

Compensation Guidelines 2025

A Comprehensive Guide for Congregations and Rostered Ministers: Pastors and Deacons

Presented by the Compensation Guidelines Committee,
Synod Council, and Synod Assembly of the
East Central Synod of Wisconsin - ELCA

Rationale

Healthy relationships form an environment in which ministry can thrive. Such relationships require mutuality, accountability, and respect. In order to maintain a healthy working relationship between congregation and rostered minister, an appropriate compensation package is essential.

These guidelines are intended to aid those responsible for the compensation of rostered ministers (this term refers to both pastors and deacons in the Evangelical Lutheran Church in America) in determining fair and equitable compensation. While most of this document focuses on compensation for rostered ministers, Appendices E & F contain a starting point for discussion on church musicians and support staff.

Updates to these guidelines are proposed on an annual basis by the Compensation Guidelines Committee, composed of both rostered ministers and lay people. After proposal, these guidelines are voted on by Synod Council and then passed by vote of the Synod Assembly. In the event of a Synod Assembly not occurring in any given year, the guidelines could be voted on for passing by the Synod Council.

A few of the principles that have guided this report are:

The Mutual Ministry Principle

Lutheran theology affirms that ministry belongs to the whole body of Christ. According to the ELCA's Model Constitution for Congregations, each congregation is to have a Mutual Ministry Committee to review and appraise the congregation's ministry. The Mutual Ministry Committee also provides support to the rostered minister by maintaining an open and honest dialogue between them and members of the congregation. As part of the review of the congregation's ministry, it is important that the congregation makes clear its expectations of its rostered minister(s) and other staff. Rostered ministers must also make clear their expectations of the congregation. The Mutual Ministry Committee's work is confidential and therefore is not to be a part of the compensation setting process.

Evaluation (by the Personnel Committee, Evaluation Task Force, and/or Church Council, etc.) is strongly recommended. Formal evaluation should be given at least annually. Healthy congregations provide a number of avenues for ongoing dialog and evaluation of the rostered minister(s) and staff.

If your congregation cannot meet the minimum guidelines set out here, create a three-year plan to move the compensation package up to guidelines and, in the meantime, offer your rostered minister extra vacation time. These are intended to be temporary, short-term measures. Minimum guidelines for compensation represent the standard cost for ministry. If a congregation is unable to meet them on an ongoing basis, this means that there is a need to consider moving to a part-time model of ministry, sharing ministry with one or more other congregations, or holy closure.

Should matters of compensation become irritants, it is important to seek qualified help. When problems arise, either for a congregation or rostered minister, consult the Bishop's Office for help and guidance.

The Cost of Ministry Principle

Like any other organization or business there are additional costs above and beyond compensation which have to be factored in. Often referred to as "overhead," these costs can include such things as professional expenses, worker compensation insurance, car reimbursement, medical and retirement, etc. as the overhead that goes along with having people on staff. The cost of ministry is substantially higher than the compensation that church workers receive.

When preparing a budget, congregations are urged to separate these "overhead" costs of ministry from the compensation directly paid to church workers.

Annual Update Overview

Cost of Living Increase (p.17)

The increase to compensation levels this year will be set according to the Social Security Administration's Cost-of-Living Adjustment (COLA). Each year, social security general benefits are increased based on how much the cost of living over the past year as measured by the Consumer Price Index has gone up. These increases, which for 2025 will be announced by the Social Security Administration in October 2024, are called the Cost-of-Living Adjustment. This means that base compensation levels for our rostered ministers will be adjusted according to the same percentage social security benefits will be. Please note that this increase is in addition to another year of experience on the base compensation chart. We will update and communicate our base compensation numbers after the announcement of COLA is released in the fall by the Social Security Administration.

Non-Rostered Staff Benefits and Cost of Living Adjustment (p. 50)

We recommend providing benefits for all full-time staff. Also, to keep pace with inflation, we recommend that congregations consider increasing pay for non-rostered staff according to the Cost-of-Living Adjustment (COLA) released by the Social Security Administration each year.

Parental Leave (p. 26 and 28)

Minimum parental leave with full pay is being increased from 6 weeks to 8 weeks. Congregations are encouraged to offer up to an additional 4 weeks off with full pay. Parents of all genders and those who are adopting children are to be granted the same amount of leave time. Parental leave may also be granted at other times, e.g., during times of severe illness, trauma, or death.

Week Off Between Christmas and New Year (p. 27)

With awareness of the pressure on church staff and pastors during the lead up to Christmas, it is strongly recommended that staff are offered paid time off for all or some of the week between Christmas and New Year's, not to be counted against their allotted vacation days.

Congregations That Can't Meet Guidelines (p.2)

If your congregation cannot meet the minimum guidelines set out here, create a three-year plan to move the compensation package up to guidelines and, in the meantime, offer your rostered minister extra vacation time. These are intended to be temporary, short-term measures. Minimum guidelines for compensation represent the standard cost for ministry. If a congregation is unable to meet them on an ongoing basis, this means that there is a need to consider moving to a part-time model of ministry, sharing ministry with one or more other congregations, or holy closure.

East Central Synod of Wisconsin
Evangelical Lutheran Church in America

2024 Salary and Benefit Calculator

Guidelines and Benefit Costs with Housing and/or Parsonage Allowance

Note: These are guidelines adopted at the Synod Assembly where 60% of the voters are lay attendees.

Last updated on November 1, 2023

Is the call full or part time? If part-time, how many hours per week?
⊙

40 Hours (Full-time)

Years of experience ⊙

0 years (New Graduate)

Will the pastor be living in a parsonage?
 Yes, they will be living in a parsonage owned by the church.

Base Salary (Per year)
\$ 43959

Social Security / Medicare Allowance
\$ 4372

Housing Allowance* ⊙
\$ 13188

* Pastors pay a self-employment tax of 15.3% (double what regular employees pay) on all their earnings including the housing allowance or the fair rental value of the parsonage they live in. Congregations pay an allowance for half of this tax (7.65%) - the same rate they would pay in FICA taxes for a regular employee.

Online Compensation & Benefit Calculator Tool

Congregations and rostered ministers can use this calculator to help with their planning, whether they're preparing to call a pastor or budgeting for their next fiscal year. If you are a congregation in transition, this calculator can be used to enter different likely possibilities for your future rostered minister to get a sense of the range of totals a minimum compensation package might come to. You can use the calculator or learn more about it at www.ecsw.org/calculator-2024.

Table of Contents

Rationale	1
The Mutual Ministry Principle	2
The Cost of Ministry Principle	2
Annual Update Overview	3
Cost of Living Increase (p.17)	3
Non-Rostered Staff Benefits and Cost of Living Adjustment (p. 50)	3
Parental Leave (p. 26 and 28)	3
Week Off Between Christmas and New Year (p. 27)	3
Congregations That Can't Meet Guidelines (p.2)	4
Online Compensation & Benefit Calculator Tool	4
Compensation Package Calculation Examples	8
Ministry Cost Summary Sheet	14
Pastors	14
Deacons	14
Schedule I - Base Compensation	15
Base Compensation	15
Education	15
Responsibilities and Conditions of Service	15
Merit	15
Base Compensation Table	17
Schedule II - Housing (Pastors only)	18
No Parsonage	18
Parsonage Provided	18
Housing Provisions	19
Housing Allowance	19
Parsonage + Housing Equity	19
Clergy Couple Housing Compensation	19
Schedule III - Social Security Allowance for Pastors	20
Social Security Allowance	21
* Parsonage Fair Rental Value	21
Schedule IV – FICA Payment to IRS (for Deacons)	21
Schedule V - Health, Retirement, and other Benefits	22
Portico Benefits	22
Clergy Couple Medical	22

Medical Insurance Savings	23
Schedule VI – Continuing Education and Professional Expenses	24
Automobile Allowance – Select One Option	24
Other Professional Expenses	24
Automobile Allowance	24
Option 1 – Flat fee allowance	24
Option 2 – Reimbursement per mile Under this option, the congregation should reimburse on a per mile basis.	24
Continuing Education	25
Books, Journals, and other Published Resources	25
Fall Theological Conference	25
Boundaries, Anti-racism, and Anti-bias Training	25
First Call Theological Education	25
Malpractice-Liability Insurance	26
Sabbatical	26
Other Professional Expenses	26
Schedule VII - Time Agreement: Vacation & Leave Time	27
Number of Weeks Off	27
Number of Days Off	27
Time Off Each Week	27
Vacation	28
Pastors	28
Deacons	28
Week Off Between Christmas and New Year	28
Weekly Time/Day/s Off	29
Parental Leave	29
Sick Leave & Compassionate Leave	29
Disability	29
APPENDIX A – Mutual Ministry Agreement & Annual Review	30
APPENDIX B - Part-Time Calls for Rostered Ministers	35
Base Compensation:	35
Benefits:	35
Hours:	35
Duties and Expectations:	35
APPENDIX C - Housing Allowance	37
Housing Equity and Housing Allowance Designation Forms	39
Housing Equity Allowance Agreement	39
Designation Of Housing or Furnishings Allowance By Church Council	40

