

EOA/WRA 2017 Compensation Guidelines for Authorized Ministers

PREAMBLE

The EOA/WRA Association Councils recommend these compensation guidelines for *full-time* pastoral leaders. The Association Councils are aware that some congregations may not be able to compensate their leaders according to these *guidelines* but hopes they prove useful to churches when addressing compensation matters.

These guidelines focus on the total cost of funding the position of pastor. They also include recommendations around specific parts of the package. Our recommendation is that you start with the minimum total needed to adequately fund the position, and then work with the best allocation of that total to meet the needs of your pastor.

Conversations on salary considerations need to be grounded in the following:

The Covenant Relationship: When a church calls a person to assume responsibility as pastor and teacher, it covenants with that person, with God, and with the wider church to care, to support and to grow in love and fairness. An annual review of what the Church is doing, and how it compensates those who are its workers, is an important part of the covenantal relationship, and should be seen in that context.

The Concept of Stewardship: We are the stewards of God's resources as they are present in our lives and in the life of the church. In seeking to best use the resources entrusted to its care, a church should be sensitive to its own mission statement, and aware of the needs of its staff members. Being good stewards implies that we are trying to act, as God wants us to. Being good stewards means struggling with issues like how God is calling us to compensate our employees, to care for our volunteers, and to give to the wider mission and ministry of the denomination.

The Concept of Justice: The concept of justice calls us to provide fair and adequate support for those who labor in the local church. This means providing adequate salaries, uninterrupted times for rest and relaxation, and providing for the staff's continued growth. Pastors are entitled to be treated equitably for payment of services, and their working conditions should be reviewed annually.

A. CASH SALARY

Fair and just compensation for ministerial leadership should be reviewed by all parties involved, and to this end, EOA/WRA Authorized Minister Compensation Guidelines are provided. The CASH SALARY is the amount of actual dollars paid to the minister. Cash salary DOES NOT include housing, utilities, allowances, benefits, Social Security or reimbursable expenses. The EOA/WRA Authorized Minister Compensation Guidelines are for all authorized ministers serving in local congregations and institutions.

1. In 2017, a starting cash salary for a full time, newly ordained pastor with ministerial standing in the EOA/WRA Associations of the United Church of Christ is recommended at **\$33,685**

The cash salary, cash income, of **\$33,685** is seen as the minimum for all full-time pastorates. All churches are urged to strive toward meeting these guidelines by incrementally increasing income over the long term until guidelines are met. Ministers serving churches that pay less than the minimum Cash Salary, however, are

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encouraged to negotiate an arrangement with their church which will allow them to acquire supplemental income.

Not all locations of the EOA/WRA Associations are the same economically. It is suggested that each congregation review the salaries of local school educators with a Master’s degree and administrators for equivalent education levels for fair salaries for your community. Those levels may be higher or lower and could be adjusted for that local congregation’s setting.

2. Additional Factors to Consider

a. Experience

Because of the value of experience, **\$800** should be added to the starting salary of **\$33,685** for each year of ordained ministry, with a cap at 15 years, regardless where the pastor has served. Thus, a church that calls a pastor with 15 years of experience would add **\$12,000** to the starting salary. Churches that have yet to meet the guidelines are encouraged to be in conversation with the Association to explore possibilities.

b. Size of church, history and location

Because of history and location, additional resources and church budget, some churches are able to pay larger salaries. With increased worship attendance size for a congregation, there are increased responsibilities and workload. The following scale is to be used for adding to the starting figure:

Average Attendance at worship	
75-125, add	\$1,000-2,100
125-225, add	\$2,100-3,150
225-350, add	\$3,150-4,200
Over 351, add	\$5,500+

B. HOUSING

PARSONAGE PROVIDED – If the church provides a parsonage, full utility costs should be provided. Authorized ministers living in a parsonage are advised to designate a portion of their cash salary as a “furnishings allowance.” To the extent that it is used to pay for parsonage related expenses this allowance is not subject to income taxes. This allowance is normally not more than 10% of their salary.

EQUITY ALLOWANCE –A church that provides it pastor with a parsonage may want to consider establishing a housing equity fund that would be payable upon retirement or at some other time in the future. The fund would accumulate according to the specific agreement during the active service of the pastor and then be available in a variety of payment options

The EOA/WRA Associations do not play a role in such plans other than suggesting use of pooled income of funds as the repository for Housing Equity Funds in the United Church Foundation, which is administered by the UCC Pension Boards.

