26 U.S.C.)).  
Secretary’s Signature \_\_\_\_\_

**Appendix D – Clergy Housing Resolution & Forms (continued)**

Pastor’s Estimate of Housing Expense  
*(This form may be used to help the pastor determine an estimate of expenses qualifying under the pastor’s housing allowance.)*

To: (Name of Congregation)

From: (Name of Pastor)

Date:

Re: Housing allowance for year extending from \_\_\_\_\_, 201\_\_ to \_\_\_\_\_, 201\_\_.

The amounts set forth below are the amounts I expect to spend during the above period (as above) to rent or otherwise provide a home for my family and me.

<u>Item</u>	<u>Amount</u>
1. Rent on leased property	\$
2. Payments on purchase of a home (including down payment, acquisition costs, mortgage payments [principal and interest])	\$
3. Garage rental (if not included above)	\$
4. Real estate taxes	\$
5. Utilities (gas, electricity, water, sewer, oil, trash pickup, phone/cable/satellite/internet)	\$
6. Insurance (rental, homeowner’s, fire, extended coverage, liability, contents, flood)	\$
7. Repairs and maintenance	\$
8. Improvements and remodeling	\$
9. Furnishings and appliances	\$
10. Maintenance items (household cleansers, light bulbs, pest control, etc.)	\$
11. Yard maintenance and snow removal.	\$
12. Other housing expense	\$
TOTAL	\$

Signed \_\_\_\_\_ Date \_\_\_\_\_

(adopted with thanks to various ELCA Region 5 synods, especially Metropolitan Chicago.)



## 2014 Pastor's Salary Worksheet - Homeowner

Salary

I.A.1	Base Salary (find years of service in Appendix A)	1	<input style="width: 90%;" type="text"/>	
I.A.2	Merit Increase (0-15% of line 1)	2	<input style="width: 90%;" type="text"/>	
	New Base Salary	3	<input style="width: 90%;" type="text"/>	

Housing

I.B.1	Housing Allowance-Pastor as Homeowner (determine adequate funds for housing expenses)	4	<input style="width: 90%;" type="text"/>	
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Social Security

II.A	Social Security Allowance Homeowner (add boxes 3 + 4 and multiply by .0765)	5	<input style="width: 90%;" type="text"/>	
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Defined Compensation

II.B.1	(sum of boxes 3, 4 & 5)	6	<input style="width: 90%;" type="text"/>	
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Benefits

II.B.2	Retirement/Pension (12% of box 6)	7	<input style="width: 90%;" type="text"/>	
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II.B.3	Health and Other Benefits (% of box 6)	8	<input style="width: 90%;" type="text"/>	
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<i>Remember</i>	Health (13.3 -- 33.4% in 2013)	9	<input style="width: 90%;" type="text"/>	
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<i>yearly</i>	Disability (0.8% in 2013)	10	<input style="width: 90%;" type="text"/>	
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<i>health</i>	Survivor (0.8% in 2013)	11	<input style="width: 90%;" type="text"/>	
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<i>min/max!</i>	Retiree Support (0.7% in 2013)	12	<input style="width: 90%;" type="text"/>	
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	total to ELCA Board of Pensions	12	<input style="width: 90%;" type="text"/>	
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Expenses

Automobile (choose one; est. yearly exp.)

III.A.1.	Standard mileage rate reimbursement	13	<input style="width: 90%;" type="text"/>	
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III.A.2.	lump sum expense	14	<input style="width: 90%;" type="text"/>	
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III.A.3.	Expense for purchase/lease of car	15	<input style="width: 90%;" type="text"/>	
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Continuing Education

III.B.1 or 2	Congregation pays 2/3 of \$1500 allowance	16	<input style="width: 90%;" type="text"/>	
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Resources

III.B.4.	\$700 for books and other resources	17	<input style="width: 90%;" type="text"/>	
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Sabbatical

III.B.5.	early funding enables a better program; save to cover costs for pastor & congregation	18	<input style="width: 90%;" type="text"/>	
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Other expenses

III.C.-E.	as is traditional or additional in congregation	19	<input style="width: 90%;" type="text"/>	
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Total expenses	20	<input style="width: 90%;" type="text"/>	
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Totals	total compensation paid by congregation	21	<input style="width: 90%;" type="text"/>	
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	(sum of boxes 6, 12 & 20)	21	<input style="width: 90%;" type="text"/>	
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total compensation paid to pastor	22	<input style="width: 90%;" type="text"/>	
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(sum of boxes 6 & 20, less box 18 until sabbatical is taken)	22	<input style="width: 90%;" type="text"/>	
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Salary Guidelines

