

EVANGELICAL LUTHERAN CHURCH IN
AMERICA
NORTHWESTERN MINNESOTA SYNOD



2009 COMPENSATION GUIDELINES

FOR CLERGY AND LAY CHURCH STAFF

FINAL

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INTRODUCTION

The Northwestern Minnesota Synod has prepared the following 2009 Compensation Guidelines for use by congregational councils and other interested persons. The purpose of these guidelines is to provide guidance as to the minimum compensation that is appropriate for rostered leaders and employees of the church in the Northwestern Minnesota Synod.

It is important for congregational leaders to realize the process that has led to these guidelines. First, they have been developed by a committee of laity and rostered leaders appointed by the Synod Council. Next, these guidelines have been submitted to and approved by the Synod Council, which is made up of members of every conference in the Synod. Finally, these guidelines have been considered and approved by the Northwestern Minnesota Synod Assembly, which is made up of members of every congregation in the synod. Throughout the process there has been considerable input from both lay leaders and pastors.

As you work through these guidelines, we encourage you to keep in mind that pastors and other rostered persons are resources for the whole church, and they are called to serve the whole church. They are not the exclusive resource of a single congregation, nor do they, in serving a congregation, serve only the congregation. The call to a person rostered by the ELCA is a three party call agreed upon by the congregation, the person called, and the whole ELCA represented by the office of the bishop. The compensation provided to a rostered person is part of a contract between all three parties and cannot be changed without the mutual agreement of all three parties. Thus it is extremely important that all negotiations for change in compensation be done in conversation with the person called to serve the congregation and, when the compensation varies significantly from the guidelines, with the office of the bishop.

What follows is information that will help congregational leaders plan compensation for their pastor and any lay staff. These are recommendations, not legislative mandates. They are meant to be helpful, not dictatorial. It is our hope that these guidelines will allow compensation planning to occur in such a way that the partnership between the ELCA, a congregation, and its pastor and lay staff will be strengthened. This information is summarized on the worksheets that appear in Appendixes A and B.

We also encourage pastors and lay staff in our synod to endeavor to be supportive of members of the congregations they serve as the members deal with employment issues in their own lives.

Synod Council
Northwestern Minnesota Synod

2009 GUIDELINES FOR PASTORS

The following six pages are divided into five general areas: A. Defined Compensation, B. Pension and Other Benefits, C. Parish Expenses, D. Leave Times, and E. Other Matters. Be certain to address all these areas when first drafting a Letter of Call to an ordained minister or when annually reviewing the “Definition of Compensation, Benefits, and Responsibilities of the Pastor” in the Letter of Call.

A. DEFINED COMPENSATION

1. 2009 MINIMUM BASE SALARY GUIDELINES (Does not include housing)

The cornerstone of any compensation package is the salary. There are many reasons why salary guidelines are helpful to the pastors and congregations of our synod. These include:

- A significant education debt load is a fact of life for the majority of new pastors.
- A good starting salary will assist the Synod in attracting new pastors for our small churches and multi-point parishes.
- Guidelines are adjusted to account for the rate of inflation.
- When a salary increase is determined by using a percentage of last year's salary instead of guidelines, one only perpetuates an injustice if last year’s salary was unjustly low.

Note that these are minimums. Congregations are encouraged to exceed them. These guidelines assume that congregations are paying full benefits.

To use the following chart, subtract the year of ordination from 2009. The remainder is the “Years of Ordained Service”. Further extension of these minimum guidelines beyond year 31 may be accomplished by adding \$500 for each succeeding year. For second-career pastors, congregations are encouraged to consider previous work experience prior to ordination in setting “Years of Ordained Service”.

<u>YEARS OF ORDAINED SERVICE</u>		<u>YEARS OF ORDAINED SERVICE</u>	
0	\$ 28,000	16	36,000
1	28,500	17	36,500
2	29,000	18	37,000
3	29,500	19	37,500
4	30,000	20	38,000
5	30,500	21	38,600
6	31,000	22	39,100
7	31,500	23	39,600
8	32,000	24	40,100
9	32,500	25	40,600
10	33,000	26	41,100
11	33,500	27	41,600
12	34,000	28	42,100
13	34,500	29	42,600
14	35,000	30	43,100
15	35,500	31	43,600

In addition to these minimums, congregations served by pastors with seminary loan debt are encouraged to provide a matching contribution of up to \$100 per month to aid the pastor in reducing this education debt. Also congregations are encouraged to honor previous work experiences that enhance a pastor’s gifts for ministry prior to ordination.

2. SOCIAL SECURITY REIMBURSEMENT

Pastors are covered by Social Security under the “self-employment” provisions of the Social Security tax law. In 2009 the rate is 15.3%. Social Security is based on salary and housing, or salary plus 30% if a parsonage is provided.

Under current law, congregations are prohibited from paying Social Security tax for clergy. A congregation could, however, include an allowance for the pastor's Social Security tax. The synod recommends reimbursing the pastor 7.65% of the pastor's salary plus housing, or 7.65% of salary plus 30% if a parsonage is provided. This allowance must be considered as salary in reporting income to the IRS, and it is also considered income when computing pension plan contributions.

3. PARSONAGE/HOUSING ALLOWANCE

a. If the congregation provides a parsonage...