Pastor’s Estimate Of Housing Expense	41
Draft Language for Church Council Action on Housing Allowance	42
Notification Of Housing Allowance By Congregation (Employer)	42
APPENDIX D: Sabbaticals	43
Purpose of Sabbaticals	43
Sabbatical Times and Duration	43
Coverage and Costs during the Sabbatical	43
APPENDIX E: Supply Preaching & Other Pastoral Services	44
Minimum compensation for Supply Pastors	44
Worship Services	44
Additional Dollars budgeted by the Congregation for Time Agreement	45
Budging For Supply Preachers	45
Other Pastoral Services (Visitation, consulting, etc.)	45
APPENDIX F: Part-Time Church Musicians (less than 20 hours per week)	46
Number of Hours per Week	46
Level of Competency	46
Additional Minimum Recommended Fees for Part-time Organists:	46
Table B - Hours/Week Musician’s Duties	46
Table C – Alternate Formula for Compensation of Part Time Musicians	47
APPENDIX G: Support Staff	48

Compensation Package Calculation Examples

*** The following calculations may be used as examples and might be useful in giving you a *ballpark* of what different compensation packages look like based on years of experience, housing, and the rostered minister's medical insurance needs. Please note that the amounts listed for medical insurance as well as disability & life insurance are those for the policy year 2023 - the true amount for 2024 will be higher. Policy rates for the 2024 calendar year were not yet available from Portico by the date these guidelines were published. You can access updated rates for 2024 starting in October of 2023 using this simple calculator from Portico.

<https://employerlink.porticobenefits.org/resources/calculators/benefit-costs-calculator#/>

**EAST CENTRAL SYNOD OF WISCONSIN - ELCA
SALARY & BENEFIT CALCULATION WITH HOUSING ALLOWANCE**

	28 Years Old Family Medical 0 Years Experience	32 Years Old Medical for Pastor Only 5 Years Experience	32 Years Old Family Medical 5 Years Experience	55 Years Old Medical for Pastor Only 5 Years Experience	55 Years Old Family Medical 5 Years Experience
Base Salary	43,959.00	48,349.00	48,349.00	48,349.00	48,349.00
Housing Allowance, 30% of Base Salary	13,187.70	14,504.70	14,504.70	14,504.70	14,504.70
S.S.-6.2% / Medicare-1.45% allowance	4,371.72	4,808.31	4,808.31	4,808.31	4,808.31
Annual Defined Comp.	61,518.42	67,662.01	67,662.01	67,662.01	67,662.01
<i>Benefits:</i> (Based on Defined Comp.)					
Retirement 10%	6,151.84	6,766.20	6,766.20	6,766.20	6,766.20
Survivor, Disability & Retiree Support (1.7%)	1,045.81	1,150.25	1,150.25	1,150.25	1,150.25
Med. & Dental, Mem. Only- portico calc		8,100.00		13,248.00	
Med. & Dental, Memb. & Sp.-portico calc			24,288.30		39,744.00
Med. & Dental, Family- portico calc	21,100.68				
Supplemental Medical					
Subtotal Benefits	28,298.33	16,016.45	32,204.75	21,164.45	47,660.45
Auto Allowance or IRS Rate \$.625	?	?	?	?	?
Moving Expense	?	?	?	?	?
Continuing Education	900.00	900.00	900.00	900.00	900.00
Theological Conference	475.00	475.00	475.00	475.00	475.00
Anti-Racism/Anti-Bias/Boundary Training	100.00	100.00	100.00	100.00	100.00
First Call Theological Education (include \$300 here if rostered minister is in their first 3 years of call after ordination)	300.00				
Books & Publications	400.00	400.00	400.00	400.00	400.00
Total Benefits	30,473.33	17,891.45	34,079.75	23,039.45	49,535.45
Total Salary & Benefits	91,991.75	85,553.46	101,741.76	90,701.46	117,197.46

**EAST CENTRAL SYNOD OF WISCONSIN - ELCA
SALARY & BENEFIT CALCULATION WITH HOUSING ALLOWANCE**

	40 Years Old Medical for Pastor Only 10 Years Experience	40 Years Old Full Family Medical 10 Years Experience	55 Years Old Full Family Medical 10 Years Experience	65 Years Old Medical for Pastor Only 10 Years Experience	65 Years Old Medical for Pr & Spouse 10 Years Experience
Base Salary	52,285.00	52,285.00	52,285.00	52,285.00	52,285.00
Housing Allowance, 30% of Base Salary	15,685.50	15,685.50	15,685.50	15,685.50	15,685.50
S.S.-6.2% / Medicare-1.45% allowance	5,199.74	5,199.74	5,199.74	5,199.74	5,199.74
Annual Defined Comp.	73,170.24	73,170.24	73,170.24	73,170.24	73,170.24
<i>Benefits:</i> (Based on Defined Comp.)					
Retirement 10%	7,317.02	7,317.02	7,317.02	7,317.02	7,317.02
Survivor, Disability & Retiree Support (1.7%)	1,243.89	1,243.89	1,243.89	1,243.89	1,243.89
Med. & Dental, Mem. Only- portico calc	9,912.00			5,352.00	
Med. & Dental, Memb. & Sp.-portico calc		29,736.00	39,744.00		10,692.00
Med. & Dental, Family- portico calc					(both on Medicare)
Supplemental Medical					
Subtotal Benefits	18,472.91	38,296.91	48,304.91	13,912.91	19,252.91
Auto Allowance or IRS Rate \$ 625	?	?	?	?	?
Moving Expense	?	?	?	?	?
Continuing Education	900.00	900.00	900.00	900.00	900.00
Theological Conference	475.00	475.00	475.00	475.00	475.00
Anti-Racism/Anti-Bias/Boundary Training	100.00	100.00	100.00	100.00	100.00
First Call Theological Education (include \$300 here if rostered minister is in their first 3 years of call after ordination)					
Books & Publications	400.00	400.00	400.00	400.00	400.00
Total Benefits	20,347.91	40,171.91	50,179.91	15,787.91	21,127.91
Total Salary & Benefits	93,518.15	113,342.15	123,350.15	88,958.15	94,298.15

**EAST CENTRAL SYNOD OF WISCONSIN - ELCA
SALARY & BENEFIT CALCULATION WITH HOUSING ALLOWANCE**

	45 Years Old Medical for Pastor Only 15 Years Experience	45 Years Old Full Family Medical 15 Years Experience	55 Years Old Full Family Medical 15 Years Experience	65 Years Old Medical for Pastor Only 15 Years Experience	65 Years Old Medical for Pr & Spouse 15 Years Experience
Base Salary	55,675.00	55,675.00	55,675.00	55,675.00	55,675.00
Housing Allowance, 30% of Base Salary	16,702.50	16,702.50	16,702.50	16,702.50	16,702.50
S.S.-6.2% / Medicare-1.45% allowance	5,536.88	5,536.88	5,536.88	5,536.88	5,536.88
Annual Defined Comp.	77,914.38	77,914.38	77,914.38	77,914.38	77,914.38
<i>Benefits:</i> (Based on Defined Comp.)					
Retirement 10%	7,791.44	7,791.44	7,791.44	7,791.44	7,791.44
Survivor, Disability & Retiree Support (1.7%)	1,324.54	1,324.54	1,324.54	1,324.54	1,324.54
Med. & Dental, Mem. Only - portico calc	11,016.00			5,352.00	10,692.00
Med. & Dental, Memb. & Sp. - portico calc		33,036.00	39,744.00		(both on Medicare)
Supplemental Medical					
Subtotal Benefits	20,131.98	42,151.98	48,859.98	14,467.98	19,807.98
Auto Allowance or IRS Rate \$.625	?	?	?	?	?
Moving Expense	?	?	?	?	?
Continuing Education	900.00	900.00	900.00	900.00	900.00
Theological Conference	475.00	475.00	475.00	475.00	475.00
Anti-Racism/Anti-Bias/Boundary Training	100.00	100.00	100.00	100.00	100.00
First Call Theological Education (include \$300 here if rostered minister is in their first 3 years of call after ordination)					
Books & Publications	400.00	400.00	400.00	400.00	400.00
Total Benefits	22,006.98	44,026.98	50,734.98	16,342.98	21,682.98
Total Salary & Benefits	99,921.36	121,941.36	128,649.36	94,257.36	99,597.36