**2014 Pastor's Salary Worksheet - Parsonage**

Salary				
I.A.1	Base Salary	(find years of service in Appendix A)	1	<input type="text"/>
I.A.2	Merit Increase	(0-15% of line 1)	2	<input type="text"/>
	New Base Salary		3	<input type="text"/>
Housing				
I.B.2	Parsonage Provided			
	estimated value - 30% of salary (box 3)		5a	<input type="text"/>
	additional value/ssa (7.65% of box 5a)		5b	<input type="text"/>
	Optional Utilities Allowance		6	<input type="text"/>
	Optional Furnishings Allowance		7	<input type="text"/>
	Optional Equity Allowance -- if paid directly to pastor		8a	<input type="text"/>
	Optional Equity Allowance -- if paid to tax adv. acct.		8b	<input type="text"/>
	Housing Allowance VALUE if Parsonage Provided	(add boxes 5a + 5b)	9	<input type="text"/>
	Total of Parsonage Allowances paid (boxes 6-8)		10	<input type="text"/>
Social Security				
II.A	Social Security Allowance Parsonage	(add boxes 3 + 5a and multiply by .0765)	11	<input type="text"/>
Defined Compensation				
II.B.1		(sum of boxes 3, 9, 10, 11 less 8b)	12	<input type="text"/>
Benefits				
II.B.2	Retirement/Pension (12% of box 12)		13	<input type="text"/>
II.B.3	Health and Other Benefits (% of box 12)			
<i>Remember</i>	Health (13.3 -- 33.4% in 2013)		14	<input type="text"/>
<i>yearly</i>	Disability (0.8% in 2013)		15	<input type="text"/>
<i>health</i>	Survivor (0.8% in 2013)		16	<input type="text"/>
<i>min/max!</i>	Retiree Support (0.7% in 2013)		17	<input type="text"/>
	total to ELCA Board of Pensions		18	<input type="text"/>
Expenses				
	Automobile (choose one; est. yearly exp.)			
III.A.1.	Standard mileage rate reimbursement		19	<input type="text"/>
III.A.2.	lump sum expense		20	<input type="text"/>
III.A.3.	Expense for purchase/lease of car		21	<input type="text"/>
	Continuing Education			
III.B.1 or 2	Congregation pays 2/3 of \$1500 allowance		22	<input type="text"/>
	Resources			
III.B.4.	\$700 for books and other resources		23	<input type="text"/>
	Sabbatical			
III.B.5.	early funding enables a better program; save to cover costs for pastor & congregation		24	<input type="text"/>
	Other expenses			
III.C.-E.	as is traditional or additional in congregation		25	<input type="text"/>
	Total expenses		26	<input type="text"/>
Total compensation paid...				
	...by congregation (sum of boxes 3,10,11,18 & 26)		27	<input type="text"/>
	...to Pastor (sum of boxes 3,10,11,25; less boxes 8b & 24)		28	<input type="text"/>

## Northern Illinois Synod, ELCA 2014 Compensation Guidelines Associate in Ministry (AIM)

*Creating and updating a compensation package for your rostered leader does not have to be a lengthy and confusing process. To that end, this document provides guidelines for congregations to use in determining a leader's compensation. This document is in three (3) sections: Rationale, Appendix, and Worksheet. The sections are separate so that they could be used side-by-side when using the rationale to fill out the worksheet.*

### Rationale

## I. COMPENSATION

**A. Cash Salary** – the following guidelines are considered appropriate for an Associate in Ministry of the ELCA (hereafter referred to as an AIM) serving in the Northern Illinois Synod.

1. **Base Salary** - The suggested entry-level base salary for a called and certified AIM with a college bachelor's degree is \$31,300.00. If an AIM has a master's degree, then the entry-level base salary is \$35,500. An AIM with a bachelor's degree who earns a masters degree, should be compensated at the new degree level. For additional years of service, use the table in Appendix A. For 2014, a year of experience is valued at \$663 at the bachelor's degree level and at \$735 at the master's degree level . Completion of continuing education can be an expectation for a diaconal minister to receive the step increase for another year of experience. In addition to salary, the AIM and congregation, taking in to consideration factors such retirement funding, additional vacation time, etc should agree upon compensation beyond 25 years of experience. Finally, it is recommended that compensation for part-time positions should be pro-rated according to time contracted with the congregation. For instance, an AIM serving one-half time with a congregation should be paid one-half the appropriate base salary.

Additionally, when determining Base Salary it is important to consider **Previous Career Experience**. As more "second career" people enter this ministry, the question of a fair and equitable salary takes on new ramifications. In many cases, previous experience is relevant to the work of the ministry. Therefore, leaders who enter the rostered ministry after years of work in other occupations should be compensated at a rate that recognizes the value of their work experience and maturity. Congregations are urged to consider giving experience credit for previous work. It is recommended for purposes of calculating cash salary, that for every two years of professional experience in another field, the leader be credited with one year of professional experience in the ministry.

2. **Annual Merit Increase** – An annual salary increase for merit is encouraged. A merit increase in the range of 0-15% of the base salary is recommended. Factors influencing this decision include: attainment of advanced degrees, serving multiple point parishes, or fulfilling additional responsibilities, such as serving overseeing large program areas. Additionally, the congregation and leader may perform a mutual evaluation, such as the professional evaluation forms available online at <http://www.nisynod.org/resources/mutualministry/index.htm>

## II. BENEFITS

### **A. Social Security Tax (FICA)**

Providing for the retirement of an AIM is the responsibility of the congregation. AIMs are considered employees of the congregation for tax purposes. The congregation is required

Salary Guidelines

to contribute one-half of an AIMs Social Security (FICA) tax. The current FICA tax rate for an employee is 15.3% of their total cash salary. Therefore, congregations are required to pay one-half of the tax or 7.65% of the total cash salary.

**B. ELCA Plan through Portico Benefit Services (formerly “Board of Pensions”)**

*Portico offers a wide variety of services ensuring wellness in all areas – while working and in retirement.*

*Their offerings go beyond the scope this document. Congregations and leaders are highly encouraged to become familiar with them, using them as a base for a financial plan.*

[www.porticobenefits.org](http://www.porticobenefits.org)

1. **Defined Compensation** –Portico uses **Defined Compensation** to determine the amount of a congregation’s required **Retirement/Pension Contribution** as well as the contribution for a leader’s **Health and Other Benefits**. **Defined Compensation** is comprised of the leader’s actual cash salary and any additional allowances.
2. **Retirement/Pension Contribution** – The Northern Illinois Synod **strongly encourages** a minimum pension contribution of 12% for all leaders. Congregations may also choose to exceed the 12% level. If a congregation is unable to meet the salary guidelines, its should strongly consider making its pension contribution based on guidelines. This has small congregational impact yet assists the leader greatly in retirement. Portico can be consulted to ensure the correct transactions occur.
3. **Optional Pension Contributions** – Also, leaders can use Portico to make additional pre-tax contributions toward their pension, deferring tax liability. These can come from their salary, making regular deductions or outside sources, such as previous retirement plans and inheritance. Again, Portico can be consulted to ensure correctness.
4. **Health and Other Benefits** -- Each year Portico sets the percentage a congregation should contribute for the leader’s Health and Other Benefits. The percentage is based on the expected cost of the plan.