Where a congregation provides a parsonage, the congregation assumes all costs for maintenance and utilities, and furnishes all major appliances. [See Appendix C for details.] The synod recommends that congregations pay utility costs directly. (Note: If a congregation chooses to pay the pastor a “Utility Allowance” that allowance will increase the total “Defined Compensation”, resulting in an increased payment to Pension and Other Benefits and to Social Security.)

In a parish with a parsonage, the pastor does not have the option of owning his/her own home and thereby building equity for retirement housing. Congregations providing a parsonage are encouraged to contribute toward the special “**Housing Equity**” program. The church recommends that 3% of the pastor's “Defined Compensation” be applied each year to this fund. The Congregational Council and the pastor determine where to invest the “Housing Equity” funds, which may include, subject to Section 457 of the IRS code:

- Additional contributions to the Board of Pension “Housing Equity Program”
- Savings account
- Purchase of a separate tax-sheltered annuity program
- Purchase of an endowment-type insurance policy
- U.S. Savings Bonds purchased by the congregation and given as a gift to the pastor

b. If the congregation provides a housing allowance...

If the pastor serves a congregation which provides a housing allowance, add at least 30% of the pastor's base salary plus Social Security Allowance to help cover housing expenses. Because this additional 30% rarely covers actual housing expenses, once the congregation has set the “Defined Compensation” package, the pastor then estimates what the actual costs for purchasing, maintaining, and living in the home will be for the coming year. Using this estimate, the congregational council passes a resolution stating that of the total package paid the pastor, this estimated amount is designated for housing. Such a resolution does not change the congregation's budget total, but it does allow the pastor and the congregation to make best use of the Section 107 tax benefit. [Note: This resolution must be adopted prior to the beginning of the new year.* It is best to set this housing figure high, as long as it does not exceed the fair rental value of the house, including utilities and furnishings. Any excess allowance must be reported to the IRS as income by the pastor.]

Housing allowance for a clergy couple, when more than one call is involved, must consider each call as having a separate housing allowance. When a parsonage is provided, an additional monetary equivalent is provided for one of the calls.

* A congregation or ministry agency can amend its housing allowance designation during the course of the year, if changed circumstances render the original allowance inadequate. However, the amended allowance will only operate **prospectively** (for the remaining portion of the year), not retroactively (i.e. applying it back to the beginning of the year.) See *Church Law and Tax Report, 1996 Church and Clergy Tax Guide*, p. 134.

B. PENSION AND OTHER BENEFITS

Congregations are to provide for participation in the ELCA Pension and Other Benefits Plan at least at the levels prescribed by the ELCA Board of Pensions. In order to insure adequate retirement income for all pastors the Synod encourages congregations paying Defined Compensation below Guidelines to make pension payments based on recommended Defined Compensation.

Congregations will also provide for medical and dental benefit plan coverage for spouse and/or children where the spouse and/or children are not already covered through the spouse's employer.

Because the Board of Pensions, as a way to reduce costs to the congregation, continues to raise deductibles and maximum out-of-pocket expenses, congregations are encouraged to provide the option for pastors to set up Flexible Spending Accounts. (See Appendix B for further information.)

C. EXPENSES

1. AUTOMOBILE EXPENSE REIMBURSEMENT

Automobile expense and other work-related travel are a business expense for the congregation and are not considered as part of the clergy person's salary. Automobile allowance must be sufficient to cover all parish-related car expenses including depreciation. The Internal Revenue Service increasingly is demanding accurate records to support automobile expenses incurred in connection with parish-related travel. The pastor is responsible for maintaining adequate records for every vehicle used for work-related travel, and for submitting a request for reimbursement in a timely manner.

Expenses for clergy automobiles may be handled in one of the following ways:

- The congregation reimburses the pastor for actual miles driven at a specific rate per mile. There are tax advantages for the pastor in being paid this way. The 2008 IRS allowance is 50.5 cents per mile.
- The congregation purchases or leases a car and assumes the total automobile expense. (This method will insure total compensation for professional use. The pastor reimburses the parish at 50.5 cents per mile for any personal use.)
- The congregation pays a pre-determined amount on an annual basis. The synod discourages using this method because this option imposes substantial tax disadvantages, since the amount paid must be reported as income on Form W-2, and mileage deducted by the pastor as a miscellaneous expense on Schedule A.

2. SYNOD ASSEMBLY, THEOLOGICAL DAY, RETREAT & FIRST CALL THEO EDUCATION

The NWMN Synod Constitution requires all ordained ministers under call to attend meetings of the Synod Assembly, and the pastors of congregations shall also attend the meetings of the conference, cluster, coalition, or other area subdivisions to which the congregation belongs. @

Vision and Expectations, a document that describes the vision this church has for pastoral ministry and the expectations for its pastors states, AThis church expects its ordained ministers to work in a collegial relationship with one another and to share in mutual accountability with those in positions of leadership and oversight in this church. @

Therefore, the Northwestern Minnesota Synod expects that all pastors under call on the roster of this synod will attend the **Synod Assembly**, the **Synod Rostered Leaders and Spouse Retreat**, **Synod Theological Day**, and **First Call Theological Education**. Attending these events is part of working in a collegial relationship with one another and in sharing mutual accountability. The synod expects that pastors in a congregational call will also attend text studies, conference pastoral meetings, and conference gatherings. Because these are expectations the church has for pastors under call, the synod also expects the congregation will reimburse the pastor for expenses incurred in participating in these events, not as compensation, but as part of the cost of doing the business of the congregation.