**EAST CENTRAL SYNOD OF WISCONSIN - ELCA
SALARY & BENEFIT CALCULATION WITH HOUSING ALLOWANCE**

	50 Years Old Medical for Pastor Only 20 Years Experience	50 Years Old Full Family Medical 20 Years Experience	65 Years Old Medical for Pastor Only 20 Years Experience	65 Years Old Medical for Pr & Spouse 20 Years Experience
Base Salary	58,581.00	58,581.00	58,581.00	58,581.00
Housing Allowance, 30% of Base Salary	17,574.30	17,574.30	17,574.30	17,574.30
S.S.-6.2% / Medicare-1.45% allowance	5,825.88	5,825.88	5,825.88	5,825.88
Annual Defined Comp.	81,981.18	81,981.18	81,981.18	81,981.18
<i>Benefits:</i>				
(Based on Defined Comp.)				
Retirement 10%	8,198.12	8,198.12	8,198.12	8,198.12
Survivor, Disability & Retiree Support (1.7%)	1,393.68	1,393.68	1,393.68	1,393.68
Med. & Dental, Mem. Only- portico calc	12,132.00		5,352.00	
Med. & Dental, Memb. & Sp.- portico calc		36,408.00		10,692.00
Med. & Dental, Family- portico calc				(both on Medicare)
Supplemental Medical				
Subtotal Benefits	21,723.80	45,999.80	14,943.80	20,283.80
Auto Allowance or IRS Rate \$.625	?	?	?	?
Moving Expense	?	?	?	?
Continuing Education	900.00	900.00	900.00	900.00
Theological Conference	475.00	475.00	475.00	475.00
Anti-Racism/Anti-Bias/Boundary Training	100.00	100.00	100.00	100.00
First Call Theological Education (include \$300 here if rostered minister is in their first 3 years of call after ordination)				
Books & Publications	400.00	400.00	400.00	400.00
Total Benefits	23,598.80	47,874.80	16,818.80	22,158.80
Total Salary & Benefits	105,579.98	129,855.98	98,799.98	104,139.98

**EAST CENTRAL SYNOD OF WISCONSIN - ELCA
SALARY & BENEFIT CALCULATION WITH PARSONAGE**

	Parsonage 32 Years Old Full Family Medical 5 Years Experience	Parsonage 40 Years Old Full Family Medical 10 Years Experience	Parsonage 55 Years Old Full Family Medical 15 Years Experience	Parsonage 65 Years Old Medical for Pr & Spouse 20 Years Experience
Base Salary	48,349.00	52,285.00	55,675.00	58,581.00
30% of base for parsonage **	14,504.70	15,685.50	16,702.50	17,574.30
Congregation pays for utilities in parsonage				
Subtotal Defined Comp.	62,853.70	67,970.50	72,377.50	76,155.30
S.S.-6.2% / Medicare-1.45% allowance	4,808.31	5,199.74	5,536.88	5,825.88
Annual Defined Comp.	67,662.01	73,170.24	77,914.38	81,981.18
<i>Benefits:</i>				
(Based on Defined Comp.)				
Retirement 10%	6,766.20	7,317.02	7,791.44	8,198.12
Survivor Disability & Retiree Support (1.7%)	1,150.25	1,243.89	1,324.54	1,393.68
Med. & Dental Mem. Only- portico calc				
Med. & Dental Memb. & Sp- portico calc	24,288.00	29,736.00	39,744.00	10,692.00 (both on Medicare)
Med. & Dental Family- portico calc				
Supplemental Medical				
Subtotal Benefits	32,204.45	38,296.91	48,859.98	20,283.80
Auto Allowance or IRS Rate \$ 625 Reimbursement	?	?	?	?
Moving Expense	?	?	?	?
Continuing Education	900.00	900.00	900.00	900.00
Theological Conference	475.00	475.00	475.00	475.00
Anti-Racism/Anti-Bias/Boundary Training	100.00	100.00	100.00	100.00
First Call Theological Education (include \$300 on this line if rostered minister is in first 3 years of call)				
Housing Equity @ 5%	2,417.45	2,614.25	2,783.75	2,929.05
Books & Publications	400.00	400.00	400.00	400.00
Total Benefits	36,496.90	42,786.16	53,518.73	25,087.85
Total Salary & Benefits	104,158.91	115,956.40	131,433.11	107,069.03
** Parsonage amt. is not actually paid out. For defined comp. calc. only.	-14,504.70	-15,685.50	-16,702.50	-17,574.30
TOTAL ACTUALLY PAID	89,654.21	100,270.90	114,730.61	89,494.73

Ministry Cost Summary Sheet

You may use this summary sheet to calculate the benefits package for your rostered minister. The schedules listed in this summary sheet help complete the calculations for this worksheet are on the pages that follow. Each of the schedules contains a brief explanation. As you complete each of the schedules, please bring your resulting numbers forward to this summary page. In the left column is the schedule number on which more information may be found for that line item.

Pastors

Schedule I – Base Compensation	_____
Schedule II – Housing	_____
Schedule III – Social Security Allowance	_____
Schedule V – Health, Retirement, Other Benefits	_____
Schedule VI – Continuing Education & Professional Expenses	_____
Total Compensation	<input type="text"/>

Deacons

Schedule I – Base Compensation	_____
Schedule IV – FICA Payment to IRS	_____
Schedule V – Health, Retirement, Other Benefits	_____
Schedule VI – Continuing Education & Professional Expenses	_____
Total Compensation	<input type="text"/>

Schedule I - Base Compensation

Base compensation for ____ years of experience	_____
Education	_____
Responsibilities and Conditions of Service	_____
Merit	_____
Other	_____
Total Base Compensation (Bring to Summary Form, p.7)	<div style="border: 1px solid black; width: 100%; height: 30px;"></div>

Base Compensation

The Base Compensation is based on the number of years of experience the pastor has. Minimum amounts can be found in the table on the following page. Please note that these numbers are intended as minimums, not maximums. They are to serve as a floor in determining appropriate compensation, not a ceiling.

It is appropriate to accord your rostered minister with some years for relevant professional and life experience that they had prior to ordination. Experience from previous work often adds to the gifts and skills a rostered minister brings into ministry. Congregations are encouraged to make a one-time new clergy education loan repayment for your pastor as outlined in the text box on the next page** of these guidelines. Additional factors to consider in determining an appropriate compensation package include:

Education

- a. Advanced Degree.
- b. Second career experience - Congregations are encouraged to recognize the previous work experience of second career church workers. Congregations may fully or partially recognize previous experience in determining the base compensation, but some credit should be given in computing compensation.

Responsibilities and Conditions of Service

- a. Two (or more) point parish.
- b. Senior Pastor with staff.
- c. Size or workload - Some congregations have special situations which merit increased compensation. Some church workers carry heavy workloads which merit increased compensation. Normally, however, a congregation should increase the staff, rather than the compensation when the workload becomes too great for an individual.

Merit

- a. Exceptional work.
- b. Outstanding Community Service / Involvement

Other Considerations

- a. Congregations are free to determine which of the above factors deserve increases in the base compensation. There may be other factors which have not been considered in this report.
- b. These are **base salaries**. Remember to carefully consider the additional factors listed on the previous pages when determining the base compensation.
- c. Congregations are asked to give serious consideration to making a gift of up to \$5,000 to help pay off any new pastor's educational loans. The money should be paid directly to the loaning organization.

Base Compensation Table

Years of Experience	Pastor Compensation	Deacon Compensation
New Grad**	\$43,959	\$41,876
1	\$44,837	\$42,518
2	\$45,715	\$43,159
3	\$46,593	\$43,800
4	\$47,471	\$44,443
5	\$48,349	\$45,086
6	\$49,136	\$45,660
7	\$49,923	\$46,236
8	\$50,711	\$46,812
9	\$51,498	\$47,387
10	\$52,285	\$47,962
11	\$52,962	\$48,456
12	\$53,640	\$48,954
13	\$54,318	\$49,450
14	\$54,997	\$49,944
15	\$55,675	\$50,441
16	\$56,256	\$50,866
17	\$56,838	\$51,290
18	\$57,418	\$51,716
19	\$58,000	\$52,141
20	\$58,582	\$52,566
21	\$59,078	\$52,927
22	\$59,576	\$53,507
23	\$60,069	\$53,654
24	\$60,567	\$54,018
25	\$61,065	\$54,381
26	\$61,560	\$54,754
27	\$62,057	\$55,106
28	\$62,554	\$55,470
29	\$63,049	\$55,833
30	\$63,547	\$56,195
31	\$64,043	\$56,559
32	\$64,539	\$56,919
33	\$65,037	\$57,285
34	\$65,534	\$57,647
35	\$66,029	\$58,011
36	\$66,525	\$58,372
37	\$67,024	\$58,737
38	\$67,412	\$59,099
39	\$68,016	\$59,464
40	\$68,508	\$59,825

* The numbers in this chart reflect 2024 guidelines. They will be updated according to the COLA adjustment when it is released later in 2024 for 2025.