**The percentages for the 2013 Board of Pensions amounts follow (this is for example only):**

Rate class: 3 Northern Illinois Synod		Monthly minimum	Monthly maximum
Coverages	Rates <sup>1</sup>		
<b>Health benefits</b>			
Member	13.3 %	\$550	\$744
Member & spouse	23.4 %	\$963	\$1303
Member & children	23.4 %	\$963	\$1303
Member, spouse & children	33.4 %	\$1376	\$1861
Coverage waived	0.00 %	0	0
<b>Disability</b>			
	0.8 %		
<b>Survivor</b>			
	0.8 % <sup>2</sup>		
<b>Retiree support</b>			
	0.7 % <sup>3</sup>		

**\*\*Note that calculators and charts for these and other computations are available at the Portico website – [www.porticobenefits.org](http://www.porticobenefits.org). Specifically, click on the “EmployerLink” button on the middle of that page. Then, once on the EmployerLink site, open the “Resources” tab.**

4. **Wellness Discount** – Portico has offered the enrolled member money that can be used toward health expenses. The first step is taking the online health assessment tool designed by the Mayo Clinic. There are also follow-on activities to maximize the bonus, up to \$500. Additionally, if 65% of the enrolled members in our synod complete the health assessment, all the organizations within our synod will receive a 2% reduction in the health benefit rate. It is strongly recommended that members take advantage of this offering (if available in 2014) for the clear physical and financial benefits.

5. **Flexible Spending Accounts (FSAs)** – Portico makes these accounts available with no administration fee. FSAs allow you to set aside pretax salary dollars for eligible health care and dependent (day) care expenses. There are specific tax benefits as well as requirements to open and use FSAs that go beyond the scope of this document. For more information, go to the “MyPortico” home page at <https://myportico.porticobenefits.org/>, open the “Health and Other Coverage” tab, and follow the link for FSAs under the “Other Coverages” heading.

### **C. Other Benefits for the Wellness of the Leader & Congregation**

There are many other benefits to negotiate in the call process. Discussing the following items in advance can help leaders and congregations avoid conflict later in the call when it seems that the benefits are changing. A section on “Wellness” has been added to this category because of the importance of health to the life of the leader and the congregation that is served.

1. **Workweek** – For leaders working full time, it is recommended that 1.5 – 2.0 days a week are taken for personal time.
2. **Vacation** - The need for annual vacation is self-evident. The congregation should provide two-four (2-4) weeks per year (encompassing 2-4 Sundays) of vacation with full pay. This does not include continuing education. Time spent on continuing education, churchwide or synodical committees, congregational retreats or congregational camping programs is not to be considered as vacation time or time off. The congregation is encouraged to consider the tenure of the leader and his/her individual needs in setting vacation limits. Additional vacation weeks may be negotiated.
3. **Wholeness/Wellness** – It is important that church leaders be well in all areas of the wholeness wheel. In addition to Portico’s resources, our bishop has established a Task Force on Health and Wellness. Their resources can be found at <http://nisynod.org/wellness/index.htm>. Additionally, note the information above in II. B. 4. that demonstrates some of the benefits.
  - a. **Spiritual Renewal** – It is recommended that all rostered leaders under call be given three days to one week or more per year for spiritual renewal that is not classified as vacation or educational leave. It is suggested that the rostered leader spend this time at a retreat center or facility where the leader is able to fully focus on “renewal.”
  - b. **Spiritual Guidance** – It is recommended that all rostered leaders be encouraged to have a spiritual guide during their time of call. Resources for finding and selecting a Spiritual Guide can be acquired from the synod’s Spiritual Formation Sub-Committee.
4. **Parental Leave** - The church places a high value on family. These guidelines are offered to help congregations approach situations requiring parental leave in a caring manner.
  - a. **Parental leave following the birth of a child** – For a full-time leader, six weeks of maternal leave should be available to mothers immediately following the birth of a child. For maternal leave, it is recommended that the congregation pay full salary and benefits. A two-week paid parental leave is recommended for a father immediately after the birth of a child. For paternal leave, at a minimum, full benefits should be maintained. Factors to be considered in determining salary and benefits during such a leave are vacation time available, housing costs, the leader’s length of service with the congregation, and the hardship to the leader or the congregation.
  - b. **Parental leave following adoption** - Guideline 4a. above applies to parents adopting children.

- c. **Parental leave granted at other times*** - Parental leave may be granted by the congregation at other times, such as during times of severe illness, trauma, or death of a child. The length of the leave and the salary and benefits that the congregation will provide the leader should be mutually negotiated. It is recommended that the congregation, at a minimum, provide full benefits for the leader during any parental leave granted.
- 5. **Temporary Disability**
  - a. **Full compensation and benefits for the first 60 days*** – In the event of the temporary disability of a full time leader, it is recommended that the congregation continue to pay the individual’s full compensation and benefits for the first 60 days of disability.
  - b. **Providing compensation to supplement the ELCA disability plan*** – After the first 60 days of disability, the ELCA disability plan becomes effective and will pay 66 and 2/3% of *Monthly Defined Compensation*. Consideration should be given by the congregation to paying the remaining 33 and 1/3% of *Monthly Defined Compensation*.
  - c. **Other compensation*** - If a full time leader, because of the disability, receives compensation from some source other than the ELCA disability plan, such as Workman’s Compensation, then the congregation and the recipient should negotiate compensation so that it shall not exceed the usual monthly compensation.