3. CONTINUING EDUCATION/SABBATICAL

The Lutheran Church has a history of an educated and well-trained clergy. The Church expects the pastor to be involved in continuing education programs which will provide opportunity for personal development, enrichment of devotional life, and growth in pastoral effectiveness and competency. Continuing education is an essential, ongoing process which assists the pastor in maintaining and sharpening the professional skills required for parish ministry. All expressions of this church give consideration to a pastor's continuing education record when granting salary increases or when calling a pastor.

Vision and Expectations, states: AThis church expects of its ordained ministers regular and disciplined time for personal study, study in the company of others, participation in programs of continuing education, and periodic times for extended study. Congregations and other entities of this church are expected to provide the ordained minister the time and assistance with the financial resources needed for such study.@

- **Time for Growth-Continuing Education**: Synod expectations for all ordained clergy are, as a minimum, one hundred fifty contact hours of continuing education over a three-year period. To achieve this standard the pastor is given at least two weeks of continuing education time per year, cumulative to six weeks, and \$700.00 per year, cumulative to \$2,100. The pastor is responsible for expenses exceeding this amount.
- **First Call Theological Education**: Newly ordained pastors are expected to attend an annual theological education retreat for the first three years of ministry.
- **Time for Renewal-Sabbatical**: The Evangelical Lutheran Church in America recommends that after 3-5 years in the same parish, a 1-3 month sabbatical with pay and benefits be provided for a time of in-depth continuing education. Application for a sabbatical, including a detailed description of the plan of study to be undertaken, should be presented to the Congregational Council 3-6 months in advance for approval. The pastor would agree to remain in the parish for at least six months following the sabbatical.

D. LEAVE TIMES

1. VACATION

A pastor is "on call" day and night, carries heavy responsibilities daily, is separated from family and relatives for great lengths of time, and must regularly produce fresh material for the spiritual growth of parishioners. Therefore, the recommended annual vacation time is four weeks, including four Sundays (28 days). This is standard for part-time pastors as well. (For example: part-time employees get paid for one-half day or one-half week ordinarily and the rest of their time is theirs so they are not paid for it; if their salary stays the same during vacation then only one-half of their time is being paid, the other half is their own time; therefore they get 28 half-days at regular pay.) The cost of pulpit supply is paid for and arranged by the congregation. Normal time

spent in outdoor ministries and retreats with congregational youth and family groups, or work on conference, synod, or churchwide committees is not considered vacation or educational leave. Vacation time is to be used within the calendar year and not accumulated except by special agreement with the congregational council.

2. ADDITIONAL TIME OFF

The synod expects that pastors will have at least one full day free of professional church leadership responsibilities each week. Parish emergencies will require some flexibility as to which day is taken for the pastor=s weekly Aday off.@ Most professionals receive paid vacation for other holidays such as Christmas, New Years, Easter, Presidents' Day, Independence Day, and etc. When the pastor=s work in the congregation or community means the pastor is working on those days, pastors are encouraged to take other days off as compensation. This time is not counted as part of the pastor=s regular vacation. Also consider granting the pastor an occasional Sunday off (three or four times during the year) in addition to the annual vacation.

3. FUNERAL LEAVE

Up to five (5) days of funeral leave with pay are granted upon a death in the pastor's immediate family [parents, siblings, spouse, children, parents-in-law, and grandparents]. If more than five (5) days are needed, additional leave time may be granted at the discretion of the council.

4. SICK LEAVE

The Letter of Call says, "Sick leave up to eight weeks per year with full salary, housing, and benefits, and provision for partial disability thereafter as agreed, coordinated with ELCA pension and benefits guidelines."

5. PARENTING LEAVE

Congregations are encouraged to provide parenting leave up to six weeks with full salary for clergy to care for a child after birth or adoption.

6. FAMILY LEAVE

In accordance with the Family and Medical Leave Act, as of August 5, 1993, eligible pastors are entitled to 12 work weeks of unpaid leave during any 12 month period for any of the following reasons:

- Because of the birth of a son or daughter with the pastor and in order to care for such son or daughter;
- Because of the placement of a son or daughter with the pastor for adoption or foster care;
- In order to care for the spouse, son, daughter, or parent of the pastor, if such spouse, son, daughter or parent has a serious health condition; or
- Because of a serious health condition that makes the pastor unable to perform the functions of his/her position.

Eligible pastors are defined as those who have worked at least 12 months immediately preceding the start of the leave. Prior to applying for a period of unpaid family leave, they will be expected to first utilize accrued vacation, parenting, and sick leave for the purposes as stated above.

E. OTHER MATTERS

1. MUTUAL MINISTRY COMMITTEE

The Model Constitution and the Synod recommend that a Mutual Ministry Committee be established within each congregation/parish. In the Letter of Call the congregation states that it will provide “ongoing care through a Mutual Ministry Committee.”

2. ANNUAL REVIEWS

Clergy are involved in two separate annual reviews, conducted at different times of the year. Often it is helpful if the **ministry review** is held in the spring and the **compensation review** in the fall as part of the budget process.