Annual Percentage Increase

Each year, social security general benefits are increased based on how much the cost of living over the past year as measured by the Consumer Price Index has gone up. These increases, which for 2025 will be announced by the Social Security Administration in October 2024, are called the Cost-of-Living Adjustment. This means that base compensation levels for our rostered ministers will be adjusted according to the same percentage social security benefits will be. Please note that this increase is in addition to another year of experience on the base compensation chart. Because Compensation Guidelines are approved by the Synod Assembly prior to the release of the annual COLA percentage recommendation by the Social Security Administration, an updated version of this chart will be shared with the synod in the first week of November of each year.

Schedule II - Housing (Pastors only)

Depending on your scenario, complete only one portion of this schedule.

No Parsonage

Total Housing Allowance

At minimum 30% of Base Compensation
(Bring to summary form on p. 7)

Or

Parsonage Provided

- a. **Utilities & Maintenance**
ONLY if paid directly to pastor
- b. **Furnishing allowance for parsonage**
ONLY if paid directly to pastor
- c. **Housing Equity**
5-10% of base

Total Housing Allowance

(Bring to Summary Form, p.7)

Housing Provisions

Deacons are not included in this component.

It is our goal that the housing portion of the compensation package treats pastors equally, no matter whether they own, rent, or live in a parsonage. Appendix B has a worksheet to help you calculate the necessary figures. Each pastor's compensation package will include either a housing allowance or a parsonage and housing equity allowance.

Housing Allowance

When a parsonage is not provided by a congregation for its pastor, a housing allowance will need to be included in the compensation package. This figure should reflect the realistic fair rental value of a home in the community, along with such costs as insurance, utilities, and taxes. At minimum, this is calculated at 30% of the pastor's base compensation. See Appendix B for the appropriate forms to set this up. (See Appendix B for information on the housing allowance as defined by the IRS and what your congregation must do to properly designate a housing allowance for your pastor.)

Parsonage + Housing Equity

When a parsonage is provided, the congregation will pay for utilities and maintenance. (For tax purposes it is usually to the pastor's advantage if items like utilities and maintenance be paid for directly by the congregation rather than to the pastor.) Congregations providing a parsonage will also pay the pastor a housing equity allowance calculated as 5-10% of their base compensation. Portico may be contacted for further details about how to set up your congregation's payments into this allowance.

Clergy Couple Housing Compensation

For clergy couples, each individual clergy person is entitled to the same housing allowance ordinarily provided to all other pastors. Both pastors in a clergy couple are to receive a housing allowance or parsonage and housing equity allowance as outlined above.

Schedule III - Social Security Allowance for Pastors

Schedule I – Total Base Compensation	
Schedule II – NO PARSONAGE Total Housing Allowance	
Or	
Schedule II – Parsonage utilities and/or furnishings	
PARSONAGE Fair Rental Value of Parsonage *	
Total Social Security Taxable Amount <i>Approximate</i>	
	X .0765
Social Security Allowance (Bring to summary form on p. 7)	

Figure A: Tax Liability for Pastors

a. Self-employment Tax <i>Pastors must pay this entire amount</i>	15.30%
b. Employee part of Social Security Tax <i>What most people pay for Social Security</i>	7.65%
c. Difference that pastor’s pay over and above most people <i>The amount given as compensation for Social Security Allowance</i>	7.65%

Social Security Allowance

Deacons are not included in this component.

Your pastor is regarded by the IRS as self-employed in regard to social security taxes. This means that they pay the self-employment tax and in effect have to pay both the employer's and the employee's portion of what most of us know as the social security tax. Therefore, congregations pay pastors a Social Security Allowance. It is taxable income, yet it acknowledges the pastor's special tax situation. (See Figure A.)

Because the Social Security Allowance is figured at 7.65% of a pastor's base compensation plus housing allowance and (where applicable) the fair rental value of the parsonage, it will need to be recalculated and updated any time changes are made to a pastor's compensation package.

* Parsonage Fair Rental Value

In addition to any cash paid to the pastor for items listed in Schedule II, the fair rental value of a parsonage must be included by the pastor when figuring the amount of social security (self-employment) tax they owe. The fair rental value is what the congregation would be willing to rent the dwelling in which the pastor lives to anyone else. There are many ways in which this may be determined, however, the method most commonly used is to approximate it at 30% of the pastor's base compensation. (i.e.: Multiply the base compensation by 1.3.)

Schedule IV – FICA Payment to IRS (for Deacons)

Congregation's portion

Base Compensation from Schedule I	_____
Combined FICA and Medicare rate, subject to federal limitations	x .0765

Congregation's portion of Social Security to be paid to the IRS (Bring to summary form)	_____

Deacons pay Social Security taxes in the same manner as the vast majority of the American public. They pay 1/2 of the cost of the tax which is withheld from their paycheck and the congregation as their employer pays the other half to the IRS. This schedule determines the cost of the half of the tax which the congregation must pay to the IRS. Deacons do not need social security allowance because they are regular FICA employees not paying SECA like pastors. The congregation does need to pay the IRS 7.65% of their salary towards FICA, just as they would for any other employee.

Social Security is a combined tax which includes a FICA and a Medicare portion.

Schedule V - Health, Retirement, and other Benefits

Social Security Taxable amount from
Schedule III or IV

Total Defined Compensation for Portico
Calculations and Other Benefits

Total Health and Other Benefits
(Bring to Summary Form, p.7)

--

Portico Benefits

Refer to the [Portico website](#) for the benefit rates in effect for 2024. 2025 rates will not be available until late 2024 - there you will find a simple calculator to help you determine the cost of benefits for your rostered minister. Please make sure that you use 2024 rates when calculating this expense. If you have any questions regarding Portico benefits or rates, please reach out to them directly at 1-800-352-2876.

Congregations will cover rostered ministers and their families at Platinum, Gold, or Silver+ HSA Level A which include medical, dental, retirement, disability, and basic group life insurance benefits.

Be aware as you budget for these expenses and plan for the future that a rostered minister's family situation may change. When a rostered minister gets married or adds a child to their family, the congregation will begin covering the new family member. In some cases, rostered ministers may elect to unbundle coverage for themselves or other family members who are covered by another medical plan.

Congregations are permitted to contribute extra monies to the retirement portion of the Portico benefits. These contributions are tax sheltered and can be used to enhance compensation without encumbering increased tax liability.

Clergy Couple Medical

If both spouses are rostered ministers, Portico should be consulted and will calculate the amount of the premium to be paid on behalf of each.

Medical Insurance Savings

Each congregation's and rostered minister's situation are unique. From time to time congregations may have rostered ministers who, for whatever reason, do not need this coverage. If the rostered minister does not require coverage, it is recommended that the congregation split the single coverage 50/50 between the congregation and the rostered minister. The 50% paid to the rostered minister can be in the form of alternate pension per IRS guidelines or other options agreed upon by congregation and rostered minister. The congregation is advised to keep a minimum of their 50% in the budget within a designated account in case the situation of the rostered minister or their family changes and would require medical coverage.

Schedule VI – Continuing Education and Professional Expenses

Automobile Allowance – Select One Option

Option 1 – Flat Fee Allowance _____

Option 2 –Reimbursement per Miles _____

Other Professional Expenses

Continuing Education	\$900
Books, Journals, Etc...	\$400
Fall Theological Conference	\$475
Required Trainings – Anti-racism, Boundaries, Anti-bias	\$100
First Call Theological Education (<i>if applicable</i>)	\$300

Total Ministry and Professional Expenses

(Bring to Summary Form, p.7)

Automobile Allowance

Option 1 – Flat fee allowance

Under this option, a congregation reimburses a flat fee allowance based on:

- a. The setting of the congregation. (Often rural congregations require more miles of their pastor than do urban congregations.)
- b. The past years' experience of miles driven for the congregation.
- c. Depreciation of the car and reasonable maintenance costs.
- d. Under this method, the allowance is considered taxable income for staff.

Option 2 – Reimbursement per mile

Under this option, the congregation should reimburse on a per mile basis.

- a. The 2023 IRS rate is \$0.655/mile. Please use an updated 2024 rate, for 2024.
- b. Reimbursements should be paid monthly.
- c. Under this method, the reimbursement is not taxable income for the person.

Continuing Education

A minimum of two weeks, including Sundays, are allowed for continuing education. \$900 per year is a minimum base. Due to costs for housing, transportation, etc., that accompany continuing education opportunities, a higher figure should be considered. The Letter of Call states that continuing education funds may be accumulated for up to three years. Continuing education funds not spent at the end of a rostered minister's call are lost.

Books, Journals, and other Published Resources

An amount of \$400 per year is to be provided. This amount is to be a reimbursement allowance and is to be based only on actual expenditures. Books or other published resources, purchased from this allowance become the rostered minister's property. Congregations may add this to the amount for Continuing Education and permit the rostered minister to spend the total amount on continuing education, should that be the rostered minister's wish.