### III. REIMBURSABLE EXPENSES

Reimbursable expenses are not compensation to the leader, but are business expenses of the congregation. Special care should be given to document these expenses. Leaders should file expense reports with their congregations (an IRS requirement).

*(In general, due to tax implications, it is usually better for a leader to be reimbursed for the actual expense instead of receiving an allowance for an expense that may or may not be incurred. For suggestions for handling expenses, consult a reputable tax guide. Portico regularly makes a guide available. In 2013, it was written by Richard Hammar and was available for free download online at the Portico website.)*

**A. Automobile** - Reimbursement of automobile expenses for congregational business can be handled in one of three ways. Regardless of the method chosen, the amount should be for a yearly basis.

1. **Reimbursement of miles driven** - Reimbursement for actual business miles driven at the IRS established rate. *(You can find this rate easily using an internet search engine.)* Be aware that in the past several years, the IRS changed mileage rate during the year, so be informed!
2. **Payment of a lump sum** - The congregation may choose to pay the leader a lump sum per year, pro-rated to a monthly basis. The leader must maintain accurate records of actual business mileage and provide documentation to the IRS. Under this method, the lump sum, minus expenses, is taxable.
3. **Congregation purchases or leases a car** – Congregations may consider the purchase or lease of an automobile for use by the leader. Often the cost to the congregation is no greater than a fair cents-per-mile reimbursement. Leaders will assume some IRS liability for non-business use of the vehicle. The congregation may also choose to have the leader reimburse the congregation for personal use of the vehicle at a rate comparable with the above IRS standard.

**B. Continuing Education** - The 1997 Churchwide Assembly affirmed the importance of lifelong learning for healthy and effective leaders of the church. The leader, in consultation with the congregation, is strongly encouraged to annually prepare and

submit a continuing education covenant to the synod office. Such a covenant covers the following topics:

1. **Continuing education reimbursement** - The ELCA recommends \$1,500 per year as an appropriate amount to be spent for the continuing education of a leader. The leader is encouraged to provide 1/3 of this amount, with the congregation providing 2/3. Therefore, it is recommended that the congregation budget \$1,000 annually for the continuing education of its leader.
2. **First Call Theological Education (FCTE)** - FCTE is a requirement of the ELCA for a leader in his/her first three years of ministry. This program helps leaders make the transition from seminary to congregational ministry. This replaces the continuing education requirement for the first 3 years of the leader's ministry. As above, it is recommended that the congregation budget \$1,000 annually for the continuing education of its leader, with the leader encouraged to pay 1/3 of this amount or \$500.
3. **Required time for continuing education** – A minimum of 50 contact hours per year of intentional continuing education is strongly encouraged. To meet this requirement, it is recommended that the congregation allow 14 days (including two Sundays) for continuing education. The congregation and the leader should negotiate the way to handle congregational ministry during the leader's absence.
4. **Resource reimbursement** - Congregations are also encouraged to provide reimbursement of books and resource materials up to \$700 per year.
5. **Sabbatical leave** - Each congregation is strongly encouraged to develop a sabbatical leave policy. A policy should especially be in place before the calling of a new leader. Additional information regarding sabbaticals is available at <http://www.nisynod.org/resources/>. Details of such a policy should consider the following basic points:
  - a. **A sabbatical leave is encouraged after 6 years** - When a leader has served longer than six (6) years in a given congregation, 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 not less than two months sabbatical leave for every six (6) years of service without reduction in salary.  
  
Some church consultants believe that a sabbatical could be taken more frequently, especially when paired with congregational planning – perhaps every three (3) to five (5) years. These might be shorter but could provide time for rejuvenation to plan for the new ministries ahead.
  - b. **A sabbatical program should be planned** - Though a sabbatical includes time for re-creation and rejuvenation for the leader, the benefit to the congregation must be considered as well. It is advisable to begin planning a sabbatical at least one (1) year before it will be taken. This planning should be done with the leader and a committee established for this purpose. Then the committee can bring it before the congregational council for approval. It is recommended that the synod office be notified of the sabbatical leave and the plan.
  - c. **A sabbatical program should be funded early** – To spread the cost of a sabbatical over time, it is recommended that both the congregation and the leader establish some sort of savings plan. Without this foresight, it becomes a huge burden to leave when the time comes.
  - d. **Responsibility to remain** - A leader is expected to remain with a congregation for at least one (1) year, or an appropriate time agreed upon by the leader and congregation, after completion of the sabbatical leave.

**C. Conference Expenses** - All leaders under call are required to attend meetings of the Synod Assembly and other meetings called by the bishop. The leader's attendance at the synod's Professional Leadership Conference is also normally a part of the business of the congregation. Expenses for attendance at these events should be budgeted and paid by

## Salary Guidelines

the congregation, unless the agency or group calling the meeting reimburses the expenses.

### **D. Expenses of employment for a leader's accompanying spouse**

— Congregations are encouraged to be sensitive to the employment needs of a relocating leader's accompanying spouse. Recognizing that two income families are now the norm, the congregation may choose to aid an accompanying spouse's employment by negotiating payment of re-certification or re-licensing. The congregation may also aid the accompanying spouse in other non-monetary ways, such as offering to connect the spouse with local employment agencies or even potential employers.

**E. Other expenses** - Congregations are encouraged to reimburse the leader for other expenses incurred if they are related to the ministry of the congregation.