- An annual ministry review is normally conducted by the Mutual Ministry Committee with the pastor. It is usually most helpful to conduct this review in the context of an assessment of the ministry of the entire congregation following the Annual Meeting of the Congregation.
- An annual compensation review is normally conducted by the Mutual Ministry Committee using these guidelines as the basis for the review. The Mutual Ministry Committee makes its recommendation to the congregational council and to the appropriate finance committee.

3. SUPPLY PASTOR REIMBURSEMENT

When the pastor is not available to conduct services in the parish, suggested remuneration for a supply pastor is:

- Sunday: Single service – \$100; second service – \$50; each additional service that day – \$25, plus mileage at the IRS recommended rate, (50.5 cents per mile in 2008).
- Other services, e.g., weddings, funerals, and weekday – \$100 per service, plus mileage at the IRS recommended rate, paid by the congregation.

Appendix A - COMPENSATION WORKSHEET FOR CLERGY

In determining compensation for the coming year the synod encourages the Mutual Ministry Committee to review the covenant relationship established between the pastor and the congregation in the Letter of Call. In the Letter of Call there are expectations of the pastor and of the members of the congregation.

The following worksheet may assist the congregation in establishing an equitable compensation package. This worksheet compares the present package to the Northwestern Minnesota Synod 2009 Compensation Guidelines. A description of each item can be found on the following pages, Appendix B.

	Present	Guidelines	Proposed
<u>A. DEFINED COMPENSATION</u>			
Salary	_____	_____	_____
Social Security Reimbursement	_____	_____	_____
Housing Allowance	_____	_____	_____
Housing Equity Allowance	_____	_____	_____
Utility Allowance	_____	_____	_____
Furnishing Allowance	_____	_____	_____
Other	_____	_____	_____
TOTAL DEFINED COMPENSATION	_____	_____	_____
<u>B. PENSION AND OTHER BENEFITS</u>			
Pension/Disability	_____	_____	_____
Medical/Dental:			
Member only	_____	_____	_____
Member, Spouse or Children	_____	_____	_____
Member, Spouse & Children	_____	_____	_____
TOTAL BENEFITS	_____	_____	_____
<u>C. EXPENSES</u>			
Automobile	_____	_____	_____
Rostered Retreat	_____	_____	_____
Continuing Education	_____	_____	_____
Professional Expenses	_____	_____	_____
Other	_____	_____	_____
TOTAL EXPENSES	_____	_____	_____
<u>D. LEAVE TIMES</u>			
Vacation time: Number of weeks _____		Number of Sundays _____	
Continuing Education: Number of weeks _____		(accrued up to 3 years)	
Sabbatical Consideration of 1-3 months in the year _____			
Parenting Leave: Number of weeks _____			

Appendix B - DEFINITIONS

AUTOMOBILE - This is the cost of using an automobile for church business reimbursed at the current IRS rate (50.5 cents per mile in 2008).

CONTINUING EDUCATION - The expense for the pastor to continue study in professional growth, at the suggested cost of \$700 per year, which may be accumulated to a maximum of \$2,100, and with two weeks allowed each year, which may accumulate up to six weeks. Because this amount of Continuing Education can cost more than \$700 each year the pastor is asked to cover additional expenses.

DEFINED COMPENSATION - The total amount achieved when adding Salary + Social Security Reimbursement + Housing Allowance (or 30% of Salary + Social Security Allowance if a parsonage is provided). The Board of Pensions sends a form with each pension billing which explains how to compute this amount.

FAMILY LEAVE - In accordance with the Family and Medical Leave Act of August 5, 1993, pastors are entitled to twelve work weeks of unpaid leave during any twelve month period for any of these reasons:

- Because of the birth of a son or daughter with the pastor and in order to care for such son or daughter;
- Because of the placement of a son or daughter with the pastor for adoption or foster care;
- In order to care for the spouse, son, daughter, or parent of the pastor, if such spouse, son, daughter or parent has a serious health condition; or
- Because of a serious health condition that makes the pastor unable to perform the functions of his/her position.

FLEXIBLE SPENDING ACCOUNT (FSA) - A Flexible Spending Account is a type of cafeteria plan that enables a pastor to set aside payroll dollars on a pre-tax basis to pay for certain out-of-pocket expenses, including:

- Certain health care expenses that are not paid for or reimbursed under the ELCA Health Benefits Plan or other health coverage, and
- Eligible dependent day care expenses.

For example, if federal and state income tax rate is 20 percent a pastor will save \$20 in taxes plus \$15.30 in Social Security taxes for every \$100 deducted from her/his paycheck and put into a flexible spending account.

FURNISHING ALLOWANCE - This allowance is to cover the costs of furnishing a parsonage, such as furniture and decorating items.

HOUSING ALLOWANCE - In congregations where a parsonage is not provided a housing allowance of at least 30% of the pastor's Salary and Social Security Allowance is provided.

HOUSING EQUITY ALLOWANCE - In congregations where a parsonage is provided, at least 3% of the pastor's Defined Compensation is applied each year to an approved Housing Equity program. Under IRS code 457 there are a variety of places this allowance can be invested, but funds invested in the Board of Pension Housing Equity Program will be designated as "Clergy Housing Allowance" when a pastor retires, making these funds non-taxable income at the time of their redemption.