HOUSING ALLOWANCE – If the church provides a housing allowance, the allowance should be the equivalent of the fair rental value of reasonable and appropriately furnished (including utilities) housing in that community or an amount equivalent to 30% of the cash salary. This is in addition to base salary.

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C. REIMBURSED EXPENSES

PROFESSIONAL EXPENSES – Churches are expected to reimburse all professional expenses of ordained ministers and licensed ministers. This is to include participation in a Community of Practice Pastoral Excellence Group, the fee for which should be paid by the church.

AUTOMOBILE – Automobile Expense is a church business expense and should be compensated fully. Compensation may take one of several forms.

- a. Per mile allowance (as allowed by IRS guidelines)
- b. Provision of an automobile and payment of all expenses for church use.
(Note that annual lump sum payments are now considered taxable income by IRS. Churches should check current IRS law. Information about current automobile expenses can be found at www.irs.gov web site.)

BUSINESS – Association, Conference, and parish business. These expenses should be paid by the church in full.

MOVING EXPENSES – Moving expenses should be paid in full by the church calling an ordained minister. This is a church expense and shall not be considered as salary.

BACKGROUND CHECK – When an authorized minister prepares a profile, the authorized minister must pay for a background check before that profile can be circulated. When a pastor is called to a new setting, the local church is expected to pay the full cost of that background check to the newly called pastor.

D. BENEFITS

SOCIAL SECURITY OFFSET –It is recommended the church or employer contribute (“offset”) half the amount the minister must pay, through the Self Employment Tax, for Social Security and Medicare. As of February 1, 2013 the Self Employment Tax is 15.3%, therefore the church “offset” is 7.65% of the salary and housing allowance. (All employers are already required to make this contribution for their regular employees. See IRS Notice 1036.)

GROUP HEALTH, VISION AND DENTAL INSURANCE – Churches are expected to pay the premium in full. (Congregations are encouraged to use the UCC Health Insurance plans whenever possible.) If the pastor chooses to participate in another health insurance plan, the church pays the insurance premiums directly to the covering insurance provider. Rates for UCC Health Insurance are available from the UCC Pension Board.

MEDICARE – At age 65, when a pastor goes on Medicare, the local church is encouraged to pick up the cost of a Medicare Supplement Plan, which can be covered by the sharply lower premium of health insurance.

LIFE INSURANCE AND DISABILITY INCOME BENEFIT PLAN – A UCC disability income and life insurance program should be provided at 1.5% of Salary “Basis.” Salary basis equals the cash base salary plus housing allowance or 130% of cash base if a parsonage is provided.

With the support of the Short-term Disability Plan, the church will be responsible only for the first month of full salary and housing and 40% of salary and housing for months two through six. The remainder of salary and

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housing will be covered by the short-term disability policy. Long-term disability coverage begins after six months, and the church has no further financial responsibility.

ANNUITY – Annuity should be paid at 14% of Cash Salary and the Housing amount to the UCC Pension Board. If a parsonage is provided, 30% of the total cash salary should be added for the basis upon which the annuity is paid. Additional contributions may be made if desired.

FLEXIBLE SPENDING ACCOUNT PLAN – Churches are encouraged to set up a Flexible Spending Account Plan either through the UCC Pension Boards or managed in the local church. After an initial cost of setting up the plan, there is no expense to the church but a considerable tax advantage for the pastor.

MALPRACTICE INSURANCE – The UCC insurance plan covers the pastor for malpractice insurance. If the local church does not have UCC insurance plan, malpractice insurance is to be provided to the pastor.

EDUCATIONAL MATERIALS AND CONTINUING EDUCATION – Churches are encouraged to provide time and financial assistance for study and continuing education for their pastor, with a minimum of **two weeks** annually (other than vacation). The annual budget line item is to be 1% of the annual salary and housing, at minimum \$500 annually, to assist with the costs of continuing education and resources.

PARENTAL LEAVE – Maternity/single parent leave with pay up to eight weeks and paternity leave following the birth/adoption of a child with full salary and benefits. An ordained minister who is the parent of a newborn and/or newly adopted child or who is pregnant or a single parent may take, in addition to the paid leave, up to three months total leave, the last month of which is either accrued vacation time or leave without pay.

COMPASSIONATE LEAVE – Allowance must be made for the pastor to be with his other immediate family at times of special celebration such as weddings or graduations and at times of personal emergency or unusual family responsibility. Paid personal leaves would normally be limited to a period of 5-7 days per year, except where compassion dictates further extension. These days are not accruable.