*Approved by the Northern Illinois Synod Mutual Ministry Committee on April 6, 2013*

*Approved by the Northern Illinois Synod Council on April 13, 2013*



## Appendix A – 2013 AIM Base Salary Charts

### AIM with Bachelor's Degree

		<u>base</u>			<u>base</u>
starting -- yr	0	31,300.00		13	39,919.00
after yr	1	31,963.00		14	40,582.00
	2	32,626.00		15	41,245.00
	3	33,289.00		16	41,908.00
	4	33,952.00		17	42,571.00
	5	34,615.00		18	43,234.00
	6	35,278.00		19	43,897.00
	7	35,941.00		20	44,560.00
	8	36,604.00		21	45,223.00
	9	37,267.00		22	45,886.00
	10	37,930.00		23	46,549.00
	11	38,593.00		24	47,212.00
	12	39,256.00		25	47,875.00

To figure base salary beyond 25 years of service,  
begin with the starting salary and then add the multiple of the  
value of a year of service by the years of service.

For example, for 30 years of service:

$$\text{\$31,300} + 30(663) = \text{\$51,190.00}$$

### AIM with Master's Degree

		<u>base</u>			<u>base</u>
starting -- yr	0	35,500.00		13	45,055.00
after yr	1	36,235.00		14	45,790.00
	2	36,970.00		15	46,525.00
	3	37,705.00		16	47,260.00
	4	38,440.00		17	47,995.00
	5	39,175.00		18	48,730.00
	6	39,910.00		19	49,465.00
	7	40,645.00		20	50,200.00
	8	41,380.00		21	50,935.00
	9	42,115.00		22	51,670.00
	10	42,850.00		23	52,405.00
	11	43,585.00		24	53,140.00
	12	44,320.00		25	53,875.00

To figure base salary beyond 25 years of service,  
begin with the starting salary and then add the multiple of the  
value of a year of service by the years of service.

For example, for 30 years of service:

$$\text{\$35,500} + 30(735) = \text{\$57,550.00}$$

## 2014 Associate in Ministry Salary Worksheet

Salary

I.A.1	Base Salary (find years service in Appendix A)	1	<input style="width: 90%;" type="text"/>
I.A.2	Merit Increase (0-15% of line 1)	2	<input style="width: 90%;" type="text"/>
	New Base Salary	3	<input style="width: 90%;" type="text"/>

Social Security

II.A	Social Security - Congregation Portion (multiply box 3 by .0765)	4	<input style="width: 90%;" type="text"/>
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Defined Compensation

II.B.1	New Base Salary (bx 3) + Social Security (bx 4)	5	<input style="width: 90%;" type="text"/>
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Benefits

II.B.2	Retirement/Pension (12% of box 5)	6	<input style="width: 90%;" type="text"/>
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II.B.3	Health and Other Benefits (% of box 5)	7	<input style="width: 90%;" type="text"/>
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<i>Remember</i>	Health (13.3 -- 33.4% in 2013)	8	<input style="width: 90%;" type="text"/>
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<i>yearly</i>	Disability (0.8% in 2013)	9	<input style="width: 90%;" type="text"/>
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<i>health</i>	Survivor (0.8% in 2013)	10	<input style="width: 90%;" type="text"/>
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<i>min/max!</i>	Retiree Support (0.7% in 2013) total to ELCA Board of Pensions	11	<input style="width: 90%;" type="text"/>
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Expenses

Automobile (choose one; est. yearly exp.)

III.A.1.	Standard mileage rate reimbursement	12	<input style="width: 90%;" type="text"/>
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III.A.2.	lump sum expense	13	<input style="width: 90%;" type="text"/>
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III.A.3.	Expense for purchase/lease of car	14	<input style="width: 90%;" type="text"/>
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Continuing Education

III.B.1 or 2	Congregation pays 2/3 of \$1500 allowance	15	<input style="width: 90%;" type="text"/>
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Resources

III.B.4.	\$700 for books and other resources	16	<input style="width: 90%;" type="text"/>
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Sabbatical

III.B.5.	early funding enables a better program	17	<input style="width: 90%;" type="text"/>
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Other expenses

III.C.-E.	as is traditional or additional in congregation	18	<input style="width: 90%;" type="text"/>
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	Total expenses	19	<input style="width: 90%;" type="text"/>
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Totals

	Total compensation paid by congregation (sum of boxes 3, 4, 11 & 19)	20	<input style="width: 90%;" type="text"/>
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	Total compensation paid to AIM (sum of boxes 3 & 19)	21	<input style="width: 90%;" type="text"/>
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# Northern Illinois Synod, ELCA

## 2014 Compensation Guidelines

### Diaconal Minister

*Creating and updating a compensation package for your rostered leader does not have to be a lengthy and confusing process. To that end, this document provides guidelines for congregations to use in determining a leader's compensation. This document is in three (3) sections: Rationale, Appendix, and Worksheet. The sections are separate so that they could be used side-by-side when using the rationale to fill out the worksheet.*

## Rationale

### I. COMPENSATION

**A. Cash Salary** – the following guidelines are considered appropriate for a Diaconal Minister of the ELCA serving in the Northern Illinois Synod.

1. **Base Salary** - The suggested entry-level base salary for a called and certified diaconal minister is \$35,500. For additional years of service, use the table in Appendix A. For 2014, a year of experience is valued at \$735.00. Completion of continuing education can be an expectation for a diaconal minister to receive the step increase for another year of experience. In addition to salary, the diaconal minister and congregation, taking in to consideration factors such retirement funding, additional vacation time, etc should agree upon compensation beyond 25 years of experience. Finally, it is recommended that compensation for part-time positions should be pro-rated according to time contracted with the congregation. For instance, a diaconal minister serving one-half time with a congregation should be paid one-half the appropriate base salary.