MEDICAL/DENTAL INSURANCE - This payment totals from 12.40 to 30.90% (2007 figures) of Defined Compensation. Pastors who choose to secure insurance through a spouse's employer may waive Board of Pensions coverage. Guidelines are based on the assumption that congregations will pay 100% of these costs.

PARENTING LEAVE

After six (6) months of full-time employment clergy who will be absent due to maternity/paternity or adoptive parenting leave are requested to provide their congregational council with as much advance notice as possible. Parenting Leave is intended to supplement Family Leave.

- a. New Parent Leave – Up to six (6) weeks of paid leave is available to a new parent following the birth of her/his child. If the expectant mother's physician feels it is necessary for her to stop working prior to the anticipated delivery date, she will be permitted to use accrued sick leave for this purpose.
- b. Adoptive Leave – Up to six (6) weeks of paid adoptive leave is available to a new parent following the adoption of a child.

Pastors desiring additional leave, either prior to or following the birth or adoption of a child, may apply for unpaid Family Leave.

PENSION/DISABILITY - This **pension** contribution will vary, depending upon the age of the pastor, but will be between 10.0%–12.0% of the Defined Compensation. **Disability** and survivor benefits and administration fees total 2.7% of Defined Compensation in 2008.

PROFESSIONAL EXPENSES - This allowance covers business related materials the pastor may need to perform his/her job, such as books, periodicals, professional journals, supplies, and media materials.

SABBATICAL - After three to five years in the same parish, a "Time for Renewal Sabbatical" of one to three months should be provided with full salary, Social Security reimbursement, housing, pension and other benefits, and pulpit supply.

SALARY - The cash amount received as compensation as noted in the synod guidelines.

SICK LEAVE - Sick leave may accrue up to a maximum of eight weeks in order to correlate with the Board of Pensions Long Term Disability Policy. In the event of an illness in the immediate family [spouse, child, parent, brother, sister, grandparent, grandchild, parent-in-law, or legal guardian] that requires the pastor's presence, accrued sick leave may be utilized for this purpose.

SOCIAL SECURITY REIMBURSEMENT - (7.65% of salary) Because clergy pay social security at the self-employment rate of 15.3%, the congregation is asked to pay 7.65% of that 15.3% as do most other employers. The Board of Pensions offers a calculator that will automatically figure this payment on its website at http://www.elcabop.org/resources_tools/calculators/def_comp_calc.asp

SYNOD ROSTERED LEADERS' AND SPOUSES' RETREAT - This is an annual synod event for clergy and lay associates in ministry and their spouses in which they are offered opportunities for refreshment and enrichment. Attendance by rostered leaders is expected.

SYNOD THEOLOGICAL DAY – An annual one-day educational event covering a current theological issue. All rostered leaders are expected to attend.

UTILITY ALLOWANCE - (Electricity, heat, water and sewer, phone, and etc.) - When the parsonage is provided, one way for a congregation to pay for these expenses is by giving the pastor a predetermined amount of money called a "utility allowance". A second option for paying these expenses is for the congregation to pay vendors directly. Using this second option, the congregation will not be required to pay Social Security or Pension and Other Benefits on these expenses.

VACATION – A minimum annual vacation time of 4 weeks, including 4 Sundays is suggested. The possibility of one additional weekend per quarter may be considered.

Appendix C - PARSONAGE GUIDELINES

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

The guidelines on these pages establish a synod-wide standard which helps both pastor and congregation become aware of needed improvements to and of possible abuses of the parsonage property.

Since the parsonage is the pastor's home, privacy is always respected. Congregational members are expected to follow the same standards of politeness when entering the parsonage as they would when visiting any other home in the community.

Because it is the home of the pastor, the desires of the pastor are considered when changes are made. Further details about this follow in these guidelines.

The quality of the homes of the majority of the congregation's members sets the standard for the parsonage. An adequately sized parsonage will accommodate most families.

The tenant/landlord model may apply on occasion, but its application is quite limited. Unlike a renter, the pastor normally has little choice of residence. The relationship between the pastor and congregation is not based on a lease or rental agreement, but upon a common bond in the service of Christ Jesus.

SPECIFIC GUIDELINES

These are suggested specific guidelines for congregations with parsonages. These are guidelines that congregations and pastors may use to discuss the maintenance, repair and responsibilities relative to a church-owned home:

1. The following appliances are normally provided in the parsonage:
Stove, dishwasher, soft water system (if needed), humidifier/dehumidifier (if needed), refrigerator, washer and dryer, garbage disposal, air conditioning, and TV antenna or cable.
2. The following utilities are paid directly by the congregation, (or through a Utility Allowance):
Electricity, gas/fuel oil, water and sewer, refuse disposal, soft water service (if needed), telephone (except personal long distance calls), and cable (if provided instead of an antenna).
3. Items that would normally be supplied by the congregation include:
Paint, wallpaper, window coverings, floor coverings, light fixtures, ceiling fans.
4. Before a pastor first moves into a parsonage the pastor and the property committee tour the parsonage, confirming that it is thoroughly clean and in good repair. Redecoration plans are discussed at this time.