Fall Theological Conference

An amount of \$475 is to be budgeted for each rostered minister to participate in the mandatory Fall Theological Conference organized by the synod. This conference provides rostered ministers with time and space to build relationships with colleagues, engage in continuing education, and connect together as a synod. This amount should only be available to the rostered minister if used.

Boundaries, Anti-racism, and Anti-bias Training

The synod office provides access to an annual training which is mandatory for all rostered ministers serving within the synod. Registration for each rostered minister will be \$100. The area of focus for the training rotates on an annual basis and will either be on boundaries, anti-racism, or anti-bias.

First Call Theological Education

If your pastor is within their first 3 years of serving a call since their ordination, you will be expected to pay \$300 per year for first call theological education which they are required to participate in as part of their professional development. Included in this is an annual retreat with other first call ministers throughout Wisconsin and the Upper Peninsula of Michigan.

Malpractice-Liability Insurance

Each congregation should review its overall insurance coverage annually, giving careful attention to this and other liability areas. Plan on providing this coverage for rostered ministers, staff, and volunteers.

Sabbatical

Sabbaticals provide an opportunity for rostered ministers to have an extended period of time for personal enrichment, study, spiritual growth, travel, skill development and/or research. Each congregation will adopt a sabbatical policy as outlined in Appendix C.

Other Professional Expenses

Congregations should reimburse rostered ministers and staff for reasonable expenses incurred in the performance of their duties. Some examples would include the fees charged for Synod Assembly, official meetings, parking costs, professional association dues, telephone, etc. To avoid misunderstandings, it is important to clarify with staff members what professional expenses will be eligible for reimbursement and the process for receiving such reimbursement.

Schedule VII - Time Agreement: Vacation & Leave Time

Number of Weeks Off

Continuing Education
(Minimum 2 weeks including Sundays) _____

Vacation
(Minimum 4 weeks including Sundays) _____

Paid Parental Leave
(Minimum 8 weeks including Sundays) _____

Sabbatical _____

Number of Days Off

Sick Leave _____

Designated Holidays _____

Compassionate Leave _____

Time Off Each Week

Weekly Time/Day/s Off _____

See [Appendix C](#) for calculation of additional dollars to be budgeted for the cost of the time.

Vacation

Pastors

A minimum of four weeks' vacation each year. These weeks include Sundays. Legal holidays are not considered vacation days. Congregations should encourage their pastors to use their vacation. Consideration is encouraged to grant additional weeks of vacation with longer terms of ministry. Many congregations choose to grant one or more Sundays or weekends to their pastor as personal time beyond the vacation agreement.

Deacons

Vacation for deacons can be calculated on the following basis:

1 Year	2 Weeks
2 Years	3 Weeks
3+ Years	3 Weeks or more

When a rostered minister's services are required on recognized holidays, time off with pay may be taken at another time which causes minimum disruption to the congregation. Special circumstances may require that the rostered minister and church council negotiate the carrying over of unused time into the following year.

Each rostered minister's call to a congregation also includes service to the broader church. Time spent in ministry at Crossways camps within the synod, or in working on synod or churchwide committees, is part of this call to ministry on behalf of the whole church. Rather than vacation or continuing education time, it is a regular part of the work a congregation has called a rostered minister to do. Similarly, time spent in outdoor ministries, retreats, or events with congregation youth and family groups should not be considered vacation time or continuing education when it is part of the congregation's ministry.

Week Off Between Christmas and New Year

At most churches, there tends to be very little happening during the week between Christmas and New Year. This is often due to both the large amount of work and activity that leads up to Christmas, and the reality that many people are busy with other family or community commitments or taking this time for rest and renewal. By giving your rostered minister this week off, not to be counted against their other vacation time, it allows them time for renewal as well and serves as an offset to the extra work that happens leading up to Christmas and other times of the year such as Holy Week.

Weekly Time/Day/s Off

For the health and well-being of both rostered ministers and congregations, it is important for the rostered ministers to have some uninterrupted time and space each week to devote to personal and family life. At minimum, this calls for a full day off each week, and a second day off is certainly appropriate. In addition, other blocks of free time are necessary and desired.

Church work can involve a great deal of time on evenings and weekends. Rostered ministers and congregations are encouraged to find creative ways to schedule ministries and meetings so that the evenings and weekends are not always filled. They will also need to work together to find ways to handle parish emergencies when the rostered minister is benefiting from time off.

Parental Leave

Each parent is to be granted eight weeks leave with full pay. Congregations are encouraged to offer up to an additional 4 weeks off with full pay. Parents of all genders and those who are adopting children are to be granted the same amount of leave time. Parental leave may also be granted at other times, e.g., during times of severe illness, trauma, or death.

Sick Leave & Compassionate Leave

Separate and apart from vacation or continuing education that a rostered minister takes, time away from ministry will be required on occasion for a variety of other reasons including illness, the loss of a loved one, or personal or family emergency. These types of leave should not come out of a rostered minister's vacation time. If extensive time away is needed, or becoming a source of conflict, please be in touch with synod staff.

Disability

Concerning disability, congregations need to consult the rostered minister's "Letter of Call". These letters will determine the conditions of compensation during illness or disability. Please be in touch with synod staff and Portico if you or your rostered minister are considering going onto disability.

APPENDIX A – Mutual Ministry Agreement & Annual Review

When a congregation calls a pastor, a [Mutual Ministry Agreement](#) form is completed and signed by the pastor and the leadership of the congregation. This document outlines the compensation for the pastor, what the congregation expects the pastor to focus on, and the ways the congregation will support the pastor. A blank copy of the Mutual Ministry Agreement can be found online at www.ecsw.org/for-congregations.

The Mutual Ministry Agreement should be updated annually. Updating this document and the conversations that precede it are meant to provide clarity to the pastor and the congregation about expectations around the shared ministry between the pastor and the congregation. As a part of this process, the rostered minister's compensation is to be updated, at minimum, according to the figures laid out in next year's compensation guidelines. It is appropriate for there to be a time of negotiation between the Executive Committee, or another similar small group of leaders, and the rostered minister. Together, the rostered minister and Council or Executive Committee will also assess how work on the previously identified areas of special emphasis from the second page of the agreement has been progressing. Looking ahead at the coming year, they will together identify areas of special emphasis to include on the second page of the agreement.

Included here for your reference is a completed examples of these forms.

Mutual Ministry Agreement for Congregations and Ministers of Word and Sacrament Under Call

Prepared by Person A (usually Executive Committee member)
 for the Reverend Person B with 5 years of experience
 for the period: 01/01/24 to 12/31/24

A. COMPENSATION

The congregation will provide the following annual compensation:

- | | |
|---|------------------|
| 1. Base Cash Salary | \$ 48,349 |
| 2. Housing Allowance (if parsonage is not provided) | \$ _____ |
| 3. Self-employed Social Security payment allowance | \$ 4,808.31 |
| 4. If a parsonage is provided: | |
| a. Utilities allowance (either utility bills are to be paid directly, or the pastor paid an allowance which covers entirety of utilities) | \$ paid directly |
| b. Furnishings allowance (if provided) | \$ 1,000 |
| c. Housing equity allowance | \$ 2,417.45 |

B. RETIREMENT AND OTHER BENEFITS

The congregation will sponsor the pastor in the benefits program of the Evangelical Lutheran Church in America, which provides retirement, disability, survivor, and medical-dental coverage. (Sponsorship will include medical-dental coverage for the individual's spouse and children unless they have other employer-provided group medical insurance coverage and the individual consents to waiving medical-dental coverage for them under the ELCA benefits Program.)

1. Retirement at 10 % of defined compensation (minimum of 10%)
2. Medical-and-Dental Insurance (check one below):

<input type="checkbox"/> a. Member only	<input checked="" type="checkbox"/> c. Member and children	<input type="checkbox"/> e. Coverage waived
<input type="checkbox"/> b. Member and spouse	<input type="checkbox"/> d. Member, spouse, and children	
3. Other insurance or benefits: _____ \$ _____
 _____ \$ _____

C. EXPENSES

The congregation will provide for the following expenses related to this pastor's ministry.

- | | |
|---|------------------|
| 1. Automobile and travel allowance (or mileage may be reimbursed monthly at IRS rate) | \$ as reimbursed |
| 2. Fall Theological Conference and boundaries/anti-racism/anti-bias training (\$575 min.) | \$ 575 |
| 3. Expenses for official meetings of the synod, such as synod assembly, as reimbursed | _____ |
| 4. Continuing education and books, journals, and resources (\$1,300 minimum) | \$ 1300 |
| 5. Other (include First Call Theological Education here if first call pastor _____) | \$ _____ |
| 6. Pay the moving expenses to this field of service as follows: <u>up to \$8,000</u> | _____ |

D. AGREEMENT

1. Vacation time of 4 wks per year, including 4 Sundays (minimum of 4 weeks, 4 Sundays);
2. Continuing education time of 2 weeks per year (minimum of two weeks per year that may be accumulated up to three years, as reflected in a continuing-education agreement developed by the rostered person and congregation council);
3. Participation in a First-Call Theological Education Program, where applicable;
4. Ongoing care through a Mutual Ministry Committee;
5. Up to two months of continued salary and contributions to the ELCA Benefits Program in a 12-month period in the event that the pastor is physically or mentally disabled*; and
6. Parental leave (including adoption) of 6 weeks with full salary, housing, and benefits (6 weeks minimum).