Additionally, when determining Base Salary it is important to consider **Previous Career Experience**. As more “second career” people enter this ministry, the question of a fair and equitable salary takes on new ramifications. In many cases, previous experience is relevant to the work of the ministry. Therefore, leaders who enter the rostered ministry after years of work in other occupations should be compensated at a rate that recognizes the value of their work experience and maturity. Congregations are urged to consider giving experience credit for previous work. It is recommended for purposes of calculating cash salary, that for every two years of professional experience in another field, the leader be credited with one year of professional experience in the ministry.

2. **Annual Merit Increase** – An annual salary increase for merit is encouraged. A merit increase in the range of 0-15% of the base salary is recommended. Factors influencing this decision include: attainment of advanced degrees, serving multiple point parishes, or fulfilling additional responsibilities, such as serving overseeing large program areas. Additionally, the congregation and leader may perform a mutual evaluation, such as the professional evaluation forms available online at:
3. <http://www.nisynod.org/resources/mutualministry/index.htm>

### II. BENEFITS

#### **A. Social Security Tax (FICA)**

Providing for the retirement of a diaconal minister is the responsibility of the congregation. Diaconal ministers are considered employees of the congregation for tax purposes. The congregation is required to contribute one-half of a diaconal ministers Social Security (FICA) tax. The current FICA tax rate for an employee is 15.3% of their

Salary Guidelines

total cash salary. Therefore, congregations are required to pay one-half of the tax or 7.65% of the total cash salary.

**B. ELCA Plan through Portico Benefit Services (formerly “Board of Pensions”)**

*Portico offers a wide variety of services ensuring wellness in all areas – while working and in retirement.*

*Their offerings go beyond the scope this document. Congregations and leaders are highly encouraged to become familiar with them, using them as a base for a financial plan. [www.porticobenefits.org](http://www.porticobenefits.org)*

1. **Defined Compensation** –Portico uses **Defined Compensation** to determine the amount of a congregation’s required **Retirement/Pension Contribution** as well as the contribution for a leader’s **Health and Other Benefits**. **Defined Compensation** is comprised of the leader’s actual cash salary and any additional allowances.
2. **Retirement/Pension Contribution** – The Northern Illinois Synod **strongly encourages** a minimum pension contribution of 12% for all leaders. Congregations may also choose to exceed the 12% level. If a congregation is unable to meet the salary guidelines, it should strongly consider making its pension contribution based on guidelines. This has small congregational impact yet assists the leader greatly in retirement. Portico can be consulted to ensure the correct transactions occur.
3. **Optional Pension Contributions** – Also, leaders can use Portico to make additional pre-tax contributions toward their pension, deferring tax liability. These can come from their salary, making regular deductions or outside sources, such as previous retirement plans and inheritance. Again, Portico can be consulted to ensure correctness.
4. **Health and Other Benefits** -- Each year Portico sets the percentage a congregation should contribute for the leader’s Health and Other Benefits. The percentage is based on the expected cost of the plan.

**The percentages for the 2013 Board of Pensions amounts follow (this is for example only):**

Rate class: 3 Northern Illinois Synod		Monthly minimum	Monthly maximum
Coverages	Rates <sup>1</sup>		
<b>Health benefits</b>			
Member	13.3 %	\$550	\$744
Member & spouse	23.4 %	\$963	\$1303
Member & children	23.4 %	\$963	\$1303
Member, spouse & children	33.4 %	\$1376	\$1861
Coverage waived	0.00 %	0	0
<b>Disability</b>	0.8 %		
<b>Survivor</b>	0.8 % <sup>2</sup>		
<b>Retiree support</b>	0.7 % <sup>3</sup>		

**\*\*Note that calculators and charts for these and other computations are available at the Portico website – [www.porticobenefits.org](http://www.porticobenefits.org). Specifically, click on the “EmployerLink” button on the middle of that page. Then, once on the EmployerLink site, open the “Resources” tab.**

5. **Wellness Discount** – Portico has offered the enrolled member money that can be used toward health expenses. The first step is taking the online health assessment tool designed by the Mayo Clinic. There are also follow-on activities to maximize the bonus, up to \$500. Additionally, if 65% of the enrolled members in our synod complete the health

assessment, all the organizations within our synod will receive a 2% reduction in the health benefit rate. It is strongly recommended that members take advantage of this offering (if available in 2014) for the clear physical and financial benefits.

5. **Flexible Spending Accounts (FSAs)** – Portico makes these accounts available with no administration fee. FSAs allow you to set aside pretax salary dollars for eligible health care and dependent (day) care expenses. There are specific tax benefits as well as requirements to open and use FSAs that go beyond the scope of this document. For more information, go to the “MyPortico” home page at <https://myportico.porticobenefits.org/>, open the “Health and Other Coverage” tab, and follow the link for FSAs under the “Other Coverage’s” heading.

### **C. Other Benefits for the “Wellness” of the Leader & Congregation**

There are many other benefits to negotiate in the call process. Discussing the following items in advance can help leaders and congregations avoid conflict later in the call when it seems that the benefits are changing. A section on “Wellness” has been added to this category because of the importance of health to the life of the leader and the congregation that is served.