5. The colors, fabric, design, and etc. selected in the redecoration are normally chosen by those who will be living in the house in consultation with the property committee. The congregation, of course, determines the price ranges for these items.
6. Parsonage maintenance and repair are 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. The pastor and property committee annually develop and update a list of necessary and desired repairs, maintenance, modernization, redecorating and remodeling projects and together prioritize these projects.
8. A clear understanding about how emergency repairs are to be handled is important. It is suggested that the pastor be authorized to spend a specified dollar amount at his/her own discretion, with any repairs in excess of this amount requiring approval of the property committee or the congregational council.
9. The pastor is responsible for any excess wear or damage caused to the parsonage while he or she is living there, including any damage caused by children or pets. When a pastor moves out of the parsonage, and before all financial obligations are completed, the pastor and the property committee will inspect the parsonage to see that it is left clean and in good repair.
10. The overall condition and general maintenance of the grounds around the parsonage, including the lawn, shrubbery and flower beds are primarily the responsibility of the congregation. The pastor may be expected to care for these grounds (mow; rake; remove snow; apply fertilizer, insecticides, herbicides, and etc.), or these responsibilities may be carried by the congregation. (The "Division of Labor" concerning this care is negotiated by the pastor and the congregational council before the pastor's arrival.)
11. If the pastor agrees to care for the parsonage grounds members of the congregation are encouraged to voluntarily cover these duties while the pastor is on vacation or study leave.
12. Normally garage space for two vehicles is provided for the pastor by the congregation.

2009 GUIDELINES FOR ASSOCIATES IN MINISTRY, DEACONESSES AND DIACONAL MINISTERS

Associates in Ministry, Deaconesses and Diaconal Ministers are on the roster of the Evangelical Lutheran Church in America. Therefore, in matters of compensation and benefits, these lay employees are similar in many respects to pastors. Major differences arise from the unique Federal tax treatment given pastors.

A. COMPENSATION

1. SALARY

In determining salary for rostered lay staff, consider whether the staff person is serving in a support staff position or a program staff position. Usually a program staff person will have at least a bachelor's degree and will have programmatic responsibilities within the congregation.

a. Rostered Support Staff

Rostered support staff work with pastors and other program staff. Examples include secretaries and bookkeepers. Rostered support staff salaries could be comparable to those for executive support staff within the local community. Adjust this figure to the degree that the rostered support staff person has administrative responsibilities.

b. Rostered Program Staff

Rostered program staff carry responsibility for program areas in the congregation. Examples are youth and education directors. Historically, the church has looked to the public school for determining comparable salaries. The following chart is an average of teachers' salaries at several public school districts in our synod. In developing this average, districts of various sizes in both larger cities and smaller towns have been included. Although this chart is not as specific as the chart for pastors, it serves as a guide for congregations in salary matters for rostered lay program staff.

Bachelor's Degree	Salary
Years of experience	
0	\$30,600
7	\$35,900
15	\$44,300

Master's Degree	Salary
Years of experience	
0	\$34,300
7	\$40,800
15	\$52,200

2. SOCIAL SECURITY

All lay church staff, including rostered staff, are considered employees for Social Security purposes. The lay staff person and the congregation pay equally as provided by law. In 2008, this amount is 7.65% of salary.

B. BENEFITS

ELCA PENSION AND OTHER BENEFITS PLAN

Rostered lay staff working more than 20 hours per week are eligible to receive the ELCA Pension and Other Benefits Plan, or may be offered a “cafeteria” type benefit plan.

C. EXPENSES

1. AUTOMOBILE EXPENSE REIMBURSEMENT

Automobile expense and other work-related travel are a business expense for the congregation and are not considered part of the rostered person's salary. An automobile allowance covers all parish-related car expenses including depreciation. The Internal Revenue Service increasingly is demanding accurate records to support automobile expenses incurred in connection with parish-related travel. The rostered person is responsible for maintaining adequate records for every vehicle used for work-related travel, and for submitting a request for reimbursement in a timely manner.

Expenses for rostered person's automobiles may be handled in one of the following ways:

- The congregation reimburses the rostered person for actual miles driven at a specific rate per mile. There are tax advantages for the rostered person being paid this way. The 2008 IRS allowance is 50.5 cents per mile.
- The congregation purchases or leases a car and assumes the total automobile expense. (This method will insure total compensation for professional use. The rostered person reimburses the parish at 50.5 cents per mile for any personal use.)
- The congregation pays a pre-determined amount on an annual basis. The synod discourages using this method because this option imposes substantial tax disadvantages, since the amount paid must be reported as income on Form W-2, and mileage deducted by the rostered person as a miscellaneous expense on Schedule A.

2. SYNOD ROSTERED LEADERS' AND SPOUSES' RETREAT

The attendance of rostered lay leaders at the annual synodical retreat is strongly encouraged. Retreat expenses of the rostered lay staff person and spouse are paid by the congregation. Vacation and/or continuing education time and money are not used for this retreat.

3. CONTINUING EDUCATION/SABBATICAL

- Continuing Education: It is expected that the rostered staff person be granted at least two weeks per year, cumulative to six weeks, and \$700 per year, cumulative to \$2,100. The rostered staff person is responsible for expenses exceeding this amount.
- Sabbatical: The Evangelical Lutheran Church in America recommends that after 3-5 years in the same parish, a 1-3 month sabbatical be provided for a time of in-depth continuing education. Application for a sabbatical, including a detailed description of the plan of study to be undertaken, will be presented to the Congregation Council 3-6 months in advance for approval. The rostered lay staff person will agree to remain in the parish for at least six months following the sabbatical.