* Provision may be made for further unpaid time for disability recovery as agreed by the congregation, but with the stipulation that unused accumulated sick leave will not be compensated at the end of this call.

A description of the particular responsibilities of this position may be attached to this "Mutual Ministry Agreement" and/or the following may be completed

E. OTHER PROVISIONS

Special emphases of the pastor and the congregation:

1. During this time period, the pastor will give special attention to the following:

- (a) building relationships with the congregation, its members, and the community _____
- (b) prepare and lead worship services _____
- (c) become familiar with the workings of the congregation and its ministries and committees _____
- (d) provide pastoral care, especially to our homebound members _____
- (e) engage youth in the life of the congregation _____

2. The congregation will encourage and support this pastor's ministry in the following ways:

- (a) organize dinners in people's homes to offer hospitality and help pastor get to know us _____
- (b) participate in worship, volunteer for roles in worship, provide a worship committee _____
- (c) establish a mutual ministry committee _____
- (d) provide volunteer members of a pastoral care team to help with visitation of the homebound _____
- (e) form intergenerational relationships with children and youth in the congregation _____

F. OTHER MATTERS

(Such as accountabilities, service on synod or churchwide boards and committees, work in church-camp programs, or other such details.)

We, the undersigned, certify that the necessary approvals of the congregation and congregational council have been granted for the provisions set forth above.

Congregation President

Council Secretary

Date: _____

I certify that I accept the above statement:

The Reverend _____ **Date of signature:** _____

NOTE: Retain original in records of the congregations. Make a copy for the pastor. As a matter of information, send a copy to the synod office. A description of the particular responsibilities of this position may be attached to this "Mutual Ministry Agreement."

(Revised March 2023)

Mutual Ministry Agreement for Congregations and Ministers of Word and Sacrament Under Call

Prepared by Person A (usually Executive Committee member)
 for the Reverend Person B with 5 years of experience
 for the period: 01/01/24 to 12/31/24

A. COMPENSATION

The congregation will provide the following annual compensation:

- | | |
|---|--------------|
| 1. Base Cash Salary | \$ 48,349 |
| 2. Housing Allowance (if parsonage is not provided) | \$ 14,504.70 |
| 3. Self-employed Social Security payment allowance | \$ 4,808.31 |
| 4. If a parsonage is provided: | |
| a. Utilities allowance (either utility bills are to be paid directly, or the pastor paid an allowance which covers entirety of utilities) | \$ _____ |
| b. Furnishings allowance (if provided) | \$ _____ |
| c. Housing equity allowance | \$ _____ |

B. RETIREMENT AND OTHER BENEFITS

The congregation will sponsor the pastor in the benefits program of the Evangelical Lutheran Church in America, which provides retirement, disability, survivor, and medical-dental coverage. (Sponsorship will include medical-dental coverage for the individual's spouse and children unless they have other employer-provided group medical insurance coverage and the individual consents to waiving medical-dental coverage for them under the ELCA benefits Program.)

1. Retirement at 10 % of defined compensation (minimum of 10%)
2. Medical-and-Dental Insurance (check one below):

<input type="checkbox"/> a. Member only	<input checked="" type="checkbox"/> c. Member and children	<input type="checkbox"/> e. Coverage waived
<input type="checkbox"/> b. Member and spouse	<input type="checkbox"/> d. Member, spouse, and children	
3. Other insurance or benefits: _____ \$ _____
 _____ \$ _____

C. EXPENSES

The congregation will provide for the following expenses related to this pastor's ministry.

- | | |
|---|------------------|
| 1. Automobile and travel allowance (or mileage may be reimbursed monthly at IRS rate) | \$ as reimbursed |
| 2. Fall Theological Conference and boundaries/anti-racism/anti-bias training (\$575 min.) | \$ 575 |
| 3. Expenses for official meetings of the synod, such as synod assembly, as reimbursed | |
| 4. Continuing education and books, journals, and resources (\$1,300 minimum) | \$ 1300 |
| 5. Other (include First Call Theological Education here if first call pastor _____) | \$ _____ |
| 6. Pay the moving expenses to this field of service as follows: <u>up to \$8,000</u> | |

D. AGREEMENT

1. Vacation time of 4 wks per year, including 4 Sundays (minimum of 4 weeks, 4 Sundays);
2. Continuing education time of 2 weeks per year (minimum of two weeks per year that may be accumulated up to three years, as reflected in a continuing-education agreement developed by the rostered person and congregation council);
3. Participation in a First-Call Theological Education Program, where applicable;
4. Ongoing care through a Mutual Ministry Committee;
5. Up to two months of continued salary and contributions to the ELCA Benefits Program in a 12-month period in the event that the pastor is physically or mentally disabled*; and
6. Parental leave (including adoption) of 6 weeks with full salary, housing, and benefits (6 weeks minimum).

* Provision may be made for further unpaid time for disability recovery as agreed by the congregation, but with the stipulation that unused accumulated sick leave will not be compensated at the end of this call.

A description of the particular responsibilities of this position may be attached to this "Mutual Ministry Agreement" and/or the following may be completed

E. OTHER PROVISIONS

Special emphases of the pastor and the congregation:

1. During this time period, the pastor will give special attention to the following:

- (a) building relationships with the congregation, its members, and the community _____
- (b) prepare and lead worship services _____
- (c) become familiar with the workings of the congregation and its ministries and committees _____
- (d) provide pastoral care, especially to our homebound members _____
- (e) engage youth in the life of the congregation _____

2. The congregation will encourage and support this pastor's ministry in the following ways:

- (a) organize dinners in people's homes to offer hospitality and help pastor get to know us _____
- (b) participate in worship, volunteer for roles in worship, provide a worship committee _____
- (c) establish a mutual ministry committee _____
- (d) provide volunteer members of a pastoral care team to help with visitation of the homebound _____
- (e) form intergenerational relationships with children and youth in the congregation _____

F. OTHER MATTERS

(Such as accountabilities, service on synod or churchwide boards and committees, work in church-camp programs, or other such details.)

We, the undersigned, certify that the necessary approvals of the congregation and congregational council have been granted for the provisions set forth above.

Congregation President

Council Secretary

Date: _____

I certify that I accept the above statement:

The Reverend _____ **Date of signature:** _____

NOTE: Retain original in records of the congregations. Make a copy for the pastor. As a matter of information, send a copy to the synod office. A description of the particular responsibilities of this position may be attached to this "Mutual Ministry Agreement."

APPENDIX B - Part-Time Calls for Rostered Ministers

Base Compensation:

Use the amount corresponding to the rostered minister's years of experience on page 6 and then multiply by a decimal number representing the percent from full-time their call is. For a ¼-time call, multiply by .25; for 1/2-time, multiply by .5; for ¾-time, multiply by .75.

Benefits:

Calls that are ½-time or more will provide full benefits coverage for the rostered minister through Portico.

Hours:

The rostered minister's hours are to be figured as a percentage of a 40-45 hour work week. While some full-time professionals may work more hours per week than this, full-time professionals generally do not need to secure a second source of employment. Rostered ministers serving part-time calls, however, do generally need to have another source of employment to support themselves and their families. Assuming a 40-45 hour work week ensures that they have the necessary time away from the congregation to maintain other part-time employment.

Duties and Expectations:

Determining realistic expectations for the duties of a part-time rostered minister is critically important to preventing unnecessary conflict and burnout. Begin by figuring 10 hours per week for sermon preparation, worship planning, and leading worship. Then consider what other duties will be included and how many hours per week each of them will take. Create a list of duties and hours that is mutually agreeable. Then check-in with the rostered minister on a regular basis regarding whether the estimates of hours and duties remain accurate.

If fulfilling these duties causes a part-time rostered minister to work significantly more than the agreed upon hours for any given week, it is reasonable for them to schedule fewer hours in subsequent weeks or take time off to balance their hours. If fulfilling these duties regularly results in the rostered minister needing to work more than their agreed upon hours, the duties will need to be changed so that the rostered minister can realistically tend to them without having to overwork. Oftentimes this means that a congregation will need to provide lay leadership for more of its ministry or let go of some events or activities.