1. **Workweek** – For leaders working full time, it is recommended that 1.5 – 2.0 days a week are taken for personal time.
2. **Vacation** - The need for annual vacation is self-evident. The congregation should provide two-four (2-4) weeks per year (encompassing 2-4 Sundays) of vacation with full pay. This does not include continuing education. Time spent on continuing education, churchwide or synodical committees, congregational retreats or congregational camping programs is not to be considered as vacation time or time off. The congregation is encouraged to consider the tenure of the leader and his/her individual needs in setting vacation limits. Additional vacation weeks may be negotiated.
3. **Wholeness/Wellness** – It is important that church leaders be well in all areas of the wholeness wheel. In addition to Portico’s resources, our bishop has established a Task Force on Health and Wellness. Their resources can be found at <http://nisynod.org/wellness/index.htm>. Additionally, note the information above in II. B. 4. that demonstrates some of the benefits.
  - a. **Spiritual Renewal** – It is recommended that all rostered leaders under call be given three days to one week or more per year for spiritual renewal that is not classified as vacation or educational leave. It is suggested that the rostered leader spend this time at a retreat center or facility where the leader is able to fully focus on “renewal.”
  - b. **Spiritual Guidance** – It is recommended that all rostered leaders be encouraged to have a spiritual guide during their time of call. Resources for finding and selecting a Spiritual Guide can be acquired from the synod’s Spiritual Formation Sub-Committee.
4. **Parental Leave** - The church places a high value on family. These guidelines are offered to help congregations approach situations requiring parental leave in a caring manner.
  - a. **Parental leave following the birth of a child** – For a full-time leader, six weeks of maternal leave should be available to mothers immediately following the birth of a child. For maternal leave, it is recommended that the congregation pay full salary and benefits. A two-week paid parental leave is recommended for a father immediately after the birth of a child. For paternal leave, at a minimum, full benefits should be maintained. Factors to be considered in determining salary and benefits during such a leave are vacation time available, housing costs, the leader’s length of service with the congregation, and the hardship to the leader or the congregation.

## Salary Guidelines

- b. Parental leave following adoption** - Guideline 4a. above applies to parents adopting children.
- c. Parental leave granted at other times** - Parental leave may be granted by the congregation at other times, such as during times of severe illness, trauma, or death of a child. The length of the leave and the salary and benefits that the congregation will provide the leader should be mutually negotiated. It is recommended that the congregation, at a minimum, provide full benefits for the leader during any parental leave granted.

### 5. Temporary Disability

- a. Full compensation and benefits for the first 60 days** – In the event of the temporary disability of a full time leader, it is recommended that the congregation continue to pay the individual's full compensation and benefits for the first 60 days of disability.
- b. Providing compensation to supplement the ELCA disability plan** – After the first 60 days of disability, the ELCA disability plan becomes effective and will pay 66 and 2/3% of *Monthly Defined Compensation*. Consideration should be given by the congregation to paying the remaining 33 and 1/3% of *Monthly Defined Compensation*.
- c. Other compensation** - If a full time leader, because of the disability, receives compensation from some source other than the ELCA disability plan, such as Workman's Compensation, then the congregation and the recipient should negotiate compensation so that it shall not exceed the usual monthly compensation.

## III. REIMBURSABLE EXPENSES

Reimbursable expenses are not compensation to the leader, but are business expenses of the congregation. Special care should be given to document these expenses. Leaders should file expense reports with their congregations (an IRS requirement).

*(In general, due to tax implications, it is usually better for a leader to be reimbursed for the actual expense instead of receiving an allowance for an expense that may or may not be incurred. consult a reputable tax guide. The ELCA Board of Pensions regularly makes a guide available. In 2013, it was written by Richard Hammar and was available for free download online at the Portico website..)*

**A. Automobile** - Reimbursement of automobile expenses for congregational business can be handled in one of three ways. Regardless of the method chosen, the amount should be for a yearly basis.

- 1. Reimbursement of miles driven** - Reimbursement for actual business miles driven at the IRS established rate. *(You can find this rate easily using an internet search engine.)* Be aware that in the past several years, the IRS changed mileage rate during the year, so be informed!
- 2. Payment of a lump sum** - The congregation may choose to pay the leader a lump sum per year, pro-rated to a monthly basis. The leader must maintain accurate records of actual business mileage and provide documentation to the IRS. Under this method, the lump sum, minus expenses, is taxable.
- 3. Congregation purchases or leases a car** – Congregations may consider the purchase or lease of an automobile for use by the leader. Often the cost to the congregation is no greater than a fair cents-per-mile reimbursement. Leaders will assume some IRS liability for non-business use of the vehicle. The congregation may also choose to have the leader reimburse the congregation for personal use of the vehicle at a rate comparable with the above IRS standard.

**B. Continuing Education** - The 1997 Churchwide Assembly affirmed the importance of lifelong learning for healthy and effective leaders of the church. The leader, in consultation with the congregation, is strongly encouraged to annually prepare and submit a continuing education covenant to the synod office. Such a covenant covers the following topics:

1. **Continuing education reimbursement** - The ELCA recommends \$1,500 per year as an appropriate amount to be spent for the continuing education of a leader. The leader is encouraged to provide 1/3 of this amount, with the congregation providing 2/3. Therefore, it is recommended that the congregation budget \$1,000 annually for the continuing education of its leader.
2. **First Call Theological Education (FCTE)** - FCTE is a requirement of the ELCA for a leader in his/her first three years of ministry. This program helps leaders make the transition from seminary to congregational ministry. This replaces the continuing education requirement for the first 3 years of the leader's ministry. As above, it is recommended that the congregation budget \$1,000 annually for the continuing education of its leader, with the leader encouraged to pay 1/3 of this amount or \$500.
3. **Required time for continuing education** – A minimum of 50 contact hours per year of intentional continuing education is strongly encouraged. To meet this requirement, it is recommended that the congregation allow 14 days (including two Sundays) for continuing education. The congregation and the leader should negotiate the way to handle congregational ministry during the leader's absence.
4. **Resource reimbursement** - Congregations are also encouraged to provide reimbursement of books and resource materials up to \$700 per year.
5. **Sabbatical leave** - Each congregation is strongly encouraged to develop a sabbatical leave policy. A policy should especially be in place before the calling of a new leader. Additional information regarding sabbaticals is available at <http://www.nisynod.org/resources/>. Details of such a policy should consider the following basic points:
  - a. **A sabbatical leave is encouraged after 6 years** - When a leader has served longer than six (6) years in a given congregation, 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 not less than two months sabbatical leave for every six (6) years of service without reduction in salary.
 