D. LEAVE TIME

1. VACATION

Vacation with pay is provided for rostered staff. For years 1-4, two weeks are recommended; for years 5-7, three weeks; and for 8 years and over, four weeks. In addition to vacation, paid holidays are provided in conformity to community standards.

2. SICK LEAVE

One day sick leave per month, cumulative to 90 days, is standard.

3. PARENTING LEAVE

Congregations are encouraged to provide parenting leave up to six weeks with full salary for rostered persons to care for a child after birth, adoption or foster care placement.

4. FUNERAL LEAVE

At least five (5) days of funeral leave with pay are granted upon a death in the rostered lay staff person's immediate family (parents, siblings, spouse, children, parents-in-law, and grandparents). If more days are needed, additional leave may be granted at the discretion of the council.

5. FAMILY LEAVE

In accordance with the Family and Medical Leave Act of August 5, 1993, up to twelve work weeks of unpaid leave is granted during any twelve month period.

E. OTHER MATTERS

1. MUTUAL MINISTRY COMMITTEE

The Model Constitution and the Synod recommend that a Mutual Ministry Committee be established within each congregation/parish.

2. ANNUAL REVIEW

Rostered lay staff participate in two separate annual reviews. These reviews are most productive when held at separate times. Often it is helpful if the performance review is held in the spring and the salary review in the fall as a part of the budget process.

- The annual performance review is conducted by the rostered lay staff person's supervisor and the Mutual Ministry Committee, along with the rostered lay staff person.
- The annual salary review is conducted in a manner similar to salary reviews for clergy serving the congregations.

3. JOB DESCRIPTION

Performance and satisfaction are enhanced by a well-defined job description provided to all rostered lay staff.

4. LETTER OF CALL

A Letter of Call is issued to all rostered lay staff. The Bishop's office is consulted prior to the issuance of this letter of call.

2009 GUIDELINES FOR NON-ROSTERED LAY STAFF

PRINCIPLES OF ADMINISTRATION

1. Church workers are professionals and receive pay comparable to other professionals in the community.
2. The congregation expects its workers to maintain a lifestyle similar to their own in the community and are paid accordingly.
3. Salaries are commensurate with the position and the work expected.
4. Annual reviews determine direction, continuing education goals, and compensation.

A. COMPENSATION

Congregations must conform to federal and state laws regarding employees. Accordingly, Social Security and Medicare payments are made, Worker's Compensation Insurance is secured, and minimum wage laws and fair employment practices are observed.

1. Assistants/Office Managers/Secretaries:

Administrative Assistant: may serve as information manager for an office, scheduling meetings and appointments, organizing and maintaining paper and electronic files, conducting research, and creating reports and documents. They may be responsible for preparing a Newsletter and managing a Web Site.

Office Manager: may supervise and coordinate overall administrative activities for the office, including the purchasing of office supplies and equipment, and securing equipment maintenance. Office Managers are often responsible for the preparation of a Bulletin and Newsletter.

Secretary: may handle a variety of clerical duties, including maintaining records, handling correspondence, providing information via the telephone, postal mail or e-mail, and other routine work. Throughout the Northwestern Minnesota Synod, Secretaries are most often responsible for Bulletin and Newsletter preparation and contact with the public.

Title	2009 Synod Recommended Hourly Pay Range
Administrative Assistant	8.50-17.50
Office Manager	9.75-15.00
Secretary	7.25-15.00

2. Bookkeepers, Financial Secretaries, Treasurers:

Treasurers: may be a paid position which includes handling or coordinating all financial responsibilities for the church, including audit preparation, budget preparation, payroll, state and federal filings, insurance, investments, endowment funds, and long range planning. This position may require a college degree.

Bookkeepers: record all transactions, post debits and credits, produce financial statements, and prepare reports and summaries for the congregation council. They also may handle the payroll and the filing of all pertinent federal and state documents regarding employees.

Financial Secretary: prepare bank deposits by compiling data from money counters, verifying receipts, sending deposits to the bank, and recording contribution records.

Title	2009 Synod Recommended Hourly Pay Range
Treasurer Bookkeeper Financial Secretary	9.75-15.00

3. YOUTH WORKERS, YOUTH AND FAMILY MINISTRY:

Youth Workers often work with Middle and High School aged youth through education and fellowship, particularly relating to congregational boards and ministry teams. Activities may occur on Sunday mornings, Wednesday evenings, and at other longer events, such as weekend retreats, summer Bible camp, summer trips, service trips, and Synod and National Youth Gatherings. Family Ministry Workers expand this ministry to include children of all ages, particularly focusing on family development and formation. Many Church Workers in this category hold college degrees. These are usually salaried positions, with compensation comparable to that of the community’s school teacher salaries, plus health insurance, pension, auto expenses, continuing education and leave time. (Average synod starting teacher’s salary in 2006 is \$29,100.)

B. PENSION AND OTHER BENEFITS

1. Insurance and Retirement

ELCA Board of Pensions states that laypersons working at least 20 hours per week for at least six months per year are eligible to participate in the ELCA Pension and Other Benefits Program.