Part-time rostered ministers often have other employment, family responsibilities, or health conditions that limit their ability to be "on-call" for emergencies. There

should be clear communication between rostered ministers, lay leadership, and the congregation about when the rostered minister will and will not be available. The congregation, in conversation with the rostered minister, is responsible for making arrangements to cover ministry needs when the rostered minister is not available.

Special consideration should be given and planning done for busy times of the church year such as Holy Week, Christmas, Lent, and Advent. A part-time rostered minister may not be able to work more hours per week than usual during these seasons which will mean that lay leadership may need to take on additional work.

APPENDIX C - Housing Allowance

Federal income tax laws allow pastors to exclude from gross income a housing allowance that is designated by the congregation or church organization. This applies to pastors living in a church provided parsonage or in a home owned or rented by the pastor. It is important to note that a housing allowance can be excluded only if it is officially designated as such in a resolution, meeting minutes or budget before payment is made.

The housing allowance which you pay your pastor in cash and the housing allowance the IRS allows your pastor to designate on an income tax return might not be the same number. For pastors who are not provided with a parsonage, the housing allowance calculated at 30% of their base salary is used for the purpose of determining an appropriate compensation package. The legal amount allowed by the IRS for a pastor to claim as a housing allowance for tax purposes requires a completely different calculation - it will vary with each individual based on the amount they actually spend on housing and the fair rental value of their housing.

It is the pastor's responsibility to make this calculation, and maintain all necessary documentation. The following information is extracted from a Portico information sheet. To get more complete information, please contact [Portico](http://www.porticobenefits.org) (800/352-2876 or www.porticobenefits.org). They also have available a free Minister's Guide for Income Tax which your pastor can request.

A housing allowance may be based on the value of a furnished home (parsonage) provided by the congregation or an amount paid to the pastor within certain guidelines. The amount of housing allowance that can be excluded from taxable income is always the smallest of the following three amounts:

- **The amount, officially designated in advance, as “housing allowance,” by the pastor’s congregation/church organization; Or...**
- **The amount spent for the pastor’s primary residence (down payment, mortgage principal and interest, utilities, taxes, insurance, furnishings, maintenance, etc.); Or...**
- **The fair rental value of the pastor’s home including furnishings and cost of utilities (owned or rented).**

Some IRS allowed expenses typically incurred by pastors owning or renting their own home:

- Down Payment
- Housing loan interest and principal
- Real Estate commissions, escrow fees
- Property Taxes
- Homeowner's insurance
- Personal property insurance on contents
- Umbrella liability insurance
- Structural maintenance and repair
- Landscaping, gardening and pest control
- Furnishings (purchase, repair, replacement)
- Decoration and redecoration
- Utilities (gas, electricity, water) and trash collection
- Local Telephone expense (base charge) – land line
- Cell phones used for work may be deductible on your personal taxes*
- Homeowner's association dues/condominium fees
- Monthly rent payments

Some IRS allowed expenses typically incurred by pastors living in a parsonage:

- Utilities (gas, electricity, water) and trash collection
- Local telephone expense (base charge)
- Decoration and redecoration
- Structural maintenance and repair
- Landscaping, gardening, and pest control
- Furnishings (purchase, repair, replacement)
- Personal property insurance on pastor-owned contents
- Umbrella liability insurance

Housing Equity and Housing Allowance Designation Forms

This form is for use when contributions to a housing equity allowance are not made by the congregation to the member's Portico optional pension plan. When payments are made to Portico's optional pension plan, the congregation uses the forms presented by the custodians of this fund.

Housing Equity Allowance Agreement

At a properly called meeting of the congregation of Name Lutheran Church, with a quorum present, held on Month Date, Year, it was moved, seconded, and voted to establish a housing equity allowance fund for the Rev Name of Pastor with (1) initial contribution of \$Amount for the year 20## and (2) with subsequent annual contributions to be determined each year thereafter by vote of the congregation.

The conditions of this agreement are as follows:

1. The annual contribution shall be placed in Portico's Alternate Pension Account.
2. The fund shall not be available for use by the congregation or by the pastor except for the purchase of a house by the pastor or the pastor's spouse.
3. The fund shall be paid in full, upon request, to the pastor or survivors in the event of the pastor's disability, retirement or death.
4. The funds shall be payable to the pastor's estate if there is no surviving spouse.

Signed by an officer of the congregation

Date _____

Signed by the Pastor

Date _____

Designation Of Housing or Furnishings Allowance By Church Council

Upon motion duly made and seconded, it was voted to designate \$Amount of the cash compensation for Date to be paid to the Rev. First and Last Name as a housing/furnishings allowance in response to the pastor's request and acknowledgement that the allowance so designated does not exceed the fair rental value of his/her home, furnished, plus the cost of utilities (or the fair rental value of the furnishings where a parsonage is provided).

Therefore, cash compensation shall be: \$Amount and the housing allowance shall be \$Amount.

Signed by an officer of the congregation

Date _____

Signed by the Pastor

Date _____

The following forms may be utilized in developing a Housing Allowance for the pastor.

- 1. Form for presentation of pastor's estimate of expenses qualifying under the pastor's housing allowance.**
- 2. Draft language for action on a housing allowance by the church council**
- 3. Draft notification to the minister by the congregation (church council) of approved housing allowance.**

Pastor's Estimate Of Housing Expense

To: Name of Congregation

From: Name of Pastor

Date: Month/Day/Year

Re: Housing allowance for year extending from Month Date, Year to Month Date, Year

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

1. Rent on leased property or payments on purchase of a home
(including down payment, acquisition costs, and mortgage payments of principal).
\$ _____
 2. Garage rental (if not included above) _____
 3. Utilities
(gas, electricity, water, sewer, oil,
telephone, refuse removal charges, firewood, TV Cable) _____
 4. Insurance
(homeowner's, fire, extended coverage, liability, contents, flood) _____
 5. Repairs and maintenance _____
 6. Furnishings and improvements _____
 7. Interest and taxes (may want to itemize these separately) _____
 8. Other housing expense (list in detail) _____
- TOTAL _____

Signed by the Pastor

Date _____

Draft Language for Church Council Action on Housing Allowance

The _____ Committee advised the church council that under the tax laws an ordained minister of the Gospel is not subject to Federal Income Tax with respect “to the rental allowance paid as part of compensation to the extent used to rent or provide a home.” Where the pastor owns a home this amount of the allowance will be an amount equal to the fair rental value of the home, including furnishings and appurtenances such as a garage, plus cost of utilities.

The council, after considering the statement of the Rev. _____ setting forth estimates of the amount expected to be spent to rent or otherwise provide a home during the period _____, 20__ to _____, 20__, and in light of the Federal Income Tax law and of the established compensation level, on motion duly made and seconded, and adopted the following resolution:

Resolved that the Rev. _____ receive a compensation of \$_____ for the year ____, and a housing allowance of \$_____ for the year, the housing allowance to be so designated in the official records.

Signed by an officer of the congregation

Date _____

Notification Of Housing Allowance By Congregation (Employer)

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 “compensation” (as interpreted by the Income Tax Law).

Signed by an officer of the congregation

Date _____

APPENDIX D: Sabbaticals

Purpose of Sabbaticals

Sabbaticals are a time of renewal for a rostered minister's professional and personal life. A sabbatical is a significant time away from congregational responsibilities; a time to receive, to be nurtured, to dig deeper into one's self, and to reflect on the call to ministry and relationship to God. Sabbaticals should be holistic, including time for prayer, reflection, relaxation, and refreshment of body and spirit, as well as further developing gifts for continuing ministry. Sabbaticals may vary and invite different considerations in each congregation and ministry. Congregations and clergy both benefit from study, growth, and renewal and long-term mutual ministry is revitalized and stimulated.

Sabbatical Times and Duration

A Sabbatical policy is to be adopted by all congregations. Congregations in transition should work on adopting a Sabbatical policy, if not already in place, before they begin interviewing candidates. If a pastor is already serving a congregation without such a policy, implementation should be discussed and adopted at the earliest opportunity.

After every 5 years in a full time call, or having served 6-8 years total time in ministry, a sabbatical shall be offered to any rostered minister in the East Central Synod of Wisconsin. A sabbatical may be granted at an earlier point if deemed appropriate. The duration of a sabbatical is 3 months or more. The sabbatical may be divided into two sections of time but must be completed within a year of the first sabbatical day taken.

Sabbaticals are to be negotiated between the rostered minister, any appropriate congregational committee and the council. It is recommended that the Bishop be notified while a sabbatical is being negotiated. A sabbatical should imply (to both the congregation and the pastor) that there will be a return to the same position of ministry held prior to the sabbatical.

Coverage and Costs during the Sabbatical

The congregation will continue to fund full compensation and benefits for the rostered minister on sabbatical. The congregation, with Synod and conference support, is responsible for providing ministry coverage during the sabbatical. Coverage should be provided by congregational members, trained lay ministers, and the clergy of neighboring congregations. The congregation(s) may assist with costs of the sabbatical activity. Creative long term mutual funding between rostered ministers and the congregation for sabbatical activities is encouraged. Special or outside funding may be available depending on the goals and purposes of the sabbatical. Sabbaticals for part-time rostered staff or those in shared ministries may require special considerations.