Some church consultants believe that a sabbatical could be taken more frequently, especially when paired with congregational planning – perhaps every three (3) to five (5) years. These might be shorter but could provide time for rejuvenation to plan for the new ministries ahead.
  - b. **A sabbatical program should be planned** - Though a sabbatical includes time for re-creation and rejuvenation for the leader, the benefit to the congregation must be considered as well. It is advisable to begin planning a sabbatical at least one (1) year before it will be taken. This planning should be done with the leader and a committee established for this purpose. Then the committee can bring it before the congregational council for approval. It is recommended that the synod office be notified of the sabbatical leave and the plan.
  - c. **A sabbatical program should be funded early** – To spread the cost of a sabbatical over time, it is recommended that both the congregation and the leader establish some sort of savings plan. Without this foresight, it becomes a huge burden to leave when the time comes.
  - d. **Responsibility to remain** - A leader is expected to remain with a congregation for at least one (1) year, or an appropriate time agreed upon by the leader and congregation, after completion of the sabbatical leave.

## Salary Guidelines

**C. Conference Expenses** - All leaders under call are required to attend meetings of the Synod Assembly and other meetings called by the bishop. The leader's attendance at the synod's Professional Leadership Conference is also normally a part of the business of the congregation. Expenses for attendance at these events should be budgeted and paid by the congregation, unless the agency or group calling the meeting reimburses the expenses.

**D. Expenses of employment for a leader's accompanying spouse** - Congregations are encouraged to be sensitive to the employment needs of a relocating leader's accompanying spouse. Recognizing that two income families are now the norm, the congregation may choose to aid an accompanying spouse's employment by negotiating payment of re-certification or re-licensing. The congregation may also aid the accompanying spouse in other non-monetary ways, such as offering to connect the spouse with local employment agencies or even potential employers.

**E. Other expenses** - Congregations are encouraged to reimburse the leader for other expenses incurred if they are related to the ministry of the congregation.

*Approved by the Northern Illinois Synod Mutual Ministry Committee on April 6, 2013*

*Approved by the Northern Illinois Synod Council on April 13, 2013*



## Appendix A – 2014 Diaconal Minister Base Salary Chart

### Diaconal Minister

		<u>base</u>			<u>base</u>
starting -- yr	0	35,500.00		13	45,055.00
after yr	1	36,235.00		14	45,790.00
	2	36,970.00		15	46,525.00
	3	37,705.00		16	47,260.00
	4	38,440.00		17	47,995.00
	5	39,175.00		18	48,730.00
	6	39,910.00		19	49,465.00
	7	40,645.00		20	50,200.00
	8	41,380.00		21	50,935.00
	9	42,115.00		22	51,670.00
	10	42,850.00		23	52,405.00
	11	43,585.00		24	53,140.00
	12	44,320.00		25	53,875.00

To figure base salary beyond 25 years of service,  
begin with the starting salary and then add the  
multiple of  
the value of a year of service by the years of service.

For example, for 30 years of service:

$$\$35,500 + 30(735) = \$57,550.00$$

Salary Guidelines

**2014 Diaconal Minister Salary Worksheet**

Salary

I.A.1	Base Salary (find years service in Appendix A)	1	<input type="text"/>	
I.A.2	Merit Increase (0-15% of line 1)	2	<input type="text"/>	
	New Base Salary			3 <input type="text"/>

Social Security

II.A	Social Security - Congregation Portion (multiply box 3 by .0765)			4 <input type="text"/>
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Defined Compensation

II.B.1	New Base Salary (bx 3) + Social Security (bx 4)	5	<input type="text"/>	
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Benefits

II.B.2	Retirement/Pension (12% of box 5)	6	<input type="text"/>	
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II.B.3	Health and Other Benefits (% of box 5)			
--------	--	--	--	--

<i>Remember</i>	Health (13.3 -- 33.4% in 2013)	7	<input type="text"/>	
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<i>yearly</i>	Disability (0.8% in 2013)	8	<input type="text"/>	
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<i>health</i>	Survivor (0.8% in 2013)	9	<input type="text"/>	
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<i>min/max!</i>	Retiree Support (0.7% in 2013)	10	<input type="text"/>	
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	total to ELCA Board of Pensions			11 <input type="text"/>
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Expenses

Automobile (choose one; est. yearly exp.)

III.A.1.	Standard mileage rate reimbursement	12	<input type="text"/>	
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III.A.2.	lump sum expense	13	<input type="text"/>	
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III.A.3.	Expense for purchase/lease of car	14	<input type="text"/>	
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Continuing Education

III.B.1 or 2	Congregation pays 2/3 of \$1500 allowance	15	<input type="text"/>	
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Resources

III.B.4.	\$700 for books and other resources	16	<input type="text"/>	
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Sabbatical

III.B.5.	early funding enables a better program	17	<input type="text"/>	
----------	--	----	----------------------	--

Other expenses

III.C.-E.	as is traditional or additional in congregation	18	<input type="text"/>	
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	Total expenses			19 <input type="text"/>
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Totals Total compensation paid by congregation

	(sum of boxes 3, 4, 11 & 19)			20 <input type="text"/>
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Total compensation paid to Diaconal Minister

	(sum of boxes 3 & 19)			21 <input type="text"/>
--	-----------------------	--	--	-------------------------