Under the ELCA benefits program, coverage is available in four areas:

- Health
- Retirement
- Disability
- Survivor Benefits

2. Flexible Spending Account (FSA)

A Flexible Spending Account is a type of cafeteria plan that enables employees to set aside payroll dollars on a pre-tax basis to pay for certain out-of-pocket expenses, including:

- Certain health care expenses that are not paid for or reimbursed under the ELCA Health Benefits Plan or other health coverage, and
- Eligible dependent day care expenses.

C. Expenses

1. Automobile Reimbursement

Automobile expense and other work-related travel are a business expense for the congregation and are not considered by the congregation as part of the employee's salary. Mileage reimbursement follows the Internal Revenue Service rate, which in 2008 is 50.5 cents per mile.

2. Continuing Education

A Continuing Education Plan is the study program by which church employees may develop their present knowledge, acquire new skills, and experience growth for more effective service. Continuing education activity should relate to the employee's job responsibilities. It is recommended that full-time employees be eligible for up to 10 working days of continuing education time each year funded at a minimum of \$400 per year. Continuing education plans are discussed with and approved by the employee's supervisor.

D. Leave Times: Vacation, Sick Leave, Holidays, Personal Days

(Pro-rated for part-time employees)

The recommended days for these classifications are as follows:

Vacation Days:

- Years 1-4 10 days
- Years 5-7 15 days
- Years 8 & above 20 days

Sick Leave Days: 1 day per month

Holiday Days: 10 days per year

Personal Days: 2 days per year

Usually sick leave and 50% of vacation hours earned each year are allowed to accumulate to a set maximum determined by the congregation council. Personal Days are similar to vacation days. If they are not taken they may not be carried over to the following year.

E. Miscellaneous

The Synod recommends that congregational councils provide job descriptions for each position, including an outline describing funeral leave, family leave, jury duty, and any other types of leave which will be awarded employees.

SYNODICALLY AUTHORIZED MINISTERS

These guidelines have been developed by the Northwestern Minnesota Synod GIFTS Commission with respect to provisions 7.61.01 and 7.61.02 in the Constitution and Bylaws of the Evangelical Lutheran Church in America.¹ Synodically Authorized Ministries exist in this synod to provide ministries normally carried out by ordained ministers in ELCA ministry settings.² A lay person serving in a Synodically Authorized Ministry setting will serve in ways that complement or supplement the work of ordained ministers in such ministry settings. Those lay people who serve in such settings are not rostered by the Evangelical Lutheran Church in America but are authorized by the synod to provide a *particular* ministry within a setting for a *specified* period of time. Because this *specific* period of time is usually short in duration, congregations do not normally provide housing allowance or pension and other benefits.

A. COMPENSATION

1. SALARY

In providing a fair salary for Synodically Authorized Ministers it is important to consider the responsibilities assigned to the individual and the time needed to accomplish those duties. Based on a forty hour work week the synod suggests a starting salary of \$28,000, rising to \$34,000 for those with greater years of experience and education.

2. SOCIAL SECURITY

Synodically Authorized Ministers are considered employees for Social Security purposes. The Synodically Authorized Minister and the congregation pay equally as provided by law. In 2008, the amount for each is 7.65% of salary.

B. BENEFITS

ELCA PENSION AND OTHER BENEFITS PLAN

Because Synodically Authorized Ministers often serve a parish for less than a year these benefits are not usually provided. Special consideration can be given in long term settings.

C. EXPENSES

1. AUTOMOBILE EXPENSE REIMBURSEMENT

Automobile expense and other work-related travel are a business expense for the congregation and are not considered by the congregation as part of the employee's salary. Mileage reimbursement should follow the Internal Revenue Service rate. The rate for 2008 was 50.5 cents per mile.

¹ These provisions are found in the ELCA Constitution.

² In this document the term "ministry setting" can refer to a congregation, multi-point parish, cluster of congregations or specialized ministry site.

2. CONTINUING EDUCATION

The Lutheran Church has a history of an educated laity. The synod expects the Synodically Authorized Minister to be involved in continuing education through the GIFTS program, which provides opportunities for personal development, enrichment of devotional life, and growth in effectiveness and competency. Continuing education is regarded as an essential, ongoing process in order for Synodically Authorized Ministers to retain their authorization to serve in this capacity. The congregation will give the Synodically Authorized Minister ten days and \$500 per year for participation in the GIFTS continuing education program.

D. LEAVE TIME

1. VACATION

A Synodically Authorized Minister is "on call" day and night, carries heavy responsibilities, is separated from family and relatives for great lengths of time, and must regularly produce fresh material for the spiritual growth of parishioners. Therefore, the recommended annual vacation time is four weeks, including four Sundays (28 days). This is standard for part-time Synodically Authorized Ministers as well.

2. ADDITIONAL TIME OFF

At least one full day free of church leadership responsibilities is granted each week. It is understood that parish emergencies may require a change in schedule from time to time. Consideration should be given and the Synodically Authorized Minister encouraged to take days off to compensate for holidays such as Christmas and Easter. This time is not counted as vacation time.

3. SICK LEAVE

Provided one day sick leave per month, cumulative to 90 days.

E. OTHER MATTERS

1. MUTUAL MINISTRY

The synod recommends establishing a Mutual Ministry Committee within each congregation/parish.

2. ANNUAL REVIEW

An Annual Review, conducted by the Bishop or the Bishop's Assistant, is required for the continued licensure of all long term Synodically Authorized Ministries.