APPENDIX E: Supply Preaching & Other Pastoral Services

From time to time your pastor(s) will not be available to lead worship services (including occasional services, weddings, funerals, etc.), or attend to other duties, due to taking vacation time, leave time, or their obligations to the church at large (attending conferences, continuing education, assisting the Bishop, helping sister congregations, etc.). The congregation will need to make alternate provisions in such cases. Most often congregations will request the services of another pastor on a “supply” basis to fill these needs.

The two most commonly required services include the leading of worship services and the teaching of confirmation or other classes. In most cases actual travel expenses will be approximated by reimbursing at the IRS mileage rate. However, there may be additional travel expenses (meals, lodging, compensation for time, etc.) that need to be discussed ahead of time and reimbursed when greater distances are traveled. The following provides minimum guidelines for compensation of Supply Pastors.

Minimum compensation for Supply Pastors

Worship Services

Worship services include weekly services, occasional services, weddings, funerals, etc.

Congregations - Please remember to pay your supply pastor(s) within two weeks of services provided.

Pastors - Please remember that the congregation’s treasurer needs a listing of your travel expenses and services provided.

One Worship Service: \$200 + Actual Travel Expenses

Two Worship Services: \$250 + Actual Travel Expenses

More than Two Worship Services: As Agreed + Actual Travel Expenses

IRS mileage for 2024 is \$.67 /mile. (Use 2025 rate for 2025.)

Confirmation or other Pastoral Teaching

Each Class: \$150 + Actual Travel Expenses

Additional Dollars budgeted by the Congregation for Time Agreement

To aid the congregation in the preparation of their budgets, the following schedule is provided to estimate the cost of the time agreement which you have made with your pastors.

Budging For Supply Preachers

Number of Days a Supply Pastor is needed to Lead Worship	
Multiplied by Rate One Worship Service - \$200 Two Worship Services - \$250 Each Class - \$150	
Add \$75 per day to approximate the cost of travel expenses	
Budgeted Cost for Supply Pastor	

Budgeting for Supply Teaching

Number of Days a Supply Pastor is needed to Teach Confirmation	
Multiplied by Rate Each Class - \$150	
Add \$75 per day to approximate the cost of travel expenses	
Budgeted Cost for Supply Teaching	

Other Pastoral Services (Visitation, consulting, etc.)

There are times when a congregation may call or contract with a pastor to do other ministry on a part-time basis (visitation, consulting, etc.) At minimum, these should be compensated at the rate of \$75/hour. Many consultants will charge a higher fee, but this is offered as a minimum and is otherwise negotiable.

Please note your congregation may incur other expenses. However, the above are the most common expenses.

APPENDIX F: Part-Time Church Musicians (less than 20 hours per week)

An approach to determining compensation of part-time church musicians follows. We urge you to use the fairest method to determine a just compensation.

Number of Hours per Week

The church musician’s work covers a broad spectrum of activities, some of which is “visibly” observed by the congregation (worship services, rehearsals) but much of which goes “unseen” (music selection, practice time, rehearsal preparation, etc.). In order to determine the number of working hours/week for a church musician it is advisable that the following worksheet be filled out together by the personnel committee, pastor and musician. (See Table B.)

Level of Competency

The level of competency is determined by using the categories of DEACON or Lay Minister that most closely matches the experience and training of the musician. Simply apply the dollar per hour from the appropriate level of competence and multiply by the number of hours worked per week to determine compensation.

Additional Minimum Recommended Fees for Part-time Organists:

Weddings	\$150
Funerals	\$150 (church should notify funeral home of fee)
Rehearsals	\$75 each

Table B - Hours/Week Musician’s Duties

Task	Hours per Week
Worship Service(s)	
Choir Rehearsal(s)	
Practice Time (Maintenance of technique and repertoire)	
Preparation for Rehearsals (Reviewing and selection of music, making scores, ordering materials needed, etc....)	
Service planning, consultation with clergy	
Meetings: staff and worship/music committee; organist and choir director; congregational	
Administrative tasks: maintaining the music library, copyright procedures, developing and administering the annual budget as approved by the church council/board	
Program building and recruiting; liturgical and musical training and	

enrichment for the congregation	
Auditioning and engaging soloists or small “special music” groups for worship services	
Special music programs; planning and scheduling hymn-sings, special services, concerts, performance productions	
Composition and arrangement of music for particular needs of the service or for voicing of the choirs, etc.	
Looking for and review of new compositions and editions, reading of musical and liturgical materials.	
Continuing education: teaching or attending church music workshops, professional meetings, lessons.	
Instrument maintenance and care (organ, piano, handbells, etc.....) and demonstrations	
Custodial work – furniture and instrument moving; setting up and clearing rehearsal and performance areas	
Writing articles for church publications; developing publicity material for newspapers, radios, etc.	
Other	
Total Hours Per Week	

Another appropriate formula to determine pay is that 3 hours of preparation are needed for each worship service. (Table C)

Table C – Alternate Formula for Compensation of Part Time Musicians

1. Allow 3 hour for preparation per worship service	3
2. Plus 1 hour for each service to be played	
3. Total Hours for which payment is to be paid	
4. Multiplied by hourly rate of pay	X \$
5. Total Amount before additional income to compensate lack of benefits	
6. Plus 10% of previous number since those working less than 20 hours per week receive no other benefits than FICA	
Total Compensation	

APPENDIX G: Support Staff

Most congregations are well-served not only by their rostered ministers but also by those whose ongoing ministry would be classified under the heading “Support Staff”. This category covers the dedicated servants of God who function as Administrative Assistants, Custodians, and others who serve in full and part-time positions in support of the congregational ministry. Support staff are often “unsung heroes” in a congregation. They do the work that is usually unnoticed when it is done correctly and they often become the ones who correct a mix-up or problem before it becomes unsolvable. Support staff have often chosen to work for the church because they care about God’s work. Let us, as a church, ensure we are caring for them.

Due to wide variations in local situations and individual responsibilities, it’s not possible for this guidelines document to provide recommendations of minimums or ranges for these staff positions. To determine fair compensation for these positions, check around for local levels of pay and benefits for similar work or positions within your surrounding community.

Additionally, we offer the following as guidelines:

- 1. Create and regularly update position descriptions (including required hours).**

The presence of job descriptions and time expectations can often help identify areas of additional need or situations where adjustments of expectations should be discussed.

- 2. Define the “line of supervision” so that both staff and those responsible for supervision are aware.**

Clear supervisory lines assist the support staff and the congregation in knowing when and whom to contact if special needs for the employee’s time or special concerns about the employee arise.

- 3. Compare levels of compensation within the local community with other like positions at least once every two years.**

Often dedicated support staff who have been long-term employees have “fallen behind” others who labor in a similar category in the community. A fair comparison through the local Chamber of Commerce or local companies can usually be made without compromising the confidentiality issues of an individual’s pay. Fair compensation levels let congregations feel good and help congregational employees know they are cared for.

- 4. Define policies regarding vacation time, flex time, paid time off in case of illness, and paid holidays in writing and review regularly.**

Congregational employees need the same kinds of “time off” policies that local businesses offer for their employees. Comparisons through local Chambers of Commerce can again be easily secured.

5. Explore and implement policy for full and part time support staff benefits.

The ELCA offers many of these through Portico and allows support staff to be fully covered in many of the same ways as rostered ministers. Sometimes such benefits allow a dedicated employee to serve the church as a full time employee rather than leaving for private industry. Many of these benefits can also be worked out through private insurers in a local community. Often these plans can result in significant help to the employee in ways which do not result in a greatly increased tax burden to the employee.

6. Create and regularly review policy for support staff continuing education funding and time.

Often, we forget that new machinery, computers, and programs come out every year. Who better to learn about new ways to increase a congregation’s efficiency and proficiency than the support staff? Sometimes support staff need intentional reminders and expectations because they are so dedicated to getting the job done that they won’t spend time away without encouragement. Almost always, time spent in continuing education brings more benefit back home than the continuing education event cost.

7. Make the support staff visible and offer appreciation.

Ensure that their names are known to members, that someone says a public “thank you” regularly, that they are recognized to show that the congregation is proud of its employees and their work. Ensure that there is a communication system in place for them to report equipment that is broken or no longer efficient and might be in need of repair or replacement. Set up a system of feedback so that the support staff feels appreciated and connected.

8. Reconsider compensation on an annual basis including COLA and benefits.

We recommend providing benefits for all full-time staff. Also, to keep pace with inflation, we recommend that congregations consider increasing pay for non-rostered staff according to the Cost-of-Living Adjustment (COLA) released by the Social Security Administration each year.