SICK LEAVE – Sick leave may be granted to ordained staff for personal illness or the illness of a dependent family member as defined by the local church governing board. It is recommended that one sick day for each month of the year, which can be accrued up to 30 days, with full salary, housing and benefits.

JURY DUTY

In accordance with State law, an employee must be allowed the necessary time off if summoned for jury duty. Authorized Ministers or employees are expected to return to their normal duties if they are excused from jury duty during their regular working hours.

SABBATICAL LEAVE – At the time of call, arrangements for a 3-4 month sabbatical after five (5) years of service, with full pay and benefits should be made. It is recommended that the church establish a separate account for sabbatical leave and contribute to it annually.

During the time of sabbatical all salary, housing and benefits are paid to the pastor. Attention needs to be given to the expense of the congregation and pastor, for pastoral coverage for the church during the sabbatical and the pastor's sabbatical expenses. Then at the time of sabbatical leave funds will be available to cover the cost of the interim.

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Upon return, the sabbatical experiences should be shared with the congregation. It is assumed that the minister will return to the present pastorate for at least one year after sabbatical leave.

VACATION – Vacation time should be a minimum of one month per year, including four Sundays, and an additional week for every five years served in that local church. It is the responsibility of the church to fill the pulpit during this time.

DAYS OFF – On average a pastor works 45-55 hours per week. Congregations and pastors are encouraged to limit evenings (counseling, meetings) to three or less per week. Pastors are encouraged to take at least two full days off per week. Sunday is a workday for pastors.

COLLEGIAL TIME – Authorized Minister retreats, ministerial meetings, support groups, mission trips, continuing education, church camp, and sabbatical leave are not to be construed as vacation time. Ordained ministers and licensed ministers are expected to participate in the work of the wider church in the association, conference and national settings, which is not vacation time.

WORKER'S COMPENSATION – Congregations are encouraged to cover their pastoral staff with Workers Compensation Insurance as they are required to do by state law for lay employees.

MULTIPLE STAFF AND SUPPORT STAFF PERSONNEL

All conditions described in this document pertaining to ordained senior ministers pertain equally to ordained associate, assistant ministers and licensed ministers. Appropriate compensation for associate, assistant or licensed ministers may vary due to the scope of their responsibilities, ministerial training and experience. No ordained minister should be expected to serve for less than the minimum EOA/WRA Association recommended salary.

Program and office support staff should receive fair and equitable salaries and benefits in accordance with their responsibilities, training and experience.

PERSONNEL POLICY

Every church should have a personnel policy for all employees of the congregation. The EOA/WRA Associations Office can supply your church with a sample policy for a congregation if needed.

BEGINNING THE NEW YEAR

It is recommended that at the beginning of each new year with the governing board of your church and pastoral relations committee, *The Ordained Minister's Code* be read aloud. It is further recommended *The Local Church in Relation to its Pastor* also be read aloud. Reading these documents will demonstrate the seriousness of this covenant commitment between the pastor and the congregation, and the congregation and the pastor. For some

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this will be new information. For others, this will be a reminder of the covenant commitment made when your pastor was called to serve your local church.

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Authorized Minister Compensation Worksheet

Minimum Full-Time Cash Salary	\$33,685
Experience differential (\$800 x years of experience up to 15 years)	
Difference for size of worshipping congregation Average Attendance: 75-125 – add \$1,000-2,100 125-225 – add \$2,100 – 3,150 225-350 – add \$3,150 – 4,200 Over 351 – add \$5,500+	
Furnishings Allowance (If parsonage is provided, up to 10% of cash salary)	
Housing Allowance (If no parsonage is provided)	
Social Security Off-set (7.65% of cash salary plus Furnishings or Housing Allowance)	
Pension/Annuity (14% of cash salary plus Furnishings or Housing Allowance)	
Total Compensation*	
Insurances:	
Medical & Dental	
Life and Disability (1.5% of cash salary plus Furnishings or Housing Allowance)	
Worker's Compensation insurance	
Total Insurances:	
Professional Expenses:	
Continuing Education, Pastoral Excellence Group, Sabbatical Savings	
Mileage Reimbursement	
Professional Expenses	
Conference/Association Expense	
Total Professional Expenses:	
Total Salary, Benefits, and Professional Expenses	

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